



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

## **FINANCE & AUDIT COMMITTEE MEETING**

### **AGENDA**

**Meeting Location:**  
Cabazon Water District Office  
14618 Broadway Street  
Cabazon, California 92230

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

**Meeting Date:**  
Tuesday, April 20, 2021 – 5:00 PM

**CALL TO ORDER,**  
**PLEDGE OF ALLEGIANCE,**  
**ROLL CALL**  
**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

### **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**

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

**Meeting Date:**  
Tuesday, April 20, 2021 – 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 approved by the committee on March 16, 2021
  - b. Regular Board Meeting Minutes and Warrants of March 16, 2021
2. **Warrants – None**
3. **Awards of Contracts – None**

**UPDATES**

1. **Update:** San Gorgonio Pass Regional Water Alliance Update (by Director Morris)
2. **Update:** Manager's Operations Report (by GM Louie)

**NEW BUSINESS**

1. Discussion/Action: Review resumes, discuss, interview, and select a community member for the Board of Directors vacant seat. (by Chairman Lynk & Directors)
2. Discussion/Action: Proposed Fiscal Year Budget, July 1, 2021 through June 30, 2022 – Board to determine whether a Special Meeting is to be convened or assigned to the Financial & Audit Committee to meet with the District's Financial Advisor (Cindy Byerrum) and Management team on 04/27/2021. (by Chairman Lynk & Board)

**OLD BUSINESS**

1. Discussion/Action: General Manager's Performance Evaluation – Personnel Committee to establish a date and time to meet with the GM. (by Chairman Lynk, Dir. Wargo, and GM)

**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. Finance & Audit Workshop – Tuesday – May 18, 2021, 5:00 pm
- b. Regular Board Meeting – Tuesday – May 18, 2021, 6:00 pm
- c. Personnel Committee – TBD (GM PE)
- d. San Geronio Pass Regional Water Alliance – Alliance Meeting – Wednesday, May 26, 2021

**ADJOURNMENT**

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14618 Broadway Street • P.O. Box 297  
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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, March 16, 2021 – 5:00 PM

CALL TO ORDER,  
PLEDGE OF ALLEGIANCE,  
ROLL CALL

**Director Wargo - Present**  
**Director Sanderson - Present**

**Calvin Louie (General Manager) - Present**  
**Evelyn Aguilar, Board Secretary - Present**  
**Cindy Byerrum, Financial Consultant - Absent**

**\*Note: This meeting was recorded by the District – No. The Board Secretary mistakenly did not press record.**

**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 – shows monthly revenue and expenses.
- Profit & Loss Budget Performance – shows how the District is performing against the budget, and the condition of the District fiscal year to date.

**Balance Sheet:**

The District's combined Cash with Chase and LAIF balance was \$1,103,087 at month end.

The District's total liabilities were approximately \$950,955 at month end.

**Profit and Loss: - Year to date is 67% of the year**

4. Commodity Sales: This is variable income from water consumption charges. YTD (Year to Date) is trending above budget at 87% due to higher than anticipated consumption.
9. New Account Fees: This account is the fees to set up a new utility account. These fees are currently at \$20 for residential accounts and \$65 for construction accounts. These fees are hard to predict and can trend under or over budget during the year.
18. Interest Income: This account includes interest earnings in the District's LAIF and other investment accounts. YTD can trend over/under budget due to timing of interest receipts. YTD is trending under budget due to lower than expected interest rates.
27. Office Assistant: The amount of wages for the Temporary Admin Assistant. YTD is trending slightly above target at 80% due to higher usage of temporary labor relating to the departure of the Business Admin Manager.
45. Security: This account includes the expenses for District alarm phones, alarms, and crime prevention. YTD is trending above target at 72% due to installation of perimeter lights in January.
46. Engineering Services: This account includes the engineering costs for District activities. YTD trending over budget due to an unexpected amount of new development and the tank recoating project.
62. Computer Services: This account includes monthly IT support. YTD is trending above target at 75% due to computer upgrades in October and January.
74. Website Support: This account includes monthly web hosting costs. YTD trending below target at 17% due to timing of bills.
81. Vehicle Fuel: This account includes fuel costs for District vehicles. YTD is at 36% due to less fuel purchases than planned and lower fuel prices than anticipated.
83. Safety: This account includes safety equipment purchases. YTD activity is a safety harness purchased in November for \$1.3k.
85. Equipment Rental: This account includes equipment rental expenses incurred by the district. YTD is over budget due to traffic control equipment rentals related to a water line emergency repair in July.
91. DWR Interest Expense: This account includes the interest expense on the DWR loan. YTD is at 52% due to timing of interest payments.

As of February 28th, the fiscal year-to-date net loss is (\$124,832).

**PUBLIC COMMENT**

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**ADJOURNMENT**

Motion to adjourn at 17:12 Hr. made by Director Wargo and 2<sup>nd</sup> by Director Sanderson

Director Wargo - Aye  
Director Sanderson - Aye

Meeting adjourned at 17:12 Hr. on Tuesday, March 16, 2021

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Robert Lynk, Board Chair  
Board of Directors  
Cabazon Water District

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Evelyn Aguilar, Secretary  
Board of Directors  
Cabazon Water District

ADA Compliance Issues

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**REGULAR BOARD MEETING  
MINUTES**

**Meeting Location:**  
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14618 Broadway St.  
Cabazon, CA 92230

**Teleconference:**  
Dial-in #: 978-990-5321  
Access Code: 117188  
Email: [info@cabazonwater.org](mailto:info@cabazonwater.org)

**Meeting Date:**  
Tuesday, March 16, 2021 – 6:00 PM

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**REMEMBRANCE OF OUR SERVICE MEN AND WOMEN**

**ROLL CALL**

Director Martin Sanderson - Present  
Director Diana Morris - Present  
Director Sarah Wargo - Present  
Director Maxine Israel – Present\*  
Director Robert Lynk - Present

Calvin Louie, General Manager - Present  
Evelyn Aguilar, Board Secretary - Present

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

- \*Director Israel joined the teleconference to announce her resignation from the Board.
- Director Lynk asked her to draft a letter of resignation, and send it to the District.
- Director Lynk and the rest of the Board Directors thanked her for her years of service.
- Israel left the call.



- **CONSENT CALENDAR**

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1. **Approval of:**

- a. Finance and Audit Committee Meeting Minutes approved by the committee on February 16, 2021
- b. Regular Board Meeting Minutes of February 16, 2021

- Director Morris pointed out that on the Regular Meeting Minutes, it showed that all Directors voted "Aye" on the approval of the Minutes, when Director Israel was absent.

**Motion to approve following consent calendar items (a.) Finance and Audit Committee Meeting Minutes of February 16, 2021, and (b.) Regular Board Meeting Minutes of February 16, 2021, with the correction of the approval vote, made by Director Morris and 2<sup>nd</sup> by Director Wargo.**

Director Sanderson - Aye  
Director Morris - Aye  
Director Wargo - Aye  
Director Israel - Resigned  
Director Lynk - Aye

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

**UPDATES**

1. **Update:** San Gorgonio Pass Regional Water Alliance Update  
(by Director Morris)

- No updates at the time. The meeting with SGPRWA is March 17.

2. **Update:** Manager's Operations Report (by GM Louie)

- No PSPS during the past month.
- A power outage is scheduled Friday, March 19.
- COVID: No changes to procedures.
- Google Meet: GM Louie and the Business Admin. Assistant (BAA) will learn the features of FreeConferenceCall.Com after the BAA becomes full-time, starting March 22.
- Well #1: A wrench was dropped in the Well shaft. Legend is in the process of removing it. Completion date is still expected to be April 10, 2021. Legend wants to perform a final brush cleaning. GM Louie asked if the Board had any objections to the cost. They did not.

- Tank #1: This project is complete, and is awaiting the activation of Well #1.
- Tank #2, #3, #4 recoating and diving inspection: Costs will be discussed with the District's accounting firm, to determine if services can be fit into next year's fiscal budget.
- Emails from the District's Accounting firm, and Engineering firm were going to Spam. GM Louie is working with the District's IT team to resolve this issue.
- On March 9, there was what appeared to be an attempted theft of a fire hydrant.
- On March 10, theft of water was discovered from a main line. The Riverside Sheriff's Department was notified.
- On February 22, State Resource Water Control Board conducted the biennial sanitary inspection. The District passed, with a couple recommendations.

### NEW BUSINESS

1. Discussion/Action: Tesla Powerpack Battery Proposal (by GM Louie & Legal)

- Tesla proposed to install a backup battery at Well #2, which would power the pump in case of a power shut-off.
- It would be at no charge to the District. Because Cabazon is a lower income community, it would be paid by the State.
- Ryan Glanville from Tesla was present at the meeting, and was able to answer all of the many questions and concerns that the Board had about the battery.
- Director Wargo asked what the California Grid Services is. Mr. Glanville said it's an optional program, but basically Tesla would pay the District annually to use Cabazon's backup battery to power other communities in California if they have an outage. The Board decided to wait on deciding if they would participate in this program.

Motion to approve the Tesla Backup Battery Proposal, with either GM Louie or Director Lynk as signee, made by Director Sanderson and 2<sup>nd</sup> by Director Morris.

Director Sanderson - Aye  
Director Morris - Aye  
Director Wargo - Aye  
Director Israel - Resigned  
Director Lynk - Aye

2. Discussion/Action: Fedak & Brown LLP proposal for audit services (by Board)

- The proposal recommends audit partner rotation. Director Wargo inquired if that meant rotation of audit company, or just or just the individual doing the audit.

- Director Sanderson stated he was pretty certain they just meant the individual, but the rest of the Board wanted clarification before accepting the proposal.

Motion to approve Fedak & Brown LLP's proposal, with clarification that the proposal recommends rotation of audit individual, rather than audit company, made by Director Sanderson and 2<sup>nd</sup> by Director Wargo.

Director Sanderson - Aye  
Director Morris - Aye  
Director Wargo - Aye  
Director Israel - Resigned  
Director Lynk - Aye

A quick break was taken at 19:08 hr. The meeting was resumed at 19:18 hr.

3. Discussion/Action: Donation Request to FreeConferenceCall.com for use of free services during the pandemic (by Director Lynk)

- Director Lynk recommended a monthly donation to FreeConferenceCall.com for use of their services during the pandemic.
- The Board discussed an amount, and agreed on \$15.

Motion to approve a monthly \$15 donation to FreeConferenceCall.Com made by Director Sanderson and 2<sup>nd</sup> by Director Morris.

Director Sanderson - Aye  
Director Morris - Aye  
Director Wargo - Aye  
Director Israel - Resigned  
Director Lynk - Aye

OLD BUSINESS

1. Discussion/Action: Chick-fil-A Development (by GM Louie)

- Update on Cabazon Water District Team engaged in a conference call with Chick-fil-A's (CFA) engineers' Team on Wednesday, 03/10/2021.
- Reimbursement of extending the main pipeline beyond CFA's frontage.
- Board to agree on the percentage, tentative to the estimated cost, and consider whether a credit or reimbursement to CFA's in a manner for CFA to determine.
- On March 10, it was discussed in a conference call that CFA would be more accepting of the extension if the District would reimburse CFA 100% of all costs of main line beyond their frontage.
- GM Louie recommended they agree, as long as the cost is affordable to the District.
- It was brought up that the extension would be beneficial to the community.
- CFA will decide if they want the reimbursement to be a credit towards their bill, or a check.

Motion to approve 100% reimbursement to Chick-Fil-A for all costs of extending the main line beyond Chick-Fil-A's frontage, tentative to the cost, not to extend a fee affordable to the District made by Director Wargo and 2<sup>nd</sup> by Director Morris.

Director Sanderson - Aye  
Director Morris - Aye  
Director Wargo - Aye  
Director Israel - Resigned  
Director Lynk - Aye

**EMERGENCY AGENDA ITEMS**

**DUE TO THE RESIGNATION OF DIRECTOR ISRAEL, TWO (2) EMERGENCY ITEMS WERE ADDED TO THE AGENDA**

**1. Discussion/Action: Appointing New Vice Chair of the Board**

- Director Morris recommended Director Wargo to fill the vacancy of the Vice Chair
- There were no objections.

Motion to Nominate Director Wargo as Vice Chair of the Board made by Director Morris and 2<sup>nd</sup> by Director Sanderson.

Director Sanderson - Aye  
Director Morris - Aye  
Director Wargo - Abstain  
Director Israel - Resigned  
Director Lynk - Aye

**2. Discussion/Action: New Board Vacancy**

- It was discussed that appointing a new Board Director would need to be complete within 90 days, so the process would need to begin right away.
- GM Louie said he would contact the District's Lawyer to ensure when they could begin the process.
- The Board agreed that notices of the vacancy should be sent with the monthly water bills, and posted at the District, the Post Office, on the District's website, and in the local newspaper.
- It was decided that Letters of Intent to join the Board must be sent by April 13, to provide a week before the next Board Meeting, which is April 20.

Motion to Begin process for appointing new Board Director made by Director Morris and 2<sup>nd</sup> by Director Wargo.

Director Sanderson - Aye  
Director Morris - Aye  
Director Wargo - Aye  
Director Israel - Resigned  
Director Lynk - Aye

## 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.
  - Appointment of new Board Director.

### 2. Management Comments

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### 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. Finance & Audit Workshop – Tuesday – April 20, 2021, 5:00 pm
- b. Regular Board Meeting – Tuesday – April 20, 2021, 6:00 pm
- c. Personnel Committee – None
- d. San Gorgonio Pass Regional Water Alliance – Alliance Meeting – Wednesday – March 17, 2021

## ADJOURNMENT

Motion to adjourn at 19:43 hr. made by Director Sanderson and 2<sup>nd</sup> by Director Morris.

Director Sanderson - Aye  
Director Morris - Aye  
Director Wargo - Aye  
Director Israel - Resigned  
Director Lynk - Aye

Meeting adjourned at 19:43 hr. on Tuesday, March 16, 2021

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Robert Lynk, Board Chair  
Board of Directors  
Cabazon Water District

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Evelyn Aguilar, Secretary  
Board of Directors  
Cabazon Water District

ADA Compliance Issues

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**Cabazon Water District**  
**Balance Sheet**  
 March 31, 2021

		<b>Mar 31, 21</b>
<b>1 ASSETS</b>		
2     Current Assets		
3         Checking/Savings		
4	General Bank Account-Chase	\$     119,132
5	Payroll Bank Account-Chase	45,698
6	Trust Account-Chase (Cust. Deposits)	10,632
7	Local Petty Cash	100
8	<b>Total Checking/Savings</b>	<b>175,561</b>
9	Accounts Receivable	207,829
10	LAIF	824,977
11	Bank of NY Trustee Accounts	77,154
12	Prepaid Expenses	37,669
13	Inventory	94,015
14	<b>Total Current Assets</b>	<b>1,431,079</b>
15     Fixed Assets		
16	Total Fixed Assets	13,130,969
17	Accumulated Depreciation	(5,993,048)
18	<b>Net Fixed Assets</b>	<b>7,137,921</b>
19	<b>TOTAL ASSETS</b>	<b>\$     8,569,000</b>
<b>20 LIABILITIES &amp; EQUITY</b>		
21     Liabilities		
22         Current Liabilities		
23	Accounts Payable	\$     168,779
24         Other Current Liabilities		
25	Misc. Short Term Liability	10,000
26	Customer Deposits - Co 1	6,700
27	Customer Deposits - Co 2	6,536
28	<b>Total Customer Deposits</b>	<b>13,236</b>
29	Accrued Vacation Pay	9,437
30	DWR-HS Payable - Current	40,763
31	Current Portion Zion's Bank Loan	82,872
32	Accrued Payroll	11,311
33	Accrued Payroll Taxes	838
34	Accrued Interest	3,647
35	Accrued Expenses	3,000
36	<b>Total Current Liabilities</b>	<b>344,036</b>
37         Long Term Liabilities		
38	DWR-H Loan Payable (2026)	238,187
39	Zion's Bank Long Term (2023)	172,026
40	RCEDA Loan Payable	300,000
41	<b>Total Long Term Liabilities</b>	<b>710,213</b>
42	<b>Total Liabilities</b>	<b>1,054,249</b>
43	Total Equity	7,514,751
44	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$     8,569,000</b>

\*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

July 1, 2020 - March 31, 2021

	Mar-21	Current YTD	FY 20/21 Budget	YTD (75%)
<b>1 REVENUES</b>				
<b>2 OPERATING INCOME</b>				
3 Base Rate - Water Bills	\$ 43,817	\$ 664,064	\$ 939,800	71%
4 Commodity Sales	56,627	342,116	329,700	104%
5 DHPO Contract	12,187	129,415	168,000	77%
6 Fire Sales - Water Bills	261	3,973	5,900	67%
7 Fire Flow Income	285	1,995	-	0%
8 Penalty Fees - Water Bills	250	5,301	31,000	17%
9 New Account Fees - Water Bills	210	1,800	1,600	113%
10 Incident Fees	8,356	10,169	-	0%
11 Returned Check Fees	-	150	500	30%
12 Basic Facilities Fee	9,306	49,458	-	0%
13 Stand By Fees - Tax Revenue	-	77,367	113,600	68%
<b>14 TOTAL OPERATING INCOME</b>	<b>131,299</b>	<b>1,285,808</b>	<b>1,590,100</b>	<b>81%</b>
<b>15 NON-OPERATING INCOME</b>				
16 Property Taxes	59	38,682	60,900	64%
17 Cell Tower Lease Income	2,129	19,160	25,600	75%
18 Miscellaneous Non-Operating Income	422	2,247	7,300	31%
19 Interest Income	-	2,855	19,600	15%
<b>20 TOTAL NON-OPERATING INCOME</b>	<b>2,610</b>	<b>62,945</b>	<b>113,400</b>	<b>56%</b>
<b>21 TOTAL REVENUES</b>	<b>133,908</b>	<b>1,348,753</b>	<b>1,703,500</b>	<b>79%</b>
<b>22 EXPENSES</b>				
<b>23 PAYROLL &amp; BENEFITS</b>				
24 Directors Fees	1,300	8,300	15,000	55%
25 Management & Customer Service				
26 Customer Accounts	6,233	42,277	54,800	77%
27 Business Admin Manager	2,948	58,505	77,700	75%
28 Office Assistant	3,459	9,683	7,800	124%
29 General Manager	10,293	68,623	89,200	77%
<b>30 Total Management &amp; Customer Service</b>	<b>22,934</b>	<b>180,265</b>	<b>229,500</b>	<b>79%</b>
31 Field Workers	13,619	95,606	123,000	78%
32 Employee Benefits Expense				
33 Workers Compensation	103	5,048	6,200	81%
34 Employee Health Care	2,361	61,326	94,800	65%
35 Pension	6,845	51,070	77,400	66%
<b>36 Total Employee Benefits Expense</b>	<b>9,309</b>	<b>117,444</b>	<b>178,400</b>	<b>66%</b>
37 Payroll Taxes	2,967	23,519	33,200	71%
<b>38 TOTAL PAYROLL &amp; BENEFITS</b>	<b>50,128</b>	<b>425,133</b>	<b>579,100</b>	<b>73%</b>

\*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**  
July 1, 2020 - March 31, 2021

		Mar-21	Current YTD	FY 20/21 Budget	YTD (75%)
<b>39</b>	<b>OPERATIONAL EXPENSES</b>				
<b>40</b>	<b>Facilities, Wells, T&amp;D</b>				
<b>41</b>	Lab Fees	170	3,284	8,900	37%
<b>42</b>	Meters	-	1,080	4,800	23%
<b>43</b>	Utilities - Wells	7,343	70,117	96,600	73%
<b>44</b>	Line R&M Materials	129	34,816	72,500	48%
<b>45</b>	Well Maintenance	-	4,436	37,800	12%
<b>46</b>	Security	830	18,766	24,800	76%
<b>47</b>	Engineering Services	9,694	120,531	56,300	214%
<b>48</b>	Facilities, Wells, T&D - Other	60	7,585	12,200	62%
<b>49</b>	<b>Total Facilities, Wells, T&amp;D</b>	<b>18,226</b>	<b>260,615</b>	<b>313,900</b>	<b>83%</b>
<b>50</b>	<b>Utilities - Office</b>				
<b>51</b>	Electricity	846	9,990	15,800	63%
<b>52</b>	Gas	125	615	1,100	56%
<b>53</b>	Telephone	877	7,654	10,200	75%
<b>54</b>	Trash Pickup & Office Cleaning	284	3,676	4,600	80%
<b>55</b>	<b>Total Utilities - Office</b>	<b>2,133</b>	<b>21,936</b>	<b>31,700</b>	<b>69%</b>
<b>56</b>	<b>Office Expenses</b>				
<b>57</b>	Water Billing System	177	1,595	2,100	76%
<b>58</b>	Supplies & Equipment	185	3,718	10,100	37%
<b>59</b>	Copier Lease & Printing Supplies	173	3,122	5,000	62%
<b>60</b>	Dues & Subscriptions	658	1,020	1,300	78%
<b>61</b>	Postage	71	6,500	8,100	80%
<b>62</b>	Printing & Publications	-	292	6,300	5%
<b>63</b>	Computer Services	2,814	30,363	36,800	83%
<b>64</b>	Office Radio	-	210	-	0%
<b>65</b>	Office Storage	1,000	5,000	6,200	81%
<b>66</b>	Air Conditioning Servicing	418	3,762	5,100	74%
<b>67</b>	CA Water Systems Alliance	-	708	2,500	28%
<b>68</b>	Office Expenses - Other	90	226	2,100	11%
<b>69</b>	<b>Total Office Expenses</b>	<b>5,587</b>	<b>56,516</b>	<b>85,600</b>	<b>66%</b>
<b>70</b>	<b>Support Services</b>				
<b>71</b>	Temporary Labor	-	14,748	12,600	117%
<b>72</b>	Financial Audit	676	10,498	23,000	46%
<b>73</b>	Accounting	3,000	27,045	35,000	77%
<b>74</b>	Legal Services	5,170	35,710	71,000	50%
<b>75</b>	Bank/Payroll Service	527	4,103	5,200	79%
<b>76</b>	Website Support	-	150	900	17%
<b>77</b>	General Liability Insurance	2,075	18,673	26,100	72%
<b>78</b>	<b>Total Support Services</b>	<b>11,447</b>	<b>110,927</b>	<b>173,800</b>	<b>64%</b>

\*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**  
July 1, 2020 - March 31, 2021

		Mar-21	Current YTD	FY 20/21 Budget	YTD (75%)
79	Training/Travel	584	2,333	4,500	52%
80	Other Fees/SWRCB	-	6,866	8,900	77%
81	Service Tools & Equipment				
82	Shop Supplies and Small Tools	122	7,955	9,300	86%
83	Vehicle Fuel	850	8,404	16,300	52%
84	Employee Uniforms	-	-	1,800	0%
85	Safety	-	1,290	500	258%
86	Tractor Expenses	1,805	1,805	3,700	49%
87	Equipment Rental	-	4,566	2,000	228%
88	Service Trucks - R&M	1,912	6,301	14,500	43%
89	Water Ops Phone & Internet	301	2,356	4,800	49%
90	Total Service Tools & Equipment	4,990	32,677	52,900	62%
91	<b>NON-OPERATING EXPENSES</b>				
92	Grant & Loan Processing Fee	-	1,325	1,400	95%
93	DWR Interest Expense	-	4,121	7,900	52%
94	DHPO Interest Expense	2,652	5,819	5,800	100%
95	Bad Debt Expense	-	-	1,200	0%
96	Miscellaneous	-	2,114	1,100	192%
97	<b>TOTAL NON-OPERATING EXPENSES</b>	2,652	13,380	17,400	77%
98	<b>TOTAL EXPENSES</b>	95,747	930,383	1,267,800	73%
99	<b>TOTAL INCOME BEFORE CAPITAL &amp; GSA</b>	38,161	418,370	435,700	96%
100	DHPO Capacity Credit	(1,750)	(15,750)	(21,000)	75%
101	<b>CAPITAL PROJECTS</b>				
102	Main Street Improvements (Icehouse Imp.)	(5,561)	(10,396)	(20,000)	52%
103	Meter Replacements & Other Capital	-	(20,399)	(35,000)	58%
104	Well & Tank Repairs	(92,419)	(489,871)	(465,000)	105%
105	<b>TOTAL CAPITAL PROJECTS</b>	(97,981)	(520,665)	(520,000)	100%
106	<b>DEBT - PRINCIPAL</b>				
107	Debt Service Principal - DWR	-	(20,224)	(40,800)	50%
108	Debt Service Principal - DHPO (Zion)	(41,436)	(82,872)	(82,900)	100%
109	<b>TOTAL DEBT - PRINCIPAL</b>	(41,436)	(103,096)	(123,700)	83%
110	<b>SGMA / GSA</b>	-	(6,699)	(35,000)	19%
111	<b>NET INCOME / (LOSS)</b>	<b>\$ (103,006)</b>	<b>\$ (227,841)</b>	<b>\$ (264,000)</b>	<b>86%</b>

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## Manager's Report

### UPDATES

1. Update: **Manager's Operations Report  
(by GM Louie)**

a. **Edison – Public Safety Power Shut-off**

- **The County of Riverside, Emergency Management Department (EMD)**, in coordination with **Southern California Edison (SCE)**, has not issued any *Flash Reports* for a **Public Safety Power Shutdown (PSPS)** predicting the potential to *de-energize* selected Cabazon circuits.

b. **Corona Virus – The District will continue to execute the following actions in regards to COVID-19.**

- **04/14/2021– EOC (Emergency Operations Center)** in coordination with Riverside County Public Health and the District's Management has the following updated COVID-19 information.
- Management continues to take the following preventive and protective measures:

We encourage Board and this Community's Water Team members to reassure any concerned residents and water customers that may have concerns regarding the safety of tap water. The transmission of COVID-19 through tap water is 99.9% untrue. The measured dose of sodium hypochlorite (chlorine) kills most bacteria and viruses.

- ✓ The lobby continues to be **closed** to the public until further direction from the State and County Health officials.
- ✓ Management will continue to protect the health of District employees.
- ✓ Face masks are **required**.
- ✓ A barrier is at the transaction window.
- ✓ Customer Accounts Department will handle checks, money orders, and cash wearing nitrile gloves provided by the District.
- ✓ The current confirmed **COVID-19** cases in the Community of Cabazon is **314, Deaths – 7, and Recovered – 301** as of **04/14/2021** according to the **Riverside County Public Health** website: <https://www.rivcoph.org/coronavirus>

- ✓ This Community's water district will continue to work with water customers that are experiencing hardships in paying their water bills. *There will be an item on a future agenda on resuming penalties & interests.*
- ✓ Management has updated what other local water districts and companies actions in response to COVID-19 as of 04/14/2021:
  - **City of Banning** - City Hall is now open for over-the-counter payments; however, face coverings are required to enter the building. All customers are expected to comply with the social distancing guidelines set in place. As we move forward in the current situation, we strongly encourage customers to use one of our alternative payment methods.
  - **Coachella Valley Water District** – Offices are closed to the public.
  - **Mission Springs Water District** – Hours or services may vary.
  - **South Mesa Water Company** – Hours or services may vary to the public.
  - **Beaumont Cherry Valley Water District** – Offices are closed to the public.
  - **High Valley Water District** – Hours or services may vary to the public.

**c. Progress report on Production Well 1**

- It was discovered that an unknown person had dropped a wrench down the well shaft. Legend was unsuccessful in fishing out this tool. The theory is that the wrench may be lodged at the base of shaft, which is shaped like a dome. The wrench's length is greater than the interior diameter of the pump shaft. This fact will prevent the dropped wrench from being lodged completely vertically.

The magnet used to attempt to remove the wrench is capable of lifting an object weighing up to 2,800 lbs. The General Manager inquired if that estimated strength was more than what the electric water pump is capable of pulling, with concerns of the tool lifting up into the sensitive areas of the shaft, such as the bowls, or blocking the perforation levels of the shaft.

Legend claimed the magnet is more powerful than the pump motors and there is a screen to capture solid objects that may enter the pump shaft before the bowls and perforations.

The District engineer's had an in depth discussion with Legend and are satisfied with Legend's explanation.

- The original date of completion was 04/06/2021, then it was earmarked for 04/10/2021. This project is running slightly behind due to the delay of the delivery of the bowl assembly. Legend attributes this to COVID-19 which is a contributing factor of the manufacturer reduced staff and work schedules.
- The second brushing was performed by Legend the week of April 12-16, 2021.

**d. Progress report on Tank 1**

- This vendor has completed its project and is waiting for Legend to activate the production well #1.

**e. Progress Report - Tesla Powerpack Battery**

District management and engineering is in the process of gathering information and drawings as requested by Tesla engineering and designers.

**f. Results of the 2021 Water System Sanitary Survey**

Mr. Manual Delgado, Sanitary Engineer from the State Resource Water Control Board, Drinking Water Division conducted the biennial sanitary inspection of this Community's water production, storage, and distribution system.

Overall System Appraisal comment, *"Cabazon's management and staff are conscientious and have done a good job of maintaining the water system. Good records are kept of the system's operations. The inspection revealed that the water system is being operated and maintained satisfactorily."*

There were eight (8) recommendations from security, inspection, cross-connection, and new revised Total Coliform Rule imposed by Federal Health Department.

**f. Update on 50100 Main Street – New Water District Material & Equipment Yard**

We are currently working with the County of Riverside's Building & Safety, who claims they have no jurisdiction and have reached out to the County's planning department. The water district has been in contact with Rosalee and Olivas, County of Riverside personnel, as of 04/07/2021.

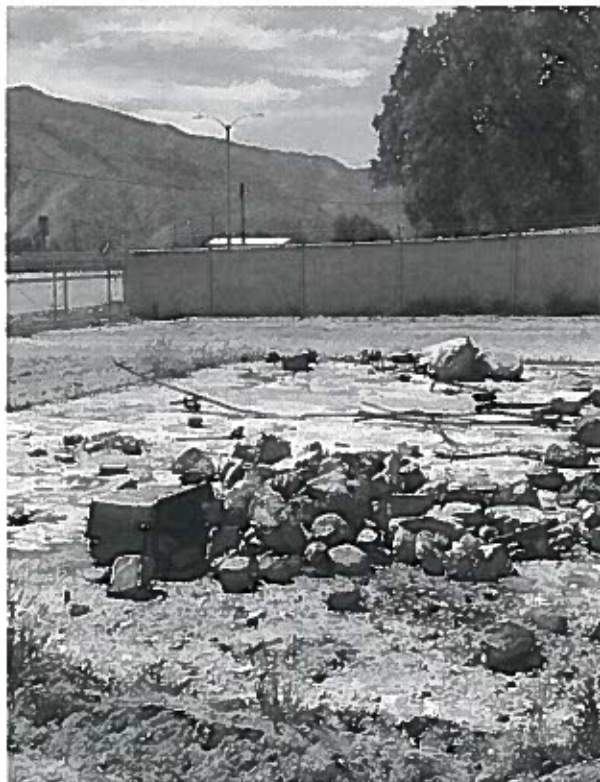
Mr. Olivas did reply with the following later in the day (04/07/2021), *"There may be certain exemptions if land owned by a public utility. The land is currently zoned Mixed Use. Will refer to our Dist. 5 team to better answer."*



Both Conex containers: new one has been delivered, and used one has been relocated.



Proposed storage site for bulk sodium hypochlorite.



Proposed storage site for sand, dirt, and temp.





Old Conex container's parts' bin (left), and work tables (right) disassembled and assembled after being relocated.

### **NEW BUSINESS**

1. **Discussion/Action:** Review resumes, discuss, interview, and select a community member for the Board of Directors vacant seat. (by Chairman Lynk & Directors) [TAB 1]
2. **Discussion/Action:** Proposed Fiscal Year Budget, July 1, 2021 through June 30, 2022 – Board to determine whether a Special Meeting is to be convened or assigned to the Financial & Audit Committee to meet with the District's Financial Advisor (Cindy Byerrum) and Management team on 04/27/2021. (by Chairman Lynk & Board) [TAB 2]

Management has earmarked the new fiscal year budget to be approved by the Board either in May or June 2021.

### **OLD BUSINESS**

1. **Discussion/Action:** General Manager's Performance Evaluation – Personnel Committee to establish a date and time to meet with the GM in the second week of May 2021. (by Chairman Lynk, Dir. Wargo, and GM) [TAB 3]

The General Manager is available at the following dates:

Monday, May 10 (anytime)  
Wednesday, May 12 (afternoon)  
Thursday, May 13 (anytime)

## New Business

### 1. Discussion/Action Item:

[TAB 1]

Review resumes, discuss, interview, and select a community member for the Board of Directors vacant seat.

(by Chairman Lynk & Directors)



**GOVERNMENT CODE - GOV**

**TITLE 1. GENERAL [100. - 7914.]** (*Title 1 enacted by Stats. 1943, Ch. 134.*)

**DIVISION 4. PUBLIC OFFICERS AND EMPLOYEES [1000. - 3599.]** (*Division 4 enacted by Stats. 1943, Ch. 134.*)

**CHAPTER 4. Resignations and Vacancies [1750. - 1782.]** (*Chapter 4 enacted by Stats. 1943, Ch. 134.*)

**ARTICLE 2. Vacancies [1770. - 1782.]** (*Article 2 added by Stats. 1943, Ch. 134.*)

1780. (a) Notwithstanding any other provision of law, a vacancy in any elective office on the governing board of a special district, other than those specified in Section 1781, shall be filled pursuant to this section.

(b) The district shall notify the county elections official of the vacancy no later than 15 days after either the date on which the district board is notified of the vacancy or the effective date of the vacancy, whichever is later.

(c) The remaining members of the district board may fill the vacancy either by appointment pursuant to subdivision (d) or by calling an election pursuant to subdivision (e).

(d) (1) The remaining members of the district board shall make the appointment pursuant to this subdivision within 60 days after either the date on which the district board is notified of the vacancy or the effective date of the vacancy, whichever is later. The district shall post a notice of the vacancy in three or more conspicuous places in the district at least 15 days before the district board makes the appointment. The district shall notify the county elections official of the appointment no later than 15 days after the appointment.

(2) If the vacancy occurs in the first half of a term of office and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold office until the next general district election that is scheduled 130 or more days after the date the district board is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office.

(3) If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office.

(e) (1) In lieu of making an appointment the remaining members of the board may within 60 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, call an election to fill the vacancy.

(2) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the district board calls the election.

(f) (1) If the vacancy is not filled by the district board by appointment, or if the district board has not called for an election within 60 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, then the city council of the city in which the district is wholly located, or if the district is not wholly located within a city, the board of supervisors of the county representing the larger portion of the district area in which the election to fill the vacancy will be

held, may appoint a person to fill the vacancy within 90 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, or the city council or board of supervisors may order the district to call an election to fill the vacancy.

(2) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the city council or board of supervisors calls the election.

(g) (1) If within 90 days of the date the district board is notified of the vacancy or the effective date of the vacancy, whichever is later, the remaining members of the district board or the appropriate board of supervisors or city council have not filled the vacancy and no election has been called for, then the district board shall call an election to fill the vacancy.

(2) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is 130 or more days after the date the district board calls the election.

(h) (1) Notwithstanding any other provision of this section, if the number of remaining members of the district board falls below a quorum, then at the request of the district secretary or a remaining member of the district board, the appropriate board of supervisors or the city council shall promptly appoint a person to fill the vacancy, or may call an election to fill the vacancy.

(2) The board of supervisors or the city council shall only fill enough vacancies by appointment or by election to provide the district board with a quorum.

(3) If the vacancy occurs in the first half of a term of office and at least 130 days prior to the next general district election, the person appointed to fill the vacancy shall hold the office until the next general district election that is scheduled 130 or more days after the date the district board is notified of the vacancy, and thereafter until the person who is elected at that election to fill the vacancy has been qualified. The person elected to fill the vacancy shall hold office for the unexpired balance of the term of office.

(4) If the vacancy occurs in the first half of a term of office, but less than 130 days prior to the next general district election, or if the vacancy occurs in the second half of a term of office, the person appointed to fill the vacancy shall fill the balance of the unexpired term of office.

(5) The election called pursuant to this subdivision shall be held on the next established election date provided in Chapter 1 (commencing with Section 1000) of Division 1 of the Elections Code that is held 130 or more days after the date the city council or board of supervisors calls the election.

*(Amended by Stats. 2007, Ch. 343, Sec. 4. Effective January 1, 2008.)*

## New Business

### 2. Discussion/Action Item:

[TAB 2]

Proposed Fiscal Year Budget, July 1, 2021  
through June 30, 2022

Board to determine whether a Special Meeting is  
to be convened or assigned to the Financial &  
Audit Committee to meet with the District's  
Financial Advisor (Cindy Byerrum) and  
Management team on 04/27/2021.

(by Chairman Lynk & Board)

## New Business

### 3. Discussion/Action Item:

[TAB 3]

General Manager's Performance Evaluation –  
Personnel Committee to establish a date and  
time to meet with the GM.

(by Chairman Lynk, Dir. Wargo, and GM)