



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 18, 2023 – 5:00 PM

CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL

Director Terry Tincher – Present
Director 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 and Local Agency Investment Fund (LAIF) balance was \$1,587,654 at month end. The District's total liabilities were approximately \$1,993,808 at month end.

Profit and Loss: - Year to date (YTD) is 100% of the year

5. Desert Hills Premium Outlets (DHPO) Contract: This is a segregated, variable charge to the DHPO contract which ended at contract expiration in December 2022. YTD ended under budget at 76%.
9. 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.
14. Cell Tower Lease Income: This accounts for the monthly lease payment for use of District property for cell towers. YTD ended over budget due to the implementation of a new cell tower location.
16. Interest Income: This account includes interest earnings in the District's LAIF and other investment accounts, and interest charged on overdue customer balances. YTD ended over budget due to higher interest collected on customer bills than anticipated and higher interest returns on the BNY Reserve Fund, BNY Repayment Fund and LAIF.
22. Directors Fees: This account includes Board of Director's stipends. YTD ended under budget at 54% due to less meetings than anticipated.
30. Lab Fees: This account includes the costs of lab fees and water quality testing. Expenses will vary depending on timing of receipt of bills.
31. Meter Testing & Repair: This account includes the costs of meter repairs and meter testing. Expenses varied throughout the year.
33. Line R&M Materials: This account includes the expenses relating to materials for line repair and maintenance. YTD varied depending on the R&M needs of the water system.
35. Security: This account includes the expenses for District alarm phones, security alarms and crime prevention. YTD ended under budget at 77% due to less security accounts than anticipated.
36. Engineering Services: This account includes general engineering services required by the District.
37. Facilities, Wells, T&D – Other: This account includes the generator service contract expenses, site landscaping & maintenance, chlorinators, and SCADA. YTD ended over budget due to a \$4K payment for Tank #3 altitude valve repairs and \$5.9K payment for Almond Vault preventative maintenance.
42. Supplies & Equipment: This account includes the supply and equipment purchases for the District office. YTD expenses varies depending on timing of purchases.
46. Printing & Publications: This account includes printing and publication costs for any District notices or reports. YTD ended under budget at 49% due to less printing needs than anticipated.
49. Community Water System Alliance: This account includes the monthly membership fees for the Water System Alliance. YTD ended under budget at 36% due to the District no longer participating in CWSA.
50. Office Expenses – Other: This account includes miscellaneous office expenses.
53. Financial Audit: This account includes the costs for the annual financial audit. YTD ended under budget at 58%.
55. 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 14%.
60. Training/Travel: This account includes staff/board training expenses and any related travel costs. YTD ended under budget due to less travel and training than anticipated in the budget.

63. Shop Supplies & Small Tools: This account includes various shop supply and small tool purchases. YTD ended over budget due to bulk purchases to account for shipping delays. Purchases of \$2.7k were made in June to replace stolen tools.

64. Vehicle Fuel: This account includes fuel costs for District vehicles. YTD ended below budget at 73% due to less backhoe fuel purchases and one less truck being used due to the sale of the 2009 Toyota Tundra.

65. Employee Uniforms: This account includes employee uniform purchases and reimbursements. YTD ended under budget at 74%.

66. Safety: This account includes safety equipment purchases. YTD ended over budget due to a \$1.3K purchase for three eye wash stations in December.

67. Tractor Expenses/Maintenance: This account includes tractor repair & maintenance expense. YTD ended over budget due to two new tires purchased for the backhoe.

68. Equipment Rental: This account includes equipment rental expenses incurred by the District. YTD ended under budget at 67%.

69. Service Trucks Repair & Maintenance (R&M): This account includes repair & maintenance costs for District vehicles. YTD ended under budget at 76%.

As of June 30st, the fiscal year-to-date net income is \$486,946.

Capital Detail:

Lines 3-6 Reserve Funded Capital Projects: Projects to be funded by District reserves.

3. Well & Tank Repair: This account includes activity for the Bonita Vault Rehabilitation project.

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 at 102% of budget.

6. Service Utility Truck: YTD activity consists of the purchase of a 2005 GMC to replace the stolen 2000 GMC chlorine truck.

Lines 10-18 Reserve Funded Capital Projects:

10. 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 Geronio Pass Water Agency (SGPWA) Gap Funding.

11. Grant Funding – DWR: Includes grant funding received from the DWR for the isolation valves project. \$12.5K received in January is for grant reimbursements through Q3 2022.

13. 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.

14. Grant Funding – SWRCB: Includes grant funding received from SWRCB for Groundwater Well Improvement projects. \$8.4K YTD activity is for grant reimbursements through Q1 2023.

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

17. T2, T3, & T4 Recoating: Includes Tank Recoating for T1, T2 & T4, anticipated to be 100% grant funded.

18. Grant Funding-ARPA: Includes grant funding received from Riverside County infrastructure Improvement projects. \$25.6K YTD activity is for grant reimbursements through Q1 2023.

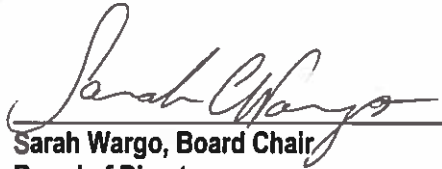
PUBLIC COMMENT

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 5:21 PM on Tuesday, July 18, 2023 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.