



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

**MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING**  
**Thursday, January 8, 2026 at 3:00 p.m.**

**CALL TO ORDER**

*Chair Hoffman called the meeting to order at 3:13 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 & Cybersecurity Robert Rasha Director of Finance and Administration Sylvia Molina Human Resources and Risk Manager Ren Berioso Finance Manager William Clayton Management Analyst II Erica Gonzales Management Analyst I Edith Garcia Customer Service & Utility Billing Manager Sandra Flores Field Superintendent Julian Herrera Utility Worker II Jordan Smith Administrative Assistant Cenica Smith
Members of the public:	None

**PUBLIC COMMENT:** None.

**ACTION ITEMS**

1. **Adjustments to the Agenda:** Ms. Molina advised that a revised agenda adding item 4d had been posted prior to the 72-hour deadline.
2. **Review and Acceptance of the Minutes of the Finance and Audit Committee**
  - a. December 4, 2025 Regular Meeting

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

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

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

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

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

**4. Financial Reports/Recommendations**

- a. Review of the November 2025 Budget Variance Reports
- b. Review of the November 30, 2025 Cash and Investment Balance Report
- c. Review of Check Register for the Month of December 2025
- d. Review of December 2025 Invoices Pending Approval

The Committee reviewed the November 2025 Budget Variance Reports and noted that year-to-date revenues totaled approximately \$27.1 million, exceeding the adopted annual budget, while expenditures remained below budget with approximately 19.6% available entering the final month of the fiscal year. Staff explained that higher-than-budgeted grant revenue reflected earlier-than-anticipated project completion, interest income exceeded conservative budget assumptions, and operating revenues were higher due to increased water sales and the implementation of the rate increase due to the rate study.

Staff noted that revenues may fluctuate in future years due to conservation and water sales trends, and highlighted the Board’s planned mid-cycle review of the adopted multi-year rate structure to allow for adjustment if financial conditions differ from projections.

State Water Project Purchases: Approximately 16,200 acre-feet of water was purchased during the year, exceeding the budgeted amount, resulting in a strong storage position. Staff discussed monitoring future water availability, potential coordination with San Geronio Pass Water Agency (SGPWA) storage capacity, and the intent to keep the Board informed if financial or policy decisions are needed to avoid loss of available water supplies.

Cash and Investment Report (Item 4b): The District maintained a conservative and diversified investment portfolio, including LAIF, CalTRUST, Chandler Asset Management, and local bank deposits, with a primary focus on capital preservation and liquidity. Investment earnings continued to perform strongly, with portfolio returns averaging close to 4% and exceeding budgeted interest revenue, despite gradually declining interest rates during 2025. Director Williams asked clarifying questions regarding the timing and variability of interest income, including earnings from the interest-bearing checking account, which staff explained began generating income in early 2025 and fluctuates based on account balances. Staff also noted that LAIF interest is credited quarterly and that all investments comply with California Government Code and District investment policy.

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

- Palm Avenue Mainline Leak: The purchase of sod reflected surface restoration following repair of a mainline leak at the Palm location.
- Vehicle Repair – Lee’s Auto Body: Rear bumper repairs to a District vehicle resulted from another vehicle striking it while parked, and that the responsible party’s insurance covered the damage.

- Customer Service Training: The payment to consultant Sophia Brooks covered a series of customer service training sessions attended by all current customer service representatives and the training was included in the budget.
- Southwest Pump and Drilling: The payment related to previously approved well work and reflected ongoing drilling and pump-related services.
- West Coast Electric: Electrical work associated with District facilities and infrastructure for the new vehicle charging station and new main distribution panel.
- Michael Baker International: For Engineering and design services related to the Vineland tank and booster station project.
- During December, five hydrants were stolen at a value of \$6,000 each

*The Committee recommended presenting the financial reports 4a to 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.

*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**

*The Committee reviewed the report without comment.*

*The Report on Director Event Attendance was approved by the following vote:*

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

**7. Policies and Procedures Manual Updates/Revisions amending Policy Section 16 Credit Card Usage**

The Committee considered proposed updates to the Policies and Procedures Manual related to Policy Section 16, Credit Card Usage, renumbered as Policy 5075. Staff explained that the revisions were intended to resolve prior conflicts between the credit card

policy and Policy 4070 (Payment of Expenses), align the policy with current practices, and formalize internal controls that had already been implemented administratively.

Mr. Clayton and Ms. Molina summarized the key changes, including aligning credit card purchases with the District's purchasing policy, limiting issuance of credit cards based on demonstrated business need, introducing a required credit card user agreement, clarifying allowable and prohibited uses, identifying potential civil and criminal penalties for misuse, and formalizing spending limits and review responsibilities. Staff noted that credit cards would not be issued to Board members and emphasized that the revisions improved clarity, accountability, and transparency without creating a fiscal impact.

Committee members commented that the proposed revisions clarified and tightened the policy and that many of the provisions reflected existing best practices already in place. Staff confirmed that the revisions were intended to formally document those practices and ensure transparency to the Board.

In response to questions, Ms. Garcia described the District's internal review process for credit card expenditures. She explained that individual card statements are issued monthly, original receipts are collected and reviewed line by line, supervisors review and sign their respective statements, and a consolidated statement is reviewed and approved by management. General Manager Jagggers confirmed that he reviews all statements and supporting documentation, and any unusual transactions are discussed with finance staff.

Committee members asked about unauthorized or fraudulent credit card charges. Staff reported that such incidents occur infrequently, typically involving small dollar amounts, and are promptly reported and resolved. Overall monthly credit card usage is significant (\$20,000 to \$30,000) and includes recurring operational expenses such as utilities, subscriptions, and technology-related services.

Mr. Rasha further explained that credit cards are used primarily for efficiency, particularly for subscription-based services and technology expenses. Detailed transaction information is included in Finance and Audit Committee reports for transparency. He provided an overview of how technology investments, supported by credit card purchasing, have improved operational efficiency, customer service response times, and internal workflows. An estimated 7,000 customer inquiries have been handled over the past few months by the new chatbot, the subscription for which is paid for with a District credit card.

In response to Director Hoffman, Ms. Molina confirmed that annual card rebates are received based on usage throughout the year. She also clarified that District credit cards are used as physical cards only, that mobile or contactless payment methods are not permitted, and that access to online credit card account management is restricted to a limited number of finance staff who are not issued credit cards as part of internal controls.

*The Committee recommended the proposed revisions to Section 16 (Policy 5075) Credit Card Usage be presented to the full Board for consideration 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, Jan. 14, 2026 at 6 p.m.
- District Offices closed Monday, Jan. 19, 2026 in observance of Martin Luther King Jr. Day
- Personnel Committee: Tuesday, Jan. 20, 2026 at 5:30 p.m.
- Engineering Workshop: Thursday, Jan. 22, 2026 at 6 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, Jan. 28, 2026 at 5 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Feb. 4, 2026 at 11 a.m.

**ADJOURNMENT: 3:58 P.M.**



David Hoffman, Chairman

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