

**RECORD OF THE MINUTES OF THE  
REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
BEAUMONT CHERRY VALLEY WATER DISTRICT  
April 14, 2010**

**CALL TO ORDER, PRESIDENT BALL**

President Ball called the meeting to order at 7:01 p.m., 560 Magnolia Avenue, Beaumont, California.

**PLEDGE OF ALLEGIANCE, VICE PRESIDENT PARKS**

Vice President Parks led the pledge.

**INVOCATION, PRESIDENT BALL**

President Ball recited the invocation.

**ROLL CALL, JULIE SALINAS**

Those responding to roll call were President Ball, Vice President Parks and Directors Halliwill, Ross and Woll. Also present at this meeting were General Counsel Gil Granito, Interim General Manager Anthony Lara and Business Manager Julie Salinas.

**PUBLIC INPUT**

Secretary Woll invited Judy Bingham to address the Board on an item not on the agenda. Ms. Bingham asked if the Board had a policy on their participation in Watermaster. President Ball replied that he was not certain the Board had a policy on its interaction with the General Manager as it concerns to Watermaster. Interim General Manager Lara clarified that no such policy was in place.

Secretary Woll invited Glen Shelley to address the Board on an item not on the agenda. Mr. Shelley stated that he and his family owned and operated a business here in Beaumont for 60 years. They sold the business in 2005. The property recently foreclosed. In addition to vandalism, there is a large water bill outstanding. Mr. Shelley requested that, if possible, the District go after the former customer who resides and operates a business in Banning. President Ball directed Interim General Manager Lara to look into the request. Mr. Lara asked that Mr. Shelley leave his contact information.

**ACTION ITEMS**

**1. ADOPTION OF THE AGENDA**

Vice President Parks moved to adopt the agenda as distributed. Director Ross seconded. The motion passed unanimously.

**2. FINANCIAL REPORTS**

President Ball thanked Director Halliwill for attending the Finance & Audit Committee meeting in his place.

a. Bills for Consideration\*\*

Board Action  
March 2010

The Board will take action on the Bills for Consideration taking into account the recommendations of the Finance and Audit Committee.

Director Ross moved to approve the March 2010 invoices. Vice President Parks seconded. The motion passed unanimously.

b. Invoices Pending Approval\*\*

Board Action

The Board will take action on the invoices for payment taking into account the recommendations of the Finance and Audit Committee.

Director Ross reported that the Finance & Audit Committee reviewed the invoices pending payment and received an amendment to a page that was left out.

Director Ross moved to approve invoices pending payment. Vice President Parks seconded. The motion passed unanimously.

c. Month End Financial Statements  
March 2010\*\*

Board Action

The Board will take action to "accept and file" the Month End Financial Statements presented by staff.

Secretary Woll invited Luwana Ryan to address the Board on item 2c. Ms. Ryan stated that she had brought up at the Finance & Audit Committee meeting that up until a few months ago, the Financial Statement included a report on Fund Balances (including emergency and operating reserves), a report which now seems to be missing. Is the District still funding these reserves? Ms. Ryan reported that our policy states that a certain percentage of water sales will be placed in these reserves and that the Board must approve any expenditures funded by this reserve.

On a separate note, Ms. Ryan suggested that the information shared at the special meeting held on March 26<sup>th</sup>, which was shared with the four audience members, should be shared with the general population.

President Ball agreed with Ms. Ryan that it was important for the Board to understand what these reserves are. President Ball requested that Mr. Lara present this to the Board.

Director Ross moved to accept and file the March Month End Financial Statement. Vice President Parks seconded. The motion passed unanimously.

d. First Quarter Report\*\*

Board Action

The Board will take action to "accept and file" the First Quarter Report presented by staff.

Director Ross moved to accept and file the First Quarter Report. Director Woll seconded. The motion passed unanimously.

**3. APPROVAL OF THE MINUTES****a. Minutes of the Special Meeting of March 3, 2010\*\***

Director Woll moved to approve the Minutes of the Special Meeting of March 3, 2010. Vice President Parks seconded. The motion passed unanimously.

**b. Minutes of the Special Meeting of March 17, 2010\*\***

Vice President Parks moved to approve the Minutes of the Special Meeting of March 17, 2010. Director Ross seconded. The motion passed unanimously.

**4. REQUEST RECEIVED FROM NATALIE CUNNINGHAM TO DISCUSS WATER BILL FOR 39955 GRAND AVENUE\*\***

Secretary Woll invited Natalie Cunningham to make her request before Board. Ms. Cunningham stated that she had lived at her residence for 12 years and that she has never had such a high bill. It is double what her bill might be on the hottest months of the year. She does not believe the meter read zero when it was installed but has to trust and believe what District staff is saying. Ms. Cunningham phoned the District immediately when she received the high bill. She gave free access to District staff to visit her property. She hired a plumber. She has done all that a responsible person can do and is now requesting that the Board evaluate her consumption history and adjust her bill according to her historical usage. Ms. Cunningham also suggested the District take the time and make the effort to notify customers when meters are going to be changed out so that customers can themselves verify the beginning read and alleviate the possibility of situations like hers from occurring.

Interim General Manager Lara reported that Staff had changed out the meter as the result of a broken register. Mr. Lara further reported that the serviceman reported a zero read on the new meter at the time of installation. Following the high bill inquiry, the meter was tested both in-house and by the manufacturer and both test showed the meter operated within AWWA standards. Mr. Lara also had field staff conduct a month long investigation and while the usage was down during the investigation, there is no evidence to support that the water did not go through the meter. Based on the information staff has gathered (and presented to the Board), the water bill is due and payable.

It was determined that the original meter was installed in 1996. Following some Board discussion, Director Ross volunteered to be part of an Ad-hoc Committee that would review Ms. Cunningham's account and usage history.

Director Ross moved to form an Ad-hoc Committee to review the customer's account. President Ball seconded. Director Parks stated that water had to travel through the meter to register the read. Motion passed with a 4-1 vote, with Director Woll not supporting the formation of an Ad-hoc Committee.

President Ball asked Director Parks to serve on the Committee with Director Ross. The Committee is to review and report back at the next meeting.

**5. APPROVAL OF RESOLUTION 2010-07 AUTHORIZING DELEGATES TO VOTE ON BEHALF OF THE DISTRICT AT THE LAFCO SPECIAL DISTRICTS ELECTION (DIRECTOR ROSS)**

President Ball moved to approve Resolution 2010-07. Vice President Parks seconded. The motion passed unanimously.

## **6. REVIEW OF DRAFT WATER RATE STUDY**

Gregg Tobler of Willdan Financial Services presented the draft water rate study.

Following a question and answer segment and board discussion, President Ball directed Mr. Tobler to present four models to the District: (1) with all capital projects being funded by bonds, (2) with all capital projects being funded by the District on a paygo basis, (3) with a modified listing of capital projects being funded by bonds, and (4) with a modified listing of capital projects being funded by the District on a paygo basis. The projects to be removed for the modified listing included the: Bonita Vista/Cherry Valley Water Company Well Rehabilitation and Pipeline (\$1,579,000), RR1 Well Rehabilitation and Pipeline (\$400,000), Pollution Control Project (\$5,140,000), San Timoteo Non Potable Wells and Pipeline to Recycled Water System (\$6,590,000), and Sundance Stormwater Recovery Project (\$2,093,000). The following projects were also updated to reflect funding from depreciation fund (vs. water rates): Highland Springs Reservoir Painting and Rehabilitation (\$177,000), Distribution and Transmission Pipeline Replacement (\$3,277,000) and GIS/GPS Equipment Upgrades (\$47,000).

The Board further discussed holding a workshop on Wednesday, April 28, 2010 at 7:00pm to review the four models of the water rate study. Director Woll requested that the materials be made available to the Board and Public as soon as possible to allow time for review prior to the workshop. Director Halliwill suggested that a notice for the workshop be advertised in the local newspaper.

## **7. DISCUSSION AND POSSIBLE ACTION RE REDISTRICTING (ADJUSTING DIVISION BOUNDARIES)**

Secretary Woll invited Luwana Ryan to address the Board on item 7. Ms. Ryan believes that it is ill advised to redistrict boundaries before elections (3 seats). Interim General Manager Lara agreed with Ms. Ryan that it would be best to take action after the elections and the census and reported the memorandum and supporting maps were provided to the Directors as information only items. District Legal Counsel Granito added that the law only mandated redistricting after a Federal census which in this case would be 2011.

It was the consensus of the Board to consider redistricting in 2011, following the Federal census.

## **8. REPORTS FOR DISCUSSION AND POSSIBLE ACTION**

### **(a) Ad hoc Committees**

#### **(b) General Manager**

- SWP Water Allotment – It was reported that the allotment had been increase to 15%, up from the previous 10% (started the out with 5%).
- Recycled Water Projects – Both the Desert Lawn Drive and Brookside pipelines are completed, fully charged, chlorinated and in-service. The 2MG reservoir is currently under coating operation and the Ring Ranch Rd pipeline job just started last week. The District did have to get easements from residents. Agreements should come before the Board for execution at the May meeting.
- Cherry Valley Water Company – District met with CVWC at Redwine & Sherrill on April 6<sup>th</sup> to discuss financing options, wording on agreements, ect. Discussions continue.

#### **(c) Directors**

- Dr. Blair Ball – Reported that he attended the Watermaster meeting and had concerns that both legal counsel and engineer doing work for Watermaster are also working for member agencies.
- John Halliwill – Reported on the Collaborative Agency meeting. School District shared plans for High School, Park District shared plans for additional facilities and City shared plans to move Police station to Summit Elementary School (vacant).

- Stella Parks – Reported that the San Gorgonio Pass Water Agency would now be holding all meetings at 1:30pm.
- Ken Ross
- Ryan Woll

**(d) Legal Counsel**

District Legal Counsel reported on AB1975. Legal Counsel and Interim General Manager will be watching the Bill and reporting back to the Board.

**9. ANNOUNCEMENTS**

The District will hold a special meeting on Wednesday, April 28, 2010 at 7:00pm.

**ACTION LIST**

- General Manager to look into and report back on emergency and reserve funds.
- Ad-Hoc Committee to report back on evaluation of Ms. Cunningham's request

**10. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL-**

**A. A Closed Session will be held pursuant to subdivision (a) of Government Code Section 54956 to confer with legal counsel on a pending litigation matter (Daniel Slawson and Arlene Slawson vs. Beaumont Cherry Valley Water District-Riverside County Superior Court, Case No. RIC 533149.**

**B. A Closed Session will also be held pursuant to Government Code Section 54957.6 to confer with the District's Labor Negotiators (Directors Stella Parks & Ken Ross and Interim General Manager, Tony Lara) re the Memorandum of Understanding with the District's represented employees.**

**11. OPEN SESSION- REPORT ON CLOSED SESSION**

President Ball reconvened to Open Session at approximately 10:32PM.

General Counsel Gil Granito reported that at approximately 9:45PM, the Board went into Closed Session to discuss the following matters as reflected on tonight's agenda:

The first matter discussed in Closed Session concerned Item 10.A. of tonight's agenda. This phase of the Closed Session was held pursuant to subdivision (a) of Government Code Section 54956.9 for the purpose of conferring with Special Counsel telephonically and General Counsel on the pending litigation noted in Item 10.A. of tonight's agenda. No further reportable action was taken.

The second and last matter discussed in Closed Session concerned Item 10.B. of tonight's agenda. This phase of the Closed Session was held pursuant to Government Code Section 54957.6 for the purpose of conferring with the District's labor negotiators. No further reportable action was taken.

**12. THE BOARD WILL CONSIDER APPROVING, RATIFYING AND CONFIRMING THE FURLOUGH PROGRAM (ONE DAY PER MONTH FOR ALL EMPLOYEES OF THE DISTRICT) IMPLEMENTED BY THE DISTRICT'S INTERIM GENERAL MANAGER ON MONDAY, APRIL 12, 2010 AND TERMINATING ON OCTOBER 31, 2010) AND AUTHORIZING THE DISTRICT'S INTERIM GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH THE DISTRICT'S REPRESENTED EMPLOYEES WHICH SETS FORTH THE TERMS OF SAID FURLOUGH PROGRAM.**

Director Parks moved, seconded by Director Ross, unanimously carried, approving, ratifying and confirming the furlough program (one day per month for all employees of the District) implemented by

the District's Interim General Manager on Monday, April 12, 2010 and terminating on October 31, 2010) and authorizing the District's President and Interim General Manager to execute an agreement regarding said furlough program.

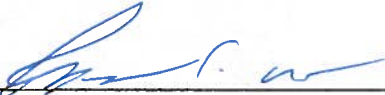
**13. ADJOURNMENT**

President Ball adjourned the meeting at approximately 10:38PM.



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

Attest:



\_\_\_\_\_  
Ryan Woll, Secretary to the  
Board of Directors of the  
Beaumont Cherry Valley Water District