

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING
REPORT

TUESDAY, September 5, 2017 – 3:00 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Ron Kicinski, Chuck Griffin, Don Zdeba, Jason Lillion, Renee Morquecho and Ty Staheli

1. Call to Order

The Finance Committee Meeting was called to order at 3:12 pm.

2. Committee/Public Comments

None.

3. Fraud Risk Discussion

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

None.

4. Second Quarter Investment Report

Description: Staff report on the April – June 2017 Investment Report.

Staff presented the Second Quarter Investment Report.

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

INVESTMENTS	UNRESTRICTED	RESTRICTED	TOTAL
Cash in Bank	\$ 543,991	951,456.45	
Local Agency Investment Fund	715,515		
Kern County Treasurer	7,825,247	583,691	
BNY Western Trust Company 2009 Bond Reserve Fund		1,330,060	
City National Bank 2012 Municipal Finance Reserve		288,006	
BNY Mellon 2016 Solar Loan Reserve		556,761	
Total Water District Investments	\$ 9,084,754	\$ 3,709,974	\$ 12,794,728

RESERVES	DISTRICT DESIGNATED	RESTRICTED	TOTAL
Capital Improvements & Replacements (Committed)	\$ 2,055,101		
Vehicle Replacement (Assigned)	350,000		
Computer Equipment Replacement (Assigned)	100,000		
Emergency Reserve (Committed)	2,893,918		
Alternate Water Supply/Future Source of Supply (Assigned)	934,784		
Miscellaneous Capital (Assigned for projects postponed)	1,196,743		
Customer Deposits & Credits (Nonspendable)	404,474		
Prepaid Connection Fees (Nonspendable)	422,922		
Post-Retirement Health Benefits - Kern County (Assigned)	294,700		
Emergency Reserve (Uncommitted)	432,111		
AD 87-1 Reserve Funds (Restricted to pay Prop 55 Loan)		287,040	
2009 COP Reserve Funds		1,330,060	
2012 Loan Reserve Funds		288,006	
2016 Solar Loan Project Funds		951,456	
2016 Solar Loan Reserve Funds		556,761	
Prop 55 Loan Reserve Funds		296,651	
Total Water District Reserves	<u>\$ 9,084,754</u>	<u>\$ 3,709,974</u>	<u>\$ 12,794,728</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

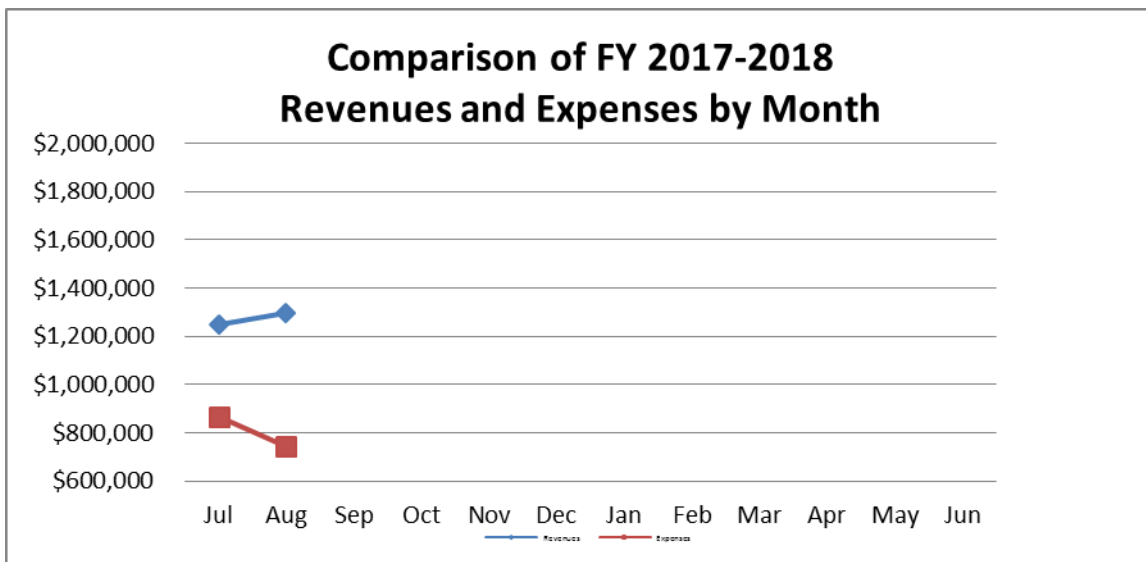
5. Financial Statements, July 31, 2017 (preliminary) and August 31, 2017 (preliminary)

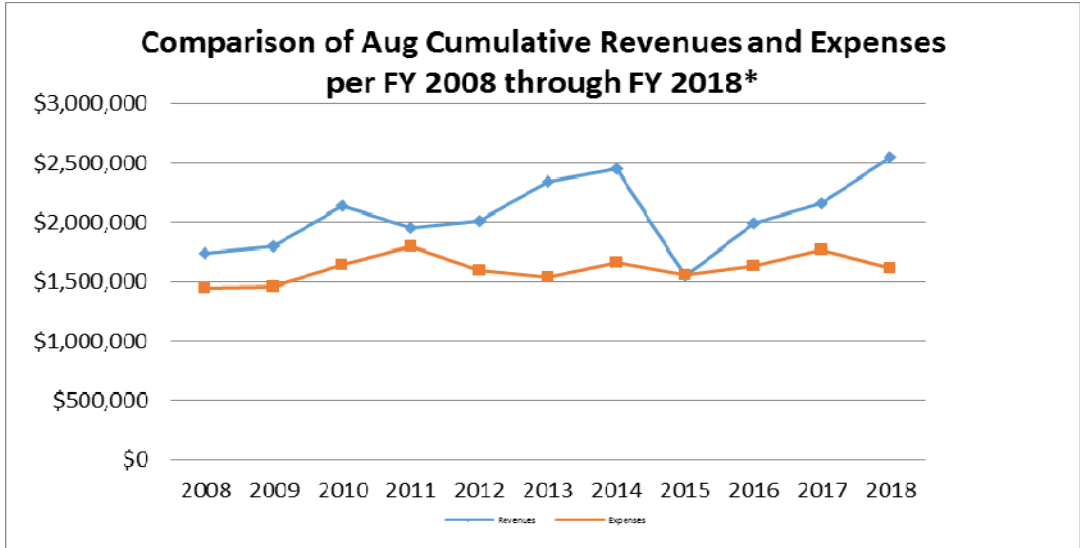
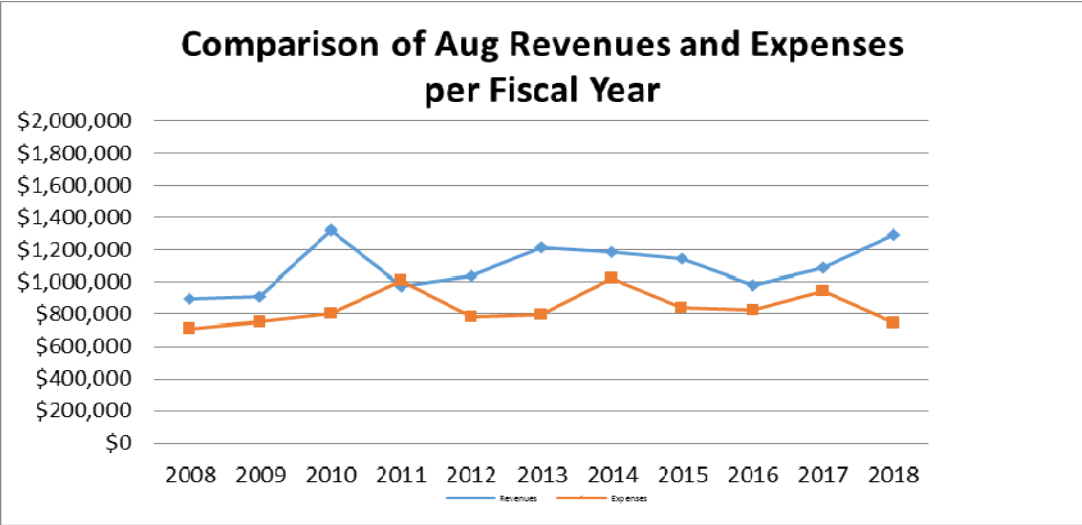
Description: Presentation to Committee financial reports and a graph depicting current revenue and expense trends compared to previous fiscal year actuals.

Estimated year-to-date revenues as of August 31, 2017 are \$2,544,615 and estimated expenses are \$1,611,351, so revenues exceeded expenses by \$933,263, which exceeds budget by \$1,055,561. Staff presented the following spreadsheet, which compares August 2017 year-to-date actual to budgeted revenues and expenses by category.

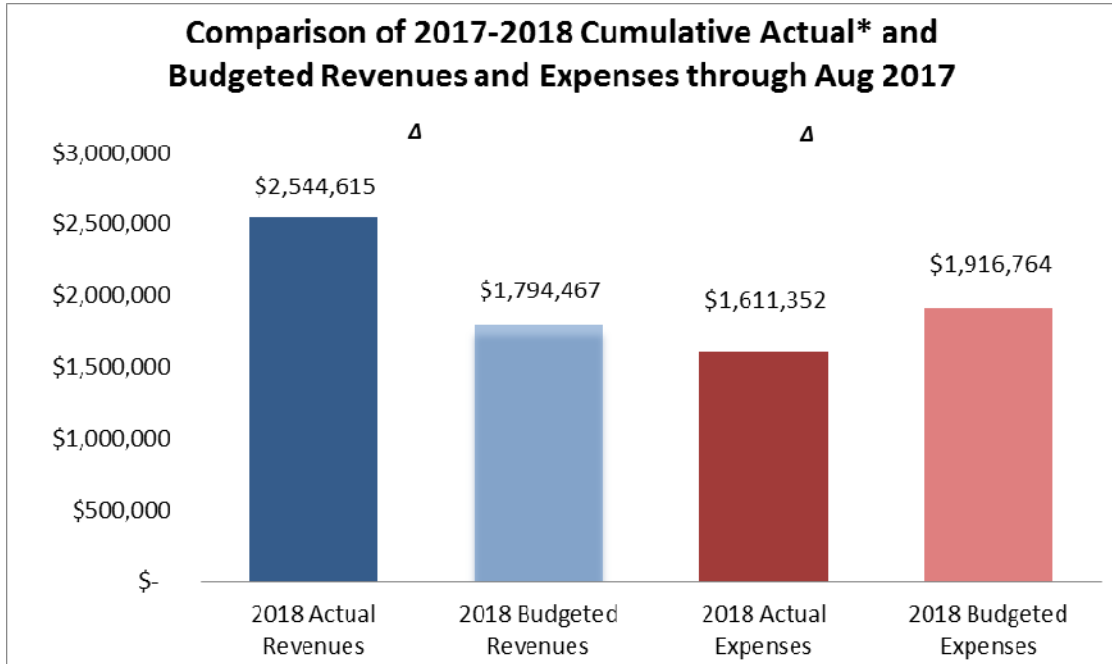
Indian Wells Valley Water District
Revenues vs. Expense
Actuals & Budget through August 2017 (Preliminary)

	Budget	Actuals	Δ
Revenues			
Total Water Sales	1,592,667	2,172,472	579,806
Total Water Service Revenue	44,167	51,939	7,772
Total Non-Operating Income	78,133	120,211	42,078
Capital Contributions	79,500	199,992	120,492
Total Revenues	1,794,467	2,544,615	750,148
Expenses			
Water Supply	122,600	127,876	5,276
Arsenic Treatment Plants	37,800	24,433	-13,367
Transmission & Distribution	283,782	161,350	-122,432
Engineering	60,517	33,814	-26,703
Customer Service	67,683	35,462	-32,221
Field Services	64,650	43,868	-20,782
General & Administration	281,067	253,063	-28,004
Legislative	16,833	21,491	4,658
Depreciation	616,167	616,167	0
Non-Operating, Interest	221,667	101,824	-119,842
Non-Operating, Miscellaneous	52,667	160,382	107,716
Non-Operating, Conservation	70,333	16,058	-54,275
Non-Operating, Alternate Water	21,000	15,563	-5,437
Total Expenses	1,916,764	1,611,351	-305,413
Net Revenue Increase (Decrease)	-122,298	933,263	1,055,561





**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 \$1,049,874.67 as follows:

Checks through:	<u>8/13/17</u>	<u>7/30/17</u>
Prepaid	\$ 124,465.54	\$ 93,819.28
Current	<u>94,650.98</u>	<u>82,862.32</u>
Total	<u>\$ 219,116.52</u>	<u>\$ 176,681.60</u>

7. Future Agenda Items

Cost of Service Study

8. Adjournment

The Committee adjourned at 3:34 pm.