



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

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING
Thursday, March 3, 2022 at 3:00 p.m.

CALL TO ORDER

Chair Hoffman called the meeting to order at 3:01 p.m.

Announcement of Teleconference Participation

Both directors were present in the conference room.

Attendance

Directors present:	Director Hoffman and Director Covington (alternate)
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 Information Technology Robert Rasha 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

The Committee accepted the minutes of the Finance and Audit Committee Regular Meeting of February 3, 2022 by consensus.

3. Receive and file the Check Register for the Month of January 2022

The Committee members commented on the amount of fees paid to other government agencies. Mr. Jagers warned that there will be a new level of water testing forthcoming.

The Committee received and filed the January 2022 Check Register as presented.

4. Financial Reports/Recommendations

- a. Review of the January 2022 Budget Variance Reports
- b. Review of the January 31, 2022 Cash/Investment Balance Report
- c. Review of Check Register for the Month of February 2022
- d. Review of February 2022 Invoices Pending Approval

Chair Hoffman pointed to the start of the new year. He noted that cash and investments stayed the same; return is low. He said he hoped for better returns after some research and other opportunities.

Covington asked about progress on the hiring of an investment company. Mr. Jagers advised that documents have been signed and all accounts set up with Chandler Asset Management, and the plan is coming together. The kickoff meeting with Chandler is today, Dr. Manini advised, and the next step is preparation of the directive for transfer of funds in pieces over four to six months. Covington requested that this information come back to the Board as a discussion item or under the General Manager's Report to keep the Board informed. Directors noted the uncertainty due to the unrest in eastern Europe.

Director Hoffman noted the cost of Encroachment Permits and Jagers explained it is associated with the MDP Line 16 project and is not covered under the usual blanket permit with the County of Riverside.

Director Covington asked if the F-450 truck had been received; Ms. Gonzales advised that it has been received and paid for. Jagers described staff vehicle use.

Director Hoffman asked about expenses for flooding a house. Mr. Jagers described an incident and the submittal of a claim to JPIA. Upon advice of legal counsel, the claim was paid.

Director Hoffman pointed to electricity costs. Covington noted that SCE rates are subject to change and recommended evaluating on a quarterly basis. Jagers reminded that SCE recently instituted time-of-use rates.

Mr. Jagers advised that District Counsel Markman anticipates attending the Regular Board meeting in person once per month starting in April.

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 acknowledged the reports.

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

General Manager Jagers noted that the inactivation fees for shutoffs are lost without much hope of recovery from the State or federal funding. He pointed to the Summary of accounts with Past Due Balances and noted the decrease in balances over 120 days past due went from \$302,000 down to \$76,000 which is a direct reflection of the application of the arrearages grant. As of March 1, the shutoff process has been reinstated, which should put an end to that loss, he noted.

In response to Director Covington, Senior Accountant Sylvia Molina reported that \$165,000 was received from the grant, and a good portion of customers made payments while waiting for the grant funding, then made payments in full for their remaining balances. Customers who did not respond to the notice will receive calls this week, then will be slated for disconnection, she explained. Ms. Molina explained the grant program and stated that the grant applied to balances only between March 2020 to June 2021. Jagers commended accounting staff for quick response in securing the funding availability.

The Committee recommended the report be provided to the full Board twice a year.

7. Action List for Future Meetings

- Fleet Maintenance activities
- Chandler Asset Management update
- Procurement of additional water supplies


ANNOUNCEMENTS

Chair Hoffman read the following announcements:

- Regular Board Meeting: Wednesday, Mar. 9, 2022 at 6 p.m.
- Personnel Committee Meeting: Tuesday, Mar. 15, 2022 at 5:30 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, Mar. 23, 2022 at 5 p.m.
- Engineering Workshop: Thursday, Mar. 24, 2022 at 6 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Apr. 6, 2022 at 11 a.m.
- Finance and Audit Committee Meeting: Thursday, Apr. 7, 2022 at 3 p.m.
- External auditors will be performing the 2021 Audit Field Work the weeks beginning April 4, and 11, 2022

General Manager Jagers added that there will be a Special Meeting of the Beaumont Basin Watermaster on March 10 at 11 a.m.

ADJOURNMENT: 3:47 P.M.



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