



BEAUMONT-CHERRY VALLEY WATER DISTRICT
560 Magnolia Avenue, Beaumont, CA 92223

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING
Thursday, December 2, 2021 at 3:00 p.m.

CALL TO ORDER

Chair Hoffman called the meeting to order at 3:00 p.m.

Announcement of Teleconference Participation

General Manager Dan Jagers announced that the teleconference capabilities of this meeting have been identified in the Notice and Agenda for this meeting.

Attendance

Directors present:	Director Hoffman and Director Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Finance and Administrative Services Kirene Manini, PhD Director of Engineering Mark Swanson Director of Operations James Bean Senior Finance and Administrative Analyst William Clayton Senior Accountant Sylvia Molina Accounting Technician Erica Gonzales Administrative Assistant Cenica Smith
Members of the public who registered:	None

PUBLIC INPUT: None.

ACTION ITEMS

1. Adjustments to the Agenda: *None.*
2. Review and Acceptance of the Minutes of the Finance and Audit Committee meeting of November 4, 2021

The Committee accepted the minutes of the Finance and Audit Committee regular meeting of November 4, 2021 by consensus.

3. Receive and file the Check Register for the Month of October 2021

The Committee received and filed the October 2021 Check Register as presented.

4. Financial Reports/Recommendations

- a. Review of the October 2021 Budget Variance Reports
- b. Review of the October 31, 2021 Cash/Investment Balance Report
- c. Review of Check Register for the Month of November 2021
- d. Review of November 2021 Invoices Pending Approval

Chair Hoffman noted that revenue appears it may be short of projections. Mr. Swanson indicated that additional payments are anticipated related to capacity charges (facilities fees).

Chair Hoffman inquired about large refund checks. Mr. Jagers reminded the Committee about the formula error related to the 2019 Rate Study and indicated these are refunds of the overcharges. Mr. Clayton explained the process, and Dr. Manini added detail on internal control.

In response to Chair Hoffman, Mr. Jagers reviewed the tasks of the District's GIS vendor, Nobel Systems. The costs are funded by developer deposits, he added.

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

5. Expense and Per Diem Compensation Claims Submitted for Approval

The Committee reviewed the reports.

6. Quarterly Report on District Vendor Expenditures in Fiscal Year 2021

The Committee reviewed the reports.

7. Quarterly Report on Analysis of Year-to-Date Electric Cost to Pump Groundwater

The Committee reviewed the reports. Chair Hoffman pointed out the approximately 18 percent increase in cost per acre foot produced from the canyon wells over 2020, which is to be expected considering the increased Southern California Edison costs. Staff explained the factors behind the costs.

8. Review of Revenues Loss, Accounts Receivable Balances, and Cash Flows as related to the ongoing COVID-19 Local State of Emergency

The Committee reviewed the reports and staff provided explanation of the tables. Mr. Jagers anticipated that the numbers in arrears would increase. Ms. Molina indicated that approximately 350 customers have consistently unpaid bills since the pandemic began, and explained the Lift to Rise program available to renters from the County of Riverside.

9. Draft BCVWD Fiscal Year 2022 Operating and Capital Improvement Budget Preliminary Finances

Dr. Manini presented the budget document and explained adjustments made due to direction given by the Board and Committee as well as additional internal reviews.

Mr. Jagers introduced the budget carryover schedule. He further reviewed personnel costs. Dr. Manini added that there will be several special meetings in 2022 that will need to be added to the budget line item.

The Committee took a short break to resolve technical difficulties.

Dr. Manini and General Manager Jagers responded to questions from the Committee.

Mr. Jagers reminded the Committee that the budget is based on pre-classification and compensation study information, and may later need to be amended. It also does not include the assistant general manager position, which may later be added.

10. Action List for Future Meetings

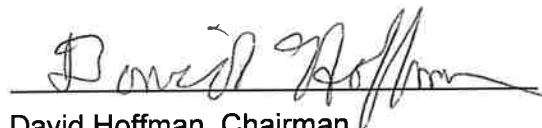
- *Fleet Maintenance opportunities*

ANNOUNCEMENTS

Chair Hoffman read the following announcements:

- Regular Board Meeting: Wednesday, Dec. 8, 2021 at 6 p.m.
- Personnel Committee Meeting: Monday, Dec. 20, 2021 at 5:30 p.m.
- Engineering Workshop: Tuesday, Dec. 21, 2021 at 6 p.m.
- District offices will be closed Thursday, Dec. 23 in observance of Christmas Day
- District offices will be closed Thursday, Dec. 30 in observance of New Year's Day
- Collaborative Agencies Meeting: Wednesday, Jan. 5, 2022 at 5:30 p.m.
- Finance and Audit Committee Meeting: Thursday, Jan. 6, 2022 at 3 p.m.

ADJOURNMENT: 4:19 P.M.



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