



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

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING
Thursday, March 6, 2025 at 3:00 p.m.

CALL TO ORDER

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

Attendance

Directors present:	Director David Hoffman and Director Lona Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Information Technology Robert Rasha Director of Finance and Administration Sylvia Molina Management Analyst II Erica Gonzales Water Utility Superintendent Julian Herrera Management Analyst I Edith Garcia Finance Manager William Clayton Administrative Assistance Cenica Smith
Members of the public:	Dr. Blair Ball, San Geronio Pass Water Agency

PUBLIC COMMENT

Dr. Blair Ball, speaking as a ratepayer and business owner, expressed appreciation for the staff's efforts in implementing cost-saving measures. He voiced concern about additional cost-conscious efforts and urged the directors to lead by example in reducing expenses, emphasizing responsible stewardship of public funds. He pointed to the projected water rate increases and questioned some spending. Dr. Ball urged the Board to reconsider the District's expenditures before requesting rate hikes from the public and emphasized that his intent was to encourage responsible financial decision-making.

ACTION ITEMS

- 1. Adjustments to the Agenda:** None.
- 2. Review and Acceptance of the Minutes of the Finance and Audit Committee**
 - a. February 6, 2025 Regular Meeting

The Committee accepted the minutes as presented by the following vote:

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

3. Receive and file the Check Register for the Month of January 2025

The Committee received and filed the Check Register as presented by the following vote:

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

4. Financial Reports/Recommendations

- Review of the January 2025 Budget Variance Reports
- Review of the January 31, 2025 Cash and Investment Balance Report
- Review of Check Register for the Month of February 2025
- Review of February 2025 Invoices Pending Approval

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

- Bonita Vista Mutual Water Company – when taken over by BCVWD, the District put in a water system and brought Bonita Vista on as customers. There was some financing that BCVWD agreed to take over which is billed on a bimonthly basis. The figures shown are interest.*
- The 2024 Election expenses should be billed soon. An estimate was not provided, but it is not expected to be more than budgeted.*
- Credit card transaction fees were budgeted at zero due to the conversion to Paymentus, however the payment system was delayed due to the problematic rollout and there will be fees (\$1.93 per transaction) for the next two months. Almost 4,000 have signed up so far. Check payments are still common.*
- Cybersecurity hardware – The cost has been stable, but the license cost increases by a few thousand dollars each year. It is based on the number of employees.*
- Materials costs for three construction meters were identified*
- Education and community outreach is for Paymentus information, along with supplies for events attended like career fairs.*
- Local Agency Investment Fund (LAIF): \$1.9 million was transferred out to cover imported water purchases*
- A transfer into CalTRUST will be worked on next week based on the Capital Improvement Program presentation by Engineering*
- The investment reports were reviewed in detail*

- *Chandler analysis showed when compared to indices the LAIF total return was 1.75 percent over 20 years, which illustrates the long-term advantage of keeping some investment with Chandler*
- *Progress payment to Cozad and Fox for Noble pipeline*
- *San Gorgonio Pass Water Agency \$161,000 payment for imported water*
- *Maintenance and repairs on District residence on Oak Glen*
- *Anticipated rehabilitation or replacement of residence in the canyon*
- *Purchase of water barriers for Wells 1A and 2A flushing to protect pipeline, and which could be of use in the future (safety)*
- *Recharge basin cleanout*
- *Core and Main – meter couplings for new houses, and parts (transmitters) for the AMR/AMI system for new meters. These costs are recovered in the payment for the new meter*
- *Two types of chlorine are used for wells*

The Committee recommended presenting the financial reports items 4a through 4d to the Board of Directors 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: Hoffman	APPROVED 2-0
AYES:	Hoffman, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

6. Report on Director Event Attendance

Ms. Molina introduced the list of Director RSVPs for various events. Director Hoffman noted that he did not attend the Chamber of Commerce event, and a refund was issued.

The Committee received and filed the Report on Director Event Attendance by the following vote:

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

7. BCVWD Fiscal Year 2024 Operating Budget Carryovers

Finance Manager William Clayton presented the carryovers from FY 2024 to FY 2025. He explained that some approved projects remain incomplete, and for those with more than \$5,000 remaining, the request is to carry over the allocation to the FY 2025 budget. This is intended to go to the Board at the March 12, 2025 meeting for approval.

In response to Director Williams, Mr. Jagers noted that Raftelis Financial was still working on the capacity charges (facilities fees) study, indicating that the study had been on hold due to some pending elements but was expected to conclude soon.

The Committee recommended presenting the Fiscal Year 2024 Operating Budget Carryovers to the Board of Directors for approval by the following vote:

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

8. Quarterly Report: Analysis of Electric Cost to Pump Groundwater in Fiscal Year 2024

General Manager Jagers advised that he expected FY 2025 and 2026 would have extra costs due to potential increases in Southern California Edison rates, resulting from incidents like the Palisades fire.

Chair Hoffman pointed to fluctuation in costs for Well 14 and Director Williams asked about peak use. Mr. Jagers and Mr. Clayton explained the well production volume varied and discussed operations to minimize power use.

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

Finance Manager Clayton introduced the report. Director Hoffman drew attention to \$7 million remaining on the Capital Improvement Budget Contracts.

Director Williams pointed to projects dated in 2017, and asked about progress on Wells 30 and 31, and the Noble Tank and pipeline. Jagers noted that staff has been pursuing grants and has performed demolition. In addition, the wells have been held off due to potential relocation. The Noble pipeline is an American Rescue Plan Act (ARPA) project and is moving forward, and the Noble Tank will follow. The projects were not done during COVID to avoid the cost increases and prices for well drilling; however, tariffs may now affect the project. Even if bid tomorrow, steel will not be bought for six to nine months. Jagers also listed additional projects, which are part of the Chromium 6 avoidance strategy.

There is still a grant application being processed through Rep. Raul Ruiz' office, Jagers continued. He also updated the Committee on the Well 1A drilling project and

solution to avoid using Stewart Park and interrupting the City of Beaumont's construction.

10. Quarterly Report: Title Report Requests in Fiscal Year 2024

Director Williams asked about the reports related to Pennsylvania Avenue, and Mr. Jagers explained the District was researching its abutter's site rights in the area in response to a request from the City.

11. Quarterly Report: Grants

In response to Director Williams, Ms. Molina indicated the full report could be provided to the Board, but there are only two active grants.

The Committee recommended presenting the Quarterly Grants Report to the Board of Directors by the following vote:

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

12. Policy Tracking Matrix Progress Dashboard Review

Ms. Molina reviewed the policy items outstanding, and progress made in revisions. The Finance policies are halfway complete. Two policies are slated to come before the Committee at the next meeting.

The Committee acknowledged the policies to come before the Committee at subsequent meetings by the following vote:

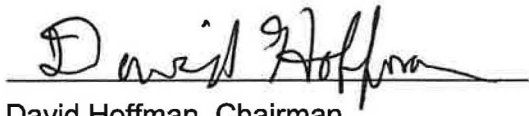
MOVED: Williams	SECONDED: Hoffman	APPROVED 2-0
AYES:	Hoffman, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	None	

ANNOUNCEMENTS

Chair Hoffman pointed out the following announcements:

- Regular Board Meeting: Wednesday, Mar. 12 at 6 p.m.
- Personnel Committee: Tuesday, Mar. 18 at 5:30 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, Mar. 26 at 5 p.m.
- Engineering Workshop: Thursday, Mar. 27 at 6 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Apr. 2 at 11 a.m.
- Finance & Audit Committee meeting: Thursday, Apr. 3 at 3:00 p.m.

ADJOURNMENT: 4:30 P.M.

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

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