



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF MEETING OF THE FINANCE AND AUDIT COMMITTEE
Thursday, July 5, 2018 at 3:00 p.m.
560 Magnolia Avenue, Beaumont, CA 92223**

Directors present:	Chairman Hoffman Director Diaz
Directors absent:	None
Staff present:	General Manager Dan Jagers, Director of Finance and Administrative Services Yolanda Rodriguez, Senior Finance and Administrative Analyst Bill Clayton, Accountant III Sylvia Molina, Accounting Technician Sally Hernandez; Administrative Assistant Erica Gonzales
Members of the public who registered	Tom Todd, Jr.

CALL TO ORDER

Chairman Hoffman called the meeting to order at 3:01 p.m. at 560 Magnolia Avenue, Beaumont, California.

PUBLIC INPUT: *None.*

ACTION ITEMS

1. Adjustments to the Agenda

The Committee adopted the agenda as presented.

2. Review and Acceptance of the June 7, 2018 Minutes of the Finance and Audit Committee

The Committee accepted the minutes of June 7, 2018 as presented.

3. Receive and File the Check Register for the Month of May 2018

The Committee received and filed the May 2018 Check Register as presented.

4. Financial Reports/Recommendations

- a. Review of the May 2018 Budget Variance Report
- b. Review of the May 30, 2018 Cash/Investment Balance Report
- c. Review of the May 2018 Cash Flow Report
- d. Review of Check Register for the Month of June 2018
- e. Review of June 2018 Invoices Pending Approval

After review and discussion, the Committee recommended presenting the Financial Reports to the Board for approval.

5. Ongoing discussion regarding San Gorgonio Pass Water Agency water rate study and potential impacts on BCVWD

General Manager Jagers advised that the SGPWA just reviewed their budget but have not yet published a proposed rate. The SGPWA Board directed staff to build a rate model including 100 percent of the Nickel Water deal in the rate, as well as a 50 percent model. The rate number budgeted by the SGPWA has been \$500 per acre-foot (AF) as a placeholder.

GM Jagers also reported that the SGPWA is also in the process of developing a capacity fee. The SGPWA appears to favor a developer capacity fee for the Sites Reservoir funding strategy. Its current commitment to the Sites Reservoir Project is 10,000 acre-feet; BCVWD has a 4,000 AF commitment and will use its existing capacity fees as the commitment to help fund that strategy.

The SGPWA General Manager Jeff Davis has also advised that the cost of the 10,000 acre-feet commitment could be up to \$600, Jagers said. That could mean \$3 to \$3.6 million for BCVWD. According to Davis, the Sites JPA will not require a payment until 2020 or 2021. The first phase was paid. The preliminary project design could potentially be \$3 to \$4 million for BCVWD and \$6 to \$9 million for the SGPWA.

Mr. Jagers noted that how these costs are passed through to ratepayers would be something the District must work through. When the capacity fee is established by the SGPWA, BCVWD may be initially burdened with trying to collect an inconsistent proportion and this bears watching. If the District is going to grow, additional water supply is needed, and there must be a holistic plan to accommodate it.

6. Action List for Future Meetings: *None.*

ANNOUNCEMENTS

Chair Hoffman read the following announcements:

- Regular Board meeting: July 11, 2018 at 6:00 p.m.
- Personnel Committee meeting: July 23, 2018 at 5:30 p.m.
- Engineering Workshop July 26, 2018 at 6:00 p.m.
- Beaumont Basin Watermaster meeting: August 1, 2018 at 10:00 a.m.
- Finance and Audit Committee meeting: August 2, 2018 at 3:00 p.m.
- Regular Board meeting: August 8, 2018 at 6:00 p.m.

ADJOURNMENT

Chair Hoffman adjourned the meeting at 3:45 p.m.



David Hoffman, Chairmay to the
Finance and Audit Committee of the

Beaumont-Cherry Valley Water District

