



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, November 15, 2022 – 5:00 PM

CALL TO ORDER
PLEDGE OF ALLEGIANCE
ROLL CALL

Director Terry Tincher - Present
Director Sarah Wargo - Absent
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

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 and LAIF balance was \$1,453,020 at month end. The District's total liabilities were approximately \$804,072 at month end.

Profit and Loss: - Year to date is 33% of the year

- 5. DHPO Contract: This the variable charge to the Desert Hills Premium Outlets (DHPO), which is segregated until their contract expires in December 2022. YTD is trending over budget at 54% due to higher consumption in the summer months.
- 6. DHPO Capacity Credit: This account includes the contractual credit given to DHPO on a monthly basis. This credit is \$1,750 per month and will expire in December 2022. YTD is at 67% of budget and should end in line with budget by the time the credit expires.
- 13. Property Taxes: This account includes Ad Valorem tax revenues apportioned by Riverside County. Property Tax receipts are mainly received after December 10th and May 10th when property tax payments are due to the County of Riverside Tax Collector's Office.
- 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 trending over budget at 81% due to higher interest collected on customer bills than anticipated and higher interest returns on the BNY Reserve Fund, BNY Repayment Fund and LAIF.
- 29. Lab Fees: This account includes the costs of lab fees & water quality testing. Expenses will vary depending on timing of receipt of bills.
- 32. Line R&M Materials: This account includes the expenses relating to materials for line repair & maintenance. YTD is trending over budget at 60% due to bulk purchases to stock up due to shipping delays.
- 41. Supplies & Equipment: This account includes the supply & equipment purchases for the District office. YTD expenses will vary depending on timing of purchases.
- 43. Dues & Subscriptions: This account includes various annual dues and fees. Expenses will vary depending upon timing of dues renewals.
- 45. Printing & Publications: This account includes the printing & publication costs for any District notices or reports. YTD is trending over budget at 49% of budget due to the timing of stand-by charges meeting notices for FY 22-23.
- 48. CA 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 bills.
- 54. Legal Services: This account includes the costs of legal services for the District. YTD will vary depending upon the timing of legal services needed.
- 56. Website Support: This account includes monthly web hosting costs. The District is paying \$75/month for website hosting services not anticipated in budget that will cause account to be over budget by year-end. YTD is over budget due to the addition of Navigator Search Service.
- 64. Employee Uniforms: This account includes employee uniform purchases and reimbursements. YTD will vary depending on timing of bills received.
- 66. Tractor Expenses/Maintenance: This account includes tractor repair & maintenance expense.
- 67. Equipment Rental: This account includes equipment rental expenses incurred by the district. YTD is at 52% due to \$2.1K paid for traffic control on Bonita and the timing of rentals.
- 69. Water Operations On-Call Phones: This account includes cell phone & interest costs for water operations. YTD will vary depending on timing of bills received. YTD is trending over budget at 45%.
- 72. Loan Interest & Processing Fee: This account includes DWR interest expense, DWR loan processing fees, Ford interest expense, and DHPO interest expense. Payments are made in October and December.
- 79. Debt Service Principal: This account includes principal payment on the DWR debt, Zion debt and vehicle financing. Payments are made in October and December. YTD is trending over budget at 48% due to timing of Zion and DWR loan repayments.

As of October 31st, the fiscal year-to-date net income is \$188,081.

Capital Detail

Lines 2-4 Reserve Funded Capital Projects: Projects to be funded by District reserves.

4. Meter Replacement: This account is for the Water Meter Replacement Program. YTD is at 37% of budget.

Lines 7-16 Reserve Funded Capital Projects: Projects to be funded by grant revenues.

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 SGPWA Gap Funding. Two reimbursement request have been submitted and are awaiting approval.

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. Two reimbursement requests have been submitted. One has been received, the other is awaiting approval.

GM Pollack shared that a spreadsheet containing the Aged Receivables for customers with outstanding balances has been created, and will be tracked each month. All outstanding balances as of the end of October was over \$80,000.

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 5:16 PM on Tuesday, November 15, 2022



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.