



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:

May 18, 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 report is the Balance Sheet.

- Total Checking/Savings is substantially lower than last month due to the following:
 - Payments to Computer Gallery for the new office computers and setup: \$10k
 - Payment to Line Maintenance and Repair Contractor for twelve work orders, including new services and emergency services - \$21k
 - Rick Taylor, Chlorine Distribution Tank - \$8k
- The District anticipates about \$40k in property tax revenue during May which will increase the bank balance.
- Account 11999 Accounts Receivable - Special Invoices, reflects the invoice the District has sent to DHPO to reimburse costs. The District has received word from DHPO that they are going to send this in; however, it has been quite some time since they said this. The GM is checking with the attorneys for guidance.
- 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. Once the DHPO money comes in the District may want to move that over to LAIF.

- Near the bottom of the report the District now shows reserves for various projects.
- Account 39003a is Reserved for Almond Vault Refurbishing. 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 marginally higher this month than last.
- Total 51000 - Payroll All Expenses is substantially the same between the two months.
- Account 55150- Utilities - Wells –the District is still awaiting one invoice that impacts last month.
- Account 55175 Materials and Line Maintenance repair contractor shows that the District has not yet received invoices for April, other than a small invoice from Underground Service -DigAlerts.
- Account 57085 - Water Billing System - shows that the District received the annual bill for the Water Billing System.
- Account 57515 - Financial Audit Services - The auditors were on-site in April for interim work for the 06/30/2014 financial audit. They were on-site early in May for fieldwork.
- Account 57530 - Legal Services – The District has not yet received the invoices for the month.
- Account 65200 DWR Interest on Loans - shows the District paid the semi-annual interest on the long term debt.

The District ended the month with a preliminary net loss of about \$42k.

- ✚ 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.

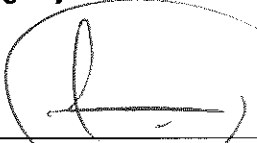
- Account 30010 Base Rate - Water Bills – The District is just a bit under what it anticipated for the month, and a bit under year to date.
- Total 51000 Payroll All Expenses is right on budget for the month and about 5% under budget for the year.
- Account 55175 Materials and Line Maintenance Contractor – the District does not yet know where this is as it has not yet received the invoices for the month
- 57080 Computer Service - is overbudget year to date due to the change in the computer support vendor and the improvements he has made.
- 57530 Legal Service – the District is not able to see where it is against budget as it has not yet received the invoices for the month.
- Preliminary figures show the District with a year to date loss of \$143k when this report was generated. The District budgeted for a net loss of about \$32k at this point.
- The main accounts that are overbudget are 55175 - Line Maintenance and Materials Contractor - \$20k, 55190 - Well Maintenance - \$37k, 57530 - Legal \$45k
- Director Sanderson asked whether there was any evidence that any Cabazon Water District Directors are "absconding with funds". I have no knowledge of any such evidence.

ADJOURNMENT


Motion to adjourn at 16:03 hr. made by Director Mariner and 2nd by Director Sanderson*

*Note: No official motions were made. Director Mariner asked if anyone had any questions, and upon no answer, stated that the meeting was then adjourned at 16:03 hr. Director Sanderson did not object, nor were any other objections voiced.

Meeting adjourned at 16:03 hr. on May 18, 2015.



Janet Mejia, Board Chair
Board of Directors
Cabazon Water District



Elizabeth Lemus, Secretary
Board of Directors
Cabazon Water District

ADA Compliance Issues

In compliance with the Americans with Disabilities Act & Government Code Section 54954.2, if special assistance is needed to participate in a Board meeting, please contact the Clerk of the Board at (951) 849-4442. Notification of at least 48 hours prior to meeting time will assist staff in assuring that reasonable arrangements can be made to provide accessibility at the meeting.