



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

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING
Thursday, May 2, 2024 at 3:00 p.m.

CALL TO ORDER

Chair Hoffman called the meeting to order at 3:09 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 II Erica Gonzales Customer Service Supervisor Sandra Delgadillo Water Utility Superintendent Julian Herrera Temporary Administrative Assistant Irene Gomez Administrative Assistant Cenica Smith
Members of the public:	None

PUBLIC COMMENT: None.

ACTION ITEMS

1. Adjustments to the Agenda: *None.*
2. Review and Acceptance of the Minutes of the Finance and Audit Committee

The Committee accepted the minutes of the April 4, 2024 meeting by the following vote:

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

3. Receive and file the Check Register for the Month of March 2024

The Committee received and filed the Check Register as presented by consensus.

4. Financial Reports/Recommendations

- a. Review of the March 2024 Budget Variance Reports
- b. Review of the March 31, 2024 Cash and Investment Balance Report
- c. Review of Check Register for the Month of April 2024
- d. Review of April 2024 Invoices Pending Approval

Chair Hoffman asked for an update on any pending grant revenue. Assistant Director of Finance and Administration Sylvia Molina advised that April 30 was the last day of the AMR/AMI project grant period, and final payment will be processed in May-June to wrap it up.

An application for some funding (approximately \$1,200) for utility billing under the California Arrearages Program is in progress, she added.

Staff highlighted and/or responded to committee inquiries about the following items:

- *Total Cash and Investments market value*
- *Interest (4.22 percent) for the first quarter has been recorded as income but will not be received until next month*
- *Interest income is better than had been expected, and this information is available to the public*
- *Paving costs*
- *Propane costs which are reimbursed by the employee-occupants of the District residences*
- *Earth-Tec for recharge facility algae treatment*

The Committee recommended presenting Item 4a March 2024 Budget Variance Reports to the Board for approval by the following vote:

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

The Committee recommended presenting Item 4b March 31, 2024, Cash and Investment Balance Report to the Board for approval by the following vote:

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

The Committee recommended presenting Item 4c Check Register for the Month of April 2024 to the Board for approval by the following vote:

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

The Committee recommended presenting Item 4d April 2024 Legal Services Invoices Pending Approval to the Board for approval by the following vote:

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

5. Expense and Per Diem Compensation Claims Submitted for Approval

The Committee reviewed the Expense and Per Diem Compensation Claims. The claims were approved by the following vote:

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

6. Acknowledge Receipt of the Operating Budget Excellence Award from the California Society of Municipal Finance Officers for BCVWD’s FY 2024 Operating Budget and 2024-2028 Capital Improvement Budget

Ms. Molina noted the document is a team effort. The Committee acknowledged the award.

The Committee received and filed the award by the following vote:

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

7. Quarterly Report: Year-To-Date Analysis of Electric Cost to Pump Groundwater

Finance Manager William Clayton noted the report covers three months through March. He explained the Southern California Edison rates. When it is wetter, more water can be produced from the Edgar Canyon wells, which are less costly to operate, he noted.

Chair Hoffman noted that the per acre-foot cost of wells 25 and 26 for the first quarter is considerably higher than the other wells. Water Utility Superintendent Julian Herrera noted that those wells in the canyon are producing more water right now.

8. Quarterly Report: Review of District Contract Expenditures in Fiscal Year 2024

Ms. Molina reviewed the activity and highlighted the contracts related to the capacity charges study, and auditors. She noted that the Ludwig Engineering contract for the 11th Street, American, and Elm pipeline project was omitted and will be added to the next report.

Chair Hoffman pointed to the MCC Equipment Rentals contract approved in June 2023 and noted it has exceeded budget by \$11,000. Ms. Molina indicated that the Engineering Department recently took a request to the Board for additional funds. That project is complete, Mr. Clayton added.

Director Williams asked about the cost-share with the City of Beaumont for the contract for the facilitator. Ms. Molina indicated that the contract is on hold for now and will depend on how conversations are going. Williams pointed out that the elected officials have met, but there is still a balance remaining on the contract. Hoffman noted that there is another meeting upcoming.

In response to Chair Hoffman, Ms. Molina indicated that the RFP for banking services is underway. The RFP was issued, and the response deadline is May 13. Staff will evaluate and make a presentation to the F&A Committee for recommendations before going to the Board. She discussed some options being considered.

Chair Hoffman asked about an annual analysis of credit card processing. Ms. Molina said staff takes that into consideration when setting the fee, which used to be \$1.75 and was increased to \$2.50. It is currently being considered to have a third party take over the payment completely so there is no expense to the District, while keeping the rates at or below the \$2.50 transaction charge to the customers.

Chair Hoffman asked about frequency of credit card use. Ms. Molina stated it is probably less than half of customers – 3,000 to 4,000 per month. Some have signed up for automatic payment, which are charged automatically on their due date, she noted.

9. Action List for Future Meetings:

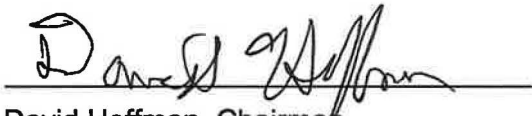
- Chandler Asset Management update
- Request for Proposal for Banking Services update
- Information on the Low-Income Household Water Assistance Program (LIHWAP)
- Impacts of “Making Conservation a California Way of Life” regulations
- Policies to be reviewed

ANNOUNCEMENTS

Chair Hoffman pointed out the following announcements:

- Regular Board meeting: Wednesday, May 8 at 6 p.m. – CANCELED
- Special Board meeting: To be scheduled
- Personnel Committee meeting: Tuesday, May 21 at 5:30 p.m.
- San Gorgonio Pass Regional Water Alliance: Wednesday, May 22 at 5 p.m.
- Engineering Workshop: Thursday, May 23 at 6 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, June 5 at 11 a.m.

ADJOURNMENT: 3:54 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