

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING
REPORT

Tuesday, February 6, 2018 – 3:00 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Peter Brown, Ron Kicinski, Don Zdeba, Renee Morquecho, Jason Lillion, and Ty Staheli

1. Call to Order

The Finance Committee Meeting was called to order at 3:02 pm.

2. Committee/Public Comments

Stan Rajtora wants Board to express a more active interest in establishing GSA Finance Committee.

3. Cost of Service Study

Description: Staff update on Cost of Service study.

Staff reported that data gathering and clarification is on-going. Staff will discuss fire suppression use reimbursement with Stantec.

4. Fraud Risk Discussion

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

None.

5. Second Quarter Investment Report

Description: Staff report on the October – December 2017 Investment Report.

Staff presented the Fourth Quarter Investment Report.

**INDIAN WELLS VALLEY WATER DISTRICT
 QUARTERLY INVESTMENT REPORT
 QUARTER ENDING DECEMBER 2017**

INVESTMENTS	UNRESTRICTED	RESTRICTED	TOTAL
Cash in Bank	\$ 935,135	799,125.11	
Local Agency Investment Fund	1,005,095		
Kern County Treasurer	7,919,441	513,010	
BNY Western Trust Company 2009 Bond Reserve Fund		1,336,730	
City National Bank 2012 Municipal Finance Reserve		288,127	
BNY Mellon 2016 Solar Loan Reserve		556,761	
Total Water District Investments	<u>\$ 9,859,672</u>	<u>\$ 3,493,753</u>	<u>\$ 13,353,425</u>

RESERVES	DISTRICT DESIGNATED	RESTRICTED	TOTAL
Capital Improvements & Replacements (Committed)	\$ 2,061,682		
Vehicle Replacement (Assigned)	352,222		
Computer Equipment Replacement (Assigned)	100,635		
Emergency Reserve (Committed)	2,903,185		
Alternate Water Supply/Future Source of Supply (Assigned)	1,000,704		
Miscellaneous Capital (Assigned for projects postponed)	1,204,447		
Customer Deposits & Credits (Nonspendable)	393,337		
Prepaid Connection Fees (Nonspendable)	422,922		
Post-Retirement Health Benefits - Kern County (Assigned)	296,567		
Emergency Reserve (Uncommitted)	1,123,971		
AD 87-1 Reserve Funds (Restricted to pay Prop 55 Loan)		214,480	
2009 COP Reserve Funds		1,336,730	
2012 Loan Reserve Funds		288,127	
2016 Solar Loan Project Funds		799,125	
2016 Solar Loan Reserve Funds		556,761	
Prop 55 Loan Reserve Funds		<u>298,530</u>	
Total Water District Reserves	<u>\$ 9,859,672</u>	<u>\$ 3,493,753</u>	<u>\$ 13,353,425</u>

6. Financial Statements, January 31, 2018 (preliminary)

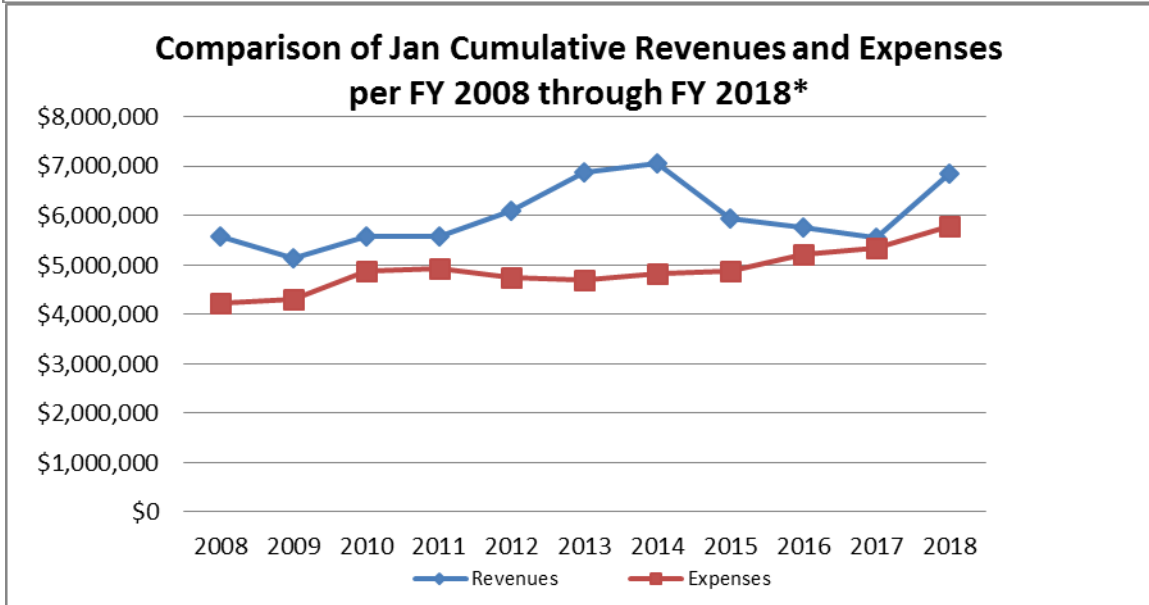
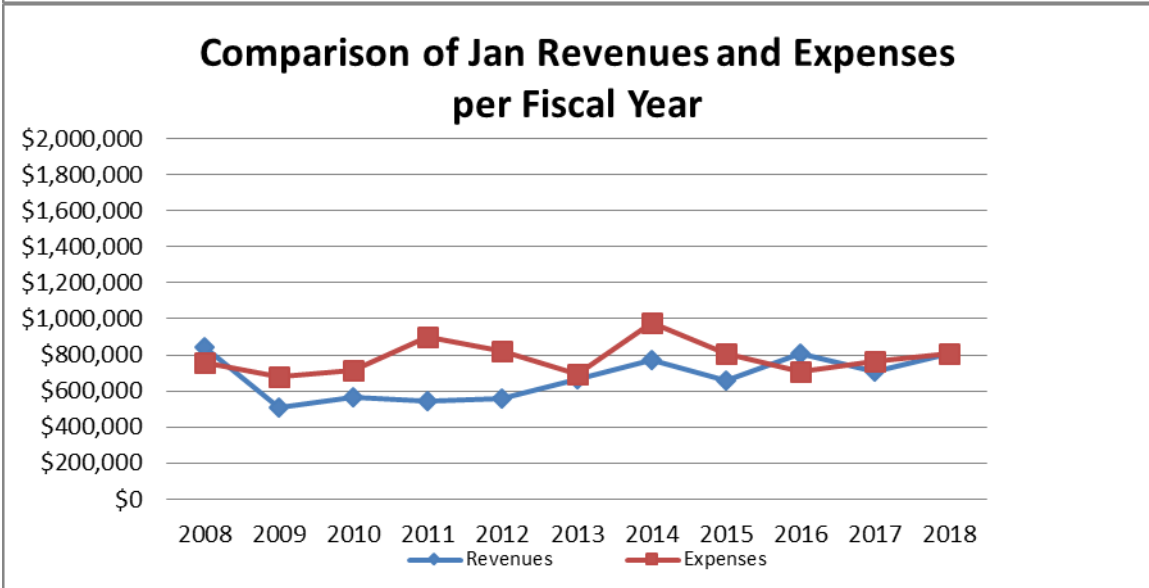
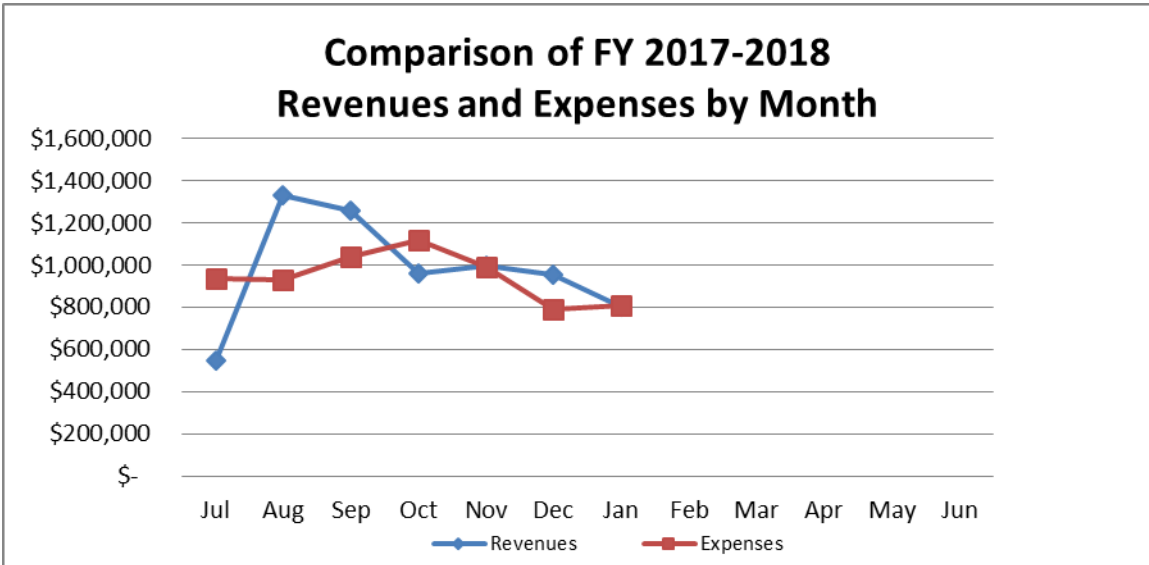
Description: Presentation to Committee financial reports and a graph depicting current revenue and expense trends compared to previous fiscal year actuals.

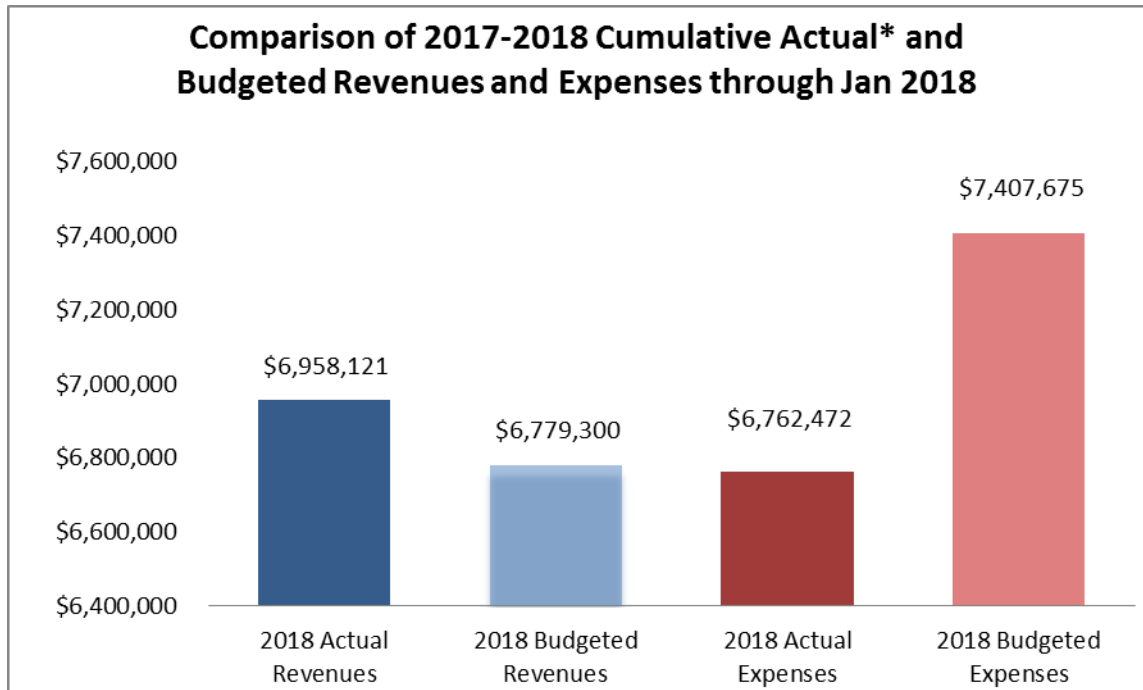
Estimated year-to-date revenues as of January 31, 2018 are \$6,958,121 and estimated expenses are \$6,762,475, so revenues exceeded expenses by \$195,646, which is more than budget by \$824,021.

Staff presented the following spreadsheet, which compares January 2018 year-to-date actual to budgeted revenues and expenses by category.

Indian Wells Valley Water District
Revenues vs. Expense
Actuals & Budget through January 2018 (Preliminary)

	Budget	Actuals	Δ
Revenues			
Total Water Sales	5,681,100	5,860,484	179,384
Total Water Service Revenue	301,000	182,357	-118,643
Total Non-Operating Income	286,200	350,795	64,595
Capital Contributions	511,000	564,485	53,485
Total Revenues	6,779,300	6,958,121	178,821
Expenses			
Water Supply	617,132	560,133	-56,999
Arsenic Treatment Plants	183,341	139,927	-43,414
Transmission & Distribution	1,010,231	890,129	-120,102
Engineering	217,290	183,073	-34,217
Customer Service	208,756	224,397	15,641
Field Services	243,310	305,469	62,159
General & Administration	1,043,132	995,714	-47,418
Legislative	88,356	73,756	-14,600
Depreciation	2,156,585	2,156,585	0
Non-Operating, Interest	694,338	602,774	-91,564
Non-Operating, Miscellaneous	321,015	383,937	62,922
Non-Operating, Conservation	243,259	62,193	-181,066
Non-Operating, Alternate Water	380,930	184,388	-196,542
Total Expenses	7,407,675	6,762,475	-645,200
Net Revenue Increase (Decrease)	-628,375	195,646	824,021





**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 \$493,790.89 as follows:

Checks through:	<u>12/31/17</u>	<u>1/14/18</u>
Prepaid	\$ 65,631.86	\$ 146,628.25
Current	<u>242,359.53</u>	<u>39,171.25</u>
Total	<u>\$ 307,991.39</u>	<u>\$ 185,799.50</u>

8. Future Agenda Items

None

9. Adjournment

The Committee adjourned at 3:27 pm.