

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING

REPORT

TUESDAY SEPTEMBER 3, 2024 – 2:30 PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: David Saint-Amand, Ron Kicinski, George Croll, Ty Staheli, Jason Lillion, and Renee Morquecho

1. Call to Order

The Finance Committee Meeting was called to order at 2:30 pm.

2. Committee/Public Comments

None.

3. Fraud Risk Discussion

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

None to report.

4. GA Imported Water Costs

Description: Discuss imported water costs and potential impact to customers' bills

Committee discussed the lack of response from the Groundwater Authority and the City regarding the cost analysis and bill impact of the GA's proposed imported water pipeline project.

Committee also discussed several questions regarding the GA's imported water pipeline project, including; the discrepancy in House vs Senate funding of the GA's pipeline project, \$50 million vs. \$5 million, the required matching funds, and how the GA plans to collect those funds.

5. Second Quarter 2024 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 2024**

INVESTMENTS	UNRESTRICTED	RESTRICTED	TOTAL
Cash in Bank	\$ 1,371,255	0	
Local Agency Investment Fund	334,745		
Kern County Treasurer	7,441,251	3,663,978	
BNY Mellon 2024 Bond Project Fund		7,495,712	
Total Water District Investments	<u>\$ 9,147,252</u>	<u>\$ 11,159,691</u>	<u>\$ 20,306,943</u>

RESERVES	DISTRICT DESIGNATED	RESTRICTED	TOTAL
Capital Improvements & Replacements (Committed)	\$ 1,332,900		
Vehicle Replacement (Assigned)	350,710		
Computer Equipment Replacement (Assigned)	100,203		
Emergency Reserve (Committed)	3,318,659		
Alternate Water Supply/Future Source of Supply (Assigned)	2,005,617		
Miscellaneous Capital (Assigned for projects postponed)	90	3,000,000	
Customer Deposits & Credits (Nonspendable)	342,192		
Prepaid Connection Fees (Nonspendable)	408,610		
Post-Retirement Health Benefits - Kern County (Assigned)	333,071		
Emergency Reserve (Uncommitted)	955,199		
AD 87-1 Reserve Funds (Restricted to pay Prop 55 Loan)		593,617	
2024 Bond Project Funds		7,495,712	
Capital Facility Fees		<u>70,361</u>	
Total Water District Reserves	<u>\$ 9,147,252</u>	<u>\$ 11,159,691</u>	<u>\$ 20,306,943</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, 2024 (preliminary)

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

Estimated year-to-date revenues as of August 31, 2024, are \$2,502,811 and expenses are \$2,714,047, therefore expenditures exceeded revenues by \$211,237, which is better than budget by \$685,148.

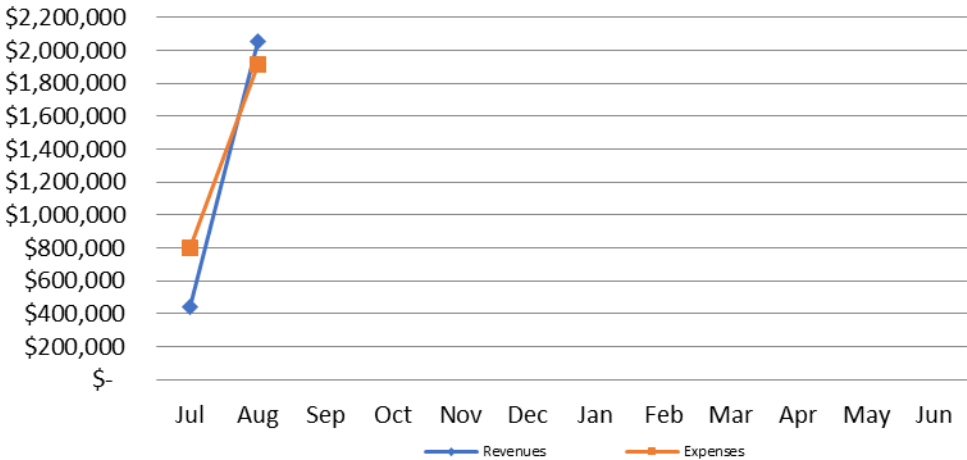
To date, the District has paid the Groundwater Authority \$15,184,092 in fees.

Staff presented the following spreadsheet, which compares August year-to-date actual to budgeted revenues and expenses by category:

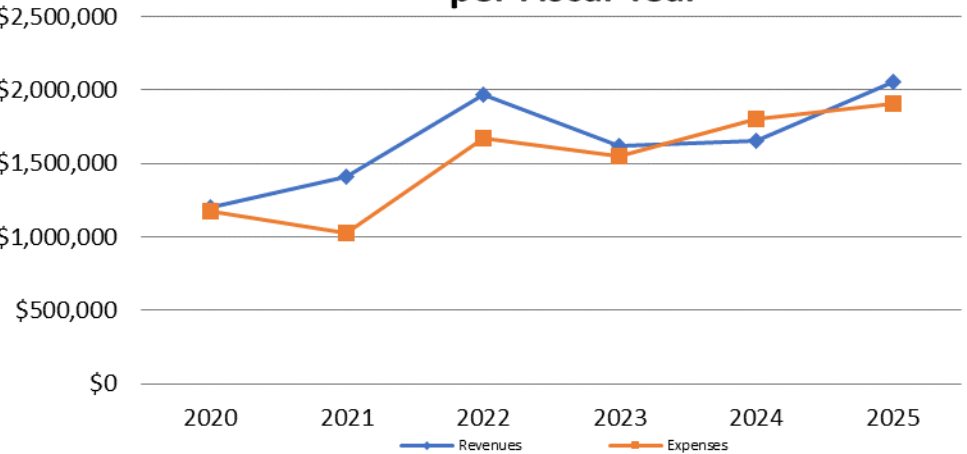
Indian Wells Valley Water District
Revenues vs. Expense
Actuals & Budget through August 2024 (Preliminary)

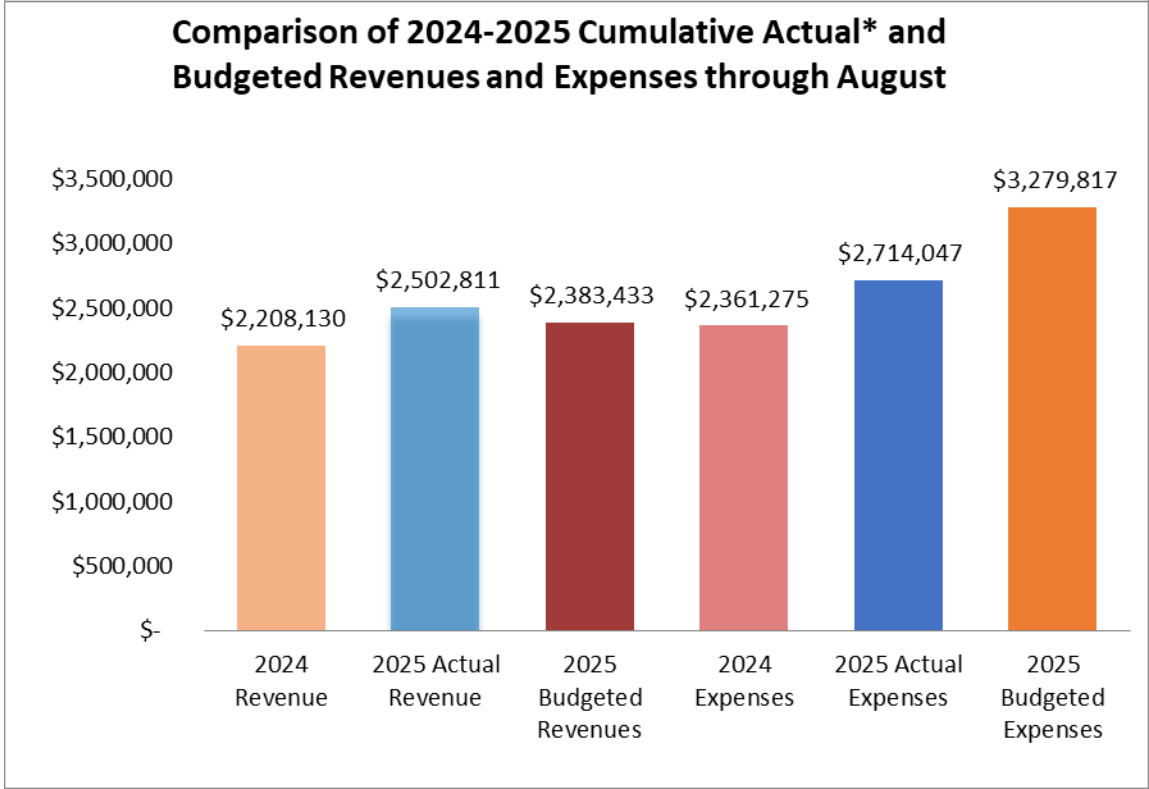
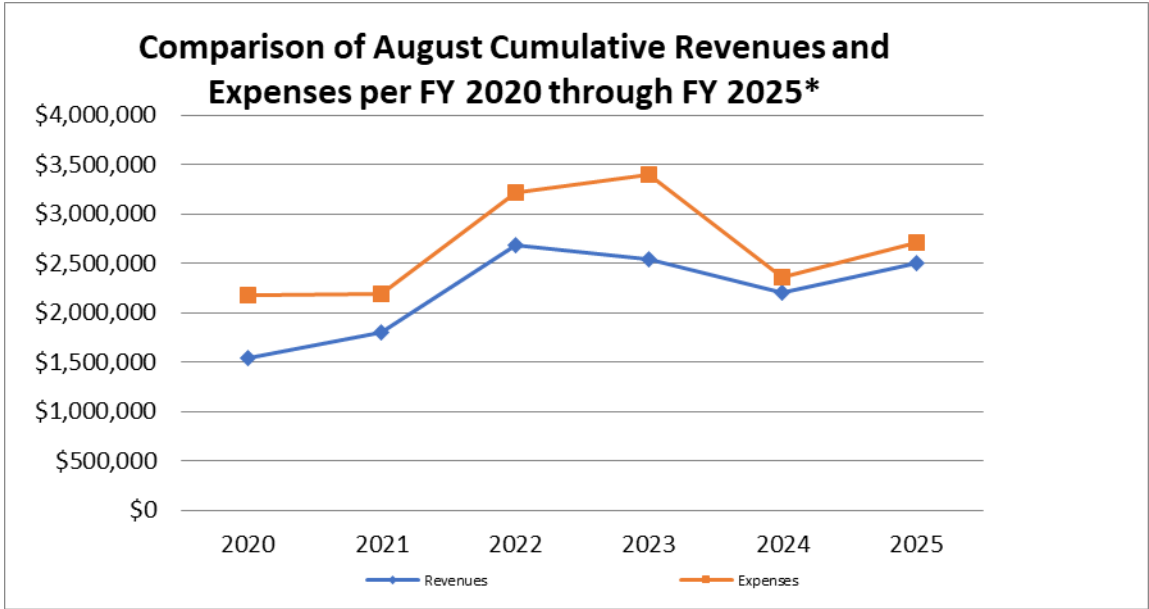
	Budget	Actuals	Δ
Revenues			
Total Water Sales	1,844,715	1,603,711	-241,004
GSA Fees	439,483	754,394	314,911
Total Water Service Revenue	53,077	72,340	19,263
Total Non-Operating Income	21,815	29,168	7,352
Capital Contributions	24,343	43,198	18,855
Total Revenues	2,383,433	2,502,811	119,378
Expenses			
Water Supply	274,395	200,006	-74,388
Arsenic Treatment Plants	77,231	73,574	-3,658
Transmission & Distribution	377,132	226,530	-150,602
Engineering	122,273	73,489	-48,784
Customer Service	87,354	65,385	-21,969
Field Services	96,422	54,530	-41,892
General & Administration	466,512	365,416	-101,096
Legal	321,290	62,171	-259,119
Legislative	20,191	8,902	-11,289
Depreciation	550,000	550,000	0
Non-Operating, Interest	291,193	291,193	0
Non-Operating, Miscellaneous	48,363	47,980	-383
GSA Fees	526,123	690,973	164,851
Non-Operating, Conservation	5,783	1,975	-3,808
Non-Operating, Alternate Water	15,557	1,925	-13,632
Total Expenses	3,279,817	2,714,047	-565,770
Net Revenue Increase (Decrease)	-896,384	-211,237	685,148
Capital Expenditures		2,148,595	
Debt Service Principle		185,277	
Total GSA Extraction Fee Paid		2,805,108	
Total GSA Replenishment Fee Paid		12,378,984	
		15,184,092	

Comparison of FY 2023-2024 Revenues and Expenses by Month



Comparison of August Revenues and Expenses per Fiscal Year





**Actual Revenues and Expenses are Estimated*

Committee discussion also included overview of the current budget and financial health of the Water District. Slides included.

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 \$1,454,173.42 as follows:

Checks through:	<u>8/1/24</u>	<u>8/15/24</u>	<u>8/29/24</u>
Prepaid	\$ 0.00	\$ 51,507.27	\$ 49,965.05
Current	<u>291,585.69</u>	<u>910,391.38</u>	<u>150,724.03</u>
Total	<u>\$ 291,585.69</u>	<u>\$ 961,898.65</u>	<u>\$ 200,689.08</u>

8. Future Agenda Items

None

9. CLOSED SESSION

President Kicinski recessed the meeting and adjourned to Closed Session at 3:04 p.m.

The meeting was reconvened in Closed Session at 3:07 p.m.

The meeting was reconvened to Open Session at 3:46 p.m.

No action was taken that requires disclosure under the Brown Act.

10. Adjournment

The Committee adjourned at 3:52 pm.