



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

**MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING**  
**Thursday, July 1, 2021 at 3:00 p.m.**

***Meeting held via teleconference pursuant to  
California Government Code Section 54950 et. seq. and  
California Governor's Executive Order N-08-21***

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**CALL TO ORDER**

*Chair Hoffman called the meeting to order at 3:02 p.m. via video teleconference.*

**Announcement of Teleconference Participation**

Acting Director of Finance and Administrative Services William Clayton clarified that this meeting is conducted via teleconference pursuant to California Government Code Section 54953, and under Executive Order N-08-21 of the Governor of California.

The teleconference capabilities of this meeting have been identified in the Notice and Agenda for this meeting. 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 and Zoom meeting capabilities.

The Beaumont-Cherry Valley Water District (BCVWD) will 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 Williams (alternate)
Directors absent:	Covington
Staff present:	General Manager Dan Jagers Senior Engineer Mark Swanson Acting Director of Finance and Administrative Services William Clayton Senior Accountant Sylvia Molina Administrative Assistant / Accounting Technician Erica Gonzales
Members of the public who registered:	None

Acting Director of Finance and Administrative Services William 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 Minutes of the Finance and Audit Committee special meeting of May 25, 2021 and the regular meeting of June 3, 2021

*The Committee accepted the minutes of the Finance and Audit Committee special meeting of May 25, 2021 and the regular meeting of June 3, 2021 by consensus.*

3. Receive and File the Check Register for the Month of May 2021

*The Committee received and filed the May 2021 Check Register as presented.*

4. Financial Reports/Recommendations

- a. Review of the May 2021 Budget Variance Reports
- b. Review of the May 31, 2021 Cash/Investment Balance Report
- c. Review of Check Register for the Month of June 2021
- d. Review of June 2021 Invoices Pending Approval

*General Manager Dan Jagers pointed out the charges for the San Gorgonio Pass Water Agency (SGPWA) water importation and noted that not all the water had been purchased as it is a dry year. He said he expected the amounts to be expended toward the end of the year. Mr. Jagers advised that he had spoken to SGPWA General Manager Lance Eckhart about use of the SGPWA water in storage and expects it may be made available if requested.*

*Chair Hoffman indicated it appears the District is under budget on most everything at this point in the fiscal year. He noted the low interest earnings.*

*Chair Hoffman asked about expenses for election services; Mr. Clayton confirmed it was for the 2020 election. He said he believes it is the final bill and will confirm at the next meeting. Mr. Jagers pointed out increased expenses possibly due to mailed in ballots. Budgeted in 2021 was \$130,000 due to two divisions up for election, and expenditures to date are \$57,809, Jagers stated.*

*Mr. Clayton responded to a question from Director Williams about reimbursement for safety boots.*

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

5. Review of Revenues Loss, Accounts Receivable Balances, and Cash Flows as related to the ongoing COVID-19 Local State of Emergency

*General Manager Jagers reviewed the report and answered questions from Director Williams. He noted a total aggregated loss of revenue from fees of \$366,890 and noted that two of the fees are now being collected again.*

*Director Williams asked if potential funding would be available to cover those lost fee revenues. Jagers indicated they are a loss unless a state or federal program would cover them. He reminded that by State order, customers cannot be disconnected.*

*Acting Director of Finance and Administrative Services William Clayton shared highlights of the report. The amount of outstanding balances on payment plans has been reduced to approximately \$5,000, he reported. As of May 31, past due balances are running in the normal range, he said.*

*Director Williams asked about the customer assistance programs and Mr. Clayton explained the Lift to Rise program of Riverside County. Forms are available in the lobby and information has been posted on the website and social media, he noted. BCVWD has been approved to receive approximately \$5,684 so far, he said. Jagers noted there is almost \$340,000 that may require collections activity. In response to Chair Hoffman, Mr. Clayton pointed out that service is tied to the land.*

6. Fleet Maintenance Activities and Expenses

*General Manager Jagers reminded the Committee of prior discussion. Acting Director of Finance and Administrative Services William Clayton shared an analysis of District procedures and maintenance expenses.*

*General Manager Jagers noted that most of the District's fleet has been replaced over the past few years. He explained the maintenance program and contrasted the City of Banning's procedure. Chair Hoffman shared his experience and opined that the time of use / life of the vehicle could be longer. He asked staff to analyze the list of District vehicles. He pointed out that the Department of Transportation requires an inspection every three months and shared his schedule of preventative maintenance. There are services that do this, he advised. Jagers assured the Committee that vehicles are inspected but a more formal program might be worth pursuing.*

7. Update on Investment Advisory Services

*General Manager Jagers explained that he and Acting Director of Finance and Administrative Services Clayton had met with Chandler Asset Management (Chandler) and checked their references. He noted that this activity does not require an RFP but is above the purchasing limit of the General Manager and would go to the full Board to move forward. Chandler has offered to make a presentation.*

*Staff does not have time to do any investment tracking, Jagers continued. Mr. Clayton explained some functions and benefits of Chandler's services.*

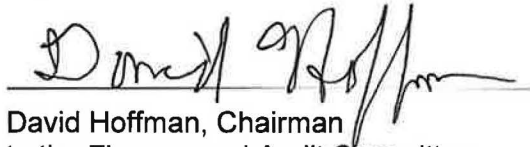
*Chair Hoffman suggested looking deeper and requesting a short presentation before going to the full Board. Williams agreed it should be considered.*

**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 Monday, Jul. 5, 2021 in observance of Independence Day
- Regular Board Meeting: Wednesday, Jul. 14, 2021 at 6 p.m.
- Personnel Committee Meeting: Monday, Jul. 19, 2021 at 5:30 p.m.
- Engineering Workshop: Thursday, Jul. 22, 2021 at 6 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Aug. 4, 2021 at 10 a.m.
- Finance and Audit Committee Meeting: Thursday, Aug. 5, 2021 at 3 p.m.

**ADJOURNMENT: 4:18 P.M.**

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

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