

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING

REPORT

TUESDAY NOVEMBER 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. GA Imported Water Costs

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

No new actions to report at this time.

5. Third Quarter 2024 Investment Reports

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

**INDIAN WELLS VALLEY WATER DISTRICT
 QUARTERLY INVESTMENT REPORT
 QUARTER ENDING SEPTEMBER 2024**

INVESTMENTS	UNRESTRICTED	RESTRICTED	TOTAL
Cash in Bank	\$ 1,766,901	0	
Local Agency Investment Fund	338,520		
Kern County Treasurer	6,930,841	1,480,277	
BNY Mellon 2024 Bond Project Fund		5,428,114	
Total Water District Investments	<u>\$ 9,036,262</u>	<u>\$ 6,908,391</u>	<u>\$ 15,944,653</u>

RESERVES	DISTRICT DESIGNATED	RESTRICTED	TOTAL
Capital Improvements & Replacements (Committed)	\$ 742,323		
Vehicle Replacement (Assigned)	353,268		
Computer Equipment Replacement (Assigned)	100,934		
Emergency Reserve (Committed)	3,342,691		
Alternate Water Supply/Future Source of Supply (Assigned)	2,050,051		
Miscellaneous Capital (Assigned for projects postponed)	6,088	810,070	
Customer Deposits & Credits (Nonspendable)	371,756		
Prepaid Connection Fees (Nonspendable)	407,853		
Post-Retirement Health Benefits - Kern County (Assigned)	335,485		
Emergency Reserve (Uncommitted)	1,325,813		
AD 87-1 Reserve Funds (Restricted to pay Prop 55 Loan)		599,337	
2024 Bond Project Funds		5,428,114	
Capital Facility Fees		<u>70,871</u>	
Total Water District Reserves	<u>\$ 9,036,262</u>	<u>\$ 6,908,391</u>	<u>\$ 15,944,653</u>

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

6. Financial Statements October 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 October 31, 2024, are \$5,800,948 and expenses are \$6,588,267, therefore expenditures exceeded revenues by \$787,319, which is below budget by \$244,776.

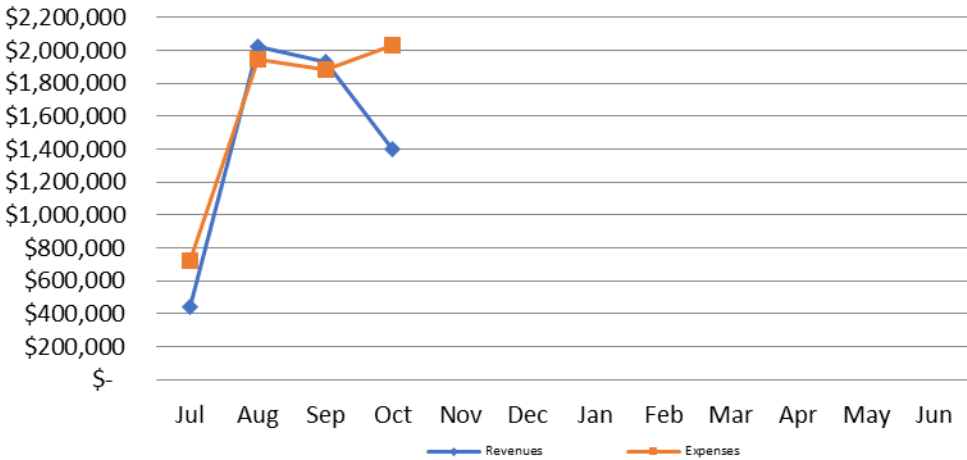
To date, the District rate payers have paid the Groundwater Authority \$16,430,223 in fees.

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

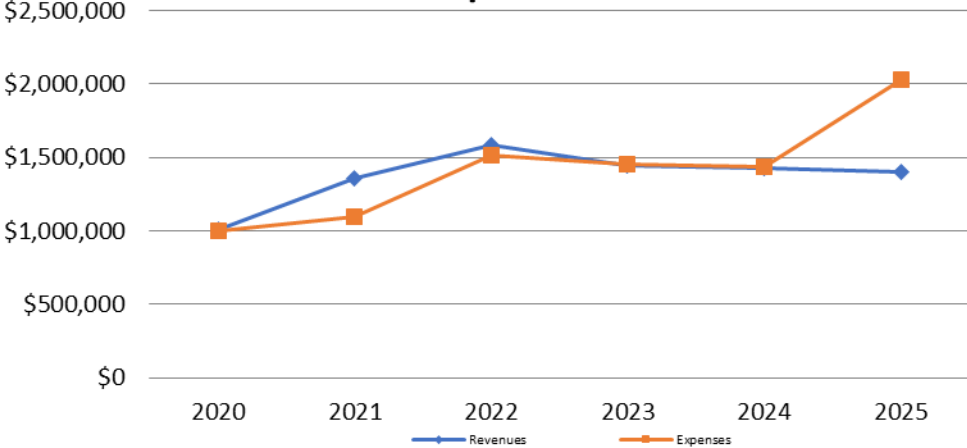
Indian Wells Valley Water District
Revenues vs. Expense
Actuals & Budget through October 2024 (Preliminary)

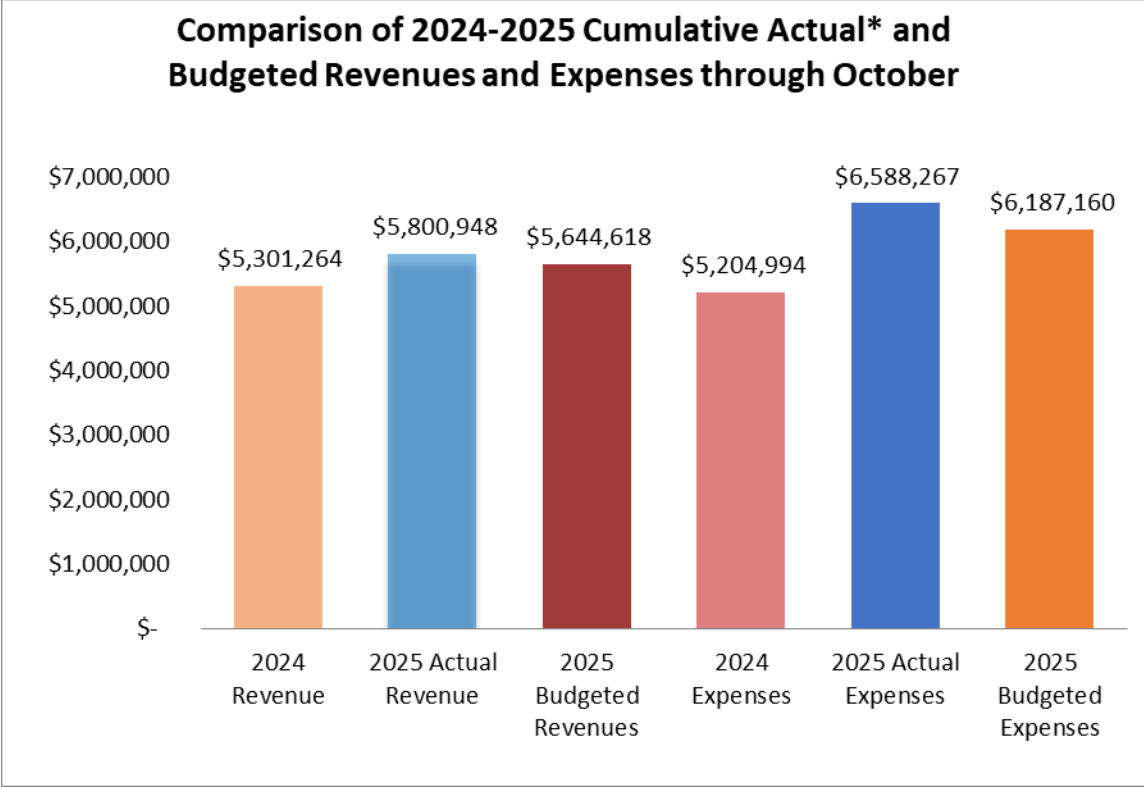
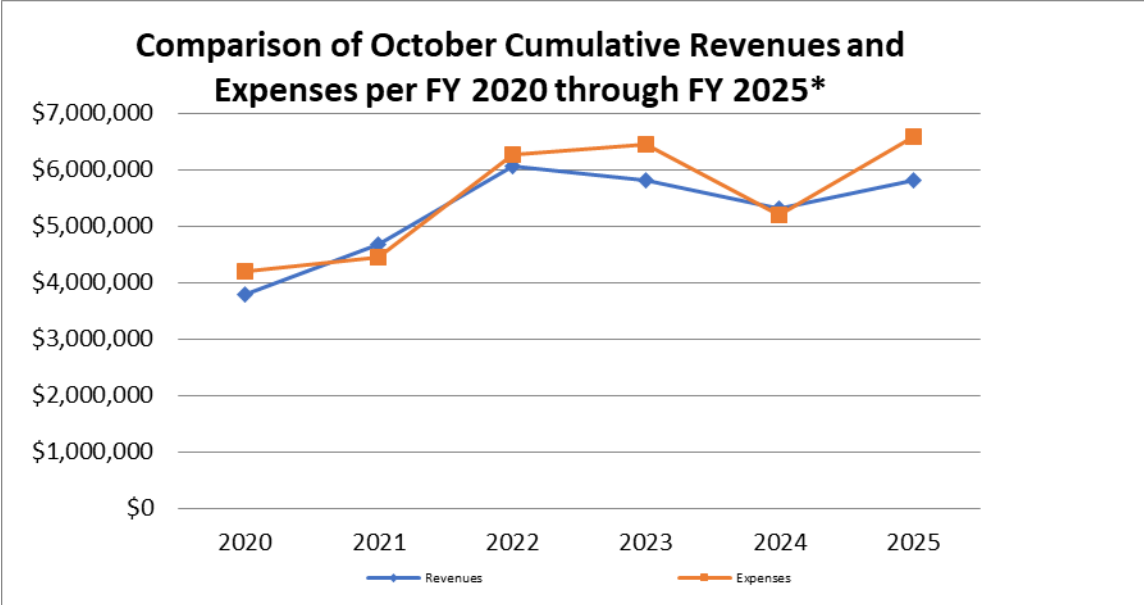
	Budget	Actuals	Δ
Revenues			
Total Water Sales	4,368,786	3,994,217	-374,569
GSA Fees	1,040,815	1,586,860	546,045
Total Water Service Revenue	125,701	157,594	31,893
Total Non-Operating Income	51,665	42,418	-9,247
Capital Contributions	57,651	19,860	-37,791
Total Revenues	5,644,618	5,800,948	156,331
Expenses			
Water Supply	554,469	551,847	-2,621
Arsenic Treatment Plants	156,061	131,322	-24,739
Transmission & Distribution	636,080	473,754	-162,325
Engineering	189,308	193,359	4,051
Customer Service	176,515	72,971	-103,544
Field Services	194,840	141,420	-53,420
General & Administration	942,680	844,363	-98,317
Legal	410,040	297,247	-112,793
Legislative	40,799	27,607	-13,192
Depreciation	1,100,000	1,100,000	0
Non-Operating, Interest	582,385	638,692	56,307
Non-Operating, Miscellaneous	97,726	158,785	61,058
GSA Fees	1,063,135	1,937,105	873,970
Non-Operating, Conservation	11,686	3,576	-8,110
Non-Operating, Alternate Water	31,436	16,220	-15,216
Total Expenses	6,187,160	6,588,267	401,107
Net Revenue Increase (Decrease)	-542,543	-787,319	-244,776
Capital Expenditures		4,730,284	
Debt Service Principle		374,424	
Total GSA Extraction Fee Paid		2,941,698	
Total GSA Replenishment Fee Paid		13,488,525	
		16,430,223	

Comparison of FY 2023-2024 Revenues and Expenses by Month



Comparison of October Revenues and Expenses per Fiscal Year





**Actual Revenues and Expenses are Estimated*

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

7. Accounts Payable Disbursements

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

The Committee recommended approval of accounts payable disbursements totaling \$1,381,233.81 as follows:

Checks through:	<u>10/10/24</u>	<u>10/24/24</u>
Prepaid	\$ 58,501.67	\$ 50,422.78
Current	<u>607,912.19</u>	<u>664,397.17</u>
Total	<u>\$ 666,413.86</u>	<u>\$ 714,819.95</u>

8. Future Agenda Items

Recycled Water Project Study Proposal
Groundwater Model Cost Breakdown

9. Adjournment

The Committee adjourned at 2:55 pm.