

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING

REPORT

TUESDAY SEPTEMBER 2, 2025 – 3:00 PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Ron Kicinski, Stan Rajtora, 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.

The District completed its Interim Audit and didn't receive any findings. None to report.

4. GA Imported Water Costs

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

George Croll informed the Committee that the 90% design of the pipeline is due to be released. This design should include estimated costs.

5. Second 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 JUNE 2025**

INVESTMENTS	UNRESTRICTED	RESTRICTED	TOTAL
Cash in Bank	\$ 1,957,575	0	
Local Agency Investment Fund	350,337		
Kern County Treasurer	7,147,209	146,296	
BNY Mellon 2024 Bond Project Fund		4,344,731	
Total Water District Investments	<u>\$ 9,455,121</u>	<u>\$ 4,491,027</u>	<u>\$ 13,946,148</u>

RESERVES	DISTRICT DESIGNATED	RESTRICTED	TOTAL
Capital Improvements & Replacements (Committed)	\$ 755,267		
Vehicle Replacement (Assigned)	351,067		
Computer Equipment Replacement (Assigned)	100,305		
Emergency Reserve (Committed)	3,406,742		
Alternate Water Supply/Future Source of Supply (Assigned)	2,173,005		
Miscellaneous Capital (Assigned for projects postponed)	19,929		
Customer Deposits & Credits (Nonspendable)	321,412		
Prepaid Connection Fees (Nonspendable)	414,592		
Post-Retirement Health Benefits - Kern County (Assigned)	340,894		
Emergency Reserve (Uncommitted)	1,571,908		
AD 87-1 Reserve Funds		74,283	
2024 Bond Project Funds		4,344,731	
Capital Facility Fees		<u>72,014</u>	
Total Water District Reserves	<u>\$ 9,455,121</u>	<u>\$ 4,491,027</u>	<u>\$ 13,946,148</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

6. Financial Statements June 30, 2025 (preliminary)

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

Estimated year-to-date revenues as of June 30, 2025, are \$21,886,875 and expenses are \$19,330,000, therefore revenues exceeded expenditures by \$2,556,875, which is better than budget by \$3,907,614.

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

Indian Wells Valley Water District
Revenues vs. Expense
Actuals & Budget through June 2025 (Preliminary)

	2025 Budget	YTD Budget	Actuals	Δ
Revenues				
Total Water Sales	13,064,552	13,064,552	14,003,901	939,349
GSA Fees	3,112,486	3,112,486	3,727,549	615,063
Total Water Service Revenue	375,900	375,900	448,872	72,972
Total Non-Operating Income	172,400	172,400	274,841	102,441
Capital Contributions	154,500	154,500	3,431,711	3,277,211
Total Revenues	16,879,838	16,879,838	21,886,875	5,007,037
Expenses				
Water Supply	1,622,677	1,622,677	1,686,110	63,433
Arsenic Treatment Plants	456,719	456,719	268,715	-188,004
Transmission & Distribution	1,861,515	1,861,515	1,755,013	-106,502
Engineering	544,019	554,019	621,522	67,503
Customer Service	516,579	516,579	456,825	-59,754
Field Services	570,208	570,208	576,905	6,697
General & Administration	2,758,794	2,758,794	2,859,507	100,713
Legal	1,050,000	1,050,000	1,295,392	245,392
Legislative	119,400	119,400	104,724	-14,676
Depreciation	3,300,000	3,300,000	3,300,000	0
Non-Operating, Interest	1,747,156	1,747,156	1,746,104	-1,052
Non-Operating, Miscellaneous	436,000	436,000	428,872	-7,128
GSA Fees	3,111,310	3,111,310	4,168,749	1,057,439
Non-Operating, Conservation	34,200	34,200	18,342	-15,858
Non-Operating, Alternate Water	92,000	92,000	43,219	-48,781
Total Expenses	18,220,578	18,230,578	19,330,000	1,099,422
Net Revenue Increase (Decrease)	-1,340,740	-1,350,740	2,556,875	3,907,614
Capital Expenditures			8,219,533	
-\$3 mil grant, 555k AD, balance bond			6,854,477	

7. Financial Statements August 31, 2025 (preliminary)

Description: Presentation to Committee financial reports and graphs depicting current revenue and expense trends compared to budget and previous fiscal year actuals.

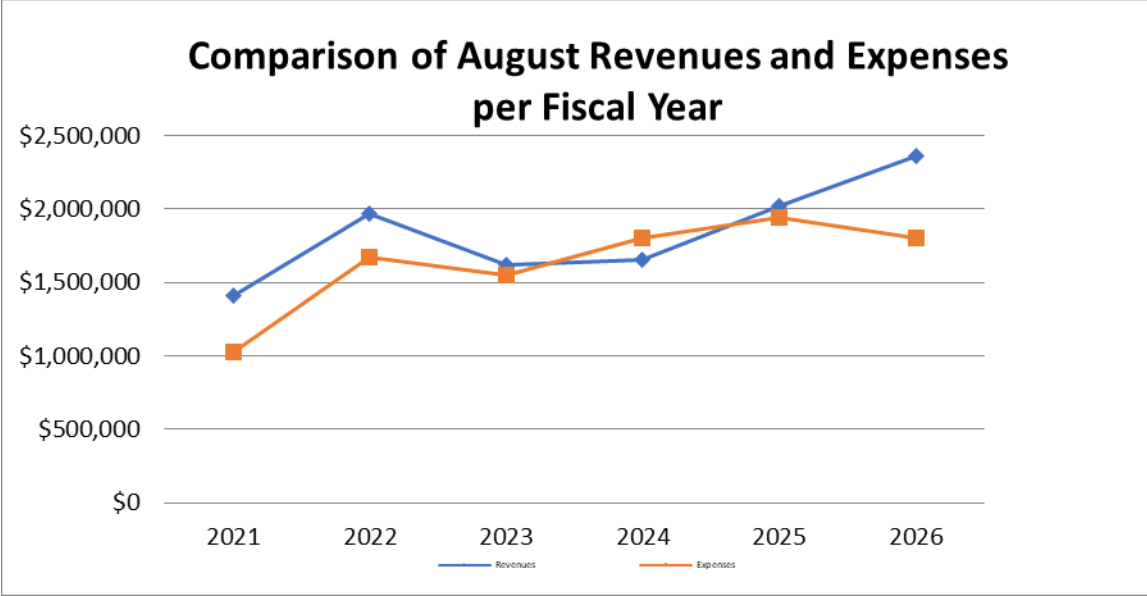
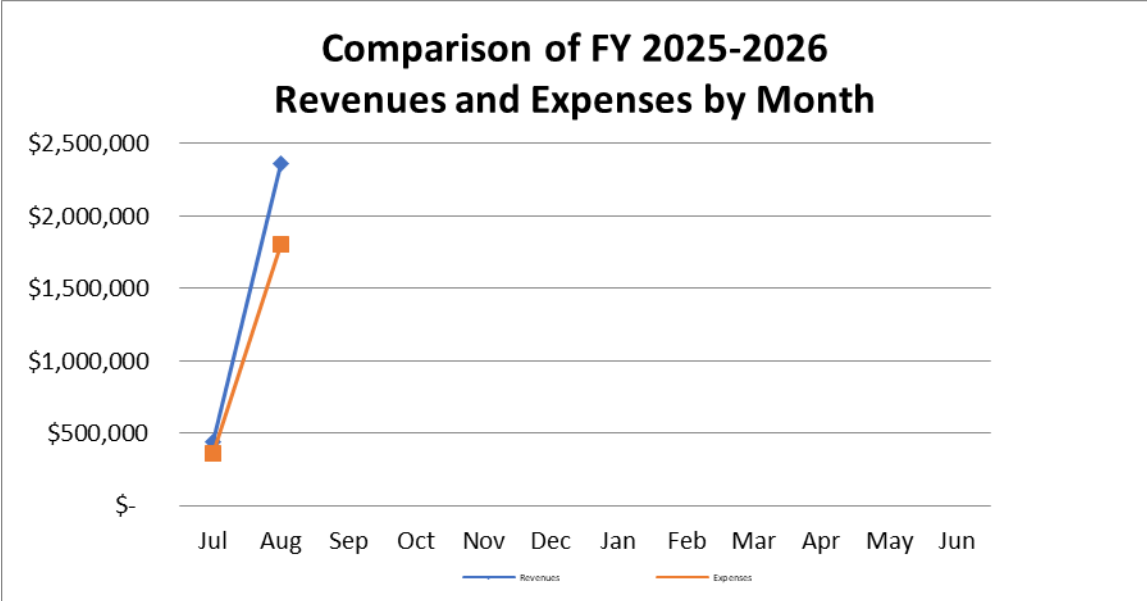
Estimated year-to-date revenues as of August 31, 2025, are \$2,798,944 and expenses are \$2,162,394, therefore revenues exceeded expenditures by \$2,162,394, which is better than budget by \$1,106,513.

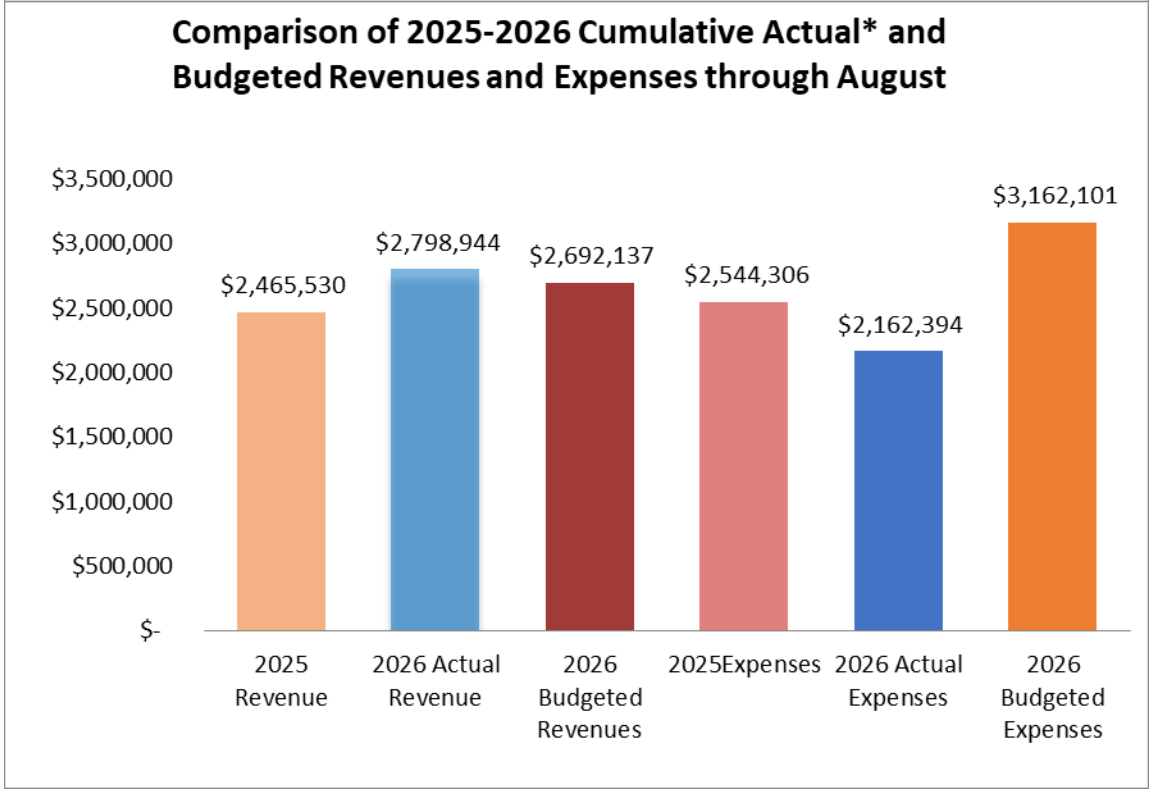
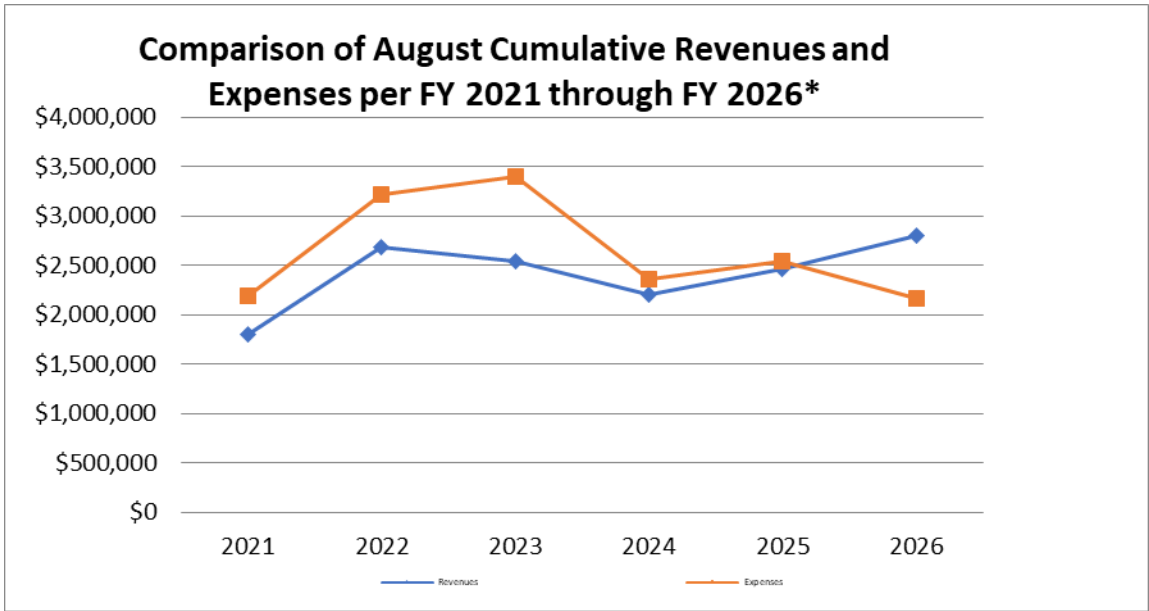
To date, the District rate payers have paid the Groundwater Authority \$18,140,216 in fees.

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

Indian Wells Valley Water District
Revenues vs. Expense
Actuals & Budget through August 2025 (Preliminary)

	2026 Budget	YTD Budget	Actuals	Δ
Revenues				
Total Water Sales	14,939,300	1,859,956	1,688,345	-171,612
GSA Fees	3,377,580	536,064	702,153	166,090
Total Water Service Revenue	375,900	51,949	66,497	14,548
Total Non-Operating Income	172,400	23,826	8,543	-15,283
Capital Contributions	1,594,372	220,342	333,405	113,063
Total Revenues	20,459,552	2,692,137	2,798,944	106,806
Expenses				
Water Supply	1,907,557	314,175	204,838	-109,337
Arsenic Treatment Plants	462,519	76,177	36,227	-39,950
Transmission & Distribution	1,898,115	312,620	122,859	-189,761
Engineering	696,189	114,662	89,862	-24,800
Customer Service	566,939	93,375	49,155	-44,220
Field Services	600,408	98,887	40,740	-58,147
General & Administration	3,169,078	521,947	280,943	-241,004
Legal	1,500,000	247,050	103,350	-143,700
Legislative	107,100	17,639	21,792	4,153
Depreciation	3,300,000	550,000	550,000	0
Non-Operating, Interest	1,674,379	195,169	97,855	-97,315
Non-Operating, Miscellaneous	437,500	72,056	241,616	169,560
GSA Fees	3,420,830	527,558	321,933	-205,625
Non-Operating, Conservation	34,200	5,633	1,226	-4,407
Non-Operating, Alternate Water	92,000	15,152	0	-15,152
Total Expenses	19,866,814	3,162,101	2,162,394	-999,706
Net Revenue Increase (Decrease)	592,738	-469,963	636,549	1,106,513
Capital Expenditures			133,879	
-Bond or Grant Funded			23,016	
Debt Service Principle			187,212	
Total GSA Extraction Fee Paid			3,430,947	
Total GSA Replenishment Fee Paid			14,709,269	
			18,140,216	





**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 \$1,127,708.77 as follows:

Checks through:	<u>8/14/25</u>	<u>8/28/25</u>
Prepaid	\$ 61,145.62	\$ 56,229.51
Current	<u>614,394.52</u>	<u>395,939.12</u>
Total	<u>\$ 675,540.14</u>	<u>\$ 452,168.63</u>

9. Future Agenda Items

None

10. Adjournment

The Committee adjourned at 3:45 pm.