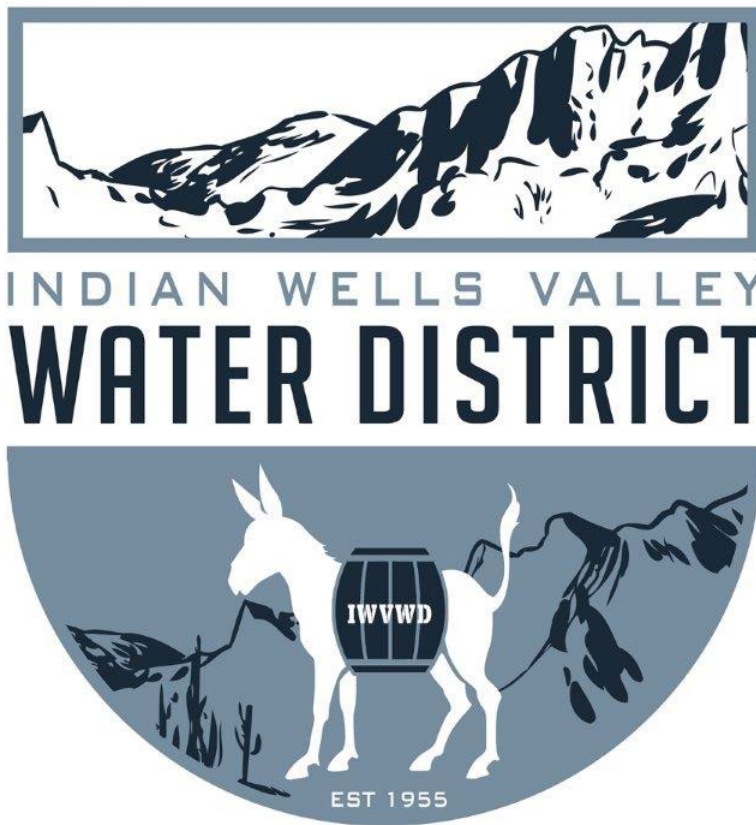


INDIAN WELLS VALLEY WATER DISTRICT

Board of Directors Meeting



March 13, 2023



INDIAN WELLS VALLEY WATER DISTRICT



BOARD OF DIRECTORS

Mallory J. Boyd, President
Ronald R. Kicinski, Vice President
Charles D. Griffin
Stanley G. Rajtora
David C. H. Saint-Amand

Donald M. Zdeba
General Manager
Krieger & Stewart, Incorporated
Engineers
McMurtrey, Hartsock & Worth
Attorneys-at-Law

2023 COMMITTEE ASSIGNMENTS

ADMINISTRATION/EXECUTIVE COMMITTEE (BOYD/KICINSKI)

Personnel, Legal Matters, General Plan, Community Relations, Board Meeting Agendas, Ordinances, Rules, Regulations, Policies, Procedures, Customer Service, Variances, Director's Manual, etc.

FINANCE COMMITTEE (RAJTORA/SAINT-AMAND)

Rates, Cost-of-Service, Budget, Audits, Cost Allocation, Investments, Financial Services, Insurance, Loans/Grants, Water Sales & Service Policy Manual, Accounting, Assessment Districts, Billing, etc.

PLANT & EQUIPMENT COMMITTEE (GRIFFIN/RAJTORA)

Transmission/Distribution System, Vehicles & Equipment, Wells, Reservoirs, Real Property Management, Telemetry, etc.

WATER MANAGEMENT (GRIFFIN/KICINSKI)

Groundwater Sustainability Act, Indian Wells Valley Groundwater Authority, Water Management, Water Policy, Water Quality, Conservation, Urban Water Management Plan, California Urban Water Conservation Council, Title 22 Compliance, Alternative sources for water supply including Blending, Importation, Reuse, etc.

Committee Meetings are generally scheduled on a regular day and time.
Committee Meetings are subject to change.

Administration/Executive
Finance
Plant & Equipment
Water Management

Wednesday before the Board Meeting at 3:00 p.m.
Tuesday before the Board Meeting at 2:30 p.m.
Tuesday before the Board Meeting at 2:00 p.m.
Last Thursday of the month at 2:00 p.m.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

REGULAR BOARD MEETING
&
PUBLIC HEARING

AGENDA

MONDAY, MARCH 13, 2023
CLOSED SESSION – 4:30 P.M.
OPEN SESSION - 6:00 P.M.

BOARD OF DIRECTORS' HEARING ROOM
500 W. RIDGECREST BLVD., RIDGECREST

➤ **Watch meetings on-line:**

All District meetings are streamed live on the District's YouTube channel at:

<https://www.youtube.com/@IWVWD>

Recordings will be available for viewing after the meeting on the District's YouTube page.

➤ **Call in for public comments:**

To make a public comment, please call: (760) 375-7548.

Callers will be placed in a queue and answered in the order they were received. If a member of the public wishes to comment on multiple items, they will need to call in as each item is presented to the Board.

(In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Lauren Smith at (760) 384-5502. Requests must be made as early as possible and at least one full business day before the start of the meeting. Pursuant to Government Code section 54957.5, any materials relating to an open session item on this agenda, distributed to the Board of Directors after the distribution of the agenda packet, will be made available for public inspection at the time of distribution at the following location: Indian Wells Valley Water District, 500 W. Ridgcrest Blvd., Ridgcrest, CA.)

1. Call to Order
2. Pledge of Allegiance
3. Roll Call
4. Posting of Agenda Declaration
5. Conflict of Interest Declaration
6. Public Questions and Comments on Closed Session
7. Closed Session
 - A. Potential Litigation
 - Conference with Legal Counsel
 - 2 Matters
 - (Pursuant to Government Code Section 54956.9(d)(2))

- B. Existing Litigation
Conference with Legal Counsel
Mojave Pistachios, LLC v Indian Wells Valley Water District, et al.
Orange County Superior Court Case No. 30-2021-01187275-CU-OR-CJC
(Pursuant to Government Code Section 54956.9(d)(1))

- C. Existing Litigation
Conference with Legal Counsel
Mojave Pistachios, LLC v Indian Wells Valley Groundwater Authority, et al.
Orange County Superior Court Case No. 30-2021-01187589-CU-WM-CXC
(Pursuant to Government Code Section 54956.9(d)(1))

- D. Existing Litigation
Conference with Legal Counsel
Searles Valley Minerals Inc., v Indian Wells Valley Groundwater Authority, et al.
Orange County Superior Court Case No. 30-2021-01188089-CU-WM-CXC
(Pursuant to Government Code Section 54956.9(d)(1))

- E. Personnel Matter
One Position: General Manager
(To consider the performance of a Public Employee)
(Pursuant to Government Code Section 54957)

- 8. Public Questions and Comments
(This portion of the meeting is reserved for persons desiring to address the Board on any matter not on the agenda and over which the Board has jurisdiction. However, no action may be taken by the Board of Directors on any item not appearing on the agenda. Non-agenda speakers are asked to limit their presentation to five minutes. Public questions and comments on items listed on the agenda will be accepted at any time the item is brought forth for consideration by the Board. When you are recognized by the chairperson, please state your name and address for the record.)

- 9. Presentation by Chris Brown of Fedak & Brown, LLC: 2021-2022 Audit Report
Description: Presentation by Chris Brown of the final 2021-2022 Audit Report.

- 10. Public Hearing
Description: Request for Approval of Ordinance No. 107: Amending Ordinance No. 106 - Providing for a reference Document Entitled, “Water Sales and Service Policy Manual”.

- 11. Current Business/Committee Reports
 - A. Consent Calendar
Description: Approval of Board Meeting Minutes and Accounts Payable Disbursements.
 - 1. Approval of Minutes:
 - i. February 13, 2023, Regular Board Meeting
 - ii. February 27, 2023, Special Board Meeting & Public Hearing
 - 2. Approval of Accounts Payable Disbursements

 - B. Plant & Equipment Committee
 - 1. Award of Contract for Installation of Underdrain at Arsenic Plant 1
Description: Staff will present the quote from Pureflow for the installation of the new stainless-steel underdrain.

Committee Recommends the Following: N/A.

- C. Administration Executive Committee
1. California Special Districts Association (CSDA) Board of Directors
Seat C Nomination
Description: The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the CSDA for the 2024-2026 term.
Committee Recommends the Following: Defer to the Board for further discussion and consideration.
- D. Residency Requirement Policy
Description: Board discussion and consideration of an employee Residency Requirement Policy.
- E. Indian Wells Valley Groundwater Authority
Description: Report and discussion regarding the February 8, 2023, and March 8, 2023, meetings of the Indian Wells Valley Groundwater Authority (IWVGA). Including, Board discussion and consideration of issues of importance requiring action by the IWVGA. Next meeting is scheduled for April 12, 2023.
- F. Comprehensive Adjudication
Description: Report and discussion regarding the status of the Comprehensive Adjudication.
- G. General Manager and Staff Update (The Board will consider and may act on the following items):
1. Water Production, New Services, and Personnel Safety Record
Description: Water produced from all District wells, report of the new services installed in the District, and personnel safety record for the preceding month.
 2. Public Outreach
Description: Public Outreach Report.
 3. Well 31 Rehabilitation
Description: Update on Well 31 Rehabilitation project.
 4. Booster Stations and Tanks Projects
Description: Update on these Capital Projects.
 5. Financial Status
Description: Report on the District's current financial status.
 6. Solar Production
Description: Update on solar production for the preceding month.
 7. Conservation
Description: Update on the Conservation Program and discussion on water conservation related items.

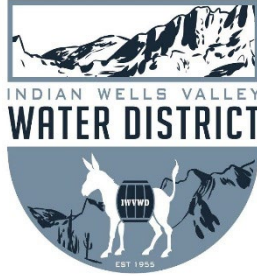
8. Inyokern Road Transmission Line
Description: Update on the failure of the 30-inch transmission main.

9. Arsenic Treatment Facilities
Description: Staff will update Committee on maintenance issues and production.

10. Operations
Description: Staff report on operations.

12. Board Comments/Future Agenda Items

13. Adjournment



9. Audit Report



Indian Wells Valley Water District

Annual Financial Report

For the Fiscal Years Ended June 30, 2022 and 2021

Board Presentation Draft Subject to Board Approval



History and Organization:

On January 24, 1955, the Ridgecrest County Water District was formed in accordance with Division 12, Section 30000-00901 of the California Water Code. The District was incorporated as a Political Corporation on February 1, 1955, and established as a California public entity with authority to construct, operate and maintain a community water works system, such as the District deems necessary and proper. In January 1970, the name was changed to Indian Wells Valley Water District to recognize that service had extended beyond the political boundaries of the City of Ridgecrest. Service is provided to nearly 12,000-metered sites. Voters living within the District's boundaries elect five Directors to govern the District. The District has a staff of 30 full-time regular employees. The District operates strictly from water rate charges and fees for services and has no revenue from taxes or federal sources. The District operates ten production wells, eleven water tanks that provide for 17.1 million gallons of storage, and seven booster stations.

**Indian Wells Valley Water District
Board of Directors as of June 30, 2022**

<u>Name</u>	<u>Title</u>	<u>Elected/ Appointed</u>	<u>Current Term</u>
David C.H. Saint-Amand	President	Elected	11/18-11/22
Mallory J. Boyd	Vice-President	Elected	11/20-11/24
Charles F. Cordell	Director	Elected	11/20-11/24
Charles D. Griffin	Director	Elected	11/20-11/24
Stan G. Rajtora	Director	Elected	11/18-11/22

**Indian Wells Valley Water District
Donald M. Zdeba, General Manager
500 W. Ridgecrest Blvd.
Ridgecrest, California 93555
(760) 375-5086 – www.iwvwd.com**

Indian Wells Valley Water District

Annual Financial Report

For the Fiscal Years Ended June 30, 2022 and 2021

Board Presentation Draft Subject to Board Approval

**Indian Wells Valley Water District
Annual Financial Report
For the Fiscal Years Ended June 30, 2022 and 2021**

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Financial Section

Board Presentation Draft Subject to Board Approval

Independent Auditor's Report

Board of Directors
Indian Wells Valley Water District
Ridgecrest, California

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Indian Wells Valley Water District (District) which comprises the statements of net position as of June 30, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Indian Wells Valley Water District as of June 30, 2022 and 2021, and the changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District 's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control–related matters that we identified during the audits.

Emphasis of Matter

As discussed in note 13 to the financial statements, in June 30, 2022, the District adopted the provisions of *Governmental Accounting Standards Board (GASB) Statement No. 87– Leases*.

As a result, the District has restated its net position to reflect the effects of the change in its accounting policy. Our opinion is not modified with respect to this matter.

Independent Auditor's Report, continued

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and the required supplementary information on pages 49 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance. This report can be found on pages 53 and 54.

C.J. Brown & Company CPAs
Cypress, California
March 13, 2023

Indian Wells Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Indian Wells Valley Water District (District) provides an introduction to the financial statements for the fiscal years ended June 30, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- In fiscal year 2022, the District's net position decreased 0.54%, or \$207,174 to \$37,865,258, due to a decrease of \$876,126 from ongoing operations offset by capital contributions of \$668,952. In fiscal year 2021, the District's net position increased 2.79%, or \$1,033,421 to \$38,072,432, due to capital contributions of \$1,960,222 offset by a decrease of \$926,801 from ongoing operations.
- Total revenues increased 17.04% or \$2,392,920 to \$16,433,858. In fiscal year 2021, the District's total revenues increased 25.67% or \$2,868,265 to \$14,040,938.
- Operating revenues increased 17.28% or \$2,393,383 to \$16,240,442. In fiscal year 2021, the District's operating revenues increased 27.50% or \$2,986,638 to \$13,847,059.
- Non-operating revenues decreased 0.24% or \$463 to \$193,416. In fiscal year 2021, the District's non-operating revenues decreased 37.91% or \$118,373 to \$193,879.
- Total expenses increased 15.65% or \$2,342,245 to \$17,309,984. In fiscal year 2021, the District's total expenses increased 13.24% or \$1,750,171 to \$14,967,739.
- Operating expenses increased 26.74% or \$2,753,196 to \$13,050,526. In fiscal year 2021, the District's operating expenses increased 19.04% or \$1,647,117 to \$10,297,330.
- Non-operating expenses decreased 2.28% or \$30,700 to \$1,318,173. In fiscal year 2021, the District's non-operating expenses decreased 3.00% or \$41,760 to \$1,348,873.
- Capital contributions decreased 65.87% or \$1,291,270 to \$668,952. In fiscal year 2021, the District's capital contributions increased 176.37% or \$1,250,953 to \$1,960,222.

Required Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. These statements can also be used to evaluate profitability and credit worthiness. The final required financial statement is the Statement of Cash Flows, which provides information about the District's cash receipts and cash payments during the reporting period. The Statement of Cash Flows reports cash receipts, cash payments, and net change in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Indian Wells Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Financial Analysis of the District

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District in a way that help answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. These two statements report the District's *net position* and changes in it. One can think of the District's net position (assets and deferred outflows of resources, less liabilities and deferred inflows of resources), as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State water quality standards.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 15 through 48.

Statement of Net Position

Condensed Statements of Net Position					
	2022	As Restated 2021	Change	As Restated 2020	Change
Assets:					
Current assets	\$ 21,710,920	24,042,764	(2,331,844)	25,185,602	(1,142,838)
Non-current assets	120,000	120,000	-	120,000	-
Capital assets, net	<u>55,868,511</u>	<u>54,588,290</u>	<u>1,280,221</u>	<u>53,141,029</u>	<u>1,447,261</u>
Total assets	<u>77,699,431</u>	<u>78,751,054</u>	<u>(1,051,623)</u>	<u>78,446,631</u>	<u>304,423</u>
Deferred outflows of resources	<u>1,305,011</u>	<u>1,006,665</u>	<u>298,346</u>	<u>823,725</u>	<u>182,940</u>
Liabilities:					
Current liabilities	3,116,282	2,786,612	329,670	2,673,824	112,788
Non-current liabilities	<u>35,929,654</u>	<u>38,423,376</u>	<u>(2,493,722)</u>	<u>39,091,395</u>	<u>(668,019)</u>
Total liabilities	<u>39,045,936</u>	<u>41,209,988</u>	<u>(2,164,052)</u>	<u>41,765,219</u>	<u>(555,231)</u>
Deferred inflows of resources	<u>2,093,248</u>	<u>483,161</u>	<u>1,610,087</u>	<u>466,126</u>	<u>17,035</u>
Net position:					
Net investment in capital assets	22,730,376	20,317,430	2,412,946	18,108,694	2,208,736
Restricted	5,428,522	6,839,839	(1,411,317)	10,063,771	(3,223,932)
Unrestricted	<u>9,706,360</u>	<u>10,915,163</u>	<u>(1,208,803)</u>	<u>8,866,546</u>	<u>2,048,617</u>
Total net position	<u>\$ 37,865,258</u>	<u>38,072,432</u>	<u>(207,174)</u>	<u>37,039,011</u>	<u>1,033,421</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,865,258 and \$38,072,432 as of June 30, 2022 and 2021, respectively.

Indian Wells Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Statement of Net Position, continued

The largest portion of the District's net position (60% and 53% as of June 30, 2022 and 2021, respectively) reflects the District's investment in capital assets (net of accumulated depreciation) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers within the District's service area; consequently, these assets are not available for future spending.

At the end of fiscal years 2022 and 2021, the District showed a positive balance in its unrestricted net position of \$9,706,360 and \$10,915,163, respectively, which may be utilized in future years. See note 12 for further information.

Statement of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2022</u>	<u>As Restated 2021</u>	<u>Change</u>	<u>As Restated 2020</u>	<u>Change</u>
Revenue:					
Operating revenue	\$ 16,240,442	13,847,059	2,393,383	10,860,421	2,986,638
Non-operating revenue	193,416	193,879	(463)	312,252	(118,373)
Total revenue	<u>16,433,858</u>	<u>14,040,938</u>	<u>2,392,920</u>	<u>11,172,673</u>	<u>2,868,265</u>
Expense:					
Operating expense	13,050,526	10,297,330	2,753,196	8,650,213	1,647,117
Depreciation and amortization	2,941,285	3,321,536	(380,251)	3,176,722	144,814
Non-operating expense	1,318,173	1,348,873	(30,700)	1,390,633	(41,760)
Total expense	<u>17,309,984</u>	<u>14,967,739</u>	<u>2,342,245</u>	<u>13,217,568</u>	<u>1,750,171</u>
Net loss before capital contributions	<u>(876,126)</u>	<u>(926,801)</u>	<u>50,675</u>	<u>(2,044,895)</u>	<u>1,118,094</u>
Capital contributions:	<u>668,952</u>	<u>1,960,222</u>	<u>(1,291,270)</u>	<u>709,269</u>	<u>1,250,953</u>
Changes in net position	<u>(207,174)</u>	<u>1,033,421</u>	<u>(1,240,595)</u>	<u>(1,335,626)</u>	<u>2,369,047</u>
Net position, beginning of year	<u>38,072,432</u>	<u>37,039,011</u>	<u>1,033,421</u>	<u>38,374,637</u>	<u>(1,335,626)</u>
Net position, end of year as restated	<u>\$ 37,865,258</u>	<u>38,072,432</u>	<u>(207,174)</u>	<u>37,039,011</u>	<u>1,033,421</u>

A closer examination of the sources of changes in net position reveal that:

In fiscal year 2022 the District's net position decreased 0.54%, or \$207,174 to \$37,865,258, due to a decrease of \$876,126 from ongoing operations, offset by \$668,952 in capital contributions. In fiscal year 2021, the District's net position increased 2.79%, or \$1,033,421 to \$38,072,432, due to \$1,960,222 in capital contributions, which were offset by a decrease of \$926,801 from ongoing operations.

The District's total revenues increased 17.04% or \$2,392,920 to \$16,433,858 in fiscal year 2022. In fiscal year 2021, the District's total revenues increased 25.67% or \$2,868,265 to \$14,040,938.

The District's operating revenues increased 17.28% or \$2,393,383 to \$16,240,442 in fiscal year 2022, primarily due to increases of \$1,858,246 in water consumption sales, \$446,054 in ready-to-serve charges, \$90,647 in arsenic compliance charges as compared to the prior year. In fiscal year 2021, the District's operating revenues increased 27.50% or \$2,986,638 to \$13,847,059, primarily due to increases of \$2,672,035 in water consumption sales, \$259,281 in other charges for services, \$79,626 in arsenic compliance charges, and \$14,477 in zone charges, which were offset by a decrease of \$38,781 in ready-to-serve charges as compared to the prior year.

Indian Wells Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Statement of Revenues, Expenses, and Changes in Net Position, continued

The District's non-operating revenues decreased 0.24% or \$463 to \$193,416 in fiscal year 2022, primarily due to a decreases of \$29,455 in other revenue and \$17,843 in investment earnings, which were offset by increases of \$39,825 in gain on disposition of assets and \$10,032 in special assessment 87-1 for debt service. In fiscal year 2021, the District's non-operating revenues primarily due to decreased 37.91% or \$118,373 to \$193,879, primarily due to a decrease of \$152,036 in investment earnings, offset by increases of \$18,909 in gain on disposition of assets and \$13,462 in other revenue.

The District's total expenses increased 15.65% or \$2,342,245 to \$17,309,984 in fiscal year 2022. In fiscal year 2021, the District's total expenses increased 13.24% or \$1,750,171 to \$14,967,739.

The District's operating expenses increased 26.74% or \$2,753,196 to \$13,050,526 in fiscal year 2022, primarily due to increases of \$2,627,882 in general and administrative, \$177,800 in engineering, \$86,842 in customer service, \$22,069 in water supply, which were offset by decreases of \$123,808 in arsenic plant expenses, \$17,157 in transmission and distribution, and \$14,311 in legislative expenses as compared to the prior year. In fiscal year 2021, the District's operating expenses increased 19.04% or \$1,647,117 to \$10,297,330, primarily due to increases of \$1,663,894 in general and administrative, \$107,044 in customer service, \$20,811 in legislative expenses, and \$20,538 in arsenic plant expenses; which were offset by decreases of \$114,987 in engineering, \$30,228 in transmission and distribution, and \$23,980 in water supply as compared to the prior year.

The District's depreciation decreased 11.45%, or \$380,251 to \$2,941,285 in fiscal year 2022, primarily due to maturing existing capital assets as compared to prior year. In fiscal year 2021, the District's depreciation increased 4.56%, or \$144,814 to \$3,321,536, primarily due to asset additions added to depreciable assets in the prior year.

The District's non-operating expenses decreased 2.28% or \$30,700 to \$1,318,173 in fiscal year 2022, primarily due to a decrease of \$28,700 in interest expense related to long-term debt as compared to the prior year. In fiscal year 2021, the District's non-operating expenses decreased 3.00% or \$41,760 to \$1,348,873, primarily due to a decrease of \$37,819 in interest expense related to long-term debt as compared to the prior year.

The District's capital contributions decreased 65.87% or \$1,291,270 to \$668,952 in fiscal year 2022, due to decreases of \$745,348 in capital contributions from the State, \$375,917 in capital facility fees, \$117,369 in capital contributions from developers, \$38,610 in capital contributions from local sources, and \$14,026 in capital contributions for the Cash for Grass grant. In fiscal year 2021, the District's capital contributions increased 176.37% or \$1,250,953 to \$1,960,222, due to increases of \$690,116 in capital contributions from the State, \$440,073 in capital facility fees, and \$190,078 in capital contributions from developers, which were offset by decreases of \$48,973 in capital contributions for the Cash for Grass grant, and \$20,341 in capital contributions from local sources.

Indian Wells Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Capital Asset Administration

Changes in capital asset amounts for 2022 were as follows:

	<u>As Restated 2021</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2022</u>
Capital assets:				
Non-depreciable assets	\$ 10,606,537	4,287,362	(2,494,879)	12,399,020
Depreciable assets	110,505,452	2,429,023	-	112,934,475
Accumulated depreciation and amortization	<u>(66,523,699)</u>	<u>(2,941,285)</u>	<u>-</u>	<u>(69,464,984)</u>
Total capital assets, net	<u>\$ 54,588,290</u>	<u>3,775,100</u>	<u>(2,494,879)</u>	<u>55,868,511</u>

Changes in capital asset amounts for 2021 were as follows:

	<u>As Restated 2020</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>As Restated 2021</u>
Capital assets:				
Non-depreciable assets	\$ 6,807,777	4,784,265	(985,505)	10,606,537
Depreciable assets	109,680,567	973,037	(148,152)	110,505,452
Accumulated depreciation and amortization	<u>(63,347,315)</u>	<u>(3,321,536)</u>	<u>145,152</u>	<u>(66,523,699)</u>
Total capital assets, net	<u>\$ 53,141,029</u>	<u>2,435,766</u>	<u>(988,505)</u>	<u>54,588,290</u>

At the end of fiscal years 2022 and 2021, the District's investment in capital assets amounted to \$55,868,511 and \$54,588,290 (net of accumulated depreciation and amortization), respectively. This investment in capital assets includes land, transmission and distribution systems, buildings, equipment, vehicles leased equipment and construction-in-process. See note 5 for further information.

Debt Administration

Changes in long-term debt amounts for 2022 were as follows:

	<u>As Restated 2021</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance 2022</u>
Long-term debt:				
COPs payable	\$ 28,064,312	-	(796,157)	27,268,155
Loans payable	6,171,897	-	(313,670)	5,858,227
Lease payable	<u>34,651</u>	<u>-</u>	<u>(22,898)</u>	<u>11,753</u>
Total long-term debt	<u>\$ 34,270,860</u>	<u>-</u>	<u>(1,132,725)</u>	<u>33,138,135</u>

Indian Wells Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2022 and 2021

Debt Administration, continued

Changes in long-term debt amounts for 2021 were as follows:

	<u>As Restated 2020</u>	<u>Additions</u>	<u>Transfers/ Deletions</u>	<u>As Restated 2021</u>
Long-term debt:				
COPs payable	\$ 28,837,970	-	(773,658)	28,064,312
Loans payable	6,484,384	-	(312,487)	6,171,897
Lease payable	56,763	-	(22,112)	34,651
Total long-term debt	<u>\$ 35,379,117</u>	<u>-</u>	<u>(1,108,257)</u>	<u>34,270,860</u>

See note 7 for further information.

Conditions Affecting Current Financial Position

Management is unaware of any conditions, which could have a significant impact on the District's current financial position, net position or operating results in terms of past, present, and future periods.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District's Chief Financial Officer at 500 West Ridgecrest Boulevard, Ridgecrest, California 93555 – (760) 375-5086.

Basic Financial Statements

Board Presentation Draft Subject to Board Approval

Indian Wells Valley Water District
Statements of Net Position
June 30, 2022 and 2021

	2022	As Restated 2021
Current assets:		
Cash and cash equivalents (note 2)	\$ 13,334,987	14,092,991
Restricted – cash and cash equivalents (note 2)	5,445,347	6,857,594
Accrued interest receivable	15,686	15,064
Accounts receivable – water sales and services	1,928,791	2,100,594
Accounts receivable – other	20,457	135,271
Assessment bonds receivable – delinquent (note 3)	72,857	84,578
Lease receivable (note 4)	7,862	9,534
Materials and supplies inventory	798,169	646,603
Prepaid expenses and other deposits	86,764	100,535
Total current assets	21,710,920	24,042,764
Non-current assets:		
Lease receivable (note 4)	-	7,862
Mitigation deposit – California Department of Fish and Game	120,000	120,000
Capital assets – not being depreciated (note 5)	12,399,020	10,606,537
Capital assets, net – being depreciated (note 5)	43,469,491	43,981,753
Total non-current assets	55,988,511	54,716,152
Total assets	77,699,431	78,758,916
Deferred outflows of resources:		
Deferred other post-employment benefit outflows (note 8)	447,985	89,664
Deferred pension outflows (note 9)	857,026	917,001
Total deferred outflows of resources	\$ 1,305,011	1,006,665

Continued on next page

See accompanying notes to the basic financial statements

Indian Wells Valley Water District
Statements of Net Position, continued
June 30, 2022 and 2021

	2022	As Restated 2021
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,354,862	1,139,640
Accrued wages and related payables	136,153	105,397
Customer deposits	359,539	333,219
Accrued interest payable	16,825	17,755
Unearned revenue	106,456	75,446
Long-term liabilities – due within one year:		
Compensated absences (note 6)	85,965	80,275
Bonds payable (note 7)	710,000	688,750
Loans payable (note 7)	334,729	323,232
Lease payable (note 7)	11,753	22,898
Total current liabilities	3,116,282	2,786,612
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 6)	343,862	321,099
Bonds payable (note 7)	26,558,155	27,375,562
Loans payable (note 7)	5,523,498	5,848,665
Lease payable (note 7)	-	11,753
Net other post-employment benefit liability (note 8)	1,698,328	1,392,967
Net pension liability (note 9)	1,805,811	3,473,330
Total non-current liabilities	35,929,654	38,423,376
Total liabilities	39,045,936	41,209,988
Deferred inflows of resources:		
Deferred lease inflows (note 4)	4,782	14,345
Deferred other post-employment benefit inflows (note 8)	258,290	133,930
Deferred pension inflows (note 9)	1,830,176	334,886
Total deferred inflows of resources	2,093,248	483,161
Net position:		
Net investment in capital assets (note 10)	22,730,376	20,317,430
Restricted (note 11)	5,428,522	6,839,839
Unrestricted (note 12)	9,706,360	10,915,163
Total net position	\$ 37,865,258	38,072,432

See accompanying notes to the basic financial statements

Indian Wells Valley Water District
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>As Restated 2021</u>
Operating revenues:		
Water consumption sales	\$ 8,542,606	6,684,360
Ready-to-serve charges	4,981,649	4,535,595
Arsenic compliance charges	1,923,473	1,832,826
Zone charges	207,183	213,981
Other charges for services	585,531	580,297
Total operating revenues	<u>16,240,442</u>	<u>13,847,059</u>
Operating expenses:		
Water supply	1,148,551	1,126,482
Arsenic plant	81,731	205,539
Transmission and distribution	1,616,006	1,633,163
Field services	451,698	457,819
Engineering	483,309	305,509
Customer service	647,131	560,289
Legislative	95,896	110,207
General and administrative	8,526,204	5,898,322
Total operating expenses	<u>13,050,526</u>	<u>10,297,330</u>
Operating income before depreciation expense	3,189,916	3,549,729
Depreciation expense – capital recovery	(2,941,285)	(3,321,536)
Operating income	<u>248,631</u>	<u>228,193</u>
Non-operating revenue(expense):		
Special assessment 87-1 for debt service	12,859	2,827
Investment earnings	86,752	104,595
Rental revenue	10,029	13,051
Interest expense	(1,314,473)	(1,343,173)
Debt service costs	(3,700)	(5,700)
Gain on disposition of assets	58,734	18,909
Other revenue	25,042	54,497
Total non-operating expense, net	<u>(1,124,757)</u>	<u>(1,154,994)</u>
Net loss before capital contributions	<u>(876,126)</u>	<u>(926,801)</u>
Capital contributions:		
Capital facility fees	398,644	774,561
Capital contributions – State	86,963	832,311
Capital contributions – Cash for Grass grant	-	14,026
Capital contributions – developer	183,345	300,714
Capital contributions – local	-	38,610
Total capital contributions	<u>668,952</u>	<u>1,960,222</u>
Changes in net position	<u>(207,174)</u>	<u>1,033,421</u>
Net position, beginning of year	<u>38,072,432</u>	<u>37,039,011</u>
Net position, end of year, as restated (note 13)	<u>\$ 37,865,258</u>	<u>38,072,432</u>

See accompanying notes to the basic financial statements

Indian Wells Valley Water District
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>As Restated 2021</u>
Cash flows from operating activities:		
Cash receipts from customers for water sales and services	\$ 16,678,194	13,149,082
Cash paid to employees for salaries and wages	(8,161,634)	(5,772,692)
Cash paid to vendors and suppliers for materials and services	<u>(4,802,673)</u>	<u>(3,729,638)</u>
Net cash provided by operating activities	<u>3,713,887</u>	<u>3,646,752</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(4,211,972)	(4,749,216)
Proceeds from capital contributions	668,952	1,921,612
Special assessments for debt service	24,580	41,766
Bond issuance costs 2018 Certificates of Participation	-	-
Principal paid on long-term debt	(1,132,725)	(1,108,257)
Interest paid on long-term debt	(1,315,403)	(1,342,388)
Debt service costs on long-term debt	<u>(3,700)</u>	<u>(5,700)</u>
Net cash used in capital and related financing activities	<u>(5,970,268)</u>	<u>(5,242,183)</u>
Cash flows from investing activities:		
Investment earnings	<u>86,130</u>	<u>130,494</u>
Net cash provided by investing activities	<u>86,130</u>	<u>130,494</u>
Net decrease in cash and cash equivalents	(2,170,251)	(1,464,937)
Cash and cash equivalents, beginning of year	<u>20,950,585</u>	<u>22,415,522</u>
Cash and cash equivalents, end of year	<u>\$ 18,780,334</u>	<u>20,950,585</u>
 Reconciliation of cash and cash equivalents to the statements of net position:		
Cash and cash equivalents	\$ 13,334,987	14,092,991
Restricted assets – cash and cash equivalents	<u>5,445,347</u>	<u>6,857,594</u>
Total cash and cash equivalents	<u>\$ 18,780,334</u>	<u>20,950,585</u>

Continued on next page

See accompanying notes to the basic financial statements

Indian Wells Valley Water District
Statements of Cash Flows, continued
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	As Restated 2021
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 248,631	228,193
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,941,285	3,321,536
Rental revenue	10,029	13,051
Gain on disposition of assets	58,734	18,909
Other revenue	25,042	54,497
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase)Decrease in assets:		
Accounts receivable – water sales and services	171,803	(714,244)
Accounts receivable – other	114,814	(60,005)
Materials and supplies inventory	(151,566)	(161,757)
Prepaid expenses and other deposits	13,771	558,603
(Increase)Decrease in deferred outflows of resources:		
Deferred other post-employment benefit outflows	(358,321)	(10,405)
Deferred pension outflows	59,975	(172,535)
Increase(Decrease) in liabilities:		
Accounts payable and accrued expenses	215,222	82,942
Accrued wages and related payables	30,756	(5,065)
Customer deposits	26,320	4,946
Unearned revenue	31,010	(12,081)
Compensated absences	28,453	42,536
Net other post-employment benefit liability	305,361	111,905
Net pension liability	(1,667,519)	328,691
Increase(Decrease) in deferred inflows of resources:		
Deferred lease inflows	(9,563)	14,345
Deferred other post-employment benefit inflows	124,360	(36,616)
Deferred pension inflows	1,495,290	39,306
Total adjustments	3,465,256	3,418,559
Net cash provided by operating activities	\$ 3,713,887	3,646,752
Non-cash investing and financing transactions:		
Change in fair market value of investments	\$ 17,677	114

See accompanying notes to the basic financial statements

Indian Wells Valley Water District
Notes to the Basic Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The Indian Wells Valley Water District (District) was formed for the purpose of furnishing potable water within the District. The District was formed under the provisions of the County Water Act found in Division 12 of the State of California Water Code. The District is located in Kern County and includes the community of Ridgecrest and provides water to approximately 12,000 customers.

The criteria used in determining the scope of the financial reporting entity is based on the provisions of Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*. The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The District is financially accountable if it appoints a voting majority of the organization's governing body and: 1) It is able to impose its will on that organization, or 2) There is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

B. Basis of Accounting and Measurement Focus

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs of providing water to its service area on a continuing basis be financed or recovered primarily through user charges (water sales), and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, such as water sales and water purchases, result from exchange transactions associated with the principal activity of the District. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

C. Financial Reporting

The District's basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the District's proprietary fund.

The District has adopted the following GASB pronouncements in the current year:

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

C. Financial Reporting, continued

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of Annual Comprehensive Financial Report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for Annual Comprehensive Financial Report sounds like a profoundly objectionable racial slur. This Statement’s introduction of the new term is founded on a commitment to promoting inclusiveness.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position

1. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in net position during the reporting period.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

2. Cash and Cash Equivalents

Substantially all of the District's cash is invested in interest bearing accounts. The District considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

3. Investments

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

4. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on valuation inputs used to measure the fair value of the asset, as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of defaults, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

5. Restricted Assets

Certain assets of the District are restricted for use by ordinance or debt covenant and, accordingly, are shown as restricted assets on the accompanying statements of net position. The District uses restricted resources, prior to using unrestricted resources, to pay expenditures meeting the criteria imposed on the use of restricted resources by a third party.

6. Accounts Receivable and Allowance for Uncollectible Accounts

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts.

7. Lease Receivable / Payable

Leases receivable / payable are measured at the present value of payments expected to be received (paid) during the lease term.

8. Materials and Supplies Inventory

Materials and supplies inventory consist primarily of water meters, pipe, and pipefittings for construction and repair to the District's water transmission and distribution system. Inventory is valued at cost using the weighted-average method. Inventory items are charged to expense at the time that individual items are withdrawn from inventory or consumed.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

9. Prepaids

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

10. Capital Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

- Transmission and distribution system – 30 to 35 years
- Structures and improvements – 10 to 30 years
- Vehicles and large equipment – 3 to 10 years
- Office furniture and equipment – 3 to 10 years

Leased equipment is amortized on a straight-line basis over the life of the lease.

11. Deferred Outflows of Resources

The statements of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of resources applicable to future periods and, therefore, will *not* be recognized as an outflow of resources (expenditure) until that time. The District has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred outflow which is equal to employer contributions made after the measurement date of the net other-postemployment benefit liability. This amount will be amortized-in-full against the net other-postemployment benefit liability in the next fiscal year.
- Deferred outflow for the change in assumptions which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with other-postemployment benefits through the Plan.

Pensions

- Deferred outflow which is equal to employer contributions made after the measurement date of the net pension liability. This amount will be amortized-in-full against the net pension liability in the next fiscal year.
- Deferred outflow for the net difference between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the Plan.
- Deferred outflow for the net change due to the difference in the change in proportions of the net pension liability which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the Plan.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

12. Compensated Absences

The District's personnel policies provide for accumulation of vacation and sick leave. Liabilities for vacation and portions of sick leave are recorded when benefits are earned. Cash payment of unused vacation is available to those qualified employees when retired or terminated.

13. Post-Employment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the District's OPEB plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

GASB 75 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation dates: June 30, 2021 and 2019
- Measurement dates: June 30, 2021 and 2020
- Measurement periods: July 1, 2020 to June 30, 2021 and July 1, 2019 to June 30, 2020

14. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and addition to/deduction from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

- Valuation dates: June 30, 2020 and June 30, 2019
- Measurement dates: June 30, 2021 and June 30, 2020
- Measurement periods: July 1, 2020 to June 30, 2021 and July 1, 2019 to June 30, 2020

15. Deferred Inflows of Resources

The statements of net position will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of resources applicable to future periods and, therefore, will *not* be recognized as an inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

Post-Employment Benefits Other Than Pensions (OPEB)

- Deferred inflow for the difference between the actual and expected experience which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with other-postemployment benefits through the Plan.
- Deferred inflow for the difference in investment gains and losses of the other post-employment benefit plans' fiduciary net position. This amount is amortized over a 5-year period.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(1) Reporting Entity and Summary of Significant Accounting Policies, continued

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position, continued

15. Deferred Inflows of Resources, continued

Pensions

- Deferred inflow for the net difference in projected and actual earnings on investments of the pension plans fiduciary net position. This amount is amortized over a 5-year period.
- Deferred inflow for the net difference in actual and proportionate share of employer contribution which will be amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the Plan.

16. Net Position

The District follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and amortization, and reduced by outstanding balances of any debt or other long-term borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted* – the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that is not included in the determination of the net investment in capital assets or restricted components of net position.

17. Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies, or real estate developers desiring services that require capital expenditures or capacity commitment.

18. Budgetary Policies

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparisons of actual revenues and expenses with planned revenues and expenses for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

(2) Cash and Investments

Cash and investments as of June 30 are classified as follows:

	2022	2021
Cash and cash equivalents	\$ 13,334,987	14,092,991
Cash and cash equivalents – restricted	5,445,347	6,857,594
Total cash and investments	\$ 18,780,334	20,950,585

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Investments, continued

Cash and investments as of June 30 consist of the following:

	2022	2021
Cash on hand	\$ 1,200	1,200
Deposits with financial institutions	2,877,121	3,831,327
Total cash on hand and deposits	2,878,321	3,832,527
Deposits in Local Agency Investment Fund	1,359,165	1,373,123
Deposits in Kern County Investment Pool	10,359,697	9,368,770
Deposits in money market funds	4,183,151	6,376,165
Total investments	15,902,013	17,118,058
Total cash and cash equivalents	\$ 18,780,334	20,950,585

As of June 30, the District's authorized deposits had the following average days to maturity:

	2022	2021
Deposits in Local Agency Investment Fund	311 days	291 days
Deposits in Kern County Investment Pool	580 days	639 days

Investments Authorized by the California Government Code and the District's Investment Policy

The District is legally empowered by statute and resolution to invest in money-market funds, the California State Investment Pool – Local Agency Investment Fund, and the Kern County Investment Pool. The District's investment policy identifies other investment types that are authorized for the District to invest under the California Government Code.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. LAIF does not have any legally binding guarantees of share values. LAIF does not impose liquidity fees or redemption gates on participant withdrawals.

Investment in Kern County Investment Pool

The Kern County Treasurer's Pooled Cash Portfolio (Pool) is a pooled investment fund program governed by the Kern County Board of Supervisors and administered by the Kern County Treasurer and Tax Collector. Investments in the Pool are highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit.

The Kern County's bank deposits are either federally insured or collateralized in accordance with the California Government Code. Pool detail may be obtained from the Kern County Treasurer and Tax Collector's website at www.kcttc.co.kern.ca.us.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Investments, continued

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies.

California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balances, up to \$250,000, are federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

As of June 30, 2022 and 2021, the District's investments held to maturity were categorized as twelve months or less, respectively.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Credit ratings of investments as of June 30, 2022 were as follows:

<u>Investment Types</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 1,359,165	N/A	-	1,359,165
Kern County Investment Pool	10,359,697	N/A	-	10,359,697
Money market funds	4,183,151	AAA	4,183,151	-
Total	\$ 15,902,013		4,183,151	11,718,862

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Investments, continued

Credit ratings of investments as of June 30, 2021 were as follows:

<u>Investment Types</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Local Agency Investment Fund (LAIF)	\$ 1,373,123	N/A	-	1,373,123
Kern County Investment Pool	9,368,770	N/A	-	9,368,770
Money market funds	6,376,165	AAA	6,376,165	-
Total	\$ 17,118,058		6,376,165	10,741,893

Concentration of Credit Risk

The District's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for external investment pools) that represent 5% or more of total District investments at June 30, 2022 and 2021, respectively.

Fair Value Measurements

Investments measured at fair value on a recurring and non-recurring basis for 2022 are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Held by bond trustee:				
Money market funds	\$ 4,183,151	4,183,151	-	-
Total investments measured at fair value	4,183,151	4,183,151	-	-
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	1,359,165			
Kern County Investment Pool	10,359,697			
Total	\$ 15,902,013			

Investments measured at fair value on a recurring and non-recurring basis for 2021 are as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Held by bond trustee:				
Money market funds	\$ 6,376,165	6,376,165	-	-
Total investments measured at fair value	6,376,165	6,376,165	-	-
Investments measured at amortized cost:				
Local Agency Investment Fund (LAIF)	1,373,123			
Kern County Investment Pool	9,368,770			
Total	\$ 17,118,058			

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(3) Assessment Bonds Receivable

The District has elected to hold the AD 87-1 Assessment District Bonds rather than sell them on the open market. Since the District has "invested" in these bonds, they are entitled to receive all revenue relating to the Assessment District Bonds.

The assessment bonds receivable at June 30 are as follows:

		2022	2021
Assessment bonds receivable – current and delinquent	\$	72,857	84,578
Total assessments bonds receivable, net	\$	72,857	84,578

At June 30, 2022 and 2021, the AD 87-1 Assessment District Bonds had been paid-in-full. The remaining balance represents the delinquent portion of the assessment bonds receivable balance. The balances were determined collectible at June 30, 2022 and 2021.

(4) Lease Receivable

The change in lease receivable for the year ended June 30, were as follows:

		Restated 2021	Additions	Principal Payments	Balance 2022	Current Portion	Long-term Portion	Deferred Inflows
Lease receivable:								
Mammoth Lakes	\$	17,396	-	(9,534)	7,862	7,862	-	\$ (4,782)
Total lease receivable	\$	17,396	-	(9,534)	7,862	7,862	-	\$ (4,782)

The change in lease receivable for the year ended June 30, were as follows:

		Restated 2020	Additions	Principal Payments	Restated 2021	Current Portion	Long-term Portion	Deferred Inflows
Lease receivable:								
Mammoth Lakes	\$	-	19,127	(1,731)	17,396	9,534	7,862	\$ (14,345)
Total lease receivable	\$	-	19,127	(1,731)	17,396	9,534	7,862	\$ (14,345)

Mammoth Lakes – Butterworth Ranch

On January 1, 2021, the District entered into a lease agreement with a tenant doing business as Mammoth Lakes Pack Outfit (Mammoth Lakes). Mammoth Lakes has agreed to pay the District for purpose of leasing land for the purpose of agriculture use at the District’s site known as Butterworth Ranch. The terms of the agreement require Mammoth Lakes to pay the District in semi-annual installments through December 31, 2022.

Following the provisions set forth by *GASB Statement No. 87*, the District recorded a lease receivable and a deferred inflow at present value using a discount rate of 3.50%. The deferred inflow is amortized on a straight-line basis over the term of the lease. As of June 30, 2022 and 2021, deferred inflows were reported at \$4,782 and \$14,345, respectively.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(4) Lease Receivable, continued

Butterworth Ranch, continued

Future payments to be received and deferred inflows as of June 30, 2022, are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows</u>
2023	\$ 7,862	139	8,001	\$ (4,782)
Total	7,862	139	8,001	\$ (4,782)
Current	(7,862)			
Non-current	\$ -			

(5) Capital Assets

Changes in capital assets for 2022 were as follows:

	<u>Restated 2021</u>	<u>Additions/</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Non-depreciable assets:				
Land and land rights	\$ 2,870,035	-	(1,266)	2,868,769
Construction-in-process	7,736,502	4,287,362	(2,493,613)	9,530,251
Total non-depreciable assets	10,606,537	4,287,362	(2,494,879)	12,399,020
Depreciable and amortizable assets:				
Transmission and distribution system	62,770,902	442,791	-	63,213,693
Production and source of supply	32,814,069	1,178,683	-	33,992,752
General plant	14,842,366	807,549	-	15,649,915
Leased equipment	78,115	-	-	78,115
Total depreciable and amortizable assets	110,505,452	2,429,023	-	112,934,475
Accumulated depreciation and amortization:				
Depreciable assets	(66,479,061)	(2,918,966)	-	(69,398,027)
Amortizable assets	(44,638)	(22,319)	-	(66,957)
Total accumulated depreciation and amortization	(66,523,699)	(2,941,285)	-	(69,464,984)
Total depreciable and amortizable assets, net	43,981,753	(512,262)	-	43,469,491
Total capital assets, net	\$ 54,588,290	3,775,100	(2,494,879)	55,868,511

Major capital assets additions during the years include upgrades and extensions of the District's water transmission and distribution system, production and source of supply infrastructure, general plant, and equipment purchases.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(5) Capital Assets, continued

Changes in capital assets for 2021 were as follows:

	<u>Restated 2020</u>	<u>Additions/</u>	<u>Deletions/ Transfers</u>	<u>Restated 2021</u>
Non-depreciable assets:				
Land and land rights	\$ 2,870,035	-	-	2,870,035
Construction-in-process	3,937,742	4,784,265	(985,505)	7,736,502
Total non-depreciable assets	<u>6,807,777</u>	<u>4,784,265</u>	<u>(985,505)</u>	<u>10,606,537</u>
Depreciable and amortizable assets:				
Transmission and distribution system	62,009,777	761,125	-	62,770,902
Production and source of supply	32,804,071	9,998	-	32,814,069
General plant	14,788,604	201,914	(148,152)	14,842,366
Leased equipment	78,115	-	-	78,115
Total depreciable and amortizable assets	<u>109,680,567</u>	<u>973,037</u>	<u>(148,152)</u>	<u>110,505,452</u>
Accumulated depreciation and amortization:				
Depreciable assets	(63,324,996)	(3,299,217)	145,152	(66,479,061)
Amortizable assets	(22,319)	(22,319)	-	(44,638)
Total accumulated depreciation and amortization	<u>(63,347,315)</u>	<u>(3,321,536)</u>	<u>145,152</u>	<u>(66,523,699)</u>
Total depreciable and amortizable assets, net	<u>46,333,252</u>	<u>(2,348,499)</u>	<u>(3,000)</u>	<u>43,981,753</u>
Total capital assets, net	\$ <u>53,141,029</u>	<u>2,435,766</u>	<u>(988,505)</u>	<u>54,588,290</u>

Major capital assets additions during the years include upgrades and extensions of the District's water transmission and distribution system, general plant, and equipment purchases.

(6) Compensated Absences

Changes to compensated absences for 2022 were as follows:

	<u>Balance 2021</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	<u>401,374</u>	<u>396,739</u>	<u>(368,286)</u>	<u>429,827</u>	<u>85,965</u>	<u>343,862</u>

Changes to compensated absences for 2021 were as follows:

	<u>Balance 2020</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance 2021</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$	<u>358,838</u>	<u>356,602</u>	<u>(314,066)</u>	<u>401,374</u>	<u>80,275</u>	<u>321,099</u>

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(7) Long-term Debt

Changes in long-term debt amounts for 2022 were as follows:

	<u>As Restated 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Bonds payable:						
2018 Certificates of participation	\$ 25,083,750	-	(688,750)	24,395,000	710,000	23,685,000
Premium on issuance – 2018 Series	2,980,562	-	(107,407)	2,873,155	-	2,873,155
Total bonds payable	<u>28,064,312</u>	<u>-</u>	<u>(796,157)</u>	<u>27,268,155</u>	<u>710,000</u>	<u>26,558,155</u>
Loans payable:						
Mission Bank – 2016 loan	6,171,897	-	(313,670)	5,858,227	334,729	5,523,498
Lease payable:						
Unitrends equipment lease	34,651	-	(22,898)	11,753	11,753	-
Total long-term debt	<u>\$ 34,270,860</u>	<u>-</u>	<u>(1,132,725)</u>	<u>33,138,135</u>	<u>1,056,482</u>	<u>32,081,653</u>

Changes in long-term debt amounts for 2021 were as follows:

	<u>As Restated 2020</u>	<u>Additions</u>	<u>Payments</u>	<u>As Restated 2021</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Bonds payable:						
2018 Certificates of participation	\$ 25,750,000	-	(666,250)	25,083,750	688,750	24,395,000
Premium on issuance – 2018 Series	3,087,970	-	(107,408)	2,980,562	-	2,980,562
Total bonds payable	<u>28,837,970</u>	<u>-</u>	<u>(773,658)</u>	<u>28,064,312</u>	<u>688,750</u>	<u>27,375,562</u>
Loans payable:						
Mission Bank – 2016 loan	6,484,384	-	(312,487)	6,171,897	323,232	5,848,665
Lease payable:						
VAR Technology equipment lease	56,763	-	(22,112)	34,651	22,898	11,753
Total long-term debt	<u>\$ 35,379,117</u>	<u>-</u>	<u>(1,108,257)</u>	<u>34,270,860</u>	<u>1,034,880</u>	<u>33,235,980</u>

2018 Series Certificates of Participation – Water Revenue Refunding Bonds

On November 13, 2018, the District issued 2018 Series Certificates of Participation Water Revenue Bonds, not to exceed \$38,000,000 for the purpose of advance refunding its outstanding 2009 Series Certificates of Participation Water Revenue Bonds and to finance new capital improvement projects. As a result of the refunding, the District's 2009 Certificates of Participation issue is considered defeased and the liability for that obligation has been removed from the District's financial statements. The District completed the advance refunding to reduce the District's total debt service payments over a 20-year period by a present-value amount of approximately \$2.905 million to obtain an economic gain of approximately \$3.831 million.

The certificates-of-participation are scheduled to mature in fiscal year 2049. An interest rate premium in the amount of \$3,258,032 was calculated on the issuance of the refunding revenue bonds and will be amortized over the life of the debt. Principal and interest are payable in monthly installments due on the 1st of each month at rates ranging from 4.00% to 5.00% with monthly principal installments ranging from \$43,333 to \$129,583.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(7) Long-term Debt, continued

2018 Series Certificates of Participation – Water Revenue Refunding Bonds, continued

Future long-term debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 710,000	1,172,200	1,882,200
2024	747,500	1,136,700	1,884,200
2025	780,000	1,099,325	1,879,325
2026	818,750	1,060,325	1,879,075
2027	856,250	1,019,387	1,875,637
2028-2032	5,008,750	4,407,437	9,416,187
2033-2037	6,417,500	3,020,813	9,438,313
2038-2042	4,451,250	1,452,625	5,903,875
2043-2047	3,293,750	668,200	3,961,950
2048-2049	1,311,250	75,250	1,386,500
Total	24,395,000	<u>15,112,262</u>	<u>39,507,262</u>
Current	(710,000)		
Bond premium	<u>2,873,155</u>		
Long-term	\$ <u>26,558,155</u>		

Mission Bank – 2016 Loan

On April 1, 2016, the District entered into a loan agreement to receive an \$8,000,000 loan from Mission Bank to finance the construction of the Solar Power Facility project. Terms of the agreement call for annual payments including interest at 3.50% maturing in fiscal year 2036.

Future long-term debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 334,729	199,403	534,132
2024	346,123	188,009	534,132
2025	358,944	175,188	534,132
2026	371,711	162,421	534,132
2027	384,932	149,200	534,132
2028-2032	2,139,402	531,258	2,670,660
2033-2036	1,922,386	209,998	2,132,384
Total	5,858,227	<u>1,615,477</u>	<u>7,473,704</u>
Current	<u>(334,729)</u>		
Long-term	\$ <u>5,523,498</u>		

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(7) Long-term Debt, continued

VAR Technology Finance Equipment Lease

On December 14, 2018, the District entered into an agreement with the VAR Technology Finance, to lease backup server equipment for use in the District’s administrative office. Terms of the agreement commenced on July 1, 2019, for a period of 48 months, with rent due monthly at \$1,979 per month for the entire lease term.

Following the provisions set forth by *GASB Statement No. 87*, the District has recorded a right-to-use asset and a lease payable at present value with an implicit rate of 3.50%. The right-to-use asset is amortized on a straight-line basis over the term of the lease.

Annual lease payments are as follows:

Year	Principal	Interest	Total
2023	\$ 11,753	120	11,873
Total	11,753	120	11,873
Current	(11,753)		
Long-term	\$ -		

(8) Other Post-Employment Benefit (OPEB) Plan

Plan Description

The District provides other post-employment benefits (OPEB) to qualified employees who retire from the District and meet the District’s vesting requirements. The Plan is a single-employer defined benefit OPEB plan administered by the District. The District’s Board has the authority to establish and amend the benefit terms and financing requirements of the Plan. The District participates in CalPERS California Employer’s Retiree Benefit Trust Program (CERBT), a trust fund intended to perform an essential government function within the meaning of Section 115 of the Internal Revenue Code. Copies of CalPERS CERBT audited financial report may be obtained from their executive Office: 400 P Street, Sacramento, CA 95814.

Benefits Provided

The District provides post-employment health care benefits to all employees who retire from the District and meet certain eligibility requirements. Retirees may enroll in any plan available through CalPERS medical, dental and vision programs. The contribution requirements of Plan members and the District are established and may be amended by the Board of Directors.

To be eligible for retiree health benefits, an employee must retire from the District on or after age 55 with at least 15 years of District service. As of June 30, 2022 and 2021, the District’s contribution was \$700 per month for eligible employees regardless of the year in which the employee retired.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Other Post-Employment Benefit (OPEB) Plan, continued

Employees Covered by Benefit Terms

At June 30 the following employees were covered by the benefit terms:

	2022	2021
Active plan members	31	31
Retirees and beneficiaries receiving benefits	11	9
Total Plan membership	42	40

Contributions

The contribution requirements for eligible retired employees of the District are established and may be amended by the Board of Directors. The District contributes towards the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the District. The annual contribution is based on the actuarially determined contribution.

For the years ended June 30, the contributions were as follows:

	2022	2021
Contributions – employer	\$ 73,620	79,915

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2020 and 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial Assumptions

The net OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

The following is a summary of the actuarial assumptions and methods:

Inflation	2022 – 2.50 percent 2021 – 2.75 percent
Salary increases	2.75 percent, average, including inflation
Discount rate	2022 – 6.75 percent 2021 – 7.00 percent
Healthcare cost trend rates	4.00 percent
Retirees' share of benefit-related costs	100 percent of the District's share of projected health insurance premiums for retirees age 55 with a minimum 15 years of service hired before July 1, 2013. 100 percent of the District's share of projected health insurance premiums for retirees age 60 with a minimum 15 years of service hired on or after January 1, 2013.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Other Post-Employment Benefit (OPEB) Plan, continued

Discount Rate

At June 30, 2022 and 2021, the discount rate used to measure the net OPEB liability was 6.75 percent and 7.00 percent, respectively. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The asset class percentages were taken from the current composition of the CERBT trust, and the expected yields were taken from a CalPERS publication for the Pension Fund. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2022 and 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation* CERBT Strategy 1</u>	<u>Expected Real Return**</u>
Global equity	59%	7.79%
Fixed income	25%	4.50%
Treasury inflation-protected securities	5%	3.25%
Commodities	3%	7.80%
Real estate trusts	8%	7.50%
Total	<u>100%</u>	

* Policy target effective October 1, 2018

** Assumed long-term rate of inflation - 2.75%

*** Expected long-term net rate of return, rounded - 6.75%

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Other Post-Employment Benefit (OPEB) Plan, continued

Changes in the Net OPEB Liability

Changes in net OPEB liability for the years were as follows:

	<u>June 30, 2022</u>			<u>June 30, 2021</u>
	<u>Total OPEB Liability</u>	<u>Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Net OPEB Liability</u>
Balance at beginning of year	\$ 2,485,853	1,092,886	1,392,967	1,281,062
Changes for the year:				
Service cost	67,973	-	67,973	66,154
Interest	173,446	-	173,446	163,097
Expected investment income	-	76,488	(76,488)	(73,909)
Administrative expense	-	(413)	413	516
Employer contributions as benefit payments	-	79,915	(79,915)	(79,259)
Actual benefit payments from employer	(79,915)	(79,915)	-	-
Expected minus actual benefit payments	(4,155)	-	(4,155)	(1,305)
Experience (gains) losses	(92,504)	-	(92,504)	-
Changes in assumptions	540,418	-	540,418	-
Changes in benefit terms	-	-	-	-
Investment gains/(losses)	-	223,827	(223,827)	36,611
Net change	<u>605,263</u>	<u>299,902</u>	<u>305,361</u>	<u>111,905</u>
Balance at end of year	\$ <u>3,091,116</u>	<u>1,392,788</u>	<u>1,698,328</u>	<u>1,392,967</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following tables present the District's net OPEB liability calculated using the discount rate, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate.

As of June 30, 2022, the discount rate comparison was as follows:

	Discount Rate - 1%	Current	Discount Rate + 1%
		Discount Rate	
		5.75%	
District's net OPEB liability	\$ <u>2,139,962</u>	<u>1,698,328</u>	<u>1,335,568</u>

As of June 30, 2021, the discount rate comparison was as follows:

	Discount Rate - 1%	Current	Discount Rate + 1%
		Discount Rate	
		6.00%	
District's net OPEB liability	\$ <u>1,732,707</u>	<u>1,392,967</u>	<u>1,110,803</u>

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Other Post-Employment Benefit (OPEB) Plan, continued

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

As of June 30, 2022, the healthcare cost trend rate comparison was as follows:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	3.00%	4.00%	5.00%
District's net OPEB liability	\$ 1,323,389	1,698,328	2,178,522

As of June 30, 2021, the healthcare cost trend rate comparison was as follows:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
	3.00%	4.00%	5.00%
District's net OPEB liability	\$ 1,125,025	1,392,967	1,712,966

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the years ended June 30, 2022 and 2021, the District recognized OPEB expense of \$145,020 and \$144,799, respectively.

As of June 30, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	June 30, 2022		June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 73,620	-	79,915	-
Changes in assumptions	374,365	-	-	(132,540)
Differences between expected and actual experience	-	(90,210)	-	(1,390)
Investment gains and losses	-	(168,080)	9,749	-
Total	\$ 447,985	(258,290)	89,664	(133,930)

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Other Post-Employment Benefit (OPEB) Plan, continued

As of June 30 2022 and 2021, employer OPEB contributions reported as deferred outflows of resources related to contributions subsequent to the measurement date of \$73,620 and \$79,915 will be/were recognized as a reduction of the net OPEB liability for the fiscal years ended June 30, 2023 and 2022, respectively.

As of June 30, 2022, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources, Net
2023	\$ (20,324)
2024	(14,198)
2025	(11,773)
2026	(19,089)
2027	25,674
Thereafter	<u>155,785</u>
Total	<u>\$ 116,075</u>

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan’s fiduciary net position is available in separately issued CalPERS financial reports. See pages 49 and 50 for the Required Supplementary Information.

(9) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District’s separate Miscellaneous Employee, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website or may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

On September 12, 2012, the California Governor signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA took effect January 1, 2013. The new legislation closed the District’s CalPERS 2.0% at 55 Risk Pool to new employee entrants, not previously employed by an agency under CalPERS, effective December 31, 2012. All employees hired after January 1, 2013 are eligible for the District’s CalPERS 2.0% at 62 Retirement Plan under PEPRA.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(9) Defined Benefit Pension Plan, continued

Benefits Provided, continued

The Plan's provisions and benefits in effect at June 30, 2022 and 2021, are summarized as follows:

	Miscellaneous Plan	
	Tier 1	Tier 2
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 60	52 - 62
Monthly benefits, as a % of eligible compensation	1.5% to 2.4%	1.0% to 2.5%
2022:		
Required employee contribution rates	6.920%	6.750%
Required employer contribution rates	12.000%	7.590%
2021:		
Required employee contribution rates	6.918%	6.750%
Required employer contribution rates	10.409%	7.732%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers to be determined on an annual basis by an actuary and shall be effective on the July 1, following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

As of the fiscal years ended June 30, the contributions to the Plan were as follows:

	Miscellaneous Plan	
	2022	2021
Contributions – employer	\$ 489,602	429,611

Net Pension Liability

As of the fiscal years ended June 30, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan was as follows:

	Proportionate Share of Net Pension Liability	
	2022	2021
Miscellaneous Plan	\$ 1,805,811	3,473,330

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(9) Defined Benefit Pension Plan, continued

Net Pension Liability, continued

The District's net pension liability for the PERF C is measured as the proportionate share of the net pension liability for the miscellaneous pool. As of June 30, 2022 and 2021, the net pension liability of the Plan is measured as of June 30, 2021 and 2020 (the measurement dates), respectively. The total pension liability for the PERF C's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 and 2019 (valuation dates), rolled forward to June 30, 2021 and 2020, respectively, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's change in the proportions of the net pension liability as of June 30, were as follows:

	Miscellaneous Plan	
	2022	2021
Proportion – beginning of year	0.03192%	0.03069%
Proportion – end of year	0.03339%	0.03192%
Change – increase (decrease)	0.00147%	0.00123%

Pension Expense and Deferred Pension Outflows (Inflows) of Resources

As of June 30, 2022 and 2021, the District recognized pension expense of \$377,348 and \$625,073, respectively.

As of June 30, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

Description	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 489,602	-	429,611	-
Net difference between actual and expected experience	202,503	-	178,991	-
Net change in assumptions	-	-	-	(24,773)
Net difference between projected and actual earnings on plan investments	-	(1,576,384)	103,181	-
Differences between actual contribution and proportionate share of contribution	-	(253,792)	-	(310,113)
Net adjustment due to differences in proportions of net pension liability	164,921	-	205,218	-
Total	\$ 857,026	(1,830,176)	917,001	(334,886)

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(9) Defined Benefit Pension Plan, continued

Pension Expense and Deferred Pension Outflows (Inflows) of Resources, continued

As of June 30 2022 and 2021, the District reported \$489,602 and \$429,611, respectively, as deferred outflows of resources related to contributions subsequent to the measurement dates. Pension contributions subsequent to the measurement date for the year ended June 30, 2022, will be recognized as a reduction of the net pension liability for the year ended June 30, 2023. Pension contributions subsequent to the measurement date for the year ended June 30, 2021, were recognized as a reduction of the net pension liability for the year ended June 30, 2022.

At June 30, 2022, other amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Net Outflows / (Inflows) of Resources
2023	\$ (339,521)
2020	(345,291)
2021	(353,920)
2026	(424,020)

Actuarial Assumptions

The total pension liability in the June 30, 2020 and 2019, actuarial valuation reports were determined using the following actuarial assumptions:

Valuation dates	June 30, 2020 and 2019
Measurement dates	June 30, 2021 and 2020
Actuarial cost method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.50 % net of pension plan investment and administrative expenses; includes inflation
Mortality Rate Table*	Derived using CalPERS' membership data for all funds
Period upon which actuarial experience survey assumptions were based	1997-2015
Post retirement benefit	COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

* The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf>.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(9) Defined Benefit Pension Plan, continued

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, the amortization and smoothing periods recently adopted by CalPERS were utilized. The crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments.

Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

At June 30, 2022 and 2021, the long-term expected real rate of return by asset class was as follows:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10*</u>	<u>Real Return Year 11+**</u>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

* An expected inflation of 2.5% used for this period

** An expected inflation of 3.0% used for this period

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(9) Defined Benefit Pension Plan, continued

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

As of June 30, 2022, the discount rate comparison was as follows:

	Discount Rate	Current Discount Rate	Discount Rate
	1% Decrease		1% Increase
	6.15%	7.15%	8.15%
District's net pension liability	\$ 3,916,411	1,805,811	61,008

As of June 30, 2021, the discount rate comparison was as follows:

	Discount Rate	Current Discount Rate	Discount Rate
	1% Decrease		1% Increase
	6.15%	7.15%	8.15%
District's net pension liability	\$ 5,509,766	3,473,330	1,790,687

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued CalPERS financial reports. See pages 51 and 52 for the Required Supplementary Information.

Payable to the Pension Plan

As of June 30, 2022 and 2021, the District reported no payables for the outstanding amount of contribution to the pension plan.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(10) Net Investment in Capital Assets

Calculation of net investment in capital assets as of June 30 were as follows:

	<u>2022</u>	<u>As Restated 2021</u>
Capital assets:		
Capital assets – not being depreciated	\$ 12,399,020	10,606,537
Capital assets, net – being depreciated	43,469,491	43,981,753
Current:		
Certificates-of-participation	(710,000)	(688,750)
Loans payable	(334,729)	(323,232)
Lease payable	(11,753)	(22,898)
Non-current:		
Certificates-of-participation	(26,558,155)	(27,375,562)
Loans payable	(5,523,498)	(5,848,665)
Lease payable	-	(11,753)
Total net investment in capital assets	<u>\$ 22,730,376</u>	<u>20,317,430</u>

(11) Restricted

Calculation of restricted net position as of June 30 was as follows:

	<u>2022</u>	<u>As Restated 2021</u>
Restricted – cash and cash equivalents	\$ 5,445,347	6,857,594
Accrued interest payable	(16,825)	(17,755)
Total restricted net position	<u>\$ 5,428,522</u>	<u>6,839,839</u>

(12) Unrestricted

Unrestricted net position as of June 30 were categorized as follows:

	<u>2022</u>	<u>As Restated 2021</u>
Non-spendable net position:		
Materials and supplies inventory	\$ 798,169	646,603
Prepaid expenses and other deposits	86,764	100,535
Mitigation deposit – California Department of Fish and Game	120,000	120,000
Total non-spendable net position	<u>1,004,933</u>	<u>867,138</u>
Spendable net position:		
Capital replacement reserve	5,800,951	6,698,683
Rate stabilization reserve	2,900,476	3,349,342
Total spendable net position	<u>8,701,427</u>	<u>10,048,025</u>
Total unrestricted net position	<u>\$ 9,706,360</u>	<u>10,915,163</u>

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(13) Adjustments to Net Position

In fiscal year 2022, the District implemented GASB Statement No. 87 to recognize its lessee and lessor agreements. The nature, justification, and an explanation of the change are included in Note 1.C.

As a result of the implementation for the District's lessee agreement, the District recorded a right to use asset included as part of capital assets, a lease payable, reclassified a portion of its equipment lease expense to interest expense, and has recorded prior period adjustments to restate net position as of June 30, 2020 and 2021. Please see Notes 5 and 7 for further information.

As a result of the implementation for the District' lessor agreement, the District recorded a lease receivable, a deferred lease inflow of resources, reclassified a portion of its rental income to interest income, and has recorded prior period adjustments to restate net position as of June 30, 2021. Please see Note 4 for further information.

The adjustments to net position were as follows:

Net position at July 1, 2019, as previously stated	\$ 38,374,637
Effect of the adjustments to record lessee equipment lease right-to-use asset and lease payable balances as a result of GASB 87	(967)
Change in net position at June 30, 2020, as previously stated	<u>(1,334,659)</u>
Net position at June 30, 2020, as restated	\$ <u>37,039,011</u>
Effect of the adjustments to record annual principal payment, interest expense, and amortization of the equipment lease as a result of GASB 87	(207)
Effect of the adjustments to record lessor lease receivable, deferred lease inflows, and interest income as a result of GASB 87	<u>3,051</u>
Subtotal adjustments to net position	\$ <u>2,844</u>
Change in net position at June 30, 2021, as previously stated	1,030,577
Net position at June 30, 2021, as restated	\$ <u>38,072,432</u>

(14) Deferred Compensation Savings Plan

For the benefit of its employees, the District participates in two Deferred Compensation Programs (Programs): A 457 plan and a 401(a) plan. The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District's general creditors. For the District's 457 plan, the market value of all plan assets held in trust by Mutual of America at June 30, 2022 and 2021, was \$2,542,775 and \$2,922,731, respectively. For the District's 401(a) plan, the market value of all plan assets held in trust by Mutual of America at June 30, 2022 and 2021, were \$77,776 and \$49,365, respectively.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(14) Deferred Compensation Savings Plan, continued

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for these plans, the assets and related liabilities are not shown on the statements of net position.

(15) Debt Without District Commitment

Special Assessment Districts

The District maintains two Assessment Districts. These Assessment Districts were established under the Municipal Improvement Act of 1913 and partially financed with the 1951 Improvement Act bonds. Accounting for these Assessment Districts follows the Governmental Accounting Standards Board Statement No. 6, *Accounting and Financial Reporting for Special Assessments*. GASB No. 6 states that enterprise funds, such as that of the District, are to account for special assessment financing debt on the books of the District only if one of the following conditions exists:

1. The District is directly liable for the special assessment debt
2. The District is not directly liable for the special assessment debt, but the debt is expected to be repaid from revenues of the District.

Since the District is not directly liable for the Assessment District debt and it is expected all such debt will be repaid from landowner assessments and not District revenues, the special assessment debt is not included in the District's financial statements. The District acts solely as an agent for the bondholders in collecting and forwarding the special assessments.

Assessment District No. 87-1

The District acquired the Ridgecrest Heights Water System during the 1988 fiscal year. In order to finance the construction of the estimated \$6,741,000 of required improvements the District formed Assessment District 87-1 on June 14, 1989. The District holds the Assessment District Bonds and did not sell them on the open market. Bond principal and interest revenues will be used to repay loans received to finance construction from the State of California. At June 30, 2020, the bond debt service was paid-in-full.

Assessment District No. 91-1

Assessment District 91-1 consists of approximately 300 acres of land subdivided into 133 residential lots contiguous to the southwesterly boundary of the City of Ridgecrest, California. The District formed Assessment District 91-1 on January 15, 1992, for the design and construction of a domestic water system for the property within the Assessment District. The cost of this construction was estimated at \$1,508,000. Total assessments were \$1,508,000 and \$237,551 was collected during the cash collection period which ended February 15, 1992.

The remaining unpaid assessments of \$1,270,449 were bonded and these limited obligation improvement bonds were sold on July 13, 1992. On August 23, 2001, the District approved resolution 01-05 under the California Streets and Highways Code Section 8771, 8772 and 8773, that the terms and conditions of the bond repayment schedule be modified as of June 30, 2008. The outstanding bonds and interest due to the bond holder were paid under the modified payment schedule. As of June 30, 2022, Assessment District 91-1 did not hold a cash balance in the Kern County Treasury. These funds are available for District expenses/improvements with the appropriate Board action/approvals.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(16) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

At June 30, 2022, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$2,500,000, combined single limit at \$2,500,000 per occurrence. The District purchased additional excess coverage layers: to a combined total coverage limit of \$10,000,000 for general, auto and public officials' liability, increasing the limits on the insurance coverage noted above. Deductibles: General Liability Property Damage- \$500, Auto Liability Property Damage - \$1,000.

In addition, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$1,000,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverages.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis. A combined total of \$1 billion per occurrence (pool limit), subject to a \$1,000 deductible per occurrence unless otherwise listed in declarations.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence (pool limit), subject to a \$1,000 deductible per occurrence, unless other specific object or peril as listed on the declaration.
- Public officials personal liability up to \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, subject to the terms, with a deductible of \$500 per claim, and an annual pool aggregate of \$8,500,000.
- Workers' compensation insurance up to statutory limits and Employer's Liability Coverage up to \$5 million.

Settled claims have not exceeded any of the coverage amounts in the last three fiscal years. There were no reductions in insurance coverage in fiscal years 2022, 2021, and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2022, 2021, and 2020.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(17) Governmental Accounting Standards Board Statements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2022, that has effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 91

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 92

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(17) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 93

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 94

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(17) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 96

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 97

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(17) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 99

In April 2022, the GASB issued Statement No. 99 – *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 100

In June 2022, the GASB issued Statement No. 100 – *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Indian Wells Valley Water District
Notes to the Basic Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(17) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued

Governmental Accounting Standards Board Statement No. 101

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

(18) Commitments and Contingencies

Construction Contracts

The District has a variety of agreements with private parties relating to the installation, improvement or modification of water and wastewater facilities and distribution systems within its service area. The financing of such construction contracts is being provided primarily from the District's replacement reserves and capital contributions.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(19) Subsequent Events

Management is not aware of any events or transactions, including estimates that provide additional evidence about conditions which existed after June 30, 2022, which require disclosure as of March 13, 2023, which is the date the financial statements were available to be issued.

Required Supplementary Information

Board Presentation Draft Subject to Board Approval

Indian Wells Valley Water District
Schedules of Changes in the District's Net OPEB Liability and Related Ratios
As of June 30, 2022
Last Ten Fiscal Years*

Fiscal year ending	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability					
Service cost	\$ 67,973	66,154	43,624	42,456	41,320
Interest	173,446	163,097	97,754	70,031	91,646
Assumption changes	540,418	-	(603,686)	485,414	-
Changes in benefit terms	-	-	906,443	-	-
Expected benefit payments	-	-	-	(44,151)	-
Experience (gains)/losses	(92,504)	-	(17,713)	-	-
Actual benefit payments from employer	(79,915)	(79,259)	(61,487)	-	-
Actual minus expected benefit payments	-	-	-	1,172	(42,438)
Expected minus actual benefit payments	<u>(4,155)</u>	<u>(1,305)</u>	<u>16,420</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability	605,263	148,687	381,355	554,922	90,528
Total OPEB liability – beginning	<u>2,485,853</u>	<u>2,337,166</u>	<u>1,955,811</u>	<u>1,400,889</u>	<u>1,310,361</u>
Total OPEB liability – ending	\$ <u>3,091,116</u>	<u>2,485,853</u>	<u>2,337,166</u>	<u>1,955,811</u>	<u>1,400,889</u>
Plan Fiduciary Net Position					
Employer contributions as benefit payments	\$ 79,915	79,259	61,487	-	-
Expected investment income	76,488	73,909	49,717	46,906	-
Investment gains/(losses)	223,827	(36,611)	12,145	30,630	-
Actual investment income	-	-	-	-	97,323
Administrative expenses	(413)	(516)	(214)	(1,787)	(811)
Actual benefit payments from employer	(79,915)	(79,259)	(61,487)	-	-
Expected benefit payments	-	-	-	(44,151)	-
Benefit payments	-	-	-	-	(42,438)
Actual minus expected benefit payments	-	-	-	1,172	-
Other **	-	-	-	1,190	-
Net change in plan fiduciary net position	299,902	36,782	61,648	33,960	54,074
Plan fiduciary net position – beginning	<u>1,092,886</u>	<u>1,056,104</u>	<u>994,456</u>	<u>960,496</u>	<u>906,422</u>
Plan fiduciary net position – ending	\$ <u>1,392,788</u>	<u>1,092,886</u>	<u>1,056,104</u>	<u>994,456</u>	<u>960,496</u>
Net OPEB liability – ending	\$ <u>1,698,328</u>	<u>1,392,967</u>	<u>1,281,062</u>	<u>961,355</u>	<u>440,393</u>
Covered payroll	\$ <u>2,574,331</u>	<u>2,524,428</u>	<u>1,984,705</u>	<u>2,305,138</u>	<u>2,156,274</u>
Net OPEB liability as a percentage of covered payroll	<u>65.97%</u>	<u>55.18%</u>	<u>64.55%</u>	<u>41.70%</u>	<u>20.42%</u>

Notes to Schedule:

Valuation dates	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Method and assumptions used to determine contribution rates:					
Single and agent employers	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization period	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market value	Market value	Market value	Market value	Market value
Inflation	2.50%	2.75%	2.75%	2.75%	2.75%
Salary increases	2.75%	2.75%	2.75%	2.75%	2.75%
Investment rate of return	6.75%	7.00%	7.00%	5.00%	7.00%
Mortality, retirement, disability					
Termination	(4)	(3)	(3)	(3)	(3)

(1) Level percentage of payroll, closed

(2) Pre-retirement mortality based on RP-2014 Employee Mortality Tables, Post retirement mortality rates based on RP-2014 Health Annuitant Mortality Table

(3) 2014 CalPERS Active Mortality for Miscellaneous Employees

(4) 2017 CalPERS Mortality for Miscellaneous and School Employees

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Indian Wells Valley Water District
Schedules of OPEB Plan Contributions
As of June 30, 2022
Last Ten Fiscal Years*

Fiscal year ending	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 73,620	79,915	79,259	61,487	57,651
Contributions in relation to the actuarially determined contribution	<u>(73,620)</u>	<u>(79,915)</u>	<u>(79,259)</u>	<u>(61,487)</u>	<u>(57,651)</u>
Contribution deficiency (excess)	\$ -	-	-	-	-
Covered payroll	\$ <u>2,574,331</u>	<u>2,524,428</u>	<u>1,984,705</u>	<u>2,305,138</u>	<u>2,156,274</u>
Contribution's as a percentage of covered payroll	<u>2.86%</u>	<u>3.17%</u>	<u>3.99%</u>	<u>2.67%</u>	<u>2.67%</u>

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

Indian Wells Valley Water District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2022
Last Ten Fiscal Years*

Fiscal years	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement dates	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability	0.03339%	0.03192%	0.03069%	0.02917%	0.02875%	0.02712%	0.02292%	0.02885%
District's proportionate share of the net pension liability	\$ <u>1,805,811</u>	\$ <u>3,473,330</u>	\$ <u>3,144,639</u>	\$ <u>2,810,828</u>	\$ <u>2,851,601</u>	\$ <u>2,346,813</u>	\$ <u>1,573,256</u>	\$ <u>1,795,052</u>
District's covered payroll	\$ <u>2,574,331</u>	\$ <u>2,524,428</u>	\$ <u>1,984,705</u>	\$ <u>2,305,138</u>	\$ <u>2,156,274</u>	\$ <u>2,095,489</u>	\$ <u>2,075,823</u>	\$ <u>1,907,011</u>
District's proportionate share of the net pension liability as a percentage of its covered payroll	<u>70.15%</u>	<u>137.59%</u>	<u>158.44%</u>	<u>121.94%</u>	<u>132.25%</u>	<u>111.99%</u>	<u>75.79%</u>	<u>94.13%</u>
District's fiduciary net position as a percentage of the District's total pension liability	<u>88.70%</u>	<u>77.30%</u>	<u>78.02%</u>	<u>79.45%</u>	<u>78.83%</u>	<u>80.54%</u>	<u>86.11%</u>	<u>83.61%</u>

Notes to schedule:

Benefits changes:

There were no changes in benefits

Changes in assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses.

The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

The asset valuation method changed from the 15 year smoothed market method to the market value method.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

The inflation rate was reduced from 2.75% to 2.625%

From fiscal year June 30, 2018 to June 30, 2019:

The inflation rate was reduced from 2.625% to 2.50%

From fiscal year June 30, 2019 to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no changes in assumptions.

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

**Indian Wells Valley Water District
Schedules of Pension Plan Contributions
As of June 30, 2022
Last Ten Fiscal Years***

Fiscal years	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 491,371	403,812	380,872	317,222	261,417	232,521	170,777	136,504
Contribution's in relation to the actuarially determined contribution	(491,371)	(403,812)	(380,872)	(317,222)	(261,417)	(232,521)	(170,777)	(136,504)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
Covered payroll	\$ 2,574,331	2,524,428	1,984,705	2,305,138	2,156,274	2,095,489	2,075,823	1,907,011
Contribution's as a percentage of covered payroll	19.09%	16.00%	19.19%	13.76%	12.12%	11.10%	8.23%	7.16%

Notes to schedule:

Valuation dates	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Methods and assumptions used to: determine contribution rates:								
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	15 year Smoothed Market Method
Inflation	2.500%	2.500%	2.625%	2.750%	2.750%	2.750%	2.750%	2.750%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.000% (3)	7.000% (3)	7.250% (3)	7.375% (3)	7.500% (3)	7.500% (3)	7.500% (3)	7.500% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)

- (1) Level of percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 for all plans with exception of 52 for Miscellaneous 2% @62
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

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Board Presentation Draft Subject to Board Approval

Report on Internal Controls and Compliance

Board Presentation Draft Subject to Board Approval

**Independent Auditor's Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on Audits of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Indian Wells Valley Water District
Ridgecrest, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Indian Wells Valley Water District (District) as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprises the District's basic financial statements, and have issued our report thereon dated March 13, 2023.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on Audits of Financial Statements
Performed in Accordance with *Government Auditing Standards*, (continued)**

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C.J. Brown & Company CPAs
Cypress, California
March 13, 2023

Indian Wells Valley Water District

Management Report

June 30, 2022

Board Presentation Draft

Indian Wells Valley Water District

Management Report

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Board Presentation Draft

Board of Directors
Indian Wells Valley Water District
Ridgecrest, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of Indian Wells Valley Water District (District) as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Current Year Comment and Recommendation

Our comment, all of which have been discussed with the appropriate members of management, is summarized as follows:

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District’s financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management’s Response

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of year end.

Prior Year Comment and Recommendation

Disclosure of Audit Adjustments and Reclassifications

As your external auditor, we assume that the books and records of the District are properly adjusted before the start of the audit. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the District’s financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Management’s Response

We have reviewed and approved all of the audit adjustment and reclassification entries and have entered them into the general ledger of the District as of year end.

This communication is intended solely for the information and use of management, the audit committee, the board of directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

APPENDIX

Indian Wells Valley Water District

Audit/Finance Committee Letter

June 30, 2022

Board Presentation Draft

Board of Directors
Indian Wells Valley Water District
Ridgecrest, California

We have audited the financial statements of the business-type activities of the Indian Wells Valley Water District (District) for the years ended June 30, 2022 and 2021 and have issued our report thereon dated March 13, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated March 16, 2022, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated March 13, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards:

As auditors of the District, we are required per AU-C Section 240, “Consideration of Fraud in a Financial Statement Audit”, to “ordinarily” presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity’s Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. As of and for the year ended June 30, 2022, the District implemented the provisions of *GASB Statement No. 87 – Leases*. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Management’s estimate of the fair value of cash and investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life expectancy or cost recovery period. We evaluated the key factors and assumptions used to develop the capital asset depreciation calculations in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the other post-employment benefit (OPEB) plan: deferred outflows of resources, total OPEB liability, and deferred inflows of resources are based on the alternative measurement method. This alternative measurement method was determined and prepared by the District’s third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary to calculate OPEB and relate balances in determining that they are reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the net pension liability is based on an actuarial valuation of this liability that was conducted by a third-party actuary. We evaluated the basis, methods, and assumptions used by the actuary to calculate the net pension liability and related amounts for the District to determine that they are reasonable in relation to the financial statements taken as a whole.

Qualitative Aspects of the Entity's Significant Accounting Practices, continued

Significant Accounting Estimates, continued

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

The disclosure of cash and investments in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets, net in Note 4 to the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the District's net other post-employment benefit liability, in Note 7 to the basic financial statements is based on an actuarial valuation.

The disclosure of the District's net pension liability in Note 8 to the basic financial statements is based on an actuarial valuation.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached schedule on pages 5 through 9 discloses all material misstatements that we identified as a result of our audit procedures that were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 13, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis, Schedules of Changes in the District's Total OPEB Liability and Related Ratios, Schedules of District's Proportionate Share of the Net Pension Liability, and Schedules of Pension Plan Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Conclusion

We appreciate the cooperation extended us by Donald Zdeba, General Manager and Tyrell Staheli, Chief Financial Officer, in the performance of our audit testwork. We will be pleased to respond to any question you have about the foregoing. We appreciate the opportunity to continue to be of service to the District.

**Indian Wells Valley Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
GASB 68 Entry #1 - To reclassify 2021 contributions to NPL at June 30, 2022.			
1-0-2500-500	Net Pension Liability	429,611.00	
1-0-1500-000	Deferred Outflows		429,611.00
Total		<u>429,611.00</u>	<u>429,611.00</u>
Adjusting Journal Entries JE # 2			
GASB 68 Entry #2 - To reclassify 2022 contributions to deferred outflows of resources at June 30, 2022.			
1-0-1500-000	Deferred Outflows	489,602.00	
1-1-4500-000	PERS ER Contributions		73,441.00
1-2-4500-000	PERS ER Contribution		14,688.00
1-3-4500-000	PERS ER Contribution		117,504.00
1-4-4500-000	PERS ER Contribution		39,168.00
1-5-4500-000	PERS ER Contribution		39,168.00
1-6-4500-000	PERS ER Contribution		53,856.00
1-7-4500-000	PERS ER Contribution		151,777.00
Total		<u>489,602.00</u>	<u>489,602.00</u>
Adjusting Journal Entries JE # 3			
GASB 68 Entry #3 - To record changes in pension liability during FY20/21 at June 30, 2022.			
1-0-1500-000	Deferred Outflows	173,279.00	
1-0-1500-000	Deferred Outflows	96,497.00	
1-0-2500-000	Deferred Inflows	103,181.00	
1-0-2500-500	Net Pension Liability	1,237,908.00	
1-1-5641-500	PERS Cost by Function	111,087.00	
1-2-5641-500	PERS Cost by Function	22,217.00	
1-3-5641-500	PERS Cost by Function	177,739.00	
1-4-5641-500	PERS Cost by Function	59,246.00	
1-5-5641-500	PERS Cost by Function	59,246.00	
1-6-5641-500	PERS Cost by Function	81,464.00	
1-7-5641-500	PERS Cost by Function	229,580.00	
1-0-1500-000	Deferred Outflows		103,181.00
1-0-2500-000	Deferred Inflows		59.00
1-0-2500-000	Deferred Inflows		2,120,100.00
1-0-2500-000	Deferred Inflows		128,104.00
Total		<u>2,351,444.00</u>	<u>2,351,444.00</u>
Adjusting Journal Entries JE # 4			
GASB 68 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) during FY19/20 at June 30, 2022.			
1-0-2500-000	Deferred Inflows	440,535.00	
1-0-2500-000	Deferred Inflows	24,832.00	
1-0-2500-000	Deferred Inflows	184,425.00	
1-0-1500-000	Deferred Outflows		149,767.00
1-0-1500-000	Deferred Outflows		136,794.00
1-1-5641-500	PERS Cost by Function		54,485.00
1-2-5641-500	PERS Cost by Function		10,897.00
1-3-5641-500	PERS Cost by Function		87,175.00
1-4-5641-500	PERS Cost by Function		29,058.00
1-5-5641-500	PERS Cost by Function		29,058.00
1-6-5641-500	PERS Cost by Function		39,956.00
1-7-5641-500	PERS Cost by Function		112,602.00
Total		<u>649,792.00</u>	<u>649,792.00</u>
Adjusting Journal Entries JE # 5			
GASB 75 Entry #1 - To reclassify 2021 contributions to a reduction in Net OPEB Liability at June 30, 2022.			
1-0-2400-500	Net OPEB Liability	79,915.00	
1-0-1501-000	Deferred Outflows - OPEB		79,915.00
Total		<u>79,915.00</u>	<u>79,915.00</u>

**Indian Wells Valley Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 6			
GASB 75 Entry #2 - To contra reclassify 2022 contributions for retiree benefits to deferred outflows of resources from expense at June 30, 2022.			
1-0-1501-000	Deferred Outflows - OPEB	73,620.00	
1-9-5928-000	OPEB Expense		73,620.00
Total		<u>73,620.00</u>	<u>73,620.00</u>
Adjusting Journal Entries JE # 7			
GASB 75 Entry #3 - To record changes in OPEB liability during FY20/21 in the current year.			
1-0-1501-000	Deferred Outflows - OPEB	540,418.00	
1-0-2400-000	Deferred OPEB Inflows	132,540.00	
1-0-2400-000	Deferred OPEB Inflows	9,749.00	
1-9-5928-000	OPEB Expense	165,344.00	
1-0-1501-000	Deferred Outflows - OPEB		132,540.00
1-0-1501-000	Deferred Outflows - OPEB		9,749.00
1-0-2400-000	Deferred OPEB Inflows		96,659.00
1-0-2400-000	Deferred OPEB Inflows		223,827.00
1-0-2400-500	Net OPEB Liability		385,276.00
Total		<u>848,051.00</u>	<u>848,051.00</u>
Adjusting Journal Entries JE # 8			
GASB 75 Entry #4 - To record changes in the deferred outflows and deferred inflows (amortization) at June 30,			
1-0-2400-000	Deferred OPEB Inflows	7,839.00	
1-0-2400-000	Deferred OPEB Inflows	45,998.00	
1-0-1501-000	Deferred Outflows - OPEB		33,513.00
1-9-5928-000	OPEB Expense		20,324.00
Total		<u>53,837.00</u>	<u>53,837.00</u>
Adjusting Journal Entries JE # 9			
AJE - To correct prepaid insurance for insurance expense recorded twice and to reclassify payroll related liabilities for medical and life insurance at June 30, 2022.			
1-0-1440-000	Pre-Paid Insurance	6,198.53	
1-0-1440-000	Pre-Paid Insurance	273.48	
1-1-5214-000	Water Supply - Emp Benefits	11,249.92	
1-3-5414-000	T&D - Benefits	21,796.71	
1-4-5414-100	Engineering - Benefits	4,218.72	
1-5-5514-000	Customer Accts - Benefits	6,328.08	
1-6-5565-000	Field Service - Benefits	9,140.56	
1-7-5614-000	Administration - Benefits	13,359.26	
1-7-5614-100	Accounting - Benefits	4,218.72	
1-0-1440-000	Pre-Paid Insurance		70,311.97
1-0-2305-000	Accrued Group Term Life Ins		273.48
1-0-2305-002	Accrued Medical Insurance		6,198.53
Total		<u>76,783.98</u>	<u>76,783.98</u>
Adjusting Journal Entries JE # 10			
AJE - To correct unearned revenue to actual per review of support provided by District at June 30, 2022.			
1-0-2224-000	Unearned Revenue	71,196.48	
1-0-2260-000	Customer Deposits	104,489.33	
1-0-2224-000	Unearned Revenue		104,489.33
1-0-4110-100	Residential Usage		71,196.48
Total		<u>175,685.81</u>	<u>175,685.81</u>
Adjusting Journal Entries JE # 11			
AJE - To correct customer deposits after AJE #10 reclassification to agree with customer deposit report provided at June 30, 2022.			
1-0-4110-100	Residential Usage	45,409.47	
1-0-2260-000	Customer Deposits		45,409.47
Total		<u>45,409.47</u>	<u>45,409.47</u>

**Indian Wells Valley Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 12			
AJE - To adjust accrued interest receivable to actual per review of bank statements at June 30, 2022.			
1-0-4920-000	Interest Income	16,526.82	
1-0-1373-000	Accrued Interest Receivable		16,526.82
Total		<u>16,526.82</u>	<u>16,526.82</u>
Adjusting Journal Entries JE # 13			
CPE - To reverse compensated absence accrual for revised version (AJE#14) at June 30, 2022.			
1-0-2311-000	Accrued Employee Vacation Bene	2,423.43	
1-0-2311-050	Accrued Employee Vacation LT	9,693.70	
1-0-2311-100	Accrued Sick Leave	1,222.27	
1-0-2311-150	Accrued Sick Leave LT	4,889.07	
1-7-5645-001	Accrued Sick/Vacation Leave		12,117.13
1-7-5645-001	Accrued Sick/Vacation Leave		6,111.34
Total		<u>18,228.47</u>	<u>18,228.47</u>
Adjusting Journal Entries JE # 14			
CPE - To record revised compensated absence accrual at June 30, 2022.			
1-7-5645-001	Accrued Sick/Vacation Leave	21,856.73	
1-7-5645-001	Accrued Sick/Vacation Leave	6,597.18	
1-0-2311-000	Accrued Employee Vacation Bene		4,371.35
1-0-2311-050	Accrued Employee Vacation LT		17,485.38
1-0-2311-100	Accrued Sick Leave		1,319.44
1-0-2311-150	Accrued Sick Leave LT		5,277.74
Total		<u>28,453.91</u>	<u>28,453.91</u>
Adjusting Journal Entries JE # 15			
PPA - To record initial lease asset and liability at 7/1/2019.			
1-0-1119-001	Lease Equipment - Asset	78,114.94	
1-0-2165-001	Unitrends Lease		78,114.94
Total		<u>78,114.94</u>	<u>78,114.94</u>
Adjusting Journal Entries JE # 16			
PPA - To record 1 year of payments and amortization of lease asset and lease liability FY 2020.			
1-0-2165-001	Unitrends Lease	21,352.30	
1-7-5675-999	GASB 87 Lessee - PPA Expense (Income)	22,318.55	
1-7-5675-999	GASB 87 Lessee - PPA Expense (Income)	2,393.66	
1-0-1142-000	Accum Amort - Lease Equipment		22,318.55
1-7-5675-999	GASB 87 Lessee - PPA Expense (Income)		23,745.96
Total		<u>46,064.51</u>	<u>46,064.51</u>
Adjusting Journal Entries JE # 17			
PPA - To record 2 year of payments and amortization of lease asset and lease liability FY 2021.			
1-0-2165-001	Unitrends Lease	22,111.74	
1-7-5675-999	GASB 87 Lessee - PPA Expense (Income)	22,318.55	
1-7-5675-999	GASB 87 Lessee - PPA Expense (Income)	1,634.22	
1-0-1142-000	Accum Amort - Lease Equipment		22,318.55
1-7-5675-999	GASB 87 Lessee - PPA Expense (Income)		23,745.96
Total		<u>46,064.51</u>	<u>46,064.51</u>
Adjusting Journal Entries JE # 18			
AJE - To record 3 year of payments and amortization of lease asset and lease liability at June 30, 2022.			
1-0-2165-001	Unitrends Lease	22,898.19	
1-7-5675-201	Amortization Expense	22,318.55	
1-9-5927-300	Lease Interest Expense	847.77	
1-0-1142-000	Accum Amort - Lease Equipment		22,318.55
1-7-5675-200	Computer Maintenance		23,745.96
Total		<u>46,064.51</u>	<u>46,064.51</u>

**Indian Wells Valley Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 19			
PPA - To record initial lease receivable and deferred inflow of resources at 1/1/2021.			
1-0-1376-001	Lease Receivable - Butterworth	19,126.55	
1-0-2500-100	Deferred Inflow - Butterworth Lease		19,126.55
Total		<u>19,126.55</u>	<u>19,126.55</u>
Adjusting Journal Entries JE # 20			
PPA - To record fiscal year lease payments and amortization of lease asset and lease liability at June 30, 2021.			
1-0-2500-100	Deferred Inflow - Butterworth Lease	4,781.64	
1-0-4970-999	GASB 87 Lessor - PPA (Income) Expense	2,000.00	
1-0-1376-001	Lease Receivable - Butterworth		1,731.12
1-0-4970-999	GASB 87 Lessor - PPA (Income) Expense		268.88
1-0-4970-999	GASB 87 Lessor - PPA (Income) Expense		4,781.64
Total		<u>6,781.64</u>	<u>6,781.64</u>
Adjusting Journal Entries JE # 21			
AJE - To record fiscal year lease payments and amortization of lease asset and lease liability at June 30, 2022.			
1-0-2500-100	Deferred Inflow - Butterworth Lease	9,563.27	
1-0-4970-000	Olancha Farm Rent	10,000.00	
1-0-1376-001	Lease Receivable - Butterworth		9,534.01
1-0-4920-301	Lease Interest Income		465.99
1-0-4970-000	Olancha Farm Rent		9,563.27
Total		<u>19,563.27</u>	<u>19,563.27</u>
Total Adjusting Journal Entries		<u>5,598,740.39</u>	<u>5,598,740.39</u>

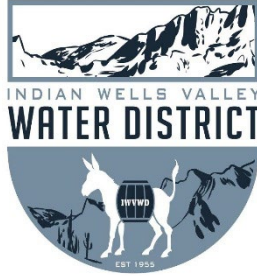
Board Presentation Draft

**Indian Wells Valley Water District
Schedule of Audit Adjusting Journal Entries
June 30, 2022**

Account	Description	Debit	Credit
Proposed Journal Entries			
Proposed Journal Entries JE # 101			
PAJE - To accrue June legal expenses noted per review of check 68887 dated 8/10/22 vendor Murphy & Evertz LLP at June 30, 2022			
1-7-5651-000	Legal Services	6,660.00	
1-0-2220-000	Accounts Payable		6,660.00
Total		<u>6,660.00</u>	<u>6,660.00</u>
Proposed Journal Entries JE # 102			
PAJE - To adjust unbilled accounts receivable per analysis performed during audit fieldwork at June 30, 2022.			
1-0-1371-000	Accounts Receivable Water Sale	22,137.10	
1-0-4110-902	Arsenic Charge 1" Meter	322.05	
1-0-4110-100	Residential Usage		2,849.31
1-0-4110-101	Residential RTS		3,625.43
1-0-4110-300	Master-Metered Res. Usage		535.21
1-0-4110-301	Master-Metered Res. RTS		251.05
1-0-4110-400	Commercial/Public/Ind Usage		1,406.91
1-0-4110-401	Commercial/Public/Ind RTS		456.40
1-0-4110-600	Construction Water		2.07
1-0-4110-700	Fire Prevention		115.92
1-0-4110-800	GSA Pump Fee		9,074.41
1-0-4110-801	B-Zone Charge		1,643.02
1-0-4110-802	C-Zone Charge		461.74
1-0-4110-803	D-Zone Charge		165.92
1-0-4110-901	Arsenic Charge 3/4" Meter		1,496.26
1-0-4110-903	Arsenic Charge 1-1/2" Meter		4.20
1-0-4110-904	Arsenic Charge 2" Meter		40.11
1-0-4110-905	Arsenic Charge 3" Meter		47.28
1-0-4110-906	Arsenic Charge 4" Meter		14.36
1-0-4110-907	Arsenic Charge 6" Meter		127.24
1-0-4110-908	Arsenic Charge 8" Meter		142.31
Total		<u>22,459.15</u>	<u>22,459.15</u>
Total Proposed Journal Entries		<u>29,119.15</u>	<u>29,119.15</u>
Total All Journal Entries		<u>5,627,859.54</u>	<u>5,627,859.54</u>

Legend:

AJE	Audit Adjusting Journal Entry
CPE	Client Prepared Adjusting Journal Entry
PPA	Prior Period Adjusting Journal Entry
GASB 68 Entry	GASB 68 Adjusting Journal Entry
GASB 75 Entry	GASB 75 Adjusting Journal Entry



10. Public Hearing

ORDINANCE NO. 107

ORDINANCE OF THE BOARD OF DIRECTORS OF THE INDIAN WELLS VALLEY WATER DISTRICT, KERN AND SAN BERNARDINO COUNTIES, CALIFORNIA, AMENDING ORDINANCE NUMBER 106 - PROVIDING FOR A REFERENCE DOCUMENT ENTITLED “WATER SALES AND SERVICE POLICY MANUAL”

WHEREAS, The Board of Directors of the Indian Wells Valley Water District approved and adopted Ordinance No. 106 – Providing for a Reference Document Entitled “Water Sales and Service Policy Manual on February 27, 2023;

WHEREAS, The Board of Directors of the Indian Wells Valley Water District wish to amend Ordinance No. 106 to incorporate new Charges, Rates & Provisions for Construction Meters, Bulk Water Station and Private Fire Protection Service.

BE IT ORDAINED, by the Board of Directors of the Indian Wells Valley Water District, as follows:

Section 1. PURPOSE.

The purpose of this Ordinance is to amend Ordinance No. 106 to incorporate new Charges, Rates & Provisions for Construction Meters, Bulk Water Station and Private Fire Protection Service.

Section 2. AMENDMENT.

Ordinance No. 106 is hereby amended to incorporate the new Charges, Rates & Provisions for Construction Meters (Page 8), Bulk Water Station (Page 10) and Private Fire Protection Service (Page 10), attached hereto and incorporated into the Water Sales and Service Policy Manual.

Section 3. WATER SALES AND SERVICE POLICY MANUAL ADOPTION.

The Water Sales and Service Policy Manual is hereby amended and adopted.

Section 4. EFFECTIVE DATE.

Ordinance No. 107 will take effect on April 1st, 2023.

Section 5. PUBLICATION.

The Secretary is hereby directed to cause this Amendment to Ordinance No. 107 to be published once in full in a newspaper of general circulation, printed, published and circulated in the District.

All the foregoing being on the motion of Director seconded by Director, and authorized by the following vote, namely:

AYES:

NOES:

ABSENT: None.

ABSTAIN: None.

I HEREBY CERTIFY that all the foregoing ordinance is the ordinance of the Indian Wells Valley Water District as duly passed and adopted by said Board of Directors at a legally convened meeting held on the March 13, 2023.

WITNESS my hand and the official seal of said Board of Directors this 13th day of March 2023.

President of the Indian Wells Valley Water District and of the Board of Directors thereof.

ATTEST:

Secretary of the Indian Wells Valley Water District and of the Board of Directors thereof.

(SEAL)

STATE OF CALIFORNIA)
COUNTIES OF KERN)
AND SAN BERNARDINO)

I, DONALD M. ZDEBA, Secretary of the Board of Directors of the Indian Wells Valley Water District, DO HEREBY CERTIFY, as follows:

The foregoing Ordinance is a full, true and correct copy of Ordinance No. 107, duly adopted at a Regular Board Meeting of the Board of Directors of said District, duly and held at the regular meeting place of the Board on the 13th day of March, 2023, for which all of the members of said Board of Directors had due notice and at which a majority of the Board of Directors were present. All the foregoing being on the motion of Director seconded by Director, and authorized by the following vote, namely:

AYES:

NOES:

ABSENT: None.

ABSTAIN: None.

I have carefully compared the foregoing with the original Minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original ordinance adopted at said Meeting and entered into said Minutes.

Ordinance No. 107 has not been amended, modified or rescinded since the date of its adoption on March 13th, 2023, and the same is now in full force and effect.

WITNESS my hand and the official seal of said Board of Directors this 13th day of March, 2023.

Secretary of the Indian Wells Valley Water District
and of the Board of Directors thereof.

President of the Indian Wells Valley Water District
and of the Board of Directors thereof.

(SEAL)

CONSTRUCTION METER CHARGES, RATES & PROVISIONS

MONTHLY SERVICE CHARGE

Construction meters will be charged a \$25 Meter Handling Service Charge, monthly ready-to-serve charge and metered monthly usage rates.

\$25 + 34.87 effective April 1, 2023
\$25 + 37.66 effective January 1, 2024
\$25 + 40.67 effective January 1, 2025
\$25 + 43.11 effective January 1, 2026
\$25 + 45.70 effective January 1, 2027

METERED MONTHLY USAGE RATES

(Rate per HCF)
(All Usage)

\$7.31 effective April 1, 2023
\$7.46 effective January 1, 2024
\$7.62 effective January 1, 2025
\$7.75 effective January 1, 2026
\$7.89 effective January 1, 2027
+ zone charge

BULK WATER STATION CHARGES, RATES & PROVISIONS

	Effective 04/01/2023	Effective 01/01/2024	Effective 01/01/2025	Effective 01/01/2026	Effective 01/01/2027
Monthly Fixed	\$34.87	\$37.66	\$40.67	\$43.11	\$45.70
Volumetric Per HCF	\$6.93	\$7.48	\$8.08	\$8.56	\$9.07

PRIVATE FIRE PROTECTION SERVICE CHARGES, RATES & PROVISIONS

FLAT MONTHLY SERVICE RATE

Connection Size	Effective <u>04/01/2023</u>	Effective <u>01/01/2024</u>	Effective <u>01/01/2025</u>	Effective <u>01/01/2026</u>	Effective <u>01/01/2027</u>
1"	\$1.89	\$2.04	\$2.20	\$2.33	\$2.47
2"	\$11.71	\$12.65	\$13.66	\$14.48	\$15.35
3"	\$33.99	\$36.71	\$39.65	\$42.03	\$44.55
4"	\$72.41	\$78.20	\$84.46	\$89.53	\$94.90
6"	\$210.35	\$227.18	\$245.35	\$260.07	\$275.67
8"	\$448.28	\$484.14	\$522.87	\$554.24	\$587.49
10"	\$806.16	\$870.65	\$940.30	\$996.72	\$1,056.52

CONSTRUCTION METER CHARGES, RATES & PROVISIONS

MONTHLY SERVICE CHARGE

Construction meters will be charged a **\$25 Meter Handling Service Charge**, monthly ready-to-serve charge and metered monthly usage rates.

~~\$206.65 effective July 1, 2022~~

- \$25 + 34.87 effective April 1, 2023
- \$25 + 37.66 effective January 1, 2024
- \$25 + 40.67 effective January 1, 2025
- \$25 + 43.11 effective January 1, 2026
- \$25 + 45.70 effective January 1, 2027

METERED MONTHLY USAGE RATES

(Rate per HCF)
(All Usage)

~~\$4.71 effective July 1, 2022~~

- \$7.31 effective April 1, 2023
- \$7.46 effective January 1, 2024
- \$7.62 effective January 1, 2025
- \$7.75 effective January 1, 2026
- \$7.89 effective January 1, 2027
- + zone charge

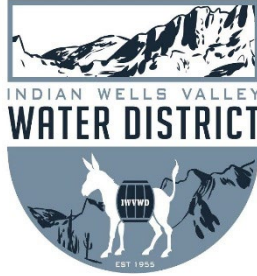
BULK WATER STATION CHARGES, RATES & PROVISIONS

	Effective 07/01/2022	Effective 04/01/2023	Effective 01/01/2024	Effective 01/01/2025	Effective 01/01/2026	Effective 01/01/2027
Monthly Fixed	\$32.29	\$34.87	\$37.66	\$40.67	\$43.11	\$45.70
Volumetric Per HCF	\$2.96 + GA Replenishment	\$6.93	\$7.48	\$8.08	\$8.56	\$9.07

PRIVATE FIRE PROTECTION SERVICE CHARGES, RATES & PROVISIONS

FLAT MONTHLY SERVICE RATE

Connection Size	Effective 07/01/2022	Effective <u>04/01/2023</u>	Effective <u>01/01/2024</u>	Effective <u>01/01/2025</u>	Effective <u>01/01/2026</u>	Effective <u>01/01/2027</u>
1"	\$1.75	\$1.89	\$2.04	\$2.20	\$2.33	\$2.47
2"	\$10.84	\$11.71	\$12.65	\$13.66	\$14.48	\$15.35
3"	\$31.47	\$33.99	\$36.71	\$39.65	\$42.03	\$44.55
4"	\$67.05	\$72.41	\$78.20	\$84.46	\$89.53	\$94.90
6"	\$194.77	\$210.35	\$227.18	\$245.35	\$260.07	\$275.67
8"	\$415.07	\$448.28	\$484.14	\$522.87	\$554.24	\$587.49
10"	\$746.44	\$806.16	\$870.65	\$940.30	\$996.72	\$1,056.52



Committee Reports

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

WATER MANAGEMENT COMMITTEE
REGULAR MEETING MINUTES

THURSDAY, FEBRUARY 23, 2023 – 2:00 P.M.

BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Ron Kicinski, Stan Rajtora, Don Zdeba, Jason Lillion, and Ty Staheli,

1. Call to Order

The meeting was called to order at 2:00 p.m.

2. Committee/Public Comments

None.

3. Indian Wells Valley Groundwater Authority

Discussion of actions taken at the February 8, 2023, Indian Wells Valley Groundwater Authority (IWVGA) Regular Board meeting:

- The IWVGA Board approved three documents for the imported water project.
- There was discussion regarding the compensation for the repairs made to the Heritage Village well and the topic was tabled until the March IWVGA regular board meeting.
- The annual report was presented to the IWVGA Board and staff; however, the topic was tabled until next month's meeting as there was not sufficient time to review that all comments were taken into account.
- The next IWVGA Regular Board meeting is scheduled for March 8, 2023

Public Comment regarding the IWVGA –

- Mike Neel requested that the Indian Wells Valley Water District (IWWVD) Board remind the IWVGA Board that the shallow well mitigation program was created for potable/residential water wells, not community irrigation wells.

4. Potential Impact of Recycled Water on District's Need for Imported Water

During discussion of Item A2 on the agenda of the January 24th Board Workshop, Board discussion of potential Strategic Planning Effort, the Board requested to add recycled water as an agenda item for this committee meeting.

The committee discussed ways to approach the City of Ridgecrest regarding working together to find a mutually beneficial plan for the recycled water project. The IWWVD Board initially sent a letter to the City of Ridgecrest in 2020 but did not receive a response. The Board will request a project update from Krieger & Stewart (who has been working with Stetson on the Recycled Water Project) to see where the project currently stands. Once the Board has been updated, they shall draft and send a new letter to the

City of Ridgecrest.

5. Brackish Water Study

There is nothing significant to report since last month. The 2022 Annual Report is still being prepared to submit to the Department of Water Resources. Last month it was reported four hypothetical scenarios for treatment methods have been developed. The costs for additional system components such as extraction wells, pipelines, reservoirs, etc. are still being developed. The amended project completion date is December 30, 2023.

6. Alternate Water Sources

a. Exploration of sub-basins within the valley

At the January 19, 2022, workshop, the Board approved up to \$200,000 to obtain and reprocess additional remote sensing/seismic data collected during the 1980's within the El Paso sub-basin area and update the Hydrological Conceptual Framework.

John Jansen, with Collier Geophysical, continues to work on the final draft of his report on interpretation of the 104 miles of seismic data that has been reprocessed.

It was agreed John would include determination of net clay percentages along with the net sand percentages he had already completed for each HG zone since clays can contain groundwater as well.

At the January 24, 2023, Board workshop, the Board tasked staff with drafting a plan for exploring potential of the El Paso Subbasin to provide a water supply not currently being fully utilized. Tim Parker, Dave Scriven and I had an initial call this past Monday to discuss the approach being taken and progress to date. Tim will be reviewing the aerial electromagnetic data from the SkyTEM flyover as well as geologic logs in the area to assist in identifying sites to consider for drilling exploration wells. We expect to circle back on a call sometime next week. This effort will build on the work previously performed by Krieger & Stewart in 2021.

7. Future Agenda Items

None.

8. Adjournment

Meeting was adjourned at 2:57 pm

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

PLANT AND EQUIPMENT COMMITTEE
REGULAR MEETING

REPORT

TUESDAY, MARCH 7, 2023 – 2:00 PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Stan Rajtora, Don Zdeba, Ty Staheli, Jason Lillion, and Renée Morquecho.

1. Call to Order

The meeting was called to order at 2:00 pm.

2. Committee/Public Comments

None.

3. Inyokern Rd Transmission Pipeline Repair: Update

Weka, Inc. mobilized February 24th and begun their work February 27th. They expect to finish installation this week and the new pipeline section can then be pressure tested and disinfected. Staff will be working to get the entire pipeline back in service by the end of next week. Farwest Corrosion Control Company finished their survey of the pipeline from Pinto Street to the Bowman Rd. tanks a few weeks ago and are working on the final report. They again reiterated via e-mail that no other sections of the pipeline they surveyed appeared to have corrosion issues.

4. Well 31 Rehabilitation: Project Update

Layne was onsite February 21st but due to lack of water at the site and weather conditions, they pulled off and will return in April.

5. Booster Station and Tanks Project: Update

The new tank at the Gateway/Javis site is online after approval by the State Water Resources Control Board. The old tank has been emptied for some piping modifications. At the booster station, electrical has been installed and inspected. CSE is expecting the MCC and pumps to ship in April. The C-zone tank has been constructed and inlet/outlet piping has been disinfected. If the results are coliform negative, disinfection and filling of the tank can begin Friday. At the College tank site, CSE has completed construction of the ringwall. The tank subcontractor is scheduled to return to begin erecting the tank at the week March 20th.

6. Arsenic Treatment Facilities: Update

Both arsenic plants are offline at this time, but Plant 2 is on standby if needed. The Committee reviewed a quote from Pureflow for the installation of the new filter underdrains and media for Plant 1 in the amount of \$111,000.00. Staff will be presenting this to the Board for approval at the next meeting.

7. Solar Production: Report

The Committee reviewed the Phase 1 report provided by ENGIE Services for July 2022 through February 2023. For February, the actual savings was \$41,620.06 and the guaranteed savings was \$36,641.80. The total savings this fiscal year is \$353,129.92. At the Well 35 site (Phase 2), actual savings for February was \$1,618.50 and the guaranteed savings was \$1,505.60. The total savings at the Well 35 site this calendar year is \$2,601.01.

8. Future Agenda Items

None.

9. Adjournment

The meeting was adjourned at 2:14 pm.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING

REPORT

TUESDAY MARCH 7, 2023 – 2:30 PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: David Saint-Amand, Stan Rajtora, Don Zdeba, 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

Don Zdeba informed the Committee that Staff had been in contact with ACWA regarding the SRF issues. ACWA is putting together a working group to identify SRF issues we and other districts are experiencing for discussion with State officials.

3. Fraud Risk Discussion

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

None to report.

4. Water Sales and Service Policy

Description: Review of the District's Water Sales and Service Policy Manual

The Committee discussed the proposed Construction, Bulk, and Fire Protection rates and recommended Board approval.

The recommended rates are attached.

Director Rajtora requested to further review the Policy's language and his comments at a future meeting.

5. Financial Statements February 28, 2023 (preliminary)

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

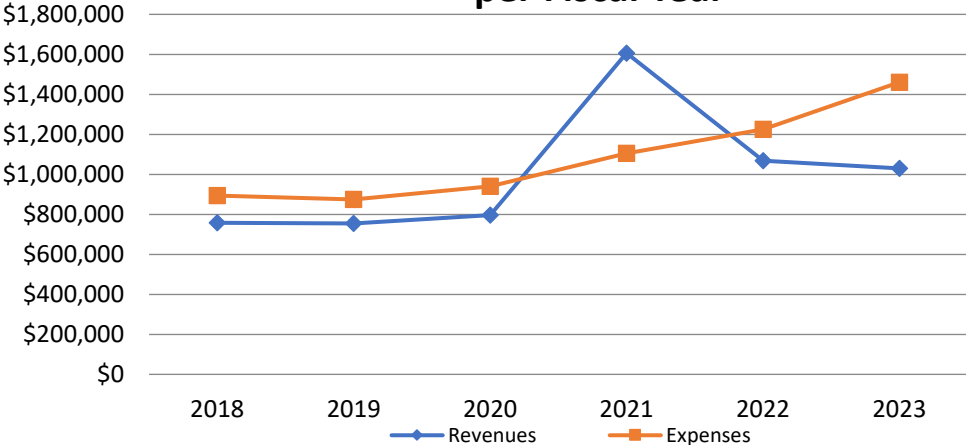
Estimated year-to-date revenues as of February 28, 2023, are \$10,355,608 and expenses are \$11,803,387, therefore expenditures exceeded revenues by \$1,447,779, which is more than budget by \$480,472.

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

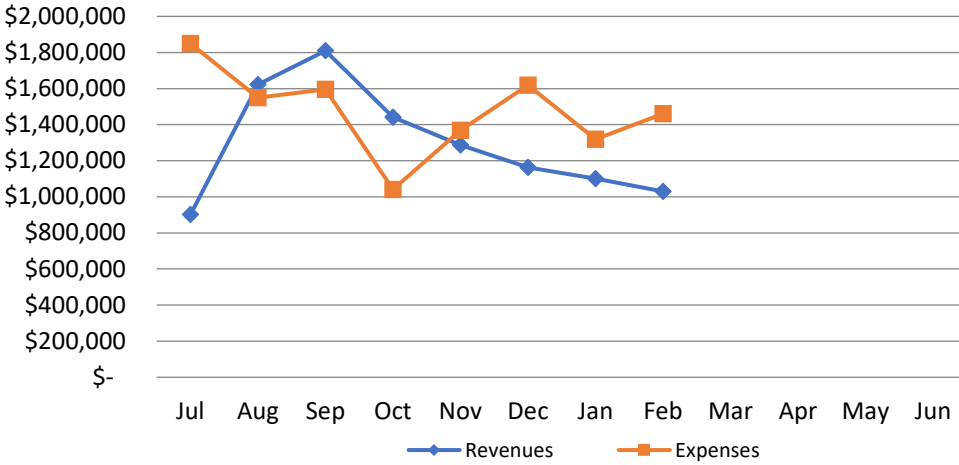
**Indian Wells Valley Water District
 Revenues vs. Expense
 Actuals & Budget through February 2023 (Preliminary)**

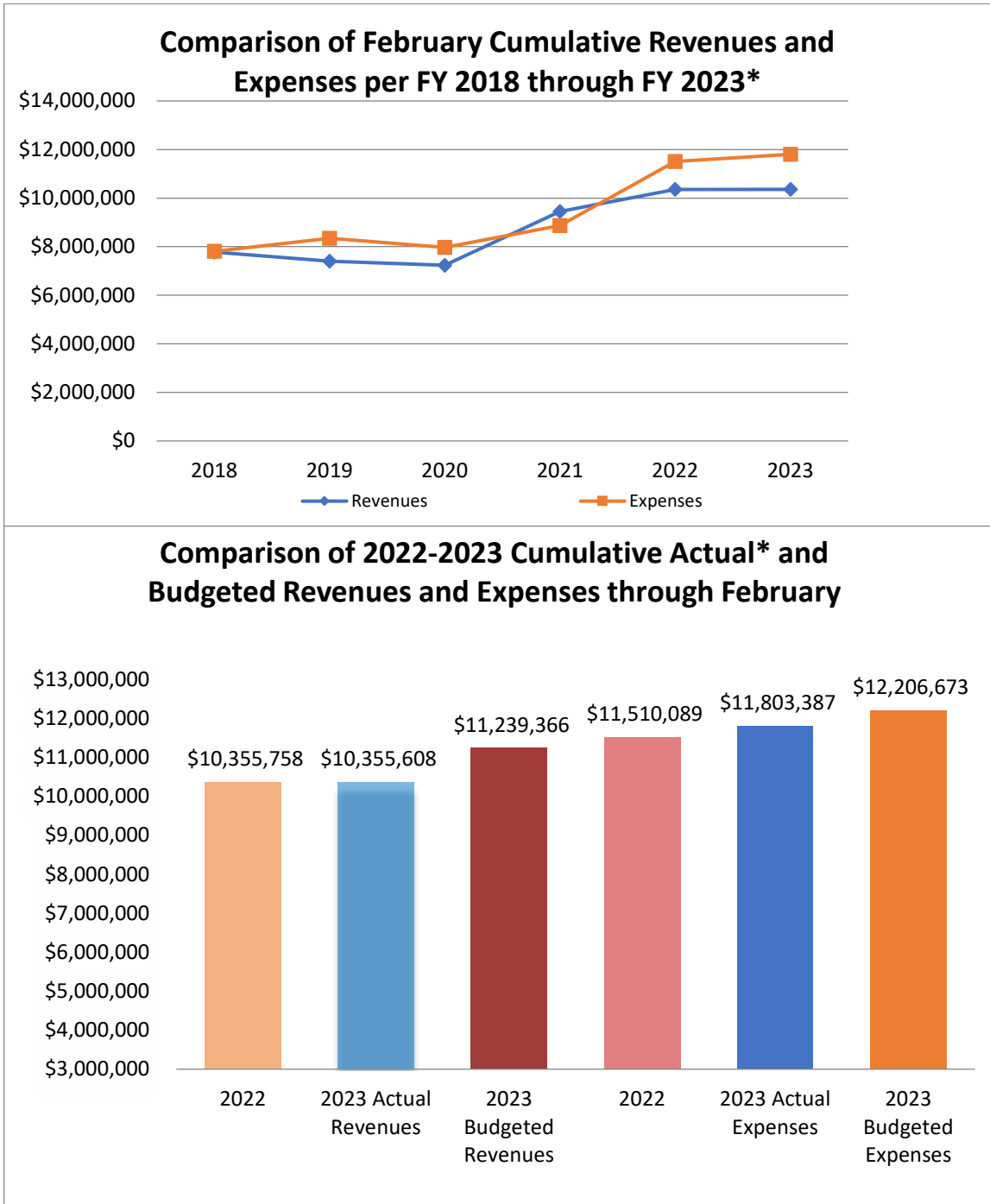
	Budget	Actuals	Δ
Revenues			
Total Water Sales	7,485,681	6,809,778	-675,903
GSA Fees	2,964,000	2,732,873	-231,127
Total Water Service Revenue	244,335	270,631	26,296
Total Non-Operating Income	100,425	125,693	25,268
Capital Contributions	444,925	416,633	-28,292
Total Revenues	11,239,366	10,355,608	-883,758
Expenses			
Water Supply	810,322	819,261	8,939
Arsenic Treatment Plants	169,150	89,444	-79,706
Transmission & Distribution	1,288,600	1,136,268	-152,332
Engineering	283,356	344,083	60,727
Customer Service	330,276	250,208	-80,068
Field Services	347,276	361,786	14,510
General & Administration	2,281,180	2,522,101	240,920
Legislative	78,472	58,632	-19,840
Depreciation	2,333,333	2,333,333	0
Non-Operating, Interest	927,887	723,349	-204,539
Non-Operating, Miscellaneous	173,060	342,629	169,569
GSA Fees	3,100,800	2,717,613	-383,187
Non-Operating, Conservation	23,256	25,548	2,292
Non-Operating, Alternate Water	59,704	79,133	19,429
Total Expenses	12,206,673	11,803,387	-403,285
Net Revenue Increase (Decrease)	-967,307	-1,447,779	-480,472
Capital Expenditures		4,540,813	
- COP Funded		2,556,405	
Debt Service Principle		741,109	

Comparison of February Revenues and Expenses per Fiscal Year



Comparison of FY 2021-2022 Revenues and Expenses by Month





**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 \$1,281,520.83 as follows:

Checks through:	<u>2/8/23</u>	<u>2/23/23</u>
Prepaid	\$ 239,489.26	\$ 48,527.45
Current	<u>272,779.33</u>	<u>720,724.79</u>
Total	<u>\$ 512,268.59</u>	<u>\$ 769,252.24</u>

7. Future Agenda Items

Water Sales and Service Policy Manual
Historical Residential Connections

8. Adjournment

The Committee adjourned at 2:57pm.

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

ADMINISTRATION/EXECUTIVE COMMITTEE
MEETING MINUTES

WEDNESDAY, MARCH 8, 2023 – 3:00 P.M.

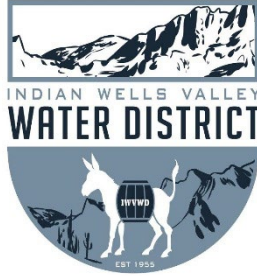
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

Attendees: Mallory Boyd, Ron Kicinski, Don Zdeba, Jason Lillion, Renée Morquecho, and Ty Staheli

1. **Call to Order**
The meeting was called to order at 3:00 p.m.
2. **Committee/Public Comments**
None.
3. **California Special Districts Association (CSDA) Board of Directors Seat C Nomination**
The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the CSDA for the 2024-2026 term.

Committee deferred to the Board for further discussion and consideration.
4. **Discussion on Senate Bill (SB) 606 and Assembly Bill (AB) 1668**
The Outdoor Water Use Efficiency Standards were scheduled to be established by July 2022.

Association of California Water Agencies (ACWA) continues meetings of Water Use Efficiency working groups. The bi-monthly meeting was held this morning. Unfortunately, it conflicted with the Groundwater Authority meeting. Mr. Zdeba will follow up with Chelsea Haines, ACWA Regulatory Relations, for any significant updates.
5. **Draft Agenda for the Regular Board Meeting & Public Hearing of March 13, 2023**
The Committee reviewed the agenda and made no changes.
6. **Future Agenda Items**
None.
7. **Adjournment**
The meeting adjourned at 3:10 p.m.



Approval of Minutes

MINUTES OF THE REGULAR BOARD MEETING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FEBRUARY 13, 2023

The Regular Meeting of the Board of Directors of the Indian Wells Valley Water District was called to order by President Boyd at 4:30 p.m. in the Board of Directors Hearing Room, 500 West Ridgecrest Boulevard, Ridgecrest, California. **CALL TO ORDER**

The Pledge of Allegiance was led by Stan Rajtora. **PLEDGE**

DIRECTORS PRESENT: President Mallory J. Boyd
Vice President Ronald R. Kicinski
Director Charles D. Griffin
Director Stan G. Rajtora
Director David C.H. Saint-Amand **ROLL CALL**

DIRECTORS ABSENT: None.

STAFF PRESENT: Don Zdeba, General Manager
Jim Worth, Attorney
Ty Staheli, Chief Financial Officer
Jason Lillion, Operations Manager
Renée Morquecho, Chief Engineer
Lauren Smith, Recording Secretary

STAFF ATTENDING VIA TELECONFERENCE: Chuck Krieger, Consulting Engineer
Travis Romeyn, Consulting Engineer

AGENDA DECLARATION

Recording Secretary, Lauren Smith, reported that the agenda for tonight's Regular Board Meeting was posted on Friday, February 10, 2023. **AGENDA DECLARATION**

CONFLICT OF INTEREST DECLARATION

Director Saint-Amand stated his opinions shared during this meeting are his own and do not necessarily reflect the opinions of his employer, nor the Board. **CONFLICT OF INTEREST**

PUBLIC QUESTIONS AND COMMENTS ON CLOSED SESSION

None. **PUBLIC COMMENTS**

With no further Board or Public comments, President Boyd recessed the meeting and adjourned to Closed Session at 4:32 p.m.

CLOSED SESSION

The meeting was reconvened in Closed Session at 4:35 p.m. **CLOSED SESSION**

Closed Session was adjourned at 6:00 p.m.

The meeting was reconvened to Open Session at 6:05 p.m.

No action was taken which would require disclosure under the Brown Act.

PUBLIC QUESTIONS AND COMMENTS

The Board heard public comment Mike Neel, Renee Westa-Lusk, and Mike Sinnott.

**PUBLIC
COMMENTS**

DEPARTMENT OF WATER RESOURCES (DWR) FACILITATION UPDATE

Lisa Beutler and Emily Finnegan of Stantec provided a report on the DWR Facilitation update. (Presentation available in Board packet.)

**DWR
FACILITATION
UPDATE**

The Board heard public comment from Judie Decker, Mike Neel, Renee Westa-Lusk, and Mike Sinnott.

The Board asked clarifying questions to better understand the recommended next steps.

CONSENT CALENDAR

MOTION: was made by Vice President Kicinski and seconded by Director Saint-Amand approving the Minutes of the January 9, 2023, Regular Board Meeting, Minutes of the January 24, 2023, Special Board Meeting Workshop, February 7, 2023, Special Board Meeting, Payment of Accounts Payable totaling \$1,675,669.07, and Resolution No. 23-02: AB 361 Finding. Motion was carried, unanimously by the following roll call vote:

**CONSENT
CALENDAR**

President Boyd:	Aye
Vice President Kicinski:	Aye
Director Griffin:	Aye
Director Rajtora:	Aye
Director Saint-Amand:	Aye

PLANT & EQUIPMENT COMMITTEE

Pam Smith is requesting a variance to the requirement to construct a water line across the entire frontage of their parcel. The parcel is located at the southeast corner of Kendall Ave. and Lumill Street. A new water line will be constructed from the corner of Kendall Ave. and Summit Street 665 ± L.F. to the east and then south on Lumill Street 50 ± L.F. A covenant running with the land would be required by the District requiring the construction of the pipeline in Lumill Street to the south if needed by a landowner south of APN 343-200-26.

**P&E:
VARIANCE
REQUEST**

MOTION: was made by Director Griffin and seconded by Vice President Saint-Amand approving the variance request for Smith Family Trust and require a covenant running with the land. Motion was carried, unanimously. (Ayes: Boyd, Kicinski, Griffin, Rajtora, Saint-Amand. Nays: None. Absent: None.)

FINANCE COMMITTEE

Travis Romeyn, of Krieger & Stewart (K&S), reviewed two charts with the Board of Directors. The charts show the tasks, costs, and

**FINANCE: SRF
LOAN APP
ASSISTANCE**

timeline differences between State Revolving Fund (SRF) and Bond financing.

The Board directed staff to reach out to Association of California Water Agencies (ACWA) and State officials to discuss this issue further, including timeline concerns.

At the January 24, 2023, Board Workshop, staff was directed to reevaluate the proposed construction meter fixed monthly fee amount. Staff discussed options with Mark Hildebrand, of Hildebrand Consulting, and developed a recommended solution. CONSTRUCTION
METER RATES

Ty Staheli reviewed the recommended solution with the Board, which would have the fixed monthly fee mirror the bulk water monthly fee, with an added \$25 fee to cover the handling, storage, reading, and tracking of construction meters.

MOTION: was made by Director Rajtora and seconded by Director Saint-Amand approving staff's aforementioned recommendation. Motion was carried, unanimously. (Ayes: Boyd, Kicinski, Griffin, Rajtora, Saint-Amand. Nays: None. Absent: None.)

ADMINISTRATION EXECUTIVE COMMITTEE

The Board reviewed the Special District Risk Management Authority (SDRMA) Notification of Nominations - 2023 Election and Director roles and requirements. No nominations made and no action taken.

ADMIN/EXEC:
SDRMA
ELECTIONS

INDIAN WELLS VALLEY GROUNDWATER AUTHORITY (IWVGA)

Director Griffin commented on actions taken at the January 11th and February 8th Board meetings, including:

IWVGA

- Approval of letter of interest to U.S. Army Corps of Engineers.
- Heritage Village Shallow Well Impact Mitigation Evaluation discussion has been postponed.
- Submittal of the 2022 Water Year Annual Report to DWR has been postponed allowing for Directors, staff, and consultants to review and provide further comments.
- Approval of Resolutions authorizing Award of Contract to Provost & Pritchard Consulting Group for design services for the Imported Water pipeline, and a Resolution approving CEQA/NEPA documents and permit documentation services.
- Resolution to authorize Award of Contract to Overland, Pacific, & Cutler, LLC. for right-of-way and parcel acquisition services for the Imported Water pipeline.

The Board heard public comments from Judie Decker and Mike Neel (spreadsheet attached).

The Board directed engineering staff to review the topic of the Heritage Village well.

REPLENISHMENT FEE ADJUSTMENT

Don Zdeba commented that the governing Ordinance for the Replenishment Fee contains a procedure to reconcile the District's payment of the fee at the end of the year. Staff is still working with the IWVGA to reconcile the numbers for 2022. Staff has had additional discussions with the IWVGA staff since the posting of tonight's agenda.

**REPLENISHMENT
FEE ADJ.**

Accordingly, no Board action is requested tonight, and it would be premature to report on anything further at this time. Mr. Zdeba did report that discussions to-date have been productive, and resolution is expected soon.

Vice President Kicinski left the meeting at 8:06 p.m.

Jim Worth reported on recent actions regarding the Comprehensive Adjudication, including:

**COMPREHENSIVE
ADJUDICATION**

- The next Case Management Conference is scheduled for March 17, 2023, at 1:30 p.m.
- Waiver of the initial appearance fee has been continued until February 28, 2023
- The Judge has continued the stay on discovery, as well as initial disclosures.

GENERAL MANAGER AND STAFF UPDATE

Don Zdeba updated the safety record to 40 consecutive days without a recordable injury.

**GENERAL
MANAGER AND
STAFF UPDATE
SAFETY,
PRODUCTION &
NEW SERVICES**

Metered water production at the wells for the month of January was 1,06,767,000 gallons (327.6 acre-feet). The number the State Water Resources Control Board (SWRCB) is using for comparison is metered water through the distribution system, or consumptions, and non-revenue water which is water lost to leaks, flushing activities, blow-offs, etc. That number is 101,257,000 gallons (310.7 acre-feet). The preliminary and full report were submitted to SWRCB on February 2nd. The conservation results for January show consumption down 24.1% compared to January of 2013, the baseline year established by the SWRCB. The 20% conservation target established by the District Board took effect in June 2016 for comparison. Through January the cumulative result remains at 23.6%.

In response to Governor Newsom's request for a voluntary 15% reduction to address current drought conditions, the SWRCB is also comparing current water consumption to the same month in 2020/2021. Comparing January 2023 to January 2021, there is a 9.6% reduction.

Comparing the January conservation results to recent years, consumption in 2022 was 25.3% lower than the 2013 baseline year, 2021 was 16% lower, 2020 was 30% lower, and 2019 was 23.8% lower.

The Residential gallons per capita per day (R-gpcd) for the month was 82.5. This includes both indoor and outdoor usage. There were three new connections during the month of January, contributing \$15,204 in Capital Facility Fees. There have been 13 new connections during this fiscal year, contributing \$62,538 in Capital Facility Fees.

Mr. Zdeba attended the Community Collaborative meeting at City Hall on February 7th. He shared information about the upcoming Board meeting on February 13th, including the update on the DWR Facilitation services, the February 27th Public Hearing on the proposed rate schedule. Mr. Zdeba also mentioned the Department of Drinking Water division of SWRCB has issued a requirement for water suppliers to submit either on a weekly, monthly, or quarterly basis, depending on determination if their water supply is "at-risk" the new SAFER report.

**PUBLIC
OUTREACH**

SAFER stands for Safe and Affordable Funding for Equity and Resilience. The District has been determined to not be at risk and are required to complete monthly reports and submit a quarterly report.

Staff continues to work with Providence Strategic Consulting to promote WaterSmart. As of this morning, there are 1,560 active accounts accounting for 12.1% of customers. This is an increase of nine accounts since last month's report. There were 478 customer alerts issued in January and there have been 13,398 in the past 12-months.

Staff reported that Assembly Bill 361 currently remains in place until January 2024, although the state-of-emergency related to COVID-19 in the state of California terminates on February 28, 2023. The end of the state-of-emergency means local agencies cannot use AB 361's provisions after that date for COVID-19 reasons. AB 361

The following updates were given on items assigned at the January 24, 2023, Special Board Workshop: BOARD WORKSHOP UPDATES

- **Potential Strategic Planning Efforts**

President Boyd reported the Ad-Hoc Committee met and had initial discussions they felt were strategic planning efforts for the District. Updates will be provided to the Board when available.

The Board heard public comment from Mike Neel and Renee Westa-Lusk.

Layne expects to mobilize at the end of this month to install the new pump and other equipment. They are currently waiting for the motor to return from being serviced. WELL 31 REHAB

Work on A/C and electrical is being done at the Booster Station along with new fencing. Ring-wall construction and tank base compaction has been completed at the College tank site. The tank subcontractor is scheduled to return to begin erecting the tank at the beginning of March. They are working on inlet/outlet piping at the C-zone tank. The new Gateway tank is online and the old tank is draining for piping modifications to be made. BOOSTER STATIONS AND TANKS PROJECT

Ty Staheli reported that the estimated year-to-date revenues as of January 31, 2023, are \$9,318,913 and expenses are \$10,464,974. Expenditures exceeded revenues by \$1,146,061, which is less than budget by \$356,848. FINANCIAL STATUS

Mr. Staheli reviewed the report provided by ENGIE Services for July 2022 through January 2023 with the Board. For January, the actual savings was \$34,608.33 and the guaranteed savings \$36,684.25. The total saving this fiscal year is \$311,509.86. At the Well 35 site, the actual savings for January was \$982.51 and guaranteed was \$1,475.78. The total savings since the Well 35 site went online January 2022 is \$24,186.41. SOLAR PRODUCTION

Mr. Staheli reported on the following conservation items: CONSERVATION
State Water Resources Control Board (SWRCB) Water Waster Report - Thus far in 2023, there have been a total of 14 water waste reports received with 14 contacts made. There has been five formal Second Notices and one penalty issued.

WEKA, Inc. is scheduled to begin removal and installation of the replacement pipeline on February 27th. Staff, K&S, and WEKA participated in a preconstruction meeting on February 9th. WEKA estimates the job to take three weeks to complete. INYOKERN RD TRANSM. MAIN

Plant 1 is still pending underdrain replacement. The media has been ARSENIC
excavated and the current underdrain has been removed. Staff is waiting TREATMENT
for a revised quote to only replace the laterals for the underdrain.
Staff is working on salvaging as much media as possible to replace in
the vessels, with the hope that there can be two vessels online with a
potential to purchase more replacement media next fiscal year. Plant 2
is offline; staff is keeping the plant in a constant readiness state
should the water usage demand another well be brought online. This will
cause a substantial amount of work to staff to maintain the plants
during work hours due to the pneumatic valves failing to actuate in
colder weather temperatures.

Mr. Lillion reported for the month of January, one service was repaired OPERATIONS
and 25 were replaced. The NO-DES truck made no runs in January. Since
inception, the NO-DES truck has filtered 8,597,835 gallons. Zero valves
were exercised as staff is working with Spatial Wave to provide a method
for the valve turning machine to communicate with the software within
the new Windows environment.

BOARD COMMENTS/FUTURE AGENDA ITEMS

None.

**BOARD
COMMENTS**

ADJOURNMENT

With no further business to come before the Board, the meeting was
adjourned at 8:39 p.m.

ADJOURNMENT

Respectfully submitted,

Lauren Smith
Recording Secretary

APPROVED: _____

Estimated GA Imported Water Cost Per Household

Grey cells below for user input, using their own assumptions. Items like Grant Amounts are guesses (to date)

Hookups (Households)

12,500 From Water District

Finance Rate

2% input desired assumed rate

Finance Term (years)

30 input assumed financing term

Water Supply

\$ 48,388,000 GA published amount(2019)

Cumulative Inflation

25% since 2019 (estimated)

Pipeline Project

Pipeline Project

AVEK Capital Cost

\$ 177,975,000 GA published amount(2019)

LADWP Cost \$

55,046,000

AVEK O&M cost

\$ 2,280,000 GA published amount(2019)

LADWP O&M \$

833,000

AVEK Annual Service

\$ 5,860,000 GA published amount(2019)

LADWP Annual \$

4,260,000

Grant Amount

\$ 125,500,000 input any assumed amount

Grant Amount \$

25,000,000

ONE TIME COSTS

AVEK

LADWP

Capital Costs

222,468,750

68,807,500

Table A Water Cost

48,388,000

48,388,000

One Time Cost(Total)

270,856,750

117,195,500

Less Grants

125,500,000

25,000,000

One Time Cost Less Grants

145,356,750

92,195,500

FINANCED

Finance Cost/Month

(537,267)

(340,773)

MONTHLY COST

Average Per Hookup

\$

(43)

\$

(27)

ANNUAL COSTS

Annual O&M Cost

2,280,000

833,000

Annual Service cost

5,860,000

4,260,000

Total Annual Costs

8,140,000

5,093,000

Monthly O&M + Service Cost

(54)

(34)

MONTHLY COST

Average Per Hookup

\$

(54)

\$

(34)

Total Monthly Cost Per Hookup

\$

(97)

\$

(61)

TOTAL

(Financed and Annual Costs)

\$

(97)

\$

(61)

Summary of some cost scenarios - note that "annual costs" amount is not financed and will always be about \$54 per month
 These examples are for the AVEK project (only realistic project)

Loan Rate %	inflation rate	Grant amount	Term (years)	Monthly cost
1	25	\$125 Million	30	\$92
2	25	\$125 Million	30	\$97
4	25	\$125 Million	30	\$110
1	25	\$30 million	30	\$116
1	20	\$30 million	30	\$114
2	20	\$0	30	\$132
1	25	\$177,975,000	30	\$79

Best case scenario is (unlikely) \$79 per month

Worst Case scenario is \$132 per month

MINUTES OF THE SPECIAL BOARD MEETING
& PUBLIC HEARING

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FEBRUARY 27, 2023

The Special Meeting and Public Hearing of the Board of Directors of the Indian Wells Valley Water District was called to order by President Boyd at 4:30 p.m. in the Board of Directors Hearing Room, 500 West Ridgecrest Boulevard, Ridgecrest, California. **CALL TO ORDER**

The Pledge of Allegiance was led by Don Zdeba. **PLEDGE**

DIRECTORS PRESENT: President Mallory J. Boyd
Vice President Ronald R. Kicinski
Director Charles D. Griffin
Director Stan G. Rajtora
Director David C.H. Saint-Amand **ROLL CALL**

DIRECTORS ABSENT: None.

STAFF PRESENT: Don Zdeba, General Manager
Jim Worth, Attorney
Ty Staheli, Chief Financial Officer
Jason Lillion, Operations Manager
Renée Morquecho, Chief Engineer
Lauren Smith, Recording Secretary

AGENDA DECLARATION **AGENDA DECLARATION**
Recording Secretary, Lauren Smith, reported that the agenda for tonight's Special Board Meeting and Public Hearing was posted on Friday, February 24, 2023.

CONFLICT OF INTEREST DECLARATION **CONFLICT OF INTEREST**
Director Saint-Amand stated his opinions shared during this meeting are his own and do not necessarily reflect the opinions of his employer, nor the Board.

PUBLIC QUESTIONS AND COMMENTS ON CLOSED SESSION **PUBLIC COMMENTS**
None.

With no further Board or Public comments, President Boyd recessed the meeting and adjourned to Closed Session at 4:32 p.m.

CLOSED SESSION **CLOSED SESSION**
The meeting was reconvened in Closed Session at 4:34 p.m.

Closed Session was adjourned at 5:58 p.m.

The meeting was reconvened to Open Session at 6:04 p.m.

No action was taken which would require disclosure under the Brown Act.

PUBLIC QUESTIONS AND COMMENTS

None.

**PUBLIC
COMMENTS**

PUBLIC HEARING

President Boyd opened the Public Hearing at 6:06 p.m.

**PUBLIC
HEARING**

Mark Hildebrand, of Hildebrand Consulting, provided a PowerPoint presentation on the proposed Rate Study. (Presentation available on website.)

PRESENTATION

The presentation provided Financial Plan Findings, Proposed Rate Design, and customer impacts. The Proposed Rate Design would replace the District's current 4-tiers with a 2-teir system, with tier 1 not incurring any of the Indian Wells Valley Groundwater Authority's Replenishment Fee. If approved, the rate changes would go into effect on March 1, 2023.

The Board heard public comment from Patrick Weaver, Mike Neel, Renee Westa-Lusk, Larry Mead, Brian Koenig, Susan Prazak, Jim Williams, and Robert.

**PUBLIC
COMMENTS**

President Boyd closed the Public Hearing at 7:30 p.m.

The Board asked clarifying questions to better understand the proposed rate changes and recommended new tier system.

**BOARD
COMMENTS**

Lauren Smith announced that there were nine written protests received.

ORDINANCE 106

MOTION: was made by Director Saint-Amand and seconded by Vice President Kicinski adopting Ordinance No. 106, rescinding Ordinance No. 104 in its entirety and providing for a reference document entitled Water Sales and Service Policy Manual effective March 1, 2023, as presented. Motion was carried, by the following roll call vote:

President Boyd:	Aye
Vice President Kicinski:	Aye
Director Griffin:	Aye
Director Rajtora:	Nay
Director Saint-Amand:	Aye

A redline and clean version of the Water Sales and Service Policy manual were included in the Board packet.

The Board opted to not review the Water Sales and Service Policy Manual page by page. It was made clear the Manual can be reviewed and changed in the future without the process of Proposition 218.

Changes to the Water Sales and Service Policy Manual, apart from the rate changes, will be reviewed by the Board and discussed at a future Finance Committee meeting.

**BOARD
COMMENTS/FUTU**

RE AGENDA ITEMS

The Board thanked the public for their participation in tonight's Public Hearing and encouraged them to continue attending future IWVWD and IWVGA meetings.

**BOARD
COMMENTS**

Director Griffin encouraged public to sign up for the WaterSmart program through the District if they have not already done so.

ADJOURNMENT

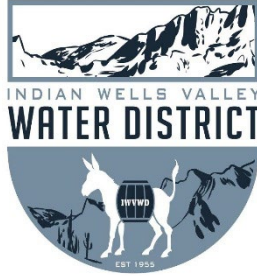
With no further business to come before the Board, the meeting was adjourned at 8:08 p.m.

ADJOURNMENT

Respectfully submitted,

Lauren Smith
Recording Secretary

APPROVED: _____




11.B.

QUOTATION

TO: Jason Lillion

Indian Wells Valley Water District

500 W. Ridgecrest Blvd.
Ridgecrest, CA 93555

 jlillion@iwvwd.com
 (760) 384-8414



DATE: Nov. 21, 2022 QUOTE #: P2211072 REVISION #: ...

SUBJECT: Replacement of existing pressure filter underdrains

REFERENCE: Indian Wells Valley Water District, Ridgecrest WTP

WE ARE PLEASED TO OFFER OUR QUOTATION ON THE FOLLOWING

ITEM	QTY	DESCRIPTION	UNIT PRICE	EXTENDED
1	LOT	<p>Pureflow Filtration Division, installation of new 316L wedge wire wrapped underdrain laterals in three (3) FH-15 horizontal pressure filters, as follows:</p> <p>A) Install fifty-two (52) 316L wedge wire wrapped underdrain laterals, twenty-six (26) stainless steel tees, related piping onto existing PVC underdrain header.</p> <p>B) Install fifty-two (52) new cement epoxy anchors, support brackets and U-bolts at the end of each 316L stainless steel wedge wire wrapped underdrain lateral.</p> <p>Notes:</p> <p>1. Quantities shown above in A) and B) are per filter. This quotation includes the work described in A) and B) for three (3) filters.</p> <p>2. All three filter vessels must be ready to install the above referenced stainless steel underdrain laterals and accessories at the same time frame.</p> <p>Continued on page two,</p>		

NOTE: PRICE(S) DOES (DO) NOT INCLUDE ANY TAX UNLESS SPECIFICALLY NOTED

PUREFLOW FILTRATION DIV.

By: 

Please sign and return

Accepted by:

PROGRESS PAYMENT TERMS: see page 3 of 3
APPROX. DATE OF SHIPMENT: TBD
EST. SHIPPING WEIGHT: TBD
F.O.B.: Ridgecrest, CA

Prices specified herein are exclusive of all taxes unless specifically noted
This proposal is subject to all terms and conditions printed on face and reverse side

ITEM	QTY	DESCRIPTION	UNIT PRICE	EXTENDED
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1 CONT. Services to be provided by Indian Wells Valley Water District:

- A) Removal of all media, PVC underdrain laterals, and PVC tees from three (3) FH-15 horizontal pressure filters.
- B) Inspect the pressure filter vessel interior epoxy coating and make any necessary repairs.
- C) Inspect the upper manifold and make any necessary repairs.
- D) Provide a minimum of three (3) 120V, single phase, 15 AMP minimum (dedicated circuit) plugs at the horizontal pressure filters.
- E) Safe access in and out of each horizontal pressure filter.
- F) Installation of media removed from three (3) horizontal pressure filters.
- G) Safe jobsite environment for all personnel involved in the installation of the new underdrain laterals.

LOT NET TOTAL **\$ 111,000.00**

Continued on page 3,

GRAND TOTAL: \$ 111,000.00

PROGRESS PAYMENT TERMS

Payment Terms

50% with purchase order or execution of a contract.

50% due upon completion of the work described in A) and B).

Pricing Validity

Pricing shall remain in effect for 30 days.

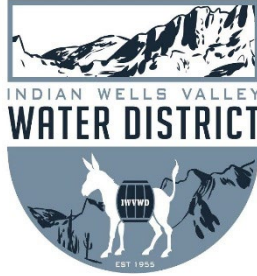
Notes

1. This quotation is subject to visual inspection of the work site and subject to change after inspection.

Continued on page 4,

**PUREFLOW FILTRATION DIV.
QUOTATION
STANDARD TERMS AND CONDITIONS OF SALE**

1. **AGREEMENT.** The terms and conditions set forth below and on the front side hereof constitute the entire Agreement between the customer named on the front side hereof ("Buyer") and Pureflow Filtration Div., a division of California Environmental Controls, Inc., a California corporation ("Seller").
2. **TERMS OF SALE.** (a) **TAXES:** Unless specifically provided on the front side hereof, prices specified herein on the Goods are exclusive of all local, state, and federal taxes including without limitation taxes on manufacturing, sales, receipts, gross income, occupation, use and all similar taxes, or other taxes of any nature. Wherever applicable, such taxes will be invoiced as a separate charge which Buyer agrees to pay the Seller. (b) **TERMS OF PAYMENT:** Net cash due upon receipt of invoice, unless noted on front side of this quotation, to approved credit accounts. The Buyer agrees to pay Seller an additional charge of one and one-half percent (1 and 1/2%) per month (or such lesser amount equal to the maximum rate permitted by law) on any invoices not paid according to these terms. (c) **SECURITY INTEREST:** Until payment in full of the purchase price therein specified, Seller reserves a security interest in the goods securing payment of such purchase price. (d) **DELIVERY:** Prices quoted are f.o.b. point of origin of shipments unless shipping is specifically included in price offered on front page. Prices include domestic packing for rail or commercial shipments only. Shipment and delivery dates are estimates based upon schedules of Seller's suppliers and are computed from the time of settlement of all details and receipt of full approval of drawings where drawing approval is required. (e) **Field Supervision:** Unless specifically provided on the front side hereof, no installation assistance or field supervision by Seller is included in the terms and conditions of this Agreement.
3. **ENTIRE AGREEMENT.** This agreement supersedes all previous representations, statements, promises, agreements or understandings, written or otherwise. This Agreement is intended by the parties as a final expression of their understanding and no casual or prior dealings shall be relevant to explain any of the terms or conditions hereof. The Seller shall not be bound by any agent's or employee's representations, promises, statements or inducements not set forth in the Agreement. If any inconsistency exists between any typed or handwritten materials on the front hereof and these Standard Terms and Conditions, the former shall be controlling.
4. **ACCEPTANCE.** This quotation is an offer upon the terms and conditions herein specified. Acceptance by the Buyer may be effected by signing a copy of this quotation where specified and returning same to the Seller, or by the Buyer issuing a purchase order and delivering same to the Seller, which shall constitute Buyer's acceptance of this quotation and all of the terms and conditions herein specified. Acceptance of this offer is limited to its terms. Acceptances or confirmation which state additional or different terms from this offer shall be operative as acceptances; provided, however, that all such additional or differing terms shall be deemed material alterations within the meaning of Section 2207 (2) (b) of the California Commercial Code, and notice of objection to them pursuant to Section 2207 (2) (c) of the California Commercial Code is hereby given.
5. **CANCELLATION.** Orders may be cancelled by the Buyer only with Seller's written consent and upon payment of reasonable and proper cancellation charges, including factory costs and expenses.
6. **INSPECTION.** Buyer agrees to inspect the goods, supplies, merchandise and material covered hereby ("Goods") immediately upon their receipt by Buyer, secure a written acknowledgement from the delivering carrier as to any loss or damage and within three (3) business days of their receipt to give written notice to the Seller of any claim that the Goods do not conform with the terms of the Agreement. Failure to make such a claim within the stated period shall constitute an irrevocable acceptance of the Goods and an admission that they fully comply with all of the terms and conditions of the Agreement. Buyer expressly waives any right it may have to revoke acceptance after such three (3) day period.
7. **DELAYS.** Seller shall not be liable for any delays or failures in making shipments or deliveries caused by any contingency beyond Seller's control, or the control of Seller's suppliers or manufacturers, including without limitation failures or delays brought about by, caused by or in any manner arising from (i) labor conditions including strikes and shortages of labor, (ii) shortages of fuel, power, material or supplies, (iii) transportation delays, (iv) acts of God, fires, floods or weather problems, (v) damage to, or destruction in whole or in part of Goods, vehicles or manufacturing plants, (vi) accidents, or (vii) riots, government interference, embargos, regulations, war, insurrection or terrorist acts. The non-occurrence of the above contingencies with respect to Seller, its suppliers and manufacturers is a basic assumption of this agreement.
8. **DELAY IN INSTRUCTIONS.** Buyer agrees to furnish complete shipping instructions in such a manner as to reach the Seller at its main office ten (10) days before the date for any shipment specified herein. Buyer's failure to so furnish complete shipping instructions shall, without notice, automatically extend the shipping date from day to day until the Buyer furnishes complete shipping instructions, or until the Seller exercises its right to terminate the Agreement.
9. **RISK OF LOSS.** Unless Buyer and Seller specifically agree in writing to modify the terms of Paragraph 2. (d), above, all risk or loss shall pass to the Buyer when Goods are delivered by Seller to the carrier. In the event that Buyer and Seller agree in writing that the Goods are sold f.o.b. destination, Seller's responsibility for loss or damage terminates upon tender of delivery to Buyer by the carrier and the written acknowledgement and claims procedure provided for in Paragraph 4, above, shall be a precondition to any claim by Buyer for loss of damage in transit.
10. **RETURNS.** In no case are any Goods to be returned to Seller without first obtaining the written permission of Seller, which permission Seller may refuse to give at Seller's sole discretion. Only standard unused Goods as currently manufactured or inventoried by Seller which have been invoiced to Buyer within the previous ninety (90) days will be considered by Seller for return. Special items manufactured to order may not be returned under any circumstances. Goods which Seller accepts for return and credit will, in any event, be subject to a minimum handling and service charge of 25% plus all transportation charges. All returned Goods, if Seller accepts the return thereof, must in any case be securely packaged and shipped, freight prepaid, and the risk of loss shall remain with Buyer until the Seller actually receives the Goods.
11. **DEFAULTS.** In the event Buyer fails to comply with any of the terms of the Agreement or becomes bankrupt or insolvent or Buyer's financial condition becomes impaired or unsatisfactory to Seller, Seller may do any or all of the following: (a) Terminate the Agreement upon written notice thereof to Buyer without prejudice to Seller's rights to receive any amount then due under the Agreement; (b) Withhold all further deliveries under the Agreement; (c) require that Buyer pay for all future shipments in advance or provide other satisfactory security or guarantees to Seller that all existing and future invoices will be paid on or before their due dates; (d) Make partial shipments only to Buyer, which Buyer agrees to accept; (e) Recall any Goods then in transit and retake the same and repossess all Goods which may be stored with Seller in which case Buyer consents that all Goods so recalled, retaken or repossessed shall become the absolute property of Seller, provided that Buyer is given full credit therefor; (f) Upon written notice to Buyer revise the stated credit terms, if any, contained in this Agreement; (g) Without limitation, exercise any rights or remedies available to Seller under the Uniform Commercial Code as in force and effect on the date of the Agreement; or (h) Without limitation, exercise any other rights or remedies available to Seller under any applicable federal, state or local law.
12. **ATTORNEY'S FEES.** In the event of a default by Buyer of any of the terms or conditions of the Agreement, Buyer agrees to pay all costs of collection and enforcement incurred by Seller including, without limitation, Seller's reasonable attorney's fees and court costs.
13. **RETENTION LIMITATION.** Retention, if any is accepted by Pureflow Filtration Div., shall be limited to a maximum of ten percent (10%) of the contract price. All monies retained shall be paid, in full, upon successful "start-up" of the equipment supplied, or ninety (90) days after shipment of said goods, whichever date first occurs. The payment of monies retained under the terms of this paragraph is not conditioned upon any factors, issues, events or contingencies which are not specifically delineated in this quotation. The right of Pureflow Filtration Division to payment is NOT subject to any payment provisions enforced upon Buyer by the terms of any other contract with either Pureflow or a third party.
14. **CONSEQUENTIAL / LIQUIDATED DAMAGES.** The Buyer agrees that notwithstanding the form in which any legal or equitable action, proceeding or position may be brought or asserted by Buyer against Seller including without limitation claims based upon actual or alleged delays or breaches of warranty, that Seller's liability, if any, arising out of or in any way related to this Agreement, shall be limited to actual money damages in an amount not to exceed the total amount actually paid for the Goods by Buyer. Buyer further agrees that seller shall not, in any event, be liable for indirect, special, consequential or liquidated damages or penalties, whether based upon contract, warranty, tort, or negligence.
15. **PROPRIETARY MATERIAL.** All drawings, patterns, specifications, and information included in this proposal, and all information otherwise supplied by Pureflow Filtration Div. relating to the design, erection, operation, and maintenance of the goods, including filter media and all treatment processes, is the proprietary and / or confidential material or information of Pureflow Filtration Div. Purchaser shall not disclose such material or information to others or allow others to use such material or information without express written permission from an officer of Pureflow Filtration Div.
16. **GOVERNING LAW / CONSENT TO JURISDICTION.** (a) The terms and conditions set forth herein shall be construed under and in accordance with the laws of the State of California. The parties hereto consent to the jurisdiction and venue of any court of general jurisdiction in the Southeast District of Los Angeles County and the United States District Court for the Central District of California, with respect to any proceedings arising out of or in connection with the Agreement or any purchase hereunder, and further agree that mailing to either party by certified or registered mail shall constitute lawful and valid service of process. (b) No Waiver: No waiver by Seller of any default by Buyer shall be deemed a waiver of any subsequent default by Buyer. (c) Severability: Should any of the terms or conditions of the Agreement be declared invalid or unenforceable, it shall not affect the validity or enforceability of any of the remaining terms and conditions.
17. **VALIDITY.** The price quoted is firm for thirty (30) days, unless otherwise identified on the front of this quotation.
18. **ERRORS.** Pureflow Filtration Div. California Environmental Controls, Inc. reserves the right to correct or identify any stenographic or clerical errors in the quotation without any liability to Pureflow Filtration Div. California Environmental Controls, Inc.
19. **TECHNICAL ADVICE.** Upon Buyer's request, Seller may furnish technical advice with reference to the use of the material sold hereunder, to such extent as Seller has such information conveniently available; however, it is expressly agreed that there is no obligation to furnish any such advice, and that if any advice or assistance is furnished, which will be without charge, it shall be given and accepted at Buyer's risk, and Seller shall not be responsible for the advice or assistance given or results thereof.
20. **WARRANTIES:** Except as provided below, Seller warrants that equipment or parts thereof delivered hereunder meet Sellers' standard specification for the equipment or parts, or such other specifications as have been expressly made as part of this Agreement. Equipment and parts sold, but not manufactured, by Seller are warranted to the extent of the manufacturer's original warranty. THERE ARE NO OTHER WARRANTIES, EXPRESSED OR IMPLIED. SELLER MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE BUYER WILL MAKE NO WARRANTY OR MODIFY ANY EXISTING WARRANTY TO ANY CUSTOMER BEYOND ANY WARRANTY STATED BY SELLER'S SPECIFICATIONS. NO LIABILITY WILL RESULT TO EITHER PARTY FROM DELAY IN PERFORMANCE OR NON-PERFORMANCE CAUSED BY CIRCUMSTANCES BEYOND THE CONTROL OF THE PARTY AFFECTED. THE MEASURE OF DAMAGES RECOVERABLE BY BUYER SHALL NOT EXCEED THE PURCHASE PRICE PAID BY BUYER TO SELLER. THIS IS BUYER'S SOLE REMEDY AGAINST SELLER. SELLER SHALL NOT BE LIABLE FOR ANY INDIRECT OR PROSPECTIVE, CONSEQUENTIAL OR SPECIAL DAMAGES NOTWITHSTANDING THE FOREGOING. NO EQUIPMENT OR PARTS SHALL BE RETURNED WITHOUT INSTRUCTIONS FROM SELLER'S HOME OFFICE.



11.C.



**California Special
Districts Association**

Districts Stronger Together

DATE: January 30, 2023
TO: CSDA Voting Member Presidents and General Managers
FROM: CSDA Elections and Bylaws Committee
SUBJECT: **CSDA BOARD OF DIRECTORS CALL FOR NOMINATIONS
SEAT C**

The Elections and Bylaws Committee is looking for Independent Special District Board Members or their General Managers who are interested in leading the direction of the California Special Districts Association for the 2024 - 2026 term.

The leadership of CSDA is elected from its six geographical networks. Each of the six networks has three seats on the Board with staggered 3-year terms. Candidates must be affiliated with an independent special district that is a CSDA Regular Member in good standing and located within the geographic network that they seek to represent.
(See attached CSDA Network Map)

The CSDA Board of Directors is the governing body responsible for all policy decisions related to CSDA's member services, legislative advocacy, education and resources. The Board of Directors is crucial to the operation of the Association and to the representation of the common interests of all California's special districts before the Legislature and the State Administration. Serving on the Board requires one's interest in the issues confronting special districts statewide.

Commitment and Expectations:

- Attend all Board meetings, usually 4-5 meetings annually, at the CSDA office in Sacramento.
- Participate on at least one committee, meets 3-5 times a year at the CSDA office in Sacramento.
(CSDA reimburses Directors for their related expenses for Board and committee meetings as outlined in Board policy).
- Attend, at minimum, the following CSDA annual events: Special Districts Legislative Days - held in the spring, and the CSDA Annual Conference - held in the fall.
*(CSDA does **not** reimburse expenses for the two conferences even if a Board or committee meeting is held in conjunction with the event)*
- Complete all four modules of CSDA's Special District Leadership Academy within 2 years of being elected.
*(CSDA does **not** reimburse expenses for the Academy classes even if a Board or committee meeting is held in conjunction with the event).*

Nomination Procedures: Any Regular Member in good standing is eligible to nominate one person, a board member or managerial employee (as defined by that district's Board of Directors), for election to the CSDA Board of Directors. **A copy of the member district's resolution or minute action and Candidate Information Sheet must accompany the nomination. The deadline for receiving nominations for the Northern, Sierra, Coastal and Southern Networks is April 6, 2023. Where there is no incumbent running in the Bay Area and Central Networks the deadline for receiving nominations is April 17, 2023. Nominations and supporting documentation may be mailed or emailed.**

Mail: 1112 I Street, Suite 200, Sacramento, CA 95814
Fax: 916.442.7889
E-mail: amberp@csda.net

Once received, nominees will receive a candidate's letter. The letter will serve as confirmation that CSDA has received the nomination and will also include campaign guidelines.

CSDA will begin electronic voting on June 5, 2023. All votes must be received through the system no later than 5:00 p.m. July 14, 2023. The successful candidates will be notified no later than July 18, 2023. All selected Board Members will be introduced at the Annual Conference in Monterey, CA in August 2023.

Expiring Terms

(See enclosed map for Network breakdown)

Northern Network	Seat C – Fred Ryness, Burney Water District*
Sierra Network	Seat C – Pete Kampa, Groveland Community Services District*
Bay Area Network	Seat C – <i>Vacant</i>
Central Network	Seat C – Steve Perez, GM, Rosamond Community Services District
Coastal Network	Seat C – Vince Ferrante, Moss Landing Harbor District*
Southern Network	Seat C – Arlene Schafer, Costa Mesa Sanitary District*

(* = Incumbent is running for re-election)

CSDA will be using a web-based online voting system allowing your district to cast your vote easily and securely. Electronic Ballots will be emailed to the main contact in your district June 5, 2023. All votes must be received through the system no later than 5:00 p.m. July 14, 2023.

Districts can opt to cast a paper ballot instead; but you must contact Amber Phelen by e-mail amberp@csda.net by April 6, 2023 in order to ensure that you will receive a paper ballot on time.

CSDA will mail paper ballots on June 5, 2023 per district request only.

If you have any questions, please contact Amber Phelen at amberp@csda.net.



**California Special
Districts Association**
Districts Stronger Together

2023 BOARD OF DIRECTORS NOMINATION FORM

Name of Candidate: _____

District: _____

Mailing Address: _____

Network: _____ (see map)

Telephone: _____
(PLEASE BE SURE THE PHONE NUMBER IS ONE WHERE WE CAN REACH THE CANDIDATE)

Fax: _____

E-mail: _____

Nominated by (optional): _____

Return this form, a Board resolution/minute action supporting the candidate, and Candidate Information Sheet by mail or email to:

CSDA
Attn: Amber Phelen
1112 I Street, Suite 200
Sacramento, CA 95814
(877) 924-2732

amberp@csda.net

DEADLINE FOR RECEIVING NOMINATIONS:

March 31, 2023 at 5:00 p.m.



California Special Districts Association

DISTRICT NETWORKS





**California Special
Districts Association**

Districts Stronger Together

2023 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: _____

District/Company: _____

Title: _____

Elected/Appointed/Staff: _____

Length of Service with District: _____

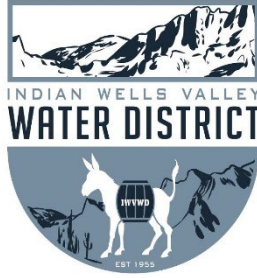
1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

4. List civic organization involvement:

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office March 31, 2023, after 5:00 p.m. will not be included with the ballot.**



7.D.1.

RESIDENCY REQUIREMENT

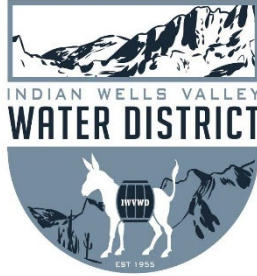
The District recognizes that emergency work situations arise which require employees of the District to be near their place of employment and to assure the continuation of District public services to protect the health, safety and general welfare of District customers and the community as a whole. Ridgecrest can be considered remote as it can be isolated due to weather and road closures. The District considers that residency by its employees within 15 miles of the District's main office is reasonable to ensure the continuation of essential public services.

This Residency Requirement applies to all employees of the District. Every current or future employee of the District, as a qualification of employment, shall maintain their principal place of residence within 15 miles of the District's main office. Principal place of residence is defined as that place which the employee declares his/her home for voting purposes or with the intent to live there permanently. All employees of the District shall report changes of principal place of residence to their respective supervisor and Human Resources within five (5) working days from the date of change of address.

Exceptions: Notwithstanding the above, the District believes it is important to recognize and be responsive to the needs of its employees. As such, the District realizes that there may be individual employee circumstances that necessitate a waiver of this policy, subject to the sole discretion of the District. Any employee seeking a waiver of the Residency Requirement must request a waiver by the following:

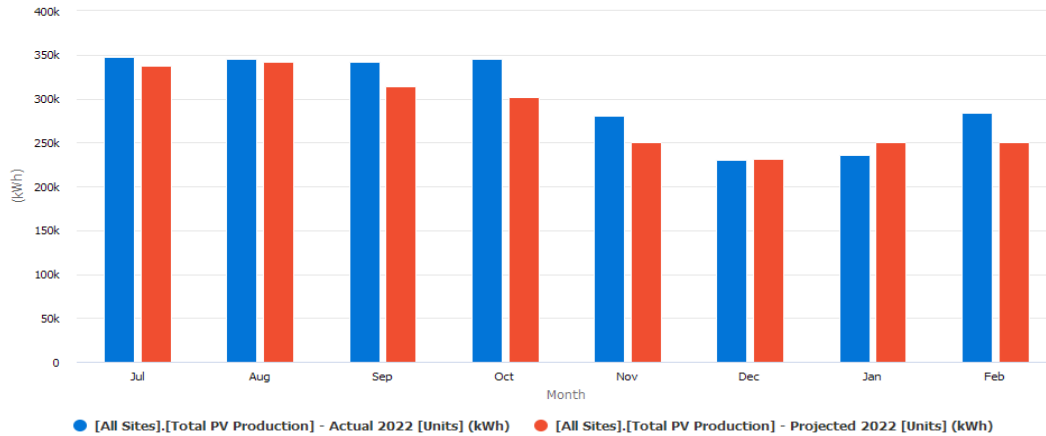
- (1) Submit a Request for Waiver from the Residency Requirement to the General Manager.
- (2) Provide all supporting documentation to support the Request for Waiver.
- (3) Within five (5) working days after the employee submits a Request for Waiver, including supporting documentation, the General Manager and employee's supervisor will meet with the employee to discuss any follow-up questions and/or any additional information that may be needed to process and decide on the Request for Waiver.
- (4) The General Manager shall review all relevant information and notify the employee of his/her decision within five (5) working days following the meeting described in paragraph 3 above. The General Manager's written decision shall include the reason(s) for the decision.
- (5) If the employee is dissatisfied with the General Manager's decision, the employee may submit a written request to the General Manager to have the matter reviewed by the District's Board of Directors, as described and set forth under the Grievance Procedure provisions. The request must be received by the General Manager within five (5) working days following notification of the decision.

The General Manager shall be responsible for enforcing the Residency Requirement. Failure to comply with the Residency Requirement will be considered grounds for discipline, including immediate termination.



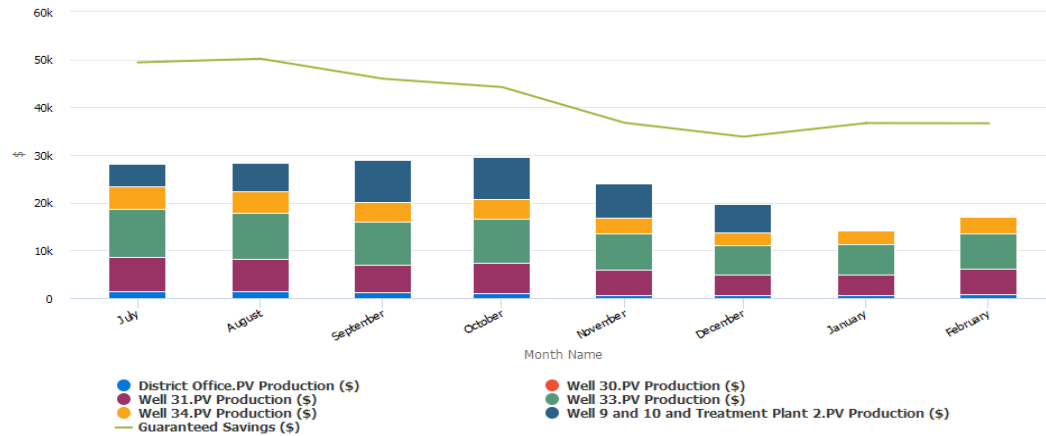
11.G.6.

Year to Date Actual Production Compared to Projected Production



Month	Total PV Production Actual (kWh)	Total PV Production Cumulative Actual (kWh)	Total PV Production Projected (kWh)	Total PV Production Projected Cumulative (kWh)	Gross Variance	Relative Variance (%)	Cumulative Gross Variance	Cumulative Relative Variance (%)
Jul	347,895.00	347,895.00	337,011.00	337,011.00	10,884.00	3.23	10,884.00	3.23
Aug	345,453.00	693,348.00	342,322.00	679,333.00	3,131.00	0.91	14,015.00	2.06
Sep	341,397.00	1,034,745.00	313,653.00	992,986.00	27,744.00	8.85	41,759.00	4.21
Oct	345,038.00	1,379,783.00	301,748.00	1,294,734.00	43,290.00	14.35	85,049.00	6.57
Nov	280,891.00	1,660,674.00	250,675.00	1,545,409.00	30,216.00	12.05	115,265.00	7.46
Dec	229,909.00	1,890,583.00	230,796.00	1,776,205.00	-887.00	-0.38	114,378.00	6.44
Jan	236,200.00	2,126,783.00	250,284.00	2,026,489.00	-14,084.00	-5.63	100,294.00	4.95
Feb	283,901.00	2,410,684.00	250,008.00	2,276,497.00	33,893.00	13.56	134,187.00	5.89

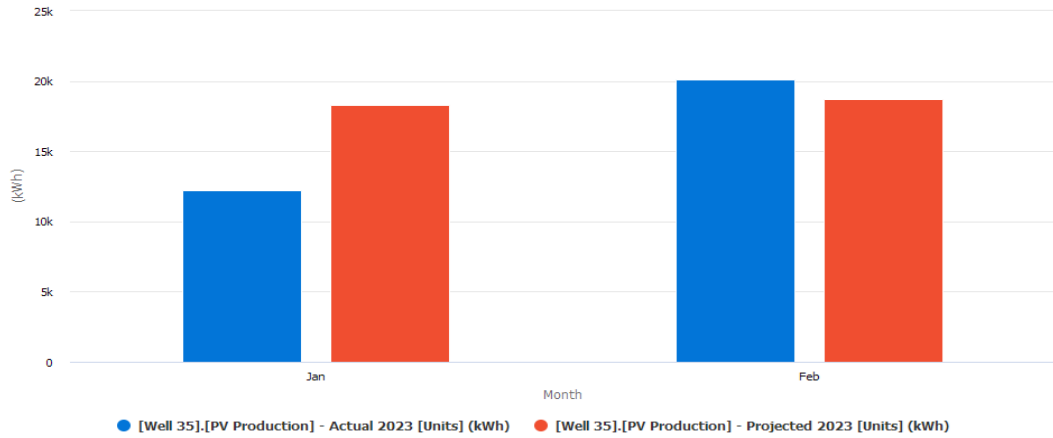
Performance Against Guarantee



From	District Office	Well 30	Well 31	Well 33	Well 34	Wells 9A & 10	Guaranteed Savings
7/1/2022	\$1,525.46	\$22,793.83	\$7,057.20	\$10,064.88	\$4,720.96	\$4,873.94	\$49,393.18
8/1/2022	\$1,354.46	\$22,244.20	\$6,864.58	\$9,652.70	\$4,494.66	\$6,039.27	\$50,171.57
9/1/2022	\$1,170.60	\$21,020.99	\$5,812.05	\$9,073.10	\$4,147.64	\$8,842.55	\$45,969.77
10/1/2022	\$989.96	\$21,019.21	\$6,416.02	\$9,197.21	\$4,156.20	\$8,802.92	\$44,224.95
11/1/2022	\$713.82	\$17,062.09	\$5,215.00	\$7,571.66	\$3,385.90	\$7,223.22	\$36,739.56
12/1/2022	\$570.84	\$13,945.26	\$4,289.40	\$6,162.03	\$2,759.22	\$5,968.49	\$33,826.04
1/1/2023	\$610.83	\$14,439.10	\$4,397.89	\$6,284.41	\$2,826.25	\$6,049.85	\$36,682.25
2/1/2023	\$804.14	\$17,290.37	\$5,316.85	\$7,494.64	\$3,489.50	\$7,224.56	\$36,641.80
	\$7,740.11	\$149,815.05	\$45,368.99	\$65,500.63	\$29,980.33	\$55,024.80	

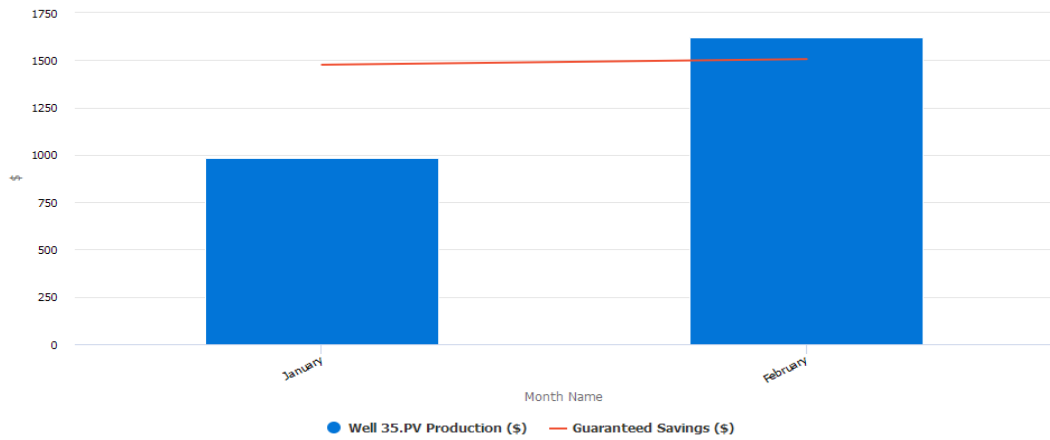
Actual February \$41,620.06
 Guarantee \$36,641.80
 Savings this Fiscal Year \$353,129.92

Year to Date Actual Production Compared to Projected Production

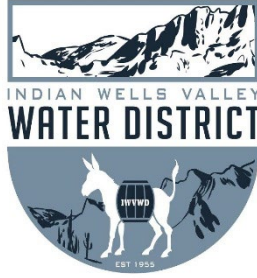


Month	Well 35 Production Actual (kWh)	Well 35 Production Actual Cumm. (kWh)	Well 35 Production (kWh) - Projected 2022	Well 35 Production Projected Cumm. (kWh)	Gross Variance	Relative Variance (%)	Cumulative Gross Variance	Cumulative Relative Variance (%)
Jan	12,205.12	12,205.12	18,323.00	18,323.00	-6,117.88	-33.39	-6,117.88	-33.39
Feb	20,105.63	32,310.75	18,693.00	37,016.00	1,412.63	7.56	-4,705.25	-12.71

Performance Against Guarantee



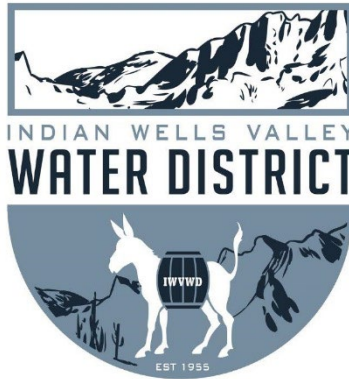
From Timestamp	Well 35.PV Production (\$)	Guaranteed Savings (\$)
1/1/2023	\$982.51	\$1,475.78
2/1/2023	\$1,618.50	\$1,505.60
	\$2,601.01	\$2,981.38



11.G.7.

SWRCB Water Waster Report

	# of water waste reports received	# of contacts made (written or verbal)	# of formal warning actions	# of penalties issued
Jan-23	14	14	5	1
Feb-23	6	6	4	1
Mar-23				
Apr-23				
May-23				
Jun-23				
Jul-23				
Aug-23				
Sep-23				
Oct-23				
Nov-23				
Dec-23				
SUBTOTAL 2015	378	376	40	10
SUBTOTAL 2016	406	399	28	3
SUBTOTAL 2017	70	68	10	4
SUBTOTAL 2018	60	58	7	4
SUBTOTAL 2019	56	56	8	1
SUBTOTAL 2020	42	42	8	2
SUBTOTAL 2021	131	131	12	4
SUBTOTAL 2022	106	106	6	0
SUBTOTAL 2023	20	20	9	2
TOTAL	1269	1256	128	30
TOTAL PENALTIES BILLED	\$2,900			
TOTAL PENALTIES COLLECTED	\$2,550			



The Mission of the

Indian Wells Valley Water District

is to deliver the highest quality water at the best possible price while continuing to serve as respectful stewards of the environment.

The Vision of the

Indian Wells Valley Water District

is to provide for self-sustaining water resources now and for generations to come.

Board of Directors