



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

Meeting Date:

Tuesday, April 17, 2018 – 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

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

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

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

Meeting Date:
April 17, 2018 – 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 of March 20, 2018
 - b. Regular Board Meeting Minutes and warrants of March 20, 2018
2. **Warrants – None**
3. **Awards of Contracts – None**

UPDATES

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

PUBLIC COMMENTS

Any person may address the Board of Directors at this time on any matter within the subject matter jurisdiction of the Cabazon Water District that is listed on the agenda under Closed Session; 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))

CLOSED SESSION

(1) CONFERENCE WITH LABOR NEGOTIATORS:

Agency Representatives: (Calvin Louie, Ellie Lemus, Joe Ortiz)

Employee Organization: (SEIU)

OPEN SESSION

Report to the public of action taken by the Board, if any.

OLD BUSINESS

1. Discussion: Sustainable Ground Water Update
(by General Manager Louie)
2. Discussion/Action: Staff report regarding a folding machine to pre-fold monthly water bills before mailing (in an effort to reduce expenses)
(by Director Wargo and Director Israel)
3. Discussion/Action: Staff report regarding waiving interest and penalty charges for customers on a payment arrangement plan due to substantial leaks on their side of the meter.
(by Director Lynk and Director Israel)

NEW BUSINESS

1. Discussion/Action: NBS Proposal to Update User/Regulatory Fees for Water and Services
(by Business Manager Lemus)

PUBLIC COMMENTS

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speaker will be notified that he/she has one (1) minute remaining. AB 1234 ORAL REPORTS (Gov. Code Sec. 53232.3(d))

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 15, 2018, 5:00 pm
- b. Regular Board Meeting – Tuesday – May 15, 2018, 6:00 pm
- c. Personnel Committee – None
- d. San Geronio Pass Regional Water Alliance – Alliance Meeting – April 25, 2018, 5:00 pm

ADJOURNMENT

ADA Compliance Issues

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Cabazon Water District
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

Meeting Date:
Tuesday, March 20, 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 - Absent
Cindy Byerrum, Financial Consultant - Absent

*Note: This meeting was recorded by the District -

FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report
 - Balance Sheet
 - Profit and Loss Budget Comparison

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 and LAIF balance is about \$789,200. The District's total liabilities are approximately \$1.25 million.

Profit and Loss:

- Line 9 Penalty Fees: These fees are difficult to budget for accuracy due to their unexpected nature. YTD is trending at 93%.
- Line 14 Basic Facilities Fee: YTD is over budget due to a new 5/8" service on Main St., an upgrade to 3/4" meter, and two new service 3/4" meters at Almond St. The District also received \$10K for the basic facilities, distribution, and service connection charges for a 3/4" meter.
- Line 54 Engineering Services: YTD is over budget due to an increased amount of State Water meetings due to the Sustainable Groundwater Management Act (SGMA) and Integrated Regional Water Management (IRWM).
- Line 89 Training/Travel: YTD is at 85% due to Water Bootcamp for two field employees and the general manager.
- Line 98 Service Trucks R&M: YTD is at 73% due to brakes, A/C, and other various repairs on the 2009 Toyota Tundra.

As of February 28th the fiscal year-to-date net income is \$79,607.

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

PUBLIC COMMENT

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ADJOURNMENT

Motion to adjourn at 17:12 hr. made by Director Israel and 2nd by Director _____.

***Note: No roll call vote was made, but no objections were voiced by either Board or public to adjourn this meeting.**

Meeting adjourned at 17:12 hr. on Tuesday, March 20, 2017

Robert Lynk, Board Chair
Board of Directors
Cabazon Water District

Elizabeth Lemus, Secretary
Board of Directors
Cabazon Water District

ADA Compliance Issues

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REGULAR BOARD MEETING

MINUTES

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

Meeting Date:
March 20, 2018 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

Director Martin Sanderson - Present
Director Maxine Israel - Present
Director Sarah Wargo - Present
Director Alan Davis - Present
Director Robert Lynk - Present

Calvin Louie, General Manager - Present
Elizabeth Lemus, Board Secretary - Absent
Cindy Byerrum, Financial Consultant - Absent
Steve Anderson, Best Best & Krieger Law Firm - Absent
Joseph Ortiz, Best Best & Krieger Law Firm - Absent

Note: This meeting was recorded by the District – Louie at 1805 hr.

CONSENT CALENDAR

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1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and warrants approved by the committee of February 20, 2018
- b. Regular Board Meeting Minutes and warrants of February 20, 2018

Motion to approve FAC & Regular Board meeting minutes of February 20, 2018 made by Director Israel and 2nd by Director Davis.

**Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye**

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

UPDATES

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

Director Israel reported that the next SGPRWA is scheduled for March 28, 2018, at 1700 hr. in the large conference room at Banning City Hall.

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

1. Business Manager's report. GM read BM's notes.
2. I-10 By-pass comments - GM shared his comments submitted to TLMA.
3. PC 498 – Theft of Utilities (water) – 52199 Maxine Ave. on 03/13/18, at approximately 1145 hr. discovered by Wolny. RSD notified for a crime report. It is suspected that the same perpetrator Zamora at 52198 Date Ave. on 06/06/17. If so, this will be his third conviction. Sgt. Chico stated that Zamora last month pleaded guilty for auto theft. Zamora is currently on probation for the 06/06/17 PC 498 conviction.
4. The Cabazon Water Team is working vigorously to begin abandoning the 10" AC water pipeline that runs underneath the DeLuca property on Main Street. They are currently potholing and experimenting with a gate valve that is located just outside of the Well and Tank #1 (north of I-10 and east of the old Indian Casino). I am supporting them with by monitoring the water flow either personally or remotely (SCADA). The Line Stop and Trench Shoring contractors are ready to go.

OLD BUSINESS

1. Discussion: **Sustainable Ground Water Update
(by General Manager Louie)**

1. Today (03/20/18) the GM attended a regional manager's meeting at SGPWA.

- GM answered the quote is per job and not by the hours. Whether it requires one (1) hour or one (1) week, the quote remains the same. The remainder of the cost are filing and recording fees paid to Riverside County.

Motion to approve the projected quote for the Record of Survey for 50100 Main Street and 14618 Broadway Street made by Director Sanderson and 2nd by Director Davis.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

3. Discussion/Action: Staff report regarding a folding machine to pre-fold monthly water bills before mailing (in an effort to reduce expenses) (by Director Wargo and Director Israel)

1. In the February 2018 monthly water bill sorting, folding, inserting, and postage totaled \$597.89.
2. The breakdown based on 1,141 water bills and informative flyers are sent:

a. Folding @ 0.02 per piece	\$ 22.82
b. Inserting @ 0.03 per piece	\$ 34.23
c. Meter @ 0.015 per piece	\$ 17.12
d. Sort @ 0.001 per piece	\$ 1.14
<i>Sub-total</i>	<u>\$ 75.31</u>
e. Postage @ 0.0458 per piece	<u>\$522.58</u>
Total	\$597.89

3. The folding machine runs \$250 to \$1500, this cost does not include maintenance, cleaning (static eliminator and rubber roll cleaners), staff time, and other unforeseen down time. Management would recommend two (2) folding machines be purchased in the event one goes down as it is critical the water district not only reads the water meter as prescribed by State law and water codes, but have a reliable method of delivery of the water bills.
4. The District's current sorting and mailing vendor have a one day turn around, and has been very reliable.
5. Director Wargo requested that this item be tabled for the April Board Meeting, in order to provide time for her to review invoices. Director Lynk supported her request, and the rest of the Board followed suit (it was a consensus of the Board to table this item).

Tabled to April 17, 2018 Regular Board Meeting

**Motion to approve / _____ made by Director _____
and 2nd by Director _____.**

Director Sanderson - _____ (yes / no / abstain)
Director Israel - _____ (yes / no / abstain)
Director Wargo - _____ (yes / no / abstain)
Director Davis - _____ (yes / no / abstain)
Director Lynk - _____ (yes / no / abstain)

6. Discussion/Action: Staff report regarding waiving interest and penalty charges for customers on a payment arrangement plan due to substantial leaks on their side of the meter.
(by Director Lynk and Director Israel)
- Director Lynk clarified his posture on this matter. He apologized for the miscommunication. Lynk stated he was desirous of eliminating penalties and interest if someone petitioned the Board to forgive their large water bill due to a leak on their side of the water meter.

He continued to explain that it was not his intent to waive all penalties and interest, just for those who suffered a leak and did not catch it prior to running up their water bill or warned by the District's customer accounts department.

- The GM advised he would re-draft a memorandum, review it with Director Lynk prior to having the legal department provide them with their legal opinion. The GM reminded the Board that all water customers are required to be treated the same and provided an example of giving Senior Citizen discounts on the water bill. The Board and management was reminded by the legal department that could be construed as age discrimination and file a complaint or take legal action against the District.

Tabled to April 17, 2018 Regular Board Meeting

Motion to approve / _____ made by Director _____
and 2nd by Director _____.

Director Sanderson - _____ (yes / no / abstain)
Director Israel - _____ (yes / no / abstain)
Director Wargo - _____ (yes / no / abstain)
Director Davis - _____ (yes / no / abstain)
Director Lynk - _____ (yes / no / abstain)

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MISCELLANEOUS

1. Future Board Items/Next Board Meeting Date(s)

- a. Finance & Audit Workshop – Tuesday – April 17, 2018, 5:00 pm
- b. Regular Board Meeting – Tuesday – April 17, 2018, 6:00 pm
- c. Personnel Committee – None
- d. San Gorgonio Pass Regional Water Alliance – Alliance Meeting – March 28, 2018, 5:00 pm

ADJOURNMENT

Motion to adjourn at 18:53 hr. made by Director Lynk and 2nd by Director _____.

*Note: No second was made, but no objections by either Board or public were voiced to adjourn the meeting.

Director Sanderson - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Aye

Meeting adjourned at 18:53 hr. on Tuesday, March 20, 2018

Robert Lynk, Board Chair
Board of Directors
Cabazon Water District

Elizabeth Lemus, Secretary
Board of Directors
Cabazon Water District

ADA Compliance Issues

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Cabazon Water District

Profit & Loss

March 2018

		Mar-18	Current YTD	Budget	YTD %
1	REVENUES				
2	OPERATING INCOME				
3	Base Rate - Water Bills	66,034	536,677	801,200	67%
4	Commodity Sales	14,529	237,738	252,600	94%
5	DHPO Contract	11,133	156,384	193,800	81%
6	Fire Sales - Water Bills	226	1,854	2,200	84%
7	Fire Flow Income	-	300	150	200%
8	Meter Install and Removal	-	-	80	0%
9	Penalty Fees - Water Bills	4,717	36,979	34,600	107%
10	Lien Reinstatement Fees	-	-	1,000	0%
11	New Account Fees - Water Bills	145	1,420	1,500	95%
12	Incident Fee - Water Bills	75	325	140	232%
13	Returned Check Fees	60	480	500	96%
14	Basic Facilities Fee	-	54,096	33,200	163%
15	Stand By Fees - Tax Revenue	-	85,230	113,600	75%
16	TOTAL OPERATING INCOME	96,919	1,111,483	1,434,570	77%
17	NON-OPERATING INCOME				
18	Property Taxes	49	30,541	60,900	50%
19	Cell Tower Lease Income	4,012	18,055	23,100	78%
20	Misc. Non-Operating Income	79	1,553	-	0%
21	Interest Income	389	6,453	7,400	87%
22	TOTAL NON-OPERATING INCOME	4,530	56,603	91,400	62%
23	TOTAL REVENUES	101,449	1,168,086	1,525,970	77%
24	EXPENSES				
25	PAYROLL				
26	Directors Fees	800	9,500	20,000	48%
27	Management & Customer Service				
28	Customer Accounts	3,844	36,024	43,800	82%
29	Business Admin Manager	4,473	44,313	54,200	82%
30	Office Assistant	-	2,465	8,100	30%
31	General Manager	10,390	69,146	84,900	81%
32	Total Management & Customer Service	18,708	151,948	191,000	80%
33	Field Workers	8,279	75,009	85,000	88%
34	Employee Benefits Expense				
35	Workers Comp.	1,355	5,498	14,100	39%
36	Employee Health Care	6,996	58,147	62,300	93%
37	Pension	5,184	44,282	54,200	82%
38	Total Employee Benefits Expense	13,535	107,927	130,600	83%
39	Payroll Taxes	2,252	21,036	27,200	77%
40	TOTAL PAYROLL	43,574	365,421	453,800	81%
41	OPERATIONAL EXPENSES				
42	Facilities, Wells, T&D				
43	Lab Fees	744	4,759	8,000	59%
44	Site Landscaping & Maintenance	179	539	700	77%

Cabazon Water District

Profit & Loss

March 2018

	Mar-18	Current YTD	Budget	YTD %
45 Meters	79	3,772	5,000	75%
46 Generator Service Contractor	-	716	2,400	30%
47 Median Landscape & Maintenance	-	65	-	0%
48 Utilities - Wells	10,026	94,292	117,900	80%
49 SCADA	53	212	4,900	4%
50 Line R&M Contractor	-	-	12,500	0%
51 Line R&M Materials	4,050	29,974	60,000	50%
52 Well Maintenance	357	24,894	36,000	69%
53 Security	2,688	14,330	24,410	59%
54 Engineering Services	2,421	24,679	80,900	31%
55 Chlorinators	-	61	4,180	1%
56 Facilities, Wells, T&D - Other	-	343	10,000	3%
57 Total Facilities, Wells, T&D	20,596	198,635	366,890	54%
58 Utilities - Office				
59 Electricity	899	10,682	15,100	71%
60 Gas	70	392	710	55%
61 Telephone	795	7,083	10,500	67%
62 Trash Pickup & Office Cleaning	358	3,220	4,400	73%
63 Total Utilities - Office	2,122	21,377	30,710	70%
64 Office Expenses				
65 Water Billing System	177	1,595	2,500	64%
66 Supplies & Equipment	1,154	2,645	9,700	27%
67 Copier and Supplies	1,089	4,196	8,100	52%
68 Dues & Subscriptions	583	671	1,700	39%
69 Postage	698	5,418	12,900	42%
70 Printing & Publications	1,285	1,939	6,100	32%
71 Leases & Rents	82	247	300	82%
72 Computer Services	2,637	23,847	36,800	65%
73 Office Radio	-	-	500	0%
74 Office Storage	500	4,500	6,100	74%
75 Air Conditioning Servicing	379	3,411	4,500	76%
76 Fire Alarm System Servicing	-	444	600	74%
77 Office Expenses - Other	61	897	1,300	69%
78 Total Office Expenses	8,646	49,810	91,100	55%
79 Support Services				
80 Temporary Labor	-	6,570	10,000	66%
81 Financial Audit	1,500	8,855	22,100	40%
82 Accounting	1,620	18,611	30,000	62%
83 Legal Services	3,658	40,035	115,100	35%
84 Bank Service Charges	46	560	1,500	37%
85 Payroll Service	273	2,869	5,100	56%
86 Website Support	110	1,290	1,300	99%
87 General Liability Insurance	943	8,486	21,900	39%
88 Total Support Services	8,149	87,277	207,000	42%
89 Training/Travel	435	6,364	7,000	91%

Cabazon Water District

Profit & Loss

March 2018

		Mar-18	Current YTD	Budget	YTD %
90	Other Fees/SWRCB	-	4,940	19,600	25%
91	Service Tools & Equipment				
92	Shop Supplies and Small Tools	-	885	6,100	15%
93	Vehicle Fuel	1,094	9,059	12,200	74%
94	Employee Uniforms	-	730	1,500	49%
95	Safety	-	-	500	0%
96	Tractor Expenses	66	702	5,500	13%
97	Equipment Rental	-	303	1,000	30%
98	Service Trucks - R&M	51	10,628	14,400	74%
99	Water Ops Phone & Internet	85	682	3,600	19%
100	Communications	-	-	3,300	0%
101	Total Service Tools & Equipment	1,296	22,989	48,100	48%
102	NON-OPERATING EXPENSES				
103	Grant & Loan Processing Fee	-	1,325	1,600	83%
104	DWR Interest Expense	-	5,841	11,236	52%
105	DHPO Interest Expense	5,641	11,761	10,802	109%
106	Bad Debt Expense	-	-	1,200	0%
107	Miscellaneous	12	1,334	5,000	27%
108	Prior Year Income / Expense	-	6,768	-	0%
109	Depreciation Expense	22,192	199,725	266,300	75%
110	TOTAL NON-OPERATING EXPENSES	27,845	226,754	296,138	77%
111	TOTAL EXPENSES	112,663	983,568	1,520,338	65%
112	TOTAL INCOME BEFORE CAPITAL & GSA	(11,214)	184,518	5,632	3276%
113	DHPO CAPACITY CREDIT	(1,750)	(15,750)	(21,000)	75%
	CAPITAL PROJECTS				
114	Main Street Improvements (Icehouse Imp.)	-	-	(5,000)	0%
115	Meter Replacements & Other Capital	-	-	(21,888)	0%
116	TOTAL CAPITAL PROJECTS	-	-	(26,888)	0%
117	DEBT - PRINCIPAL				
118	Debt Service Principal - DWR	-	-	(36,261)	0%
119	Debt Service Principal - DHPO (Zion)	(38,471)	(76,943)	(76,943)	100%
120	TOTAL DEBT - PRINCIPAL	(38,471)	(76,943)	(113,203)	68%
121	SGMA / GSA	(3,602)	(65,828)	(60,000)	110%
122	NET INCOME / (LOSS)	(55,037)	25,997	(215,459)	-

No assurance is provided on these financial statements.

The financial statements do not include a statement of cash flows.

Substantially all disclosures required by accounting principles generally accepted in the United States are not included.

Cabazon Water District

Balance Sheet

March 31, 2018

March 2018

1	ASSETS	
2	Current Assets	
3	Checking/Savings	
4	General Bank Account-Chase	127,181
5	Payroll Bank Account-Chase	60,401
6	Trust Account-Chase (Cust. Deposits)	12,585
7	Local Petty Cash	100
8	Total Checking/Savings	<u>200,267</u>
9	Accounts Receivable	183,978
10	LAIF	509,165
11	Bank of NY Trustee Accounts	69,245
12	Prepaid Expenses	34,303
13	Inventory Total	80,359
14	Total Other Current Assets	<u>877,051</u>
15	Total Current Assets	<u>1,081,683</u>
16	Fixed Assets	
17	Construction in Process	
18	CIP Cabazon Outlets Expansion	9,692
19	CIP Super Map	12,470
20	CIP 50100 Main St. Property	69,701
21	Total Construction in Process	<u>91,863</u>
22	Tools and Equipment	123,319
23	Source of Supply	1,532,687
24	Transmission & Distribution	10,173,270
25	Buildings & Structures	12,281
26	Water Treatment	8,800
27	Office Furniture and Equipment	72,691
28	Intangible Plant	11,032
29	Vehicles	106,309
30	Land	689,548
31	Accumulated Depreciation	<u>(5,229,382)</u>
32	Total Fixed Assets	<u>7,592,418</u>
33	TOTAL ASSETS	<u><u>8,674,101</u></u>
34	LIABILITIES & EQUITY	
35	Liabilities	
36	Current Liabilities	
37	Accounts Payable	3,090
38	Other Current Liabilities	
39	Developer Deposits	
40	Dollar General	<u>(142)</u>
41	Developer Deposits	<u>(142)</u>
42	Customer Deposits	
43	Customer Deposits - Co 1	5,450
44	Customer Deposits - Co 2	5,984
45	Total Customer Deposits	<u>11,434</u>

Cabazon Water District

Balance Sheet

March 31, 2018

March 2018

46	Accrued Vacation Pay	10,270
47	DWR-HS Payable - Current	18,809
48	Current Portion Zion's Bank Ln	76,943
49	Accrued Payroll	6,267
50	Accrued Payroll Taxes	456
51	Accrued Interest	5,980
52	Employee Deductions	(66)
53	Total Other Current Liabilities	<u>129,950</u>
54	Total Current Liabilities	<u>133,040</u>
55	Long Term Liabilities	
56	DWR-H Loan Payable (Payoff '26)	356,925
57	Zion's Bank Long Term (2023)	414,615
58	RCEDA Loan Payable	300,000
59	Total Long Term Liabilities	<u>1,071,540</u>
60	Total Liabilities	<u>1,204,581</u>
61	Total Equity	<u>7,469,521</u>
62	TOTAL LIABILITIES & EQUITY	<u>8,674,101</u>



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April 10, 2018

Elizabeth Lemus
Business Administration Manager
Cabazon Water District
14618 Broadway Street
Cabazon, CA 92230

Subject: Proposal to Update User/Regulatory Fees for Water and Services

Dear Ms. Lemus:

NBS would like to thank you for the opportunity to assist in updating user and regulatory fees for the District's Water programs. The District originally retained NBS in 2016 to perform a Water Rate Study and a follow up Capacity Charge Study. NBS completed these services, and the District adopted the resulting water rates and capacity charges in 2017. The District has requested that NBS update other user / regulatory fees. This proposal describes the tasks that NBS will perform in order to complete this scope of work.

User and/or regulatory fees represent cost recovery opportunities entirely within the District's control: revenues, which the Board of Directors may, at its sole discretion upon public hearing, implement and/or modify without further public process or approval. In most cases, the only legal limitation on the establishment of these fees is that they may not exceed the estimated and reasonable costs incurred to provide the service or perform the function for which the fee is charged.

SCOPE OF SERVICES

The goal of this effort is to establish new fees, or update existing fees for service in accordance with the District's roles and responsibilities for plan checking and inspecting new and retrofitted development activities, as well as other types of fees related to water account regulation and monitoring. The Study will identify the full cost of service required for these services and facilitate the development of strategies/policy for recovery of those costs in user/regulatory fees.

NBS will update the Water and Fees and Charges listed below, as included in Exhibit A¹.

- Metered Accounts Set-Up Fee
- Meter Accuracy Testing Fee
- Backflow Testing Charge
- Damage and other Miscellaneous Fees
- Meter Removal or Replacement
- Plan Check, Inspection and Processing Fees
- Delinquent Account Service Charge
- Reconnection Charge
- Door Hanger Fee
- Customer Valve Installation Fee
- Will Service Letter Charge (Fire Flow)
- Returned Check Charge
- Fax or Photo Copy Charges
- Service Connection Charge (Water Connection Fee CA Government Code 66013 (b) (5))

In general, the scope of services includes all fees for service analyzed on a time estimate per activity basis. Taxes, penalties, fines, and fees regulated or set by the State, as well as capacity charges and water rates are not included.

The analysis of fees and charges establishes the estimated and reasonable cost of service for these programs. The Fee Study encompasses the following analytical steps.

Task 1: Fee Structure Design

NBS will interview District staff to gain an understanding of the purpose and use of all existing fee categories, as well as staff's ideas for modifying or enhancing current practice. Applying industry expertise, NBS consultants will recommend and develop revised fee structures (as opposed to amounts). The District will receive a draft of the updated fee structure for review and approval, including one round of revisions to the draft before continuing to subsequent analytical tasks.

Task 2: Data Collection

Assist the District in developing organizational, performance, and time information necessary for justifying each individual fee. Develop necessary data collection materials and track progress and timeline on data submittal activities. Include up to two iterations of the time and service analysis to ensure that the cost of service analysis is defensible and reasonable.

¹ The Water Capital Improvement and Wastewater Capacity Charges will not be addressed in this scope of work, as they are already complete, and were included in the scope of work described in the Fifth Amendment, that was approved on March 23, 2017.

Task 3: Cost of Service Analysis

Define the direct costs of service specifically related to the provision of service embodied by the activities reflected in the fee schedule, and the indirect costs of service for each incurred to support the provision of direct service.

Calculate fully burdened hourly rates. The NBS fee model calculates composite rates for that considering the applicability of productive hours or direct-billed hours as the basis for calculation, depending on the division or function in question.

Establish the full cost of service for each individual activity under review in this study. The full cost of service is the analytically justified maximum amount proposed for recovery from a user/regulatory fee. The draft deliverable for this task is a listing of all fees for service, and a comparison of each current fee amount to the full cost recovery amount established by the Study.

Task 4: Research Regional Fees and Charges

Policy makers often desire a comparison of fee amounts to neighboring jurisdictions. Although an “apples to apples” comparison of cost recovery policy and fee structures between agencies is challenging, presence of a comparison will ensure a smoother implementation process and a sense of the “market” rate for various services. NBS will utilize their industry expertise comparing similar user and regulatory fees in up to five (5) neighboring and comparable communities. A list of communities will be selected and approved by District staff. NBS will download the respective fee schedules from the Internet. If schedules are not available on the Internet, NBS will make a reasonable attempt to contact the agency to obtain a copy of their current fee schedules. NBS will then compile a comparison of the fee categories and amounts, for the most readily comparable fee items that match the District’s existing fee structure. NBS will make a reasonable attempt to contact each comparison agency for clarification regarding fee categories and amounts; however, note that a response is not always received. The District may also provide contact information to individuals known in each agency that may be available to assist NBS in confirming information regarding fee schedules and amounts.

Task 5: Prepare a Technical Memorandum

NBS will prepare a technical memorandum in coordination with District staff that will explain how the fees were developed. The purpose and results of the analysis will be explained in our technical memo, and tables, graphs, and charts will be used as appropriate. The emphasis will be on providing a clear, concise and understandable memo that addresses:

- Findings and recommendations.
- District’s assumptions for labor rates and time involved in providing services.
- Explanation of fee calculations.
- Supporting justification.
- Appropriate figures and tables summarizing key aspects and results of the analysis.

Task 6: Meetings with District Staff

NBS will attend up to two (2) onsite progress meetings with District staff to review initial work products and gain input from staff on the direction of the study, review the assumptions and inputs used in the analysis, and to discuss fee outcomes. We also expect to have regular phone conversations with District staff to discuss how the study is proceeding, solicit input, and prior to any public meeting to review and

discuss the study's results and work products.

Task 7: Presentation at a Public Meeting

NBS will provide one (1) public presentation, to review and discuss the findings and recommendations made in our analysis, and to support the fee adoption process. This meeting can be formatted as a study session, or at a regular Board of Directors meeting, and will be scheduled as requested by District Staff.

PROJECT TEAM

The following provides an overview of NBS professional staff assigned to this project, as well as their roles and responsibilities.

Full-length resumes for the key project team staff as well as client reference information are available upon request.

NICOLE KISSAM, DIRECTOR

Roles and Responsibilities: Nicole Kissam will direct the work efforts of the project team. She will monitor the schedule and delivery of work products to the District's satisfaction, design and direct analytical efforts, and provide senior-level technical analysis as warranted.

Work Experience: Ms. Kissam is a Director with NBS in the Financial Consulting Group. She has 15 years total work experience in public sector consulting, city government, marketing, and public relations. Nicole has been a financial and management consultant to local government for the majority of her career, specializing in Full and OMB A-87 compliant cost allocation plans, user and regulatory fee analysis, impact fee analysis, financial plans, and operational improvement strategy for California agencies. Nicole holds a Bachelor of Science in Business Administration from California Polytechnic State University in San Luis Obispo. Ms. Kissam has completed similar projects as requested by the District for many agencies across California.

GREG HENRY, RATE CONSULTANT

Role and Responsibilities: Under the direction of the project manager, Greg Henry will support the project team in developing the capacity charge model and will assist as needed with completion of any key aspects of the project's Task Plan, including but not limited to timeline management, draft reviews and documentation efforts.

Work Experience: Greg Henry offers six years of experience in financial analyses, budgeting, drought planning, rate analyses and information technology. He spent three years of this time working directly with a California municipality, focused on enterprise fund management and has extensive experience with financial and statistical analyses and modeling. In addition to his technical skills, Greg's background as a math professor honed his ability to dissect and present complex information, which is an asset to the project team in presenting complex technical information in an easy to understand format for elected officials and the public. Greg obtained a Bachelor of Arts degree in Mathematics from Mississippi State University and a Master's of Science degree in Mathematics from the University of Houston.

KEVIN GARDENER, FINANCIAL ANALYST

Roles and Responsibilities: Kevin Gardener will perform large-scale data analysis and validation, design and implement cost allocation models, and prepare technical outcomes at the direction of the Project Manager. As needed, they will also facilitate data collection and reminders to staff in order to keep projects moving along the agreed upon timeline for completion.

Work Experience: All NBS Financial Analysts have a minimum Bachelors-level degree in Business, Finance, or Economics and between one to three years of professional work experience with NBS or in a related field.

KIM BOEHLER, CLIENT SERVICES DIRECTOR

Kim Boehler will ensure NBS’ study team delivers the high quality work products and service standards that differentiate NBS from other firms. Kim Boehler is a Director with NBS and has worked with the District on the water rate and capacity charge studies.

FEES

Based on NBS’ understanding of the work requested, the table below provides a breakdown of the estimated number of hours and project budget associated with each task.

Estimate of Consultant Hours by Task

User/Regulatory Fee Study Tasks	Consultant Labor (Hours)			Grand Totals	
	Project Director (Kissam)	Rate Consultant (Henry)	Financial Analyst (Gardener)	Total Consultant Labor (Hrs.)	Total Consultant Costs (\$)
<i>Hourly Rates</i>	<i>\$200</i>	<i>\$170</i>	<i>\$170</i>		
Task 1 - Fee Structure Design	8.0	2.0	2.0	12.0	\$ 2,220
Task 2 - Data Collection	8.0	6.0	6.0	20.0	3,380
Task 3 - Cost of Service Analysis	8.0	4.0	4.0	16.0	2,800
Task 4 - Research Regional Fees and Charges	2.0	0.0	12.0	14.0	1,850
Task 5 - Prepare a Technical Memorandum	12.0	0.0	2.0	14.0	2,700
Task 6 - Meetings with District Staff	8.0	6.0	0.0	14.0	2,660
Task 7 - Presentation and at Public Meeting	8.0	2.0	0.0	10.0	1,980
Task Totals	54.0	20.0	26.0	100.0	\$ 17,590
Reimbursable Expenses (<i>Travel Expenses</i>)					\$ 250
GRAND TOTAL NOT TO EXCEED	54.0	20.0	26.0	100.0	\$ 17,840

All services assume the following labor rates, and will apply toward the project budget accordingly:

Title	Hourly Rate
Director	\$205
Consultant	170
Analyst	120

Terms

At no time will we invoice for charges in excess of the fee to which the District and NBS mutually agree. Should the District specifically request additional services beyond those described in this document, we will discuss those requests and associated costs at that later time and only invoice for additional fees upon separate written authorization from the District. NBS proposes to invoice the District on a monthly basis, following recorded consultant time on the project, paralleling our completion of the work. If payment is not received within 90 days, simple interest will begin to accrue at the rate of 1.5% per month. Either party can cancel contracts with 30 day's written notice.

District's Responsibilities

The District shall furnish NBS with any pertinent information that is available to the District and applicable to the Services. The District shall designate a person to act with authority on its behalf in respect to the Services. The District shall promptly respond to NBS' requests for reviews and approvals of its work, and to its requests for decisions related to the Services. The District shall notify NBS of the occurrence of any events listed in the Continuing Disclosure Certificate. District understands and agrees that NBS is entitled to rely on all information, data and documents (collectively, "Information") supplied to NBS by District or any of its agents, contractors or proxies or obtained by NBS from other usual and customary sources including other government sources or proxies as being accurate and correct and NBS will have no obligation to confirm that such Information is correct and that NBS will have no liability to District or any third party if such Information is not correct.

Please feel free to contact the proposed Project Director, Nicole Kissam (800-676-7516; nkissam@nbsgov.com) if you have any questions or need further information.

Best regards,



Nicole Kissam

Director, NBS Financial Consulting Group

EXHIBIT A
FEE SCHEDULE



CABAZON WATER DISTRICT
 2016-2017 Fiscal Year Budget
FEES AND CHARGES

METERED ACCOUNT SET-UP FEE:

Twenty dollars (\$20.00) for each metered account. This is a non-refundable fee.

METER ACCURACY TESTING FEE:

The cost for customer requested Meter Accuracy Testing shall be seventy-five dollars (\$75.00) for each water meter two-inches (2") or smaller. Larger meters tested shall be cost plus fifteen percent (15%). All customers requesting testing will also be charged a minimum one (1) hour labor charge of sixty-five dollars (\$65.00) and twenty-five dollars (\$25) shipping and handling charge. These charges will apply when the meter tested is within specifications. If the meter does not meet current specifications, there will be no charge for testing, labor, or shipping and handling.

BACKFLOW TESTING CHARGE:

Fifty dollars (\$50.00) Administrative Fee for field inspections and tracking the annual required testing of all backflow prevention devices.

Pursuant to Ordinance No. 23, Article 9.

CABAZON WATER SYSTEM DAMAGE FEES AND OTHER MISCELLANEOUS FEES:

The following fees are subject to be charged for damage done to the District's water distribution system due to accidents/actions of any property owner or their representative during normal business hours of 8:30AM to 4:30PM. This includes damages to meters, curb stops, District facilities or equipment, and any other emergency calls determined not to be the responsibility of the District. If the incident occurs during non-business hours or weekends and holidays, the minimum charge will be three (3) hours for both labor and equipment. A sixty-five dollar (\$65.00) per incident, plus an hourly rate of sixty-five (\$65.00) per man during non-business hours/week nights between 4:30PM to 10:00 PM, and one-hundred-thirty dollars (\$130.00) per hour, per man, during the late week nights/weekends/holidays. 10:01PM to 8:30AM the following day are considered as late week nights. Weekends and Holidays include the entire twenty-four (24) hours of that day.

	Normal Business Hours	After Normal Business Hours
Service Truck: \$65 per hour	One (1) hour minimum	Three (3) hours minimum
Backhoe: \$95 per hour	One (1) hour minimum	Three (3) hours minimum
Trash Pump: \$25 per hour	One (1) hour minimum	Three (3) hours minimum

SPECIAL EQUIPMENT:

Cost plus fifteen percent (15%); all hourly rates will be charged at its prescribed minimum as stipulated in this section, and other applicable sections of the Budget, and within any other portion of the District's Ordinances.

METERS REMOVED OR REPLACED:

5/8" to 2" \$65.00 plus parts based on one (1) hour. Over one (1) hours will be prorated.
Over 2" and Larger \$80.00 plus T&M

Pursuant to Ordinance No. 23, Article 9.

PLAN CHECK, INSPECTIONS, AND PROCESSING FEES:

For multi-tenant, housing tracts, commercial, industrial, and manufacturing facilities (anything other than a single family dwelling), the initiation (administrative cost) of the Plan Check and Processing Fee shall be two-hundred twenty-five dollars (\$225.00) per project. This fee covers only the administrative process of initiating the process for the Developer's proposed project. A Fee Based Deposit of five-thousand dollars (\$5,000) for potable water and five-thousand (\$5,000) for wastewater will be collected. The Developer will be required to adhere to the standards and procedures as predetermined in the District's Water System Requirements. A copy of the requirements and Developers request for water service application is fifty dollars (\$50.00).

Pursuant to Ordinance No. 23, Article 9.

DELINQUENT ACCOUNT SERVICE CHARGE:

Accounts not paid on or before the date which they become delinquent shall be subject to a one-time penalty charge of fifteen percent (15%) and a service charge of one and a half percent (1 ½%) per month on the unpaid balance.

Pursuant to Ordinance No. 23, Article 10.1.

RECONNECTION CHARGE: (For delinquent accounts that have been disconnected, or for meters that have been pulled per the owner's request)

\$ 65.00	Service reactivated during normal business hours.
\$195.00	Service reactivated during non-business hours/week nights between 4:30PM to 10:00PM.
\$390.00	Service reactive during late week nights/weekends/holidays. Late week nights 10:01PM to 8:30AM the following day. Weekends and Holidays include the entire twenty-four (24) hours of that day.

DOOR HANGER FEE:

Ten dollars (\$10.00) for each Yellow and Red Tag Warning Notice delivered.

Pursuant to Ordinance No. 23.

PRIVATE FIRE SERVICE:

The monthly cost for Private Fire Service is as follows:

4" (four inch)	\$ 46.23
6" (six inch)	\$ 98.11
8" (eight inch)	\$108.00
10" (ten inch)	\$120.00
12" (twelve inch)	\$144.00

OTHER ITEMIZED CHARGES

CUSTOMER VALVE INSTALLATION FEE:

Sixty-five dollars (\$65.00) minimum charge per hour, plus materials.

Pursuant to Ordinance No. 20A-1990, Article 4, Section 4.5.1, and pursuant to Ordinance No. 22, Article 9, Section 9.1.5.

WILL SERVICE LETTER CHARGE (Fire Flow):

\$150.00	Fire Flow charge.
\$ 30.00	Administrative fee for each additional Will Serve Letter/Fire Flow if parcels are located on the same street and within the prescribed distance of the hydrants being tested.
\$ 35.00	Re-test fee; by customer request.
\$ 65.00	Report of Site/Parcel inspection to determine existing or potential water service.

RETURNED CHECK CHARGE:

A thirty-dollar (\$30.00) charge for all returned checks to the District due to non-sufficient funds (NSF) will be charged for each check and each occasion it is returned. At the discretion of the District's Customer Accounts Department (CAD), customers that provide habitual NSF checks may be placed on a one (1) year probationary period of cash/cashier's check/money order only status, or, by way of memorandum from the CAD and with the approval of the Administrative Assistant or Manager, a customer may be placed on permanent cash/cashier's check/money order only status.

FAX OR PHOTO COPY CHARGES:

Twenty-five cents (\$0.25) per sheet sent or received, up to ten (10) sheets maximum.

Ten cents (\$0.10) per District Form 700 copies (per Article...)

Twenty cents (\$0.20) per copy of any other document per customer/Public Records Act request.

BASIC FACILITY, DISTRIBUTION SYSTEM, AND SERVICE CONNECTION INSTALLATION CHARGES:

Meter Size (Inches)	Basic Facilities Charge (\$)	Distribution System Charge (\$)	Service Connection Charge (\$)	Total Charges (\$)
5/8 x 3/4	\$ 3,650	\$ 3,200	\$ 1,170	\$ 8,020
3/4	\$ 5,450	\$ 3,200	\$ 1,180	\$ 9,830
1	\$ 9,050	\$ 3,200	\$ 1,240	\$13,490
1-1/2	\$18,150	\$ 3,200	\$ 1,900	\$23,250
2	\$29,000	\$ 3,200	\$ 2,000	\$34,200

Pursuant to Ordinance 22, Article 9, Section 9.1.3, 9.1.4, 9.1.6, and Ordinance 23, adopted August 17, 2004.

SERVICE RELOCATION CHARGES:

Pursuant to Ordinance 22, Article 9, Section 9.3

SERVICE REMOVAL CHARGES:

Pursuant to Ordinance 22, Article 9, Section 9.4

CHARGE IN METER SIZES (installation of a larger meter):

Pursuant to Ordinance 22, Article 9, Section 9.5

BACKFLOW PROTECTION DEVICES:

Any backflow prevention device required by the District's Rules and Regulations shall be of a model and size approved by the District and shall be installed by the Customer at the Customer's expense. If the District is required to install a backflow prevention device for the Customer, the Customer will be responsible for the actual cost of the installation plus 15% for the District overhead expenses...

Pursuant to Ordinance 22, Article 9, Section 9.15.3, and Article 15, Section 15.5.

Inspections and tests shall be carried out at the expense of the Customer in accordance with Ordinance 22, Article 9.15.03...

Pursuant to Ordinance 22, Article 9, Section 9.15.3, and Article 15, Section 15.6.

INCIDENT FEES

\$ 75.00	Incident Fee regarding tampering with water meter, unlawful water connection, water theft, etc. during regular business hours
\$250.00	Incident Fee regarding tampering with water meter, unlawful water connection, water theft, etc. during non-business hours

LIEN FEES

\$100 Lien processing fee applied to long-delinquent accounts in which a lien is placed due to non-payment.

CONSTRUCTION METER / HYDRANT METER CHARGES:

Refundable Deposit for Construction/Hydrant Meters	\$1,600.00
Monthly Meter Service Charge	\$ 286.73
One-time Account Set-Up Fee	\$ 65.00
Water Quantitative Charge	\$ 2.75* *per hundred cubic feet of usage
Meter Recalibration Fee	\$ 200.00

Pursuant to Ordinance No. 22

LOAD COUNT CHARGE:

The Load Count Charge may be available if construction meters are not available or if there is a short-term usage (3 days or less). Other charges are as follows (Loads are not available during non-business hours, weekends, and holidays, unless prior arrangements are made with the General Manager. All non-business hours, weekend, or holiday charges will apply in addition to the Load Count Charge schedule):

Refundable Construction/Hydrant Meter Deposit	\$1,500.00
Monthly Meter Service Charge	\$ 148.35
One-time Account Set-Up Fee	\$ 65.00
Water Quantitative Charge (minimum of 500 gallon charge on the first load)	\$ 0.10* *per gallon of usage
Required District Employee Supervision (regular business hours)	\$ 65.00* *per hour; min. of one (1) hour charge
Required District Employee Supervision (non-business, weekend, or holiday hours)	\$ 65.00* *per hour; min. of three (3) hours charge

Note: Load-count cards are to be turned into the District at the end of each day. The District will determine the location of the connection and will maintain periodic inspections of the operation. The water truck shall have proper back-flow devices or air gap, and shall be inspected by the District prior to connection. The contractor/customer shall provide information to the District for formal application prior to any construction water used.

Pursuant to Ordinance No. 23, Article 9.



MEMORANDUM

DATE: February 26, 2018
TO: The Cabazon Water District Board of Directors
FROM: Ellie Lemus, Board Secretary
SUBJ: Staff Report Regarding a Letter Folder for Monthly Bills
cc:

Preface: During the February 20, 2018 Regular Board Meeting, Director Wargo inquired what the expense would be for the District to purchase a letter folding machine to pre-fold monthly water bills before sending them to the Presort and Mailing center for distribution.

The District has approximately 1,140 monthly invoices that need to be double folded and stuffed into an envelope with a remittance envelope. Inland Presort & Mailing Services (IPM), the vendor that the District uses to fold, stuff, and mail the monthly invoices, charges \$0.02 per bill to fold, \$0.03 per bill to insert the invoice and remittance envelope into the billing envelope, \$0.015 per bill to meter, and \$0.001 per bill to sort/mail. This comes out to approximately \$75.31 per month. The remainder of the IPM invoice is strictly for postage. Below is a table depicting the expenses (please note; the February 1, 2018 IPM invoice was used for this memo, since the March 1, 2018 invoice had not yet been generated).

Service	Pieces Processed	Rate (\$)	Rate Total (\$)
Fold – 2 folds	1,141	\$0.02 per piece	\$22.82
Insert – 3 (remit., bill, envelope)	1,141	\$0.03 per piece	\$34.23
Meter	1,141	\$0.015 per piece	\$17.12
Sort – Mail	1,141	\$0.001 per piece	\$1.14
Postage	1,141	\$0.458 per piece	\$522.58
Total			\$597.89

In summary, the District spends approximately \$22.82 per month to have IPM fold the 1,141 monthly bills. They are responsible for maintaining their equipment, and ensuring

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that the bills fold correctly (if the folds are off, the mailing addresses will not align with the envelope window).

If the District were to purchase a letter folder, the District staff would be responsible for maintenance, paper feeding, paper jam repair, and ensuring the fold setting is accurately placed. There may be some difficulty should the folds be off (the District staff would not be responsible for stuffing envelopes), or should paper jams ensue. There may also be a delay in mailing out the monthly bills should there be a mechanical issue that is not easily resolved.

A Letter Folder Machine can range anywhere from approximately \$250 to \$1,500. For a machine that is designed to handle medium to high volume folding, the cost would be approximately \$1,124 to purchase. If the District were to purchase a machine, District staff would still be responsible for maintenance and operation. There would also be additional expenses relating to cleaning/maintenance supplies (e.g. static eliminator, at \$23.50 per bottle, and rubber roll cleaner, at \$17.50 per bottle). A slight increase in staff time would also be necessary, although I do not believe it would be extensive.

Also, it should be kept in mind that it would take approximately 4 ½ years before the District would "break even" in purchasing a machine, vs. continuing with IPM's folding services. After 4 ½ years, the machine may or may not be in excellent working order.

District Management's recommendation would be to continue using IPM's folding services. Not only would it relieve the District staff's liability in ensuring that bills are folded correctly and sent out within one day (which could be difficult if there was an equipment failure), but the cost is extremely minimal, and worth its weight in comparison to taking on a potential liability.

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