



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

**MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING**  
**Thursday, October 1, 2020 at 3:00 p.m.**

***Meeting held via teleconference pursuant to  
California Government Code Section 54950 et. seq. and  
California Governor's Executive Orders N-29-20 and N-33-20***

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**CALL TO ORDER**

*Chair Hoffman called the meeting to order at 3:20 p.m. via teleconference.*

**Announcement of Teleconference Participation**

Director of Finance and Administrative Services Yolanda Rodriguez clarified that this meeting is conducted via teleconference pursuant to California Government Code Section 54953, and under Executive Order N-29-20 and N-33-20 of the Governor of California.

The teleconference capabilities of this meeting have been identified in the Notice and Agenda for this meeting, pursuant to the Brown Act and the Governor's Executive Order. Under the Governor's Executive Order and the Gathering Guidelines of the California Department of Health due to the danger of COVID-19, the teleconference locations are not publicly accessible. The public's right to comment and participate in the meeting is being assured via teleconference capabilities.

The Beaumont-Cherry Valley Water District (BCVWD) will use sound discretion and make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to meetings.

***Attendance***

Directors present:	Director Hoffman and Director Slawson
Directors absent:	None.
Staff present:	General Manager Dan Jagers Director of Finance and Administrative Services Yolanda Rodriguez Senior Engineer Mark Swanson Assistant Director of Operations James Bean Senior Finance and Administrative Analyst Bill Clayton Accountant III Lorena Lopez Accounting Technician Laurie Ochoa Administrative Assistant Brandy Llanes
Members of the public who registered:	None

Director of Finance and Administrative Services Yolanda Rodriguez verified that all members of the Finance and Audit Committee and staff have indicated that they are able to hear the other members clearly on the teleconference.

**PUBLIC INPUT:** *None.*

## **ACTION ITEMS**

1. Adjustments to the Agenda: None.
2. Review and Acceptance of the September 3, 2020 Minutes of the Finance and Audit Committee

*The Committee accepted the minutes of September 3, 2020 as presented.*

3. Receive and File the Check Register for the Month of August 2020

*The Committee received and filed the August 2020 Check Register as presented.*

4. Financial Reports/Recommendations

- a. Review of the August 2020 Budget Variance Reports
- b. Review of the August 31, 2020 Cash/Investment Balance Report
- c. Review of Check Register for the Month of September 2020
- d. Review of September 2020 Invoices Pending Approval

*Director Slawson pointed out that non-operating revenue is at 25 percent. Ms. Rodriguez explained that this is revenue is from capacity charges (facilities fees) and more has been received than was budgeted. The funds are restricted, she noted.*

*Chair Hoffman added that he had noted the excess income based on increased activity during the year. He opined that the District seems on budget for the year.*

*General Manager Jagers pointed to the San Geronio Pass Water Agency (SGPWA) importation charges of \$3,452,007 and advised that the District has brought in a lot of water in the last month or two. The baseline order was 9,700 acre-feet (AF) for 2020, he reminded. According to SGPWA GM Lance Eckhart, Jagers continued, there may be up to 2,000 AF more water available for BCVWD storage. He recommended that if more is available the District purchase it to bolster the storage account as the weather projections are for a La Nina year which may be a shorter water year than normal.*

*Chair Hoffman suggested a water purchase agenda item for the Regular Board meeting. He pointed out there has been limited rain this summer.*

*Chair Hoffman pointed to page 28 of the agenda packet and noted that the District will be over budget for electricity for the wells. Mr. Jagers indicated that electricity use for pumping decreases in the cooler months. Mr. Bean assured that he has been watching energy costs and they are on track for the year.*

*Chair Hoffman noted that overall, the District is at 42 percent of its budgeted expenses so is in a good position, although a couple of items may go over budget.*

*Chair Hoffman pointed out that cash position has improved a little and commented that interest rates are low.*

*In response to Chair Hoffman, Mr. Jagers speculated that various maintenance activities are performed by vendors who offer the best responses. Staff is cognizant of services and factors in the decision-making process. The preference is to spend the ratepayers' money so that it recycles through the community, he noted.*

*Chair Hoffman pointed to landscape maintenance expenses (Urban Habitat) and suggested attention to a property along Cherry Valley Boulevard. Mr. Jagers indicated that the services of the California Conservation Corps has not been available at all this year due to the fires. Mr. Jagers commended staff for their hard work and stressed the District's civic mindedness.*

*In response to an inquiry by Director Slawson and a follow-up question from Chair Hoffman, Mr. Jagers explained a payment to Alpine Technical Services for an expense related to restoration of the recharge ponds. Mr. Bean also provided some detail on pond maintenance. Slawson acknowledged the cost-benefit analysis.*

*Director Hoffman pointed to the payment to Red Hawk Fire and Security and noted it was on target with the contract. Mr. Jagers explained some detail on the project which remained within the contingency. Hoffman indicated the fence looks good.*

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

**5. Analysis of Statement of Cash Flows (unaudited) For the Nine Months\* Ended September 24, 2020 and September 30, 2019**

*Ms. Yolanda Rodriguez reviewed the report comparing this year to September last year. Although there are some accounts not being paid, there was a rate increase this year that kept up receipts from customers. Regarding the payments to employees for salaries and benefits: she reminded the Committee that this is the third year of the salary increase agreement and advised that every year the benefits and retirement expenses increase.*

*Net cash used for operating activity in 2020 is \$1.1 million as compared to \$606,000 in 2019, Rodriguez noted. Total unrestricted cash and investments, which the District counts on to pay expenses, is \$3.5 million in 2020 and was \$3.2 million in 2019. The District is doing a good job of keeping three months of expenses in reserve, she explained, and can withstand an emergency.*

*Total cash and investments are at \$64.9 million in 2020, Rodriguez explained and said the District is still strong despite the pandemic.*

**6. Analysis: Year-to-Date Analysis of Electric Cost to Pump Groundwater**

*Chair Hoffman noted that electricity of one of the District's greatest expenses and stressed the importance of managing its use.*

7. Update: Apple Fire and El Dorado Fire and Potential Debris Flows and Emergency Activities

*General Manager Jagers noted that Riverside County has published the evacuation zones related to the upcoming debris and stormwater flow areas of concern for the communities of Beaumont, Banning, and Cherry Valley. A link to this information has been provided on the District's website with the intent to do some community outreach.*

*Jagers explained some of the preparation work being done to provide protection to District property and facilities including grading and survey work.*

*The emergencies are ongoing, Jagers stated. He said he expects it to be two to four years of potential flood and debris flows during the rainy season.*

8. Action List for Future Meetings:

- Update on Recycled Water and Wastewater Treatment Plant
- Update on Water Supply Conditions
- Capacity charges (facilities fees)

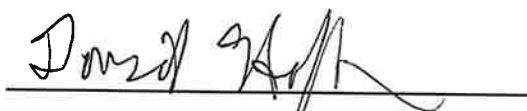
**ANNOUNCEMENTS** – Pursuant to Governor's Executive Order N-33-20, all BCVWD Board and Committee meetings will be held via Teleconference until further notice or otherwise indicated below:

*Director Hoffman read the following announcements:*

- Personnel Committee Meeting: Monday, September 28, 2020 at 5:30 p.m. [*Rescheduled (adjourned) to October 1*]
- Beaumont Basin Watermaster Committee Meeting: Wednesday, October 7, 2020 at 10 a.m.
- Regular Board Meeting: Wednesday, October 14, 2020 at 6:00 p.m.
- Engineering Workshop: Thursday, October 22, 2020 at 6:00 p.m.
- Collaborative Agencies Committee Meeting: Wednesday, November 4, 2020 at 5:00 p.m. (*in-person meeting at Beaumont Library; also available via Zoom*)
- Regular Board Meeting: Wednesday, November 4, 2020 at 6:00 p.m. (*note date change due to holiday*)
- Finance and Audit Committee Meeting: Thursday, November 5, 2020 at 3:00 p.m.
- District Offices will be closed on Wednesday, November 11, 2020 in observance of Veterans Day

Director Slawson commended General Manager Jagers and staff on a job well done amid the emergencies.

**ADJOURNMENT: 4:12 P.M.**



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