BOARD OF DIRECTORS INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE REGULAR MEETING

REPORT

TUESDAY DECEMBER 5, 2023 – 2:30 PM BOARD ROOM 500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: David Saint-Amand, Stan Rajtora, George Croll, Ty Staheli, Jason Lillion, and Renee Morquecho

1. Call to Order

The Finance Committee Meeting was called to order at 2:30 pm.

2. Committee/Public Comments

None.

3. Fraud Risk Discussion

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

None to report.

4. Inyokern Road Transmission Line Funding

Description: Discussion on funding for the replacement of the Inyokern Road Transmission Line.

Staff continues to work with CalMuni. Recent work has consisted of a financial Pro-forma for the underwriters and for inclusion in the rating agency presentation. Staff is still anticipating an early January meeting with S&P for the rating agency presentation.

Staff anticipates bringing the bonds for Board approval at the January 8th meeting with closing early February. The Inyokern Road pipeline bid process is running concurrently.

5. GA Imported Water Costs

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

Staff continues to work on developing an accurate cost matrix inclusive of all associated costs to estimate impacts on customers.

GA meeting requests have not been fruitful. The GA legal has stated that costs associated with the project cannot be discussed with the District.

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Additional work with a multi-public agency project financial analyst may be necessary to complete analysis

6. Electric Vehicle Mandate

Description: Discuss the State's upcoming electric vehicle mandate.

The Governmental Electric Vehicle Mandate goes into effect January 1st, 2024. Initial requirements are 50% of new vehicle purchases must be Zero Emission Vehicles. Starting January 1st, 2027, 100% of new vehicle purchases must be Zero Emission Vehicles.

Exemptions that Staff is exploring include: Emergency Vehicles, Backup Vehicles, Daily Use Exemption, Infrastructure Delays, Unavailable Equivalent, and Mutual Aid Assistance Vehicles.

Staff is researching appropriate electric vehicles, identifying which fleet vehicles would be impacted, and the ability of zero-mile rebuilds of current fleet vehicles.

The Committee asked the General Manager to discuss with the City Manager the City's plans and see if there are aspects of the implementation that would be beneficial to coordinate between the District and City.

7. Financial Statements November 30, 2023 (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 November 30, 2023, are \$6,493,362 and expenses are \$7,014,563, therefore expenditures exceeded revenues by \$521,201, which is less than budget by \$60,780. A caveat to net revenue is that the District has to-date exceeded its Calendar GA Replenishment payments due to current pumping to the amount of \$800,000, which will be credited to next calendar year's payments.

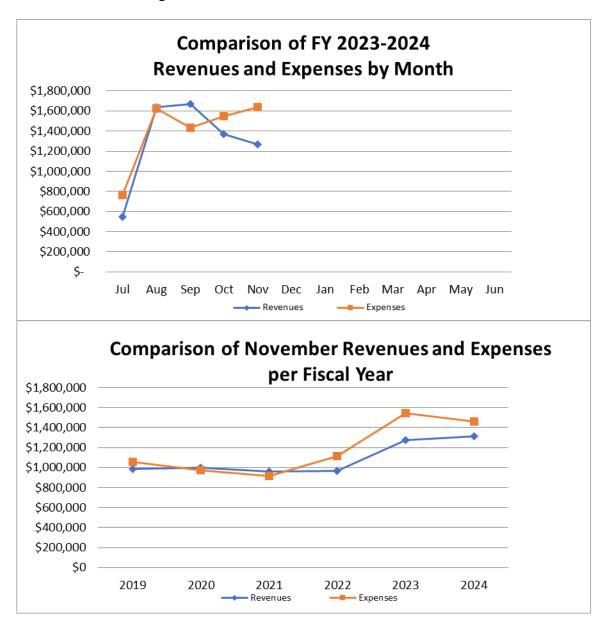
To date, the District has paid the Groundwater Authority \$13,182,033 in fees.

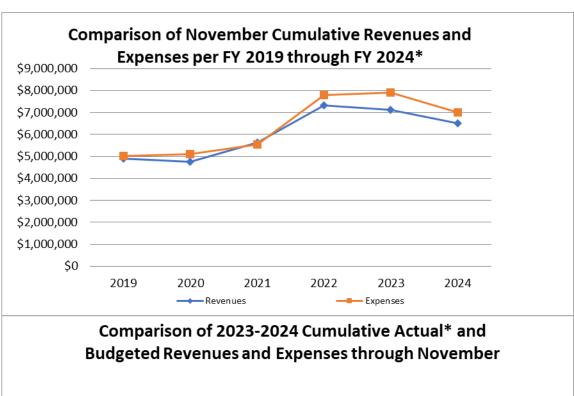
Staff presented the following spreadsheet, which compares November year-to-date actual to budgeted revenues and expenses by category:

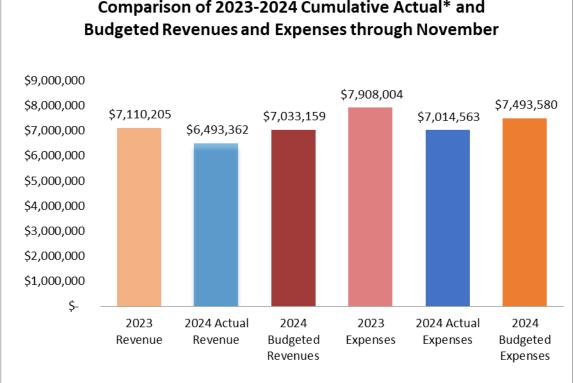
Indian Wells Valley Water District

Revenues vs. Expense Actuals & Budget through November 2023 (Preliminary)

	Budget	Actuals	Δ
Revenues			
Total Water Sales	5,097,028	4,748,942	-348,086
GSA Fees	1,595,903	1,460,208	-135,696
Total Water Service Revenue	155,435	168,476	13,042
Total Non-Operating Income	113,506	67,911	-45,595
Capital Contributions	71,287	47,825	-23,463
Total Revenues	7,033,159	6,493,362	-539,797
Expenses			
Water Supply	519,363	541,870	22,508
Arsenic Treatment Plants	177,309	146,943	-30,366
Transmission & Distribution	884,486	604,845	-279,640
Engineering	212,985	197,708	-15,277
Customer Service	207,925	87,211	-120,714
Field Services	221,797	248,384	26,587
General & Administration	1,459,719	1,323,175	-136,544
Legislative	41,079	33,791	-7,288
Depreciation	1,375,000	1,375,000	0
Non-Operating, Interest	571,347	571,347	0
Non-Operating, Miscellaneous	115,776	214,896	99,120
GSA Fees	1,688,186	1,592,958	-95,228
Non-Operating, Conservation	14,665	21,586	6,921
Non-Operating, Alternate Water	3,945	54,849	50,904
Total Expenses	7,493,580	7,014,563	-479,017
Net Revenue Increase (Decrease)	-460,421	-521,201	-60,780
Capital Expenditures		852,964	
Debt Service Principle		463,193	
Total GSA Extraction Fee Paid		2,376,708	
Total GSA Replenishment Fee Paid		10,805,325	
		13,182,033	







^{*}Actual Revenues and Expenses are Estimated

8. Accounts Payable Disbursements

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

The Committee recommended approval of accounts payable disbursements totaling \$1,145,350.53 as follows:

Checks through:	11/9/23	11/20/23	11/29/23
Prepaid	\$ 61,243.75	\$ 54,450.99	\$ 114,635.19
Current	459,767.16	455,253.44	0
Total	<u>\$ 521,010.91</u>	\$ 509,704.43	\$ 114,635.19

9. Future Agenda Items

None

10. Adjournment

The Committee adjourned at 3:06 pm.