

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING
REPORT

TUESDAY, October 3, 2017 – 3:00 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Don Cortichiato, Chuck Cordell, Don Zdeba, Jason Lillion, Renee Morquecho and Ty Staheli

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.

4. Cost of Service Study

Staff discussed the two proposals received during the RFP process, Stantec and Municipal & Financial Services Group. Staff reviewed each firm's rate study history specifically with organizations within California. Based on reference list, Stantec has greater experience within California and has experience with developing budget based rates. Cost of the proposals; Stantec \$53,736, M&FSG \$66,250.

Staff discussed the follow-up discussions about why certain proposers had not responded. Reasons included; unable to fit within current workloads, didn't perform rate studies, and time table for RFP too short.

Committee recommended the Board select the proposal from Stantec.

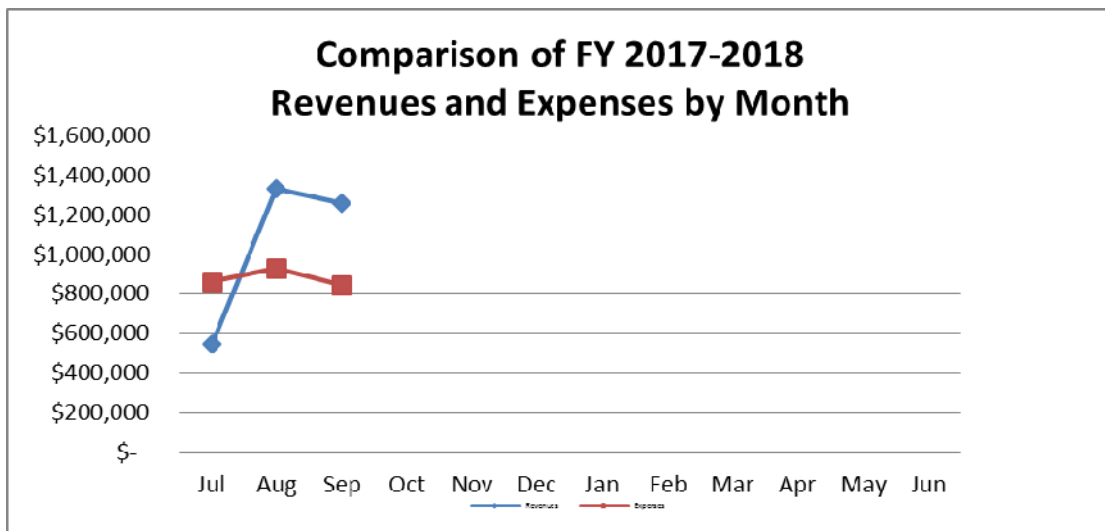
5. Financial Statements, August 31, 2017 (preliminary) and September 30, 2017 (preliminary)

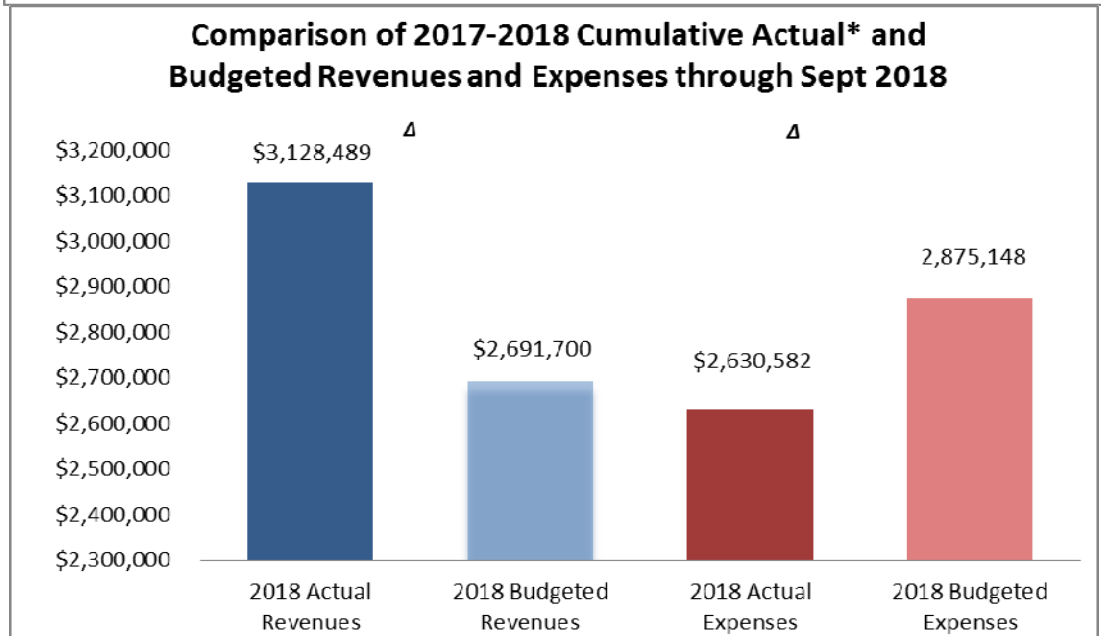
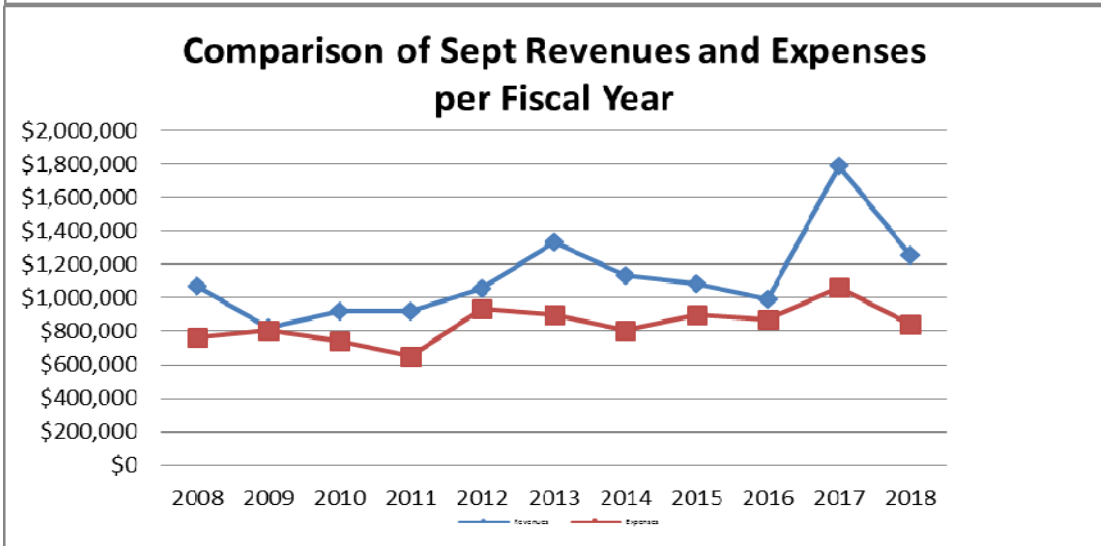
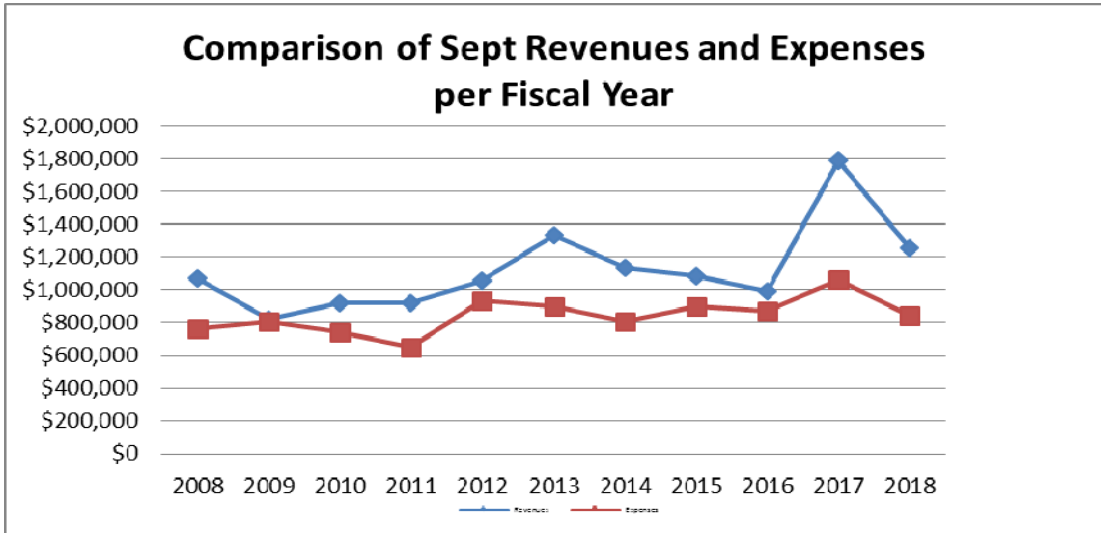
Description: Presentation to Committee financial reports and a graph depicting current revenue and expense trends compared to previous fiscal year actuals.

Estimated year-to-date revenues as of September 30, 2017 are \$3,128,489 and estimated expenses are \$2,630,628, so revenues exceeded expenses by \$497,862, which exceeds budget by \$681,310. Staff presented the following spreadsheet, which compares September 2017 year-to-date actual to budgeted revenues and expenses by category.

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

	Budget	Actuals	Δ
Revenues			
Total Water Sales	2,389,000	2,624,615	235,615
Total Water Service Revenue	66,250	77,142	10,892
Total Non-Operating Income	117,200	170,727	53,527
Capital Contributions	119,250	256,006	136,756
Total Revenues	2,691,700	3,128,489	436,789
Expenses			
Water Supply	183,900	242,669	58,769
Arsenic Treatment Plants	56,700	55,263	-1,437
Transmission & Distribution	425,672	306,414	-119,259
Engineering	90,775	71,418	-19,357
Customer Service	101,525	76,330	-25,195
Field Services	96,975	97,784	809
General & Administration	421,600	451,785	30,185
Legislative	25,250	32,008	6,758
Depreciation	924,250	924,250	0
Non-Operating, Interest	298,000	201,717	-96,283
Non-Operating, Miscellaneous	116,750	144,318	27,568
Non-Operating, Conservation	105,500	26,673	-78,827
Non-Operating, Alternate Water	28,250	0	-28,250
Total Expenses	2,875,148	2,630,628	-244,520
Net Revenue Increase (Decrease)	-183,448	497,862	681,310





*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 \$1,390,273.35 as follows:

Checks through:	<u>9/7/17</u>	<u>9/20/17</u>
Prepaid	\$ 90,761.77	\$ 991,010.36
Current	<u>141,380.85</u>	<u>167,120.37</u>
Total	<u>\$ 232,142.62</u>	<u>\$ 1,158,130.73</u>

7. Future Agenda Items

Director's Pay

8. Adjournment

The Committee adjourned at 3:19 pm.