

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING

REPORT

TUESDAY MARCH 3, 2026 – 3:00 PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Ron Kicinski, Malory Boyd, George Croll, Ty Staheli, John Svika, and Renee Morquecho

1. Call to Order

The Finance Committee Meeting was called to order at 3:00 pm.

2. Committee/Public Comments

None.

3. Fraud Risk Discussion

Description: Discuss potential or actual fraud risks within the organization.

Nothing to report.

4. GA Imported Water Costs

Description: Discuss imported water costs and potential impact to customers' bills

Mr. Croll reported that the Army Corp of Engineers are in the process of validating the pipeline project costs. Board member Kicinski is looking at information to verify GA approved invoices and audit expenditures. Information gathered to date show a large discrepancy which he is trying to verify.

5. Brady Street Actual to Budget

Description: Presentation to Committee of the Brady Street Project budget status

The construction crew has as of this date installed 2,520 feet of 24" pipe. The FY 2026 capital budget included \$1,330,000 for this project. To date, total expended is \$830,504.

6. Fourth Quarter 2025 Investment Reports

Description: Presentation to Committee of the quarterly investment earnings of the District's reserves in the Kern County Treasury and the State Treasury's Local Agency Investment Fund (LAIF).

**INDIAN WELLS VALLEY WATER DISTRICT
 QUARTERLY INVESTMENT REPORT
 QUARTER ENDING DECEMBER 2025**

INVESTMENTS	UNRESTRICTED	RESTRICTED	TOTAL
Cash in Bank	\$ 4,312,296	0	
Local Agency Investment Fund	358,044		
Kern County Treasurer	7,294,455	149,296	
BNY Mellon 2024 Bond Project Fund		2,843,135	
Total Water District Investments	<u>\$ 11,964,795</u>	<u>\$ 2,992,431</u>	<u>\$ 14,957,225</u>

RESERVES	DISTRICT DESIGNATED	RESTRICTED	TOTAL
Capital Improvements & Replacements (Committed)	\$ 764,486		
Vehicle Replacement (Assigned)	355,411		
Computer Equipment Replacement (Assigned)	101,546		
Emergency Reserve (Committed)	3,448,256		
Alternate Water Supply/Future Source of Supply (Assigned)	2,258,849		
Miscellaneous Capital (Assigned for projects postponed)	20,850		
Customer Deposits & Credits (Nonspendable)	295,006		
Prepaid Connection Fees (Nonspendable)	434,329		
Post-Retirement Health Benefits - Kern County (Assigned)	345,056		
Emergency Reserve (Uncommitted)	3,941,005		
AD 87-1 Reserve Funds		76,403	
2024 Bond Project Funds		2,843,135	
Capital Facility Fees		<u>72,893</u>	
Total Water District Reserves	<u>\$ 11,964,795</u>	<u>\$ 2,992,431</u>	<u>\$ 14,957,225</u>

In the event of an emergency, the District may be required to use any or all unrestricted funds in Mission Bank, Kern County Treasury and LAIF

7. Financial Statements February 28, 2026 (preliminary)

Description: Presentation to Committee financial report depicting preliminary revenue and expense of the previous fiscal year.

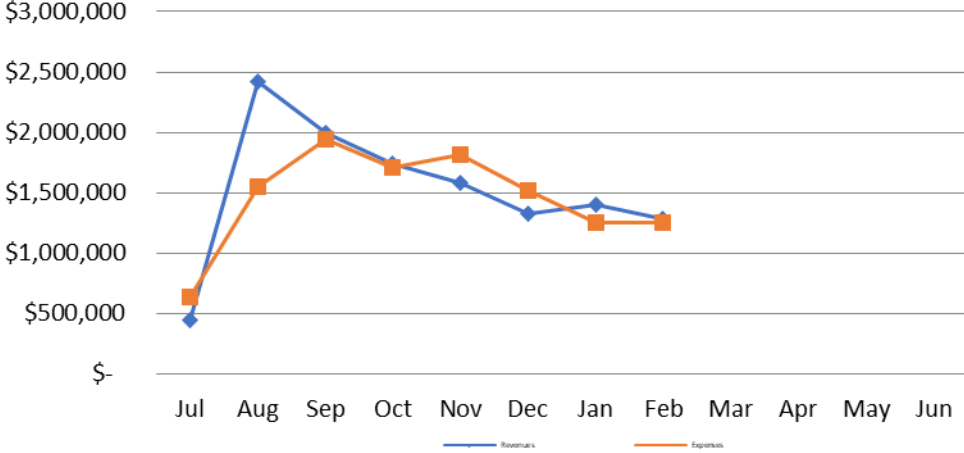
Estimated year-to-date revenues as of February 28, 2026, are \$12,172,284 and expenses are \$11,672,459, therefore revenues exceeded expenditures by \$499,825, which is better than budget by \$635,555.

Staff presented the following spreadsheet, which compares February year-to-date actual to budgeted revenues and expenses by category:

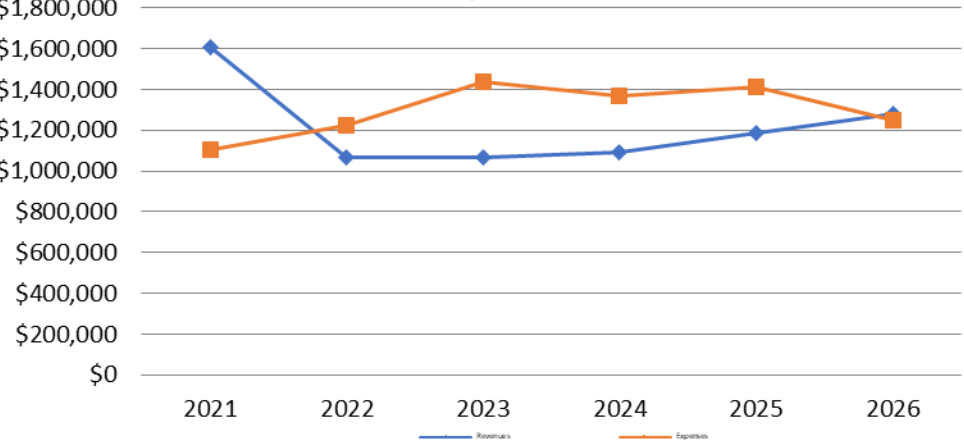
Indian Wells Valley Water District
Revenues vs. Expense
Actuals & Budget through February 2026 (Preliminary)

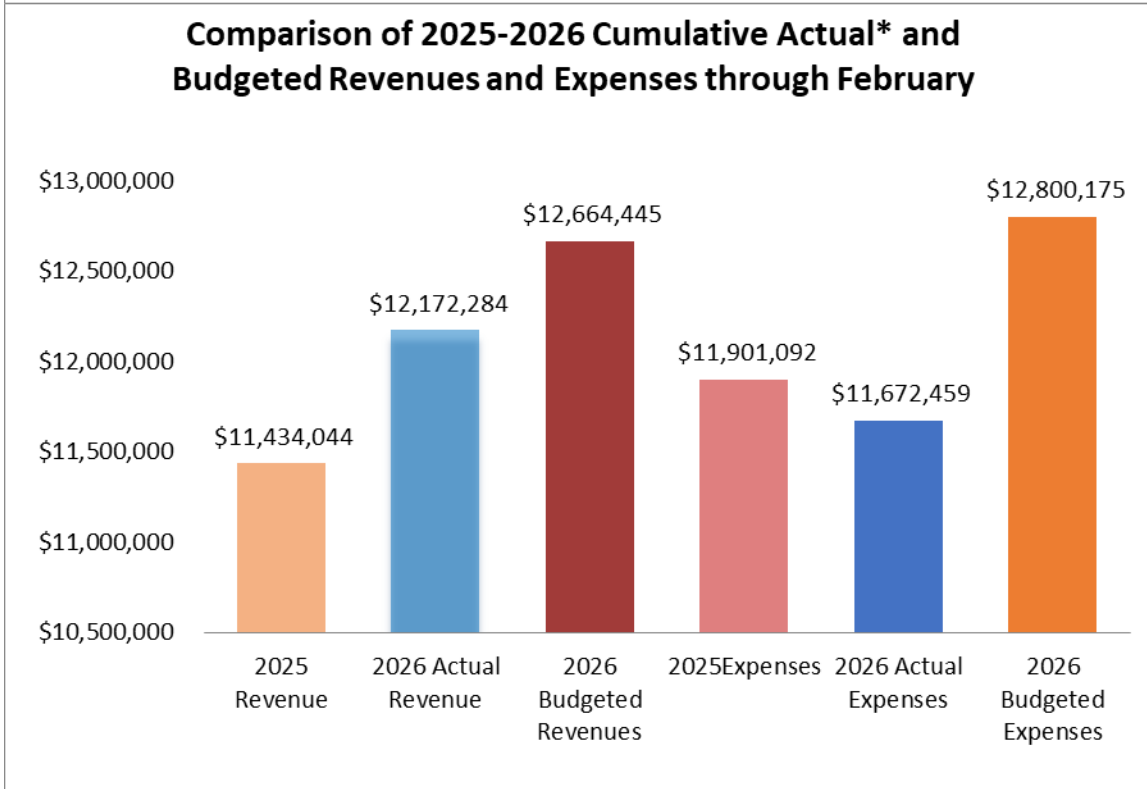
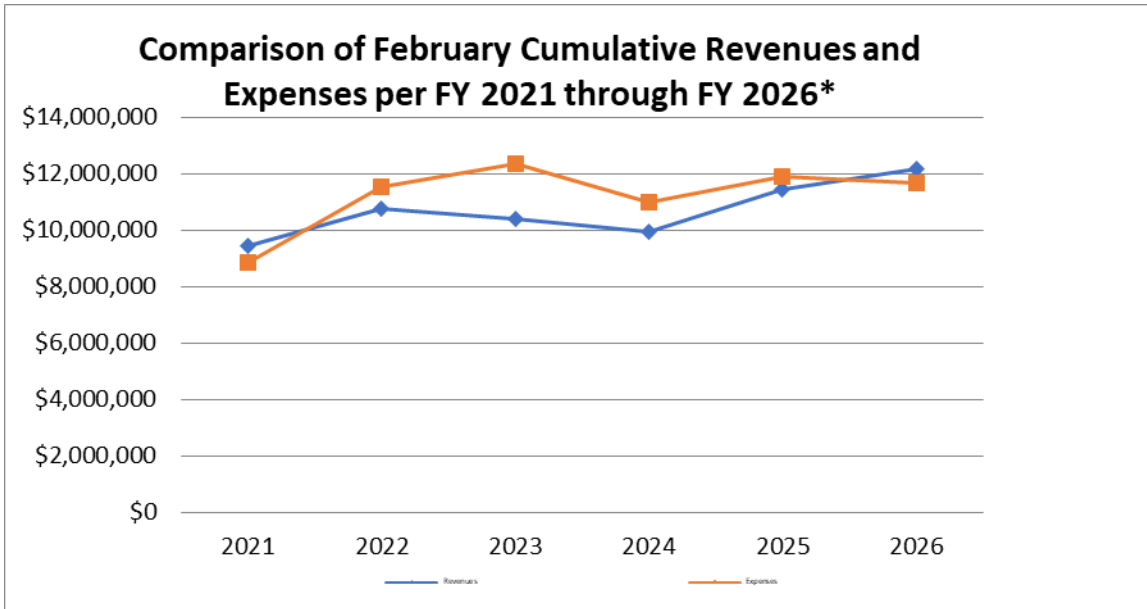
	2026 Budget	YTD Budget	Actuals	Δ
Revenues				
Total Water Sales	14,939,300	9,105,394	8,961,208	-144,186
GSA Fees	3,377,580	2,235,522	2,233,533	-1,989
Total Water Service Revenue	375,900	232,193	293,671	61,478
Total Non-Operating Income	172,400	106,491	99,738	-6,754
Capital Contributions	1,594,372	984,844	584,134	-400,710
Total Revenues	20,459,552	12,664,445	12,172,284	-492,161
Expenses				
Water Supply	1,907,557	1,266,236	1,095,444	-170,792
Arsenic Treatment Plants	462,519	307,020	114,238	-192,783
Transmission & Distribution	1,898,115	1,259,969	945,791	-314,178
Engineering	696,189	462,130	420,241	-41,889
Customer Service	566,939	376,334	236,164	-140,171
Field Services	600,408	398,551	344,111	-54,440
General & Administration	3,169,078	2,103,634	1,830,669	-272,965
Legal	1,500,000	995,700	912,309	-83,391
Legislative	107,100	71,093	72,197	1,104
Depreciation	3,300,000	2,200,000	2,200,000	0
Non-Operating, Interest	1,674,379	964,877	964,296	-581
Non-Operating, Miscellaneous	437,500	290,413	469,806	179,393
GSA Fees	3,420,830	2,020,446	2,013,092	-7,354
Non-Operating, Conservation	34,200	22,702	12,644	-10,058
Non-Operating, Alternate Water	92,000	61,070	41,459	-19,611
Total Expenses	19,866,814	12,800,175	11,672,459	-1,127,716
Net Revenue Increase (Decrease)	592,738	-135,729	499,825	635,555
Capital Expenditures			1,550,589	
-Bond or Grant Funded			560,357	
Debt Service Principle			750,436	
Total GSA Extraction Fee Paid			3,707,204	
Total GSA Replenishment Fee Paid			15,803,170	
			19,510,374	

Comparison of FY 2025-2026 Revenues and Expenses by Month



Comparison of February Revenues and Expenses per Fiscal Year





**Actual Revenues and Expenses are Estimated*

8. Accounts Payable Disbursements

Description: Presentation to Committee of Accounts Payable Disbursements reports for Board approval.

The Committee reviewed the accounts payable disbursements totaling \$877,884.43 as follows:

Checks through:	<u>2/12/26</u>	<u>2/26/26</u>
Prepaid	\$ 55,200.08	\$ 50,459.16
Current	<u>683,687.26</u>	<u>88,537.93</u>
Total	<u>\$ 738,887.34</u>	<u>\$ 138,997.09</u>

9. Future Agenda Items

-None

10. Adjournment

The Committee adjourned at 3:46 pm.