



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

MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING
Thursday, January 7, 2021 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

Senior Finance and Administrative Analyst Bill Clayton 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 Covington
Directors absent:	None.
Staff present:	General Manager Dan Jiggers Senior Engineer Mark Swanson Assistant Director of Operations James Bean Senior Finance and Administrative Analyst Bill Clayton Accountant III Lorena Lopez Accounts Payable Clerk Laurie Ochoa Administrative Assistant Brandy Llanes
Members of the public who registered:	None

Senior Finance and Administrative Analyst Bill Clayton 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. No member expressed any reason to believe, based on voice recognition or otherwise, that those persons representing themselves to be directors are not truly so.

PUBLIC INPUT: *None.*

ACTION ITEMS

1. Adjustments to the Agenda: *None.*

2. Review and Acceptance of the December 3, 2020 Minutes of the Finance and Audit Committee

The Committee reviewed the minutes of December 3, 2020. Chair Hoffman accepted the minutes. Member Covington abstained. The Committee did not reach consensus about acceptance of the minutes.

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

Member Covington indicated that as a new Committee member, he is looking at the check registers in more depth. He requested clarification on the following items. Staff responded and will follow up in greater detail later:

<i>Badger Meter Inc.</i>	<i>\$94,389</i>	<i>Staff confirmed that grant funding will cover 50 percent of the cost.</i>
<i>HR Dynamics</i>	<i>\$2,250</i>	<i>Staff will research contract provisions and Board approvals to assure this expenditure has stayed within approved budget</i>
<i>Clayton Kitchen</i>	<i>\$200</i>	<i>Mr. Jagers and Mr. Bean verified that the 2018-2021 MOU allows \$200 reimbursement for safety boots.</i>
<i>Red Hawk Services</i>	<i>\$86,613.37</i>	<i>Mr. Jagers reminded the Committee about the previously discussed vendor check error. This check was reissued to Red Hawk Services, the fencing contractor.</i>
<i>Urban Habitat</i>	<i>\$463.50</i>	<i>Mr. Covington pointed out the Well 22 site is now desert scape. Mr. Bean detailed landscaping maintenance and confirmed this is a monthly charge.</i>
<i>Quinn Company</i>	<i>16,201.18</i>	<i>Mr. Jagers indicated that repairs to the dozer in addition to the radiator were needed.</i>
<i>Inland Water Works Supply Co</i>	<i>66,265.55</i>	<i>Mr. Jagers explained that the District releases a bi-annual purchasing list to multiple vendors who provide costs. Mr. Clayton added that the last bid was sent to three vendors and two responses were received.</i>

RDO Equipment *	15,368.02	Mr. Jagers advised that an oak tree fell against the rented excavator causing damage. Chair Hoffman suggested retaining digital photos in case directors had questions. Covington stressed that in cases of damage, District policies are to be followed. Accountant III Lorena Lopez advised that an insurance claim was submitted to ACWA/JPIA for reimbursement. Rental insurance did not cover this, she noted. Photos and a report can be provided, she said.
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**The above RDO Equipment item was discussed but is related to Item 4c.*

After discussion, the Committee received and filed the November 2020 Check Register as presented.

4. Financial Reports/Recommendations

- a. Review of the November 2020 Budget Variance Reports
- b. Review of the November 20, 2020 Cash/Investment Balance Report
- c. Review of Check Register for the Month of December 2020
- d. Review of December 2020 Invoices Pending Approval

Chair Hoffman commented that substantially more than budgeted was collected in capacity charges (facilities fees) due to accelerated development. General Manager Jagers explained meter fees are a direct reimbursement from the developer.

Chair Hoffman noted that Engineering expenses were over-budgeted. Mr. Jagers explained that positions were left vacant. Hoffman also pointed to the Finance and Administrative Services Department. Mr. Jagers noted that some employees left the District, temporary staff was hired at a lower overall cost, and less hiring was done than anticipated. He noted that staff was being conservative with the public's funds until the circumstances of the COVID pandemic were understood, but cautioned that without staffing, the District is not able to achieve everything it would like to do.

Chair Hoffman pointed out that with one month remaining, the District still has 19.17 percent of budgeted funds available. He said he anticipates year-end with 7 to 8 percent of budget remaining, and said he is satisfied the District has done a pretty good job.

Chair Hoffman pointed out that total investments increased by approximately \$222,000.

Chair Hoffman pointed to the December check register and asked about services from HR Dynamics. Mr. Jagers explained that HR Dynamics was noted earlier in the meeting and advised he would follow up on the item and report back. Jagers said that during budgeting for 2020 a proposal was brought to the Board for expert consulting services to work with the new HR Coordinator. The \$2,250 was a monthly basis for 2020; in 2021 the intent is to use services only as needed. Director Covington pointed out that one of the largest goals in having HR Dynamics was to help revise the policy manual and has not been completed. Mr. Jagers Indicated that HR Coordinator Sabrina Foley made

significant work on the policies and more work has been done than has been seen. He will report later at the Personnel Committee.

Director Covington pointed to ongoing paving and trench repairs. Mr. Bean assured that the work is sent out to bid for quotes from various vendors. The work is accumulated until there is enough for the vendor to perform, he said. Mr. Jagers noted that the District is subject to prevailing wage, but the District is interested in savings and will add the vendor to the bid list.

In response to Chair Hoffman, Ms. Lorena Lopez explained the check to Les Schwab Tire Center for refund of overpayment of utility billing deposit. This will be detailed at the next meeting.

Mr. Jagers explained a payment for water delivery in response to Chair Hoffman. He also explained fire extinguisher servicing expenses. Mr. Bean confirmed detail on the process.

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 Twelve Months Ended December 29, 2020 and December 31, 2019

Senior Finance and Administrative Analyst Bill Clayton pointed out the Receipts from Customers which is mostly due to the rate increase implemented in March 2020. Mr. Jagers added that the District has seen an increase in water use over last year, likely related to COVID stay-at-home orders and a dry year.

Mr. Clayton highlighted the balance of restricted cash.

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

Chair Hoffman acknowledged the varied figures per well in the report. Director Covington pointed out that the 2020 Well 4A cost does not trend with prior years. He noted that the investments made in Edgar Canyon show dividends through less costly water.

7. Action List for Future Meetings:

- Update on Recycled Water and Wastewater Treatment Plant
- (Removed) Update on Water Supply Conditions
- Capacity charges (facilities fees)
- (Added) One-Sheet Report on Income / Expenses of AMR/AMI Project and Grant Funding
- (Added) Reports / follow ups on Committee member questions:
 - Les Schwab Tire Center for refund
 - HR Dynamics contract, services, and approved budget
 - Eight (8) questioned Items from the November and December 2020 check registers as listed above.

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:

Chair Hoffman read the following announcements:

- District Offices will be closed on Monday, Jan. 18, 2021 in observance of Martin Luther King Day
- Regular Board Meeting: Wednesday, Jan. 13, 2021 at 6 p.m.
- Personnel Committee Meeting: Monday, Jan. 25, 2021 at 6 p.m.
- Engineering Workshop: Thursday, Jan. 28, 2021 at 6 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Feb. 3, 2021 at 10 a.m.
- Finance and Audit Committee Meeting: Thursday, Feb. 4, 2021 at 3 p.m.

ADJOURNMENT: 4:18 P.M.



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