

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING
REPORT

TUESDAY, DECEMBER 4, 2018 – 3:00 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Peter Brown, Don Zdeba, Ty Staheli, and Renee Morquecho

1. Call to Order

The Finance Committee Meeting was called to order at 3:05 pm.

2. Committee/Public Comments

None

3. Fraud Risk Discussion

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

None to report.

4. Third Quarter 2018 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).

Staff presented the Third Quarter Investment Report.

**INDIAN WELLS VALLEY WATER DISTRICT
QUARTERLY INVESTMENT REPORT
QUARTER ENDING SEPTEMBER 2018**

INVESTMENTS	UNRESTRICTED	RESTRICTED	TOTAL
Cash in Bank	\$ 1,125,111	519,077.17	
Local Agency Investment Fund	1,016,700		
Kern County Treasurer	7,741,408	512,305	
BNY Western Trust Company 2009 Bond Reserve Fund		1,351,241	
City National Bank			

Finance Committee Meeting Report
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2012 Municipal Finance Reserve 110

BNY Mellon
2016 Solar Loan Reserve 556,761

Total Water District Investments \$ 9,883,218 \$ 2,939,493 \$ 12,822,711

RESERVES	DISTRICT DESIGNATED	RESTRICTED	TOTAL
Capital Improvements & Replacements (Committed)	\$ 2,085,266		
Vehicle Replacement (Assigned)	352,252		
Computer Equipment Replacement (Assigned)	100,643		
Emergency Reserve (Committed)	2,941,931		
Alternate Water Supply/Future Source of Supply (Assigned)	743,132		
Miscellaneous Capital (Assigned for projects postponed)	1,218,225		
Customer Deposits & Credits (Nonspendable)	306,013		
Prepaid Connection Fees (Nonspendable)	489,197		
Post-Retirement Health Benefits - Kern County (Assigned)	299,959		
Emergency Reserve (Uncommitted)	1,346,601		
AD 87-1 Reserve Funds (Restricted to pay Prop 55 Loan)		210,360	
2009 COP Reserve Funds		1,351,241	
2012 Loan Reserve Funds		110	
2016 Solar Loan Project Funds		519,077	
2016 Solar Loan Reserve Funds		556,761	
Prop 55 Loan Reserve Funds		301,945	
Total Water District Reserves	<u>\$ 9,883,218</u>	<u>\$ 2,939,493</u>	<u>\$ 12,822,711</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

5. Financial Statements November 30, 2018 (preliminary)

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

Estimated year to date revenues as of November 30, 2018 are \$4,871,585 and expenses are \$4,943,113, therefore expenses exceeded revenues by \$71,528, which trails budget by \$80,558.

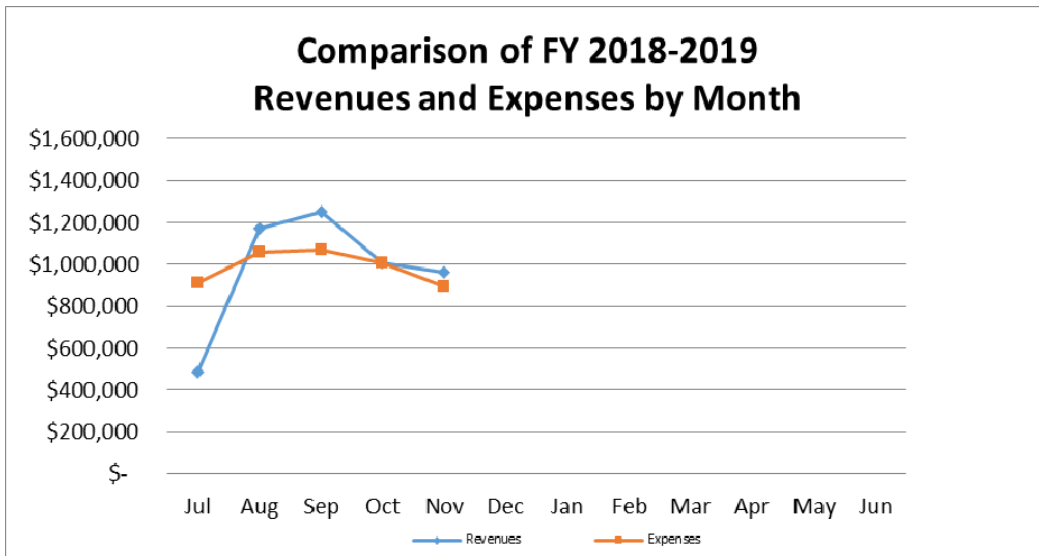
Staff presented the following spreadsheets, which compare November 2018 year-to-date actual to budgeted revenues and expenses by category:

Indian Wells Valley Water District

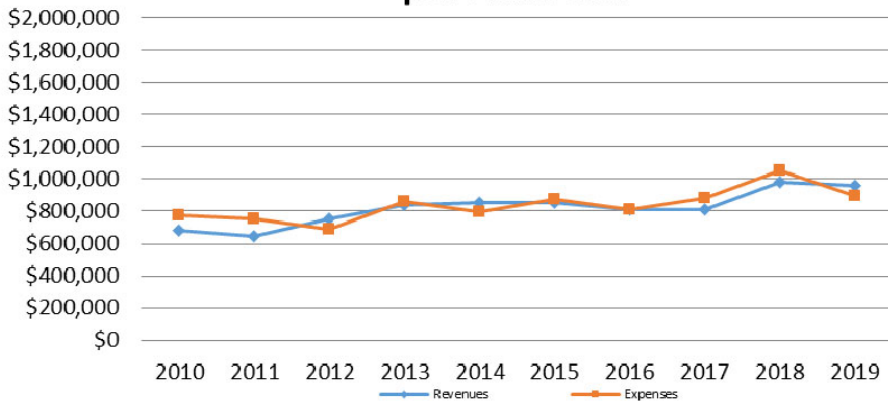
Revenues vs. Expense

Actuals & Budget through November 2018 (Preliminary)

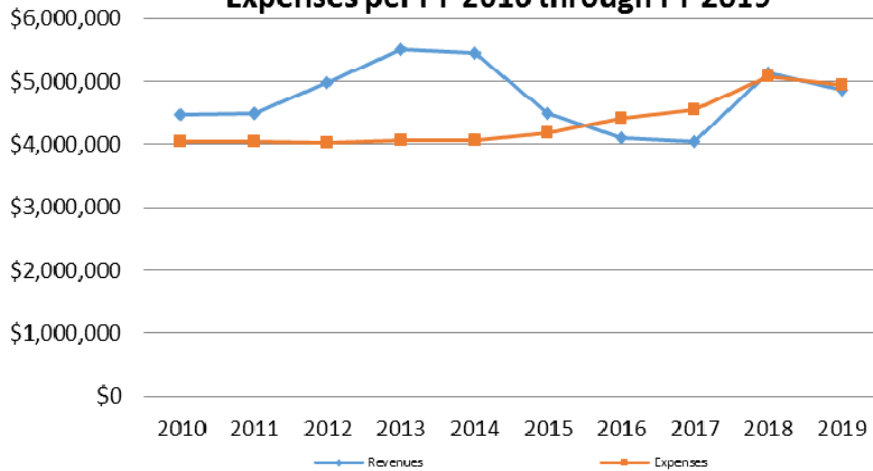
	Budget	Actuals	Δ
Revenues			
Total Water Sales	4,675,350	4,454,345	-221,005
Total Water Service Revenue	120,000	126,031	6,031
Total Non-Operating Income	169,500	176,008	6,508
Capital Contributions	69,250	115,201	45,951
Total Revenues	5,034,100	4,871,585	-162,515
Expenses			
Water Supply	304,679	431,271	126,592
Arsenic Treatment Plants	121,375	128,484	7,109
Transmission & Distribution	729,065	605,424	-123,641
Engineering	174,336	159,562	-14,774
Customer Service	149,497	143,727	-5,770
Field Services	165,179	281,879	116,700
General & Administration	851,421	929,831	78,410
Legislative	41,568	54,077	12,509
Depreciation	1,449,365	1,449,365	0
Non-Operating, Interest	466,425	430,250	-36,175
Non-Operating, Miscellaneous	125,075	157,551	32,476
Non-Operating, Conservation	180,655	23,915	-156,740
Non-Operating, Alternate Water	266,430	147,777	-118,653
Total Expenses	5,025,070	4,943,113	-81,957
Net Revenue Increase (Decrease)	9,030	-71,528	-80,558



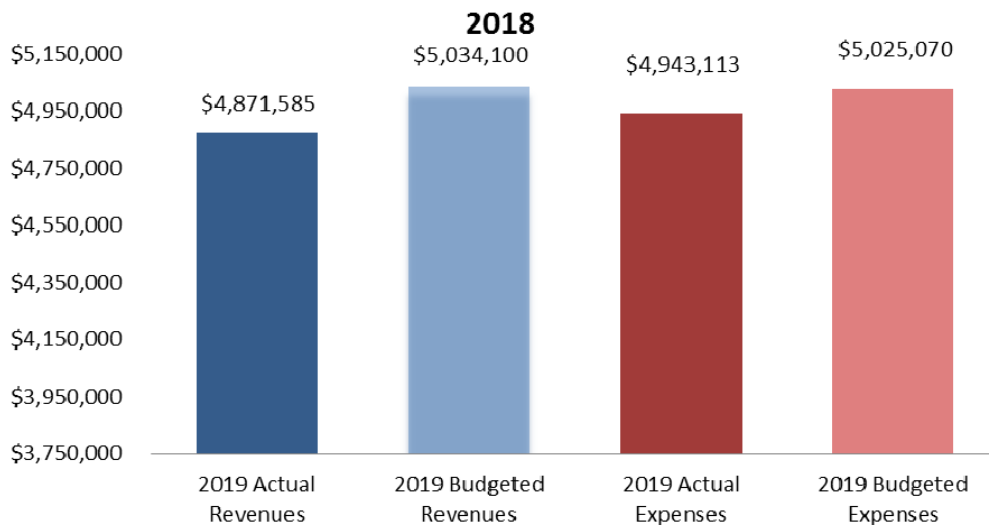
Comparison of November Revenues and Expenses per Fiscal Year



Comparison of November Cumulative Revenues and Expenses per FY 2010 through FY 2019*



Comparison of 2017-2018 Cumulative Actual* and Budgeted Revenues and Expenses through November



**Actual Revenues and Expenses are Estimated*

6. Accounts Payable Disbursements

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

The Committee recommended approval of accounts payable disbursements totaling \$946,399.97 as follows:

Checks through:	<u>11/04/18</u>	<u>11/18/18</u>
Prepaid	\$ 74,810.29	\$ 70,268.37
Current	<u>638,206.81</u>	<u>163,114.50</u>
Total	<u>\$ 713,017.10</u>	<u>\$ 233,382.87</u>

7. Future Agenda Items

None.

8. Adjournment

The Committee adjourned at 3:23 pm.