



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

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING
Thursday, December 3, 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***

CALL TO ORDER

Chair Hoffman called the meeting to order at 3:00 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 Assistant Director of Operations James Bean Senior Finance and Administrative Analyst Bill Clayton Senior Accountant Sylvia Molina 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 November 5, 2020 Minutes of the Finance and Audit Committee

The Committee accepted the minutes of November 5, 2020 as presented.

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

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

4. Financial Reports/Recommendations

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

Chair Hoffman commented that non-operating income will exceed budget projections and said he expected water sales to exceed budget projections.

Committee members inquired about a check reissued to Red Hawk Services. Mr. Jagers advised that the District has two vendors with the name "Red Hawk" and a check was inadvertently issued to the incorrect vendor. Funds have been recovered and a proper check issued, he stated.

In response to a billing question from Chair Hoffman, Mr. Jagers explained the delivery of water at the San Gorgonio Pass Water Agency's (SGPWA) Mountain View turnout.

Chair Hoffman asked, and Ms. Rodriguez explained the Springbrook software annual fees.

Mr. Jagers pointed out that a deposit of \$405,697.95 had been made for the 2020 Sites Reservoir fees. Chair Hoffman recalled that this was part of the Board-approved agreement with the SGPWA.

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 Eleven Months Ended November 23, 2020 and November 30, 2019

Ms. Yolanda Rodriguez reviewed the report and pointed to an increase of \$3.9 million compared to the prior year and advised that the District is still in good standing for the year. Unrestricted cash represents a healthy three-month reserve and emergency reserve, she noted.

General Manager Jagers confirmed for Director Hoffman that excess replenishment water was purchased using capital replacement reserves, but not as much as expected. He reminded that the pass-through charges should pay for the water and noted that numbers are being finalized for water that was produced for Banning.

Director Hoffman asked about the District's Beaumont Basin storage account. Mr. Jagers advised that there is approximately 40,000 acre-feet in storage, representing approximately four years of supply.

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

Chair Hoffman asked Assistant Director of Operations James Bean about the current power outage. Mr. Bean assured that the District's backup generators have been in use and water is being moved around as needed. Most of the reservoirs are still pretty full, he noted, and the District has the ability to move water from areas that still have power. He said staff is monitoring and there are no concerns at the moment.

Director Slawson noted that the City of Beaumont posted a Facebook notice asking residents to conserve water due to the power shutoff. Mr. Bean and Ms. Rodriguez assured the Committee that the District works with the City and CV Strategies on consistent messaging. Mr. Jagers explained the City also has an interest in conservation during the power shutoff.

Director Hoffman acknowledged the report.

7. Action List for Future Meetings:


- Update on Recycled Water and Wastewater Treatment Plant
Mr. Jagers said he had discussion with City Manager Todd Parton. Director Slawson asked about the deadline and Mr. Jagers indicated the process is underway to produce Title 22 filtered water.
- Update on Water Supply Conditions
Mr. Jagers advised that the Department of Water Resources has indicated a 10 percent allocation. He detailed other water supplies via the SGPWA and explained recent rule modifications related to exchange of water.
- 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:

- District Offices will be closed on Thursday, Dec. 24 in observance of Christmas Day
- Engineering Workshop: Monday, Dec. 14, 2020 at 6 p.m. (*Note date change due to holiday*)
- District Offices will be closed on Thursday, Dec. 31 in observance of New Year's Day
- Finance and Audit Committee Meeting: Thursday, Jan. 7, 2021 at 3 p.m.
- Regular Board Meeting: Wednesday, Jan. 13, 2021 at 6 p.m.
- Collaborative Agencies Committee Meeting – Wednesday, Jan. 6, 2021 at 5 p.m. (*in-person meeting at Beaumont Library; also available via Zoom*)

ADJOURNMENT: 3:48 P.M.



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