



**DRAFT BEAUMONT-CHERRY VALLEY WATER DISTRICT
DRAFT MINUTES OF MEETING OF THE FINANCE AND AUDIT COMMITTEE
Thursday, October 4, 2018 at 3:00 p.m.
560 Magnolia Avenue, Beaumont, CA 92223**

Directors present:	Chairman Hoffman, Director Slawson
Directors absent:	None
Staff present:	General Manager Dan Jagers, Director of Finance and Administrative Services Yolanda Rodriguez, Senior Engineer Mark Swanson, Senior Finance Assistant Bill Clayton, Accounting Technician Sally Hernandez, Administrative Assistant Erica Gonzales
Members of the public who registered	None.

CALL TO ORDER

Chairman Hoffman called the meeting to order at 3:20 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 September 6, 2018 Minutes of the Finance and Audit Committee

The Committee accepted the minutes of September 6, 2018 as presented.

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

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

4. Financial Reports/Recommendations

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

Director Hoffman gave a brief overview of the reports. Mr. Jagers explained upcoming expenses and cash flow. Director Hoffman pointed out that extra water purchases this year have caused the budget to be exceeded.

Director Hoffman advised that any items of interest to the full Board should be reported during the Directors' Reports section toward the end of the meeting. Mr. Jagers noted that any report could also be pulled from the Consent Calendar for discussion if appropriate for transparency.

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

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

General Manager Jagers reminded the committee members about the San Geronio Pass Water Agency rate workshop. He handed out the SGPWA "Water Sales Comparison of Income and Expenses 2008-present" and explained the document. He believes the related water recharge activity artificially increased the basin safe yield by about 1,000 acre-feet. The recharge cost was apparently included by the SGPWA in the total balance of rates.

Additionally, the purchase of water went negative where the Nickel Water purchase was funded for 2017 then billed in early 2018. These costs were borne by the BCVWD and other payers of SGPWA rates, Jagers explained.

Mr. Jagers assured the committee that both BCVWD and Yucaipa Valley Water District (YVWD) are taking a hard look at the information and explained the spreading of costs and relationship to growth. He talked about YVWD's requirement for a recycled water system in new development. Director Hoffman pointed out that when water demand will exceed supply between 2025 and 2030, there are components that will help offset the need such as the California Water Fix and recycled water.

Mr. Jagers further explained water supply options. Director Hoffman asked about maintenance of the recharge facilities above Orchard. Mr. Jagers said BCVWD maintains six or seven ponds above the first five or six. The lower ones are maintained by the SGPWA.

6. Action List for Future Meetings:

- San Geronio Pass Water Agency water rate study and potential impacts on BCVWD, continued discussion

ANNOUNCEMENTS

Chair Hoffman read the following announcements:

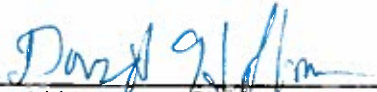
- Regular Board meeting: October 10, 2018 at 6:00 p.m.
- Engineering Workshop October 25, 2018 at 6:00 p.m.
- Collaborative Agencies Committee meeting: November 7, 2018 at 5:00 p.m.
(Location: Beaumont-Cherry Valley Recreation and Park District – Noble Creek Community Center, 390 W. Oak Valley Pkwy)

Mr. Jagers commented on the value of the Collaborative Agencies Committee and advised that he has shared information on potential water rate increases.

- District Offices will be closed on Monday, November 12 in observance of Veteran's Day
- Regular Board meeting: November 14, 2018 at 6:00 p.m.
- Engineering Workshop: No Workshop in November due to Thanksgiving
- Personnel Committee Meeting: November 26, 2018 at 5:30 p.m.
- ACWA Fall Conference: Nov. 27 – 30
- Beaumont Basin Watermaster Committee: December 5, 2018 at 10 a.m.

ADJOURNMENT

Chair Hoffman adjourned the meeting at 4:36 p.m.



David Hoffman, Chairman to the
Finance and Audit Committee of the Beaumont-Cherry Valley Water District

