



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

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING
Thursday, April 7, 2022 at 10:00 a.m.

CALL TO ORDER

Chair Hoffman called the meeting to order at 10:01 a.m.

Announcement of Teleconference Participation

Both directors were present in the conference room.

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 Information Technology Robert Rasha Senior Finance and Administrative Analyst Bill 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:

General Manger Jagers drew attention to updated exhibits for Item 6. These will be available on the website.

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 March 3, 2022 by consensus.

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

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

4. Financial Reports/Recommendations

- a. Review of the February 2022 Budget Variance Reports
- b. Review of the February 28, 2022 Cash/Investment Balance Report
- c. Review of Check Register for the Month of March 2022
- d. Review of March 2022 Invoices Pending Approval

Chair Hoffman noted the variance of \$800,000 related to the decrease in interest.

Dr. Manini advised that assets had been moved from CalTRUST into US Bank for Chandler Asset Management, and she receives a daily email regarding activity. A regular customized report from Chandler will be forthcoming.

Ms. Gonzales clarified that unclaimed credit refund is generated by failed attempt to refund customer credit balances, usually upon end of service. It allows the account to be zeroed out.

Director Hoffman noted the \$15,000 payment to CV Strategies. President Williams explained that the 2022 contract is for a total of \$99,163. Hoffman pointed out this is a major expense and said he has a hard time visualizing the return on investment. President Williams explained costs such as production of the op-ed, and Mr. Jagers added the stormwater project, partnering with the community on storm mitigation, and one story was picked up nationally as well as by the Association of California Water Agencies (ACWA). The District's name is being recognized, he noted, and said more headway was made in January than in the previous year. To date, value is being received, Jagers indicated, but expenditures through the year must be monitored.

Hoffman asked if the ratepayers were being reached and, who the priority audience for communications is. Williams assured that the priority is the community and added that CV Strategies is also helping produce the Consumer Confidence Report (CCR) and a quarterly newsletter along with Facebook postings. Hoffman advised that he had not received a newsletter. Dr. Manini briefed on additional upcoming outreach items. Director Hoffman advised that he engages daily with ratepayers and has indicated that there will probably be some upcoming drought restrictions and rate considerations, which is difficult for them to grasp. He suggested communicating this in a gentle fashion. President Williams advised that next month's amount for CV Strategies will also be large.

Chair Hoffman asked about Legend Pump and Well and Weaver Grading; Mr. Jagers briefly explained the work. President Williams asked about the figures for Well 25. Ms. Gonzales explained it is being tracked separately, and Jagers pointed to ongoing grading operations.

In response to Chair Hoffman, Jagers explained the \$158,000 expense for purchase of radios for the AMR / AMI meters from Inland Water Works. A large quantity was ordered as they had been difficult to obtain, he said.

President Williams asked about the transfer of funds to Chandler Asset Management; Dr. Manini responded they were all wire transfers and documentation can be provided if desired.

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 reminded that shutoffs had restarted in March and will affect this report. Mr. Clayton reviewed the report. He indicated that all revenue loss has now stopped, and this may not be something that is needed to continue to show. Jagers suggested one more month of reporting and explained the success with payment plans and resolution of issues that had been caused by the pandemic.

7. Chandler Asset Management update

No further discussion.

8. Procurement of additional water supplies (requested at 3/3/22 meeting)

General Manager Jagers advised that at the direction of the Board, replacement pipeline materials are being purchased in advance to have them on hand for upcoming projects.

Mr. Clayton reminded that this item had been requested by Director Covington.

Jagers reported conversation with Lance Eckhart of the San Geronio Pass Water Agency (SGPWA). The SGPWA is working on supporting the Bay-Delta Conveyance and projects that affect the State Water Project. Some of the State Water Contractors had opted out providing the ability to increase percentages.

Other activities moving forward are discussions with other local entities to secure additional groundwater, Jagers continued. He said he expects additional reportable items at a later time.

9. Action List for Future Meetings

- ~~Fleet Maintenance activities~~
- Chandler Asset Management update
- Procurement of additional water supplies
- Other Post-Employment Benefits (OPEB)

The Committee removed Fleet Maintenance activities and will reconsider in October.

ANNOUNCEMENTS

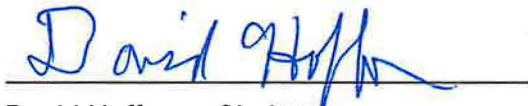
Chair Hoffman read the following announcements:

- External auditors will be performing the 2021 Audit Field Work the weeks beginning April 4, and 11, 2022.
- Regular Board Meeting: Wednesday, April 13, 2022 at 6 p.m.
- Personnel Committee Meeting: Tuesday, April 19, 2022 at 5:30 p.m.
- Engineering Workshop: Thursday, April 28, 2022 at 6 p.m.
- Finance and Audit Committee Meeting: Thursday, May 5, 2022 at 3 p.m.
- San Gorgonio Pass Regional Water Alliance: Wednesday, May 25, 2022 at 5 p.m.

Mr. Jagers added the potential for request of a Board member to attend the SGPWA meeting on Monday at 1:30 p.m.

Dr. Manini added the Ad Hoc Communications Committee on April 11, 2022 at 6 p.m.

ADJOURNMENT: 10:50 A.M.

A handwritten signature in blue ink that reads "David Hoffman". The signature is written in a cursive style and is positioned above a horizontal line.

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