



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

**MINUTES OF THE FINANCE AND AUDIT COMMITTEE MEETING**  
**Thursday, August 4, 2022 at 3:00 p.m.**

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**CALL TO ORDER**

*Chair Hoffman called the meeting to order at 3:07 p.m.*

**Announcement of Teleconference Participation**

Both directors were present in the conference room.

*Attendance*

Directors present:	Director Hoffman and Director Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Finance and Administration Kirene Manini, PhD Director of Engineering Mark Swanson Director of Operations James Bean Director of Information Technology Robert Rasha Human Resources Administrator Sabrina Foley Senior Management Analyst Sylvia Molina Management Analyst I Erica Gonzales Administrative Assistant Cenica Smith Water Utility Supervisor Julian Herrera
Members of the public:	Patrick Ibarra, The Mejorando Group

**PUBLIC INPUT:** None.

**ACTION ITEMS**

1. Adjustments to the Agenda: None.
2. Review and Acceptance of the Minutes of the Finance and Audit Committee meeting

*The Committee accepted the minutes of the Finance and Audit Committee Regular Meeting of July 7, 2022 by consensus.*

3. Receive and file the Check Register for the Month of June, 2022

*The Committee received and filed the June 2022 Check Register as presented.*

#### 4. Financial Reports/Recommendations

- a. Review of the June 2022 Budget Variance Reports
- b. Review of the June 30, 2022 Cash and Investment Balance Report
- c. Review of Check Register for the Month of July 2022
- d. Review of July 2022 Invoices Pending Approval

*Chair Hoffman observed that all expenses to June 30 total 68.21 percent, indicating that spending is where it should be. He suggested there may be need to consider moving funds around to cover expenses larger than anticipated.*

*Chair Hoffman noted that total cash and investments are just over \$81 million, compared to the previous month at \$79.98 million, an increase of about \$1 million. Dr. Manini noted that with the daily management by Chandler, this is different than what the District was accustomed to in the past.*

*General Manager Jagers explained water production from the District's storage account and correlation with the \$0.72 pass-through fee being accumulated for water purchases. If the water had been replenished at \$399 per acre-foot, approximately \$3.1 million would have been expended. Next year, if there is water available, those additional expenditures will be made on 18,000 acre-feet of imported water.*

*Dr. Manini pointed to the investment report which will be on the August 10 Board meeting Consent Calendar. Chandler will also present an economic update on August 10. Manini and Senior Management Analyst Sylvia Molina responded to questions on the report format. Hoffman acknowledged the progress on investments and the benefit to the District.*

*Director Hoffman noted electric rates are increasing and asked if more is being paid to Southern California Edison. Jagers explained that the District is paying energy costs of \$0.36 per cubic foot of water pumped this year; last year it was \$0.37. More water has been pumped this year, he noted. The electric bill year-to-date is \$942,000 for the wells, Jagers noted, and reminded that this is a pass-through to ratepayers which was increased last year.*

*Director Hoffman asked about a check to the City of Beaumont for paving. Jagers advised that is a payment to the paving contractor to physically do the work for six repairs at just over \$10,000 per repair. Jagers reported that he sent information to the Beaumont City Manager and is awaiting a response regarding alternatives to reduce exposure to these costs. Mr. Bean confirmed that these costs are a result of the City's paving moratorium.*

*Director Hoffman noted the expenses for hazardous disposal of AMR/AMI meter batteries. Jagers noted that these were older units that could create a fire hazard. Mr. Bean confirmed there were thousands of them due to the current AMR/AMI project and changeout of meters, and a vendor removed them. Hoffman advised of a Riverside County hazardous waste program and Bean assured that the District addresses this as part of its business plan.*

*Director Hoffman pointed to a non-sufficient funds (NSF) fee that appeared to be charged to the District. Ms. Molina explained that a third-party payment vendor must be reimbursed for NSF payments to them as the vendor has no access to District bank accounts. The fee is passed through to the customer, she added. It was not a District-written bad check, Dr. Manini assured.*

*Director Hoffman asked about billing for pre-purchased materials, and staff pointed out those expenses. Ms. Molina explained various payment processes in response to a question from Hoffman. Jagers further contrasted pavement repair costs between the City and the County.*

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

5. Expense and Per Diem Compensation Claims Submitted for Approval

*After acknowledgement, the Committee recommended presenting the Expense and Per Diem Compensation Claims to the Board for approval.*

6. Utility Billing Statistics and Cash Flows

*Chair Hoffman indicated the report is no longer necessary. Jagers stated that information will be brought to the Committee if there is any change.*

7. Analysis: Year-To-Date Electric Cost (Quarterly Report)

*General Manager Jagers reviewed the report and noted that costs per unit are higher as production is down and fixed charges do not change. There are ongoing cost increases but the District runs wells based on time of use rates, he explained.*

8. Action List for Future Meetings


- *Chandler Asset Management update*
- *Procurement of additional water supplies*
- *Budget timeline and potential special meeting*

## **ANNOUNCEMENTS**

*Chair Hoffman read the following announcements:*

- Regular Board Meeting: Wednesday, Aug. 10, 2022 at 6 p.m.
- Personnel Committee Meeting: Tuesday, Aug. 16 at 5:30 p.m.
- Ad Hoc Communications Committee Meeting: Wednesday, Aug. 17 at 6 p.m.
- Engineering Workshop: Thursday, Aug. 31 at 6 p.m. (note change of date)
- Finance and Audit Committee Meeting: Thursday, Sept. 1 2022 at 3 p.m.
- District offices will be closed on Monday, Sept. 5 in observance of Labor Day
- Collaborative Agencies Committee: Wednesday, Sept. 7 at 5 p.m.
- Note: September Engineering Workshop has been postponed to Sept. 29

## **ADJOURNMENT: 4:07 P.M.**

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