



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

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING
Thursday, May 1, 2025 at 3:00 p.m.

CALL TO ORDER

Chair Hoffman called the meeting to order at 3:07 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 Human Resources Manager Ren Berioso Field Superintendent Julian Herrera Management Analyst II Erica Gonzales Customer Service Supervisor Sandra Delgadillo Management Analyst I Edith Garcia Finance Manager William Clayton 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**
 - a. April 3, 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 March 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 March 2025 Budget Variance Reports
- Review of the March 31, 2025 Cash and Investment Balance Report
- Review of Check Register for the Month of April 2025
- Review of April 2025 Invoices Pending Approval

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

- Non-operating revenue is at 98.3% uncollected through March. These charges represent fees paid and housing is backing off a little*
- The 2024 election invoice from the County was \$70,000 above expected. It was approved by the Board and processed. This will be shown on the next report. Staff will be more proactive in obtaining a quote from the Registrar before the next election*
- Double time for transmission and distribution personnel is when they work longer than 12 hours in a day. There is no nighttime differential*
- All expenses available funds are 81.08% which indicates tracking close to budget*
- Cash and investments: a slight increase in cash on hand*
- New section on interest earned on the Wells Fargo account*
- A transfer of approximately \$18 million will be made from Local Agency Investment Fund (LAIF) to the Cal Trust account to cover this year's projects*
- Bank fees totaled \$300 for the month*
- Chandler Investments is monitoring the market and keeping staff informed*
- A supplemental water order will likely come to the Board towards the end of the year. Funds would be transferred from reserves*
- Amazon Capital Service refund for emergency fire blanket: the vendor was unable to fulfill the order*
- CV Strategies billed for production of the Prop. 218 notification and costs came in at budget*
- Cybersecurity annual license for email and other security as part of normal operating expenses*
- Macavoy and Markham was a cost for solar panel kits for the AMR/AMI collectors and repeaters to expand the system*
- Riverside County Department of Waste Resources were dump fees*
- ProVigil for monthly monitoring on Brookside is \$3,753*
- Electricity costs: Staff tries to maximize pumping on a time of use period but the most costly period is overnight. The SCE rate increases are expected in a couple of months*

- *The new water rates approved by the Board went into effect on May 1, and revenue will be seen in about 60 days due to the billing cycles. Staff are performing audits to assure bills are accurate. High volume commercial users are billed monthly, and the Board may expect to hear from the school district and the parks district*
- *Quinn Company for miscellaneous Caterpillar supplies due to electrical failure. The dozer equipment is 20 to 25 years old, and it was time to replace the electrical harness. When it cannot be rebuilt, replacement will be considered (five years)*
- *Maintenance on the trailer mounted generator to have it prepared for emergency use*
- *Brass swing check valves are \$250 each, for new meter assembly builds (made in the U.S.)*
- *Paint sprayer parts for maintenance on buildings*
- *Babcock Laboratories testing for Chromium VI*
- *Legal invoices are a little higher than usual due to more activity*

The Committee recommended presenting the financial reports items 4a through 4d to the Board of Directors for approval by the following vote:

MOVED: Hoffman	SECONDED: Williams	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. Director Williams asked about costs designated as "other," and Ms. Garcia explained there is allowance of about \$5 per day max for incidentals. The claims were approved by the following vote:

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

6. Report on Director Event Attendance

The Committee reviewed the report without comment and it was approved by the following vote:

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

7. Acknowledge Receipt of the Operating Budget Excellence Award from the California Society of Municipal Finance Officers for BCVWD's FY 2025 Operating Budget and 2025-2029 Capital Improvement Budget

Director of Finance and Administration Sylvia Molina presented the award. This is the fifth year the award has been received for the Budget. Changes were made this year to reduce the size of the document and increase transparency.

The Committee recommended presenting the Operating Budget Excellence Award to the Board of Directors by the following vote:

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

8. Policies and Procedures Manual Updates / Revisions

- a. Rescinding Policy 7 Fixed Asset Accounting Control
- b. Amending Policy 8 Fixed Asset Capitalization

Finance Manager Clayton reminded about changes made to the policy at the April 3 meeting and provided a recap of the proposed changes, incorporating the two policy sections into new Policy 5040.

The Committee recommended moving proposed Policy 5040 forward 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	

9. Quarterly Report: Analysis of Electric Cost to Pump Groundwater in Fiscal Year 2025

General Manager Jagers noted that cost per acre-foot on an annual basis: \$67 for the Edgar Canyon wells, and \$233 for the City wells. If there is an emergency and wells must be run during Southern California Edison's (SCE) time of use, there is a penalty. There is a reduced rate for not running in peak periods. The cost increases are somewhat related to the electrical system provider's deferred maintenance that are passed on to the consumer.

Director Williams asked about cost differences of booster stations and Mr. Jagers explained water transmission needs and suggested staff look more closely at the cost per acre foot of pushing water up. Production in Edgar Canyon requires less boosting and is more cost effective.

10. Quarterly Report: Review of District Contract Expenditures in Fiscal Year 2025

Director Williams asked if CV Strategies was included and Ms. Molina indicated there had not yet been an invoice received for April.

The work related to the Raftelis contract dated April 12, 2023 has been held up due to system analysis in response to the Conservation as a California Way of Life regulations and water supply projections, Jagers explained in response to Director Williams. Mr. Jagers explained in depth the analysis which has now been provided to Raftelis to determine the developer impact fees.

Director Williams commented on recycled water and impacts of conservation.

11. Quarterly Report: Grants

Director of Finance and Administration Sylvia Molina advised there have been no new grants.

The Committee recommended quarterly reports 9, 10, and 11 move forward to the Board 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

Director of Finance and Administration Sylvia Molina reviewed the matrix and progress on policy revisions.

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:

- Collaborative Agencies meeting: Wednesday, May 7 at 5 p.m.
- Regular Board Meeting: Wednesday, May 14 at 6 p.m.

- Personnel Committee: Tuesday, May 20 at 4:30 p.m. (Note change of time)
- Engineering Workshop: Thursday, May 22 at 6 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, May 28 at 5 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Jun. 4 at 11 a.m.
- Finance & Audit Committee meeting: Thursday, June 5 at 3 p.m.

ADJOURNMENT: 4:30 P.M.

A handwritten signature in black ink, reading "David Hoffman", is written over a horizontal line.

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