



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

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING
Thursday, March 5, 2026 at 3:00 p.m.

CALL TO ORDER

Chair Hoffman called the meeting to order at 3:03 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 Management Analyst II Erica Gonzales Management Analyst I Edith Garcia Customer Service & Utility Billing Manager Sandra Flores Water Utility Superintendent Julian Herrera Water Utility Worker II Justin Petruescu 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. February 5, 2026 Regular Meeting

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

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

3. Receive and file the Check Register for the Month of January 2026

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

- a. Review of the January 2026 Budget Variance Reports
- b. Review of the January 31, 2026 Cash and Investment Balance Report
- c. Review of Check Register for the Month of February 2026
- d. Review of February 2026 Invoices Pending Approval

Chair Hoffman introduced the January 2026 Budget Variance Report and commented that the executive summary format, recently implemented, provides a helpful high-level overview of the District's financial condition. He observed that revenues and expenditures appear to be tracking consistently with the adopted budget and noted that January reflects typical seasonal patterns, including lower consumption and reduced revenue due to cooler weather. He highlighted that the District remains in a stable financial position, with operating revenue continuing as the primary and steady source of income and interest earnings performing well. Chair Hoffman also noted the absence of capacity and front footage fee revenue for the month, which he attributed in part to seasonal and development-related variability.

Ms. Molina added that operating revenues were slightly higher than expected for the period due to warmer weather in December compared to the prior year and noted that the report does not yet reflect the impact of the new 2026 water rates, which will begin appearing in billing cycles in February and March. Staff stated that revenues are expected to increase in subsequent months and will continue to be closely monitored.

Ms. Gonzales reported that the District's investment portfolio increased modestly in market value during January and noted that recent investments were focused on corporate and asset-backed securities. The Committee discussed expectations for lower interest income compared to 2025 due to declining rates, with staff confirming a conservative budgeting approach and ongoing alignment of investments with future capital project needs. Ms. Molina confirmed that the portfolio remains compliant with policy, prioritizing safety and liquidity, and does not include higher-risk instruments such as futures.

General Manager Jagers provided clarification regarding the District's financial position, explaining that while total cash balances may appear significant, a portion includes restricted developer deposits which must be returned or used for specific purposes. He emphasized that current reserves must be viewed in the context of substantial upcoming capital needs, including wells, reservoirs, booster stations, and the future Engineering Operations Center, noting that individual projects can require tens of millions of dollars and quickly reduce available balances.

Staff also responded to questions regarding refunds associated with Pardee/Tri Pointe Homes development accounts, explaining that the number of accounts has been significantly reduced as projects have progressed and deposits have been reconciled. Remaining accounts relate to ongoing development activity, and refunds represent the return of unused developer deposits following completion or reconciliation of project-related costs.

Chair Hoffman noted that while staff and the Board understand these financial constraints, the public may perceive the District as having excess funds without recognizing future obligations. Mr. Jagers further stressed the need for prudent financial management, highlighting aging infrastructure, escalating construction costs, and the importance of maintaining reserves and rate structures to support long-term system needs while balancing affordability for ratepayers.

Staff highlighted and/or responded to Committee inquiries regarding the following items:

- NeoGov (GovernmentJobs.com) – Annual Renewal: HR software used for recruiting, onboarding, and applicant tracking; subscription reduced in scope and cost following internal audit of usage.
- Great Place to Work Institute: Fee for employee survey, analytics, benchmarking, and participation in the certification/award program.
- West Coast Technologies: Annual maintenance agreement for the District’s server storage infrastructure supporting file systems, records, and virtual servers.

Director Hoffman noted increased legal expenditures associated with ongoing litigation matters. Jagers clarified that the increase in legal costs is not attributable to staff actions but rather to external factors generating the activity.

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. Ms. Molina noted an error on Director Williams’ report: an amount was in an incorrect column, and the correct total should be \$1,778.40.

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

Director Hoffman reported on his attendance at the California Special Districts Association class on SB 827 Financial Training, now required by law, and staff answered his questions pertaining to Other Post-Employment Benefits (OPEB).

The Director Event Attendance Report 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 Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for BCVWD’s 2024 Annual Comprehensive Financial Report

Ms. Molina reported that the District’s auditors will be on site for the first two weeks of April and it is hoped the award-winning audit trend will continue. She acknowledged the work of staff.

The Committee acknowledged Receipt of the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association and recommended it be forwarded to the full Board by the following vote:


MOVED: Hoffman	SECONDED: Williams	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. 11 at 6:00 p.m.
- Personnel Committee: Tuesday, Mar. 17 at 5:30 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, Mar. 25 at 5:00 p.m.
- Engineering Workshop: Thursday, Mar. 26 at 6:00 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Apr. 1 at 11:00 a.m.
- Collaborative Agencies Committee: Wednesday, Apr. 1 at 5:00 p.m.
- Finance & Audit Committee Meeting: Thursday, Apr. 2 at 3:00 p.m.

ADJOURNMENT: 3:54 P.M.



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