

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING
REPORT

TUESDAY, AUGUST 6, 2019 – 3:00 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Ron Kicinski, Stan Rajtora, Don Zdeba, 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. Review Reserve Policy

Description: Committee review of Resolution 13-08: Establishing Financial Reserve Policies adopted September 9, 2013.

Committee proposed the following changes to the Policy:

Paragraph 4:

“Emergency Reserve” to “Emergency Operating Reserve”
“unplanned purchases” to “unplanned expenditures”

Paragraph 5:

Set the reserve maximum to the estimated cost of replacing a well, a tank, and a booster pump.

Committee proposed to reevaluate the reserve maximum of the Future Source of Supply reserve once the GSA plan has formalized.

Committee recommends the Board review the proposed changes.

5. Financial Statements July 31, 2019 (preliminary)

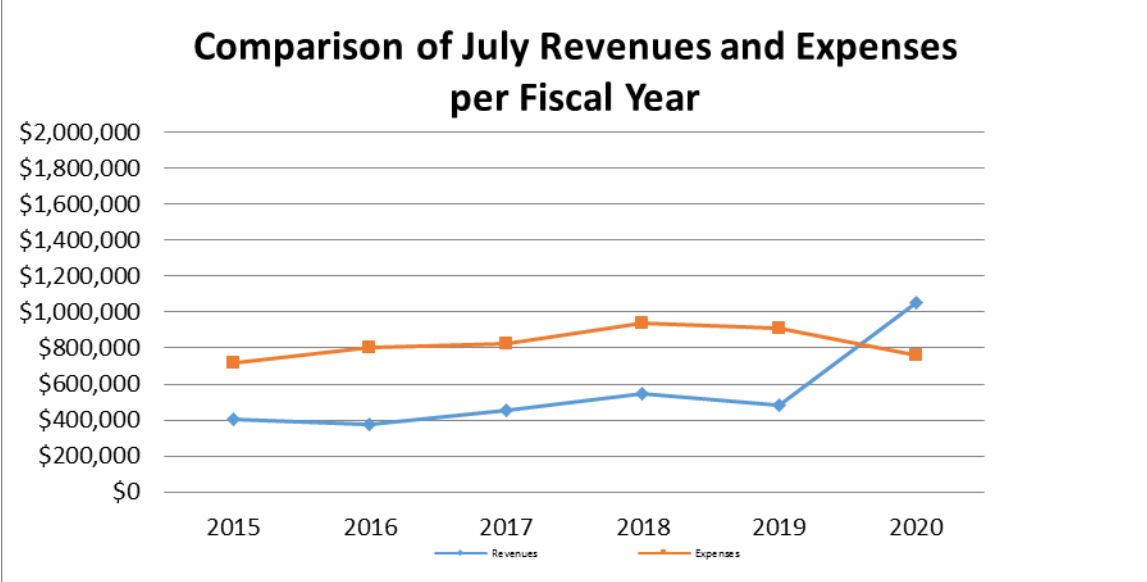
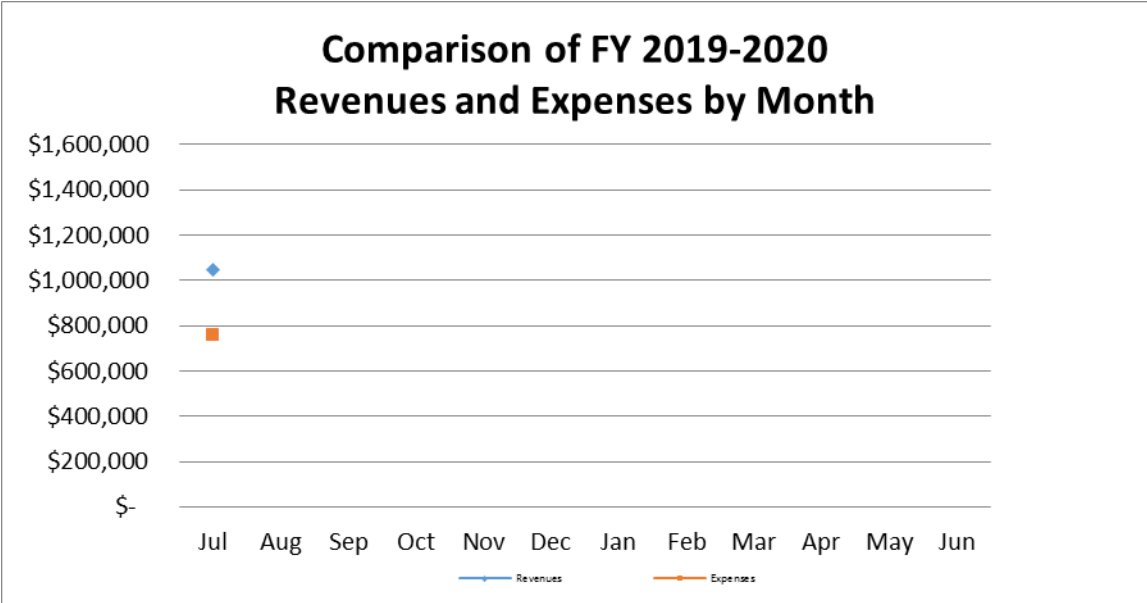
Description: Presentation to Committee financial reports and a graph depicting current revenue and expense trends compared to budget and previous fiscal year actuals.

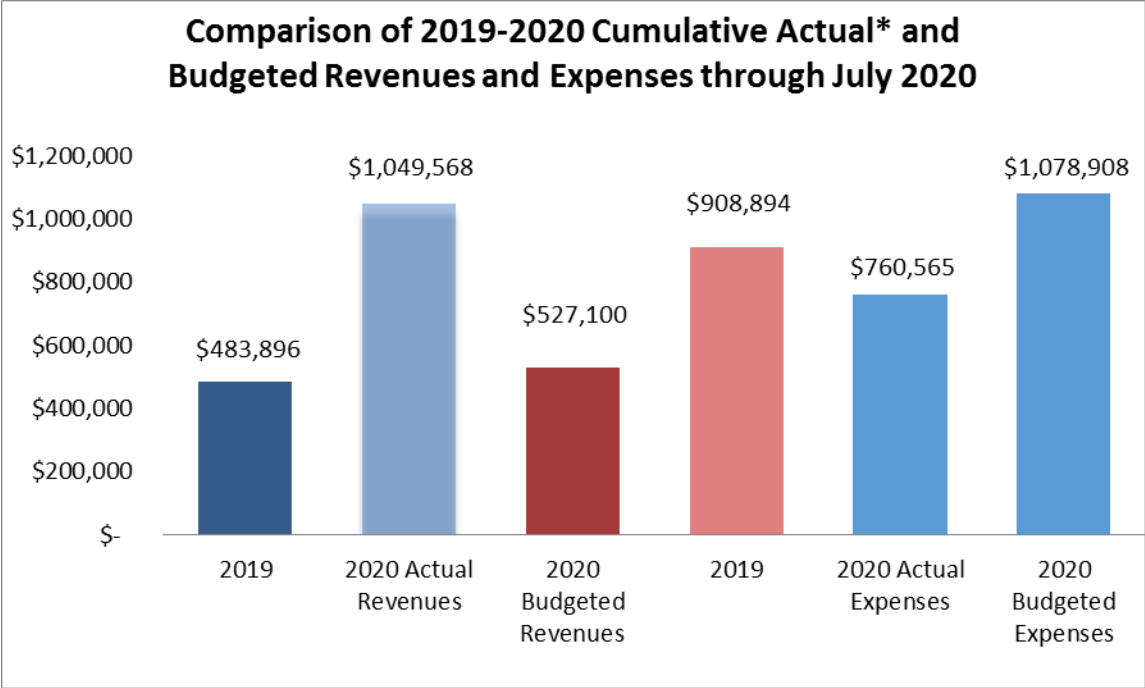
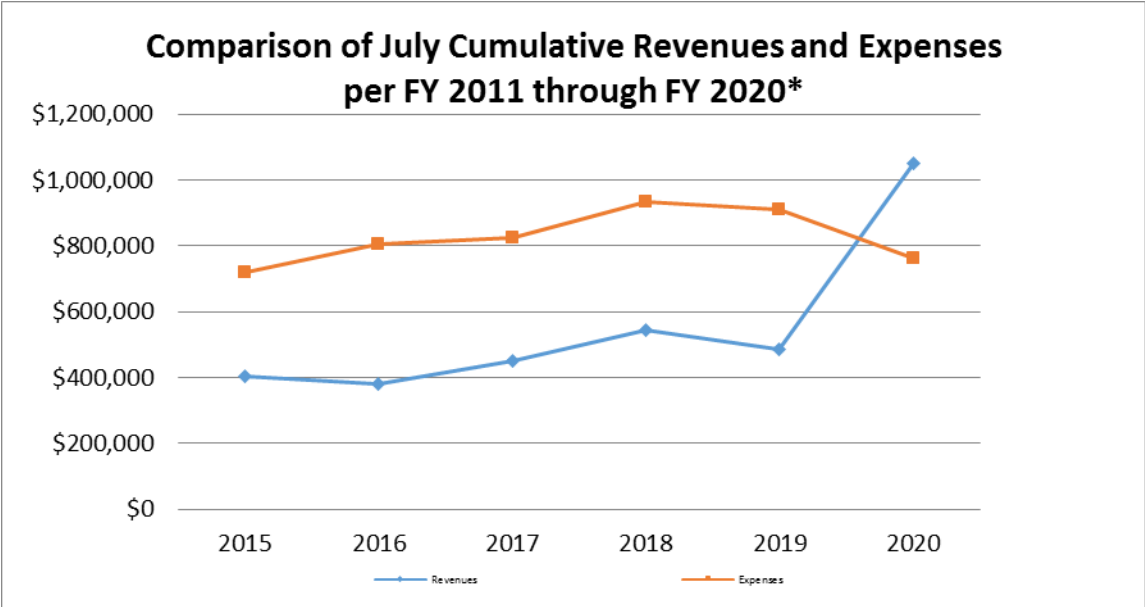
Estimated year to date revenues as of July 31, 2019 are \$1,049,568 and expenses are \$760,565, therefore expenses exceeded revenues by \$289,003, which exceeds budget by \$840,811. The anticipated accrual of June water sales is expected to bring a decrease to the Net Revenue.

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

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

	Budget	Actuals	Δ
Revenues			
Total Water Sales	496,300	982,167	485,867
Total Water Service Revenue	20,000	24,263	4,263
Total Non-Operating Income	1,000	3,938	2,938
Capital Contributions	9,800	39,200	29,400
Total Revenues	527,100	1,049,568	522,468
Expenses			
Water Supply	63,268	45,210	-18,058
Arsenic Treatment Plants	33,342	9,722	-23,620
Transmission & Distribution	140,170	79,968	-60,202
Engineering	43,468	32,748	-10,720
Customer Service	3,669	24,358	20,689
Field Services	32,439	18,890	-13,549
General & Administration	269,824	72,610	-197,214
Legislative	7,920	5,432	-2,488
Depreciation	289,873	289,873	0
Non-Operating, Interest	92,099	100,108	8,009
Non-Operating, Miscellaneous	66,705	79,160	12,455
Non-Operating, Conservation	29,631	1,275	-28,356
Non-Operating, Alternate Water	6,500	1,212	-5,288
Total Expenses	1,078,908	760,565	-318,343
Net Revenue Increase (Decrease)	-551,808	289,003	840,811
Capital Expenditures		115,490	
Debt Service Principle		61,867	





**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 \$1,644,649.93 as follows:

Checks through:	<u>6/30/19</u>	<u>7/23/19</u>
Prepaid	\$ 62,739.02	\$ 67,949.61
Current	<u>1,344,706.09</u>	<u>169,255.21</u>
Total	<u>\$ 1,407,455.11</u>	<u>\$ 237,204.82</u>

7. Future Agenda Items

8. Adjournment

The Committee adjourned at 3:32pm.