



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF MEETING OF THE FINANCE AND AUDIT COMMITTEE
Thursday, May 3, 2018 at 3:00 p.m.
560 Magnolia Avenue, Beaumont, CA 92223**

Directors present:	Chairman Hoffman Director Diaz
Directors absent:	None
Staff present:	General Manager Dan Jagers, Director of Finance and Administrative Services Yolanda Rodriguez, Senior Finance and Administrative Analyst Bill Clayton, Accountant III Lorena Gonzales, Accountant III Bruce Kincaid, Accounting Technician Sally Hernandez
Members of the public who registered	Tom Todd, Jr.

CALL TO ORDER

Chairman Hoffman called the meeting to order at 3:02 p.m. at 560 Magnolia Avenue, Beaumont, California.

PUBLIC INPUT

BCVWD Accounting Technician Sally Hernandez was introduced.

ACTION ITEMS

1. Adjustments to the Agenda

The Committee adopted the agenda as presented.

2. Review and Acceptance of the April 5, 2018 Minutes of the Finance and Audit Committee

The Committee accepted the minutes of April 5, 2018 as presented.

3. Receive and File the Check Register for the Month of March 2018

The Committee received and filed the March 2018 Check Register as presented.

4. Financial Reports/Recommendations

- a. Review of the March 2018 Budget Variance Report
- b. Review of the March 31, 2018 Cash/Investment Balance Report
- c. Review of the March 2018 Cash Flow Report
- d. Review of Check Register for the Month of April 2018
- e. Review of April 2018 Invoices Pending Approval

After review and discussion, the Committee recommended presenting the Financial Reports to the Board for approval.

5. San Gorgonio Pass Water Agency rate study and potential impacts on BCVWD

General Manager Jagers advised that staff has done some preliminary analysis of rates. The SGPWA has directed the rate consultant to look at the rate plus additional sources of supply. The SGPWA board is seeking a solution for funding new sources of supply. Of significant concern is the Nickel water lease, which amounts to about \$1.7 million per year, at \$1,000 per AF. This will affect the BCVWD pass-through rate.

The previous BCVWD rate study expired in 2015, and in order to adjust rates and continue to pass through, BCVWD will have to complete a rate study. Director Hoffman asked about producing a rate study. GM Jagers explained that the project would be done by a consultant and would have to go out to bid. He would anticipate a six-month turnaround.

The SGPWA charged their consultant with looking at including components such as either 50 percent of the cost, or 100 percent of the cost of supply. Another cost for consideration to pass through or build into the District's base rate will be recycled water.

There will be a regional water managers meeting on May 24.

Director Hoffman suggested putting the rate study on the Board agenda for discussion in order to have it completed by the end of the year.

GM Jagers advised the Committee that Beaumont City Manager Todd Parton has accepted the invitation to make a presentation at the May 9 regular meeting. The City is working on its own rates and there is a lot of activity. Sewer rates will be increasing to cover the wastewater treatment plant expansion.

Mr. Jagers also noted that as there becomes activity worth reporting, he would invite SGPWA GM Jeff Davis to attend and update the Board.

6. Action List for Future Meetings

- a. SGPWA rate study discussion
- b. BCWD water rate study discussion

ANNOUNCEMENTS


Chair Hoffman read the following announcements:

- Special Board Meeting: May 3, 2018 at 4:30 p.m.
- Regular Board meeting: May 9, 2018 at 7:00 p.m.
- Personnel Committee meeting: May 21, 2018 at 5:30 p.m. *(Note date change)*
- District Offices will be closed Monday, May 28, 2018 in observance of Memorial Day.
- Beaumont Basin Watermaster meeting: June 6, 2018 at 10:00 a.m.
- Finance and Audit Committee meeting: June 7, 2018 at 3:00 p.m.
- Engineering Workshop: June 7, 2018 at 7:00 p.m.

- Regular Board meeting: June 13, 2018 at 7:00 p.m.

ADJOURNMENT

Chair Hoffman adjourned the meeting at 3:45 p.m.



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