

BOARD OF DIRECTORS
INDIAN WELLS VALLEY WATER DISTRICT

FINANCE COMMITTEE
REGULAR MEETING

REPORT

TUESDAY FEBRUARY 4, 2025 – 3:00 PM
BOARD ROOM
500 W. RIDGECREST BLVD., RIDGECREST

ATTENDEES: Ron Kicinski, Stan Rajtora, George Croll, Ty Staheli, Jason Lillion, and Renee Morquecho

1. Call to Order

The Finance Committee Meeting was called to order at 3:00 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

The District has shared its cost study and supporting information of the GA's Imported Water Project and its impact on customer bills.

The GA, recently, released its cost estimates for both the pipeline and recycled water. Though the estimated cost per acre foot was shared, the information behind the cost was not available at this time.

The District will continue monitoring the release of information.

5. Fourth 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 DECEMBER 2024**

INVESTMENTS	UNRESTRICTED	RESTRICTED	TOTAL
Cash in Bank	\$ 1,817,935	0	
Local Agency Investment Fund	342,535		
Kern County Treasurer	6,992,385	122,894	
BNY Mellon 2024 Bond Project Fund		5,185,944	
Total Water District Investments	<u>\$ 9,152,855</u>	<u>\$ 5,308,838</u>	<u>\$ 14,461,693</u>

RESERVES	DISTRICT DESIGNATED	RESTRICTED	TOTAL
Capital Improvements & Replacements (Committed)	\$ 746,427		
Vehicle Replacement (Assigned)	351,560		
Computer Equipment Replacement (Assigned)	100,446		
Emergency Reserve (Committed)	3,361,619		
Alternate Water Supply/Future Source of Supply (Assigned)	2,088,986		
Miscellaneous Capital (Assigned for projects postponed)	6,384		
Customer Deposits & Credits (Nonspendable)	370,073		
Prepaid Connection Fees (Nonspendable)	407,853		
Post-Retirement Health Benefits - Kern County (Assigned)	336,963		
Emergency Reserve (Uncommitted)	1,382,544		
AD 87-1 Reserve Funds		51,711	
2024 Bond Project Funds		5,185,944	
Capital Facility Fees		<u>71,183</u>	
Total Water District Reserves	<u>\$ 9,152,855</u>	<u>\$ 5,308,838</u>	<u>\$ 14,461,693</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 January 31, 2025 (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, 2025, are \$10,204,137 and expenses are \$11,049,901, therefore expenditures exceeded revenues by \$845,764, which is better than budget by \$738,146.

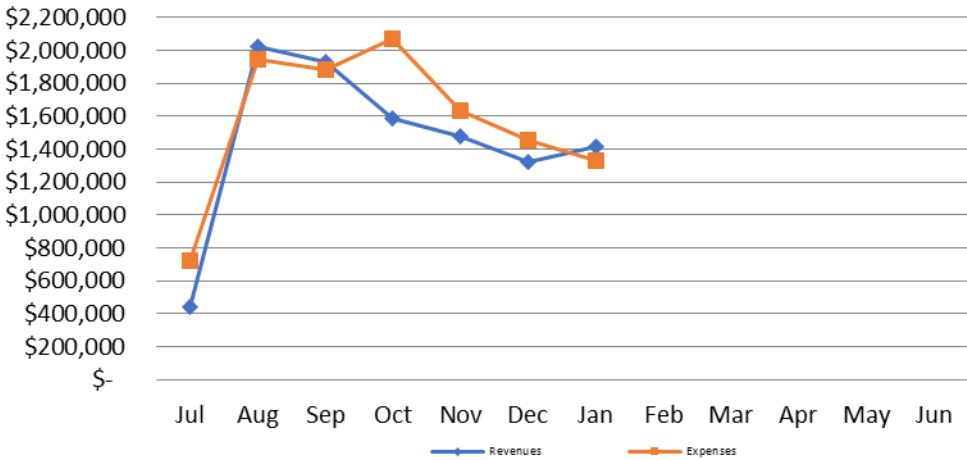
To date, the District rate payers have paid the Groundwater Authority \$16,691,540 in fees.

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

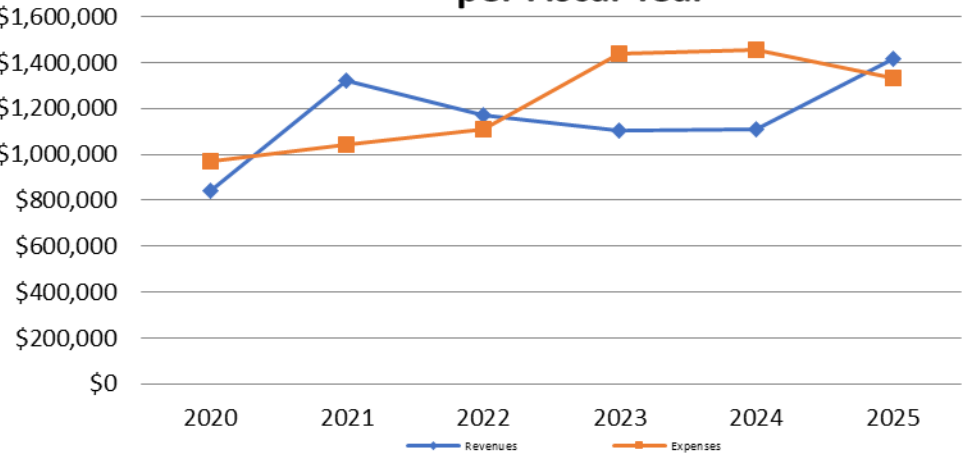
Indian Wells Valley Water District
Revenues vs. Expense
Actuals & Budget through January 2025 (Preliminary)

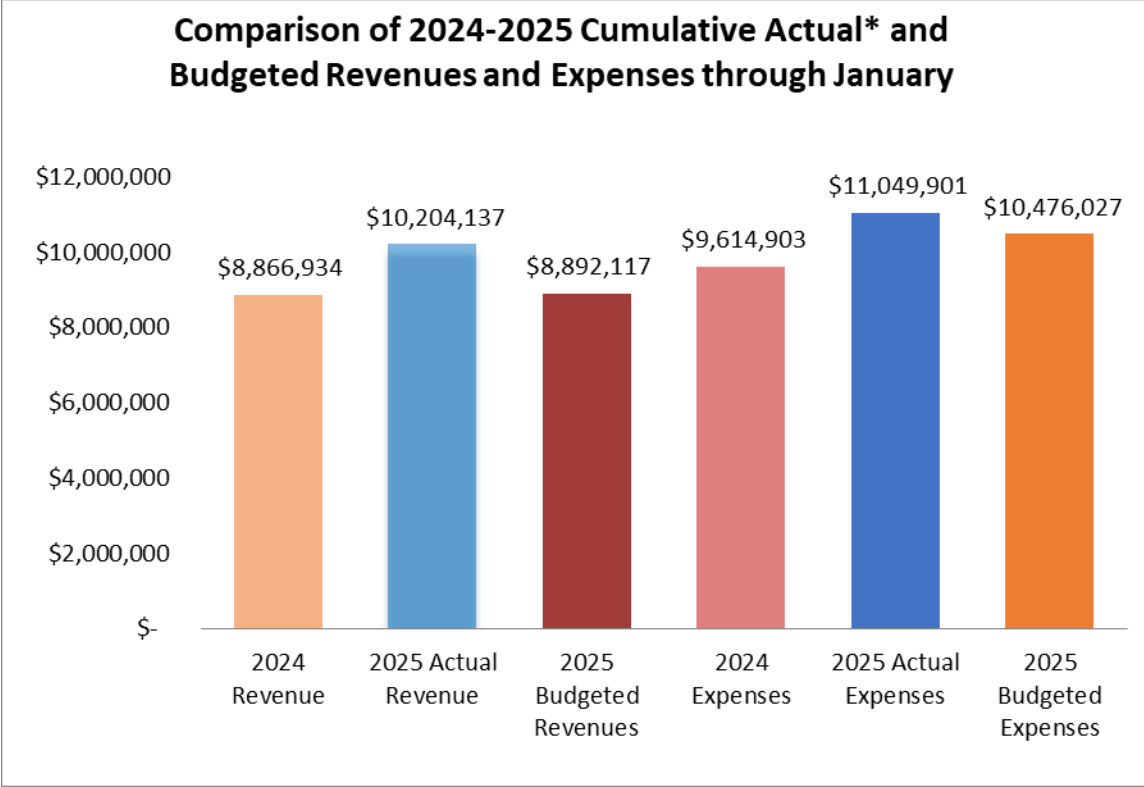
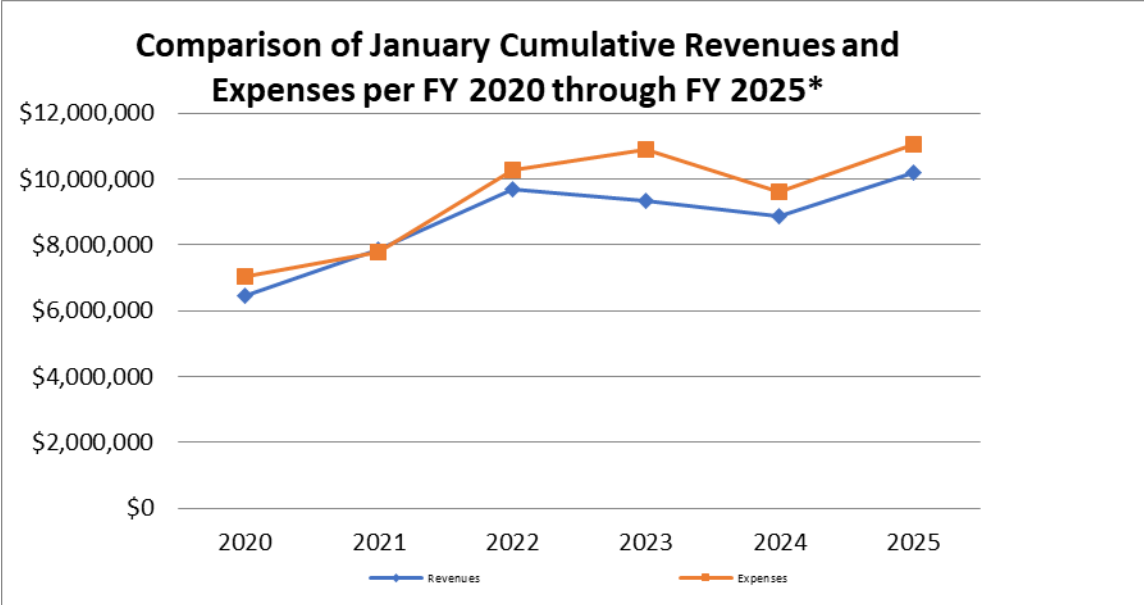
	2025 Budget	YTD Budget	Actuals	Δ
Revenues				
Total Water Sales	13,064,552	6,698,348	7,209,539	511,190
GSA Fees	3,112,486	1,737,920	2,296,555	558,636
Total Water Service Revenue	375,900	243,815	276,721	32,905
Total Non-Operating Income	172,400	100,211	95,014	-5,198
Capital Contributions	154,500	111,822	326,308	214,486
Total Revenues	16,879,838	8,892,117	10,204,137	1,312,020
Expenses				
Water Supply	1,622,677	957,542	903,745	-53,797
Arsenic Treatment Plants	456,719	269,510	150,189	-119,321
Transmission & Distribution	1,861,515	1,098,480	850,153	-248,327
Engineering	544,019	326,927	324,739	-2,188
Customer Service	516,579	304,833	213,969	-90,864
Field Services	570,208	336,480	328,284	-8,196
General & Administration	2,758,794	1,627,964	1,520,974	-106,991
Legal	1,050,000	619,605	573,675	-45,930
Legislative	119,400	70,458	50,615	-19,843
Depreciation	3,300,000	1,925,000	1,925,000	0
Non-Operating, Interest	1,747,156	1,019,175	1,117,711	98,536
Non-Operating, Miscellaneous	436,000	168,769	451,200	282,431
GSA Fees	3,111,310	1,676,815	2,592,478	915,663
Non-Operating, Conservation	34,200	20,181	8,401	-11,781
Non-Operating, Alternate Water	92,000	54,289	38,770	-15,519
Total Expenses	18,220,578	10,476,027	11,049,901	573,874
Net Revenue Increase (Decrease)	-1,340,740	-1,583,910	-845,764	738,146
Capital Expenditures			6,870,132	
Debt Service Principle			655,241	
Total GSA Extraction Fee Paid			3,070,753	
Total GSA Replenishment Fee Paid			13,620,787	
			16,691,540	

Comparison of FY 2024-2025 Revenues and Expenses by Month



Comparison of January Revenues and Expenses per Fiscal Year





**Actual Revenues and Expenses are Estimated*

7. Accounts Payable Disbursements

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

The Committee reviewed the accounts payable disbursements totaling \$713,299.83 as follows:

Checks through:	<u>1/06/25</u>	<u>1/16/25</u>	<u>1/30/25</u>
Prepaid	\$ 48,634.74	\$ 52,324.35	\$ 0.00
Current	<u>74,243.77</u>	<u>319,747.83</u>	<u>218,349.14</u>
Total	<u>\$ 122,878.51</u>	<u>\$ 372,072.18</u>	<u>\$ 218,349.14</u>

8. Future Agenda Items

None

9. Adjournment

The Committee adjourned at 3:56 pm.