



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, June 18, 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
Scott Nelsen, Financial Consultant – Present
Corey Mize, Financial Consultant – Present
Bianca Carrillo, Financial Consultant – Present
Evelyn Aguilar, Board Secretary – Present

*Note: This meeting was recorded by the District

FINANCE & AUDIT COMMITTEE

1. Discussion: Review of FY 24/25 Proposed Budget
 - Corey Mize from Eide Bailly presented the proposed budget, stating that the changes were based off of the current FY's projected year end with anticipated inflation and/or planned activity.
2. Discussion: Finance & Audit Committee Report
 - Balance Sheet

- Profit and Loss Budget Comparison
- Capital Detail

3. 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 \$1,947,585 at month end. The District's total liabilities were approximately \$554,494 at month end.

Profit and Loss: - Year to date (YTD) is 92% of the year

4. Commodity Sales: Volumetric water sales including residential, commercial & construction water sales. YTD is in trending under budget at 80% due to a decrease in water consumption due to heavy rain season.

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 is over budget due to multiple service installations.

9. Total Operating Income: YTD is at 88%.

11. Property Taxes: This account includes Ad Valorem tax revenues apportioned by Riverside County. Property Tax receipts are typically received in January and May when property tax payments are due to the County of Riverside Tax Collector's Office. This year, the bulk of receipts will be received in June. YTD is trending under budget at 64%.

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

26. Total Payroll: YTD is at 90%.

30. Meter Testing & Repair: This account includes the costs of meter repairs and meter testing. Expenses vary throughout the year. YTD is trending under budget at 33%.

37. Total Facilities, Wells, T&D: YTD is at 65%.

49. Total Office Expenses: YTD is at 82%.

51. Financial Audit: This account includes the costs for the annual financial audit. YTD is trending under budget at 57% due to timing of audit expenses.

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 is trending under budget at 26%.

57. Total Support Services: YTD is at 82%.

61. Shop Supplies & Small Tools: This account includes various shop supply and small tool purchases. YTD is trending under budget at 55%.

62. Vehicle Fuel: This account includes fuel costs for District vehicles. YTD is 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 is trending under budget at 53% due to less maintenance than anticipated.

69. Total Service Tools & Equipment: YTD is at 62%.

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 is over budget due to loan origination fees in October and April relating to the Well 4 loan.

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.

76. Total Non-Operating Expenses: YTD is at 244%.

77. Total Expenses: YTD is at 83%.

As of May 31st, the fiscal year-to-date net income is \$615,381.

Capital Detail:

7. Bonita Vault: This account is for new vault and materials. YTD is trending under budget at 39% due to timing of project completion.

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.

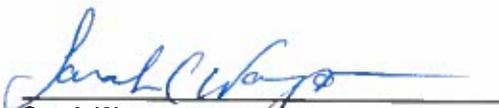
18. Groundwater Well Improvements: Includes the Groundwater Well Improvements project, expected to be 100% grant funded. Cash flow relating to grant receipts to be supported by SGPWA Gap Funding. YTD is trending under budget at 2% due to timing of improvements.

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 5:22 PM on Tuesday, June 18, 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.