



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

**MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING**  
**Thursday, December 1, 2022 at 3:00 p.m.**

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**CALL TO ORDER**

*Chair Hoffman called the meeting to order at 3:05 p.m.*

**Verification of Teleconference Participation**

Both Committee members were present in person.

*Attendance*

Directors present:	Director Hoffman and Director Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Finance and Administration Kirene Bargas, PhD Director of Information Technology Robert Rasha Director of Operations James Bean Finance Manager William Clayton Management Analyst I Erica Gonzales Senior Management Analyst Sylvia Molina Administrative Assistant Cenica Smith
Members of the public:	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

*Director Hoffman pointed to discussion of election expenses and asked if costs were known; General Manager Jagers said the invoice has not yet been received from the County.*

*The Committee accepted the minutes of the Finance and Audit Committee Special Meeting of October 20, 2022 and the Regular Meeting of November 3, 2022 by consensus.*

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

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

4. Financial Reports/Recommendations

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

*Chair Hoffman noted that \$640,000 had been budgeted in grant revenue and as of this report \$255,534 has been received. He asked about estimates for the end of the year. Senior Management Analyst Sylvia Molina explained that additional submittals had been made to the grant funder and it is expected the total will be close to the budgeted amount by the end of the year.*

*Chair Hoffman noted a negative 152.91% in Interest Income-General, indicating that more than anticipated was received and asked about investments. Mr. Jagers noted that all investments have increased. Hoffman noted that it may be possible that more income than budgeted in 2023 may be received from investments. Ms. Molina indicated that the estimates were conservative. Dr. Bargas advised that Chandler Asset Management representatives will attend the December meeting and can comment.*

*Chair Hoffman drew attention to non-operating revenue exceeding expectations. Mr. Jagers indicated this is due to developers rushing to get projects done ahead of higher interest rates and assured that 2023 was budgeted based on predictions.*

*Dr. Bargas read a statement from Chandler Asset Management regarding the District's portfolio.*

*Chair Hoffman pointed out the paving expense for the Birdsall pipeline project is a substantial amount but is not related to the City of Beaumont.*

*Staff responded to questions about the check register. The Committee conversed with Director of Operations James Bean regarding water quality sampling and testing processes, and progress on the District's warehouse conversion.*

*General Manager Jagers responded to a question about a payment to the Beaumont Basin Watermaster, reminding about a Board-approved expense for the engineering services related to the upcoming determination of basin safe yield.*

*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

*President Williams alerted that she had turned in a late per diem request and was assured that there is no time limit.*

*After review, the Committee recommended presenting the Expense and Per Diem Compensation Claims to the Board for approval.*

6. Updates to the Final Draft Fiscal Year 2023 Operating Budget and 2023-2027 Capital Improvement Budget

*Dr. Kirene Bargas noted only one change, to the budget expenses, of \$8,500 due to the increase in per diem compensation for the Board. She advised that the determination of Miscellaneous Fees at the December 14, 2022 Board meeting will affect the budget.*

*Chair Hoffman noted that the budget appears to be where it needs to be, but acknowledged that it is a moving target and may need to be adjusted.*

7. BCVWD Fiscal Year 2022 Preliminary Operating Budget Carryovers

*Dr. Kirene Bargas explained that the current fiscal year carryover is \$134,765 but may change by the end of the year. This will be brought to the Board.*

8. Review Extension of Contract with Wells Fargo for Banking Services for One Year

*Dr. Bargas reported that the District has contracted with Wells Fargo since 2013. Normal business practice is to review every 10 years, she advised. Staff recommends keeping Wells Fargo for one more year and in 2023, to release a Request for Proposal for services. At the December 14 meeting, the Board will be asked to approve a one-year extension.*

9. Action List for Future Meetings

- *Chandler Asset Management update*
- *Procurement of additional water supplies*
- *Sites Reservoir update*

## **ANNOUNCEMENTS**

*Dr. Bargas noted a change in CEO at Chandler Asset Management effective in January.*

*Chair Hoffman read the following announcements:*

- **Beaumont Basin Watermaster Committee: Wednesday, Dec. 7, 2022 at 11 a.m.**
- **Regular Board Meeting: Wednesday, Dec. 14, 2022 at 6 p.m.**
- **District Offices will be closed on the following holidays:**
  - **Monday, Dec. 26 – Christmas (observed)**
  - **Monday, Jan. 2, 2023 New Year's Day (observed)**

*Subject to the adoption of the 2023 Meeting Schedule:*

- **Collaborative Agencies Committee: Wednesday, Jan. 10 at 6 p.m.**

- Finance and Audit Committee Meeting: Thursday, Jan. 5 at 3 p.m.
- Regular Board Meeting: Wednesday, Jan. 11 at 6 p.m.
- Personnel Committee Meeting: Tuesday, Jan. 17 at 5:30 p.m.
- Engineering Workshop: Thursday, Jan. 26 at 6 p.m.

*Ms. Cenica Smith added that the Ad Hoc Communications Committee will meet on January 10 at 6 p.m.*

**ADJOURNMENT: 4:00 P.M.**

A handwritten signature in dark ink, appearing to read "David Hoffman", is written over a horizontal line.

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