



Cabazon Water District
14-618 Broadway Street • P.O. Box 297
Cabazon, California 92230

FINANCE & AUDIT COMMITTEE MEETING

Minutes

Meeting Location:
Cabazon Water District Office
14-618 Broadway Street
Cabazon, California 92230

Meeting Date:
January 26, 2015 – 3:45 PM

CALL TO ORDER,
PLEDGE OF ALLEGIANCE,
ROLL CALL

Director Sanderson - Present
Director Mariner - Present

Calvin Louie (General Manager) - Present
Elizabeth Lemus, Board Secretary - Present
Linda Halley, Financial Consultant - Present

***Note: This meeting was recorded by the District.**

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))

FINANCE & AUDIT COMMITTEE

1. Discussion: Finance & Audit Committee Report
 - Balance Sheet
 - Profit and Loss Two Month
 - Profit and Loss Budget Comparison
- ↓ The District looks at three basic reports each month to get a high level overview of the financial position of the District.
- ↓ These Financial Statements are not Compiled, Reviewed, or Audited, but are created by the contract accountant in her position as Financial Controller of the District.
- ↓ The District has an independent financial audit each year. The District's year ends on June 30.
- ↓ The three reports the District reviews are the Balance Sheet, the Profit and Loss Two Months, and the Profit and Loss Budget Performance.
- ↓ The Balance Sheet shows what the District owns and what the District Owes.
- ↓ The Profit and Loss Two Months shows whether the District is consistent month to month with revenue and expenses.
- ↓ The Profit and Loss Budget Performance shows how the District is doing against the budget, and how the District is doing fiscal year to date.

The first reports is the Balance Sheet.

- Total Checking/Savings is down below \$100k. The next large deposits the District anticipates are the Stand By Fees and Property taxes in January. That should be about \$100k.
- Account 11999 Accounts Receivable - Special Invoices, reflects the invoice the District has sent to DHPO to reimburse costs. The District is working with the attorneys on this. DHPO has offered to pay less than the entire amount; the District would like to be reimbursed for all of it. The GM is working with the attorneys to resolve this.
- Account - 10234 - LAIF -While still not high enough to support the District in a water crisis, this balance is higher than at any point since August 2010.
- Near the bottom of the report the District now shows reserves for various projects. The Almond Vault repair and refurbishment is anticipated to cost \$100k. The District has spent about \$50k to date, so the reserve is now \$50k.

- These are the only items of note on the Balance Sheet.

✚ The Profit and Loss two month shows that

- Account 30010 Base Rate - Water Bills - is a bit lower in December than November. This is consistent with the cooler and wetter weather.
- Total 51000 - Payroll All Expenses is substantially higher in December than November. This is because the District has a bi-weekly payroll and there were three pay dates that fell in December.
- Account 55180 Materials and Line Maintenance repair contractor shows an abnormally low amount in December. There are most likely invoices for December that the District has not yet received.
- Account 57080 - Computer Services- is quite high in December. This is because it is the District's last month for Hudec and its first month with Computer Gallery (a transition of computer providers).
- Account 57530 - Legal Services - Continue to be high. The costs relate Board meeting issues- revising board policy for civility, website and lease items, water rights issues, employee contract issues.
- Account 59560 - Vehicle Maintenance - is high this month -the starter on the '09 Tundra needed replacement.
- The District ended the month with a preliminary net income of \$2400.

✚ The Profit & Loss Budget Performance has five columns. The first shows the actual income and expenses for the month. The second column shows the Budget for the month just ended. The middle column shows the year to date actual figures. The fourth column shows the Year to Date Budget. The last column shows the annual budget.

- Account 30010 Base Rate - Water Bills – The District is right where it anticipated it would be for the month, and a bit over year to date due to construction usage.
- Total 51000 Payroll All Expenses is over budget for the month due to the third payroll, and a bit over budget year to date due to timing of the three-payroll month.
- Account 55175 Materials and Line Maintenance Contractor is under budget year to date, but the District anticipates receiving some invoices for work in December.

- 57575 Temporary Labor had no budget this year, but almost \$3k in expenditures. This relates to support for scanning the customer files to retain them electronically.
- 55190 Well Maintenance is substantially over the entire year budget due to the November purchase of the Octave meter and pulse module for \$11k.
- 57530 Legal Service expenses are now higher than the entire year's budget for them.
- Preliminary figures show the District with a year to date loss of \$52k. We budgeted for a net loss of \$52k at this point.

ADJOURNMENT

Motion to adjourn at 15:58 hr. made by Director Mariner and 2nd by Director Sanderson

Director Mariner - Aye
Director Sanderson - Aye

Meeting adjourned at 15:58 hr. on January 26, 2015.



Kerri Mariner, President
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.