



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

MINUTES OF THE FINANCE AND AUDIT COMMITTEE SPECIAL MEETING
Thursday, October 19, 2023 at 3:00 p.m.

CALL TO ORDER

Chair Hoffman called the meeting to order at 3:10 p.m.

Attendance

Directors present:	Director Hoffman and Director Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Information Technology Robert Rasha Assistant Director of Finance and Administration Sylvia Molina Finance Manager William Clayton Management Analyst I Erica Gonzales Water Utility Superintendent Julian Herrera Administrative Assistant Cenica Smith
Members of the public:	None

PUBLIC INPUT: None.

ACTION ITEMS

1. **Adjustments to the Agenda:** None.
2. **Review of the Fiscal Year 2024 Operating Budget (DRAFT)**

President Hoffman described the caretaking of funds and emphasized the approach to be respectful of the public's funds and transparency.

Assistant Director of Finance and Administration Sylvia Molina stated the Capital Improvement Budget will be presented at the November 2 meeting. She presented the draft of the Operating Budget document, noting that a few dollar amounts had changed, and some photos will be replaced.

Ms. Molina highlighted the following elements:

- Budget message on page 9
- High level overview of budget on page 11
- Cleaning service contract is changing and there will be an increase
- Another look is being taken at Training for the Finance and Administration Department

- Director per diem rate is included at 3.7 percent but the Board may go up to 5 percent at the upcoming public hearing
- Changes will be brought back to the Committee
- Still positive even after changes made
- Net revenues and net expenses are cash related; gross is everything including non-cash items
- AB 1668 and SB 606 mentioned, but impacts are not yet known
- Director bios; please review
- Positions added and reorganized
- The Personnel Committee reviewed the organization chart and cost breakdown of changes and will view again at a special meeting
- Awards received
- Summary of operating and non-operating revenue
- Expenses by division
- Cash on hand
- Revenues – no changes since last discussion
- Goals and accomplishments
- Organizational chart
- New division: Development Services
- Corrections to line item numbers and duplications
- Account descriptions by division, glossary of acronyms
- Capital Improvement section is being finalized

Ms. Molina provided detail on the following budget items:

- Labor / Human Resources / Recruitment
- Postage
- Information Technology
- Cross-Connection / Non-Potable Supervisor and new division
- Transmission and Distribution
- Customer Service and Meter Reading – staffing
- Carryover Schedule
- Board-approved water supply 8,000 acre-feet (\$2,793,000)

Mr. Jagers described the recommended personnel changes and costs. Director Williams cautioned about investment in training temporary employees just to have them move on to other positions.

Staff responded to questions from the Committee on:

- Reserves – amounts and types
- Cash flow due to capital projects
- Source of funds for the new tank and other capital projects (capacity charges)
- Effects of new development on rates
- Inspection time – reason for budget increase; meter inspection processes and work involved
- Wells 1A and 2A replacement project and two new wells budgeted
- Well in Noble Creek Park approved in 2017, work proceeding but may request change of location
- Maintenance and operation of recharge ponds

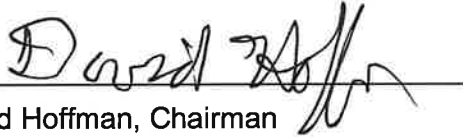
Mr. Jagers reminded about the Engineering and Operations Center. He also discussed the impacts of the Zero Emission Vehicles rulemaking and legislation.

Ms. Molina asked if the Committee was satisfied with the document.

Director Williams requested more information on employee training and turnover costs. Jagers described the program nuances.

Chair Hoffman acknowledged the staff's budget work.

ADJOURNMENT: 4:45 P.M.

A handwritten signature in black 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