



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

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, July 16, 2024 – 5:00 PM

CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL

Board Vice Chair Terry Tincher – Present
Board Chair Sarah 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
 - Capital Detail

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.

Balance Sheet:

The District's combined Cash with Chase Bank, Local Agency Investment Fund (LAIF), and California Cooperative Liquid Assets Securities System (CLASS) balance was \$2,018,306 at month end. The District's total liabilities were approximately \$563,202 at month end.

Profit and Loss: - Year to date (YTD) is 100% of the year, although these numbers are not final. There are still bills from FY 23/24 that have not been received.

4. Commodity Sales: Volumetric water sales including residential, commercial & construction water sales. YTD ended under budget at 87% due to a decrease in water consumption due to heavy rain season.

5. Fire Sales – Water Bills: This is a flat, fixed monthly charge for all fire service connections. YTD ended under budget at 68% due to fewer connections than anticipated.

7. Basic Facilities Fee: These are fees charged for new service connections, meter installations, and upgrades. These revenues are budgeted conservatively due to their unpredictable nature. YTD ended over budget due to multiple service installations.

11. Property Taxes: This account includes Ad Valorem tax revenues apportioned by Riverside County. Property Tax receipts are received in January and May when property tax payments are due to the County of Riverside Tax Collector's Office. YTD ended over budget due to more tax receipts than anticipated.

15. Interest Income-Investment Accounts: This account includes interest earnings in the District's LAIF and other investment accounts. YTD ended over budget due to higher interest rates.

16. Interest Income-Water Bills: This account includes interest charged on overdue customer balances. YTD ended under budget at 86%.

18. Total Revenues: YTD is at 100%.

26. Total Payroll: YTD is at 98%.

29. Lab Fees: This account includes the costs of lab fees and water quality testing. Expenses will vary depending on timing of receipt of bills. YTD ended over budget due to more lab samples taken in order to bring up to date triennial sample compliance.

32. Line R&M Materials: This account includes the expenses relating to materials for line repair and maintenance. YTD varies depending on the R&M needs of the water system. YTD ended under budget at 20%.

35. Engineering Services: This account includes general engineering services required by the District. YTD ended under budget at 32% due to less engineering services than anticipated.

53. Legal Services: This account includes the costs of legal services for the District. YTD will vary depending upon the requirement and timing of legal services. YTD ended under budget at 28%.

62. Vehicle Fuel: This account includes fuel costs for District vehicles. YTD ended over budget due to higher fuel expenses than anticipated.

67. Service Trucks Repair & Maintenance (R&M): This account includes repair & maintenance costs for District vehicles. YTD ended under budget at 54% due to less maintenance than anticipated.

71. Loan Interest & Processing Fee: This account includes Department of Water Resources (DWR) interest expense, DWR loan processing fees, and Ford interest expense. DWR payments are made in October and April. YTD ended over budget due to loan origination fees in October and April relating to the Well 4 loan.

72. Bad Debt Expense: This account includes uncollectable accounts. The District analyzes the amount of outstanding customer receivables at the end of each year and recognizes an expense equal to the estimated amount of money unable to be collected.

73. Miscellaneous: This account includes other non-operating expenses. YTD includes \$404 for candy for the community center Harvest Festival and Christmas gift cards for a community center event.

74. Damaged Truck/Stolen Tools: This account contains expenses for damaged trucks and stolen tools. Activity in this account includes an \$11.3k payment to replace locks, handles, and paint on a truck that was damaged during theft.

75. Grant Application Share of Cost: This account includes \$12K paid to the City of Banning for Proposition 1 Round 2 grant application for the replacement of outdated waterlines.

77. Total Non-Operating Expenses: YTD is at 396% due to unanticipated costs.

78. Total Expenses: YTD is at 91%.

80. Debt Service Principal: This account includes principal payment on the DWR debt and vehicle financing. Payments are made in October and April. YTD ended under budget at 95%.

81. RCEDA Loan – Dissolved: This account reflects the revenue realized as a result of the terminated loan agreement with the Riverside County Economic Development Agency.

As of June 30st, the fiscal year-to-date net income is \$676,265.

Capital Detail:

Lines 3-10 Reserve Funded Capital Projects: Projects to be funded by District reserves.

3. Well & Tank Repair: This account includes activity for tank lid repairs.

4. Customer Shut-Off Valves: This account is for installation of customer shut-off valves. Total project cost is estimated at \$120K spread over the next three years.

5. Meter Replacement: This account is for the Water Meter Replacement Program. YTD ended under budget at 24% due to the timing of replacements.

6. Main Replacements Fire Hydrant & Air Vac: This account is for main replacements fire hydrant and air vac. The total project cost is estimated at \$145K for FY 24. This budget will carry over to FY 25 due to Well #1 emergency repairs which were not anticipated in FY 24 budget.

7. Bonita Vault: This account is for new vault and materials. YTD ended under budget at 43% due to timing of project completion.

8. New Truck: This account is budgeted for \$10K for FY 24 and expected to spread over three years.

9. Utility Billing: This account is budgeted for \$10K for FY 24 and expected to spread over three years.

10. Well #1 Emergency Repair: This account is for the Well #1 emergency repairs not anticipated in the budget. YTD includes \$143,601.

Lines 14-26 Grant/Debt Funded Capital Projects: Projects to be funded by grant/debt revenues.

14. 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 San Gorgonio Pass Water Agency (SGPWA) Gap Funding. This project is complete.

15. Esperanza Waterline Improvements: Includes the Esperanza Waterline project which is expected to be primarily grant funded with the project costing \$359,700 and the grant funding being \$343,700.

16. Grant Funding – DWR: Includes grant funding received from the DWR for the isolation valves project and Esperanza Waterline improvement project. Grant reimbursements are invoiced and paid quarterly.

18. 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. YTD ended under budget at 2% due to timing of improvements.

19. Grant Funding – SWRCB: Includes grant funding received from SWRCB for Groundwater Well Improvement projects. Grant reimbursements are invoiced and paid quarterly.

21. Broadway & Main St. Gate Valve: Includes the Broadway & Main Gate valve, anticipated to be 100% grant funded.

22. T2, T3, & T4 Recoating: Includes Tank Recoating for T1, T2 & T4, anticipated to be 100% grant funded. YTD ended under budget at 59% due to timing of expenses.

23. Grant Funding-ARPA: Includes grant funding received from Riverside County infrastructure Improvement projects. Grant reimbursements are invoiced and paid quarterly. YTD ended under budget at 41% due to timing of reimbursements.

25. Well 4 Repairs: This account includes Well 4 repairs and is expected to be 100% debt funded. YTD ended in line with budget.

26. Debt Funding: This account is for debt funding for Well 4 repairs. YTD ended in line with budget.

PUBLIC COMMENT

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District; however, any matter that requires action will be referred to staff for investigation and reported at a subsequent Board of Directors meeting. The Board of Directors is prohibited by law from discussing or taking immediate action on items during this public comment period. To comment on specific agenda items, please advise the Board secretary prior to the meeting. Each public comment will be limited to three (3) minutes. Individuals may not give their time away to another spokesperson. After two (2) minutes, the speaker will be notified that he/she has one (1) minute remaining. AB 1234 ORAL REPORTS (Gov. Code Sec. 53232.3(d))

ADJOURNMENT

Meeting adjourned at 5:18 PM on Tuesday, July 16, 2024 and the FAC proceeded to check signing.



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 accessibility at the meeting.