



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, July 18, 2017 – 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:
July 18, 2017 – 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 June 20, 2017
- b. Regular Board Meeting Minutes and warrants of June 20, 2017

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 LEGAL COUNSEL – General Manager's Annual Performance Review
- (2) CONFERENCE WITH LEGAL COUNSEL – Potential Litigation vs. Cabazon Water District and General Manager

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 & Steve Anderson)
2. Discussion/Action: Approval of contract to review District Capacity and Miscellaneous Fees.

NEW BUSINESS

1. Discussion/Action: Consider Approval of Request from Dollar General to abandon water line easement and authorize General Manager Louie to negotiate terms
2. Discussion/Action: Selection of a date and time to hold a Special Board Meeting in order to review/approve RESOLUTION 02-2017: Fixing water standby assessments for Fiscal Year 2017-2018.

PUBLIC COMMENTS

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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))

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 – August 15, 2017, 5:00 pm
- b. Regular Board Meeting – Tuesday – August 15, 2017, 6:00 pm
- c. Personnel Committee – None
- d. San Gorgonio Pass Regional Water Alliance – Alliance Meeting - Wednesday – July 26, 2017 - 5:00 PM to 7:00 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, June 20, 2017 – 5:00 PM

CALL TO ORDER,
PLEDGE OF ALLEGIANCE,
ROLL CALL at 17:02 hr.

Director Bui – Absent during Roll Call, but arrived at 17:05 hr.
Director Israel - Present

Calvin Louie (General Manager) - Present
Elizabeth Lemus, Board Secretary - Present
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

Balance Sheet:

- The District's combined cash and LAIF balance is about \$554,000. The District's total liabilities are approximately \$1.23 million.

Profit and Loss:

- Line 11 Basic Facilities Fee: The District received fees for the new service at Aloma Drive (\$8K) as well as two new services at Riza (\$9K per service).

- Line 51 Well Maintenance: YTD is over budget due to repairs on Well 2.

As of May 31st the fiscal year to date net loss is 94.5K, which is only 21% of the loss that is budgeted.

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

PUBLIC COMMENT

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ADJOURNMENT

Meeting adjourned at 17:07 hr. on June 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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Cabazon Water District
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**REGULAR BOARD MEETING
MINUTES**

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

Meeting Date:
June 20, 2017 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

Director Teresa Bui - Present
Director Maxine Israel - Present
Director Sarah Wargo - Present
Director Alan Davis - Present
Director Robert Lynk - Absent

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

Note: This meeting was recorded by the District -

CONSENT CALENDAR

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1. Approval of:

- a. Reapprove Modified Finance and Audit Committee Meeting Minutes and warrants approved by the committee of April 18, 2017
- b. Finance and Audit Committee Meeting Minutes and warrants approved by the committee of May 16, 2017
- c. Regular Board Meeting Minutes and warrants of May 16, 2017

Motion to approve consent calendar item(s) a.) Reapprove Modified Finance and Audit Committee Meeting Minutes and warrants approved by the committee of April 18, 2017, b.) Finance and Audit Committee Meeting Minutes and warrants approved by the committee of May 16, 2017, and c.) Regular Board Meeting Minutes and warrants of May 16, 2017 made by Director Bui and 2nd by Director Wargo.

Director Bui - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Absent

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)

OLD BUSINESS

1. Discussion: Sustainable Ground Water Update
(by General Manager Louie & Steve Anderson)
2. Discussion/Action: Request for Waiver of Connection Fees - James F. McGarry

Motion to deny Mr. James F. McGarry's request for waiver of connection fees made by Director Israel and 2nd by Director Wargo.

Director Bui - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Absent

NEW BUSINESS

1. Discussion/Action: Adoption of regulations regarding payment of the cost of Registrar of Voters County of Riverside Director election candidate statement(s)
- Directors to determine whether the District or each individual candidate will pay for Director Election candidate statements through the County Registrar of Voters Office.
- Estimated cost: \$350 per candidate statement
- Recommendation: each individual candidate to pay for their own candidate statement.

Motion for all candidates to pay for Director Election Candidate Statement expenses through the County of Riverside Registrar of Voters Office made by Director Israel and 2nd by Director Bui.

Director Bui - Aye
Director Israel - Aye
Director Wargo - Abstain
Director Davis - Aye
Director Lynk - Absent

2. Discussion/Action: Triennial Lead and Copper Testing – Ten (10) Volunteers Needed

Note: No motion was made, but it was explained that samples were needed throughout the Cabazon community. There was an informal consensus of the Board that Cabazon residents volunteering to take samples from their residences would obtain a one-time \$10 credit towards their account after submitting their sample. All Directors and District employees obtaining samples through their homes would not receive any credit. There were no objections towards this. Directors Davis, Israel, and Wargo volunteered to take samples. Director Bui was offered, but gave her sample up to her neighbor, Kerri Mariner, who was present during the meeting.

3. Discussion/Action: Approval of NBS contract to review District Capacity and Miscellaneous Fees.

Motion to table the discussion/action on approving the NBS contract to review District Capacity and Misc. Fees made by Director Wargo and 2nd by Director Bui.

Director Bui - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Absent

PUBLIC COMMENTS

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MISCELLANEOUS

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

- a. Finance & Audit Workshop – Tuesday – July 19, 2017, 5:00 pm
- b. Regular Board Meeting – Tuesday – July 19, 2017, 6:00 pm
- c. Personnel Committee – None
- d. San Geronio Pass Regional Water Alliance – Alliance Meeting - Wednesday – June 28, 2017 - 5:00 PM to 7:00 PM

ADJOURNMENT

Motion to adjourn at 19:10 hr. made by Director Davis and 2nd by Director Wargo.

Director Bui - Aye
Director Israel - Aye
Director Wargo - Aye
Director Davis - Aye
Director Lynk - Absent

Meeting adjourned at 19:10 hr. on Tuesday, June 20, 2017

Robert Lynk, Board Chair
Board of Directors
Cabazon Water District

Elizabeth Lemus, Secretary
Board of Directors
Cabazon Water District

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Cabazon Water District

Profit & Loss

June 2017

		Jun-17	YTD	Budget	YTD 100%
1	Operating Income				
2	Base Rate - Water Bills	100,573	1,038,715	997,600	104%
3	Fire Sales - Water Bills	196	2,492	3,100	80%
4	Fire Flow Income	-	-	150	0%
5	Meter Install and Removal	-	-	80	0%
6	Penalty Fees - Water Bills	2,896	33,228	40,000	83%
7	Lien Reinstatement Fees	-	-	1,020	0%
8	New Account Fees - Water Bills	130	1,595	1,420	112%
9	Incident Fee - Water Bills	-	825	140	589%
10	Returned Check Fees	30	540	550	98%
11	Basic Facilities Fee	-	27,680	8,020	345%
12	Stand By Fees - Tax Revenue	-	121,410	113,600	107%
13	Total Operating Income:	103,825	1,226,485	1,165,680	105%
14	Non-Operating Income				
15	Property Taxes	17,637	52,729	60,700	87%
16	Cell Tower Lease Income	3,973	25,608	23,100	111%
17	Misc. Non-Operating Income	642	2,429	-	0%
18	Interest Income	401	6,737	8,850	76%
19	Total Non-Operating Income	5,016	34,774	31,950	109%
20	Total Income	126,477	1,313,989	1,258,330	104%
21	Expense				
22	Payroll				
24	Directors Fees	1,100	13,200	18,900	70%
23	Management & Cust. Service:				
25	Customer Accounts	3,463	46,800	39,800	118%
26	Admin Assistant	-	24,937	46,900	53%
27	Business Admin Manager	4,154	26,454	24,600	108%
28	Office Assistant	579	7,118	7,600	94%
29	General Manager	6,342	93,414	95,100	98%
30	Total Mgmt. & Cust. Service:	14,537	198,723	214,000	93%
31	Meter Reader	-	5,306	24,300	22%
32	Field Workers	8,263	64,067	104,400	61%
33	Total Payroll	22,800	268,096	342,700	78%
34	Employee Benefits Expense				
35	Workers Comp.	867	14,011	19,900	70%
35	Employee Health Care	4,370	46,384	73,600	63%
36	Pension	4,574	52,127	69,300	75%
37	Total Employee Benefits Expense	9,811	112,522	162,800	69%
38	Payroll Taxes	1,895	27,991	33,300	84%
39	Total Payroll - All Expenses:	35,606	421,810	557,700	76%

Cabazon Water District

Profit & Loss

June 2017

		Jun-17	YTD	Budget	YTD 100%
40	Operational Expenses				
41	Facilities, Wells, T&D				
42	Lab Fees	745	6,670	7,800	86%
43	Site Landscaping & Maint	45	495	1,500	33%
44	Meters	270	5,458	10,000	55%
45	Generator Service Contractor	351	2,384	3,500	68%
46	Median Landscape & Maint	-	-	3,000	0%
47	Utilities - Wells	15,069	114,259	107,900	106%
48	SCADA	26	3,221	4,800	67%
49	Line R&M Contractor	-	23,958	80,000	30%
50	Line R&M Materials	623	12,667	38,300	33%
51	Well Maintenance	3,382	34,923	21,000	166%
52	Security	2,097	24,684	19,980	124%
53	Engineering Services	7,606	52,539	80,900	65%
54	Chlorinators	3,170	6,575	2,000	329%
55	Facilities, Wells, T&D - Other	(698)	15,572	30,000	52%
56	Total Facilities, Wells, T&D	32,687	303,403	410,680	74%
57	Utilities - Office				
58	Electricity	2,111	15,542	13,900	112%
59	Gas	30	647	520	124%
60	Telephone	743	9,057	9,800	92%
61	Trash Pickup & Office Cleaning	355	4,255	4,300	99%
62	Total Utilities - Office	3,238	29,502	28,520	103%
63	Office Expenses				
64	Water Billing System	-	15,736	11,500	137%
65	Supplies & Equipment	450	7,741	9,540	81%
66	Copier and Supplies	685	5,827	7,900	74%
67	Dues & Subscriptions	-	650	1,700	38%
68	Postage	591	8,121	12,600	64%
69	Printing & Publications	-	4,106	6,000	68%
70	Leases & Rents	-	247	340	73%
71	Computer Services	2,577	36,881	34,000	108%
72	Office Radio	-	-	1,500	0%
73	Office Storage	500	6,000	6,100	98%
74	Air Conditioning Servicing	379	4,386	4,300	102%
75	Fire Alarm System Servicing	-	576	600	96%
76	Office Expenses - Other	-	1,183	1,000	118%
77	Total Office Expenses	5,183	91,453	97,080	94%
78	Support Services				
79	Temporary Labor	-	24,361	2,000	1218%
80	Financial Audit	6,012	19,512	21,700	90%
81	Accounting	2,909	36,488	30,000	122%

Cabazon Water District

Profit & Loss

June 2017

	Jun-17	YTD	Budget	YTD 100%
82 Legal Services	2,328	63,537	130,300	49%
83 Bank Service Charges	39	884	1,700	52%
84 Payroll Service	282	3,793	5,000	76%
85 General Liability Insurance	6,665	27,744	21,500	129%
86 Total Support Services	18,234	176,318	212,200	83%
87 Training/Travel	2,134	7,482	12,000	62%
88 Other Fees/SWRCB	26	5,231	16,180	32%
89 Service Tools & Equipment				
90 Shop Supplies and Small Tools	37	9,279	6,000	155%
91 Vehicle Fuel	2,252	11,614	15,000	77%
92 Employee Uniforms	-	1,216	2,000	61%
93 Safety	-	3,815	5,000	76%
94 Tractor Expenses	-	3,880	6,900	56%
95 Backhoe Fuel	-	-	1,000	0%
96 Equipment Rental	1,738	2,447	1,200	204%
97 Service Trucks - R&M	465	12,124	14,100	86%
98 Water Ops Phone & Internet	85	789	2,200	36%
99 Communications	-	2,288	3,000	76%
100 Service Tools & Equip. - Other	-	45	1,100	4%
101 Total Service Tools & Equipment	4,578	47,497	57,500	83%
102 Non-Operating Expenses				
103 Grant & Loan Processing Fee	-	1,325	2,000	66%
104 DWR Interest on Loans	-	12,969	13,500	96%
105 DHPO Interest Expense	-	13,642	12,707	107%
106 Bad Debt Expense	-	-	1,200	0%
107 Miscellaneous	-	4,779	8,000	60%
108 Website Support	110	1,320	2,820	47%
109 DHPO Capacity Fees	1,750	21,000	-	0%
110 Total Non-Operating Expenses	1,860	55,035	40,227	137%
111 Depreciation Expense	22,189	266,268	286,800	93%
112 Total Expense	125,734	1,403,997	1,718,887	82%
113 Net Income	743.37	(90,008.10)	(460,557.00)	20%

Cabazon Water District

Balance Sheet

June 30, 2017

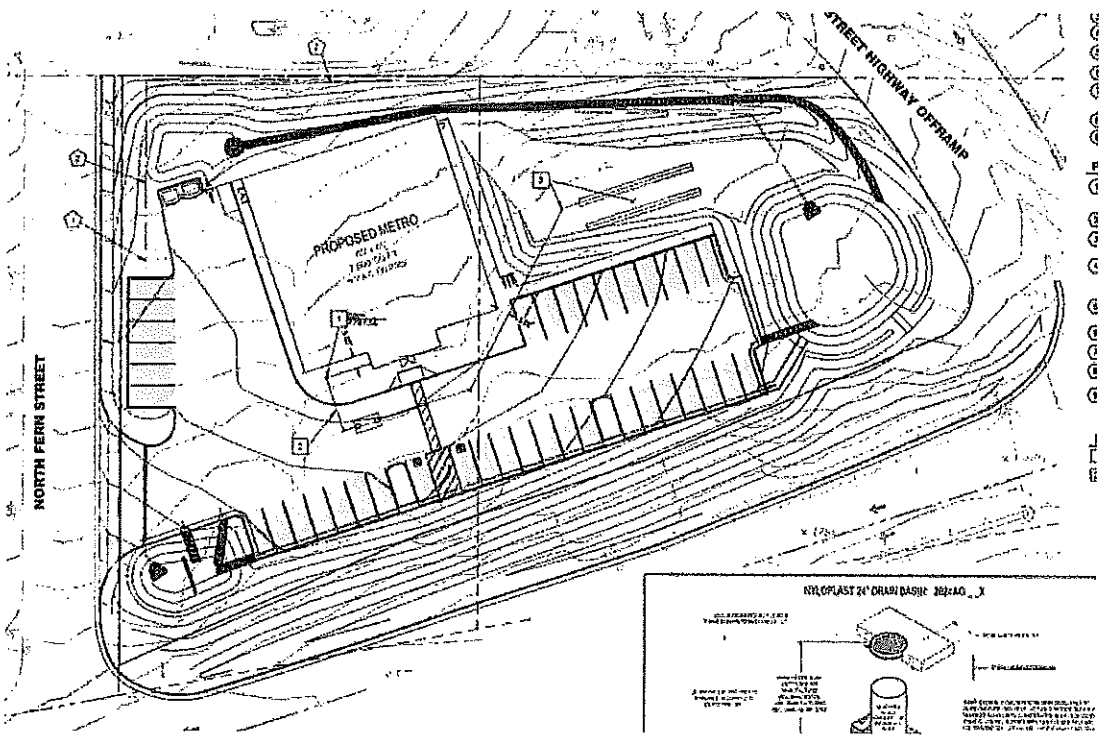
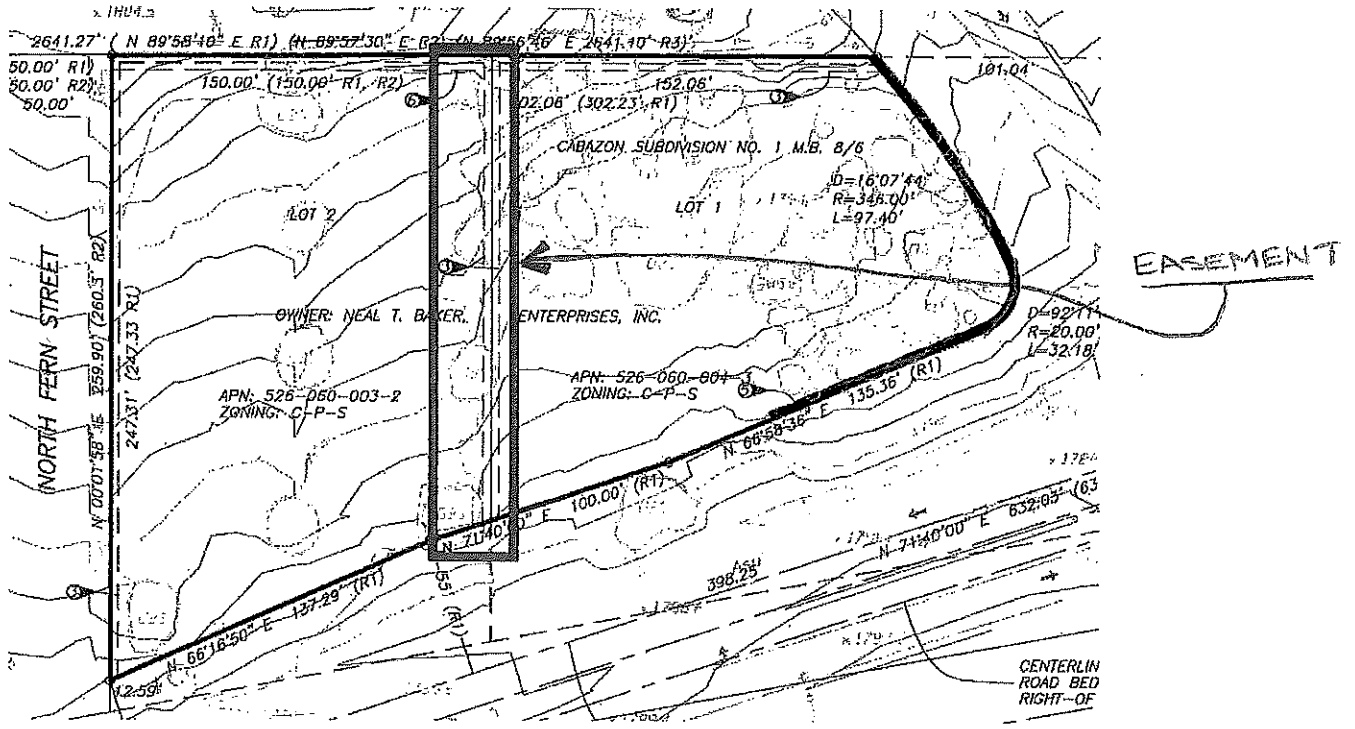
	<u>Jun 30, 17</u>
1 ASSETS	
2 Current Assets	
3 Checking/Savings	
4 11020 · General Bank Account-Chase	185,958
5 11030 · Payroll Bank Account-Chase	23,348
6 11040 · Trust Account- Chase - Cus Dep	17,438
7 11050 · Local Petty Cash	<u>100</u>
8 Total Checking/Savings	226,845
9 12000 · Accounts Receivable	195,371
10 13010 · LAIF	353,063
11 13020 · Bank of NY Trustee Accounts	59,568
12 13040 · Prepaid Expenses	12,360
13 13060 · Inventory Total	<u>87,079</u>
14 Total Other Current Assets	<u>707,441</u>
15 Total Current Assets	<u>952,654</u>
16 Fixed Assets	
17 14200 · Construction in Process	
18 14204 · CIP Cabazon Outlets Expansion	9,692
19 14209 · CIP Super Map	9,455
20 14210 · CIP 50100 Main St. Property	<u>69,918</u>
21 Total 14200 · Construction in Process	89,066
22 14310 · Tools and Equipment	118,016
23 14320 · Source of Supply	
24 14321 · Source of Supply- DHPO Intercon	709,905
25 14320 · Source of Supply - Other	<u>800,818</u>
23 14320 · Source of Supply	1,510,723
24 14330 · Transmission & Distribution	7,853,270
25 14340 · Buildings & Structures	12,281
26 14350 · Water Treatment	8,800
27 14360 · Office Furniture and Equipment	63,188
28 14370 · Intangible Plant	11,032
29 14380 · Vehicles	106,309
30 14400 · Land	409,331
31 14500 · Accumulated Depreciation	<u>(4,775,604)</u>
32 Total Fixed Assets	<u>5,406,411</u>
33 TOTAL ASSETS	<u><u>6,359,065</u></u>
34 LIABILITIES & EQUITY	
35 Liabilities	
36 Current Liabilities	
37 Accounts Payable	24,886
38 Other Current Liabilities	
39 21210 · Misc Short Term Liability	75
40 21250 · Developer Deposits	
41 21251 · Dollar General	<u>22,504</u>
42 Total 21250 · Developer Deposits	22,504
43 21300 · Customer Deposits	
44 21330 · Customer Deposits - Co 1	2,610
45 21340 · Customer Deposits - Co 2	<u>4,634</u>
46 Total 21300 · Customer Deposits	<u>7,244</u>

Cabazon Water District

Balance Sheet

June 30, 2017

		<u>Jun 30, 17</u>
47	21420 · Accrued Vacation Pay	18,345
48	21440 · DWR-HS Payable - Current	36,184
49	21450 · Current Portion Zion's Bank Ln	75,062
50	21460 · Accrued Payroll	4,827
51	21470 · Accrued Payroll Taxes	359
52	21480 · Accrued Interest	3,527
53	21490 · Accrued Expenses	1,750
54	21510 · Employee Deductions	(9)
55	24000 · Payroll Liabilities	80
56	Total Other Current Liabilities	<u>169,947</u>
57	Total Current Liabilities	194,833
58	Long Term Liabilities	
59	22000 · DWR-H Loan Payable (Payoff '26)	318,898
60	22100 · Zion's Bank Long Term (2023)	454,027
61	22200 · RCEDA Loan Payable	300,000
62	Total Long Term Liabilities	<u>1,072,926</u>
63	Total Liabilities	1,267,759
64	Equity	
65	31010 · Net Investment in Capital Asset	4,091,921
66	31020 · Restricted for Debt Service	233,447
67	31030 · Unrestricted Net Assets	
68	31041 · Reserved for Almond Vault Refur	50,000
69	31030 · Unrestricted Net Assets - Other	921,430
70	Total 31030 · Unrestricted Net Assets	<u>971,430</u>
71	32000 · Retained Earnings	12,062
72	32001 · Prior Period Adjustment	(127,546)
73	Net Income	(90,008)
74	Total Equity	<u>5,091,306</u>
75	TOTAL LIABILITIES & EQUITY	<u><u>6,359,065</u></u>



Dan Biswas
VP of Development



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January 18, 2017

Mr. Calvin Louie
General Manager
Cabazon Water District
14618 Broadway Street
Cabazon, CA 92230

Subject: Contract Amendment for Additional Water Rate and Fee Study Services

Dear Mr. Louie,

We appreciate the opportunity to provide Cabazon Water District ("District") with Water Rate Study Services. This letter agreement outlines the additional scope of work provided for this study based on our discussions with you, and provides the budget and contract necessary to approve these additional consulting services.

Once this amendment is approved, we will add this service to our existing agreement with the District. All other provisions of the existing contract between the District and NBS remain in effect. We look forward to continuing our professional relationship.

Please sign the two (2) copies of this Agreement. Upon signing, please return one copy to the undersigned and keep one copy for your records. (*Please mail to: NBS, 32605 Temecula Parkway, Suite 100, Temecula, CA 92592, Attn: Amanda Mitchell.*)

Scope of Services

This section describes the additional analysis requested by the District.

TASK 1. UPDATE MISCELLANEOUS FEES

Task Objectives: Update the District's miscellaneous fee schedule and recommend any changes as appropriate.

Task Deliverables: An evaluation of the miscellaneous fees the District charges its customers for services and recommendations for implementation of alternative fees.

The miscellaneous fees included in this task are those shown in the District's three-page document titled "*FEES AND CHARGES, Proposed 2010-2011 Fiscal Year Budget*" which is attached for reference. To evaluate these miscellaneous fees, the analyses are based on the general cost of service for these programs, including:

- Actual labor costs (staff hours and labor rates for inspections, preparation of reports, etc.)
- Administrative overhead costs (office staff, processing of applications, etc.)
- Actual cost of equipment and related operating costs (vehicles, other equipment, mileage charges, etc.)

Other factors include number of customers/accounts involved in each program and the levels of service required for various types of customers. Together, these factors provide the cost-basis for developing defensible fee structures. However, broader considerations are typically incorporated in determining these fees. For example, most communities review what surrounding and/or similar communities charge for similar services, with an overall principle that charges should be viewed as "reasonable" by the general public and/or courts. We will provide a comparison of these fees for five nearby agencies as part of this analysis.

TASK 2. CAPACITY FEE ANALYSIS

Task Objectives: Develop water capacity fees that appropriately recover the cost of infrastructure available to serve new development, and are consistent with applicable legal requirements and industry standards¹.

Task Deliverables: Water capacity fee schedule.

Overview of Capacity Fee Calculations – In their simplest form, capacity fees are the result of dividing the cost (or value) of the system's current capacity plus planned capital improvements by the expected number of new customers. The two most common approaches are often referred to as (1) a "buy-in" approach, whereby new users pay for their fair share of existing system assets that were originally paid for by current customers, and (2) an "incremental" or "marginal" approach that assumes capacity fees should fully cover the costs of all new (or "incremental") system facilities required to provide them sufficient capacity in the system. Depending on the remaining system capacity, a combination of these two approaches is often used. NBS will develop an appropriate methodology that complies with industry standards, and will appropriately reflect the cost of planned capital improvements and projected growth.

Develop Asset Values – The actual methodology of estimating the value of existing system assets (for example, collection, pumping, and treatment) is important to the outcome. For example, using current book values typically underestimates the "true value" of facilities, while a replacement-cost-less depreciation approach usually provides a better estimate of the true value of assets. We will use the replacement-cost-less depreciation approach to estimate the value of the District's assets and propose using the Handy-Whitman Index of Public Utility Construction Costs, which is a regionally specific index that tracks costs for water utility construction. We believe this is the most accurate inflation index available to water utilities and the District can use it going forward, so that capacity fees can keep pace with cost inflation.

Once the value of the existing and planned (that is, incremental or marginal) system assets are estimated, these values are allocated to existing and new customers. NBS will assess the equity of how these values are allocated to existing and new customers, and then divide the amount allocated to new customers by the system capacity, typically measured in equivalent dwelling units (EDU's) or equivalent meter units. This calculation determines the maximum cost the District can charge per EDU for a new connection, from which all other charges are related.

Calculate and Recommend New Capacity Fees - The total costs allocated to growth (or value of the system assets available to serve growth) are divided by the available capacity in EDU's, as determined by the system capacity available to serve growth.

NBS will consider two methods of estimating the capacity available to future customers: (1) calculate all available remaining capacity, and (2) calculate expected number of units that would be added to the system. This second approach could be less than the available remaining capacity. For example, if there are 5,000 EDU's of remaining capacity in the system, but realistic growth is only 3,000 EDU's, then the smaller number would be used to calculate the capacity fee. Based on this analysis, NBS will review the new capacity fees with City staff and recommend the alternative that best meets its needs.

¹ Connection fees developed in this study will be consistent with AB 1600 requirements.

Fee Structure

In order to complete this scope of work, additional budget will be required. The tasks outlined in our original proposal (dated October 5, 2016) will remain unchanged. The table below summarizes the budget for this additional scope of work.

Cabazon Water District Water Rate Study Proposed Budget Amendment					
Rate Study Tasks	Consultant Labor (Hours)			Grand Totals	
	Project Principal (Clumpner)	Project Manager (Boehler)	Consultant (Henry)	Consultant Labor (Hrs.)	Consultant Costs (\$)
<i>Hourly Rate</i>	<i>\$246</i>	<i>\$200</i>	<i>\$160</i>		
Task 1 – Update Miscellaneous Fee Schedule	4.0	6.0	16.0	26.0	\$ 4,740
Task 2 – Capacity Fee Analysis	2.0	8.0	28.0	38.0	\$ 6,570
Total	6.0	14.0	44.0	64.0	\$ 11,310

Additional Services

Please note that our hourly rates have increased since our original agreement was approved, and the budget above reflects these new rates. Any additional services needed beyond this amendment will be billed at these new rates, which are shown below.

Title	Hourly Rate
Director (Clumpner)	\$245
Associate Director (Boehler)	\$200
Consultant (Henry)	\$160

Please do not hesitate to contact Kim Boehler, our Project Manager, at either 951.233.7050 (cell), 800.676.7516 (office) or at kboehler@nbsgov.com if you have any questions or concerns about this additional scope of work.

Best regards,

**NBS Government Finance Group,
DBA NBS**

Cabazon Water District

Michael Rentner

Name

Title Date

Title Date

Cabazon Water District
Schedule of Fees and Charges



CABAZON WATER DISTRICT
 Proposed 2010-2011 Fiscal Year Budget
FEES AND CHARGES

METERED ACCOUNT SET-UP FEE: Twenty Dollars (\$20.00) for each metered account.

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 \$65.00 and \$25.00 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: \$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 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 \$65.00 per incident, plus an hourly rate of \$65.00 per man during non-business hours/week nights between 4:30PM to 10:00PM and \$130.00 per hours, per man during the late week nights/weekends/holidays. Late week nights 10:01PM to 8:30AM the following day. Weekends and Holiday includes the entire 24 hours of that day.

	Normal Business Hours	After Normal Business Hours
Service Truck \$65.00 per hour	One (1) hour minimum	Three (3) hours minimum
Backhoe \$95.00 per hour	One (1) hour minimum	Three (3) hours minimum
Trash Pump \$25.00 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) hour 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, 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 (\$5,000.00) for potable water and five-thousand dollars (\$5,000.00) for wastewater will be collected. The Developer (Builder) 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 (Builders) request for water service application is fifty dollars (\$50.00). Pursuant to Ordinance No. 23, Article 9

DELINQUENT ACCOUNT SERVICE CHARGE:

Pursuant to Ordinance No. 23, Article 10.1, dated August 27, 2004, accounts not paid on or before the date which they become delinquent shall be subject to a one-time penalty charge of 15% and a service charge of 1-1/2% per month on the unpaid balance.

RECONNECTION CHARGE: (For delinquent accounts that have been disconnected)

- \$ 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 reactivated during late week nights/weekends/holidays. Late week nights 10:01PM to 8:30AM the following day. Weekends and Holiday includes the entire 24 hours of that day

DOOR HANGER FEE: \$10.00 for each Yellow Warning Notice delivered.

Pursuant to Ordinance No. 23

PRIVATE FIRE SERVICE:

The monthly cost for Private Fire Service is as follows:

4" (inch)	\$ 60.00
6" (inch)	\$ 90.00
8" (inch)	\$108.00
10" (inch)	\$120.00
12" (inch)	\$144.00

OTHER ITEMIZED CHARGES

CUSTOMER VALVE INSTALLATION FEE: \$65.00 minimum charge per hour, plus material.

Pursuant to Ordinance No. 20A-1990, Article 4, Section 4.5.1

WILL SERVICE LETTER CHARGE (Fire Flow):

- \$150.00
- \$ 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; customer request.
- \$ 65.00 Report of Site/Parcel Inspection to determine existing or potential water service

RETURNED CHECK CHARGE:

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

FAX OR PHOTO COPY CHARGES: \$0.25 per sheet sent or received up to ten (10) sheets maximum.

CONSTRUCTION METER/HYDRANT METER CHARGE:

Refundable Deposit for hydrant meters	\$1,600.00
Monthly Service Charge	\$ 286.73
Account Set-Up Fee	\$ 65.00
Water Quantitative Charge	\$ 2.75 per 100 cubic feet*
Recalibration Fee	\$ 200.00

Note: one (1) cubic foot of water is equal to 7.48 gallons)

Pursuant to Ordinance No. 22

LOAD COUNT CHARGE:

Refundable Deposit for hydrant meter	\$1,500.00
Monthly Service Charge	\$ 148.35
Account Set-Up Fee	\$ 65.00

The Load Count Charge may be available if construction meters are not available or 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 holidays charges will apply in addition to the Load Count Charge schedule).

0.10 cents per gallon, minimum 500 gallon charge on the first load

\$65.00 per hour for District employee to monitor -- minimum of one (1) hour will be charge during normal business hours. (Required).

\$65.00 per hour for District employee to monitor -- minimum of three (3) hours will be charge during non-business hours, weekends or holidays. (Required).

Note: Load-count cards are to be turned in to 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