

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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FINANCE COMMITTEE  
SPECIAL MEETING

REPORT

WEDNESDAY JULY 5, 2023 – 2:30 PM  
BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

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ATTENDEES: David Saint-Amand, Stan Rajtora, Don Zdeba, Ty Staheli, Jason Lillion, and Justin Thompson

**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. Water Sales and Service Policy**

Description: Review of the District's Water Sales and Service Policy Manual

Staff had previously provided the Committee with responses to Director Rajtora list of questions/comments on the current Water Sales and Service Policy manual. Director Rajtora distributed his responses to those comments to staff for review prior to the next Committee meeting.

**5. 2023-2024 General Fund Budget**

Description: Discuss 2023-2024 General Fund Budget

The Committee reviewed an Adjusted 2023-2024 General Fund budget proposal.

In February, the District migrated its financial system to the Springbrook Cloud platform. This gave staff access to new report writing software. Unfortunately, the staff discovered the report used for consumption data has returned erroneous information. As such, the staff has revised the budget with consumption of approximately 5,100 acre feet, a 5% reduction from the previous 12 months of consumption, and presented the revisions to the Finance Committee. With the proposed adjustments, the District will continue to meet its debt service obligation and operational reserve goals.

The proposal projects revenues at \$17,008,848 and expenses at \$17,690,677 for a difference in which expenses exceed revenues of \$681,829. The committee noted that the proposed expenditures still include GA fees based on 4,180 acre feet replenishment-free allotment, as opposed to the 4,390. As the District is currently paying based on the 4,390 acre feet, the projected additional savings not represented within the budget is approximately \$400k.

The Committee recommends approval of the adjusted 2023-2024 General Fund Budget at the July 10 Board Meeting.

**6. Financial Statements June 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.

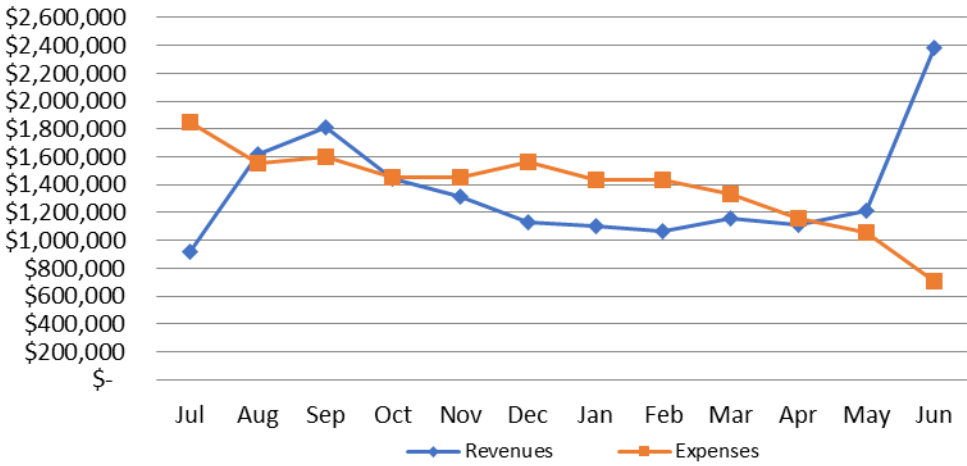
Estimated year-to-date revenues as of June 30, 2023, are \$16,275,743 and expenses are \$16,607,459, therefore expenditures exceeded revenues by \$331,716, which is better than budget by \$396,569. Estimates for the larger accruals have been included but there will be additional accruals as staff closes the fiscal year.

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

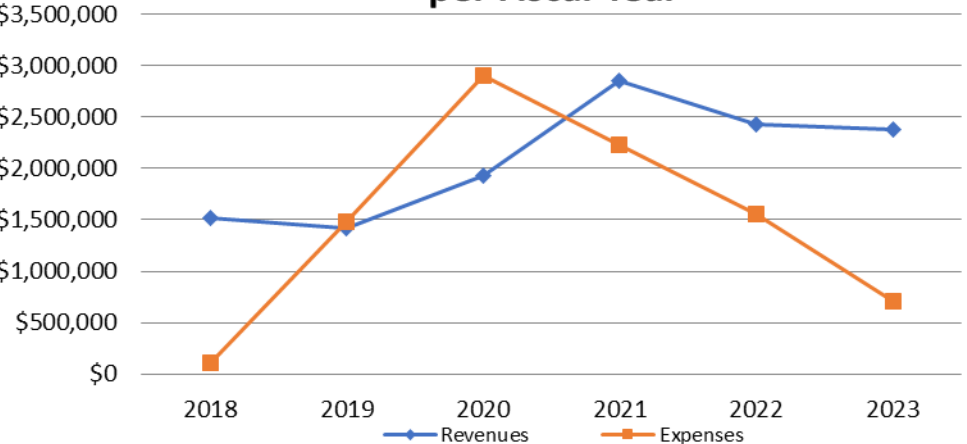
**Indian Wells Valley Water District**  
**Revenues vs. Expense**  
**Actuals & Budget through June 2023 (Preliminary)**

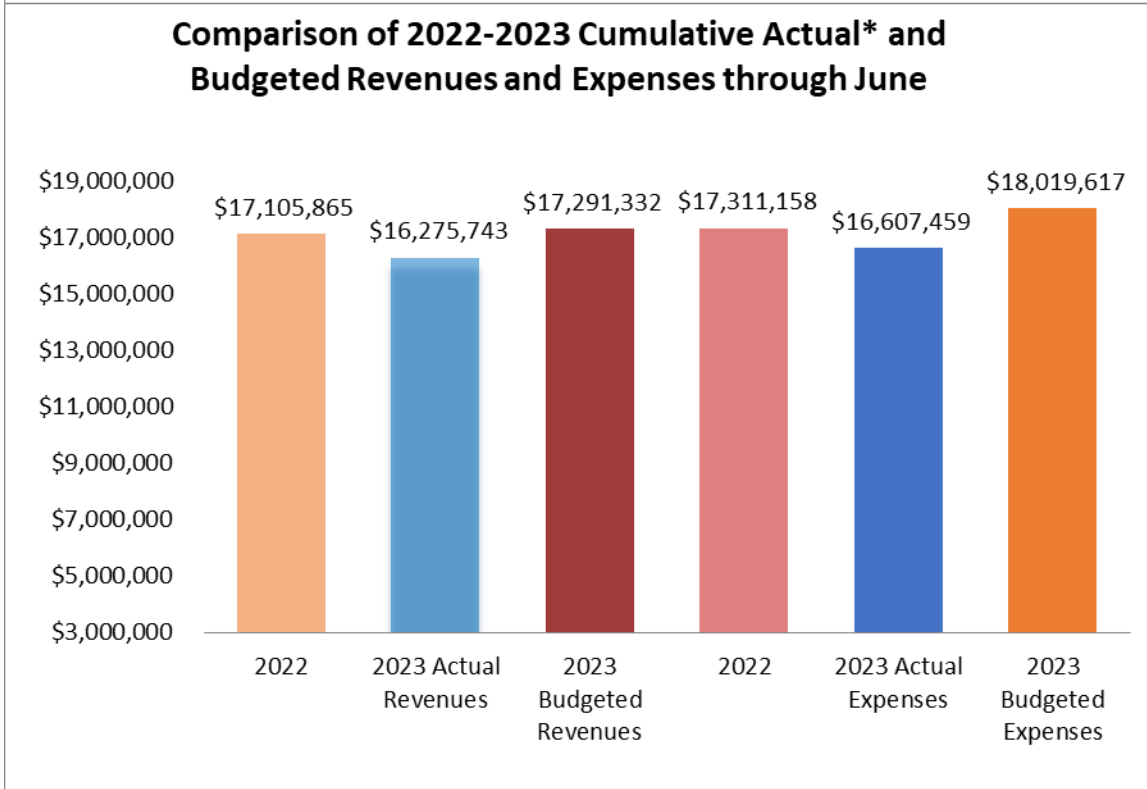
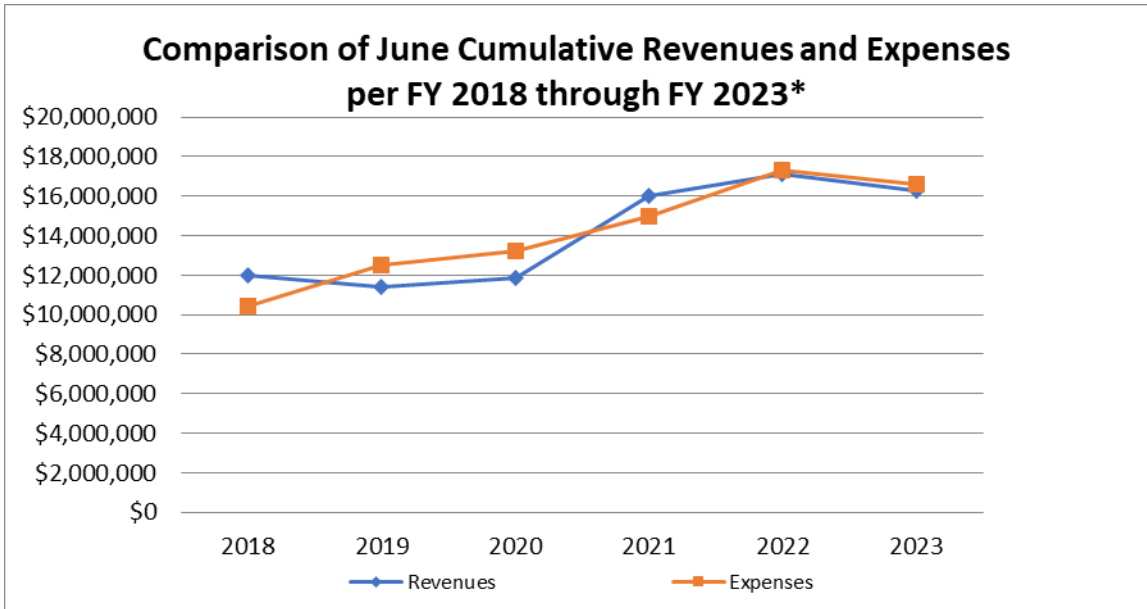
	Budget	Actuals	Δ
<b>Revenues</b>			
Total Water Sales	11,516,432	11,301,353	-215,079
GSA Fees	4,560,000	3,638,221	-921,779
Total Water Service Revenue	375,900	390,312	14,412
Total Non-Operating Income	154,500	284,491	129,991
Capital Contributions	684,500	661,366	-23,134
<b>Total Revenues</b>	<b>17,291,332</b>	<b>16,275,743</b>	<b>-1,015,589</b>
<b>Expenses</b>			
Water Supply	1,191,650	1,182,923	-8,727
Arsenic Treatment Plants	248,750	169,109	-79,641
Transmission & Distribution	1,895,000	1,850,467	-44,533
Engineering	416,700	534,130	117,430
Customer Service	485,700	391,766	-93,934
Field Services	510,700	515,720	5,020
General & Administration	3,354,677	3,429,259	74,582
Legislative	115,400	82,414	-32,986
Depreciation	3,500,000	3,300,000	-200,000
Non-Operating, Interest	1,364,540	1,149,927	-214,613
Non-Operating, Miscellaneous	254,500	440,492	185,992
GSA Fees	4,560,000	3,428,779	-1,131,221
Non-Operating, Conservation	34,200	31,371	-2,829
Non-Operating, Alternate Water	87,800	101,102	13,302
<b>Total Expenses</b>	<b>18,019,617</b>	<b>16,607,459</b>	<b>-1,412,158</b>
<b>Net Revenue Increase (Decrease)</b>	<b>-728,285</b>	<b>-331,716</b>	<b>396,569</b>
<b>Capital Expenditures</b>		<b>6,710,526</b>	
- COP Funded		2,556,405	
<b>Debt Service Principle</b>		<b>1,111,663</b>	

### Comparison of FY 2021-2022 Revenues and Expenses by Month



### Comparison of June Revenues and Expenses per Fiscal Year





*\*Actual Revenues and Expenses are Estimated*

**7. Accounts Payable Disbursements**

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

The Committee recommended approval of accounts payable disbursements totaling \$933,384.40 as follows:

Checks through:	<u>6/7/23</u>	<u>6/21/23</u>
Prepaid	\$ 88,800.85	\$ 411,412.12
Current	<u>284,334.59</u>	<u>148,859.64</u>
Total	<u>\$ 373,135.44</u>	<u>\$ 560,247.96</u>

**8. Future Agenda Items**

None

**9. Adjournment**

The Committee adjourned at 2:44pm.