

**RECORD OF THE MINUTES OF THE
REGULAR MEETING OF THE
BOARD OF DIRECTORS OF THE
BEAUMONT CHERRY VALLEY WATER DISTRICT
June 23, 2011**

CALL TO ORDER, PRESIDENT BALL

President Ball called the meeting to order at 7:00 p.m., 560 Magnolia Avenue, Beaumont, California.

PLEDGE OF ALLEGIANCE, DIRECTOR GULDSETH

Director Guldseth led the pledge.

INVOCATION, DIRECTOR WOLL

Director Woll recited an invocation.

ROLL CALL, BLANCA MARIN

Those responding to roll call were President Ball, Vice President Woll and Directors Guldseth and Earhart. Absent to this meeting was Director Ross. Also present at this meeting were Interim General Manager Anthony Lara, Executive Assistant Blanca Marin, Senior Accountant Vera Raica and Superintendent Knute Dahlstrom.

Public present at this meeting was Luwana Ryan, Paul Kaymark, Barbara Voigt, Judy Bingham, Frances Flanders and Niki Magee.

PUBLIC INPUT

Vice President Woll invited Judy Bingham to address the Board on an item not on the agenda. Mrs. Bingham commented that she filed a report with the Fair Political Practices Commission on Brian DeForge for failure to report payments from BCVWD. She further thanked President Ball, Interim General Manager Anthony Lara and John Halliwill for attending and commenting at the City of Beaumont's meeting.

Vice President Woll invited Frances Flanders to address the Board on an item not on the agenda. Mrs. Flanders complained to the Board regarding the meeting date and time. She further commended President Ball and Interim General Manager Anthony Lara for attending the meeting at the City of Beaumont.

ACTION ITEMS

1. ADOPTION OF THE AGENDA

Director Earhart moved to adopt the agenda as presented. Vice President Woll seconded. The motion passed with Director Ross absent.

2. CONSENT CALENDAR: Matters listed in the Consent Calendar are considered to be routine and will be approved by one motion as recommended. There will be no separate discussion unless Board or Staff Member request separate discussion prior to approval.

- a. May 2011 Bills for Consideration**
- b. May 2011 Invoices Pending Approval**
- c. April 2011 Month End Financial Statement**
- d. Minutes of the Special Meeting of May 6, 2011**
- e. Minutes of the Regular Meeting of May 11, 2011**

Director Earhart moved to approve the Consent Calendar as presented. Director Guldseth seconded. The motion passed with Director Ross absent.

3. PRESENTATION BY PAUL J. KAYMARK, CPA, REPRESENTING CHARLES Z. FEDAK & COMPANY, REGARDING THE 2010 AUDIT

Mr. Kaymark, representing Charles Z. Fedak & Company provided a slide show presentation regarding the 2010 Audit. He further answered questions from the Board.

4. REVIEW AND APPROVAL OF THE 2010 AUDIT**

Vice President Woll moved to accept and file the 2010 Audit. Director Guldseth seconded. The motion passed with Director Ross absent.

5. APPROVAL OF INITIATION OF ANNEXATION PROCESS FOR PROPERTIES CURRENTLY OUTSIDE THE DISTRICT'S SERVICE AREA**

Interim General Manager Anthony Lara provided a brief report on this item indicating that with the Board's approval the District will notify these customers of the District's intent to annex the properties.

Director Earhart moved to approve the Initiation of Annexation Process. Vice President Woll seconded. The motion passed with Director Ross absent.

6. REVIEW AND ACCEPTANCE OF THE DISTRICT'S UPDATED EMERGENCY RESPONSE PLAN**

Vice President Woll invited Frances Flanders to address the Board on this item. Mrs. Flanders commented that the Emergency Response Plan included in the agenda did not address the of the diesel reserve for emergencies. She expressed her wish that it be added to the Emergency Response Plan.

After discussion, Vice President Woll moved to approve the Emergency Response Plan as discussed. Director Guldseth seconded. The motion passed with Director Ross absent.

7. REPORTS FOR DISCUSSION AND POSSIBLE ACTION

(a) Ad hoc Committees

None.

(b) General Manager

- Identification Cards for Staff and Board Members- Interim General Manager Anthony Lara reported that all employees will have an identification card.
- 2010 Consumer Confidence Report- Interim General Manager Anthony Lara reported that the Consumer Confidence Report included in the agenda was included for information only and answered questions from the Board.

(c) Directors

- Dr. Blair Ball- President Ball appointed himself and Director Earhart to an UWMP Committee to work with Staff.
- James Earhart-None
- John Guldseth- Attended a Collaborative Agency meeting.
- Ken Ross- Absent
- Ryan Woll- None

(d) Legal Counsel-

Legal Counsel Granito provided a report on Assembly Bills 34 and 457. He further provided a status on the Yorba Linda Fire Lawsuit.

8. ANNOUNCEMENTS

- A) The District will be closed on Monday, July 4, 2011 for Independence Day**
- B) Finance & Audit Meeting, July 7, 2011 at 2:00 p.m.**
- C) Regular Board Meeting, July 13, 2011 at 7:00 p.m.**

9. ACTION LIST

- Lara- Determine percentage of District service area located outside City limits.

10. CLOSED SESSIONS- (THREE MATTERS)

President Ball adjourned the meeting to Closed Session at 8:48 p.m.

A. A Closed Session will be held to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9 (Re: Joseph Scott vs. Beaumont Cherry Valley Water District, Superior Court of California, County of Riverside, Case No. RIC 10021518).

B. A Closed Session will be held to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9 (Beaumont Cherry Valley Water District vs. Richard L. Schaffner, Superior Court of California, County of Riverside, Case No. RIC 436913).

C. A Closed Session will be held pursuant to Government Code Section 54957 to continue discussions concerning the appointment of the General Manager position.

President Ball reconvened to Open Session at 11:32 p.m.

11. OPEN SESSION REPORT ON CLOSED SESSION

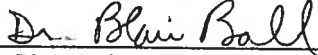
General Counsel Gil Granito reported that the board did go into Closed Session as agendized in the agenda at approximately 8:48 p.m. During Closed Session Item 11A was held to confer with Legal Counsel on a matter pursuant to subdivision (a) of Government Code Section 54956.9, Joseph Scott vs Beaumont Cherry Valley Water District, Superior Court of California, County of Riverside, case No. RIC 10021518. There was no further reportable action.

General Counsel Gil Granito further reported that Item 11B was also held in Closed Session pursuant to subdivision (c) of Government Code Section 54956.9. During Closed Session Item 11B was held to confer with Legal Counsel on an existing litigation (Beaumont Cherry Valley Water District vs. Richard L. Schaffner, Superior Court of California, County of Riverside, Case No. RIC 436913) There was no further reportable action.

General Counsel Gil Granito lastly reported that Item 11C was also held in Closed Session pursuant to Government Code Section 54957 to continue discussions concerning the appointment of the General Manager's position. There was no further reportable action.

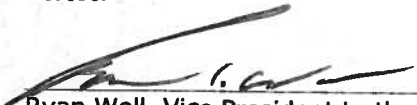
12. **ADJOURNMENT**

Director Guldseth moved to adjourn the meeting. Director Earhart seconded. The motion passed with Director Ross absent.



Dr. Blair Ball, President to the
Board of Directors of the
Beaumont Cherry Valley Water District

Attest:



Ryan Woll, Vice President to the
Board of Directors of the
Beaumont Cherry Valley Water District