



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:

April 13, 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 - Absent
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:
 - Semi-Annual debt payment to Zion's Bank \$44k
 - Payment to Line Maintenance and Repair Contractor for eleven work orders, including new services and emergency services - \$11k
 - Griswold Industries - Charges for valve for Well 5 and deep well pump control valve and fittings.
- 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 two months since they told the District this. The GM will follow up.
- 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 Almont 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 a substantially the same between the two months
 - Total 51000 - Payroll All Expenses is substantially the same between the two months.
 - Account 55150- Utilities - Wells -the Invoice came in after the reports were needed., The cost was about \$8300.
 - Account 55180 Materials and Line Maintenance repair contractor shows that March was an incredibly high month. The Contractor finished many in-progress projects during March, and billed for same.
 - Account 57515 - Financial Audit Services - This figure is \$1950. This is progress work for the 06/30/2014 audit. The Auditors will be on-site on Monday and Tuesday, April 20 and 21, for the tests of controls, and the May 4, 5, and 8 for testing balances and final fieldwork.
 - Account 57530 - Legal Services - While the invoices had not come in when the reports were required, they are at just under \$5k for March and continue to be high . The costs relate Board civility and customer complaint against Director, RFP for emergency repair contractor, Public Records Act, American Solar proposal, Jensen Creek, HR Issues, SEIU.
 - Account 57600 - Other Fees - has an additional \$990. This was paid to Creighton Consulting for the CCR - Consumer Confidence Report.
 - The District ended the month with a preliminary net loss of about \$29k per when the reports were run, but that figure is more accurately about \$47k.
- ✚ 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 a bit under budget for the year.
- Account 55175 Materials and Line Maintenance Contractor is over budget about 25% year to date.
- 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.
- 57080 Computer Service - is overbudget due to the change in the computer support vendor and the improvements he has made.
- 57530 Legal Service expenses are reasonably close to the budget for the month, but are substantially over budget for the year.
- Preliminary figures show the District with a year to date loss of \$111k when this report was printed. The current figure is about \$126. The District budgeted for a net loss of about \$33k at this point.
- That is about \$70k worse than the District had planned at this point in time.
- The main accounts that are overbudget are 55175 - Line Maintenance and Materials Contractor - \$20k, 55190 - Well Maintenance - \$35k, 57530 - Legal \$45k

ADJOURNMENT


Motion to adjourn at 16:06 hr. made by Director Sanderson and 2nd by Director Mariner.

Director Mariner - Aye
Director Sanderson - Aye

Meeting adjourned at 16:06 hr. on April 13, 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.