

BOARD OF DIRECTORS  
INDIAN WELLS VALLEY WATER DISTRICT

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FINANCE COMMITTEE  
REGULAR MEETING

REPORT

TUESDAY FEBRUARY 6, 2024 – 2:30 PM  
BOARD ROOM  
500 W. RIDGECREST BLVD., RIDGECREST

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

**1. Call to Order**

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

**2. Committee/Public Comments**

None.

**3. Fraud Risk Discussion**

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

None to report.

**4. Northwest Transmission Line Funding**

Description: Discussion on funding for the replacement of the Inyokern Road Transmission Line.

Staff continues to work with CalMuni. Recent work has consisted of a Rating Agency Presentation with S&P and Draft Preliminary Official Statement. S&P has upgraded the District's Rating for the upcoming revenue bonds from an A to an A+ which should result in lower interest rates.

Staff will be meeting with the bond underwriter for a Due Diligence call prior to pricing and selling the bonds. Closing on the bond sale is anticipated the first week of March.

**5. GA Imported Water Costs**

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

Staff continues to work on developing an accurate cost matrix inclusive of all associated costs to estimate impacts on customers.

Recent staff conversations with a multi-public agency project cost consultant have been fruitful. Staff anticipates a presentation available services by the consultant to the Board in an upcoming Board meeting. Any contract award would be budgeted for next fiscal year.

Staff met with the GA staff and came to a resolution on GA Replenishment Fee payments. The District's recharge allotment of 4390 acre feet will be maintained regardless of change in Navy pumping for purposes of the replenishment calculation. Monthly payments will be trued-up and paid based on actual monthly pumping, rather than yearly estimates, to eliminate overpayments and underpayments. Credit from the previous two years' overpayments will be taken as credit over the next two years. These credits are for funds expended by the District from reserves as the District collects fee revenue based on actual consumption and the allotment of 4390 acre feet.

**6. Financial Statements January 31, 2024 (preliminary)**

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

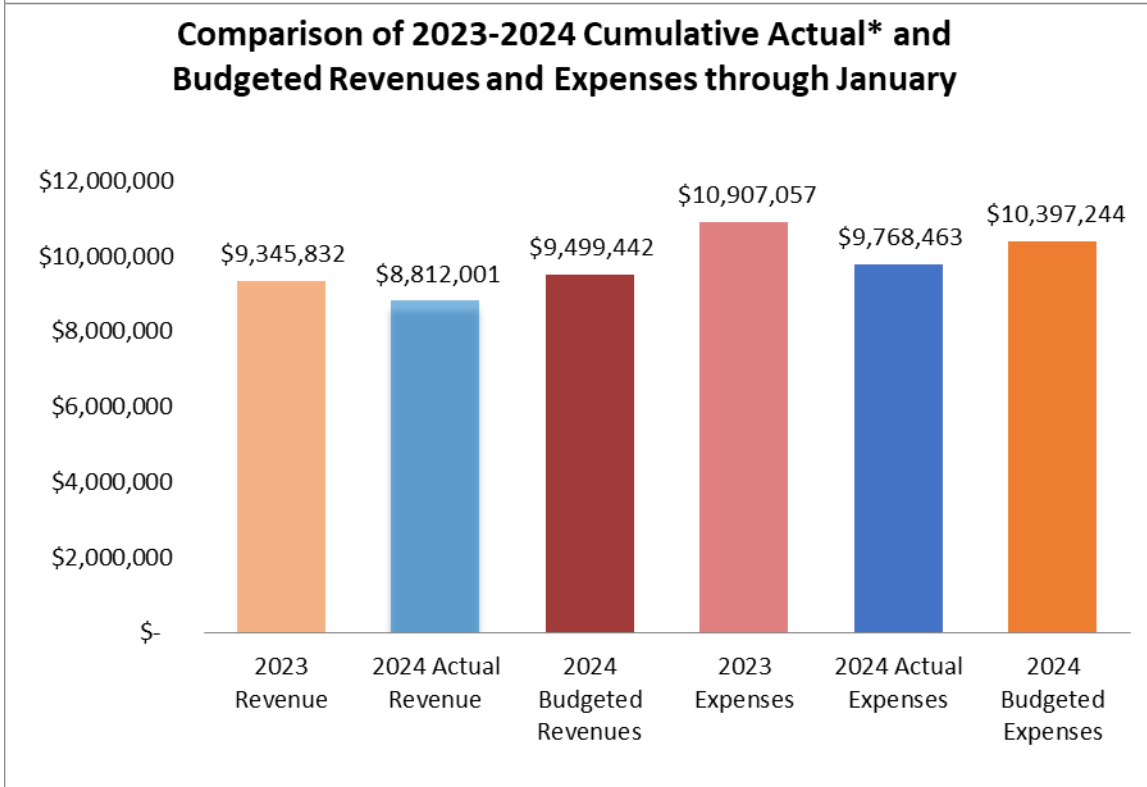
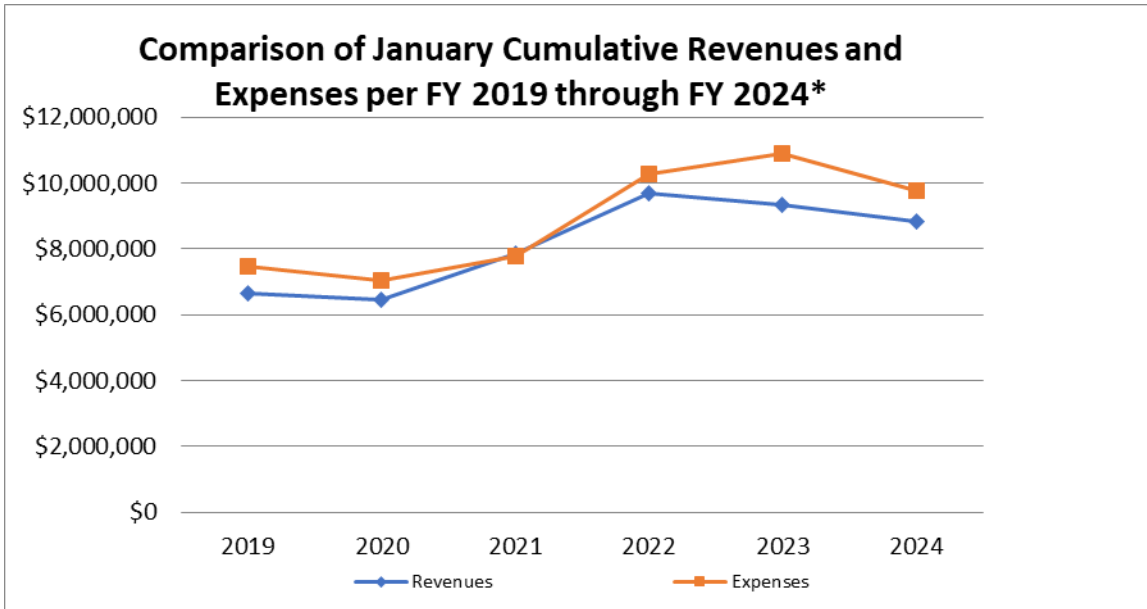
Estimated year-to-date revenues as of January 31, 2024, are \$8,812,001 and expenses are \$9,768,463, therefore expenditures exceeded revenues by \$956,463, which is over budget by \$58,660.

To date, the District has paid the Groundwater Authority \$13,645,852 in fees.

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

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

	Budget	Actuals	Δ
<b>Revenues</b>			
Total Water Sales	6,884,377	6,606,985	-277,392
GSA Fees	2,155,531	1,749,317	-406,214
Total Water Service Revenue	209,940	232,301	22,361
Total Non-Operating Income	153,308	115,866	-37,442
Capital Contributions	96,285	107,532	11,246
<b>Total Revenues</b>	<b>9,499,442</b>	<b>8,812,001</b>	<b>-687,441</b>
<b>Expenses</b>			
Water Supply	713,760	834,980	121,220
Arsenic Treatment Plants	243,676	176,483	-67,193
Transmission & Distribution	1,215,549	887,412	-328,137
Engineering	292,705	299,502	6,796
Customer Service	285,752	183,497	-102,255
Field Services	304,815	339,651	34,836
General & Administration	2,006,092	2,038,962	32,870
Legislative	56,455	47,697	-8,758
Depreciation	1,925,000	1,925,000	0
Non-Operating, Interest	799,885	799,885	0
Non-Operating, Miscellaneous	159,111	351,735	192,624
GSA Fees	2,320,074	1,803,324	-516,750
Non-Operating, Conservation	20,154	23,946	3,792
Non-Operating, Alternate Water	54,216	56,389	2,174
<b>Total Expenses</b>	<b>10,397,244</b>	<b>9,768,463</b>	<b>-628,781</b>
<b>Net Revenue Increase (Decrease)</b>	<b>-897,803</b>	<b>-956,463</b>	<b>-58,660</b>
<b>Capital Expenditures</b>		<b>1,274,469</b>	
<b>Debt Service Principle</b>		<b>648,470</b>	
<b>Total GSA Extraction Fee Paid</b>		2,451,347	
<b>Total GSA Replenishment Fee Paid</b>		11,194,505	
		<b>13,645,852</b>	



*\*Actual Revenues and Expenses are Estimated*

**7. Accounts Payable Disbursements**

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

The Committee recommended approval of accounts payable disbursements totaling \$1,025,798.82 as follows:

Checks through:	<u>1/4/24</u>	<u>1/18/24</u>
Prepaid	\$ 315,005.19	\$ 51,112.27
Current	<u>269,132.74</u>	<u>390,548.62</u>
Total	<u>\$ 584,137.93</u>	<u>\$ 441,660.89</u>

**8. Future Agenda Items**

None

**9. Adjournment**

The Committee adjourned at 3:08 pm.