

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING
REPORT

TUESDAY, MAY 7, 2019 – 3:00 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Ron Kicinski, Stan Rajtora, Ty Staheli, Jason Lillion, 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.

None to report.

4. First Quarter 2019 Investment Report

Description: Presentation to the 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 is researching options for investment of the 2018 COP project funds.

**INDIAN WELLS VALLEY WATER DISTRICT
 QUARTERLY INVESTMENT REPORT
 QUARTER ENDING MARCH 2019**

INVESTMENTS	UNRESTRICTED	RESTRICTED	TOTAL
Cash in Bank	\$ 1,501,246	519,206.60	
Local Agency Investment Fund	1,028,401		
Kern County Treasurer	7,883,271	298,265	
BNY Western Trust Company 2009 Bond Reserve Fund		0	
BNY Mellon 2018 COP Project Fund		14,000,000	
Total Water District Investments	<u>\$ 10,412,918</u>	<u>\$ 14,817,472</u>	<u>\$ 25,230,390</u>

RESERVES	DISTRICT DESIGNATED	RESTRICTED	TOTAL
Capital Improvements & Replacements (Committed)	\$ 2,104,623		
Vehicle Replacement (Assigned)	355,522		
Computer Equipment Replacement (Assigned)	101,578		
Emergency Reserve (Committed)	2,969,240		
Alternate Water Supply/Future Source of Supply (Assigned)	820,032		
Miscellaneous Capital (Assigned for projects postponed)	1,229,533		
Customer Deposits & Credits (Nonspendable)	313,956		
Prepaid Connection Fees (Nonspendable)	512,420		
Post-Retirement Health Benefits - Kern County (Assigned)	302,744		
Emergency Reserve (Uncommitted)	1,703,271		
AD 87-1 Reserve Funds (Restricted to pay Prop 55 Loan)		296,571	
2009 COP Reserve Funds		0	
2012 Loan Reserve Funds		0	
2016 Solar Loan Project Funds		519,207	
2016 Solar Loan Reserve Funds		0	
2018 COP Project Funds		14,000,000	
Prop 55 Loan Reserve Funds		1,694	
Total Water District Reserves	<u>\$ 10,412,918</u>	<u>\$ 14,817,472</u>	<u>\$ 25,230,390</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 April 30, 2019 (preliminary)

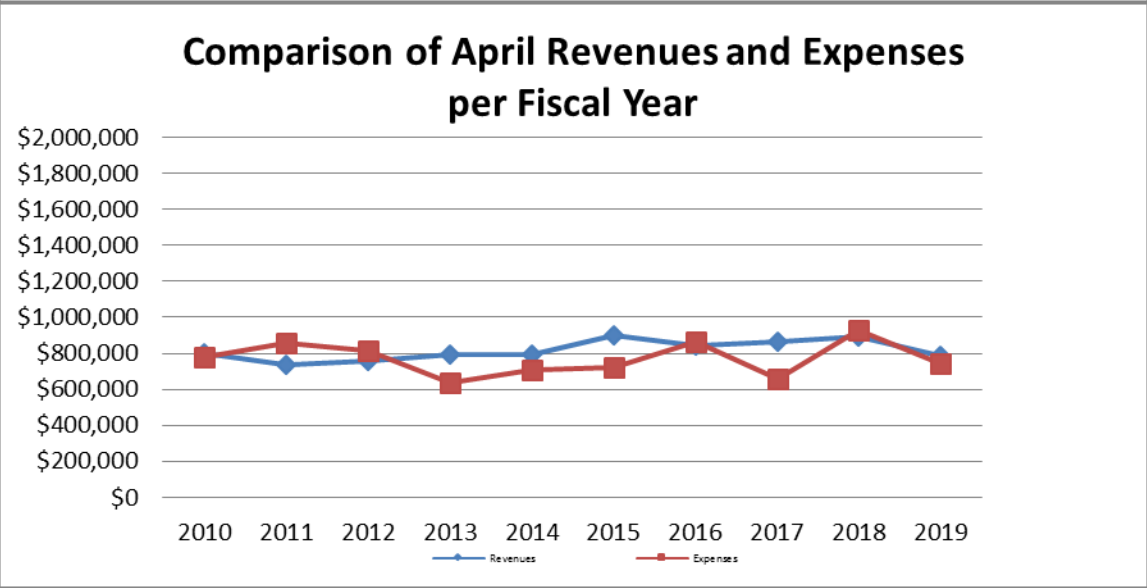
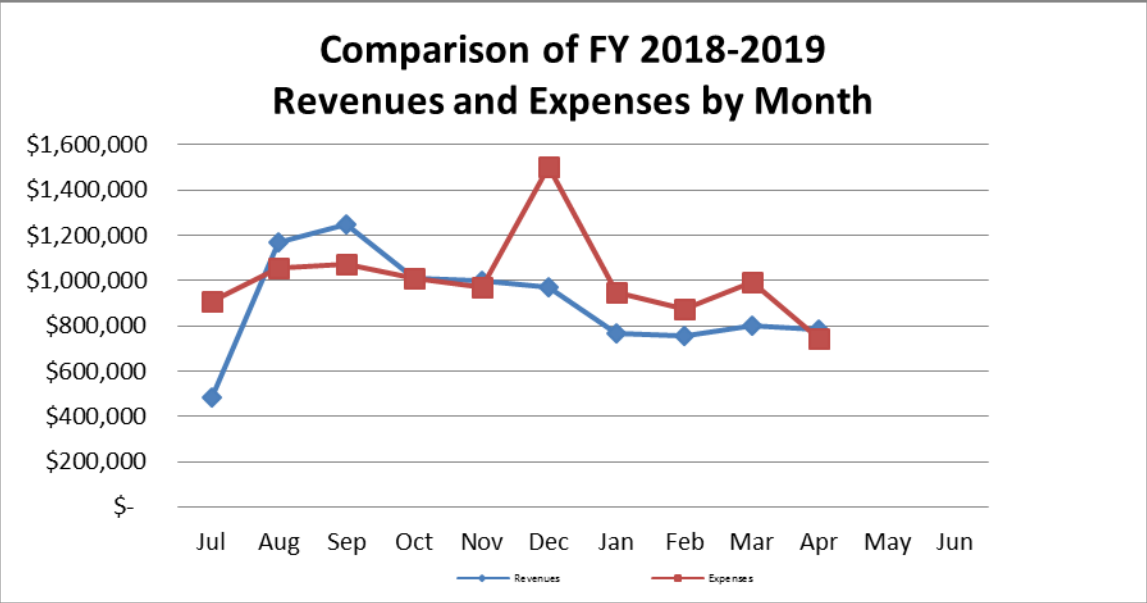
Description: Presentation to Committee financial reports and a graph depicting current revenue and expense trends compared to budget and previous fiscal year actuals.

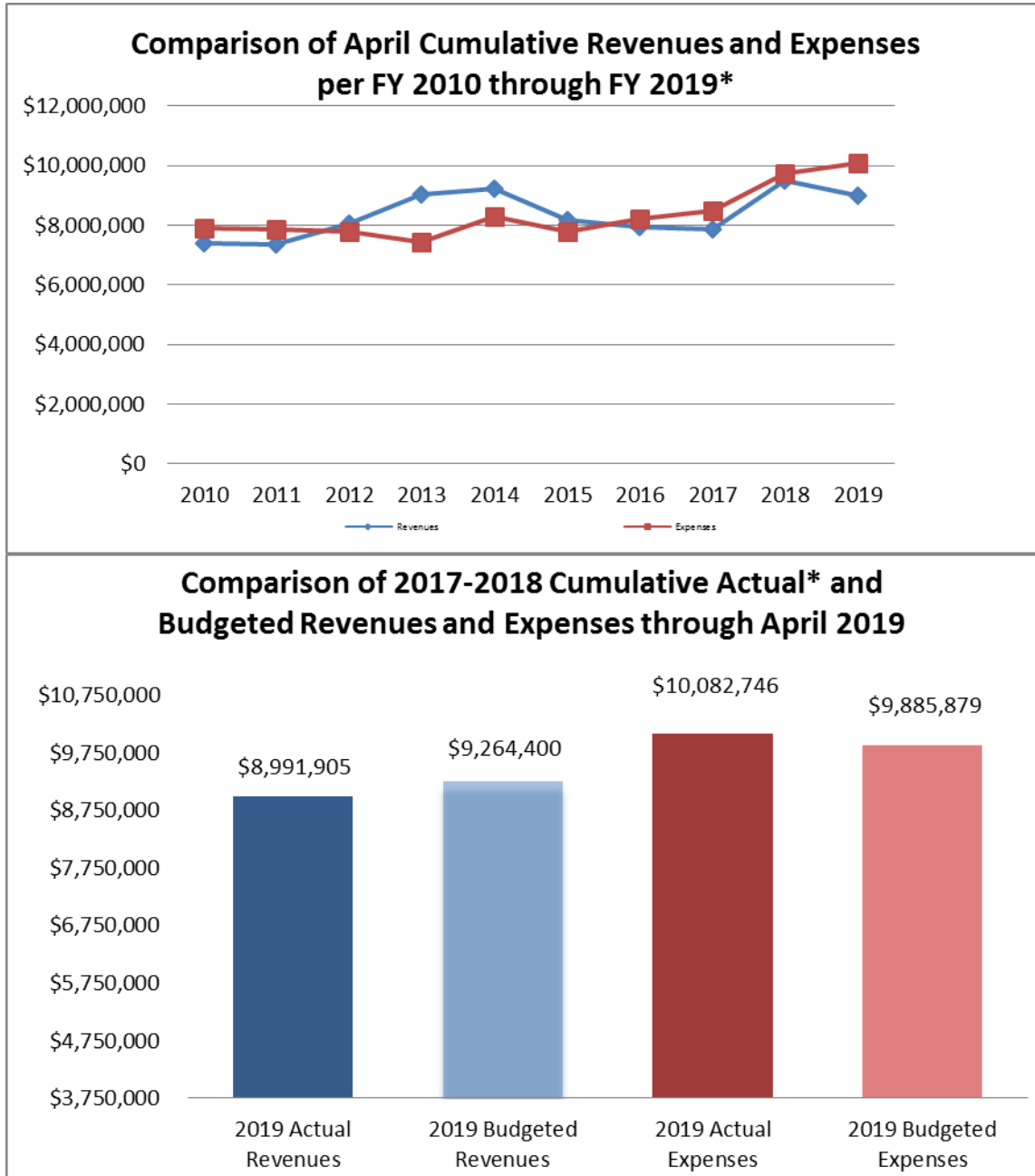
Estimated year to date revenues as of April 30, 2019 are \$8,991,905 and expenses are \$10,082,745, therefore expenses exceeded revenues by \$1,090,840, which trails budget by \$469,361 due to the cost of issuance expense of the 2018 COPs.

Staff presented the following spreadsheets, which compare April 2019 year-to-date actual to budgeted revenues and expenses by category:

**Indian Wells Valley Water District
 Revenues vs. Expense
 Actuals & Budget through April 2019 (Preliminary)**

	Budget	Actuals	Δ
Revenues			
Total Water Sales	8,206,950	7,937,013	-269,937
Total Water Service Revenue	220,000	237,714	17,714
Total Non-Operating Income	660,700	521,168	-139,532
Capital Contributions	176,750	296,010	119,260
Total Revenues	9,264,400	8,991,905	-272,495
Expenses			
Water Supply	653,010	867,768	214,758
Arsenic Treatment Plants	206,789	163,688	-43,101
Transmission & Distribution	1,451,540	1,150,528	-301,012
Engineering	338,012	312,873	-25,139
Customer Service	333,690	324,062	-9,628
Field Services	330,854	430,246	99,392
General & Administration	1,526,698	1,673,274	146,576
Legislative	97,007	107,026	10,019
Depreciation	2,898,730	2,898,730	0
Non-Operating, Interest	936,205	1,546,916	610,711
Non-Operating, Miscellaneous	232,504	273,815	41,311
Non-Operating, Conservation	296,310	53,271	-243,039
Non-Operating, Alternate Water	584,530	280,548	-303,982
Total Expenses	9,885,879	10,082,745	196,866
Net Revenue Increase (Decrease)	-621,479	-1,090,840	-469,361
Capital Expenditures		1,574,094	
Debt Service Principle		1,541,077	





**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 \$605,200.26 as follows:

Checks through:	<u>3/24/18</u>	<u>4/07/19</u>
Prepaid	\$ 78,397.54	\$ 45,629.26
Current	<u>416,103.15</u>	<u>65,070.31</u>
Total	<u>\$ 494,500.69</u>	<u>\$ 110,699.57</u>

7. Future Agenda Items

Proposed 2020 Budget

8. Adjournment

The Committee adjourned at 3:20pm.