

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING
REPORT

TUESDAY, SEPTEMBER 8, 2020 – 3:00 PM
VIA WEBEX

ATTENDEES: Don Cortichiato, Stan Rajtora, Don Zdeba, Ty Staheli, Jason Lillion, and Renee Morquecho

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 to report.

4. Impact of proposed GA Replenishment Fee on conservation and financials.

Description: Discuss the fiscal impacts of the GA replenishment fee.

Committee discussed the lack in concrete information needed to estimate potential usage changes due to the replenishment fee implementation. Committee will place this item on future agendas to discuss impacts as information becomes available.

5. Second Quarter 2020 Investment Reports

Description: Presentation to Committee of the quarterly investment earnings of the District's reserves in the Kern County Treasury and the State Treasury's Local Agency Investment Fund (LAIF).

**INDIAN WELLS VALLEY WATER DISTRICT
 QUARTERLY INVESTMENT REPORT
 QUARTER ENDING JUNE 2020**

INVESTMENTS	UNRESTRICTED	RESTRICTED	TOTAL
Cash in Bank	\$ 1,961,814	399,425	
Local Agency Investment Fund	1,361,476		
Kern County Treasurer	8,222,158	433,517	
BNY Mellon 2018 COP Project Fund		10,030,443	
Total Water District Investments	<u>\$ 11,545,448</u>	<u>\$ 10,863,385</u>	<u>\$ 22,408,833</u>

RESERVES	DISTRICT DESIGNATED	RESTRICTED	TOTAL
Capital Improvements & Replacements (Committed)	\$ 2,157,500		
Vehicle Replacement (Assigned)	352,727		
Computer Equipment Replacement (Assigned)	100,779		
Emergency Reserve (Committed)	3,058,921		
Alternate Water Supply/Future Source of Supply (Assigned)	981,457		
Miscellaneous Capital (Assigned for projects postponed)	1,260,425		
Customer Deposits & Credits (Nonspendable)	205,898		
Prepaid Connection Fees (Nonspendable)	419,700		
Post-Retirement Health Benefits - Kern County (Assigned)	310,350		
Emergency Reserve (Uncommitted)	2,697,692		
AD 87-1 Reserve Funds (Restricted to pay Prop 55 Loan)		433,510	
2016 Solar Loan Project Funds		399,425	
2018 COP Project Funds		10,030,443	
Capital Facility Fees		<u>7</u>	
Total Water District Reserves	<u>\$ 11,545,448</u>	<u>\$ 10,863,385</u>	<u>\$ 22,408,833</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

6. Financial Statements August 31, 2020 (preliminary)

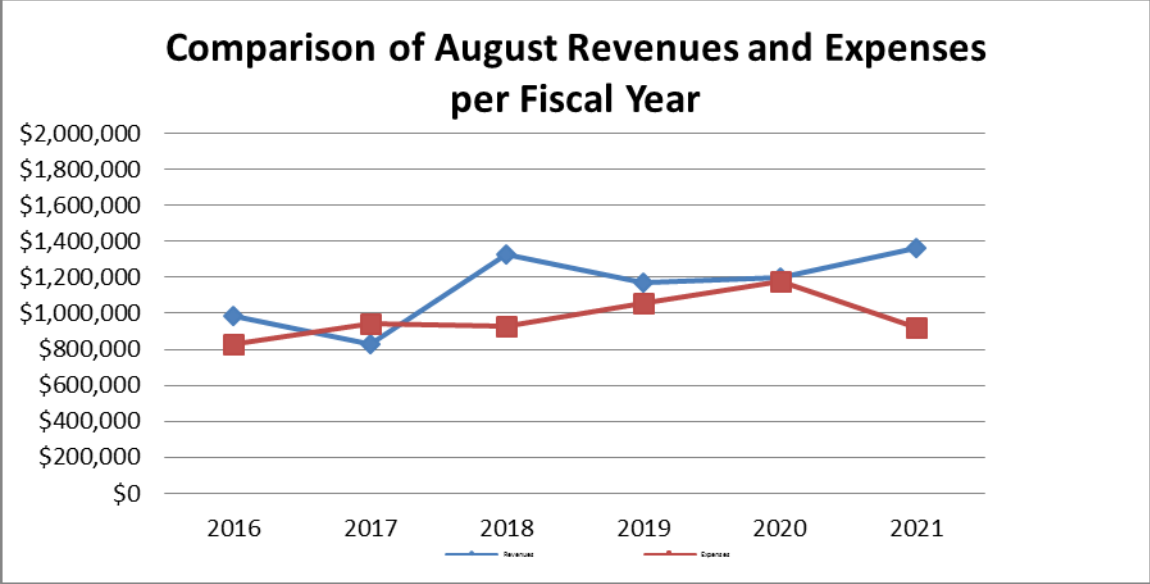
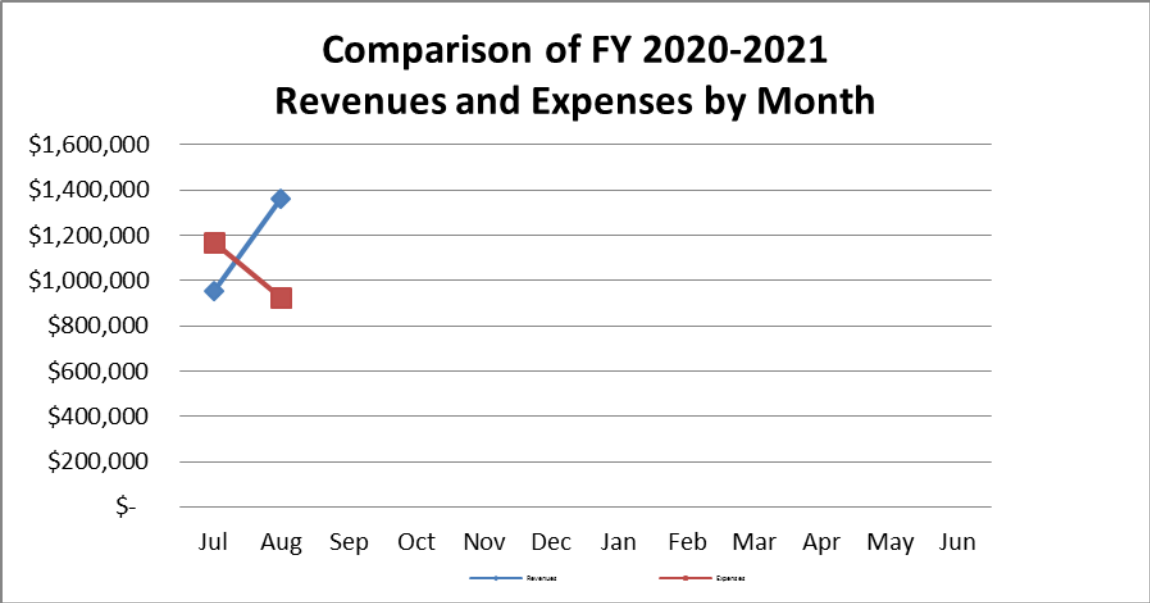
Description: Presentation to Committee financial reports and a graph depicting current revenue and expense trends compared to budget and previous fiscal year actuals.

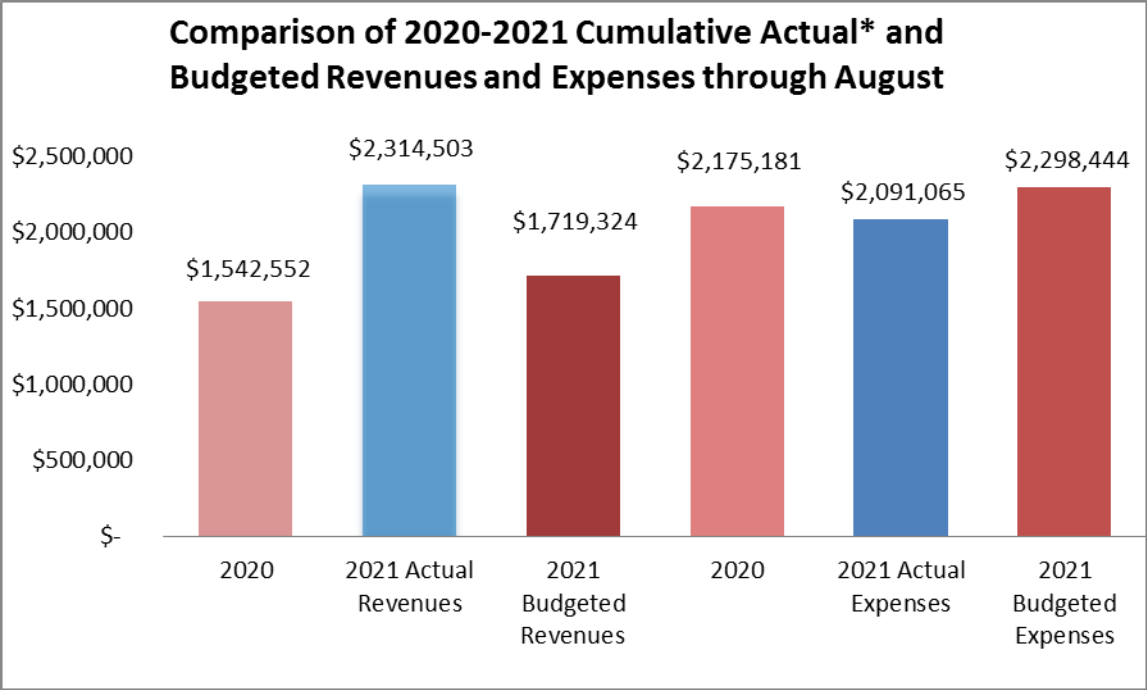
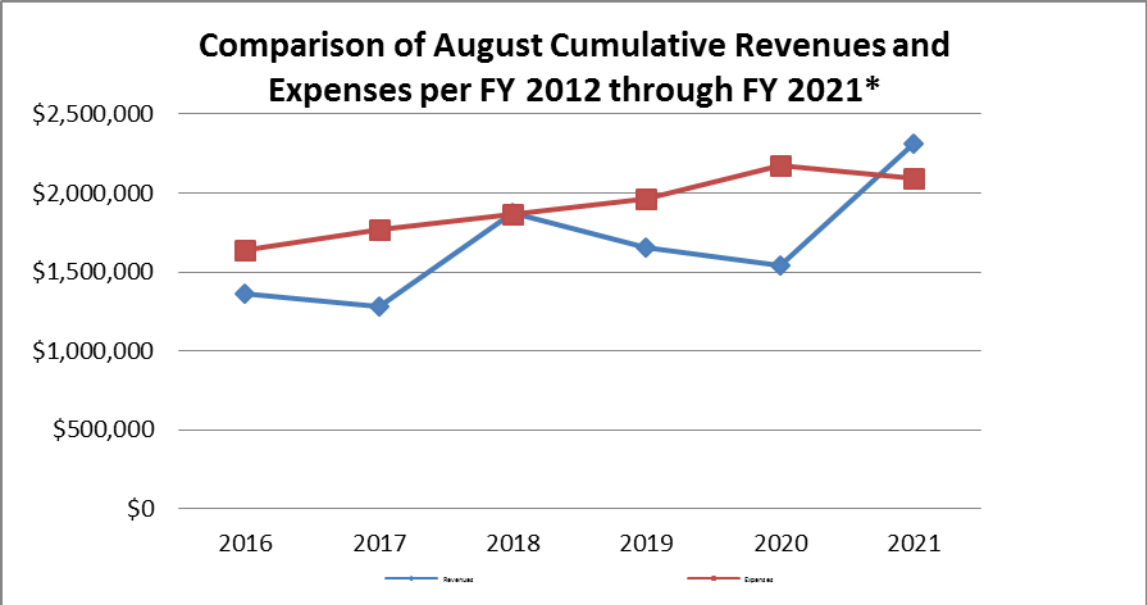
Estimated year-to-date revenues as of August 31, 2020 are \$2,314,503 and expenses are \$2,091,065, therefore revenues exceeded expenditures by \$223,438, which exceeds budget by \$802,558.

Staff presented the following spreadsheets, which compare August 2020 year-to-date actual to budgeted revenues and expenses by category:

Indian Wells Valley Water District
Revenues vs. Expense
Actuals & Budget through Aug 2020 (Preliminary)

	Budget	Actuals	Δ
Revenues			
Total Water Sales	1,568,747	2,020,182	451,435
Total Water Service Revenue	42,341	52,676	10,335
Total Non-Operating Income	84,252	78,822	-5,429
Capital Contributions	23,984	162,822	138,838
Total Revenues	1,719,324	2,314,503	595,179
Expenses			
Water Supply	186,716	194,564	7,848
Arsenic Treatment Plants	46,463	32,402	-14,062
Transmission & Distribution	301,306	283,737	-17,569
Engineering	64,697	43,654	-21,044
Customer Service	66,173	39,747	-26,426
Field Services	95,276	47,947	-47,328
General & Administration	502,532	482,282	-20,250
Legislative	18,565	14,767	-3,799
Depreciation	583,333	583,333	0
Non-Operating, Interest	259,265	225,096	-34,169
Non-Operating, Miscellaneous	126,080	135,425	9,345
Non-Operating, Conservation	21,483	3,225	-18,258
Non-Operating, Alternate Water	26,555	4,887	-21,668
Total Expenses	2,298,444	2,091,065	-207,379
Net Revenue Increase (Decrease)	-579,121	223,438	802,558
Capital Expenditures		704,829	
- COP Funded		416,541	
Debt Service Principle		179,718	





*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 \$1,122,601.70 as follows:

Checks through:	<u>8/13/20</u>	<u>8/26/20</u>
Prepaid	\$ 212,011.00	\$ 44,507.91
Current	<u>729,053.55</u>	<u>137,029.24</u>
Total	<u>\$ 941,064.55</u>	<u>\$ 181,537.15</u>

8. Future Agenda Items

None

9. Adjournment

The Committee adjourned at 3:24pm.