

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING
REPORT

Tuesday, April 3, 2018 – 3:00 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

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

1. Call to Order

The Finance Committee Meeting was called to order at 3:03 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

Description: Staff update on Cost of Service study.

Stantec continues to develop the rate structure. Anticipate June to present the study. Staff has posed to Stantec the question of whether fire suppression use is reimburseable from the County, though the Committee feels that fire suppression is to the benefit of all district customers.

5. Credit Card Surcharge

Description: Discuss potential of a Credit Card Surcharge.

Staff reported that while putting together a more comprehensive analysis of credit card surcharge they reviewed the contract of the credit card processor. Within that contract, credit card convenience fees are prohibited. This credit card processor is tied directly to the District's Springbrook financial system. If the district were to change processors it would add additional processes to the revenue collection process.

It was also stated that since the acceptance of credit card transactions delinquencies have decreased and cash-flow has improved.

The Committee recommends continuation of current payment methods and not implementing a credit card surcharge.

6. Auditor Contract Extension

Description: Committee to discuss contract extension with Fedak & Brown LLP for 3 years with 2 option years.

The Committee recommends approving the contract extension, recognizing the benefit of continuity with a new CFO. Also the Committee recognizes the good work the auditors have done in previous years' audits.

7. Financial Statements, March 31, 2018 (preliminary)

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

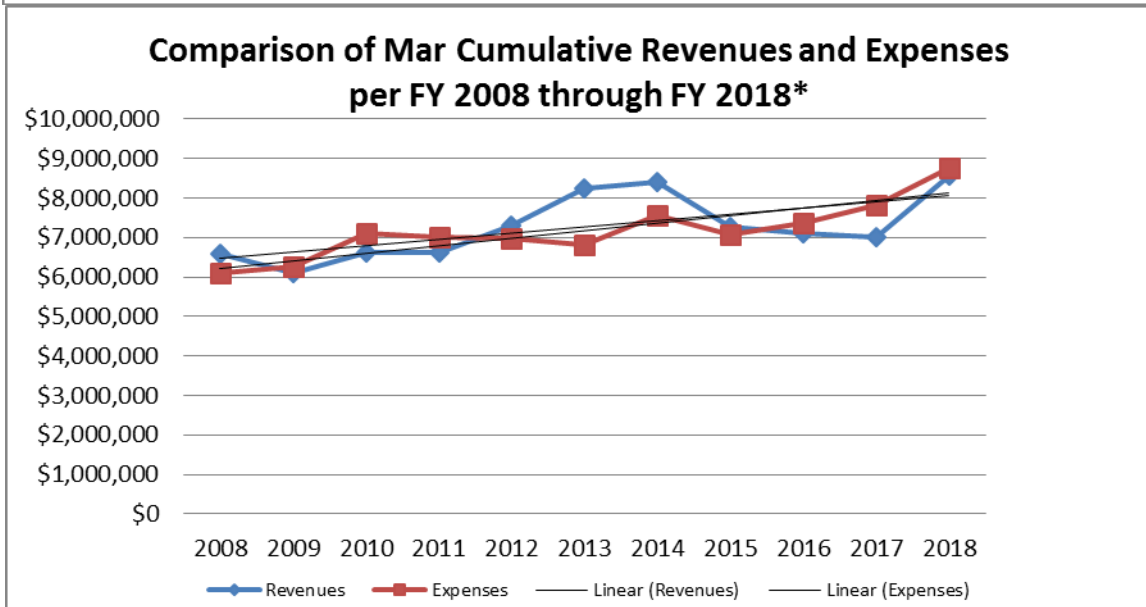
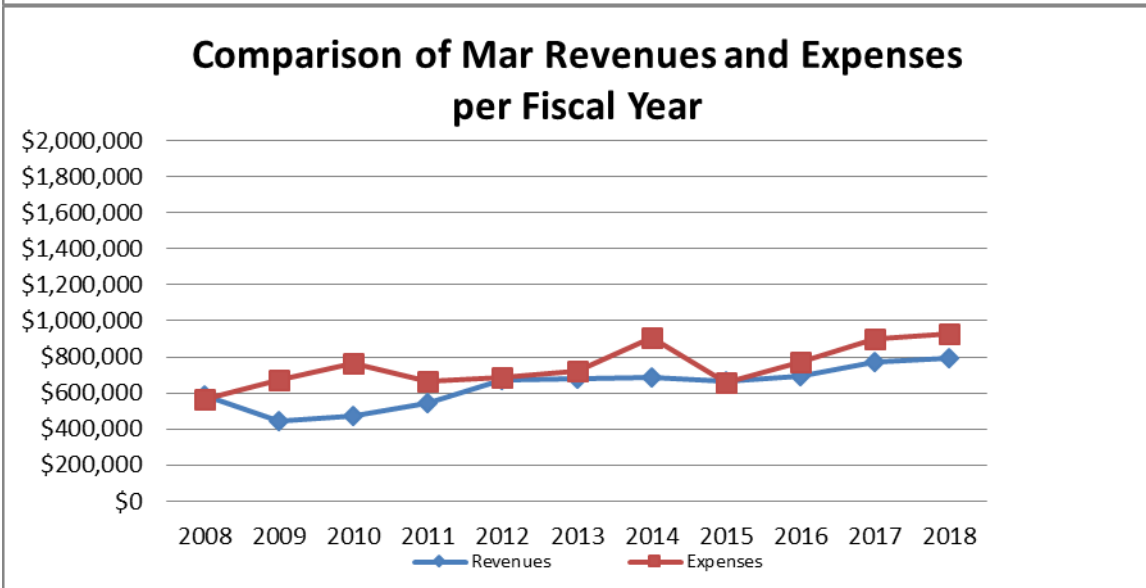
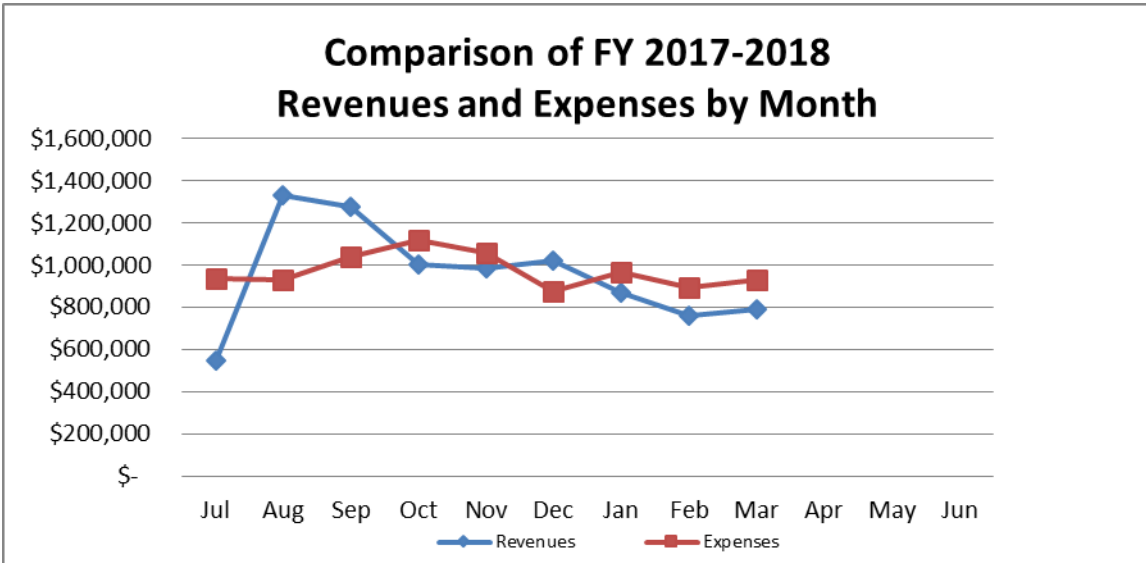
Estimated year-to-date revenues as of March 31, 2018 are \$8,568,895 and estimated expenses are \$8,743,582, so expenses exceeded revenues by \$174,687, which is less than budget by \$1,250,859. Staff presented the following spreadsheet, which compares March 2018 year-to-date actual to budgeted revenues and expenses by category.

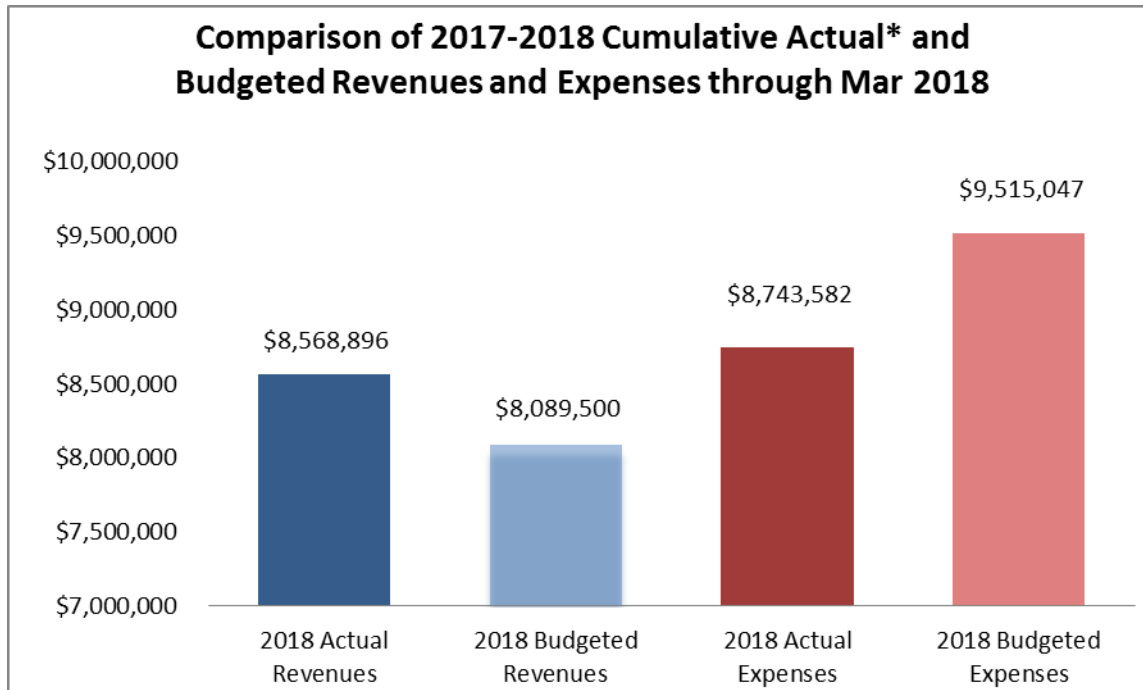
Indian Wells Valley Water District

Revenues vs. Expense

Actuals & Budget through March 2018 (Preliminary)

	Budget	Actuals	Δ
Revenues			
Total Water Sales	6,936,300	7,266,539	330,239
Total Water Service Revenue	354,000	270,594	-83,406
Total Non-Operating Income	278,200	403,461	125,261
Capital Contributions	521,000	628,301	107,301
Total Revenues	8,089,500	8,568,895	479,395
Expenses			
Water Supply	758,500	709,327	-49,173
Arsenic Treatment Plants	223,407	165,780	-57,627
Transmission & Distribution	1,300,131	1,058,882	-241,249
Engineering	280,186	237,818	-42,368
Customer Service	287,222	287,942	720
Field Services	306,985	401,680	94,695
General & Administration	1,299,981	1,287,001	-12,980
Legislative	104,214	95,430	-8,784
Depreciation	2,772,750	2,772,751	1
Non-Operating, Interest	890,254	874,327	-15,927
Non-Operating, Miscellaneous	498,729	609,490	110,761
Non-Operating, Conservation	466,757	70,779	-395,978
Non-Operating, Alternate Water	325,930	172,375	-153,555
Total Expenses	9,515,046	8,743,582	-771,464
Net Revenue Increase (Decrease)	-1,425,546	-174,687	1,250,859





**Actual Revenues and Expenses are Estimated*

8. Accounts Payable Disbursements

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

The Committee recommended approval of accounts payable disbursements totaling \$814,558.36 as follows:

Checks through:	<u>2/25/18</u>	<u>3/11/18</u>
Prepaid	\$ 505,459.82	\$ 50,347.13
Current	<u>165,644.17</u>	<u>93,107.24</u>
Total	<u>\$ 671,103.99</u>	<u>\$ 143,454.37</u>

9. Future Agenda Items

None

10. Adjournment

The Committee adjourned at 3:30 pm.