

**BEAUMONT CHERRY VALLEY WATER DISTRICT
MEETING OF THE FINANCE & AUDIT COMMITTEE
May 6, 2010**

CALL TO ORDER, ROLL CALL

Chairman Ball called the meeting to order, 560 Magnolia Avenue, Beaumont, California. Those present at this meeting were Directors Ball and Ross. Also present at this meeting were Interim General Manager Anthony Lara, Controller Jeannette Olko, Business Manager Julie Salinas and Commercial Office Supervisor Mary Martin. Public present at this meeting were Patsy Reeley, Luwana Ryan, and Frances Flanders.

PUBLIC INPUT

Chairman Ball called on Frances Flanders. Ms. Flanders noted that on page 3 of 45, the minutes read that Business Manager Salinas was to contact a second collection agency and that the items was not on this agenda. Mr. Lara clarified that it was not an action item but rather that staff is continuing to work on Aging Receivables and will bring back findings to the Committee once all research and work is completed.

1. Adoption and Adjustment of Agenda (additions and/or deletions)

The agenda was adopted as presented.

2. Review and Acceptance of April 9, 2010 Minutes of the Finance and Audit Committee**

Signature block to be corrected. The Minutes of April 9, 2010 were accepted as presented.

3. Financial Reports/Recommendations

- a. Review of Invoices for the Month of April 2010**

After review of Invoices for the Month of April 2010 the Committee recommended presenting the invoices to the full Board for approval.

- b. Review of April 2010 Invoices Pending Approval**

Chairman Ball requested a breakdown of the "out-of-pocket" expenses for Charles Z. Fedak & Co. invoice no. 43010. After review, the Committee recommended sending the April 2010 invoices pending approval to the full Board for approval.

- c. Review of the April 2010 Financial Statement**

Staff made the recommendation that the current detailed format with summary page be replaced with a Statement of Net Assets and Statement of Net Revenues (as presented in the audited Financial Statements). Staff further recommended delaying the month end report by one month to allow staff time to record month end entries and complete reconciliations. The Committee agreed to the recommendation. Chairman Ball suggested that Staff define the word "depreciation" so that everyone may have a clearer understanding.

Discussions continued regarding the funding of reserve accounts. Controller Olko recommended the District consider adopting a Fiscal Policy which would address the different types of reserves and funds and how they are funded.

After discussions, the Committee agreed to recommend to the full Board a one-month delay in presenting the Month End Financial Statement.

4. Action List Updates/Recommendations

a. Geosciences Final Invoice- Anthony Lara

Mr. Lara, at the request of Director Halliwill, verified that the ODC's shown on the back of the invoice were part of the invoice total.

5. Action List

- Obtain breakdown of out-of-pocket expenses from Charles Z. Fedak & Co. (Salinas)
- Research Minutes for action regarding Emergency and Operating Reserves. (Salinas)
- Aging Receivables/Collections (August/September)

ADJOURNMENT

Chairman Ball adjourned the meeting at 5:00 pm.

Dr. Blair Ball

Dr. Blair Ball, Chairman of the
Finance & Audit Committee of the
Beaumont Cherry Valley Water District