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

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING
Wednesday, July 1, 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 Jaggers Director of Information Technology & Cybersecurity Robert Rasha Director of Finance and Administration Sylvia Molina Finance Manager William Clayton Management Analyst II Erica Gonzales 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. June 11, 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 May 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 May 2026 Budget Variance Reports
b. Review of the May 31, 2026 Cash and Investment Balance Report
c. Review of Check Register for the Month of June 2026
d. Review of June 2026 Invoices Pending Approval

Chair Hoffman noted that the District is doing well as far as staying within budget, and income is as expected. Interest income continues to be over and above budgeted amounts.

Cash Balance and Investment Report (Item 4b): Chair Hoffman noted that the District's investment portfolio continued to perform well, with Chandler Asset Management earning approximately 4 percent and the remaining investment accounts producing competitive returns. Staff advised that the next Local Agency Investment Fund (LAIF) quarterly interest payment would be reflected in the upcoming monthly reports. Committee discussion focused on restricted funds held for development projects and whether investment earnings help offset future increases in construction costs. General Manager Jaggers explained that developer impact fees and associated project cost estimates are periodically updated, with costs reviewed in the aggregate and adjusted over time to account for inflation and changing market conditions.

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

- Southern California Edison (SCE) power costs: The District budgeted $3.0 million for electricity costs and identified power as one of the largest operating expenses. Expenditures were currently tracking below budget, but the highest electrical usage and costs typically occur during the summer months. The Committee discussed the need to monitor electricity expenditures and revenues closely through the end of the fiscal year, particularly in light of increasing utility rates.
- General Stipend – Meeting Attendance: This item is for the MOU employees who attend Personnel Committee meetings.
- Utility billing refund consisting of multiple line items: The refund likely resulted from an account overpayment, with the individual amounts reflecting separate utility billing charges (such as water consumption, fixed charges, power, or state water charges).
- Ice Maker Purchase: The equipment was acquired to meet Cal/OSHA heat illness prevention requirements by providing sufficient ice and cold drinking water for field crews during hot weather. The existing unit could no longer meet demand and would be relocated to another District facility while the new, larger unit is installed at the 12th and Palm facility. Staff also summarized the District's comprehensive heat illness prevention program, including requirements for water, shade, training, and high-heat procedures.
- Jack Henry Software Renewal: Chair Hoffman inquired about the purpose of the Jack Henry software maintenance renewal and its continued value as more customers transition to electronic payments. Staff explained that the software supports the scanning, indexing, and electronic deposit of paper checks, provides searchable payment records, and includes annual software updates and security patches. Based on current check volumes, staff estimated the annual renewal cost equates to only a few cents per

processed check, and the Committee acknowledged the system remains a cost-effective tool while noting the continued shift toward online payments.

- Concrete Cross Gutter Repair: The expenditure was for replacement of a concrete cross gutter that had settled and cracked over a District trench. Although it could not be conclusively determined whether the failure resulted from the District's trench or another cause, the District elected to fund the repair in keeping with its policy of maintaining its trenches and as a gesture of good cooperation with the City.
- Pro Vigil Security Monitoring Services: the cost is the District's ongoing monthly expense for remote security monitoring at the Noble Creek Recharge Facility.
- Purchase of imported water from San Gorgonio Pass Water Agency: Jaggers noted that the District continues to take delivery into the Noble Creek facility.
- SCE Well Power Charges: Each well is metered and billed individually, but the charges are aggregated for reporting purposes, with Well 25 shown separately because its operating costs are shared with the City of Banning. Staff clarified that Banning currently receives water from Well 25 due to operational needs and because the higher-pressure connection is more efficient for delivering water into its system.
- Development Project Reimbursements: Chair Hoffman requested clarification regarding several development-related payments listed in the check register. Staff explained that the Tri Pointe payment was the oversizing agreement reimbursement approved by the Board at its previous meeting, while the Olivewood payment represented the reconciliation and refund of unused engineering, inspection, and related development deposits.

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 received and filed 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:

- District offices will be closed in observance of Independence Day: Thursday, Jul. 2
- Regular Board Meeting: Wednesday, Jul. 8 at 6:00 p.m.
- Personnel Committee: Tuesday, Jul. 21 at 4:30 p.m.
- Engineering Workshop: Thursday, Jul. 23 at 6:00 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Aug. 5 at 11:00 a.m.
- Collaborative Agencies meeting: Wednesday, Aug. 5 at 5:00 p.m.
- Finance & Audit Committee meeting: Thursday, Aug. 6 at 3:00 p.m.
- San Gorgonio Pass Regional Water Alliance: Wednesday, Sept. 23 at 5:00 p.m.

ADJOURNMENT: 3:44 P.M.

David Hoffman

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