

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING
REPORT

TUESDAY, SEPTEMBER 3, 2019 – 3:00 PM

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Ron Kicinski, Stan Rajtora, Don Zdeba, Ty Staheli, and Renee Morquecho

1. Call to Order

The Finance Committee Meeting was called to order at 3:08 pm.

2. Committee/Public Comments

None.

3. Fraud Risk Discussion

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

None to report.

4. Review Reserve Policy

Description: Committee review of Resolution 13-08: Establishing Financial Reserve Policies adopted September 9, 2013.

Committee proposed the following changes to the Policy:

Paragraph 4:

“Emergency Reserve” to “Emergency Operating Reserve”
“unplanned purchases” to “unplanned expenditures”

Paragraph 5:

“This reserve shall not exceed the replacement costs of 1 Five Million Gallon Tank, 1 Well, and 1 Booster Station.”

Committee proposed staff update the cost of the well, tank, and booster station yearly.

Committee recommends the Board review the proposed changes.

5. Financial Statements August 31, 2019 (preliminary)

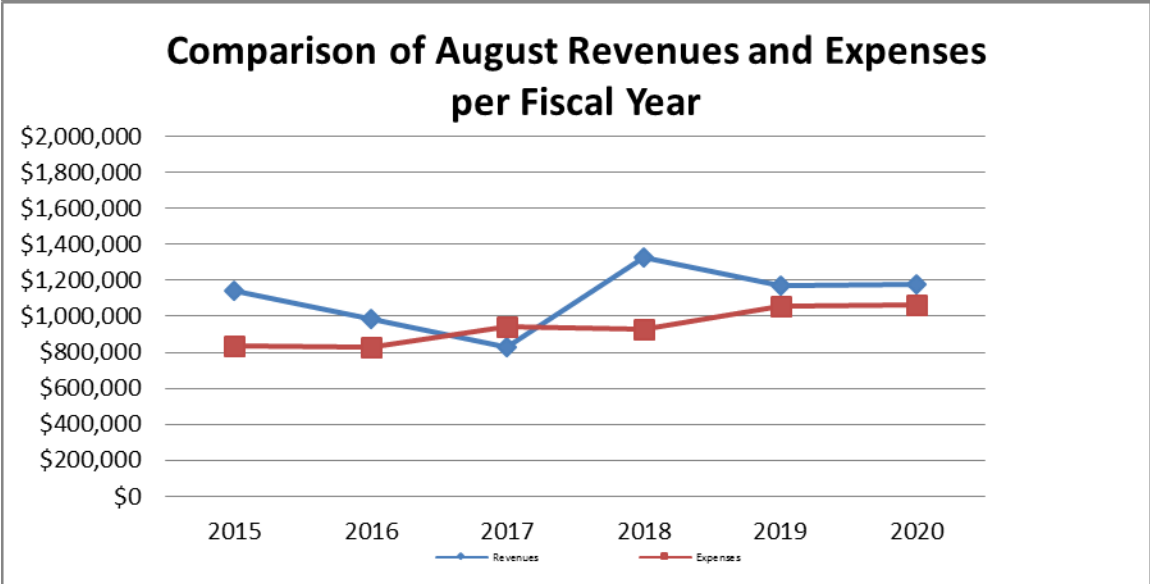
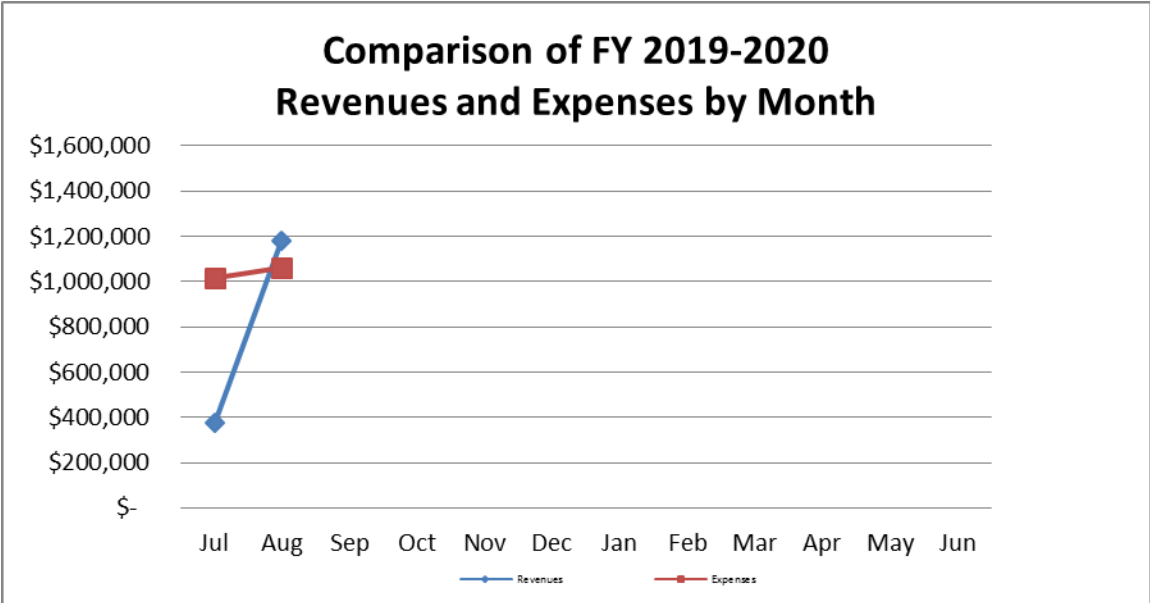
Description: Presentation to Committee financial reports and a graph depicting current revenue and expense trends compared to budget and previous fiscal year actuals.

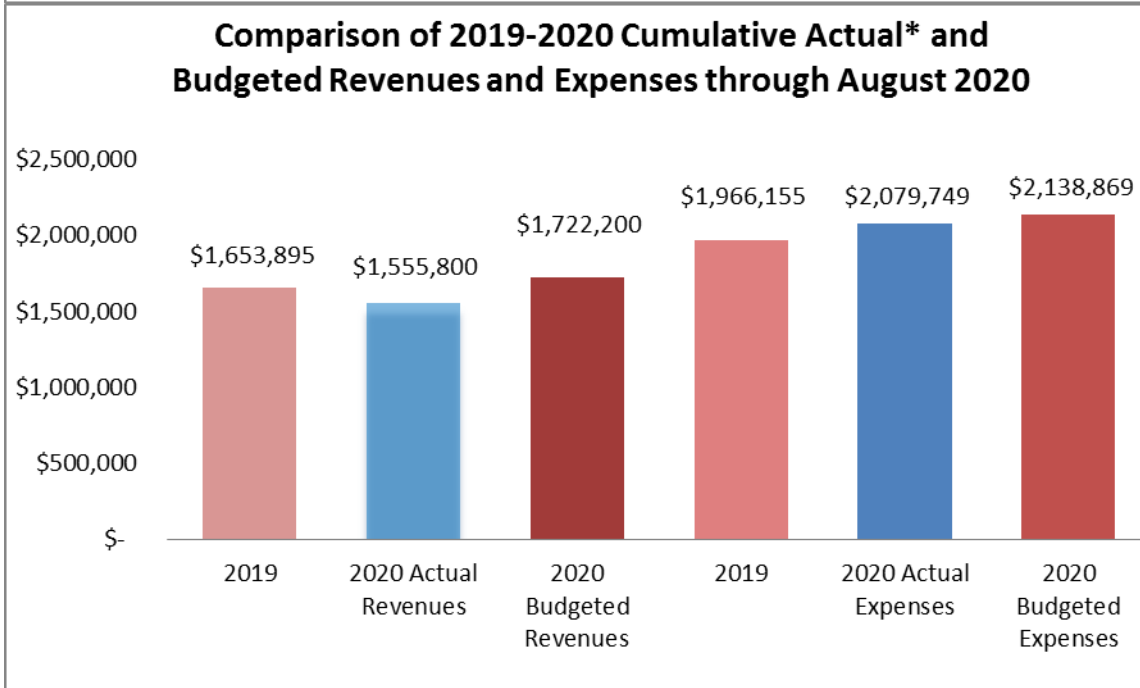
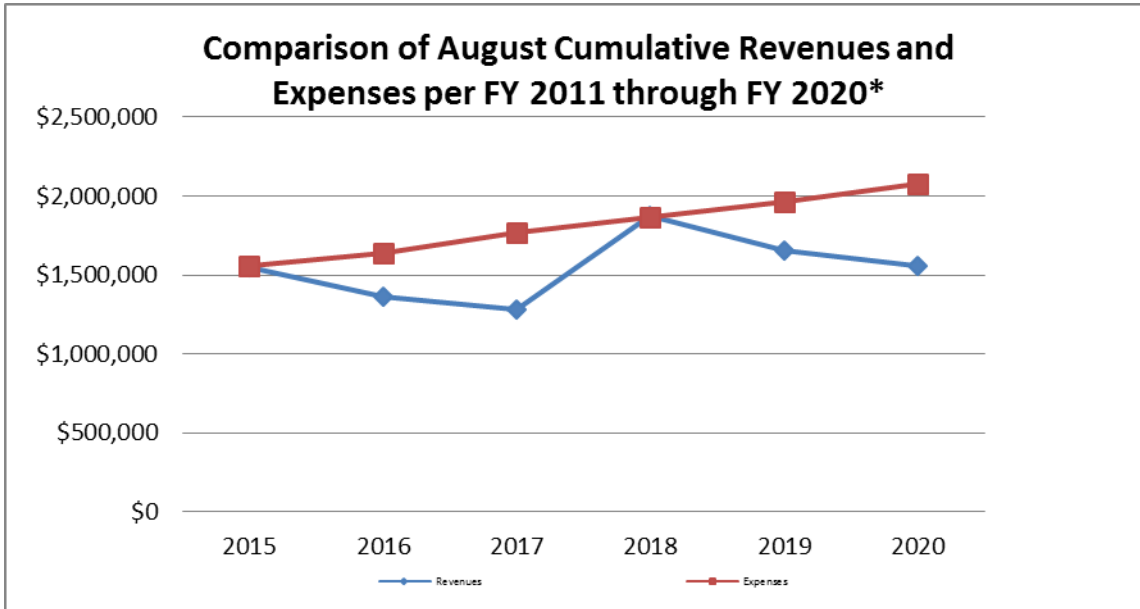
Estimated year-to-date revenues as of August 31, 2019 are \$1,555,800 and expenses are \$2,079,749, therefore expenses exceeded revenues by \$523,949, which exceeds budget by \$107,280. The accrual of June water sales was \$100,000 greater than expected bringing a decrease to the Net Revenue.

Staff presented the following spreadsheets, which compare August 2019 year-to-date actual to budgeted revenues and expenses by category:

Indian Wells Valley Water District
Revenues vs. Expense
Actuals & Budget through August 2019 (Preliminary)

	Budget	Actuals	Δ
Revenues			
Total Water Sales	1,641,600	1,421,249	-220,351
Total Water Service Revenue	43,000	50,469	7,469
Total Non-Operating Income	18,000	27,678	9,678
Capital Contributions	19,600	56,404	36,804
Total Revenues	1,722,200	1,555,800	-166,400
Expenses			
Water Supply	191,357	184,679	-6,678
Arsenic Treatment Plants	61,776	54,481	-7,295
Transmission & Distribution	294,502	268,932	-25,570
Engineering	74,932	59,175	-15,757
Customer Service	37,326	47,155	9,829
Field Services	64,874	52,725	-12,149
General & Administration	397,902	433,314	35,412
Legislative	15,782	13,985	-1,797
Depreciation	579,746	579,746	0
Non-Operating, Interest	215,000	215,687	687
Non-Operating, Miscellaneous	133,244	164,131	30,887
Non-Operating, Conservation	59,262	2,805	-56,457
Non-Operating, Alternate Water	13,166	2,934	-10,232
Total Expenses	2,138,869	2,079,749	-59,120
Net Revenue Increase (Decrease)	-416,669	-523,949	-107,280
Capital Expenditures		533,196	
Debt Service Principle		253,741	





**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 \$912,716.98 as follows:

Checks through:	<u>7/28/19</u>	<u>8/11/19</u>
Prepaid	\$ 99,394.65	\$ 52,257.13
Current	<u>669,419.11</u>	<u>91,646.09</u>
Total	<u>\$ 768,813.76</u>	<u>\$ 143,903.22</u>

7. Future Agenda Items

8. Adjournment

The Committee adjourned at 3:27pm.