

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING

REPORT

TUESDAY MARCH 5, 2024 – 2:30 PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

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

1. Call to Order

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

2. Committee/Public Comments

None.

3. Fraud Risk Discussion

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

None to report.

4. Northwest Transmission Line Funding

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

Staff continues to work with CalMuni. Pricing occurred last week and was successful in securing 4.2% interest rate.

Closing is to take place over the next week with funding received shortly thereafter.

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 bringing a proposal for services by the consultant to the Board in the upcoming Board meeting. With the WRDA process for the current round of funding proposals expected to end in August/September, having accurate costs for the Board and customers becomes very important.

6. Fourth Quarter 2023 Investment Reports Description: Presentation to Committee of the quarterly investment earnings of the District’s reserves in the Kern County Treasury and the State Treasury’s Local Agency Investment Fund (LAIF).

**INDIAN WELLS VALLEY WATER DISTRICT
 QUARTERLY INVESTMENT REPORT
 QUARTER ENDING DECEMBER 2023**

INVESTMENTS	UNRESTRICTED	RESTRICTED	TOTAL
Cash in Bank	\$ 1,585,909	0	
Local Agency Investment Fund	821,682		
Kern County Treasurer	7,262,627	621,888	
BNY Mellon 2018 COP Project Fund		0	
Total Water District Investments	<u>\$ 9,670,219</u>	<u>\$ 621,888</u>	<u>\$ 10,292,107</u>

RESERVES	DISTRICT DESIGNATED	RESTRICTED	TOTAL
Capital Improvements & Replacements (Committed)	\$ 1,267,092		
Vehicle Replacement (Assigned)	350,882		
Computer Equipment Replacement (Assigned)	100,252		
Emergency Reserve (Committed)	3,257,833		
Alternate Water Supply/Future Source of Supply (Assigned)	1,914,380		
Miscellaneous Capital (Assigned for projects postponed)	44,473		
Customer Deposits & Credits (Nonspendable)	343,157		
Prepaid Connection Fees (Nonspendable)	385,392		
Post-Retirement Health Benefits - Kern County (Assigned)	327,716		
Emergency Reserve (Uncommitted)	1,679,043		
AD 87-1 Reserve Funds (Restricted to pay Prop 55 Loan)		552,658	
2018 COP Project Funds		0	
Capital Facility Fees		69,230	
Total Water District Reserves	<u>\$ 9,670,219</u>	<u>\$ 621,888</u>	<u>\$ 10,292,107</u>

In the event of an emergency, the District may be required to use any or all unrestricted funds in Mission Bank, Kern County Treasury and LAIF

7. Financial Statements February 29, 2024 (preliminary)

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

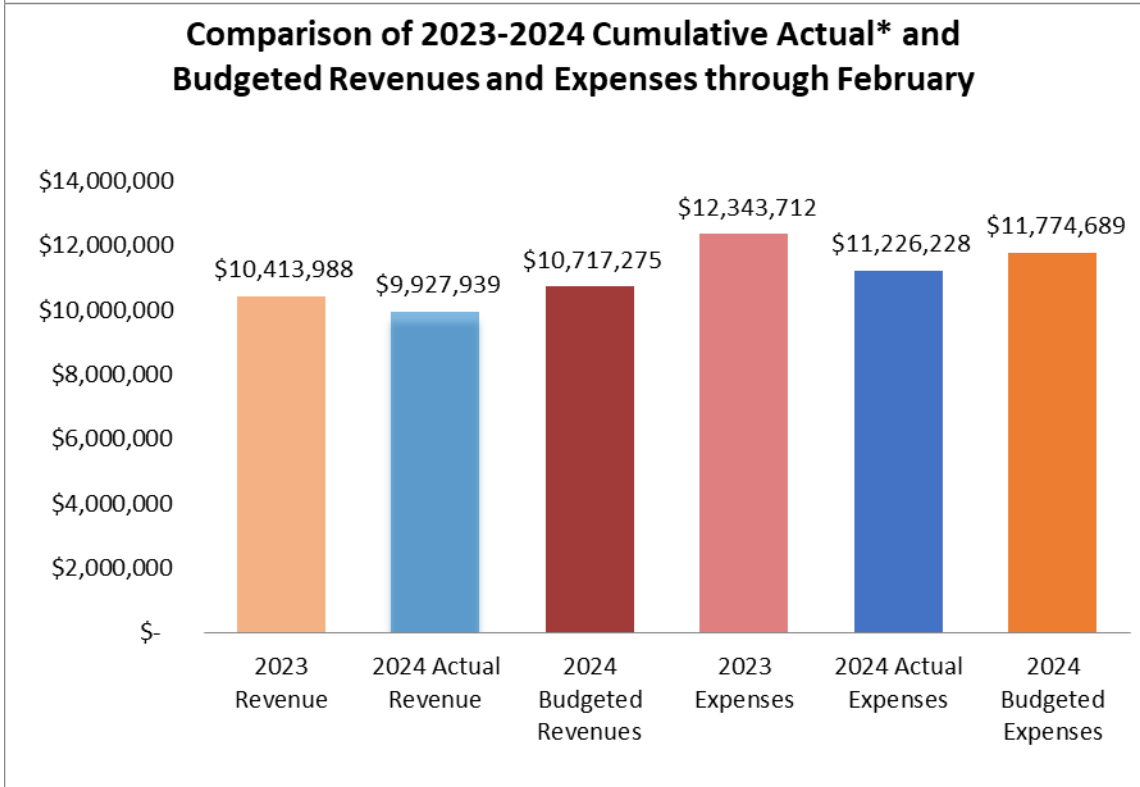
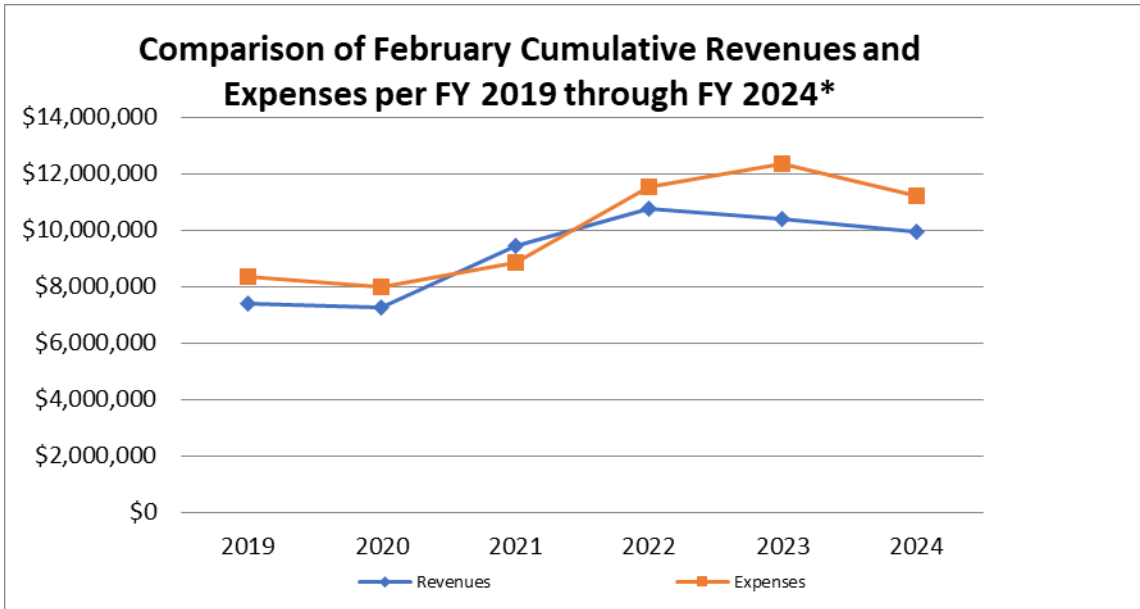
Estimated year-to-date revenues as of February 29, 2024, are \$9,927,939 and expenses are \$11,226,228, therefore expenditures exceeded revenues by \$1,298,289, which is over budget by \$240,875.

To date, the District has paid the Groundwater Authority \$13,682,679 in fees.

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 2024 (Preliminary)

	Budget	Actuals	Δ
Revenues			
Total Water Sales	7,766,958	7,538,940	-228,017
GSA Fees	1,575,250	1,830,951	255,701
Total Water Service Revenue	236,855	261,256	24,402
Total Non-Operating Income	172,962	154,853	-18,109
Capital Contributions	108,629	141,938	33,309
Total Revenues	9,860,654	9,927,939	67,284
Expenses			
Water Supply	805,690	955,503	149,813
Arsenic Treatment Plants	275,060	183,179	-91,882
Transmission & Distribution	1,372,108	1,079,587	-292,521
Engineering	330,405	349,315	18,910
Customer Service	322,555	221,870	-100,686
Field Services	344,075	381,924	37,849
General & Administration	2,264,471	2,446,637	182,167
Legislative	63,726	54,893	-8,833
Depreciation	2,200,000	2,200,000	0
Non-Operating, Interest	914,155	914,155	0
Non-Operating, Miscellaneous	179,604	389,826	210,222
GSA Fees	1,663,000	1,967,371	304,371
Non-Operating, Conservation	22,750	24,809	2,059
Non-Operating, Alternate Water	61,198	57,159	-4,039
Total Expenses	10,818,797	11,226,228	407,431
Net Revenue Increase (Decrease)	-958,143	-1,298,289	-340,146
Capital Expenditures		1,521,099	
Debt Service Principle		741,109	
Total GSA Extraction Fee Paid		2,488,174	
Total GSA Replenishment Fee Paid		11,194,505	
		13,682,679	



**Actual Revenues and Expenses are Estimated*

8. Accounts Payable Disbursements

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

The Committee recommended approval of accounts payable disbursements totaling \$1,012,189.97 as follows:

Checks through:	<u>2/1/24</u>	<u>2/15/24</u>	<u>2/29/24</u>
Prepaid	\$ 6,824.29	\$ 49,205.71	\$ 183,788.47
Current	<u>161,819.01</u>	<u>388,628.82</u>	<u>221,923.67</u>
Total	<u>\$ 168,643.30</u>	<u>\$ 437,834.53</u>	<u>\$ 405,712.14</u>

9. Future Agenda Items

None

10. Adjournment

The Committee adjourned at 2:57 pm.