



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

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Directors present:	Director Hoffman and Director Slawson (Committee members)
Directors absent:	None
Staff present:	General Manager Dan Jagers, Director of Finance and Administrative Services Yolanda Rodriguez, Senior Engineer Mark Swanson, Accounting Technician Sally Hernandez, Administrative Assistant Erica Gonzales
Members of the public who registered	None.

**CALL TO ORDER**

*Director Slawson called the meeting to order at 3:03 p.m. at 560 Magnolia Avenue, Beaumont, California.*

**PUBLIC INPUT:** *None.*

**ACTION ITEMS**

1. Adjustments to the Agenda: *None.*
2. Review and Acceptance of the June 11, 2019 Minutes of the Finance and Audit Committee

*The Committee accepted the minutes of June 11, 2019 as presented.*

3. Receive and File the Check Register for the Month of May 2019

*The Committee received and filed the May 2019 Check Register as presented.*

4. Financial Reports/Recommendations
  - a. Review of the May 2019 Budget Variance Report
  - b. Review of the May 31, 2019 Cash/Investment Balance Report
  - c. Review of Check Register for the Month of June 2019
  - d. Review of June 2019 Invoices Pending Approval

*Director Hoffman pointed out that interest income is greater than budgeted and asked about restrictions on the funds. Director of Finance and Administrative Services Yolanda Rodriguez explained that interest income is held as both restricted and unrestricted based on the source of funds.*

*General Manager Jagers suggested considering longer-term investments. Director Hoffman requested discussion of long-term investments on the August agenda.*

*Director Hoffman noted that facilities fees of \$2 million had been budgeted and currently \$1.846 million has been collected. With the price increase on imported water, Hoffman noted, the District does not know if it is collecting enough money, but that will be determined later. Mr. Jagers added that water sales is 12 percent lower than budgeted due to the cool weather.*

*Director Hoffman pointed out the new rate of \$399 per acre-foot, and Mr. Jagers noted the District has spent approximately \$678,000 in the month of June for imported water.*

*In response to Director Hoffman, Ms. Rodriguez explained that Urban Futures is performing an analysis of Other Post-Employment Benefits (OPEB) in order to prepare for future liabilities.*

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

**5. Analysis: Monthly electricity expenditures related to production**

*GM Jagers explained strategies with pumping.*

**6. Update and discussion regarding San Geronio Pass Water Agency (SGPWA) water Supply Opportunities, Water, Funding Strategies and Costs, and potential impacts on BCVWD ratepayers**

*Mr. Jagers reminded the Committee that SGPWA Board President Ron Duncan had indicated dissatisfaction with Mr. Jagers' attendance at the SGPWA Board meetings and sharing issues. Jagers said he calculated the District will be able to accept 15,000 acre-feet with the current hydraulic constraints and communicated this to the SGPWA general manager. He expressed frustration with SGPWA's responses and stated that by withholding information, the SGPWA is not allowing BCVWD to economically participate in the decision-making process. BCVWD is therefore in the position of not having enough information to make informed decisions.*

*Mr. Jagers reminded the Committee that Mr. Duncan had requested communication from elected official to elected official, and suggested forming an ad hoc committee to determine an approach. Director Slawson indicated support for the ad hoc committee.*

*Director Hoffman noted that consumption is down, and the District has quite a bit of water in reserve. He said he would be aggressive on water purchase because prices are up, water is available, there may be a leakage problem, and the District has plenty of water right now.*

*Director Hoffman advised that construction on the brine line is in process. Director Slawson praised the construction crew. General Manager Jagers reported that the City of Beaumont has signed the recycled water MOU and the District received it yesterday.*

7. Action List for Future Meetings:

- Update on Water Supply Conditions
- Water rates
- Capacity fees
- Review of investment policies and procedures

**ANNOUNCEMENTS**

*Director Hoffman read the following announcements:*

- Collaborative Agencies Committee meeting: *No meeting in July due to the holiday*
- District Offices will be closed Thursday, July 4, 2019 in observance of Independence Day
- Regular Board Meeting: July 10, 2019 at 6:00 p.m.
- Personnel Committee meeting: July 22, 2019 at 5:30 p.m.
- Engineering Workshop: July 25, 2019 at 6:00 p.m.
- Finance and Audit Committee meeting: August 1, 2019 at 3:00 p.m.
- Beaumont Basin Watermaster Committee Meeting: August 7, 2019 at 10:00 a.m.

**ADJOURNMENT**

*Director Hoffman adjourned the meeting at 3:59 p.m.*

A handwritten signature in black ink, appearing to read "David Hoffman", is written over a horizontal line.

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