

## **FINANCE COMMITTEE NOTES**

### **February 23, 2022**

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#### **Attendees:**

Committee members:	Mark Gibboney (Chair) and Randall Reed
Staff members:	John Bosler, Eduardo Espinoza, Chad Brantley, Rob Hills, Roberta Perez, Taya Victorino, Eric Grubb, Frank Chu, Tuan Truong, Amanda Coker, Robert Kalarsarinis, Agnes Boros, Jennifer Fillinger, and Andrea Dutton.
Members of the Public:	Jonathan Foster, Davis Farr, LLP

**Call to Order:** 11:00 a.m.

**Public Comment:** None

**Additions/Deletions to Agenda:** None

#### **Introductory Remarks by Chair Gibboney**

Chair Gibboney announced for the record that this meeting was conducted by teleconference pursuant to Resolution No. 2022-2-1, in an effort to protect public health, prevent the spread of COVID-19 (Coronavirus), and because state and/or local officials are recommending or imposing measures to promote social distancing, the agenda stated that there was no public location for attending this meeting in person. The agenda stated that the public may listen and provide comment telephonically by calling the number listed on the agenda. Chair Gibboney took a roll call of Committee members and staff present on the call as listed above.

#### **1. Auditor Selection Process and Recommendation**

- Staff presented an overview of the competitive proposal process for the selection of an audit services firm to complete audits during the next three fiscal years 2022 through 2024.
- Six audit firms submitted proposals which were reviewed in detail by finance staff, who then conducted interviews with the top three.
- Based on the proposals, qualifications, interviews and price, staff selected Davis Farr, LLP, as the audit firm recommended to the Committee.
- The Committee concurred with the recommendation of staff and supported moving the recommendation forward to the full Board of Directors for review on March 8, 2022.

#### **2. Mid-Year Financial Results Report Dated December 31, 2021**

- Staff provided a detailed report on the financial results of District operations for the six months ended December 31, 2021.

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- Water consumption is about even with the projections in the Budget. Meter Charges, Water Services and Sales to Fontana Water Company are below Budget forecasts leading to a 3% unfavorable variance on Total Operating Revenues.
- Higher imported water production has created a 21% unfavorable variance in Source of Supply expense. However, this is offset by favorable variances in the Pumping and Water Treatment expense categories. Overall Operating Expenses are 4% below the projections in the Budget.

### **3. Utility Billing Software Update (Verbal)**

- Staff provided the Committee with a verbal update on the progress of the Utility Billing Software replacement project
- Staff explained an opportunity to implement a software that will allow customers to access water usage data through a web portal or on a mobile device
  - This access to water usage information will be valuable during drought conditions in order to support customer's ability to monitor their water consumption and prevent water waste.
  - Staff is pursuing sources of outside funding for this project.

### **4. Budget Transfer to Fund CP22018 – Reservoir IB-I Tank Rehabilitation Project**

- Staff presented a request for a Budget Transfer associated with a capital project to rehabilitate Reservoir IB-I.
  - A transfer in the amount of \$90,200 from various other projects that were completed under budget will be adequate to complete the project.
  - The Committee supported the recommendation for a Budget Transfer and moved the request forward to the full Board of Directors.

Meeting Adjourned at 11:45 a.m.