



Cabazon Water District

14618 Broadway Street • P.O. Box 297
Cabazon, CA 92230

BOARD MEETING PACKET

October 18, 2022

FAC Meeting at 5:00 pm
Regular Meeting at 6:00 pm



Cabazon Water District
14618 Broadway Street • P.O. Box 297
Cabazon, California 92230

FINANCE & AUDIT COMMITTEE MEETING

AGENDA

Meeting Location:

14618 Broadway St.
Cabazon, CA 92230

Teleconference:

Dial-in #: 978-990-5321
Access Code: 117188

Meeting Date:

Tuesday, October 18, 2022 – 5:00 PM

CALL TO ORDER,

PLEDGE OF ALLEGIANCE,

ROLL CALL

FINANCE & AUDIT COMMITTEE

1. Discussion: FY 22/23 Amended Budget - [TAB 2]
2. Discussion: Finance & Audit Committee Report
 - Balance Sheet
 - Profit and Loss Budget Comparison
3. Finance & Audit Committee District Payables Review and Approval/Signing

PUBLIC COMMENT

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ADJOURNMENT

ADA Compliance Issues

In compliance with the Americans with Disabilities Act & Government Code Section 54954.2, if special assistance is needed to participate in a Board meeting, please contact the Clerk of the Board at (951) 849-4442. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.



Cabazon Water District
14618 Broadway Street • P.O. Box 297
Cabazon, California 92230

REGULAR BOARD MEETING

AGENDA

Meeting Location:

14618 Broadway St.
Cabazon, CA 92230

Teleconference:

Dial-in #: 978-990-5321
Access Code: 117188
Email: info@cabazonwater.org

Meeting Date:

Tuesday, October 18, 2022 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

CONSENT CALENDAR

All matters in this category are considered to be consistent with the Board/District goals, District Policies and Regulations adopted and/or approved by the Board of Directors, and will be enacted in one motion. There will be no separate discussion of these items. If discussion is required, items may be removed from the consent calendar and will be considered separately.

1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and Warrants of September 20, 2022
- b. Regular Board Meeting Minutes and Warrants of September 20, 2022
- c. Reaffirmation of Resolution 04-2021, declaring the continuation of virtual meetings due to COVID-19

2. Warrants – None

3. Awards of Contracts – None

UPDATES

1. Update: Community Action Committee Update
(by Director Morris and Director Davis)
2. Update: San Gorgonio Pass Regional Water Alliance Update
(by Director Morris and Director Brock)
3. Update: CWD Operations Report
(by GM Pollack)

NEW BUSINESS

1. Discussion/Action: Report of the Audited Financial Statements for FY 2021/2022 as presented by Fedak & Brown LLP
2. Discussion/Action: Review and Amend FY 2022/2023 Budget
3. Discussion/Action: Customer Concern: Peach St. – Victoria Burke
4. Discussion/Action: Trunk or Treat – Request to use the Cabazon Water District parking lot – Victoria Burke
5. Discussion/Action: Little Free Library – Proposal to install community access item in front of the Cabazon Water District office – Victoria Burke
6. Discussion/Action: Unit #004: 2016 Ford Fiesta use for meter reading

OLD BUSINESS

PUBLIC COMMENTS

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GENERAL MANAGER/BOARD COMMENTS

1. Future Agenda Items

The Board Chair or the majority of the Board may direct staff to investigate and report back to an individual(s) and the Board on matters suggested or direct the General Manager/Board Secretary to place the matter on a future Board meeting.

- Suggested agenda items from the Public.
- Suggested agenda items from Management.

- Suggested agenda items from Board Members.

2. Management Comments

Staff members may speak on items of information not requiring comment or discussion to the Board and public. Topics which may be included on a future meeting agenda may be presented but cannot be discussed. (3 minutes)

3. Board Member Comments

Board members may speak on items of information not requiring comment or discussion to the Board and public. (3 minutes)

MISCELLANEOUS

1. Future Board Items/Next Board Meeting Date(s)

- a. Community Water Systems Alliance Meeting – Wednesday, Oct. 26, 2022, 8:30 am
- b. Collaborative Agencies Meeting at Beaumont Unified School District – Nov. 2, 2022, 5:00 pm
- c. Community Action Committee Meeting – Tuesday, Nov. 8, 2022, 6:00 pm
- d. Finance & Audit Workshop – Tuesday, Nov. 15, 2022, 5:00 pm
- e. Regular Board Meeting – Tuesday, Nov. 15, 2022, 6:00 pm
- f. San Geronio Pass Regional Water Alliance Meeting – Monday, Jan. 23, 2023, 5:00 pm
- g. Personnel Committee – TBD

ADJOURNMENT

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Cabazon Water District

Balance Sheet

As of September 30, 2022

		Sep 30, 22	
1	ASSETS		
2	Current Assets		
3	Checking/Savings	\$ 559,161	559,161 Chase
4	Accounts Receivable	282,841	815,681 LAIF
5	LAIF	815,681	\$ 1,374,841 Cash & LAIF
6	Bank of NY Trustee Accounts	77,282	
7	Prepaid Expenses	30,106	
8	Inventory	109,315	
9	Total Current Assets	1,874,386	
10	Fixed Assets		
11	Total Fixed Assets	14,112,350	
12	Accumulated Depreciation	(6,663,221)	
13	Net Fixed Assets	7,449,129	
14	TOTAL ASSETS	\$ 9,323,515	
15	LIABILITIES & EQUITY		
16	Liabilities		
17	Current Liabilities		
18	Accounts Payable	\$ 41,355	
19	Other Current Liabilities		
20	Dues to Other Gov't SGPWA	75,583	
21	Customer Deposits	8,636	
22	Current Portion DWR-H Loan	43,208	
23	Current Portion Zion's Bank Loan	87,077	
24	Current Portion 2022 Ford	12,590	
25	Accrued Expenses	24,081	
26	Total Current Liabilities	292,531	
27	Long Term Liabilities		
28	DWR-H Loan Payable (2026)	153,019	
29	Ford Long Term	60,728	
30	RCEDA Loan Payable	300,000	
31	Total Long Term Liabilities	513,748	
32	Total Liabilities	806,279	
33	Total Equity	8,517,236	
34	TOTAL LIABILITIES & EQUITY	\$ 9,323,515	



Cabazon Water District

Profit & Loss

For the Period Ending September 30, 2022

	Sep-22	Current YTD	FY 22/23 Budget	YTD (25%)
1 REVENUES				
2 OPERATING INCOME				
3 Base Rate - Water Bills	\$ 44,523	\$ 133,281	\$ 563,300	24%
4 Commodity Sales	83,718	261,759	757,300	35%
5 DHPO Contract	23,694	72,821	182,500	40%
6 DHPO Capacity Credit	(1,750)	(5,250)	(10,500)	50%
7 Fire Sales - Water Bills	342	1,681	5,600	30%
8 Fees & Charges	6,180	19,381	51,000	38%
9 Basic Facilities Fee	-	33,027	18,600	178%
10 Stand By Fees - Tax Revenue	29	4,070	105,900	4%
11 TOTAL OPERATING INCOME	156,738	520,769	1,673,700	31%
12 NON-OPERATING INCOME				
13 Property Taxes	8	364	86,700	0%
14 Cell Tower Lease Income	5,450	10,900	26,600	41%
15 Miscellaneous Non-Operating Income	4,132	4,133	-	0%
16 Interest Income	932	2,632	7,600	35%
17 TOTAL NON-OPERATING INCOME	10,522	18,029	120,900	15%
18 TOTAL REVENUES	167,259	538,797	1,794,600	30%
19 EXPENSES				
20 PAYROLL				
21 Directors Fees	1,023	5,123	25,000	20%
22 Management & Customer Service	17,820	42,684	240,200	18%
23 Field Workers	13,446	46,797	197,700	24%
24 Employee Benefits Expense	11,070	33,892	163,700	21%
25 Payroll Taxes	2,826	8,146	36,600	22%
26 TOTAL PAYROLL	46,185	136,642	663,200	21%
27 OPERATIONAL EXPENSES				
28 Facilities, Wells, T&D				
29 Lab Fees	268	1,588	13,100	12%
30 Meter Testing & Repair	50	100	5,100	2%
31 Utilities - Wells	4,542	37,165	150,400	25%
32 Line R&M Materials	8,514	35,329	35,600	99%
33 Well Maintenance	4,343	16,728	40,400	41%
34 Security	1,651	5,872	29,500	20%
35 Engineering Services	3,655	10,713	80,000	13%
36 Facilities, Wells, T&D - Other	68	5,711	16,600	34%
37 Total Facilities, Wells, T&D	23,090	113,207	370,700	31%
38 Office Expenses				
39 Utilities - Office	3,154	10,059	36,800	27%
40 Water Billing System	216	647	2,400	27%
41 Supplies & Equipment	511	1,497	13,200	11%
42 Copier & Supplies	403	1,310	5,500	24%

*No assurance provided on these financial statements. These financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



Cabazon Water District

Profit & Loss

For the Period Ending September 30, 2022

		FY 22/23			
		Sep-22	Current YTD	Budget	YTD (25%)
43	Dues & Subscriptions	\$ 42	\$ 126	\$ 2,500	5%
44	Postage	146	2,025	10,600	19%
45	Printing & Publications	-	292	600	49%
46	Computer Services	3,092	9,451	38,400	25%
47	Air Conditioning Servicing	453	1,359	5,500	25%
48	Community Water Systems Alliance (CWSA)	-	250	3,000	8%
49	Office Expenses - Other	30	507	2,100	24%
50	Total Office Expenses	4,893	17,465	120,600	14%
51	Support Services				
52	Financial Audit	-	5,410	24,700	22%
53	Accounting	7,000	10,500	42,000	25%
54	Legal Services	3,885	8,229	63,500	13%
55	Payroll/Bank Service Charge	402	1,381	5,500	25%
56	Website Support	204	354	500	71%
57	Insurance	3,141	9,422	37,500	25%
58	Total Support Services	14,631	35,295	173,700	20%
59	Training/Travel	122	1,076	10,500	10%
60	Other Fees/SWRCB	933	1,563	9,700	16%
61	Service Tools & Equipment				
62	Shop Supplies and Small Tools	1,130	1,176	6,300	19%
63	Vehicle Fuel	548	1,225	17,400	7%
64	Employee Uniforms	-	-	1,100	0%
65	Safety	-	-	1,800	0%
66	Tractor Expenses/ Maintenance	-	-	3,900	0%
67	Equipment Rental	-	4,465	9,000	50%
68	Service Trucks - R&M	26	3,080	13,800	22%
69	Water Operations On-Call Phones	659	1,132	3,800	30%
70	Total Service Tools & Equipment	2,363	11,078	57,100	19%
71	NON-OPERATING EXPENSES				
72	Loan Interest & Processing Fee	1,470	2,097	12,600	17%
73	Bad Debt Expense	-	-	1,300	0%
74	Miscellaneous	-	-	1,500	0%
75	TOTAL NON-OPERATING EXPENSES	1,470	2,097	15,400	14%
76	TOTAL EXPENSES	96,841	328,482	1,420,900	23%
77	INCOME BEFORE CAPITAL & GSA	70,419	210,315	373,700	56%
78	Capital Projects	(9,907)	(22,225)	(285,000)	8%
79	Debt Service - Principal	(44,626)	(46,958)	(144,000)	33%
80	SGMA / GSA	-	-	(35,000)	0%
81	NET INCOME / (LOSS)	\$ 15,886	\$ 141,132	\$ (90,300)	

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Cabazon Water District

Capital Detail

For the Period Ending September 30, 2022

	Sep-22	Current YTD	FY 22/23 Budget	YTD (17%)
1 CAPITAL PROJECTS				
2 RESERVE FUNDED				
3 Well & Tank Repairs	\$ -	\$ -	\$ (225,000)	0%
4 Customer Shut-Off Valves	-	-	(40,000)	0%
5 Meter Replacement	-	(2,523)	(20,000)	13%
6 TOTAL RESERVE FUNDED PROJECTS	-	(2,523)	(285,000)	1%
7 GRANT FUNDED				
8 DWR				
9 Isolation Valves	(8,781)	(14,717)	(1,243,000)	1%
10 Grant Funding - DWR	-	-	1,243,000	0%
11 SWRCB				
12 Groundwater Well Improvements	(1,126)	(4,986)	(499,000)	1%
13 Grant Funding - SWRCB	-	-	499,000	0%
14 ARPA				
15 Broadway & Main St. Gate Valve	-	-	(100,000)	0%
16 T2, T3, & T4 Recoating	-	-	(500,000)	0%
17 Grant Funding - ARPA	-	-	600,000	0%
18 NET GRANT FUNDED PROJECTS	(9,907)	(19,703)	-	0%
19 TOTAL NET COST OF CAPITAL PROJECTS	\$ (9,907)	\$ (22,225)	\$ (285,000)	8%



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FINANCE & AUDIT COMMITTEE MEETING

MINUTES

Meeting Location:

Cabazon Water District Office
14618 Broadway Street
Cabazon, California 92230

Teleconference:

Dial-in #: 978-990-5321
Access Code: 117188

Meeting Date:

Tuesday, September 20, 2022 – 5:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

Director Tincher - Present
Director Wargo - Present
Michael Pollack, General Manager - Present
Evelyn Aguilar, Board Secretary - Present

***Note:** This meeting was recorded by the District

FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report
 - Balance Sheet
 - Profit and Loss Budget Comparison
2. Finance & Audit Committee District Payables Review and Approval/Signing

Main Reports:

- Balance Sheet – depicts what the District owns and what the District owes.
- Profit & Loss Budget Performance – shows how the District is performing against the budget, and the condition of the District fiscal year to date.
- Capital Detail – shows activity pertaining to Capital Projects.

Business (951) 849-4442 • FAX (951) 849-2519

Balance Sheet:

The District's combined Cash with Chase and LAIF balance was \$1,304,239 at month end. The District's total liabilities were approximately \$761,500 at month end.

Profit and Loss: - Year to date is 17% of the year

6. DHPO Capacity Credit: This account includes the contractual credit given to DHPO on a monthly basis. This credit is \$1,750 per month and will expire in December 2022. YTD is at 33% of budget and should end in line with budget by the time the credit expires.

9. Basic Facilities Fee: These are fees charged for new service connections, meter installations & upgrades. These revenues are budgeted conservatively due to their unpredictable nature. YTD is over budget due to fees collected for 3/4" service on Bonita and 5/8" on Maxine and Bonita.

22. Management & Customer Service: This account includes general manager, business admin supervisor, customer accounts supervisor and new part time customer accounts representative. YTD is at 10% of budget due to the timing of hiring of new General Manager starting in September.

32. Line R&M Materials: This account includes the expenses relating to materials for line repair & maintenance. YTD is at 75% of budget due to bulk purchases to stock up due to shipping delays.

41. Supplies & Equipment: This account includes the supply & equipment purchases for the District office.

45. Printing & Publications: This account includes the printing & publication costs for any District notices or reports. YTD is at 49% of budget due to timing of stand-by charges meeting notices for FY 22-23.

53. Accounting: This account includes the costs for contract accounting services. YTD is at 8% of budget due to August bill not being received yet.

54. Legal Services: This account includes the costs of legal services for the District.

63. Vehicle Fuel: This account includes fuel costs for District vehicles.

67. Equipment Rental: This account includes equipment rental expenses incurred by the district. YTD is at 50% due to traffic control for new services and leak repairs on busy streets.

68. Service Trucks R&M: This account includes repair & maintenance costs for district vehicles. YTD is at 22% of budget due to more district vehicle repairs than anticipated.

As of August 31st, the fiscal year-to-date net income is \$127,008.

Capital Detail

5. Meter Replacement: This account is for the Water Meter Replacement Program.

9. Isolation Valves: Includes the Isolation Valves project which is expected to be 100% grant funded. Cash flow relating to grant receipts to be supported by SGPWA Gap Funding.

12. Groundwater Well Improvements: Includes the Groundwater Well Improvements project, expected to be 100% grant funded. Cash flow relating to grant receipts to be supported by SGPWA Gap Funding.

PUBLIC COMMENT

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ADJOURNMENT

Meeting adjourned at 5:13 PM on Tuesday, September 20, 2022

Sarah Wargo, Board Chair
Board of Directors
Cabazon Water District

Evelyn Aguilar, Secretary
Board of Directors
Cabazon Water District

ADA Compliance Issues

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Cabazon Water District
14618 Broadway Street • P.O. Box 297
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**REGULAR BOARD MEETING
MINUTES**

Meeting Location:

14618 Broadway St.
Cabazon, CA 92230

Teleconference:

Dial-in #: 978-990-5321
Access Code: 117188
Email: info@cabazonwater.org

Meeting Date:

Tuesday, September 20, 2022 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

Director Alan Davis - Present
Director Terry Tincher - Present
Director Diana Morris - Present
Director Sarah Wargo - Present

Michael Pollack, General Manager - Present
Evelyn Aguilar, Board Secretary - Present

Note: This meeting was recorded by the District

CONSENT CALENDAR

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1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and Warrants of August 16, 2022

- b. Regular Board Meeting Minutes and Warrants of August 16, 2022
 - c. Reaffirmation of Resolution 04-2021, declaring the continuation of virtual meetings due to COVID-19
2. **Warrants – None**
3. **Awards of Contracts – None**

Motion to approve following consent calendar items: (a) Finance and Audit Committee Meeting Minutes and Warrants of August 16, 2022, (b) Regular Board Meeting Minutes and Warrants of August 16, 2022, and (c) reaffirmation of Resolution 04-2021, declaring the continuation of virtual meetings due to COVID-19 made by Director Davis and 2nd by Director Tincher.

Director Davis - Aye
Director Tincher - Aye
Director Morris - Aye
Director Wargo - Aye

2. **Warrants – None**
3. **Awards of Contracts – None**

UPDATES

1. **Update: Community Action Committee Update**
(by Director Morris and Director Davis)
- The property owners are figuring out how to involve the community.
 - The location of the monthly CAC meetings may need to change from the community center.
2. **Update: CWD Operations Report**
(by GM Pollack)
- GM Pollack shared that in his 10 days of working, the whole staff has helped with his transition. He has explored the District sites to prioritize the needs, while being mindful of the budget.
 - A schedule for regular tank inspections has been set up.
 - Materials have been ordered to improve the appearance of infrastructure.
 - 30 meters a month will be ordered from Zenner. Older meters will be replaced with newer ones.

NEW BUSINESS

1. **Discussion/Action: Approval of County of Riverside ARPA Agreement – projects include**
Broadway/Main cluster gate valve and recoating of multiple tanks
- Ward Simmons from Best Best & Krieger was on the line to help with any questions. He stated that BBK did not have any major concerns with the Agreement.

Motion to approve the ARPA Agreement with the County of Riverside made by Director Davis and 2nd by Director Morris.

Director Davis - Aye
Director Tincher - Aye
Director Morris - Aye

Director Wargo - Aye

2. Discussion/Action: Interview and select a community member for the Board of Director's vacant seat – Applicants: Taffy Brock and Curtis Bittner

- Taffy Brock and Curt Bittner were both interviewed for the vacant board position.

Motion to appoint Taffy Brock as Board Director made by Director Morris and 2nd by Director Tincher.

**Director Davis - No
Director Tincher - Aye
Director Morris - Aye
Director Wargo - Aye**

- Taffy Brock took her Oath of Office. From this point on, she will be listed as a Director.

3. Discussion/Action: Reorganization of the CWD Board of Directors (Board Chair, Vice Chair, Ad Hoc Committees, etc.)

Motion to appoint Sarah Wargo as Board Chair made by Director Tincher and 2nd by Director Morris.

**Director Brock - Aye
Director Davis - Aye
Director Tincher - Aye
Director Morris - Aye
Director Wargo - Aye**

Motion to appoint Alan Davis as Board Vice Chair made by Director Morris and 2nd by Director Tincher.

**Director Brock - Aye
Director Davis - Aye
Director Tincher - Aye
Director Morris - Aye
Director Wargo - Aye**

Finance and Audit Committee (Ad hoc): 2 Board members

- Director Wargo and Director Tincher. Alternate: Director Morris.

Personnel Committee (Ad hoc): 2 Board members

- Director Tincher and Director Brock. Alternate: Wargo.

Community Water System Alliance Committee (CWSA - Ad hoc): 2 Board members

- Director Davis and Director Morris. Alternate: None.

San Gorgonio Pass Regional Water Alliance Committee (SGPRWA - Ad hoc): 2 Board members

- Director Morris and Director Brock. Alternate: None.

Special Projects Committee (Ad hoc): 2 Board members

- Director Wargo and Director Tincher. Alternate: Davis.

Community Action Committee (CAC – Ad Hoc): 2 Board members

- Director Davis and Director Morris. Alternate: Brock.

Collaborative Agencies (Ad Hoc): 2 Board members

- Director Morris and Director Wargo. Alternate: Davis.
- A break was taken from 6:44 PM – 6:53 PM.

4. Discussion/Action: Close Trust Account and reopen a new one due to fraudulent activity

- BAA Aguilar explained that there was fraudulent activity on the Trust account, and that Chase Bank recommended this account be closed and a new one be opened.

Motion to close the District's Trust Account and reopen a new one made by Director Tincher and 2nd by Director Morris.

**Director Brock - Aye
Director Davis - Aye
Director Tincher - Aye
Director Morris - Aye
Director Wargo - Aye**

- Director Morris also suggested to ask Chase to investigate who were the responsible parties for the fraud, since the amount was over \$3,000.

OLD BUSINESS

1. Discussion/Action: Nationwide plan – Amendment to Eligibility Requirements

- BAA Aguilar stated that the Nationwide plan cannot be amended to only include employees *upon Board approval*, but it can be amended to allow employees to be eligible after a certain amount of time.

Motion to amend the Nationwide plan eligibility to allow employees to enroll after 60 days of employment made by Director Davis.

***No second.**

Motion to amend the Nationwide plan eligibility to allow employees to enroll after 90 days of employment made by Director Morris and 2nd by Director Davis.

**Director Brock - Aye
Director Davis - Aye**

Director Tincher - Aye
Director Morris - Aye
Director Wargo – Aye

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- Victoria Burke stated that she has concerns about the tiered rates. She also explained that lives on Peach St. and believes her meter is not being read each month, and said she has video evidence to prove it. She said that she would like her meter audited.
- Yaneli explained that she is Ms. Burke's landlord and lives on the same street. She said that she has grass that she waters regularly, but her bill is not nearly as high as Ms. Burke's.
- Victor Diaz introduced himself and gave a brief summary of what the CAC is and what their goal is. In short, the CAC represents property owners along Bonita Ave. from Olive to Elm, and would like to figure out a way for growth in the community. One main goal is to install water distribution lines in that area.
- Corrine Gutierrez stated that she is a part of the CAC as well. She also shared that she just purchased a lot on Peach St. and said that a lot of the neighbors claim that they do not believe their meters are being read, since their usage always increases from June-August.

GENERAL MANAGER/BOARD COMMENTS

1. Future Agenda Items

The Board Chair or the majority of the Board may direct staff to investigate and report back to an individual(s) and the Board on matters suggested or direct the General Manager/Board Secretary to place the matter on a future Board meeting.

- **Suggested agenda items from the Public.**
- Victoria Burke's concerns, as explained in Public Comments.
 - **Suggested agenda items from Management.**
 - **Suggested agenda items from Board Members.**
- Readdress the budget to adjust the salary section, and see about shifting some line items.
- Ford Fiesta being used for meter reading.

2. Management Comments

Staff members may speak on items of information not requiring comment or discussion to the Board and public. Topics which may be included on a future meeting agenda may be presented but cannot be discussed. (3 minutes)

3. Board Member Comments

Board members may speak on items of information not requiring comment or discussion to the Board and public. (3 minutes)

- The rest of the Directors welcomed Taffy Brock to the Board.
- The Board thanked General Manager Pollack for his hard work.

MISCELLANEOUS

1. Future Board Items/Next Board Meeting Date(s)

- a. San Gorgonio Pass Regional Water Alliance Meeting – Wednesday, Sep. 28, 2022, 5:00 pm
- b. Community Action Committee Meeting. Location: TBD – Tuesday, Oct. 11, 2022, 6:00 pm
- c. Finance & Audit Workshop – Tuesday, Oct. 18, 2022, 5:00 pm
- d. Regular Board Meeting – Tuesday, Oct. 18, 2022, 6:00 pm
- e. Collaborative Agencies Meeting – November 2, 2022, 5:00 pm
- f. Personnel Committee – TBD

ADJOURNMENT

Motion to adjourn at 7:17 PM made by Director Morris and 2nd by Director Tincher.

Director Brock - Aye
Director Davis - Aye
Director Tincher - Aye
Director Morris - Aye
Director Wargo - Aye

Meeting adjourned at 7:17 PM on Tuesday, September 20, 2022

Sarah Wargo, Board Chair
Board of Directors
Cabazon Water District

Evelyn Aguilar, Secretary
Board of Directors
Cabazon Water District

ADA Compliance Issues

In compliance with the Americans with Disabilities Act & Government Code Section 54954.2, if special assistance is needed to participate in a Board meeting, please contact the Clerk of the Board at (951) 849-4442. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide access.

RESOLUTION NO. 04-2021

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CABAZON WATER DISTRICT AUTHORIZING VIRTUAL BOARD AND COMMITTEE MEETINGS PURSUANT TO AB 361

WHEREAS, the Cabazon Water District (“District”) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the District’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate in the District’s meetings; and

WHEREAS, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

WHEREAS, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

WHEREAS, pursuant to the Governor’s executive orders, the District has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, District staff and Directors; and

WHEREAS, the Governor’s executive order related to the suspension of certain provisions of the Brown Act expires on September 30, 2021; and

WHEREAS, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the District, specifically, a state of emergency has been proclaimed related to COVID-19, state or local officials are recommending measures to promote social distancing, and because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees;

NOW, THEREFORE, BE IT RESOLVED THE BOARD OF DIRECTORS OF THE CABAZON WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.


Section 2. Remote Teleconference Meetings: Consistent with the provisions of Government Code Section 54953(e), the Board of Directors finds and determines that (1) a state of emergency related to COVID-19 is currently in effect; (2) state or local officials have recommended measures to promote social distancing in connection with COVID-19; and (3) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Based on such facts, findings and determinations, the Board authorizes staff to conduct remote teleconference meetings of the Board of Directors, including Committee meetings, under the provisions of Government Code Section 54953(e).


Section 3. Effective Date of Resolution. This Resolution shall take effect upon adoption and shall be effective for 30 days unless earlier extended by a majority vote of the Board of Directors in accordance with Section 4 of this Resolution.

Section 4. Extension by Motion. The Board of Directors may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

PASSED AND ADOPTED by the Board of Directors of the Cabazon Water District this 16th day of November 2021, by the following vote:

AYES: DIRECTOR SANDERSON, DIRECTOR MORRIS, DIRECTOR TINCHER, DIRECTOR WARGO, DIRECTOR LYNK
NOES: NONE.
ABSENT: NONE.
ABSTAIN: NONE.

BY: 
Sarah Wargo
Vice Board Chair
Cabazon Water District
Board of Directors

ATTEST: 
Evelyn Aguilar
Board Secretary
Cabazon Water District

New Business

1. Discussion/Action Item:

[TAB 1]

Report of the Audited Financial Statements for FY
2021/2022 as presented by Fedak & Brown LLP

Attachments:

1. Cabazon Water District Financial Statements
2. PowerPoint Presentation by Fedak & Brown



Cabazon Water District
Annual Financial Report
For the Fiscal Years Ended June 30, 2022 and 2021



Cabazon Water District
Annual Financial Report
For the Fiscal Years Ended June 30, 2022 and 2021

Cabazon Water District
Board of Directors as of June 30, 2022

<u>Name</u>	<u>Title</u>	<u>Elected/ Appointed</u>	<u>Current Term</u>
Robert Lynk	Chair	Elected	12/2021 - 12/2023
Sarah Wargo	Vice Chair	Elected	12/2021 - 12/2025
Diana Morris	Director	Elected	12/2019 - 12/2023
Terry Tincher	Director	Appointed	12/2021 - 12/2023
Alan Davis	Director	Elected	3/2022 - 12/2025

Cabazon Water District
Michael Pollack, General Manager
14618 Broadway Street
P.O. Box 297
Cabazon, California 92230
(951) 849-4442

Cabazon Water District
Annual Financial Report
For the Fiscal Years Ended June 30, 2022 and 2021

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

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Introductory Section

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October 18, 2022

Board of Directors
Cabazon Water District

Introduction

It is our pleasure to submit the Annual Financial Report for the Cabazon Water District for the fiscal years ended June 30, 2022 and 2021, following guidelines set forth by the Governmental Accounting Standards Board. District staff prepared this financial report. The District is ultimately responsible for both the accuracy of the data and the completeness and the fairness of presentation, including all disclosures in this financial report. We believe that the data presented is accurate in all material respects. This report is designed in a manner that we believe necessary to enhance your understanding of the District's financial position and activities.

This report is organized into two sections: (1) Introductory and (2) Financial. The Introductory section offers general information about the District's organization and current District activities, and reports on a summary of significant financial results. The Financial section includes the Independent Auditor's Report, Management's Discussion and Analysis of the District's basic financial statements, and the District's audited basic financial statements with accompanying notes.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately after the Independent Auditor's Report.

District Structure and Leadership

The Cabazon Water District is an independent special district, which operates under the authority of Division 12 of the California Water Code. The District was formed in 1954 and is governed by a five-member Board of Directors, elected at-large from within the District's service area. The General Manager administers the day-to-day operations of the District in accordance with policies and procedures established by the Board of Directors. The District employs five (5) full-time and one (1) part-time employees organized into two departments. The District's Board of Directors meets each month. Meetings are publicly noticed and citizens are encouraged to attend.

The District provides water service to approximately 1,000 customers within its 7,040 acre service area, located in the eastern portion of Riverside County. The District encompasses the unincorporated town of Cabazon and some of the unincorporated areas of Riverside County, California.

District Services

Residential customers are approximately 97% of the District's customer base and consume approximately 90% of the water produced annually by the District. The District currently has a total of four groundwater wells with a maximum production capacity of 3,160 gallons per minute.

Economic Condition and Outlook

The District office is located in the unincorporated town of Cabazon in Riverside County. Regional growth has been slow to recover from the continuing effects of the dissolution of Redevelopment Agencies throughout the State.

Internal Control Structure

District management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of the District are protected from loss, theft, or misuse. The internal control structure also ensures adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The District's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits require estimates and judgments by management.

Budgetary Control

The District Board of Directors annually adopts an operating and capital budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations and accountability for the District's enterprise operations and capital projects. The budget and reporting treatment applied to the District is consistent with the accrual basis of accounting and the financial statement basis.

Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, District ordinance and resolutions, prudent money management, and the "prudent person" standards. The objective of the Investment Policy is safety, liquidity, and yield. District funds are invested in the State Treasurer's Local Agency Investment Fund, and institutional savings and checking accounts.

Water Rates and District Revenues

District policy direction ensures that all revenues from user charges and surcharges generated from District customers must support all District operations including capital project funding. Accordingly, water rates are reviewed on an annual basis. Water rates are user charges imposed on customers for services and are the primary component of the District's revenue. Water rates are composed of a commodity (usage) charge and a fixed meter standby charge.

Audit and Financial Reporting

State Law and debt covenants require the District to obtain an annual audit of its financial statements by an independent certified public accountant. The accounting firm of Fedak & Brown LLP has conducted the audit of the District's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

Other References

More information is contained in the Management's Discussion and Analysis and the Notes to the Basic Financial Statements found in the Financial Section of the report.

Acknowledgements

Preparation of this report was accomplished by the combined efforts of District staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to the District. We would also like to thank the members of the Board of Directors for their continued support in planning and implementation of the Cabazon Water District's fiscal policies.

Respectfully submitted,

Michael Pollack, General Manager

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Financial Section

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Independent Auditor's Report

Board of Directors
Cabazon Water District
Cabazon, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Cabazon 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 comprise District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities of the Cabazon Water District, as of June 30, 2022 and 2021, and the respective changes in financial position and, where applicable, cash flows thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control 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 District's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 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 the audits in accordance with GAAS, 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7 through 11 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Independent Auditor's Report, continued

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the letter of transmittal but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audits of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2022 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 solely 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 the effectiveness of 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.

Fedak & Brown LLP
Cypress, California
October 18, 2022

Cabazon Water District
Management's Discussion and Analysis
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 Cabazon Water District (District) provide an introduction to the financial statements of the District for the fiscal years ended June 30, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- In fiscal year 2022, the District's net position increased 3.14% or \$255,388 to \$8,376,104. In fiscal year 2021, the District's net position increased 4.87% or \$376,771 to \$8,120,716.
- In fiscal year 2022, the District's operating revenues decreased 1.98% or \$33,953, to \$1,684,604. In fiscal year 2021, the District's operating revenues increased 7.45% or \$119,111, to \$1,718,557.
- In fiscal year 2022, the District's operating expenses increased 12.40% or \$138,242 to \$1,253,328. In fiscal year 2021, the District's operating expenses decreased 13.75% or \$177,771 to \$1,115,086.

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 of the District's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. The statement 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 year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures 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. This statement 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, as well as providing 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.

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 helps answer this question. These statements include all assets, deferred outflows, liabilities, and deferred inflows 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.

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

Financial Analysis of the District, continued

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 less liabilities and deferred inflows), as one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position is 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 16 through 32.

Statement of Net Position

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 exceeded liabilities by \$8,376,104 and \$8,120,716 as of June 30, 2022 and 2021, respectively.

By far the largest portion of the District's net position (81.09% and 84.53% 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 \$1,518,666 and \$1,195,612, respectively. See note 7 for further discussion.

Condensed Statements of Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Assets:					
Current assets	\$ 1,718,954	1,430,261	288,693	1,532,088	(101,827)
Capital assets, net	<u>7,449,131</u>	<u>7,574,391</u>	<u>(125,260)</u>	<u>7,137,922</u>	<u>436,469</u>
Total assets	<u>9,168,085</u>	<u>9,004,652</u>	<u>163,433</u>	<u>8,670,010</u>	<u>334,642</u>
Liabilities:					
Current liabilities	278,235	300,630	(22,395)	215,852	84,778
Non-current liabilities	<u>513,746</u>	<u>583,306</u>	<u>(69,560)</u>	<u>710,213</u>	<u>(126,907)</u>
Total liabilities	<u>791,981</u>	<u>883,936</u>	<u>(91,955)</u>	<u>926,065</u>	<u>(42,129)</u>
Net position:					
Net investment in capital assets	6,792,508	6,864,178	(71,670)	6,304,074	560,104
Restricted for debt service	64,930	60,926	4,004	60,928	(2)
Unrestricted	<u>1,518,666</u>	<u>1,195,612</u>	<u>323,054</u>	<u>1,378,943</u>	<u>(183,331)</u>
Total net position	<u>\$ 8,376,104</u>	<u>8,120,716</u>	<u>255,388</u>	<u>7,743,945</u>	<u>376,771</u>

Cabazon 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

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

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 1,684,604	1,718,557	(33,953)	1,599,446	119,111
Non-operating revenues	145,781	112,671	33,110	112,397	274
Total revenues	<u>1,830,385</u>	<u>1,831,228</u>	<u>(843)</u>	<u>1,711,843</u>	<u>119,385</u>
Expenses:					
Operating expenses	1,253,328	1,115,086	138,242	1,292,857	(177,771)
Depreciation	347,162	323,011	24,151	322,478	533
Non-operating expenses	21,371	16,360	5,011	10,472	5,888
Total expenses	<u>1,621,861</u>	<u>1,454,457</u>	<u>167,404</u>	<u>1,625,807</u>	<u>(171,350)</u>
Net income(loss) before capital contributions	208,524	376,771	(168,247)	86,036	290,735
Capital contributions	46,864	-	46,864	-	-
Changes in net position	255,388	376,771	(121,383)	86,036	290,735
Net position, beginning of year	8,120,716	7,743,945	376,771	7,657,909	86,036
Net position, end of year	<u>\$ 8,376,104</u>	<u>8,120,716</u>	<u>255,388</u>	<u>7,743,945</u>	<u>376,771</u>

The statement of revenues, expenses, and changes in net position shows how the District's net position changes during the fiscal year.

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

In fiscal year 2022, the District's net position increased 3.14% or \$255,388 to \$8,376,104. In fiscal year 2021, the District's net position increased 4.87% or \$376,771 to \$8,120,716. See note 7 for further discussion.

In fiscal year 2022, the District's operating revenues decreased 1.98% or \$33,953, due primarily to an decreases of \$59,787 in water consumption sales and \$13,292 in standby fees; which was offset by increases of \$28,443 in facility fees and \$10,407 in other charges. In fiscal year 2021, the District's operating revenues increased 7.45% or \$119,111, due primarily to an increase of \$153,383 in water consumption sales; which was offset by decreases of \$22,440 in other charges and \$20,496 in standby fees.

In fiscal year 2022, the District's operating expenses increased 12.40% or \$138,242, due primarily to increases of \$117,970 in general and administrative, \$22,928 in pumping and water treatment, and \$8,408 in transmission and distribution; which were offset by an decrease of \$11,064 in transmission and distribution. In 2021, the District's operating expenses decreased 13.75% or \$177,771, due primarily to decreases of \$133,815 in general and administrative and \$68,207 in transmission and distribution; which were offset by an increase of \$22,418 in pumping and water treatment.

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

Capital Asset Administration

At the end of fiscal years 2022 and 2021, the District's investment in capital assets (net of accumulated depreciation) amounted to \$7,449,131 and \$7,574,391, respectively. This investment in capital assets includes land, transmission and distribution systems, wells, tanks, reservoirs, pumps, buildings and structures, equipment, vehicles, and construction-in-process, etc. Major capital assets additions during the years include improvements to the transmission and distribution system, source of supply, and purchase of vehicles.

The change in capital assets for 2022 was as follows:

	<u>Balance 2021</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Capital assets:				
Non-depreciable assets	\$ 1,585,573	100,314	(996,339)	689,548
Depreciable assets	12,304,876	1,117,927	-	13,422,803
Accumulated depreciation	<u>(6,316,058)</u>	<u>(347,162)</u>	<u>-</u>	<u>(6,663,220)</u>
Total capital assets, net	<u>\$ 7,574,391</u>	<u>871,079</u>	<u>(996,339)</u>	<u>7,449,131</u>

The changes in capital assets for 2021 was as follows:

	<u>Balance 2020</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Capital assets:				
Non-depreciable assets	\$ 859,694	759,480	(33,601)	1,585,573
Depreciable assets	12,271,275	33,601	-	12,304,876
Accumulated depreciation	<u>(5,993,047)</u>	<u>(323,011)</u>	<u>-</u>	<u>(6,316,058)</u>
Total capital assets, net	<u>\$ 7,137,922</u>	<u>470,070</u>	<u>(33,601)</u>	<u>7,574,391</u>

Debt Administration

The change in long-term debt in 2022 was as follows:

	<u>Balance 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 2022</u>
Long-term debt:				
Loans payable	\$ 710,213	-	(126,907)	583,306
Total loans payable	<u>\$ 710,213</u>	<u>-</u>	<u>(126,907)</u>	<u>583,306</u>

The change in long-term debt in 2021 was as follows:

	<u>Balance 2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 2021</u>
Long-term debt:				
Loans payable	\$ 833,848	-	(123,635)	710,213
Total loans payable	<u>\$ 833,848</u>	<u>-</u>	<u>(123,635)</u>	<u>710,213</u>

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

Conditions Affecting Current Financial Position

The COVID-19 outbreak in the United States has caused business disruption through labor shortages and business closings. The disruption is currently expected to be temporary; however, the related financial impact on the District and the duration cannot be estimated at this time.

Management is unaware of any other 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.

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 at 14618 Broadway Street, P.O. Box 297, Cabazon, California 92230.

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Basic Financial Statements

DRAFT

Cabazon Water District
Statements of Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 1,229,298	984,527
Cash and cash equivalents – restricted (note 2)	64,930	60,926
Accrued interest receivable	1,544	672
Accounts receivable – water sales, net (note 3)	273,633	240,216
Property taxes and assessments receivable	-	4,997
Materials and supplies inventory	109,315	110,471
Prepaid and other assets	40,234	28,452
Total current assets	<u>1,718,954</u>	<u>1,430,261</u>
Non-current assets:		
Capital assets – non-depreciable assets (note 4)	689,548	1,585,573
Capital assets – depreciable assets, net (note 4)	6,759,583	5,988,818
Total non-current assets	<u>7,449,131</u>	<u>7,574,391</u>
Total assets	<u>9,168,085</u>	<u>9,004,652</u>
Current liabilities:		
Accounts payable and accrued expenses	95,107	121,384
Accrued wages and related payables	11,944	11,521
Customer advances and deposits	19,669	26,962
Accrued interest payable on long-term debt	1,996	2,835
Long-term liabilities – due within one year:		
Compensated absences (note 5)	6,642	11,021
Capital lease (note 6)	12,590	-
Loans payable (note 6)	130,287	126,907
Total current liabilities	<u>278,235</u>	<u>300,630</u>
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Capital lease (note 6)	60,727	-
Loans payable (note 6)	453,019	583,306
Total non-current liabilities	<u>513,746</u>	<u>583,306</u>
Total liabilities	<u>791,981</u>	<u>883,936</u>
Net position: (note 7)	6,792,508	
Net investment in capital assets		6,864,178
Restricted	64,930	60,926
Unrestricted	1,518,666	1,195,612
Total net position	<u>\$ 8,376,104</u>	<u>8,120,716</u>

See accompanying notes to the basic financial statements

Cabazon 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>2021</u>
Operating revenues:		
Water consumption sales	\$ 1,459,559	1,519,346
Connection fees	5,033	4,757
Standby fees	100,316	113,608
Facility fees	87,207	58,764
Other charges	32,489	22,082
Total operating revenues	<u>1,684,604</u>	<u>1,718,557</u>
Operating expenses:		
Pumping and water treatment	142,123	119,195
Transmission and distribution	41,453	52,517
Customer accounts	64,967	56,559
General and administrative	1,004,785	886,815
Total operating expenses	<u>1,253,328</u>	<u>1,115,086</u>
Operating income before depreciation and amortization	431,276	603,471
Depreciation	(347,162)	(323,011)
Operating income	<u>84,114</u>	<u>280,460</u>
Non-operating revenue(expense)		
Property taxes	85,857	81,698
Rental income – cellular antennas	29,558	25,547
Investment earnings	7,054	4,504
Unrealized gain (loss) on investments	(10,687)	(3,425)
Interest expense – long-term debt	(10,684)	(12,935)
Other non-operating revenue, net	23,312	922
Total non-operating revenues, net	<u>124,410</u>	<u>96,311</u>
Net income before capital contributions	208,524	376,771
Capital contributions	<u>46,864</u>	<u>-</u>
Changes in net position	255,388	376,771
Net position, beginning of year	<u>8,120,716</u>	<u>7,743,945</u>
Net position, end of year	<u>\$ 8,376,104</u>	<u>8,120,716</u>

See accompanying notes to the basic financial statements

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

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Cash receipts from customers for water sales	\$ 1,543,578	1,596,008
Proceeds from standby fees	100,316	113,608
Cash paid to employees for salaries and wages	(347,154)	(271,329)
Cash paid to vendors and suppliers for materials and services	<u>(923,721)</u>	<u>(777,017)</u>
Net cash provided by operating activities	<u>373,019</u>	<u>661,270</u>
Cash flows from non-capital financing activities:		
Proceeds from rental income – cellular antennas	29,558	25,547
Proceeds from property taxes	90,854	91,280
Proceeds from grant	<u>46,864</u>	<u>-</u>
Net cash provided by non-capital financing activities	<u>167,276</u>	<u>116,827</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(221,902)	(759,480)
Proceeds from financing	76,457	-
Principal paid on long-term debt	(130,047)	(123,635)
Interest paid on long-term debt	<u>(11,523)</u>	<u>(13,747)</u>
Net cash used in capital and related financing activities	<u>(287,015)</u>	<u>(896,862)</u>
Cash flows from investing activities:		
Interest earnings	<u>(4,505)</u>	<u>3,001</u>
Net cash (used in)provided by investing activities	<u>(4,505)</u>	<u>3,001</u>
Net increase(decrease) in cash and cash equivalents	248,775	(115,764)
Cash and cash equivalents, beginning of year	<u>1,045,453</u>	<u>1,161,217</u>
Cash and cash equivalents, end of year	<u>\$ 1,294,228</u>	<u>1,045,453</u>
Reconciliation of cash and cash equivalents to statements of net position:		
Cash and cash equivalents	\$ 1,229,298	984,527
Cash and cash equivalents – restricted	<u>64,930</u>	<u>60,926</u>
Total cash and cash equivalents	<u>\$ 1,294,228</u>	<u>1,045,453</u>

Continued on next page

See accompanying notes to the basic financial statements

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

	<u>2022</u>	<u>2021</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 84,114	280,460
Adjustments to reconcile operating income to net cash provided operating activities:		
Depreciation	347,162	323,011
Other non-operating	23,312	922
Change in assets and liabilities:		
(Increase)decrease in assets:		
Accounts receivable – water sales and services, net	(33,417)	(16,267)
Materials and supplies inventory	1,156	(16,456)
Prepaid and other assets	(11,782)	7,282
Increase(decrease) in liabilities:		
Accounts payable and accrued expenses	(26,277)	74,036
Accrued wages and related payables	423	(628)
Compensated absences	(4,379)	1,584
Customer advances and deposits	(7,293)	7,326
Total adjustments	<u>288,905</u>	<u>380,810</u>
Net cash provided by operating activities	<u>\$ 373,019</u>	<u>661,270</u>
Non-cash investing, capital, and financing transactions:		
Changes in fair-market value of funds deposited with LAIF	\$ (10,687)	(3,425)
	<u>\$ (10,687)</u>	<u>(3,425)</u>

See accompanying notes to the basic financial statements

Cabazon Water District
Notes to the 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 Cabazon Water District (District) was formed on May 21, 1954, and provides potable water and water services within a 7,040 acre service area between the cities of Beaumont and Palm Springs within the County of Riverside. The District is governed by a five-member Board of Directors who serves four-year terms.

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), capital grants, 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 value. 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 governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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.

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.

Cabazon Water District
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

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

C. Financial Reporting, continued

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.

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.

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.

Cabazon Water District
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2022 and 2021

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

C. Financial Reporting, continued

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 comprehensive annual 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 comprehensive annual financial report sounds like a profoundly objectionable racial slur.

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. Actual results could differ from those estimates.

2. Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through labor shortages and business closings. The disruption is currently expected to be temporary; however, the related financial impact on the District and the duration cannot be estimated at this time.

3. 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 at the time of purchase to be cash equivalents.

4. 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.

5. 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.

Cabazon Water District
Notes to the 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

6. Property Taxes and Assessments

The County of Riverside Assessor's Office assesses all real and personal property within the County each year. The County of Riverside Tax Collector's Office bills and collects the District's share of property taxes and assessments. In 1993, the County adopted the alternative method of secured property tax apportionment available under Chapter 3, Part 8, Division 1 (commencing section 4701) of the Revenue and Taxation Code of the State (also known as the "Teeter Plan"). This alternative method provides for funding each taxing entity included in the Teeter Plan with its total secured property taxes during the year the taxes are levied, including any amount uncollected at fiscal year-end. Under this plan, the County assumes an obligation under a debenture or similar demand obligation to advance funds to cover expected delinquencies. By such financing, the District receives the full amount of secured property taxes levied each year and, therefore, no longer experiences delinquent taxes. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes receivable at year-end are related to property taxes collected by the County of Riverside, which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	March 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

7. Materials and Supplies Inventory

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

8. Prepaid Expenses

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

Cabazon Water District
Notes to the 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. 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 \$1,000. 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 mains – 15 to 40 years
- Reservoirs and tanks – 10 to 40 years
- Wells – 10 to 30 years
- Buildings and structures – 5 to 40 years
- Office furniture and equipment – 5 to 10 years
- Tools and equipment – 7 to 20 years
- Vehicles – 5 years

10. Compensated Absences

The District's policy is to permit employees to accumulate earned vacation up to a total of 240 hours with amounts exceeding the limit being paid out as part of the employee's regular compensation. Upon termination of employment, employees are paid all unused vacation and 50% of any unused sick time for non-exempt employees.

11. 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, reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *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* – this component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the *net investment in capital assets* or *restricted* components of net position.

Cabazon Water District
Notes to the 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. Water Sales

Water sales are billed on a monthly cyclical basis. Estimated unbilled water revenue through June 30 has been accrued at year-end.

13. 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:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,229,298	984,527
Cash and cash equivalents – restricted	<u>64,930</u>	<u>60,926</u>
Total	<u>\$ 1,294,228</u>	<u>1,045,453</u>

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

	<u>2022</u>	<u>2021</u>
Cash on hand	\$ 100	100
Deposits with bank	415,061	161,900
Investments	<u>879,067</u>	<u>883,453</u>
Total	<u>\$ 1,294,228</u>	<u>1,045,453</u>

As of June 30, the District's authorized deposits had the following maturities:

	<u>2022</u>	<u>2021</u>
Deposits in California Local Agency Investment Fund (LAIF)	311 days	291 days

Cabazon Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Investments, continued

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

The table below identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury obligations	5 years	None	None
Federal agency and bank obligations	5 years	None	None
Certificates-of-deposit (negotiable or placed)	5 years	30%	10%
Commercial paper (prime)	270 days	10%	10%
Money market mutual funds	N/A	20%	None
State and local bonds, notes, and warrants	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

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 (such as LAIF).

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.

Of the bank balance, up to \$250,000 as of June 30, 2022 and 2021, is 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.

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.

Cabazon Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Investments, continued

Investment in State Investment Pool, continued

The District's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transaction processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of \$1,000.
- Withdrawals of \$10 million or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

Interest Rate Risk

Interest rate risk is the risk that the change 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 the change in market interest rates. One of the ways that the District can manage its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

Information about the sensitivity of fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity date.

Maturities of investments at June 30, 2022, consisted of the following:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining maturity 12 months or less</u>
Local Agency Investment Fund (LAIF)	\$ 814,137	814,137
Held by bond trustee:		
Money market funds	64,930	64,930
	<u>\$ 879,067</u>	<u>879,067</u>

Maturities of investments at June 30, 2021, consisted of the following:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining maturity 12 months or less</u>
Local Agency Investment Fund (LAIF)	\$ 822,527	822,527
Held by bond trustee:		
Money market funds	60,926	60,926
	<u>\$ 883,453</u>	<u>883,453</u>

Cabazon Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(2) Cash and Investments, continued

Credit Risk

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 the California Government Code (where applicable), 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:

Investment Type	Total	Minimum legal rating	Rating as of year-end AAA	Not Rated
Local Agency Investment Fund (LAIF)	\$ 814,137	N/A	-	814,137
Held by bond trustee:				
Money market funds	64,930	AAA	64,930	-
	<u>\$ 879,067</u>		<u>64,930</u>	<u>814,137</u>

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

Investment Type	Total	Minimum legal rating	Rating as of year-end AAA	Not Rated
Local Agency Investment Fund (LAIF)	\$ 822,527	N/A	-	822,527
Held by bond trustee:				
Money market funds	60,926	AAA	60,926	-
	<u>\$ 883,453</u>		<u>60,926</u>	<u>822,527</u>

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 U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the District's total investments as of June 30, 2022 and 2021.

(3) Accounts Receivable

The balance at June 30 consists of the following:

	2022	2021
Accounts receivable - water sales and services	\$ 326,746	301,111
Allowance for uncollectible accounts	<u>(53,113)</u>	<u>(60,895)</u>
	<u>\$ 273,633</u>	<u>240,216</u>

Cabazon Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(4) Capital Assets

The change in capital assets for 2022 was as follows:

	<u>Balance 2021</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2022</u>
Non-depreciable assets:				
Land	\$ 689,548	-	-	689,548
Construction-in-process	896,025	100,314	(996,339)	-
Total non-depreciable assets	<u>1,585,573</u>	<u>100,314</u>	<u>(996,339)</u>	<u>689,548</u>
Depreciable assets:				
Transmission and distribution mains	10,380,403	22,309	-	10,402,712
Source of supply	1,556,431	848,223	-	2,404,654
Water treatment	8,800	-	-	8,800
Tools and equipment	123,319	-	-	123,319
Buildings and structures	12,281	170,688	-	182,969
Office furniture and equipment	97,882	-	-	97,882
Vehicles	114,728	76,707	-	191,435
Intangible plant	11,032	-	-	11,032
Total depreciable assets	<u>12,304,876</u>	<u>1,117,927</u>	<u>-</u>	<u>13,422,803</u>
Accumulated depreciation:				
Transmission and distribution mains	(5,300,535)	(254,960)	-	(5,555,495)
Source of supply	(684,598)	(78,401)	-	(762,999)
Water treatment	(8,800)	-	-	(8,800)
Tools and equipment	(122,173)	(566)	-	(122,739)
Buildings and structures	(7,602)	(1,456)	-	(9,058)
Office furniture and equipment	(71,311)	(5,099)	-	(76,410)
Vehicles	(110,007)	(6,680)	-	(116,687)
Intangible plant	(11,032)	-	-	(11,032)
Total accumulated depreciation	<u>(6,316,058)</u>	<u>(347,162)</u>	<u>-</u>	<u>(6,663,220)</u>
Total depreciable assets, net	<u>5,988,818</u>	<u>770,765</u>	<u>-</u>	<u>6,759,583</u>
Total capital assets, net	<u>\$ 7,574,391</u>			<u>7,449,131</u>

Major capital assets additions during the year include improvements to the District's transmission and distribution mains, source of supply, buildings and structures, and vehicles.

Cabazon Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(4) Capital Assets, continued

The change in capital assets for 2021 was as follows:

	<u>Balance 2020</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance 2021</u>
Non-depreciable assets:				
Land	\$ 689,548	-	-	689,548
Construction-in-process	170,146	759,480	(33,601)	896,025
Total non-depreciable assets	859,694	759,480	(33,601)	1,585,573
Depreciable assets:				
Transmission and distribution mains	10,375,657	4,746	-	10,380,403
Source of supply	1,553,650	2,781	-	1,556,431
Water treatment	8,800	-	-	8,800
Tools and equipment	123,319	-	-	123,319
Buildings and structures	12,281	-	-	12,281
Office furniture and equipment	71,808	26,074	-	97,882
Vehicles	114,728	-	-	114,728
Intangible plant	11,032	-	-	11,032
Total depreciable assets	12,271,275	33,601	-	12,304,876
Accumulated depreciation:				
Transmission and distribution mains	(5,046,644)	(253,891)	-	(5,300,535)
Source of supply	(625,882)	(58,716)	-	(684,598)
Water treatment	(8,800)	-	-	(8,800)
Tools and equipment	(121,298)	(875)	-	(122,173)
Buildings and structures	(6,858)	(744)	-	(7,602)
Office furniture and equipment	(67,381)	(3,930)	-	(71,311)
Vehicles	(105,152)	(4,855)	-	(110,007)
Intangible plant	(11,032)	-	-	(11,032)
Total accumulated depreciation	(5,993,047)	(323,011)	-	(6,316,058)
Total depreciable assets, net	6,278,228	(289,410)	-	5,988,818
Total capital assets, net	\$ 7,137,922			7,574,391

Major capital assets additions during the year include improvements to the District's transmission and distribution mains, source of supply, and office furniture and equipment.

Cabazon Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(5) Compensated Absences

The change in compensated absences at June 30, 2022 was as follows:

<u>Balance</u> <u>2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2022</u>
\$ 11,021	36,291	(40,670)	6,642

The change in compensated absences at June 30, 2021 was as follows:

<u>Balance</u> <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2021</u>
\$ 9,437	32,766	(31,182)	11,021

(6) Long-Term Debt

The change in long-term debt in 2022 was as follows:

	<u>Balance</u> <u>2021</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>2022</u>	<u>Current</u>	<u>Non-current</u>
Capital lease:						
Ford Credit	\$ -	76,457	(3,140)	73,317	12,590	60,727
Total capital lease	-	76,457	(3,140)	73,317	12,590	60,727
Loans payable:						
1993 Calif. Dept. of Water Resources Loan - E58416	238,186	-	(41,959)	196,227	43,208	153,019
Zions First National Bank	172,027	-	(84,948)	87,079	87,079	-
Riverside County Economic Development Agency	300,000	-	-	300,000	-	300,000
Total loans payable	710,213	-	(126,907)	583,306	130,287	453,019
Total long-term debt	710,213	76,457	(130,047)	656,623	142,877	513,746
Less current portion	(130,047)			(142,877)		
Total non-current	\$ 580,166			513,746		

The change in long-term debt in 2021 was as follows:

	<u>Balance</u> <u>2020</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>2021</u>	<u>Current</u>	<u>Non-current</u>
Loans payable:						
1993 Calif. Dept. of Water Resources Loan - E58416	\$ 278,949	-	(40,763)	238,186	41,959	196,227
Zions First National Bank	254,899	-	(82,872)	172,027	84,948	87,079
Riverside County Economic Development Agency	300,000	-	-	300,000	-	300,000
Total long-term debt	833,848	-	(123,635)	710,213	126,907	583,306
Less current portion	(123,635)			(126,907)		
Total non-current	\$ 710,213			583,306		

Cabazon Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(6) Long-Term Debt, continued

Ford Credit

On March 23, 2022, the Cabazon Water District financed the purchased a vehicle with Ford Credit in the amount of \$76,457. The financing term call for payments of principal and interest of \$1,479 payable each month at a rate of 5.94%, maturing in 2027. Annual debt service requirements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 12,590	4,053	16,643
2024	14,537	3,217	17,754
2025	15,425	2,329	17,754
2026	16,367	1,387	17,754
2027	14,398	395	14,793
Total	73,317	11,381	84,698
Current	(12,590)		
Non-current	\$ 60,727		

Riverside County Economic Development Agency

In 1997, the Cabazon Water District contracted with the Riverside County Economic Development Agency for a \$300,000 loan to construct water improvements, in conjunction with MKA Cabazon Partnership Construction Agreement. The agreement calls for a zero interest loan with funds to be repaid with connection fees as development occurs. The unpaid balance has been classified as long-term as no connections are anticipated in 2022.

1993 California Dept. of Water Resources Loan – E58416

In 1993, the Cabazon Water District contracted with the California Department of Water Resources for a \$979,860, 30-year loan under the 1984 California Safe Drinking Water Bond Law to fund capital improvements in order to comply with the California Safe Drinking Water Standards. Terms of the loan call for monthly debt service deposits by the District with a trustee. Principal and interest payments of \$24,346 are payable semi-annually on October 1st and April 1st each year at a rate of 2.955%, with the obligation maturing in 2027. Annual debt service requirements on the 1993 California Dept. of Water Resources Loan are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	43,208	5,483	48,691
2024	44,487	4,204	48,691
2025	45,825	2,866	48,691
2026	47,183	1,508	48,691
2027	15,524	230	15,754
Total	196,227	14,291	210,518
Current	(43,208)		
Non-current	\$ 153,019		

Cabazon Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(6) Long-Term Debt, continued

Zions First National Bank

In 2013, the Cabazon Water District entered into a loan agreement with Zions First National Bank in the amount of \$787,309 to refinance the 1993 California Dept. of Water Resources Loan – E62039, and provide funding for the construction and upgrade of the District's transmission mains. Terms of the loan call for semi-annual debt service payments of principal and interest payable on April 1st and October 1st of each year at a rate of 2.49%, maturing in 2023. Annual debt service requirements on the loan are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 87,079	1,623	88,702
Total	87,079	1,623	88,702
Current	(87,079)		
Non-current	\$ -		

(7) Net Position

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

	<u>2022</u>	<u>2021</u>
Net investment in capital assets:		
Capital assets, net	\$ 7,449,131	7,574,391
Loans payable – current portion	(142,877)	(126,907)
Loans payable – non-current portion	(513,746)	(583,306)
Total net investment in capital assets	<u>6,792,508</u>	<u>6,864,178</u>
Restricted:		
Cash and cash equivalents – restricted	64,930	60,926
Total restricted	<u>64,930</u>	<u>60,926</u>
Unrestricted:		
Non-spendable unrestricted net position:		
Materials and supplies inventory	109,315	110,471
Prepaid and other assets	40,234	28,452
Total non-spendable unrestricted net position	<u>149,549</u>	<u>138,923</u>
Spendable unrestricted net position:		
Operating reserve	1,369,117	1,056,689
Total spendable unrestricted net position	<u>1,369,117</u>	<u>1,056,689</u>
Total unrestricted	<u>1,518,666</u>	<u>1,195,612</u>
Total net position	<u>\$ 8,376,104</u>	<u>8,120,716</u>

Cabazon Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

(8) Defined Benefit Pension Plan

The District provides pension benefits to all covered employees under the Collective Bargaining Agreement to the Service Employees International Union National Industry Pension Fund. The District's contribution is based on 15% of gross wages. The District's contributions to the Plan were \$68,215 and \$63,946 for the years ended June 30, 2022 and 2021, respectively.

(9) Deferred Compensation Savings Plan

In 2003, as amended in 2008, the District offered a Profit Sharing 401(a) Plan (Plan), to qualified employees. Participation in the Plan is open to employees who do not meet the eligibility requirements for pension benefits under the terms of a separate collective bargaining agreement. At June 30, 2022 and 2021, the Plan included one participant. The market value of all assets held in trust by the District's 401(a) Plan at June 30, 2022 and 2021, amounted to \$21,215 and \$21,147, respectively.

(10) 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 insured for a variety of potential exposures. The following is a summary of the insurance policies carried by the District as of June 30, 2022:

- Property: Blanket limit of \$6,385,000 with a \$1,000 deductible per incident.
- Property damage: \$1,000,000 per occurrence and \$10,000,000 in the aggregate.
- Personal and advertising injury: \$1,000,000 per person or organization and \$10,000,000 in the aggregate.
- Wrongful acts: \$1,000,000 per claim and \$10,000,000 in the aggregate with a \$1,000 deductible.
- Employment practices liability: \$1,000,000 per claim and \$10,000,000 in the aggregate with a \$1,000 deductible.
- Employee benefits plan: \$1,000,000 per person and \$10,000,000 in the aggregate with a \$1,000 deductible.
- Automobile: \$1,000,000 per occurrence with a \$500 deductible.
- Crime coverage: \$250,000 per occurrence with a \$1,000 deductible.
- Excess liability: \$4,000,000 employer's liability excluded.

Cabazon Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the issue date, that have 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. 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.

Cabazon Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

Governmental Accounting Standards Board Statement No. 94, continued

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.

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.

Cabazon Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2022 and 2021

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

Governmental Accounting Standards Board Statement No. 97, continued

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.

(12) Commitments and Contingencies

Grant Awards

Grant funds received by the District are subject to audit by grantor agencies. Such an audit could lead to requests for reimbursements to grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

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.

(13) Subsequent Events

Events occurring after June 30, 2022, have been evaluated for possible adjustment to the financial statements or disclosure as of October 18, 2022, which is the date the financial statements were available to be issued.

Report on Internal Controls and Compliance

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

Board of Directors
Cabazon Water District
Cabazon, 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 Cabazon 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 comprise the District's basic financial statements, and have issued our report thereon dated October 18, 2022.

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 the 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.

Fedak & Brown LLP
Cypress, California
October 18, 2022

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Board of Directors

Presentation of 2022 Audited Financial Statements

Fedak & Brown LLP



Audit Requirements

- **State Law Requires the District to Have an Audit Performed Each Year by a Qualified CPA.**



- **A Copy of the Audit Report and the Results of That Years Operations Must be Submitted to the State Auditor Controller**



The Auditor's Opinion – Page 4 of the Audit Report

Unmodified “CLEAN” Opinion

- The Firm issued a clean opinion since the District's financial statements is properly presented in accordance with generally accepted principles in the U.S.



Financial Highlights – Page 7 of the Audit Report

Condensed Statements of Net Position

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Assets:					
Current assets	\$ 1,718,954	1,430,261	288,693	1,532,088	(101,827)
Capital assets, net	<u>7,449,131</u>	<u>7,574,391</u>	<u>(125,260)</u>	<u>7,137,922</u>	<u>436,469</u>
Total assets	<u>9,168,085</u>	<u>9,004,652</u>	<u>163,433</u>	<u>8,670,010</u>	<u>334,642</u>
Liabilities:					
Current liabilities	278,235	300,630	(22,395)	215,852	84,778
Non-current liabilities	<u>513,746</u>	<u>583,306</u>	<u>(69,560)</u>	<u>710,213</u>	<u>(126,907)</u>
Total liabilities	<u>791,981</u>	<u>883,936</u>	<u>(91,955)</u>	<u>926,065</u>	<u>(42,129)</u>
Net position:					
Net investment in capital assets	6,792,508	6,864,178	(71,670)	6,304,074	560,104
Restricted for debt service	64,930	60,926	4,004	60,928	(2)
Unrestricted	<u>1,518,666</u>	<u>1,195,612</u>	<u>323,054</u>	<u>1,378,943</u>	<u>(183,331)</u>
Total net position	<u>\$ 8,376,104</u>	<u>8,120,716</u>	<u>255,388</u>	<u>7,743,945</u>	<u>376,771</u>

Financial Highlights – Page 8 of the Audit Report

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

	<u>2022</u>	<u>2021</u>	<u>Change</u>	<u>2020</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 1,684,604	1,718,557	(33,953)	1,599,446	119,111
Non-operating revenues	145,781	112,671	33,110	112,397	274
Total revenues	<u>1,830,385</u>	<u>1,831,228</u>	<u>(843)</u>	<u>1,711,843</u>	<u>119,385</u>
Expenses:					
Operating expenses	1,253,328	1,115,086	138,242	1,292,857	(177,771)
Depreciation	347,162	323,011	24,151	322,478	533
Non-operating expenses	21,371	16,360	5,011	10,472	5,888
Total expenses	<u>1,621,861</u>	<u>1,454,457</u>	<u>167,404</u>	<u>1,625,807</u>	<u>(171,350)</u>
Net income(loss) before capital contributions	208,524	376,771	(168,247)	86,036	290,735
Capital contributions	<u>46,864</u>	<u>-</u>	<u>46,864</u>	<u>-</u>	<u>-</u>
Changes in net position	255,388	376,771	(121,383)	86,036	290,735
Net position, beginning of year	<u>8,120,716</u>	<u>7,743,945</u>	<u>376,771</u>	<u>7,657,909</u>	<u>86,036</u>
Net position, end of year	<u>\$ 8,376,104</u>	<u>8,120,716</u>	<u>255,388</u>	<u>7,743,945</u>	<u>376,771</u>

2022 Financial Highlights

What was earned?

The District earned \$1.87M in total revenues (a 2.5% jump from FY 2021)

☐ Why did revenues go up?

- ☐ Capital contributions of \$47K.

What was spent?

The District spent \$1.62 million in total expenses (a 11.51% jump from FY 2021)

☐ Why did expenses go up?

- ☐ G&A costs - Engineering services went up by \$78K.
- ☐ Pumping and water treatment - Electricity rates went up in FY 2022.
- ☐ Depreciation - Increase in depreciation expense due to increases in capital assets.

Total cash balance of the District?

The District's total **cash account** position remained strong at \$1.3M compared to \$1M from the prior year.

New Business

2. Discussion/Action Item:

[TAB 2]

Review and Amend FY 2022/2023 Budget

Attachments:

1. FY 2022/2023 Proposed Amended Budget
2. FY 2022/2023 Budget Amendment Narrative



Cabazon Water District
Proposed Amended Budget
FY 2022-23

Schedule A

	A	B
	FY 22/23 Adopted Budget	FY 22/23 Proposed Amended Budget
1 REVENUES		
2 OPERATING INCOME		
3 Base Rate - Water Bills	\$ 563,300	\$ 563,300
4 Commodity Sales	757,300	757,300
5 DHPO Contract	182,500	182,500
6 DHPO Capacity Credit	(10,500)	(10,500)
7 Fire Sales - Water Bills	5,600	5,600
8 Fees & Charges	51,000	51,000
9 Basic Facilities Fee	18,600	18,600
9A Basic Facilities Fee - Additional	-	56,600
10 Stand By Fees - Tax Revenue	105,900	105,900
11 TOTAL OPERATING INCOME	1,673,700	1,730,300
12 NON-OPERATING INCOME		
13 Property Taxes	86,700	86,700
14 Cell Tower Lease Income	26,600	26,600
15 Miscellaneous Non-Operating Income	-	-
16 Interest Income	7,600	7,600
17 TOTAL NON-OPERATING INCOME	120,900	120,900
18 TOTAL REVENUES	1,794,600	1,851,200
19 EXPENSES		
20 PAYROLL		
21 Directors Fees	25,000	25,000
22 Management & Customer Service	240,200	240,200
22A Management & Customer Service - Additional	-	5,400
23 Field Workers	197,700	197,700
23A Field Workers - Additional	-	4,500
24 Employee Benefits Expense	163,700	163,700
24R Employee Benefits Expense - Reduction	-	(9,000)
25 Payroll Taxes	36,600	36,600
25A Payroll Taxes - Additional	-	700
26 TOTAL PAYROLL	663,200	664,800
27 OPERATIONAL EXPENSES		
28 Facilities, Wells, T&D		
29 Lab Fees	13,100	13,100
30 Meters	5,100	5,100
31 Utilities - Wells	150,400	150,400
32 Line R&M Materials	35,600	35,600
32A Line R&M Materials - Additional	-	40,000
33 Well Maintenance	40,400	40,400
34 Security	29,500	29,500



Cabazon Water District
Proposed Amended Budget
FY 2022-23

Schedule A

		A	B
		FY 22/23 Adopted Budget	FY 22/23 Proposed Amended Budget
35	Engineering Services	80,000	80,000
35R	Engineering Services - Reduction	-	(40,000)
36	Facilities, Wells, T&D - Other	16,600	16,600
37	Total Facilities, Wells, T&D	370,700	370,700
38	Office Expenses		
39	Utilities - Office	36,800	36,800
40	Water Billing System	2,400	2,400
41	Supplies & Equipment	13,200	13,200
42	Copier and Supplies	5,500	5,500
43	Dues & Subscriptions	2,500	2,500
44	Postage	10,600	10,600
45	Printing & Publications	600	600
46	Computer Services	38,400	38,400
47	Office Storage	-	-
48	Air Conditioning Servicing	5,500	5,500
49	Community Water Systems Alliance (CWSA)	3,000	3,000
50	Office Expenses - Other	2,100	2,100
51	Total Office Expenses	120,600	120,600
52	Support Services		
53	Financial Audit	24,700	24,700
54	Accounting	42,000	42,000
55	Legal Services	63,500	63,500
56	Payroll Service	5,500	5,500
57	Website Support	500	500
58	Insurance	37,500	37,500
59	Total Support Services	173,700	173,700
60	Training & Travel	10,500	10,500
61	Other Fees/SWRCB	9,700	9,700
62	Service Tools & Equipment		
63	Shop Supplies and Small Tools	6,300	6,300
64	Vehicle Fuel	17,400	17,400
65	Employee Uniforms	1,100	1,100
66	Safety	1,800	1,800
67	Tractor Expenses/Maintenance	3,900	3,900
68	Equipment Rental	9,000	9,000
69	Service Trucks - R&M	13,800	13,800
70	Water Operations On-Call Phones	3,800	3,800
71	Service Tools & Equipment	57,100	57,100
72	NON-OPERATING EXPENSES		
73	Loan Interest & Processing Fee	12,600	12,600



Cabazon Water District
Proposed Amended Budget
FY 2022-23

Schedule A

	A	B
	FY 22/23 Adopted Budget	FY 22/23 Proposed Amended Budget
74 Bad Debt Expense	1,300	1,300
75 Miscellaneous	1,500	1,500
76 TOTAL NON-OPERATING EXPENSES	15,400	15,400
77 TOTAL EXPENSES	1,420,900	1,422,500
78 INCOME BEFORE CAPITAL & DEBT SERVICE	373,700	428,700
79 Capital Projects (From Schedule B)	(285,000)	(285,000)
80 Debt Service - Principal	(144,000)	(144,000)
81 SGMA / GSA	(35,000)	(35,000)
82 NET INCOME / (LOSS)	\$ (90,300)	\$ (35,300)
83 PROJECTED BEGINNING CASH - 7/1/22		\$ 1,162,600
84 PROJECTED ENDING CASH - 6/30/23		\$ 1,127,300



Cabazon Water District FY 22/23 Proposed Amended Budget

Schedule A: FY 22/23 Proposed Amended Budget

Column (A) is the Adopted Budget for FY 22/23. Column (B) is the proposed amended budget for FY 22/23.

REVENUES

Line 9A Facility Fees - Additional: These are fees charged to connect to the District water system. Proposed increased to budget of \$56,600 based on actual new applications for connections in July & August of FY 22/23.

EXPENSES

Payroll

Line 22A Management & Customer Service – Additional: Proposed increase to budget based on new general manager salary for 10 months of the fiscal year.

Line 23A Field Workers - Additional: Proposed increase to budget based on new water tech coming in at higher step than anticipated in budget.

Line 24R Employee Benefit Expense - Reduction: Net reduction to budget caused by increased pension costs for salaries increases on lines 22A & 23A offset by savings for employee health care due to lower rates for newly hired positions.

Line 25R Payroll Taxes - Additional: Proposed increase to budget caused by salaries increases on lines 22A & 23A.

Operational Expenses

Line 32A Line R&M Materials – Additional: Proposed increase to budget of \$40,000 for additional system repairs and maintenance.

Line 35R Engineering Services - Reduction: Proposed decrease to budget of \$40,000 based on projected engineering needs.

New Business

3. Discussion/Action Item:

[TAB 3]

Customer Concern: Peach St. – Victoria Burke

Attachments:

1. Customer Transaction Summary
2. Account Work Orders

Customer Transaction Summary

Customer Information

Account No:
HOME EXPO FINANCIAL

Location Information

Location No:
PEACH ST
CABAZON, CA 92230

Date	Type	More Info	Reading	Usage	Prior Balance	Transaction Amount	Balance
07/21/2022	Payment	CHECK			397.04	-152.59	244.45
07/21/2022	Penalty				244.45	22.75	267.20
07/21/2022	Interest				267.20	3.41	270.61
07/28/2022	Charge	07/14/2022	71700 0	3100	270.61	323.77	594.38
08/15/2022	Misc - TAG				594.38	17.00	611.38
08/20/2022	Payment	CREDIT CARD			611.38	-200.00	411.38
08/22/2022	Penalty				411.38	32.38	443.76
08/22/2022	Interest				443.76	5.27	449.03
08/29/2022	Payment	CHECK			449.03	-195.00	254.03
08/30/2022	Charge	08/11/2022	74900 0	3200	254.03	336.99	591.02
09/14/2022	Misc - TAG				591.02	17.00	608.02
09/21/2022	Penalty				608.02	33.70	641.72
09/21/2022	Interest				641.72	8.05	649.77
09/26/2022	Adjustment				649.77	-41.75	608.02
09/28/2022	Payment	CASH			608.02	-250.00	358.02
09/29/2022	Charge	09/12/2022	75400 0	500	358.02	44.50	402.52

Customer Transaction Summary

Customer Information

Account No:

Location Information

Location No:

PEACH ST

CABAZON, CA 92230

Date	Type	More Info	Reading	Usage	Prior Balance	Transaction Amount	Balance
12/29/2020	Charge	12/14/2020	41200 1	500	174.18	72.15	246.33
01/04/2021	Payment	CHECK			246.33	-180.00	66.33
01/27/2021	Charge	01/13/2021	41700 0	500	66.33	75.75	142.08
02/25/2021	Charge	02/11/2021	42500 0	800	142.08	82.16	224.24
03/17/2021	Payment	CHECK			224.24	-224.24	0.00
03/30/2021	Charge	03/15/2021	43300 0	800	0.00	54.20	54.20
04/30/2021	Charge	04/14/2021	44400 1	1100	54.20	75.20	129.40
05/27/2021	Charge	05/13/2021	46100 0	1700	129.40	140.56	269.96
06/22/2021	Payment	CHECK			269.96	-175.00	94.96
06/29/2021	Charge	06/14/2021	49900 0	3800	94.96	410.20	505.16
06/30/2021	Adjustment				505.16	-11.68	493.48
07/21/2021	Payment	CHECK			493.48	-150.00	343.48
07/27/2021	Return Chk				343.48	150.00	493.48
07/27/2021	Misc - RET				493.48	30.00	523.48
07/28/2021	Charge	07/14/2021	53400 0	3500	523.48	365.84	889.32
08/16/2021	Payment	CASH			889.32	-200.00	689.32
08/23/2021	Payment	CASH			689.32	-325.00	364.32
08/31/2021	Charge	08/11/2021	57100 0	3700	364.32	391.52	755.84
09/30/2021	Charge	09/13/2021	59200 0	2100	755.84	186.08	941.92
10/26/2021	Payment	CASH			941.92	-440.00	501.92
10/28/2021	Charge	10/13/2021	60900 0	1700	501.92	134.72	636.64
11/24/2021	Payment	CHECK			636.64	-636.64	0.00
11/30/2021	Charge	11/15/2021	61500 0	600	0.00	45.22	45.22
12/29/2021	Charge	12/14/2021	61800 0	300	45.22	39.28	84.50
01/25/2022	Payment	CASH			84.50	-84.50	0.00
01/27/2022	Charge	01/13/2022	62200 0	400	0.00	41.26	41.26
02/22/2022	Penalty				41.26	4.13	45.39
02/22/2022	Interest				45.39	0.62	46.01
02/28/2022	Charge	02/14/2022	62700 0	500	46.01	44.50	90.51
03/21/2022	Penalty				90.51	4.45	94.96
03/21/2022	Interest				94.96	1.29	96.25
03/30/2022	Charge	03/16/2022	63300 0	600	96.25	46.53	142.78
04/01/2022	Misc - TAG				142.78	17.00	159.78
04/18/2022	Payment	CASH			159.78	-120.00	39.78
04/21/2022	Penalty				39.78	2.28	42.06
04/21/2022	Interest				42.06	0.34	42.40
04/28/2022	Charge	04/14/2022	64500 0	1200	42.40	84.61	127.01
05/23/2022	Penalty				127.01	8.46	135.47
05/23/2022	Interest				135.47	1.61	137.08
05/31/2022	Charge	05/16/2022	66100 0	1600	137.08	125.47	262.55
06/20/2022	Misc - TAG				262.55	17.00	279.55
06/21/2022	Penalty				279.55	12.55	292.10
06/21/2022	Interest				292.10	3.49	295.59
06/27/2022	Payment	CASH			295.59	-160.00	135.59
06/29/2022	Charge	06/15/2022	68600 0	2500	135.59	244.45	380.04
07/13/2022	Misc - TAG				380.04	17.00	397.04

Customer Transaction Summary

Customer Information

Account No:
HOME EXPO FINANCIAL

Location Information

Location No:
PEACH ST
CABAZON, CA 92230

Date	Type	More Info	Reading	Usage	Prior Balance	Transaction Amount	Balance
08/19/2019	Payment	MONEY ORDER			179.24	-99.00	80.24
08/21/2019	Penalty				80.24	7.02	87.26
08/21/2019	Interest				87.26	1.05	88.31
08/29/2019	Charge	08/12/2019	17800 1	1200	88.31	86.70	175.01
09/16/2019	Misc - TAG				175.01	10.00	185.01
09/18/2019	Misc - TG2				185.01	10.00	195.01
09/19/2019	Misc - RCF				195.01	50.00	245.01
09/19/2019	Payment	CASH			245.01	-200.00	45.01
09/30/2019	Charge	09/12/2019	18600 1	800	45.01	74.54	119.55
10/15/2019	Payment	CASH			119.55	-119.55	0.00
10/31/2019	Charge	10/14/2019	19100 1	500	0.00	68.72	68.72
11/21/2019	Payment	MONEY ORDER			68.72	-69.00	-0.28
11/27/2019	Charge	11/13/2019	20300 1	1200	-0.28	86.70	86.42
12/23/2019	Penalty				86.42	8.64	95.06
12/23/2019	Interest				95.06	1.30	96.36
12/30/2019	Charge	12/12/2019	21000 1	700	96.36	71.50	167.86
01/09/2020	Payment	CASH			167.86	-100.00	67.86
01/21/2020	Penalty				67.86	6.79	74.65
01/21/2020	Interest				74.65	1.02	75.67
01/31/2020	Charge	01/13/2020	21700 1	700	75.67	75.07	150.74
02/11/2020	Payment	CASH			150.74	-110.00	40.74
02/24/2020	Penalty				40.74	4.07	44.81
02/24/2020	Interest				44.81	0.61	45.42
02/27/2020	Charge	02/12/2020	22500 1	800	45.42	78.26	123.68
03/23/2020	Penalty				123.68	7.83	131.51
03/23/2020	Interest				131.51	1.79	133.30
03/31/2020	Charge	03/12/2020	23200 1	700	133.30	75.07	208.37
04/20/2020	Payment	CHECK			208.37	-200.00	8.37
04/29/2020	Charge	04/13/2020	24000 1	800	8.37	78.26	86.63
05/18/2020	Payment	CHECK			86.63	-100.00	-13.37
05/28/2020	Charge	05/14/2020	25700 1	1700	-13.37	112.01	98.64
06/03/2020	Payment	CHECK			98.64	-112.00	-13.36
06/30/2020	Charge	06/15/2020	27600 1	1900	-13.36	121.75	108.39
07/20/2020	Payment	CHECK			108.39	-115.00	-6.61
07/30/2020	Charge	07/15/2020	30800 1	3200	-6.61	185.06	178.45
08/20/2020	Payment	CHECK			178.45	-140.00	38.45
08/31/2020	Charge	08/12/2020	34500 1	3700	38.45	209.41	247.86
09/08/2020	Payment	CHECK			247.86	-100.00	147.86
09/30/2020	Charge	09/14/2020	38100 0	3600	147.86	204.54	352.40
10/13/2020	Payment	CHECK			352.40	-250.00	102.40
10/29/2020	Charge	10/14/2020	39700 0	1600	102.40	107.14	209.54
11/18/2020	Payment	CHECK			209.54	-150.00	59.54
11/30/2020	Charge	11/12/2020	40700 1	1000	59.54	84.64	144.18
12/16/2020	Payment	CHECK			144.18	-130.00	14.18
12/28/2020	Return Chk				14.18	130.00	144.18
12/28/2020	Misc - RET				144.18	30.00	174.18

Customer Transaction Summary

Customer Information

Account No:

HOME EXPO FINANCIAL

Location Information

Location No:

PEACH ST

CABAZON, CA 92230

Date	Type	More Info	Reading	Usage	Prior Balance	Transaction Amount	Balance
06/18/2018	Misc - 001				0.00	20.00	20.00
06/18/2018	Payment	CHECK			20.00	-20.00	0.00
06/28/2018	F Charge	06/13/2018	16200 1	0	0.00	26.56	26.56
07/23/2018	Penalty				26.56	2.66	29.22
07/23/2018	Interest				29.22	0.40	29.62
07/30/2018	Charge	07/12/2018	400 1	400	29.62	64.10	93.72
08/21/2018	Penalty				93.72	6.41	100.13
08/21/2018	Interest				100.13	1.36	101.49
08/27/2018	Payment	CHECK			101.49	-101.49	0.00
08/30/2018	Charge	08/09/2018	400 1	0	0.00	58.82	58.82
09/17/2018	Payment	CHECK			58.82	-58.82	0.00
09/27/2018	Charge	09/10/2018	1000 1	600	0.00	66.74	66.74
10/22/2018	Penalty				66.74	6.67	73.41
10/22/2018	Interest				73.41	1.00	74.41
10/31/2018	Charge	10/11/2018	3200 1	2200	74.41	123.65	198.06
11/14/2018	Misc - TAG				198.06	10.00	208.06
11/19/2018	Misc - TG2				208.06	10.00	218.06
11/21/2018	Penalty				218.06	12.37	230.43
11/21/2018	Interest				230.43	2.86	233.29
11/29/2018	Charge	11/08/2018	5000 1	1800	233.29	105.97	339.26
12/04/2018	Payment	CREDIT CARD			339.26	-339.26	0.00
01/30/2019	Charge	01/10/2019	7800 1	2800	0.00	157.74	157.74
02/21/2019	Penalty				157.74	15.77	173.51
02/21/2019	Interest				173.51	2.37	175.88
02/28/2019	Charge	02/11/2019	10000 1	2200	175.88	129.90	305.78
03/14/2019	Misc - TAG				305.78	10.00	315.78
03/14/2019	L Charge	03/13/2019	11500 1	1500	315.78	97.42	413.20
03/19/2019	Adjustment				413.20	-10.00	403.20
04/01/2019	Payment	CHECK			403.20	-413.20	-10.00
04/30/2019	F Charge	04/10/2019	12600 1	1100	-10.00	83.66	73.66
05/21/2019	Penalty				73.66	7.37	81.03
05/21/2019	Interest				81.03	1.10	82.13
05/30/2019	Charge	05/13/2019	14400 1	1800	82.13	111.34	193.47
06/13/2019	Misc - TAG				193.47	10.00	203.47
06/13/2019	Payment	CASH			203.47	-105.00	98.47
06/24/2019	Penalty				98.47	8.85	107.32
06/24/2019	Interest				107.32	1.33	108.65
06/27/2019	Charge	06/12/2019	15600 1	1200	108.65	86.70	195.35
07/15/2019	Misc - TAG				195.35	10.00	205.35
07/17/2019	Misc - TG2				205.35	10.00	215.35
07/18/2019	Misc - RCF				215.35	50.00	265.35
07/18/2019	Payment	CASH			265.35	-178.65	86.70
07/22/2019	Penalty				86.70	1.67	88.37
07/22/2019	Interest				88.37	0.25	88.62
07/31/2019	Charge	07/11/2019	16600 1	1000	88.62	80.62	169.24
08/15/2019	Misc - TAG				169.24	10.00	179.24

WO Number 000000013519

WO Code & Description: 032

INFORMATION ASSIGNED BY OFFICE

NAME: HOME EXPO FINANCIAL
 SERVICE ID: _____
 ACCOUNT NO: _____
 ROUTE NO: 8 READ SEQ: 00045
 ADDRESS: PEACH ST
 METER NUMBER: 232136

PHONE NO.: _____
 ISSUE DATE: 09/19/2019
 PROCESS DATE: 09/19/2019
 PROCESS TIME: 12:30 PM
 REQUESTED BY: ellen
 ASSIGNED TO: JD

Comments:

restore service FEES PAID AND TURN ON FEE

INFORMATION FROM THE FIELD

OLD METER READING: 75400.00000 OLD METER #: 232136 REMOTE METER #: _____
 NEW METER READING: _____ NEW METER #: _____ SEAL #: _____

Comments:

SERVICE RESTORED/ PAST DUES AND TURN ON FEE PAID

UTILITY NOTES: _____ PREVIOUS READ: 75400.00000 DATE: 09/12/2022

WORK DONE BY: _____ DATE COMPLETED: 07/23/2019

Labor Charges			
Position	Rate	Hours	Amount
Total Labor Charges			

Equipment Charges			
Description	Rate	Hours	Amount
Total Equipment Charges			

Material Charges				
Part #	Item	Qty.	Unit Price	Total
Total Material Charges				

Outside Vendor Charges			
Vendor	PO Number	Job Date	Amount
Total Vendor Charges			

Charge Summary	
Labor Charges	
Equipment Charges	
Material Charges	
Vendor Charges	
Total	

WO Number 000000013294

WO Code & Description: 032

INFORMATION ASSIGNED BY OFFICE

NAME: HOME EXPO FINANCIAL
 SERVICE ID: _____
 ACCOUNT NO: _____
 ROUTE NO: 8 READ SEQ: 00045
 ADDRESS: PEACH ST
 METER NUMBER: 232136

PHONE NO.: _____
 ISSUE DATE: 07/18/2019
 PROCESS DATE: 07/18/2019
 PROCESS TIME: 09:00 AM
 REQUESTED BY: ellen
 ASSIGNED TO: CM

Comments:

RESTORE SERVICE PAST DUES AND TURN ON FEE PAID

INFORMATION FROM THE FIELD

OLD METER READING: 75400.00000 OLD METER #: 232136 REMOTE METER #: _____
 NEW METER READING: _____ NEW METER #: _____ SEAL #: _____

Comments:

SERVICE RESTORED FEES PAID

UTILITY NOTES: _____ PREVIOUS READ: 75400.00000 DATE: 09/12/2022

WORK DONE BY: _____ DATE COMPLETED: 05/30/2018

Labor Charges			
Position	Rate	Hours	Amount
Total Labor Charges			

Equipment Charges			
Description	Rate	Hours	Amount
Total Equipment Charges			

Material Charges				
Part #	Item	Qty.	Unit Price	Total
Total Material Charges				

Outside Vendor Charges			
Vendor	PO Number	Job Date	Amount
Total Vendor Charges			

Charge Summary	
Labor Charges	
Equipment Charges	
Material Charges	
Vendor Charges	
Total	

WO Number 000000012020

WO Code & Description: 120

INFORMATION ASSIGNED BY OFFICE

NAME: HOME EXPO FINANCIAL
 SERVICE ID: _____
 ACCOUNT NO: _____
 ROUTE NO: 8 READ SEQ: 00045
 ADDRESS: PEACH ST
 METER NUMBER: 232136

PHONE NO.: _____
 ISSUE DATE: 05/29/2018
 PROCESS DATE: 05/29/2018
 PROCESS TIME: 02:30 PM
 REQUESTED BY: ellen
 ASSIGNED TO: FLD

Comments:

REINSTALL METER OUT SINCE 2010.. NEW ACCOUNT (DO ASAP) CALLED 2:16 ON 5/29/2018

INFORMATION FROM THE FIELD

OLD METER READING: 75400.00000 OLD METER #: 232136 REMOTE METER #: _____
 NEW METER READING: _____ NEW METER #: _____ SEAL #: _____

Comments:

METER INSTALLED NEW ACCOUNT OPENED, NEW METER 232136- READ 0

UTILITY NOTES: _____ PREVIOUS READ: 75400.00000 DATE: 09/12/2022

WORK DONE BY: _____ DATE COMPLETED: 10/12/1998

Labor Charges			
Position	Rate	Hours	Amount
Total Labor Charges			

Equipment Charges			
Description	Rate	Hours	Amount
Total Equipment Charges			

Material Charges				
Part #	Item	Qty.	Unit Price	Total
Total Material Charges				

Outside Vendor Charges			
Vendor	PO Number	Job Date	Amount
Total Vendor Charges			

Charge Summary	
Labor Charges	
Equipment Charges	
Material Charges	
Vendor Charges	
Total	

New Business

4. Discussion/Action Item:

[TAB 4]

Trunk or Treat – Request to use the Cabazon Water
District parking lot – Victoria Burke

*No Attachments

New Business

5. Discussion/Action Item:

[TAB 5]

Little Free Library – Proposal to install community access
item in front of the Cabazon Water District office –
Victoria Burke

Attachments:

1. Little Free Library sample flyer.

*More info at LittleFreeLibrary.org



Little Free Library®

Take a Book. Share a Book.

(INSERT YOUR
PHOTO HERE)



Announcing Little Free Library #(INSERT YOUR CHARTER NUMBER)

Join us for the Grand Opening!

HOST:

WHEN:

TIME:

ADDRESS:

(INSERT ADDITIONAL DETAILS HERE)

Here's how it works:

- We initially stock the Little Free Library with a variety of books
 - You stop by and take whatever catches your eye
 - You bring books to contribute when you can

Visit www.littlefreelibrary.org for more information

New Business

6. Discussion/Action Item:

[TAB 6]

Unit #004: 2016 Ford Fiesta use for meter reading

*No Attachments