



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

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING
Thursday, December 7, 2023 at 3:00 p.m.

CALL TO ORDER

Chair Hoffman called the meeting to order at 3:02 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 Director of Operations, James Bean Assistant Director of Finance and Administration, Sylvia Molina Finance Manager, Bill Clayton Management Analyst I, Erica Gonzales 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
 - a. October 5, 2023 Regular Meeting
 - b. October 19, 2023 Special Meeting
 - c. November 2, 2023 Regular Meeting

The Committee accepted the minutes of the Finance and Audit Committee Meetings by consensus.

3. Receive and file the Check Register for the Month of October 2023

The Committee received and filed the October 2023 Check Register as presented.

4. Financial Reports/Recommendations

- a. Review of the October 2023 Budget Variance Reports
- b. Review of the October 31, 2023 Cash and Investment Balance Report
- c. Review of Check Register for the Month of November 2023
- d. Review of November 2023 Invoices Pending Approval

Chair Hoffman noted that the District has not been successful in receiving budgeted grant revenues. Ms. Molina assured that grant-related reimbursements for expenses for equipment would be billed in early 2024.

Interest income received is substantially more than projected due to changes in return on investments this year, Hoffman stated. Water sales are just about meeting projections, he noted, but Mr. Jagers indicated sales are low. Expenses are staying within budget, he observed. Jagers noted that there is still \$2 million budgeted for imported water, and the total amount is still to be billed; plus, there may be opportunity for purchase of additional water which will come to the Board for authorization.

In response to a question from Chair Hoffman, Ms. Molina explained that the reduction of \$860,000 from the Wells Fargo balance was for imported water. She also reported a November wire transfer from the General Fund into LAIF. Jagers explained the current positions in LAIF, CalTRUST and Chandler Asset Management. Hoffman suggested consideration of making some moves in the future.

Mr. Clayton shared Chandler's portfolio commentary for the month. In response to Chair Hoffman, Mr. Jagers discussed situations which could necessitate withdrawals of investment funds.

Jagers reported meeting with the City of Beaumont this week to discuss an approach to paving requirements.

Staff responded to committee inquiries about the following items:

- Equipment for CLA-valve replacements
- Inventory for 5th Street pipeline project
- AMR / AMI project repeaters
- Disability insurance refunds
- Adjustments on General Ledger

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 Expense and Per Diem Compensation Claims. Ms. Molina advised that one director had been overpaid.

6. Updates to Draft Fiscal Year 2024 Operating Budget & 2024-2028 Capital Improvement Budget

Chair Hoffman noted that the staff report was comprehensive, and the timing has been suitable. He said he had been satisfied with the activity this year and hoped to continue along the same path.

Mr. Jagers advised that great improvements have been made in the budgetary process and acknowledged the work of staff. Ms. Molina noted that budget preparation is a team effort, and even with being understaffed this year, it is a strong document.

Ms. Molina drew attention to a director's request to add potential training subject to the Board's approval, and Mr. Jagers added detail on the program and potential costs.

The Finance and Audit Committee recommended moving this item forward for consideration by the Board of Directors by the following vote:

MOVED: Hoffman	SECONDED: Williams	APPROVED 2-0
AYES:	Hoffman, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

7. Chandler Asset Management – Authorization of Contract Extension

Finance Manager Bill Clayton highlighted some changes made with the contract's second one-year extension:

- Changed title language and date, term expiring December 31, 2024
- Removed unnecessary backup data

Mr. Jagers added that Chandler has been a good resource for the District.

The Finance and Audit Committee recommended moving this item forward for consideration by the Board of Directors by the following vote:

MOVED: None	SECONDED: None	APPROVED 2-0
AYES:	Hoffman, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

8. Proposed Revisions to Policy 5045: Investment of District Funds

Ms. Molina discussed the revisions based on recommendations from the California Municipal Treasurer's Association. The policy has been reviewed by Chandler, legal counsel, and staff. Mr. Jagers noted the change in responsibility from the Director of Finance and Administration to Assistant Director of Finance and Administration in order to accommodate the District's organizational chart.

The Finance and Audit Committee recommended moving this item forward for consideration by the Board of Directors by the following vote:

MOVED: None	SECONDED: None	APPROVED 2-0
AYES:	Hoffman, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

9. Action List for Future Meetings:

Additional water supplies and the ad hoc Water Reuse 3x2 Committee

ANNOUNCEMENTS

Chair Hoffman pointed out the following announcements:

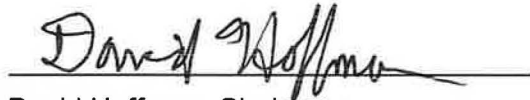
- Regular Board Meeting: Wednesday, December 13, 2023 at 6:00 p.m.
- District Offices will be closed on the following holidays:
 - Christmas Day: Monday, December 25, 2023
 - New Year's Day: Monday, January 1, 2024
- Collaborative Agencies Committee: Wednesday, January 3, 2024 at 5:00 p.m.

Subject to the adoption of the 2024 Meeting Schedule

- Finance & Audit Committee meeting: Thursday, January 4, 2024 at 3:00 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, January 10, 2024 at 11:00 a.m.
- Regular Board Meeting: Wednesday, January 10, 2024 at 6:00 p.m.

Chair Hoffman thanked staff for their work this year and commented that there had been no issues. The District is in good financial standing, he noted. Director Williams commented on the learning curve and thanked staff for their work.

ADJOURNMENT: 4:05 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