



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

**MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING**  
**Thursday, May 7, 2026 at 3:00 p.m.**

**CALL TO ORDER**

*Chair Hoffman called the meeting to order at 3:00 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 Finance Manager William Clayton Management Analyst I Edith Garcia Management Analyst II Erica Gonzales Water Utility Superintendent Julian Herrera Administrative Clerk Crystal Ocegueda Customer Service Representative Ceejay Stafford 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 2, 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 March 2026**

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

Chair Hoffman noted that water sales vary and said he was pleased to see that expenses through March are \$5,739,606.85 (21.55% of budget), with interest income above the budget estimate. He noted that capacity charges and developer impact fees seemed lower, and General Manager Jagers indicated that although there is home building activity, new fees have been slow to come in with the slowdown in the economy. He noted that fees for lower-use development such as industrial results in lower fees based on Equivalent Dwelling Units (EDU).

Jagers advised that imported water would continue to be purchased through July and would likely be billed in August. He also explained that the cash balance at \$90.3 million does not yet reflect the approximately \$10 million in expenses expected for well drilling and construction of the Noble tank. He also noted some upcoming property purchases and acknowledged that the increase in rates with resulting cash balance accrual did not good, but the upcoming expenses will be realized in a short time frame.

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

- Unusually high number of customer refund checks; attributed to ongoing efforts to process refunds.
- Purchase of 16-inch ductile iron pipe fittings from Orange County Winwater Works: staff explained the materials were related to hydrant infrastructure work.
- Replacement of a four-ton HVAC unit at the 12<sup>th</sup> and Palm facility, including cost comparisons, energy usage, and operational efficiency. Staff explained the replacement unit was comparable in cost to similar systems, was installed following informal quotes, and included both heating and cooling capabilities.
- The HVAC replacement decision was based on repair costs approaching the cost of full replacement. The District has incorporated replacement of aging HVAC units into the capital improvement planning process. The newer unit successfully improved cooling efficiency at the facility.
- Discussion occurred regarding District electric utility costs, including seasonal impacts on HVAC-related energy consumption and potential future solar improvements associated with facility upgrades.
- Encroachment permit-related charges: Staff clarified the permits were associated with separate projects that were exempt from the District’s moratorium restrictions.

- Directors Williams and Hoffman asked about engineering consulting charges, and staff explained the District is utilizing consulting engineers for plan check services on development projects in order to recover costs through developer deposits and reduce workload demands on District engineering staff.

*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 without comment.

*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 on Director Event Attendance without comment.

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

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

**7. Recommendation to Award Professional Services Agreement for Community Facilities District (CFD) Administration, Formation Support, and Special Tax Levy Services – CFD No. 2025-1 (Beaumont Pointe)**

Mr. Clayton presented a recommendation to award a professional services agreement to NBS Government Finance Group for administration, formation support, and special tax levy services related to Community Facilities District (CFD) No. 2025-1 for the Beaumont Pointe development. He explained that the CFD was established by the Board earlier in the year to fund the long-term operation, maintenance, and replacement of infrastructure serving the development through special taxes levied on benefiting properties rather than existing ratepayers.

General Manager Jaggars provided additional context regarding the Beaumont Pointe project, describing it as a large logistics and commercial development south of Interstate 10; the Jackrabbit Trail area. The CFD would fund maintenance and future replacement of large transmission pipelines and related infrastructure necessary to serve the project's fire flow and

operational demands. Discussion clarified that the taxes would be collected through Riverside County property tax bills, with revenues held by the District in restricted accounts dedicated solely to CFD purposes.

Director Williams asked questions regarding how long the CFD agreement would remain in effect and how the funds would be administered. Staff explained the proposed five-year agreement term with NBS, along with annual Consumer Price Index-based adjustments beginning in 2027. Staff also noted that NBS would manage annual levy calculations, county coordination, reporting, and administrative processes associated with the CFD.

Staff explained the request for proposals process and reported that NBS received the highest overall score due to its technical qualifications, experience with Riverside County CFD administration, and competitive pricing. Clayton further explained that proposal costs differed because several firms recognized that much of the CFD formation work had already been completed by the District. The proposed not-to-exceed amount for 2026 is \$7,390.

In response to Committee questions, and staff explained that each CFD would require its own separate accounting fund and chart of accounts for financial tracking and reporting purposes, although not necessarily separate bank accounts.

Jaggers discussed the potential for similar CFD structures to be used for future large commercial or industrial developments requiring substantial infrastructure improvements. He explained that the approach allows the District to isolate the long-term costs associated with major developments so that future replacement obligations are funded by benefiting properties rather than the broader customer base.

*The Committee recommended forwarding the proposed agreement with NBS 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: Policy Tracking Matrix Progress Dashboard**

Chair Hoffman noted progress is at 92.59% completion. Still outstanding is revision of the credit card policy. Ms. Molina reported that the policy had been taken to the Board but was remanded to the Committee to review the possibility of authorizing Board members to have District credit cards. It is against the current policy and the recommendation of auditors and the legal team, so staff is working on how to adopt the Directors’ request and present options to the F&A Committee in June.

*The Committee acknowledged the Policy Tracking Matrix by the following vote:*

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

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

Mr. Jagers presented the quarterly year-to-date analysis of electrical costs associated with groundwater pumping. The General Manager reported that, despite higher electricity rates, the District's cost per acre-foot has improved due to reduced pumping volumes and operational adjustments intended to shift pumping activities to lower-cost usage periods.

## 10. Quarterly Report: Review of District Contract Expenditures in Fiscal Year 2026

Staff presented the quarterly report reviewing District contract expenditures for Fiscal Year 2026 and noted that the report is provided for informational purposes. Staff explained that several status updates in the report had been corrected for the Board agenda version, including updates related to Eagle Aerial Photography, the District's auditors, and contracts that had been replaced by other service providers.

Jagers highlighted the District's engineering office lease agreement and discussed the potential availability of a larger office facility near the Interstate 10 on-ramp area. He explained that staff had begun evaluating the site due to current space limitations and the expectation that a permanent District facility remains several years away. Committee discussion addressed the proposed facility's size, location, parking availability, and comparative rental costs. Staff noted that the potential new location would provide significantly more space than the current engineering office and that one building could become available immediately, with an adjacent building anticipated to become available later in the year.

Jagers stated that staff is conducting space planning and cost analysis related to the potential lease opportunity. This will go to the Board for further discussion at a future date.

## 11. Quarterly Report: 2026 Year to Date Title Report Requests

The Committee reviewed the report.

## 12. Quarterly Report: Grant Activity

Ms. Molina noted minor corrections to the report formatting and advised that, while no grant awards had been received since the prior report, the District continues to actively pursue grant opportunities, including participation in a joint Riverside County Hazard Mitigation Program application for generators.

### ANNOUNCEMENTS

*Chair Hoffman pointed out the following announcements:*

- Regular Board Meeting: Wednesday, May 13 at 6:00 p.m.
- Personnel Committee: Tuesday, May 19 at 4:30 p.m.
- District offices will be closed in observance of Memorial Day: Monday, May 25
- San Geronio Pass Regional Water Alliance: Wednesday, May 27 at 5:00 p.m.
- Engineering Workshop: Thursday, May 28 at 6:00 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Jun. 3 at 11:00 a.m.
- Finance & Audit Committee meeting: Thursday, Jun. 4 at 3:00 p.m.

Ms. Molina announced that an award had been received for the prior year's budget.

### ADJOURNMENT: 4:53 P.M.



David Hoffman, Chairman

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