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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

Teleconference:
Dial-in #: 978-990-5321
Access Code: 117188

Meeting Date:
Tuesday, September 15, 2020 – 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

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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:

Teleconference:

Dial-in #: 978-990-5321

Access Code: 117188

Email: info@cabazonwater.org

Meeting Date:

Tuesday, September 15, 2020 – 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 on August 18, 2020
- b. Regular Board Meeting Minutes and Warrants of August 18, 2020

2. Warrants – None

3. Awards of Contracts – None

UPDATES

1. Update: **San Geronio Pass Regional Water Alliance Update
(by Director Israel / Director Morris)**
2. Update: **Manager's Operations Report**

(by GM Louie)

NEW BUSINESS

1. Discussion/Action: Cabazon Water District Water Rate Study Presentation by NBS.
2. Discussion/Action: Resuming Interest and Penalty Charges, along with other misc. fees (tag fees, etc.)
3. Discussion/Action: Transfer of funds from the District's General Acct. to the District's LAIF Acct. Requesting \$125,000 transfer.

OLD BUSINESS

CLOSED SESSION

- (1) CONFERENCE WITH LEGAL COUNSEL – Potential Litigation vs. Cabazon Water District (1 case)
- (2) CONFERENCE WITH LEGAL COUNSEL – General Manager's Personnel Evaluation / Annual Performance Review.

OPEN SESSION

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

PUBLIC COMMENTS

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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 – October 20, 2020, 5:00 pm
- b. Regular Board Meeting – Tuesday – October 20, 2020, 6:00 pm
- c. Personnel Committee – None
- d. San Geronio Pass Regional Water Alliance – Alliance Meeting – Wednesday –

ADJOURNMENT

ADA Compliance Issues

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Cabazon Water District
14618 Broadway Street • P.O. Box 297
Cabazon, California 92230

FINANCE & AUDIT COMMITTEE MEETING

MINUTES

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

Teleconference:
Dial-in #: 978-990-5321
Access Code: 117188

Meeting Date:
Tuesday, August 18, 2020 – 5:00 PM

CALL TO ORDER,
PLEDGE OF ALLEGIANCE,
ROLL CALL

Director Wargo - Present
Director Sanderson - 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

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

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Balance Sheet:

The District's combined Cash with Chase and LAIF balance was \$1,220,003 at month end.
The District's total liabilities were approximately \$1,044,307 at month end.

Profit and Loss:

- 4. Commodity Sales: This is the variable income from charges linked to the consumption of water. YTD is trending at 11% due to higher consumption in the summer months.
- 8. New Account Fees: These fees are hard to predict and can trend under or over budget during the year.
- 16. Cell Tower Lease Income: YTD is trending above target at 17% due timing of cell tower deposits, two receipts included in July.
- 32. Workers Compensation: YTD is at 15% due to timing of workers comp payments.
- 42. Utilities Wells: Electricity costs relating to District wells. YTD is above budget at 14% due to increased pumping activity in the summer months.
- 69. Temporary Labor: This account is related to the NBS rate study.
- 85. Equipment Rental: YTD is at 73% due to equipment rentals related to an emergency repair in July.
- 100. Main Street Improvements: YTD is at 23% due to the timing of project expenditures. July activity includes an invoice from Tess Electric for installation of new Edison raceway & meter pedestal for \$4.7K.

As of July 31st the fiscal year-to-date net income is \$42,895.

PUBLIC COMMENT

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ADJOURNMENT

Motion to adjourn at 17:11 hr. made by Director Wargo and 2nd by Director Sanderson.

Director Wargo - Aye
Director Sanderson - Aye

Meeting adjourned at 17:11 hr. on Tuesday, August 18, 2020

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
14618 Broadway Street • P.O. Box 297
Cabazon, California 92230

REGULAR BOARD MEETING

MINUTES

Meeting Location:

Teleconference:

Dial-in #: 978-990-5321

Access Code: 117188

Email: info@cabazonwater.org

Meeting Date:

Tuesday, August 18, 2020 – 6:00 PM

CALL TO ORDER

PLEDGE OF ALLEGIANCE

REMEMBRANCE OF OUR SERVICE MEN AND WOMEN

ROLL CALL

Director Martin Sanderson - Present

Director Diana Morris - Present

Director Sarah Wargo - Present

Director Maxine Israel - Present

Director Robert Lynk - Present

Calvin Louie, General Manager - Present

Elizabeth Lemus, Board Secretary - Present

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 -

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.

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1. Approval of:

- a. Finance and Audit Committee Meeting Minutes and Warrants approved by the committee on July 21, 2020
- b. Regular Board Meeting Minutes and Warrants of July 21, 2020
- c. Special Board Meeting Minutes and Warrants of August 5, 2020

Motion to approve following consent calendar item(s) (a.) Finance and Audit Committee Meeting Minutes/Warrants of July 21, 2020, (b.) Regular Board Meeting Minutes/ Warrants of July 21, 2020, and (c.) Special Board Meeting Minutes/ Warrants of August 5, 2020 made by Director Sanderson and 2nd by Director Morris

Director Sanderson - Aye
Director Morris - Aye
Director Wargo - Aye
Director Israel - Abstain
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 Morris)**

- Nothing to report. Meetings have not yet resumed due to the pandemic.

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

- Carmen Ave – attempted water theft
- Increase in homeless/squatters in Cabazon, along with an increase of water theft occurrences
- McDonald's fire hydrant was leaking. CWD repaired hydrant.
- Director Lynk and Wargo to meet with GM Louie on 8/20/20 at 3:00 pm to discuss the new concrete dinosaur statue that was donated by Kerri Mariner.
- Ford Fiesta currently in the shop; it had squeaky brakes from accumulated dirt/dust, and additionally needed an oil change.
- Edison PSPS Events – No PSPS events have occurred in Cabazon recently, but the General Manager stayed in town overnight from August 4-5, 2020 to ensure the ongoing Apple Fire did not affect the CWD water system. Thankfully it did not.
- COVID-19 Update: District office lobby is still closed to the public, although phone calls and drop box payments will still be taken.

CLOSED SESSION –

- (1) CONFERENCE WITH LEGAL COUNSEL – General Manager’s Personnel Evaluation / Annual Performance Review.

***NOTE: Closed Session was tabled due to a scheduling conflict with legal.**

OPEN SESSION

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

***NOTE: Closed Session was tabled due to a scheduling conflict with legal.**

NEW BUSINESS

- 1. Discussion/Action: Future/Potential Connection Reimbursement Agreement for 10 years in regards to a customer paying to extend a water main to her property, which would in turn benefit other parcel holders.

- Contract drafted by legal. Customer (Miffleton Real Estate) wants to pay upfront to have a water main line extended to reach her property, which would in turn benefit parcels between the current existing line and her property. This is a contract to provide her a partial reimbursement should any connections occur within 10 years of her extending the line. See contract for specifics.
- It was explained that the District’s engineering firm was currently working on some of the financial specifics in the contract, but the contract in general needed board approval before the District could move forward with it.

Motion to approve the contract/contract language for the Connection Reimbursement Agreement for 10 years in regards to Miffleton Real Estate paying to extend a water main to her property, which would in turn benefit other parcel holders made by Director Israel and 2nd by Director Morris.

- Director Sanderson - Abstain
- Director Morris - Aye
- Director Wargo - Aye
- Director Israel - Aye
- Director Lynk - Aye

OLD BUSINESS

- 1. Discussion/Action: District Office A/C System Repair – Approval to fund the repair of the District’s current A/C system, which may or may not have a positive/negative/neutral impact on the District’s current FY budget. (By GM Louie)

- Staff report

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- The District made multiple attempts to contact multiple A/C companies for competitive bids. There was a company that was retiring (no longer accepting work), another that went out of business, many (about 6 or 7) that were unresponsive, and one (Beach N Air) that inspected our system and informed District staff that it would not be cost effective to change out the entire A/C system, and that it would be more prudent to find a company that can upgrade the software system (since that was all that was wrong with the District's A/C system). Ontario Refrigeration has been the only A/C contractor that has provided a bid to do this.
- Ontario Refrigeration's bid for the upgrade was listed at approximately \$21,800. It should also be noted that the District's office a/c has not been working correctly since August 13, 2020 (it has become very hot in the office during working hours).

Motion to approve Ontario Refrigeration's Proposal 012320139A to install a new Johnson Controls FX80 Supervisory Controller in regards to the District's A/C system made by Director Wargo and 2nd by Director Morris.

Director Sanderson - Aye
Director Morris - Aye
Director Wargo - Aye
Director Israel - Aye
Director Lynk - Aye

2. Discussion/Action: Recruitment & Employment – approval to fill current vacancy (which may or may not have a positive/negative/neutral impact on the District's current FY budget). (by GM Louie)

- Staff report
- The Board expressed the importance of filling the third field crew position vacancy as soon as possible, but stated that they did not want the District to advertise in the Press Enterprise or Desert Sun papers due to the expense and the decline of newspaper subscriptions, and instead offered the alternative of suggesting the District post the job advertisements on free sites like indeed.com and linkedin.com.

Motion to approve continuing efforts and funding to fill the current field vacancy, with the exception that the District will post job vacancy notices on free sites like indeed.com and linkedin.com instead of via the Press Enterprise (at cost) and Desert Sun (at cost) made by Director Israel and 2nd by Director Morris.

Director Sanderson - Aye
Director Morris - Aye
Director Wargo - Aye
Director Israel - Aye
Director Lynk - Aye

3. Discussion/Action: Well No. 1 Rehabilitation and Re-equipping Project – Approval to continue to fund this project (which may or may not have a positive/negative/neutral impact on the District's current FY budget). (By GM Louie)

- Staff report
- The General Manager requested that the Board provide direction regarding whether they wanted to continue the search for bids for this project since all bids were rejected during the last regular board meeting.

Motion to approve continuing this project and requesting a bid reissuance made by Director Morris and 2nd by Director Wargo.

Director Sanderson - Aye
 Director Morris - Aye
 Director Wargo - Aye
 Director Israel - Aye
 Director Lynk - Aye

4. Discussion/Action: Main St. & Pecan Ave. District Yard – Approval to continue to fund this project which may or may not have a positive/negative/neutral impact on the District's current FY budget. (By GM Louie

- Staff report
- The General Manager requested that the board provide direction regarding whether they wanted to continue with this project since there may be unforeseen costs that arise. The current budget listed \$20,000 for this project, but the General Manager felt that there may be an additional \$5,000 required for project completion. The Board decided to approve a budget total of \$25,000 for this CIP project.

Motion to approve continuation of the Main St/Pecan St property CIP improvements, and to increase the Profit and Loss Budget Line Item 100: Main St. Improvements from \$20,000 to \$25,000 made by Director Sanderson and 2nd by Director Morris.

Director Sanderson - Aye
 Director Morris - Aye
 Director Wargo - Nay
 Director Israel - Aye
 Director Lynk - Aye

PUBLIC COMMENTS

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GENERAL MANAGER/BOARD COMMENTS

1. Future Agenda Items

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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 – September 15, 2020, 5:00 pm
- b. Regular Board Meeting – Tuesday – September 15, 2020, 6:00 pm
- c. Personnel Committee – None
- d. San Geronio Pass Regional Water Alliance – Alliance Meeting – Wednesday –

ADJOURNMENT

Motion to adjourn at 19:06 hr. made by Director Morris and 2nd by Director Wargo.

Director Sanderson - Aye
 Director Morris - Aye
 Director Wargo - Aye
 Director Israel - Aye
 Director Lynk - Aye

Meeting adjourned at 19:06 hr. on Tuesday, August 18, 2020

Robert Lynk, Board Chair
 Board of Directors
 Cabazon Water District

Elizabeth Lemus, Secretary
 Board of Directors
 Cabazon Water District

ADA Compliance Issues

Cabazon Water District | 7
August 18, 2020 Regular Board Meeting Minutes

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 access.

Cabazon Water District
Balance Sheet
August 31, 2020

		August 31, 20
1 ASSETS		
2 Current Assets		
3 Checking/Savings		
4	General Bank Account-Chase	\$ 273,471
5	Payroll Bank Account-Chase	162,357
6	Trust Account-Chase (Cust. Deposits)	2,714
7	Local Petty Cash	100
8	Total Checking/Savings	438,642
9	Accounts Receivable	227,465
10	LAIF	717,124
11	Bank of NY Trustee Accounts	73,101
12	Prepaid Expenses	31,071
13	Inventory	94,015
14	Total Current Assets	1,592,480
15 Fixed Assets		
16 Construction in Process		
17	CIP Cabazon Outlets Expansion	9,692
18	CIP Super Map	26,463
19	CIP 50100 Main St. Property	115,053
20	Total Construction in Process	151,208
21	Tools and Equipment	123,319
22	Source of Supply	1,552,226
23	Transmission & Distribution	10,316,395
24	Buildings & Structures	12,281
25	Water Treatment	8,800
26	Office Furniture and Equipment	71,808
27	Intangible Plant	11,032
28	Vehicles	114,728
29	Land	689,548
30	Accumulated Depreciation	(5,672,996)
31	Total Fixed Assets	7,378,349
32	TOTAL ASSETS	\$ 8,970,828
33 LIABILITIES & EQUITY		
34 Liabilities		
35 Current Liabilities		
36	Accounts Payable	\$ 9,994
37	Other Current Liabilities	
38	Misc Short Term Liability	6,517
39	Customer Deposits - Co 1	5,500
40	Customer Deposits - Co 2	3,729
41	Total Customer Deposits	9,229
42	Accrued Vacation Pay	13,352
43	DWR-HS Payable - Current	39,550
44	Current Portion Zion's Bank Ln	80,847

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Cabazon Water District
Balance Sheet
August 31, 2020

		August 31, 20
45	Accrued Payroll	11,086
46	Accrued Payroll Taxes	838
47	Accrued Interest	4,449
48	Accrued Expenses	8,316
49	Total Other Current Liabilities	<u>174,851</u>
50	Total Current Liabilities	<u>184,844</u>
51	Long Term Liabilities	
52	DWR-H Loan Payable (Payoff '26)	278,950
53	Zion's Bank Long Term (2023)	254,898
54	RCEDA Loan Payable	300,000
55	Total Long Term Liabilities	<u>833,848</u>
56	Total Liabilities	<u>1,018,693</u>
57	Total Equity	7,952,136
58	TOTAL LIABILITIES & EQUITY	<u><u>\$ 8,970,828</u></u>

Cabazon Water District
Profit & Loss
 August 2020

	Aug-20	Current YTD	FY 20/21 Budget	YTD (17%)
1 REVENUES				
2 OPERATING INCOME				
3 Base Rate - Water Bills	\$ 75,605	\$ 151,431	\$ 939,800	16%
4 Commodity Sales	40,224	77,076	329,700	23%
5 DHPO Contract	17,982	34,784	168,000	21%
6 Fire Sales - Water Bills	461	922	5,900	16%
7 Penalty Fees - Water Bills	243	520	31,000	2%
8 New Account Fees - Water Bills	100	375	1,600	23%
9 Incident Fee - Water Bills	-	-	-	0%
10 Returned Check Fees	30	30	500	6%
11 Basic Facilities Fee	13,384	13,384	-	0%
12 Stand By Fees - Tax Revenue	3,441	3,441	113,600	3%
13 TOTAL OPERATING INCOME	151,469	281,962	1,590,100	18%
14 NON-OPERATING INCOME				
15 Property Taxes	358	358	60,900	1%
16 Cell Tower Lease Income	-	4,258	25,600	17%
17 Misc. Non-Operating Income	750	750	7,300	10%
18 Interest Income	0	1	19,600	0%
19 TOTAL NON-OPERATING INCOME	1,108	5,366	113,400	5%
20 TOTAL REVENUES	152,577	287,328	1,703,500	17%
21 EXPENSES				
22 PAYROLL				
23 Directors Fees	2,000	2,900	15,000	19%
24 Management & Customer Service				
25 Customer Accounts	7,370	11,536	54,800	21%
26 Business Admin Manager	8,844	14,655	77,700	19%
27 Office Assistant	950	1,735	7,800	22%
28 General Manager	10,293	17,156	89,200	19%
29 Total Management & Customer Service	27,457	45,082	229,500	20%
30 Field Workers	14,342	24,395	123,000	20%
31 Employee Benefits Expense				
32 Workers Comp.	927	1,854	6,200	30%
33 Employee Health Care	7,617	15,506	94,800	16%
34 Pension	5,297	10,642	77,400	14%
35 Total Employee Benefits Expense	13,841	28,002	178,400	16%
36 Payroll Taxes	3,417	6,134	33,200	18%
37 TOTAL PAYROLL	61,057	106,514	579,100	18%

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Cabazon Water District
Profit & Loss
 August 2020

	Aug-20	Current YTD	FY 20/21 Budget	YTD (17%)
38 OPERATIONAL EXPENSES				
39 Facilities, Wells, T&D				
40 Lab Fees	379	1,296	8,900	15%
41 Meters	-	50	4,800	1%
42 Utilities - Wells	9,846	23,574	96,600	24%
43 Line R&M Materials	273	3,442	72,500	5%
44 Well Maintenance	-	465	37,800	1%
45 Security	1,932	3,464	24,800	14%
46 Engineering Services	8,143	8,143	56,300	14%
47 Facilities, Wells, T&D - Other	718	1,164	12,200	10%
48 Total Facilities, Wells, T&D	21,291	41,598	313,900	13%
49 Utilities - Office				
50 Electricity	225	1,760	15,800	11%
51 Gas	18	37	1,100	3%
52 Telephone	838	1,687	10,200	17%
53 Trash Pickup & Office Cleaning	374	748	4,600	16%
54 Total Utilities - Office	1,455	4,232	31,700	13%
55 Office Expenses				
56 Water Billing System	177	355	2,100	17%
57 Supplies & Equipment	752	928	10,100	9%
58 Copier Lease & Printing Supplies	-	239	5,000	5%
59 Dues & Subscriptions	-	-	1,300	0%
60 Postage	722	1,955	8,100	24%
61 Printing & Publications	-	292	6,300	5%
62 Computer Services	7,905	7,905	36,800	21%
63 Office Storage	1,000	1,500	6,200	24%
64 Air Conditioning Servicing	418	836	5,100	16%
65 CA Water Systems Alliance	-	208	2,500	8%
66 Office Expenses - Other	136	136	2,100	6%
67 Total Office Expenses	11,110	14,354	85,600	17%
68 Support Services				
69 Temporary Labor	-	2,664	12,600	21%
70 Financial Audit	750	2,630	23,000	11%
71 Accounting	3,000	6,000	35,000	17%
72 Legal Services	-	-	71,000	0%
73 Bank/Payroll Service	526	946	5,200	18%
74 Website Support	75	150	900	17%
75 General Liability Insurance	2,075	4,150	26,100	16%
76 Total Support Services	6,426	16,540	173,800	10%

Cabazon Water District
Profit & Loss
 August 2020

		Aug-20	Current YTD	FY 20/21 Budget	YTD (17%)
77	Training/Travel	-	34	4,500	1%
78	Other Fees/SWRCB	-	649	8,900	7%
79	Service Tools & Equipment				
80	Shop Supplies and Small Tools	38	1,123	9,300	12%
81	Vehicle Fuel	1,128	1,396	16,300	9%
82	Employee Uniforms	-	-	1,800	0%
83	Safety	-	-	500	0%
84	Tractor Expenses	-	-	3,700	0%
85	Equipment Rental	-	1,450	2,000	73%
86	Service Trucks - R&M	1,661	2,154	14,500	15%
87	Water Ops Phone & Internet	293	293	4,800	6%
88	Total Service Tools & Equipment	3,121	6,417	52,900	12%
89	NON-OPERATING EXPENSES				
90	Grant & Loan Processing Fee	-	-	1,400	0%
91	DWR Interest Expense	-	-	7,900	0%
92	DHPO Interest Expense	-	-	5,800	0%
93	Bad Debt Expense	-	-	1,200	0%
94	Miscellaneous	284	373	1,100	34%
95	TOTAL NON-OPERATING EXPENSES	284	373	17,400	2%
96	TOTAL EXPENSES	104,746	190,710	1,267,800	15%
97	TOTAL INCOME BEFORE CAPITAL & GSA	47,832	96,618	435,700	22%
98	DHPO Capacity Credit	(1,750)	(3,500)	(21,000)	17%
99	CAPITAL PROJECTS				
100	Main Street Improvements (Icehouse Imp.)	(149)	(4,834)	(20,000)	24%
101	Meter Replacements & Other Capital	-	-	(35,000)	0%
102	Well & Tank Repairs	-	-	(465,000)	0%
103	TOTAL CAPITAL PROJECTS	(149)	(4,834)	(520,000)	1%
104	DEBT - PRINCIPAL				
105	Debt Service Principal - DWR	-	-	(40,800)	0%
106	Debt Service Principal - DHPO (Zion)	-	-	(82,900)	0%
107	TOTAL DEBT - PRINCIPAL	-	-	(123,700)	0%
108	SGMA / GSA	(2,469)	(3,547)	(35,000)	10%
109	NET INCOME / (LOSS)	\$ 43,464	\$ 84,737	\$ (264,000)	-32%

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.

New Business

1. Discussion/Action Item:

Water Rate Study – Draft Report by NBS

**Board of Director's Meeting
September 15, 2020**

Cabazon Water District Water Rate Study



**helping communities
fund tomorrow**

Overview of the Rate Study



Components of a Rate Study

1 FINANCIAL PLAN



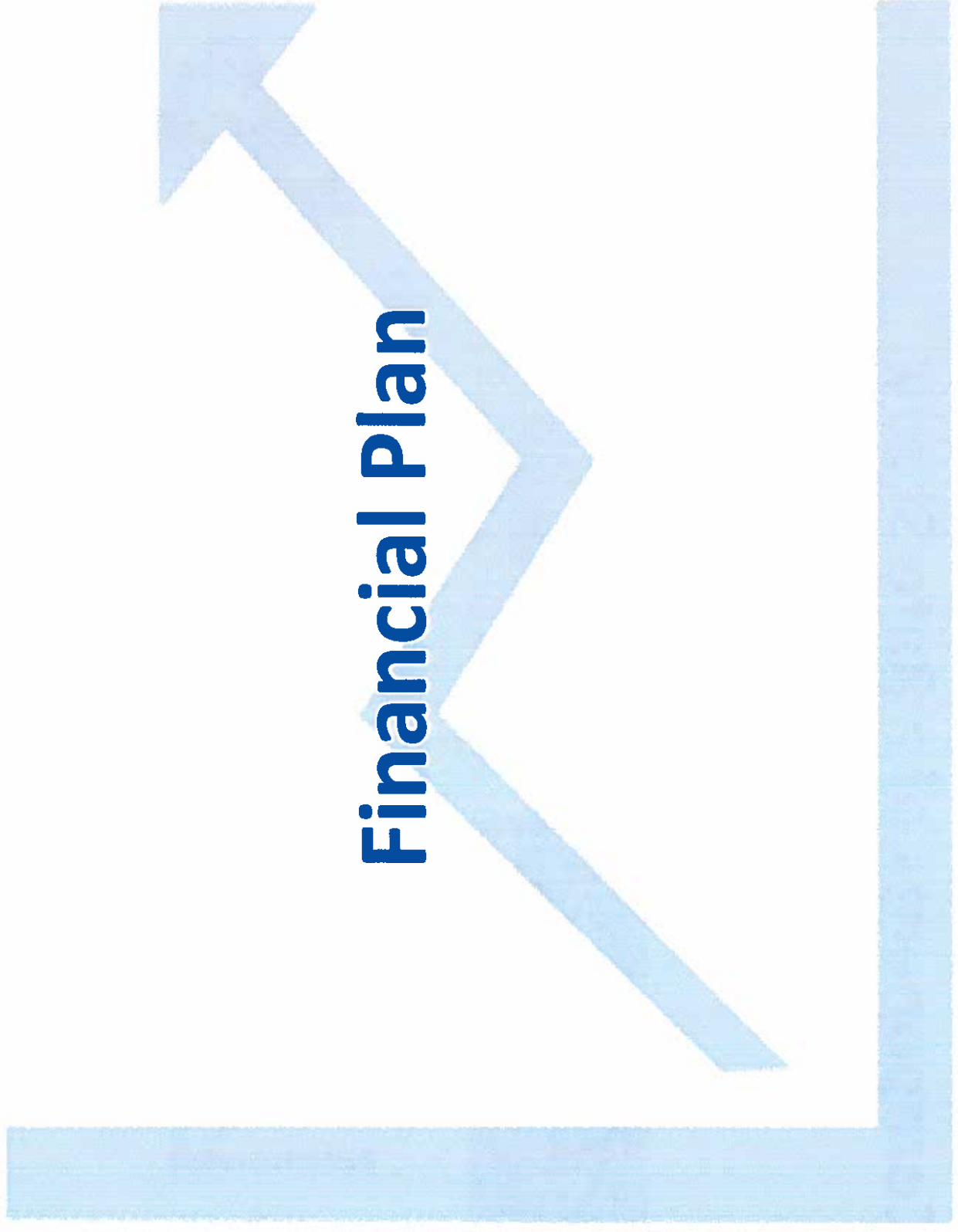
COST-OF-SERVICE ANALYSIS
2



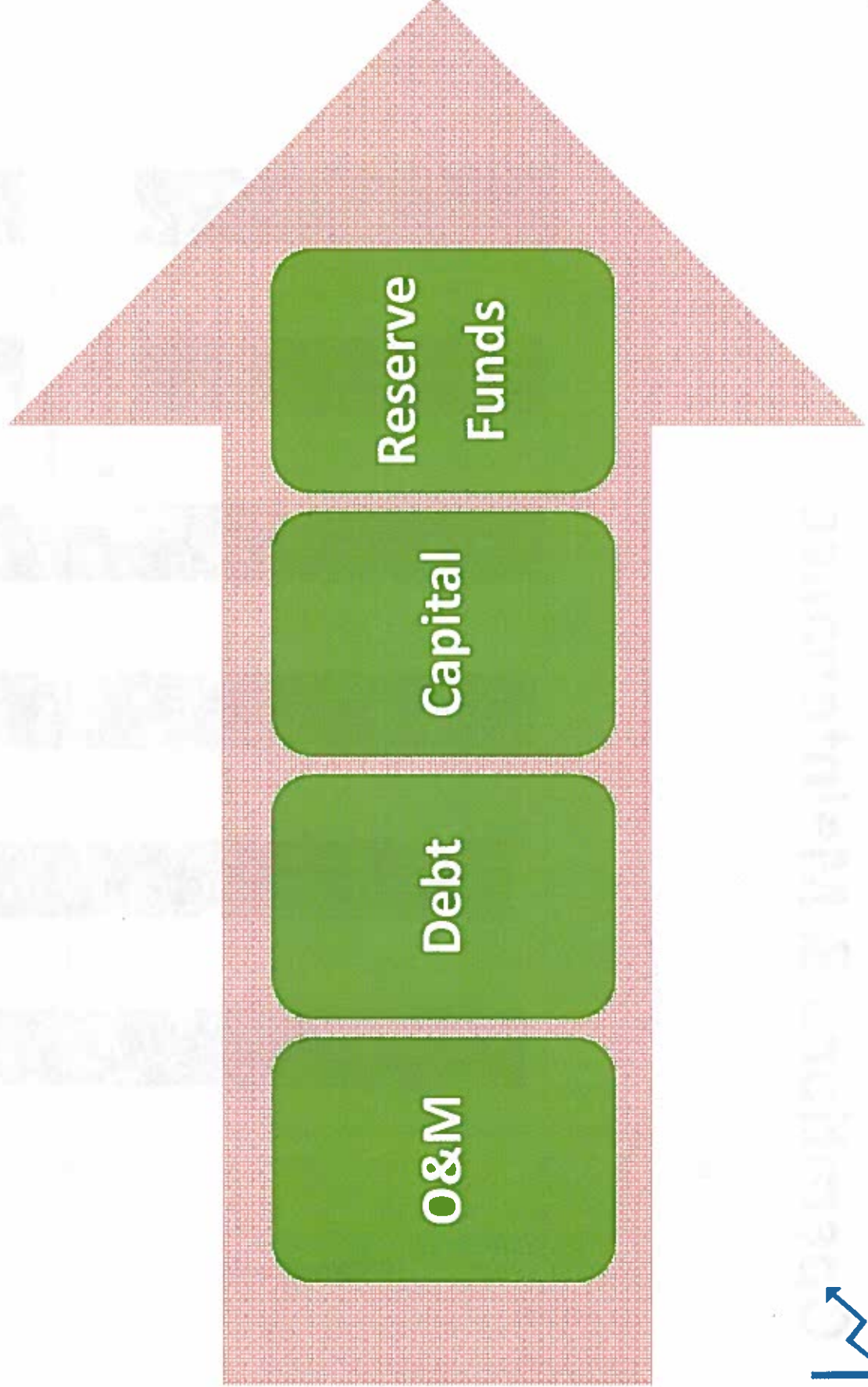
3 RATE DESIGN



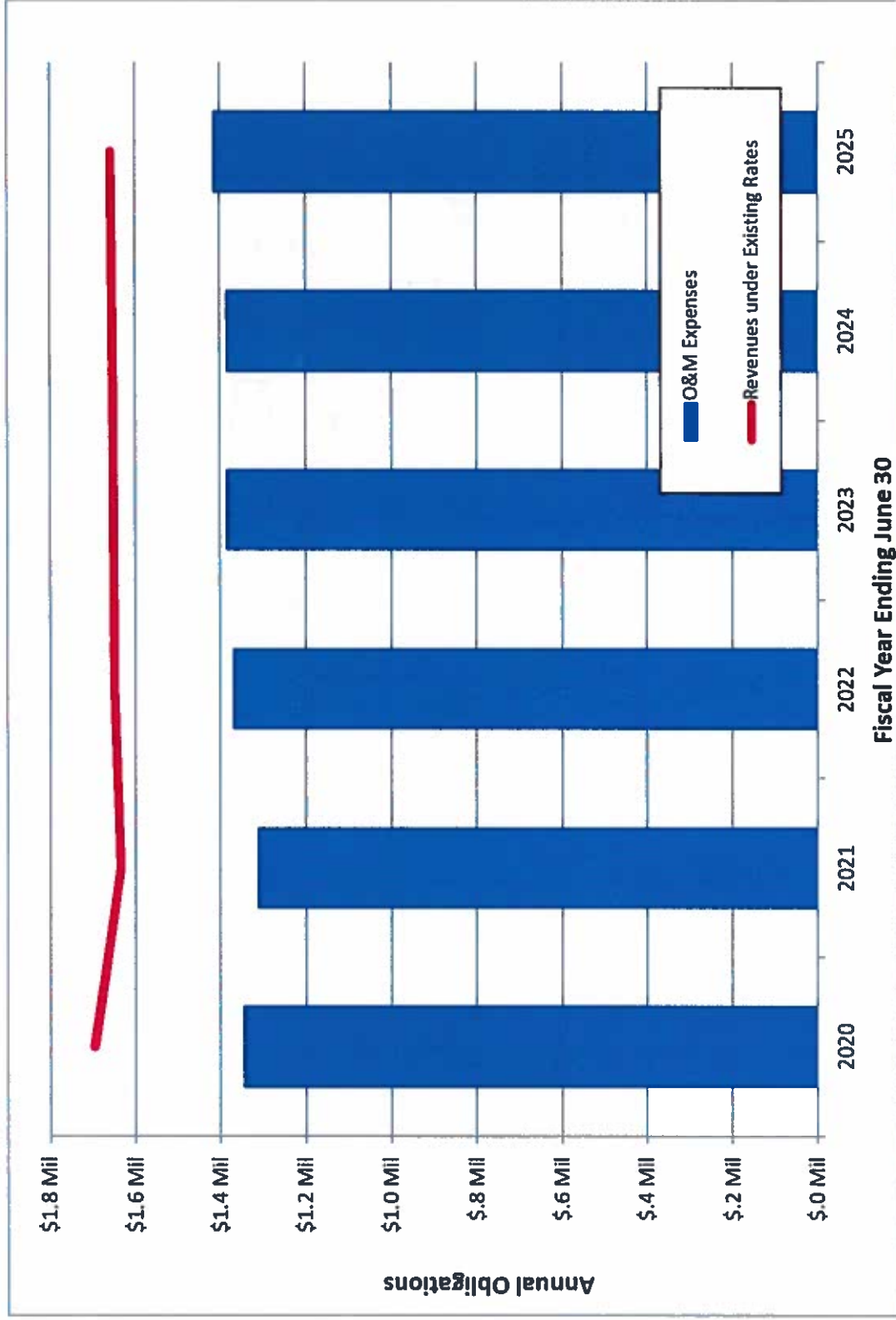
Financial Plan



Financial Plan Funding Priorities



Operations & Maintenance



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Debt Service

Debt	Time Frame	Annual Amount
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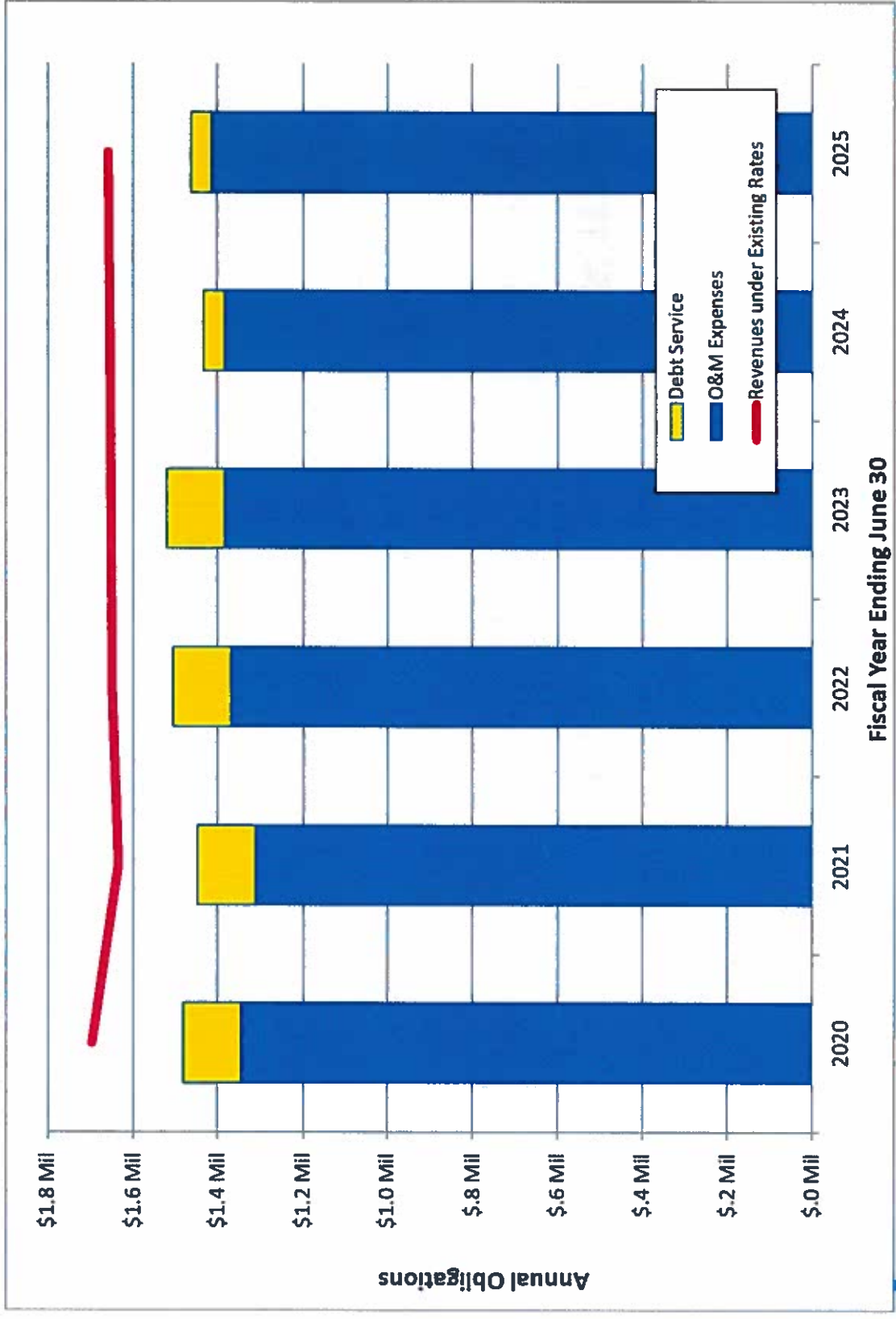
DWR Loan	Through FY 2026/27 ¹	\$48,691
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Zion First National	Through FY 2022/23	\$88,703
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1. Final payment for DWR Loan is \$15,754 in 2026/27.



Debt Service



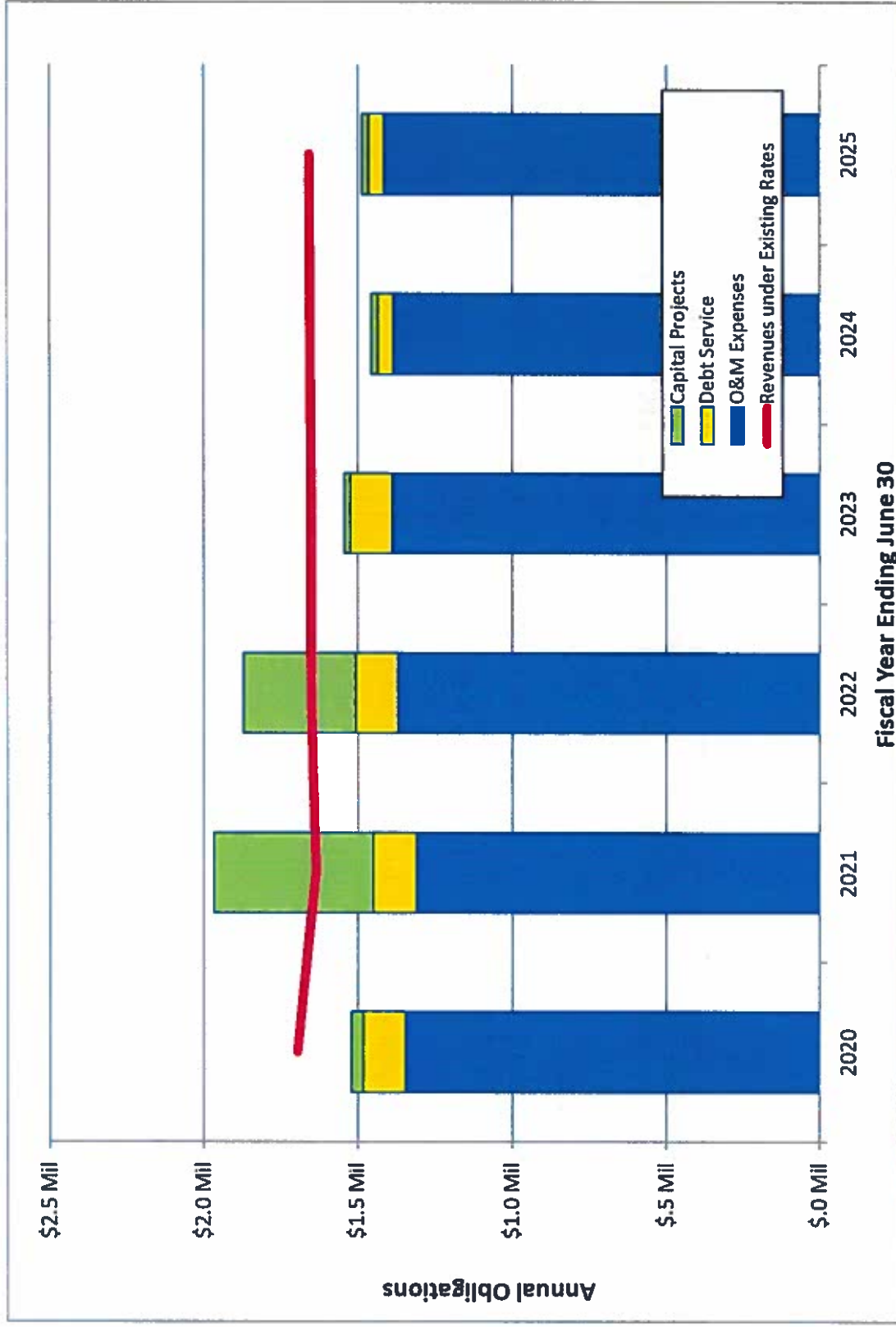
Capital Improvement Program

Project Description	2021	2022	2023	2024	2025
Main Street Property (Icehouse-Impts)	\$ 20,000	\$ 51,500	\$ -	\$ -	\$ -
Relocate Fire Hydrant at Circle K	15,000	-	-	-	-
Water Meter Replacements	20,000	20,600	21,218	21,855	22,510
Detach Section Land Locked by Tribe	-	30,900	-	-	-
Service Utility Truck	-	108,150	-	-	-
Production We11 #1 Rehab	240,000	-	-	-	-
Tank #1 Rehab	150,000	-	-	-	-
Connection & Transfer Box to W1 & W5 for portable generator	75,000	-	-	-	-
Bonita Vault Rehab	-	154,500	-	-	-
Total: CIP Program Costs¹	\$ 520,000	\$ 365,650	\$ 21,218	\$ 21,855	\$ 22,510

1. Includes inflation of 3% per year applied to original cost estimates (per ENR Construction Cost Inflation Index).



Capital Improvement Program



Reserve Funds

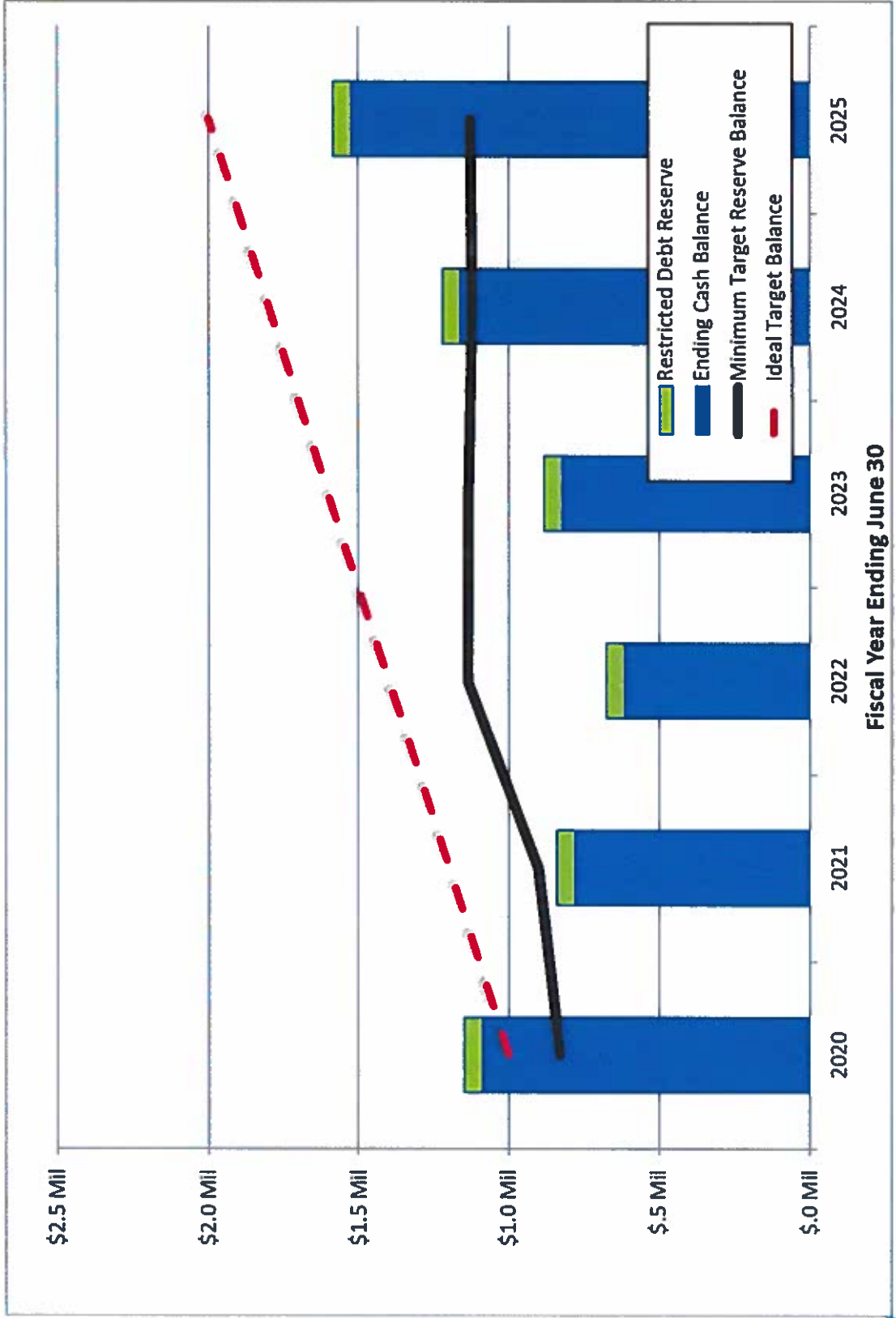
Reserve Fund Target

Operating Reserve 180 days of O&M Expenses

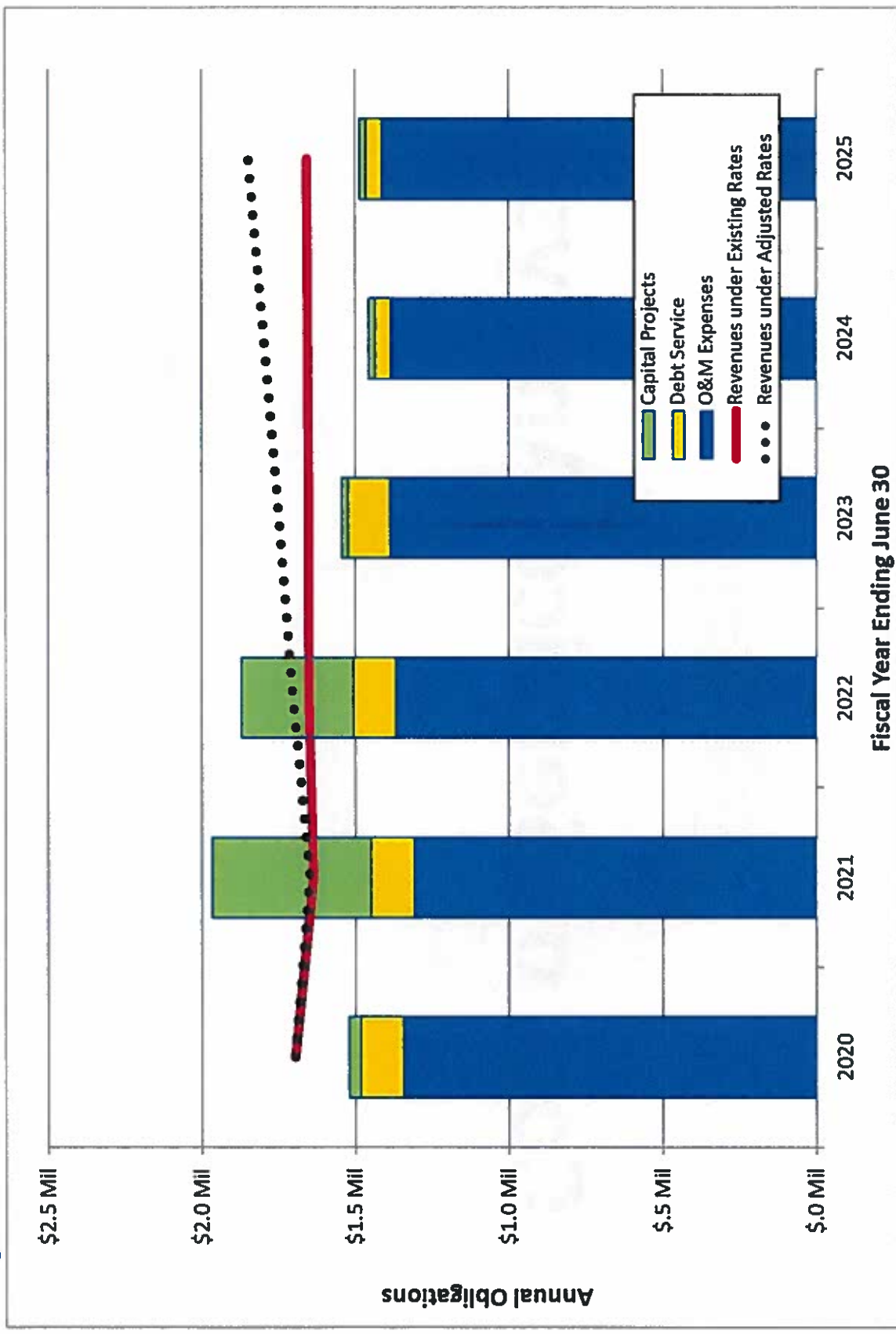
Capital Rehab & Replacement 6% of net assets



Projected Cash Balance vs. Reserve Target Under Adjusted Rates



Projected Adjustments to Rate Revenue



Cost of Service Analysis



Functionalization and Classification

Revenue Requirements

Fixed

Capacity
Costs

Customer
Costs

Fire
Protection
Costs

Commodity
Costs

Variable



Functionalization and Classification, cont.

Category	Percentage
Capacity Costs	73.2%
Customer Costs	5.0%
Fire Protection	0.4%
Commodity Costs	21.4%

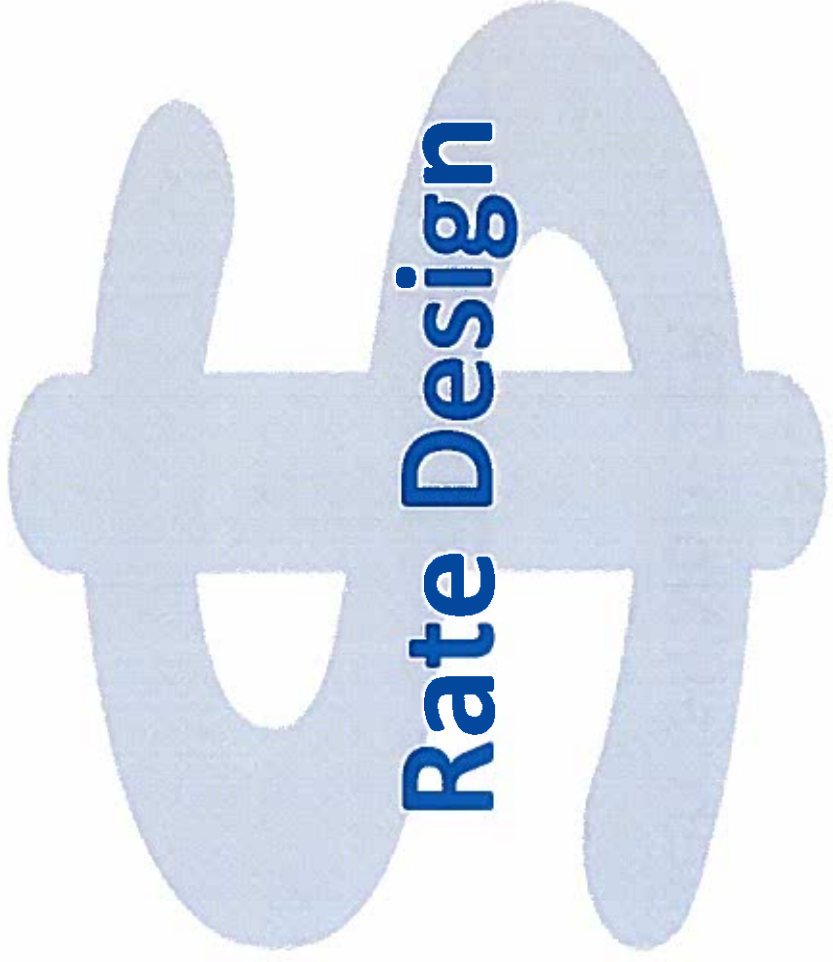
Fixed	78.6%
Variable	21.4%



Customer Classes

1. Single Family Residential (SFR)
2. Commercial/Non-SFR
3. Contract
4. Construction





Rate Design Components

Rate Design Components	Basis for Cabazon Water District
# of Customer Classes	Four: SFR, Comm/Non-SFR, Construction & Contract
Allocation of Fixed vs. Variable Charges	3 Alternative Fixed/Variable Rate %'s
Fixed Rate Structure	Meter Hydraulic Capacity
Variable Rate Structure	Flat/Uniform and Tiered



Water District

Rate Design Alternatives

Functional Category	Rate Alternative A		Rate Alternative B		Rate Alternative C	
	Adjusted Net Revenue Requirements (2020-21) 50% Fixed / 50% Variable		Adjusted Net Revenue Requirements (2020-21) 40% Fixed / 60% Variable		Adjusted Net Revenue Requirements (2020-21) 30% Fixed / 70% Variable	
Commodity - Related Costs	\$ 259,786	21.4%	\$ 259,786	21.4%	\$ 259,786	21.4%
Capacity - Related Costs (volumetric share)	\$ 346,751	28.6%	\$ 468,058	38.6%	\$ 589,365	48.6%
Capacity - Related Costs (fixed share)	\$ 541,057	44.6%	\$ 419,750	34.6%	\$ 298,443	24.6%
Customer - Related Costs	\$ 60,386	5.0%	\$ 60,386	5.0%	\$ 60,386	5.0%
Fire Protection - Related Costs	\$ 5,093	0.4%	\$ 5,093	0.4%	\$ 5,093	0.4%
Total	\$ 1,213,074	100%	\$ 1,213,074	100%	\$ 1,213,074	100%
Revenue from Contract Rates	\$ 203,176		\$ 203,176		\$ 203,176	
Net Revenue Requirement	\$ 1,416,250		\$ 1,416,250		\$ 1,416,250	

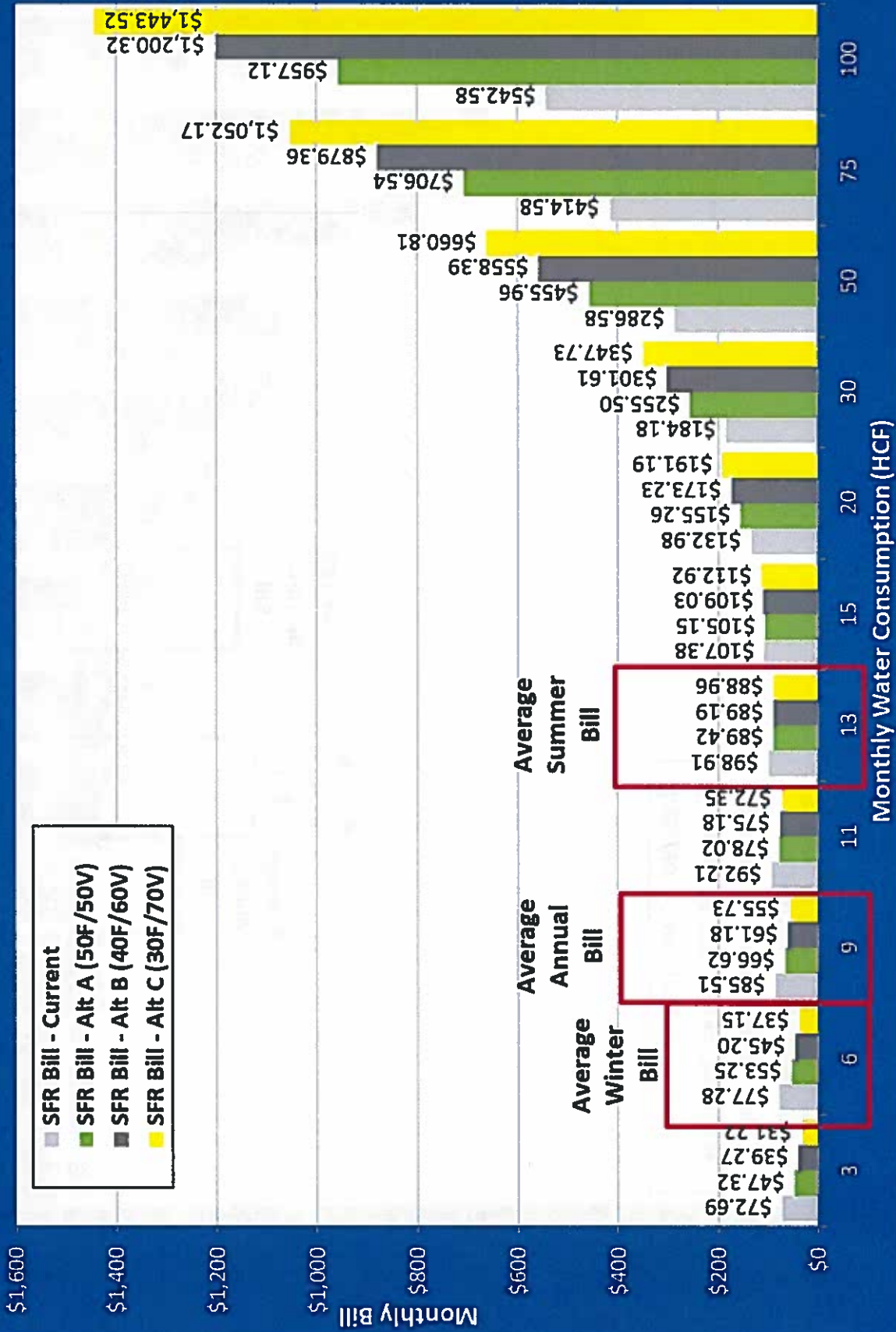


Variable Rate

Customer Class	Variable Rate
Single Family Residential	Tiered Tier 1: 7 hcf Tier 2: 14 hcf Tier 3: 15+ hcf
Commercial / Non-SFR / Construction	Uniform
Contract	Uniform

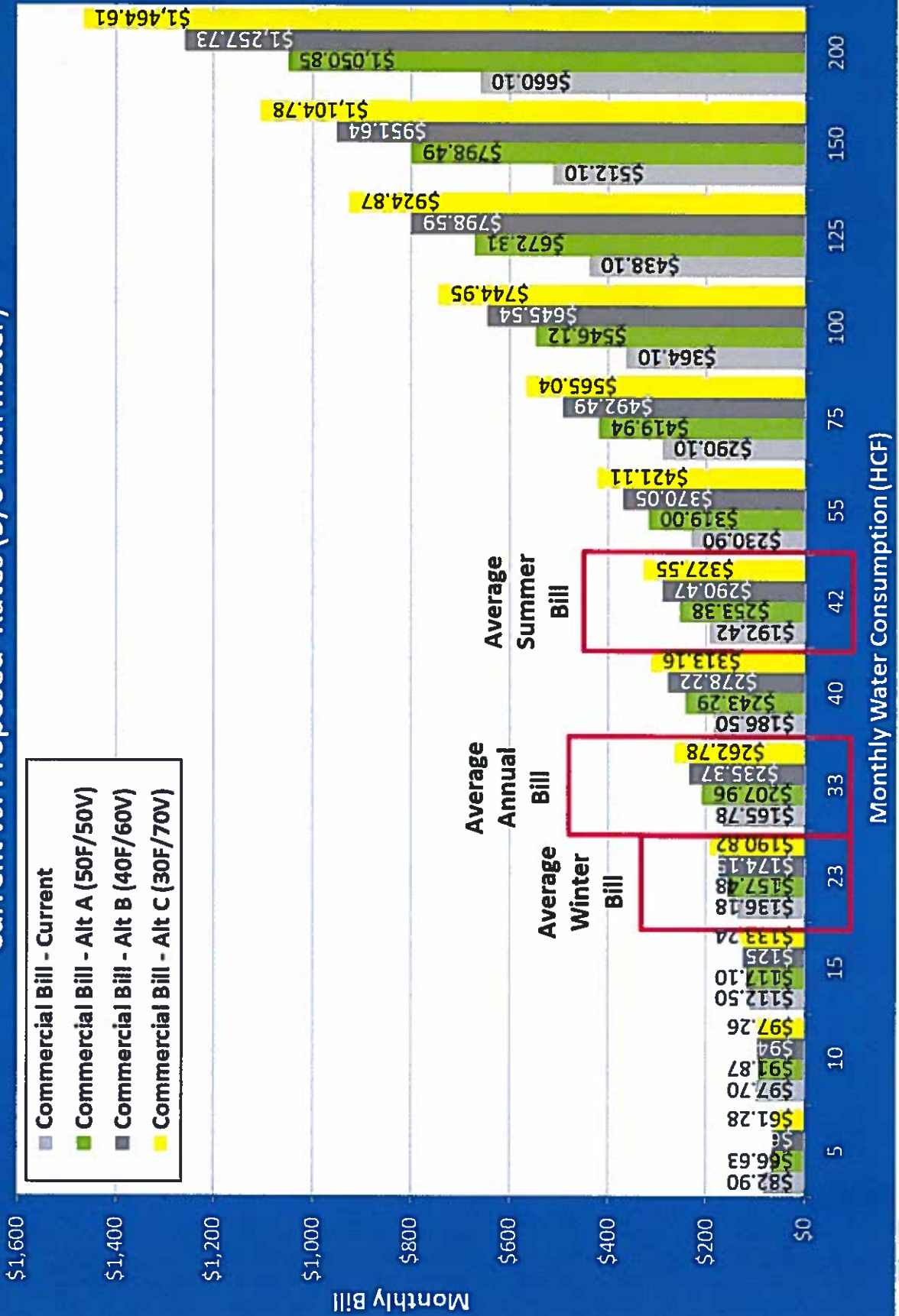


Residential Water Bill Comparison Current vs. Proposed Rates (5/8" meter)



4/27/18

Commercial Water Bill Comparison Current vs. Proposed Rates (5/8-inch meter)



Single Family Residential Bill Comparisons

Rate Alternative	Water Consumption					
	3	6	9	11	13	15
Current	\$72.69	\$77.28	\$85.51	\$92.21	\$98.91	\$107.38
Alt A - 50% Fixed / 50% Variable	\$47.32	\$53.25	\$66.62	\$78.02	\$89.42	\$105.15
Alt B - 40% Fixed / 60% Variable	\$39.27	\$45.20	\$61.18	\$75.18	\$89.19	\$109.03
Alt C - 30% Fixed / 70% Variable	\$31.22	\$37.15	\$55.73	\$72.35	\$88.96	\$112.92

Rate Alternative	Water Consumption				
	20	30	50	75	100
Current	\$132.98	\$184.18	\$286.58	\$414.58	\$542.58
Alt A - 50% Fixed / 50% Variable	\$155.26	\$255.50	\$455.96	\$706.54	\$957.12
Alt B - 40% Fixed / 60% Variable	\$173.23	\$301.61	\$558.39	\$879.36	\$1,200.32
Alt C - 30% Fixed / 70% Variable	\$191.19	\$347.73	\$660.81	\$1,052.17	\$1,443.52



Single Family Residential Bill Comparison

Non-Residential Bill Comparisons

Rate Alternative	Water Consumption						
	5	10	15	23	33	40	42
Current	\$82.90	\$97.70	\$112.50	\$136.18	\$165.78	\$186.50	\$192.42
Alt A - 50% Fixed / 50% Variable	\$66.63	\$91.87	\$117.10	\$157.48	\$207.96	\$243.29	\$253.38
Alt B - 40% Fixed / 60% Variable	\$63.95	\$94.56	\$125.17	\$174.15	\$235.37	\$278.22	\$290.47
Alt C - 30% Fixed / 70% Variable	\$61.28	\$97.26	\$133.24	\$190.82	\$262.78	\$313.16	\$327.55

Rate Alternative	Water Consumption					
	55	75	100	125	150	200
Current	\$230.90	\$290.10	\$364.10	\$438.10	\$512.10	\$660.10
Alt A - 50% Fixed / 50% Variable	\$319.00	\$419.94	\$546.12	\$672.31	\$798.49	\$1,050.85
Alt B - 40% Fixed / 60% Variable	\$370.05	\$492.49	\$645.54	\$798.59	\$951.64	\$1,257.73
Alt C - 30% Fixed / 70% Variable	\$421.11	\$565.04	\$744.95	\$924.87	\$1,104.78	\$1,464.61



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Questions



Supplementary Material

Inflation Factors

Cost Type	Inflation Factor
Customer Growth	0%
General Cost Inflation	2%
Salary Inflation	3%
Benefits Inflation	6%
Electricity	3.5%
Fuel	3%
Chemicals	3%
Cell Tower Lease	2%
Capital Cost Inflation	3%

Hydraulic Capacity

Meter Size	Capacity Standard Meters	Capacity Fire Meters
5/8 Inch	20 gpm	20 gpm
3/4 Inch	30 gpm	30 gpm
1 Inch	50 gpm	50 gpm
1.5 Inch	100 gpm	100 gpm
2 Inch	160 gpm	160 gpm
3 Inch	320 gpm	350 gpm
4 Inch	500 gpm	700 gpm
6 Inch	1,000 gpm	1,600 gpm
8 Inch	2,800 gpm	2,800 gpm
10 Inch	4,200 gpm	4,400 gpm

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Water Consumption by Customer Class

Customer Class	Volume (hcf) ¹	Percent of Total Volume
Single Family Residential	93,915	53.4%
Other Non-SFR/Commercial	35,660	20.3%
Contract	44,507	25.3%
Construction	1,934	1.1%
Total	176,016	100%

1. Consumption is from 2019. CWD bills monthly.

Source files: Cabazon_USAGEREPORT_CO1CO2_Manipulated.xlsx

SFR Tiered Water Consumption

Consumption by Tier			
Tier	Monthly Breakpoint ¹	Expected Consumption ²	Percentage of Total SFR Consumption
Tier 1	7 hcf	53,666	57%
Tier 2	14 hcf	21,430	23%
Tier 3	--	18,819	20%
Total		93,915	100%

1. Tier 1 breakpoint set to average winter consumption, an estimate of average indoor consumption in Cabazon.
Tier 2 breakpoint set to 14 hcf which is a average summer consumption.
2. Consumption data is based on the CWD 2019 customer data.

Source files: *Cabazon_FINAN ACCTS SUMMARY_CO1CO2.xlsx and Cabazon_USAGEREPORT_CO1CO2_Manipulated.xlsx*

Peaking by Customer Class

Customer Class	Average Monthly Use (hcf)	Peak Monthly Use (hcf) ¹	Peak Monthly Factor	Max Month Capacity Factor
Single Family Residential	7,826	11,521	1.47	51.9%
Other Non-SFR/Commercial	2,972	5,034	1.69	22.7%
Construction	161	719	4.46	3.2%
Contract	3,709	4,921	1.33	22.2%
Total	14,668	22,195		100%

1. Based on peak monthly data (peak day data not available).

Number of Customers by Class

Customer Class	Number of Meters ¹	Percent of Total
Single Family Residential	854	93.0%
Other Non-SFR/Commercial	52	5.7%
Fire Service Meters	5	0.5%
Construction	6	0.7%
Contract	1	0.1%
Total	918	100.0%

1. Meter Count is from December 2019. CWD bills monthly.

Source files: Cabazon_USAGEREPORT_CO1CO2_Manipulated.xlsx

New Business

2. Discussion/Action Item:

Resuming Interest and Penalty Charges, along
with other Misc. Fees (tag fees, etc.)

New Business

3. Discussion/Action Item:

Transfer of Funds from the District's General Acct. to the District's LAIF Acct. in order to gain a higher interest rate return.





Cabazon Water District

14816 Broadway Street • P.O. Box 297
Cabazon, California 92230

August 24, 2020

In-N-Out Burger
Corporate Headquarters
13502 Hamburger Lane
Baldwin Park, CA 91708

ATTN: Community – Donation Request

To whom it may concern,

The Cabazon Water District is a public water district that serves potable water to a community of 2,500 that is severely disadvantaged.

Recently, a former water board member donated a dinosaur statue that now sits near the front entrance of the water district's administration facility.



Business (951) 849-4442 • FAX (951) 849-2519

The water board has directed management to spearhead a “Name the Water Dinosaur” and coloring contest for Cabazon youth, 12 years and under. The Board of Directors will be selecting the *name of dinosaur* and winning *coloring picture* of a dinosaur on October 20, 2020, the evening of the regular board meeting. On behalf of the Cabazon Water District’s Board of Directors, I would like to respectfully request In-N-Out donate whatever it deems appropriate for our humble community outreach.

The requested prizes are as follows:

The winner of the “Name the Water Dinosaur” contest.

- In-N-Out Burger Foundation Lunch Box & Thermos
- \$10 IN-N-OUT gift card

1st Place Coloring Contest

- In-N-Out Burger Foundation Lunch Box & Thermos
- \$10 IN-N-OUT gift card

2nd Place Coloring Contest

- White & Red Mug
- \$10 IN-N-OUT gift card

3rd Place Coloring Contest

- Eraser Set
- \$10 IN-N-OUT gift card

On behalf of the Cabazon Water District Board of Directors and the residents of Cabazon, we thank you for your consideration.

Please feel free to contact me if you should have any further questions.

Sincerely,


Calvin Louie
General Manager