



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, March 21, 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 \$1,607,820 at month end. The District's total liabilities were approximately \$1,061,909 at month end.

Profit and Loss: - Year to date (YTD) is 67% of the year

8. Fees & Charges: This account includes penalty fees, fire flow tests, new account fees, incident fees, and returned check fees. YTD is trending over budget at 87% due to more penalty fees than anticipated.
14. Cell Tower Lease Income: This accounts for the monthly lease payment for use of District property for cell towers. YTD is trending over budget at 82% 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 is 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.
19. Total Revenues: This section is at 75% YTD.
27. Total Payroll: This section is at 65% YTD.
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.
37. Facilities, Wells, T&D – Other: This account includes the generator service contract expenses, site landscaping & maintenance, chlorinators, and SCADA. YTD is trending over budget at 96% due to a \$4K payment for Tank #3 altitude valve repairs and \$5.9K payment for Almond Vault preventative maintenance.
41. Water Billing System: This account includes the annual water billing system maintenance costs. YTD is over budget due to billing system subscription paid through year end and price increase for new subscription beginning in May and will remain as such until fiscal year end.
42. Supplies & Equipment: This account includes the supply and equipment purchases for the District office. YTD expenses will vary depending on timing of purchases.
49. Community Water System Alliance: This account includes the monthly membership fees for the Water System Alliance. YTD is at 8% of budget due to the timing of expenses.
53. Financial Audit: This account includes the costs for the annual financial audit. YTD is trending under budget at 36% due to the timing of audit services.
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.
63. Shop Supplies & Small Tools: This account includes various shop supply and small tool purchases. YTD is over budget due to timing of purchases.
64. Vehicle Fuel: This account includes fuel costs for District vehicles. YTD is trending below budget at 30% due to less backhoe fuel purchases and one less truck due to the sale of the 2009 Toyota Tundra.
66. Safety: This account includes safety equipment purchases. YTD is over budget due to a \$1.3K purchase for three eye wash stations in December.
68. Equipment Rental: This account includes equipment rental expenses incurred by the District. YTD is in line with budget.

77. Total Expenses: Total Expenses is at 61% YTD.

As of March 28th, the fiscal year-to-date net income is \$28,011.

Capital Detail:

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

3. 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.

4. Meter Replacement: This account is for the Water Meter Replacement Program. YTD is at 74% of budget.

8. 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. YTD is at 32%.

11. 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 at 1%.

14. Broadway & Main St. Gate Valve: Includes the Broadway & Main Gate Valve, anticipated to be 100% grant funded. YTD is at 10%.

15. T2, T3, & T4 Recoating: Includes Tank Recoating for T1, T2 & T4, anticipated to be 100% grant funded. YTD is at 0%.

The District is awaiting \$398,883 in grant reimbursements for the funded projects as of the month end.

GM Pollack gave a brief summary of his recommendation to obtain a loan from RCAC for the rehab of Well #4 (Item 3 of the regular agenda). He explained that a grant would take too long, and he would like to maintain a balance in the District's reserves.

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 5:27 PM on Tuesday, March 21, 2023.



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.