

Canebrake Water Board Financial Reporting

Board Meeting
June 10, 2023

FY 2022-2023



Bank Debit Transactions - May 2023

Check #	Description	Date Paid	Amount
7113	Kim Chavez D2 Operator Services	5/16/2023	\$148
7117	Small Business Services (accountant fees)	5/01/2023	\$845
7118	United States Treasury (Fed tax for payroll withholdings)	5/03/2023	\$820
7119	Ferguson Enterprise (parts for pipeline)	5/01/2023	\$113
7120	SC Fuels (fuel for equipment)	5/05/2023	\$106
7121	Home Depot	5/11/2023	\$57
7122	EDD (Employment Development Depart, State payroll withholdings)	5/22/2023	\$126
7123	The Tank Source (part of new tank)	5/22/2023	\$118
7125	Small Business Services (May payroll advance)	5/30/2023	\$1243

Discussion - set up autopay for recurring expenses
(Federal and State payroll withholdings)
EDD, US Treasury

Assets, Liabilities, Reserves, Acct Receivables, Fixed Assets

As of May 31, 2023

Current Assets	Amount
Checking	\$99 k
Savings - Pooled	\$55 k
Savings - Price	\$13 k
Savings - Chase	\$77 k
Total Money	\$246 k

Account Receivables	\$4.2 k
Other Misc Assets	\$2.6 k

Total Liabilities (payroll, home depot, etc)	\$35
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Amounts Rounded. From Balance Sheet & Account Receivable Report

Reserves	Amount
Equipment	\$4.5 k
Audit	\$5 k
Long Range	\$55 k
Truck	\$9 k
Pump	\$4 k

The Reserves will be paid from Current Assets.

Safety and Security
 Schedule and Volunteers
 Training and Documentation
 Backup Personnel - order/trained/SOP (binder)
 Outreach

Fixed Assets	Amount
Automotive Equip	\$46 k
Building Improvements	\$14 k
Furniture & fixtures	\$10 k
Improvement on land	\$19 k
Land	\$9 k
Solar Power	\$52 k
Wells, Tanks & Pumps	\$127 k
Pipeline & meters	\$51 k
Total Fixed Assets	\$164k

Pipeline, Meters & Valves = 'Transmission & Distribution'
 Wells, Tanks & Pumps = 'Source of Supply'

Discussion- rename categories. Use layman terms.
 (suggested by CFO & Bookkeeper)

Current Investment Portfolio

Background Info

The Canebrake County Water District invested with the **San Diego County Investment Pool** with the County Treasury in accordance with provisions of Government Code Section 53684 on May 2010 for \$22k and in 2015 for \$28k. As of 2023 our Pooled balance is \$55k.

San Diego County Treasury Pool Return Rates

Year	Return
2013	0.42%
2014	0.46%
2015	0.51%
2016	0.67%
2017	1.1%
2018	1.58%
2019	2.26%
2020	2.02%
2021	0.98%
2022	0.77%
10 Year Avg	1.08%

California Consumer Price Index

Year	CPI
2021	4.7%
2020	1.8%
2019	2.9%
2018	3.9%
2017	2.9%
5 Year avg	3.2%

California CPI

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services.

The San Diego County Investment 10 year avg **1.08%**.
The Chase Saving interest **0.045%**.
The CPI 5 year avg **3.2%**.

Interest on all CCWD Current Asset (\$264k) = **0.4%**
Only a small portion of our Current Assets are invested.

[SD Country Pool 2022 report - page 58](#)

[San Diego Investment Pool](#)

Conclusion

Suggest moving some monies from Chase Bank and SD County Investment Pool to an investment company with better Rate of Returns.

Goals

The goal is to exceed CPI rates on our Current Assets.
The investment should be Reliable with low Credit Risk.
Re-evaluation of investment strategies performed twice a year and administered whenever investments expire.

Morgan Stanley Investment

Morgan Stanley Investment Options (rates June 2023)

CD (Certificate of Deposit)

- 6 mon 5.20%, 11 month 5.25%, 3 month 5.15%
- At maturity get principal and interest
- Fees: \$175 but will get credited back
- FDIC Insured

US Treasury Bills

- Backed by US Government

Savings Account

- FDIC Insured
- 4.6% - completely liquid
- Interest accrued daily
- Fees: zero

Tiered Investment Plan

Balance Liquidity & Rates of Return

Investment	Portfolio Amount
Savings	40%
6 month CD	30%
11 month CD	30%

Pooled Interest Becomes **4.98%**

Discussion- Decide amounts to transfer, portfolio allocation & auto reinvestment strategy on expiring funds.

Morgan Stanley Enrollment Process

1. Provide Entity Details (see below)
2. Account will be opened by Morgan Stanley
3. Sign two documents via E-signature
4. To Facility money transfer from Chase: a void check sent along to prepare Funds Transfer Link allowing electronic transfers into Morgan Stanley.
5. Optionally grant View Only roles to individuals (name, email, phone#, and legal address)

Entity Details

- Name of Entity
- Entity Tax Identification #
- Address of Entity
- Articles of Formation for the Entity - State documentation
- Email if different than the Auth Individuals
- Name of Authorized Individual and Title
- Note: If the Authorized Individual is someone new to Morgan Stanley, we will need their personal information, SS#, DOB, Address, Financials (optional), Employment Information, Email, Phone #
- Key Controller (one of the Auth Ind) President and CFO

Morgan Stanley POC - Pat Curtis
Senior Portfolio Manager - Vice President
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Notes:

How to Transfer Ownership - CCWD contacts Morgan Stanley to add/change new Authorized Individuals.
Charles Schwab has Entity accounts with minimum \$250k.
Navy Credit Federal Union has no Entity accounts.

Future Financial Research Topics

1. Reserves to Cover Near Term Replacement Items
2. Fixed Assets Life Expectancy & Maintenance Expenses
3. Rate Increases
4. Automation to Save Time, Money & Heartache
5. Volunteers and Paid contractors to support upgrades

Discussion - Determine cost of 'near term' Replacement Items for Reserve estimate.