



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

Meeting Date:

Tuesday, May 15, 2018 – 5:00 PM

CALL TO ORDER,
PLEDGE OF ALLEGIANCE,
ROLL CALL

Director Wargo - Present
Director Israel - Present

Calvin Louie (General Manager) - Present
Elizabeth Lemus, Board Secretary - Present
Cindy Byerrum, Financial Consultant - 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
 - FY 2017-2018 Budget Review

Balance Sheet:

- The District's combined cash and LAIF balance is about \$733,497. The District's total liabilities are approximately \$1.25 million.

Profit and Loss:

- Line 7 Fire Flow Income: YTD is over budget due to more fees for fire flow services received than were anticipated.
- Line 9 Penalty Fees: These fees are difficult to budget for accuracy due to their unexpected nature.
- Line 11 New Account Fees: These fees are difficult to budget for accuracy due to their unexpected nature.
- Line 80 Temporary Labor: YTD is at 94% due to interview panel services for the new field crew worker position, and preparation of a 2017 consumer confidence report.
- Line 86 Website Support: YTD is at over budget due to an unexpected 3-year website domain renewal.
- Line 97 Equipment Rental: YTD is over budget due to the rental of various traffic control signs for the repairs on Bonita.
- As of April 30th the fiscal year-to-date net loss is \$(31,227).

Detail Budget Narrative

This schedule is the detailed budget for the District and will be used in FY 18/19 to report monthly operating results to the Board.

REVENUES

Operating Revenues

- *Line 3: Base Rate – Water Bills* includes the monthly fixed charges to the District's water customers and is budgeted for a 5% increase per the Rate Study effective in January 2018 billing.
- *Line 4: Commodity Sales* includes only the volumetric charges to the District's water customers. FY 18/19 is budgeted for no increase in consumption with a 5% increase per the Rate study effective in January 2018 billing.
- *Line 9: Penalty Fees – Water Bills* include various penalties charged to customers. These are difficult to predict and are budgeted based on the FY 17/18 projection.
- *Line 14: Basic Facilities Fee (New Service)* are based on the FY 17/18 projection.
- *Line 21: Interest Income* includes interest earned on the District LAIF investment and outstanding water bills. The budget is based on the FY 17/18 projection.
- *Line 33: Field Workers* is budgeted based on the salaries for two current field workers and an additional field worker to be hired.
- *Line 36: Employee Health Care* is the cost of employee health care for the District. The District pays 100% for the General Manager, 80% for office staff, and 80% for field operations employees. The budget is increasing due to a new employee in FY 19, and the business administrative manager receiving family benefits for the full year.
- *Line 50: Line Maintenance & Repair Materials* is consistent with the FY 17/18 budget in allowance for unanticipated repair materials.
- *Line 55: Facilities, Wells, T&D – Other* remains consistent with the prior year budget. Although we are projected to end FY 17/18 well below budget, this leaves room for unexpected occurrences in FY 18/19.
- *Line 65: Supplies & Equipment* is based on the FY 17/18 projection with a 2% increase due to inflation.
- *Line 66: Copier and Supplies* is budgeted per the copier agreement with Ricoh. (12) fixed monthly lease payments of \$237 will be made in FY 18/19, and an additional \$3.2K has been added to the budget for black and white and color copies.
- *Line 91: Shop Supplies & Small Tools* is budgeted for various purchases of equipment and tools for the District.

Capital & GSA

- *Line 113: New Vehicle Purchase* is based on the expectation that the District will acquire a new service truck with service bed in FY 18/19.

- *Line 115: Main Street Property (Icehouse Improvements)* is the estimated cost the District will bear in preparing and improving the Icehouse property for inventory storage.
- *Line 116: Meter Replacements & Other Capital* is an estimated amount the District will spend in replacing water system meters in FY 18/19.
- *Line 120: Debt Service Principal – DWR* is the principal portion of payments made in the loan agreement.
- *Line 121: Debt Service Principal Zion* is the principal portion of payments made in the loan agreement.
- *Line 123: SGMA* is the estimated amount the District will spend on any legal or engineering services necessary to gain compliance with the Sustainable Groundwater Management Act.

2. Finance & Audit Committee District Payables Review and Approval/Signing

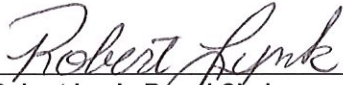
PUBLIC COMMENT

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

Motion to adjourn at 17:21 hr. made by Director Israel and 2nd by Director Wargo.

Meeting adjourned at 17:21 hr. on Tuesday, May 15, 2017



Robert Lynk, Board Chair
Board of Directors
Cabazon Water District



Elizabeth Lemus, 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.