



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

**MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING**  
**Thursday, January 4, 2024 at 3:00 p.m.**

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**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 Director of Operations James Bean Assistant Director of Finance and Administration Sylvia Molina Finance Manager Bill Clayton Management Analyst II Erica Gonzales Customer Service Supervisor Sandra Delgadillo Water Utility Superintendent Julian Herrera Water Production Supervisor Dwan Lee 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. December 7, 2023 Regular Meeting

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

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

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

#### 4. Financial Reports/Recommendations

- a. Review of the November 2023 Budget Variance Reports
- b. Review of the November 30, 2023 Cash and Investment Balance Report
- c. Review of Check Register for the Month of December 2023
- d. Review of December 2023 Invoices Pending Approval

Chair Hoffman noted that it is still hoped to receive grant money that is outstanding or in process. More than three times the projected amount of interest has been received for the year, he noted. Of all expenses at the 11 month period, 22.57 percent are unspent. Overall, the District will be under budget by approximately 10 percent, he forecasted.

In response to request by Chair Hoffman, Assistant Director of Finance and Administration Sylvia Molina reviewed the following: a reduction in cash with transfer to the Local Agency Investment Fund (LAIF) investment account, monthly increase in the Chandler account, overall increase of \$426,000, change in signature format, and implementation of recommended processes.

Chair Hoffman asked about the maturity date of the District's Treasury bills. Ms. Molina explained it varies and General Manager Jaggars pointed out the detail in the Chandler report.

Ms. Molina noted that the annual interest income estimate is conservative. Interest was budgeted lower in 2024 in case there are any changes in the market, she explained. General Manager Jaggars added that the interest earned on restricted funds is applied to fund those projects.

Staff responded to committee inquiries about the following items:

- MCC Equipment Rentals for the 5<sup>th</sup> Street pipeline project
- Pro-Vigil Inc. Security Monitoring – security cameras / live monitoring / alarms for fleet storage at Brookside facility
- Vehicle safety checks performed by staff daily
- Western Water Works – shutoffs as part of meter assemblies
- Monthly secure storage / secure file transfer – hosting platform for storage of secure file transfers for customer service

General Manager Jaggars noted the dearth of paving activities in this report and explained that work has paused as a meeting with the City Manager was postponed. He said he has asked field staff to minimize paving activity by paving smaller trench patches until there is resolution. The paving would then go out to bid to achieve some savings.

Chair Hoffman invited public comment. There was none.

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.

6. Review of Amendment to the Fiscal Year 2023 Operating Budget for Electricity - Wells

Finance Manager Bill Clayton explained that that line item for Electricity – Wells has nearly exceeded the annual budget amount of \$2.55 million. As of November 30, the expense totals \$2.5 million, leaving an available balance of \$49,717.18.

Based on averages of December 2021 and 2022, staff estimated additional cost, but when reviewed this week, staff felt it more prudent to use the basis of the 2022 cost and is requesting an additional \$136,000, (not the \$166,000 as stated in the staff report) Clayton explained.

Chair Hoffman asked if this would come from the general fund. Mr. Jagers reminded that the 2023 expenditures are under budget, and said that the funds will be moved around, resulting in a little less going into Capital Reserves.

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

7. BCVWD Fiscal Year 2023 Preliminary Operating Budget Carryovers

Assistant Director of Finance and Administration Sylvia Molina explained the carryover process for project funding from 2023 to 2024 which requires a FY 2024 budget amendment.

Two items warrant carryover, she explained:

- Capacity Charge Study approved by the Board. There is a contract for the services, but it was not finished by the end of the year
- Public Outreach / CV Strategies contract approved by the Board to prepare a video that had been slated for 2023

The Finance and Audit Committee approved and recommended moving this item forward for consideration by the Board of Directors.

8. Imported Water Supply

Chair Hoffman advised that one of his supplier-farmers in central Nevada had stated the difference between snowfall and precipitation in his area in 2022 to 2023 had been the most dramatic he'd ever seen. Hoffman observed precipitation has been sparse so far this year, and noted the pendulum swing can be dramatic year over year. Director Williams commented on the current snow drought.

Mr. Jagers provided detail on the anticipated imported water supply based on calculations by the San Geronimo Pass Water Agency. Even if there is not a lot of snow this year, the District is likely in better than reasonable shape, he advised.

The District's production this year was 1,600 acre-feet (af) less than projected, meaning water purchased went to replenishment, not to serve, Jagers continued. Also, 600 af more was produced from the Canyon wells due to higher groundwater levels. This means that approximately a couple thousand af were put into storage to bring the storage account back up.

Jagers stated that the water supply should be in good shape for next year.

In the future, these updates will be provided during the General Manager's Report including any economic impacts. If budget impacts change, an adjustment will be brought to the Board.

9. Action List for Future Meetings:

- Ad Hoc Water Reuse 3x2 Committee
- Chandler Asset Management update

**ANNOUNCEMENTS**

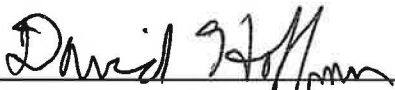
*Chair Hoffman pointed out the following announcements:*

- Collaborative Agencies Committee: Wednesday, Jan. 17 at 5 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Jan. 10 at 11 a.m.
- Regular Board meeting: Wednesday, Jan. 10 at 6 p.m.
- District Offices closed Monday, Jan. 15 in observance of Martin Luther King Jr. Day
- Personnel Committee meeting: Tuesday, Jan. 16 at 5:30 p.m.
- Collaborative Agencies meeting: Wednesday, Jan. 17 at 5 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, Jan. 24 at 5 p.m.
- Engineering Workshop: Thursday, Jan. 25 at 6 p.m.
- Finance & Audit Committee meeting: Thursday, Feb. 1 at 3 p.m.

*Director Hoffman advised that he would not attend the Jan. 25 Engineering Workshop.*

*Mr. Jagers noted that President Covington will attend the Jan. 16 Personnel Committee.*

**ADJOURNMENT: 4:03 P.M.**



David Hoffman, Chairman

to the Finance and Audit Committee of the Beaumont-Cherry Valley Water District