



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF MEETING OF THE FINANCE AND AUDIT COMMITTEE
Thursday, January 3, 2019 at 3:00 p.m.
560 Magnolia Avenue, Beaumont, CA 92223**

Directors present:	Chairman Hoffman, Director Slawson (Committee members)
Directors absent:	None
Staff present:	General Manager Dan Jiggers, Director of Finance and Administrative Services Yolanda Rodriguez, Assistant Director of Operations James Bean, Senior Finance and Administrative Analyst Bill Clayton, Accounting Technician Sally Hernandez, Administrative Assistant Erica Gonzales
Members of the public who registered	Tom Todd

CALL TO ORDER

Chairman Hoffman called the meeting to order at 3:00 p.m. at 560 Magnolia Avenue, Beaumont, California.

PUBLIC INPUT: *None.*

ACTION ITEMS

1. Adjustments to the Agenda

The Committee adopted the agenda as presented.

2. Review and Acceptance of the December 6, 2018 Minutes of the Finance and Audit Committee

The Committee accepted the minutes of December 6, 2018 as presented.

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

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

4. Financial Reports/Recommendations

- a. Review of the November 2018 Budget Variance Report
- b. Review of the November 30, 2018 Cash/Investment Balance Report
- c. Review of Check Register for the Month of December 2018
- d. Review of December 2018 Invoices Pending Approval

Director Hoffman noted the increase in interest income and commented that sales tracks very closely to budget. He pointed out that much has been accomplished by engineering. General Manager Jagers noted that the engineering position, which was budgeted for a full year, was only on board for seven months of the year.

Director Hoffman pointed out a modest increase in cash and investments over the previous month.

In response to Director Hoffman, Assistant Director of Operations James Bean explained that the contract work on Well 22 is within budget and is on schedule. Mr. Jagers reminded the committee of Board action making an increase in the original allocation and gave an update on the project.

Director Hoffman asked about procurement of supplies. Mr. Jagers explained that the District puts the supply contract out to competitive bid bi-annually. For the past four to six years, the same vendor has offered the lowest responsive bid on products typically purchased.

Director Hoffman asked if the District had received a notice about additional recycling. Mr. Jagers explained that the state has mandated new recycling requirements, and Ms. Rodriguez indicated the District has not yet received a notice.

e. Annual Review of BCVWD Investment Policy

General Manager Jagers explained that the state requires that the policy be reviewed and restated annually. The policy was updated and approved by the Board in January 2018 and nothing has changed. Director Slawson indicated he had read the policy and noted no questions.

5. Ongoing discussion regarding San Geronio Pass Water Agency (SGPWA) water rate study and potential impacts on BCVWD

General Manager Jagers advised that the SGPWA presented an alternate philosophy in December, which has been discussed by the managers' group. Instead of a three-year model, a concept of a ramp-up period to 100 percent of costs, followed by a recovery of the amounts absorbed by the Pass Agency over the life of the lease. The Pass Agency Board asked staff to put together an analysis of the concept.

Mr. Jagers advised that there is going to be a shutdown of the State Water Project in February. Staff had believed it would not happen until December, and this will affect how BCVWD accomplishes recharge in the early part of 2019. The SGPWA executed the contract for the Noble Creek expansion in mid-December but the project will not likely be ready, resulting in some adverse impacts in April or May. Jagers responded to Director Hoffman's questions about water deliveries.

6. Action List for Future Meetings:

- BCVWD rates
- Recycled water costs
- Sierra snowpack report

ANNOUNCEMENTS

Chair Hoffman read the following announcements:

- Regular Board meeting: January 9, 2019 at 6:00 p.m.
- Water Re-Use 2x2 Committee meeting: January 10, 2019 at 5:00 p.m.
(Location: City of Beaumont Offices, 550 E. 6th St.)
- District Offices will be closed Monday, January 21, 2019 in observance of Martin Luther King Jr. Day
- Engineering Workshop: January 24, 2019 at 6:00 p.m.
- Personnel Committee Meeting: January 28, 2019 at 5:30 p.m.
- Bogart Park Ad Hoc Committee meeting: PENDING February 4, 2019 at 5:45 p.m.
- Beaumont Basin Watermaster Committee: February 6, 2019 at 10 a.m.
- Finance and Audit Committee meeting: February 7, 2019 at 3:00 p.m.
- Collaborative Agencies Committee meeting: March 6, 2019 at 5:00 p.m.
(Location: Beaumont-Cherry Valley Recreation and Park District – Noble Creek Community Center, 390 W. Oak Valley Parkway)

Regarding the Bogart Park Ad Hoc Committee meeting: Mr. Jagers reported that the County Board of Supervisors approved the lease transfer on December 11; however he is uncertain that the Beaumont-Cherry Valley Recreation and Parks District will be ready to meet in February. The County is now essentially out of the Park, he said.

ADJOURNMENT

Chair Hoffman adjourned the meeting at 4:05 p.m.



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

