

**RECORD OF THE MINUTES OF THE  
REGULAR MEETING OF THE  
BOARD OF DIRECTORS OF THE  
BEAUMONT CHERRY VALLEY WATER DISTRICT  
May 12, 2010**

**CALL TO ORDER, PRESIDENT BALL**

President Ball called the meeting to order at 7:05 p.m. 560 Magnolia Avenue in Beaumont, California.

**PLEDGE OF ALLEGIANCE, DIRECTOR WOLL**

President Ball led the pledge.

**INVOCATION, DIRECTOR HALLIWILL**

Director Halliwill recited the invocation.

**ROLL CALL, BLANCA MARIN**

Those responding to roll call were President Ball, Vice President Parks and Directors Halliwill and Ross. Also present at this meeting were Legal Counsel Gil Granito, Interim General Manager Anthony Lara, Controller Jeannette Olko and Executive Assistant Blanca Marin. Director Woll was absent to this meeting.

**PUBLIC INPUT**

President Ball invited Judy Bingham to address the Board on an item not on the agenda. Ms. Bingham requested a clarification as to how the Beaumont Cherry Valley Water District Board interprets the overlayers' rights. She asked as to who owns the water; if the property owns the water or the water district, because Mr. Aklufi indicated at the Watermaster meeting that the property owner does not own the water in the Beaumont Basin.

President Ball asked Ms. Magee in the audience to provide the information on the overlayers as she was the person who brought this item up at the Watermaster meeting.

**ACTION ITEMS**

**1. ADOPTION OF THE AGENDA**

President Ball requested that Item 6 be moved to Item 9 in case Director Woll arrives to speak on this item.

Vice president Parks moved to amend the agenda. Director Ross seconded. The motion passed with Director Woll absent.

Vice President Parks moved to adopt the agenda with corrections. Director Halliwill seconded. The motion passed with Director Woll absent.

**2. ACCEPTANCE OF THE 2009 AUDIT\*\***

(Presentation by Charles z. Fedak & Paul Kaymark from Charles z. Fedak & company regarding the Beaumont Cherry Valley Water District 2009 audit)

President Ball invited Paul Kaymark from Charles Z. Fedak to provide a presentation regarding the District's 2009 Audit.

Mr. Kaymart provided a power point presentation on this item. He further explained in detail the report answering questions from the Board and the public.

President Parks moved to accept the District's 2009 Audit. Director Ross seconded. The motion passed with Director Woll absent.

**3. FINANCIAL REPORTS**

a. Bills for Consideration\*\*

Board Action  
April 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 April 2010 Invoices. Vice President Parks seconded. The motion passed with Director Woll absent.

b. Invoices Pending Approval\*\*

Board Action  
April 2010

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

Director Ross moved to approve payment of the April 2010 Invoices pending payment. Vice President Parks seconded. The motion passed with Director Woll absent.

Controller, Jeannette Olko reported that at the Finance and Audit meeting staff recommended a one month delay in presenting the Month End Financial Statements. This will give staff time to reconcile the accounts and provide more accurate statements.

President Ball explained that the monthly invoices will be presented to the Committee and the Board as usual.

**4. APPROVAL OF THE MINUTES**

a. Minutes of the Special Meeting of March 26, 2010\*\*

Vice President Parks moved to approve the March 26, 2010 Special Meeting Minutes. Director Ross seconded. The motion passed with Director Woll absent.

b. Minutes of the Regular Board Meeting of April 14, 2010 \*\*

Director Ross moved to approve the April 14, 2010 Regular Board Minutes. Vice President Parks seconded. The motion passed with Director Woll absent.

c. Minutes of the Special Board Meeting of April 28, 2010\*\*

Director Halliwill moved to approve the April 28, 2010 Special Board Meeting Minutes. Director Ross seconded. The motion passed with Director Woll absent.

**5. WILL-SERVE LETTER REQUEST FROM MIKE TAYLOR, PARDEE HOMES, TRACT 36307\*\***

Interim General Manager Anthony Lara reported that the attached request from Pardee Homes is a piece of information which is needed for the land use agency to obtain an approval in their tentative tract map. He indicated that the request is not a commitment to provide service at this time as there are other issues that need to be resolved before service is provided and that letter only indicates that the Beaumont Cherry Valley Water District is the water provider for this area. He indicated that Pardee Homes representatives are aware of the District's situation on the adjudication and they are also aware of water conservation requirements.

President Ball invited Barbara Voigt to address the Board on this item. Ms. Voigt requested that the Board table this item until the San Gorgonio Pass Agency and the Beaumont Cherry Valley Water District meet to discuss and understand the Capacity Fee.

President Ball invited Frances Flanders to address the Board on this item. Ms. Flanders stated that the Board should not obligate to serve this area as the Board has an obligation to serve the people that are already here.

President Ball invited Judy Bingham to address the Board on this item. Ms. Bingham recommended that the Board does not approve the request due to the current drought.

President Ball invited Patsy Reeley to address the Board on this item. Ms. Reeley requested that the Board deny the request.

President Ball invited Greg Holman, Representative from Pardee Homes to address the Board on this item. Mr. Holman indicated this is the last phase to complete the specific plan. He indicated that Pardee Homes is aware of the current water situation therefore Pardee Homes is already taking steps to address the water conservation requirements. He indicated that construction or water service will not start until approximately three years from now.

General Counsel Gil Granito recommended that the Board table this item until an ad hoc committee is formed to meet and review the Will Serve Letter from the legal point of view.

President Ball stated that an MOU between the Beaumont Cherry Valley Water District and the City of Beaumont regarding recycled water needs to be in place and this District needs to know why the City of Beaumont needs to have an increase on its storage account and what effect that would have in the ability of the District to serve water to its customers before will serve letters are approved. He further indicated that the City has a document in their hands that they need to take to their City Council and approve.

After Board discussion, Director Ross moved to table this item until the next regular meeting in July 2010. Vice President Parks seconded. The motion passed with Director Woll absent.

Interim General Manager Anthony Lara offered to bring back to the Board a new Will Serve Letter.

President Ball requested that any comments and suggestions regarding the Will Serve Letter be emailed to Mr. Lara.

**6. APPROVAL OF RESOLUTION 2010-08, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT CHERRY VALLEY WATER DISTRICT AUTHORIZING INTERIM GENERAL MANAGER TO SIGN AND FILE A WATER RECYCLING FACILITIES PLANNING GRANT APPLICATION ON BEHALF OF THE BCVWD\*\***

Interim General Anthony Lara reported that the Planning Grant Application is for \$75,000 which is money that the District will not have to pay back. The money from this Grant will be used to finish the recycle line connection from Yucaipa for the environmental documentation and facilities' planning. The Grant will be from the Department of Water Resources. He recommended that the Board approve Resolution 2010-08. Should the District obtain the Grant, the District will bring the final commitment to the Board for approval.

Vice President Parks moved to approve Resolution 2010-08. Director Halliwill seconded. The motion passed with Director Woll absent.

**7. DISCUSSION AND POSSIBLE ACTION REGARDING REQUEST RECEIVED FROM NATALIE CUNNINGHAM TO DISCUSS WATER BILL FOR 3995 GRAND AVENUE\*\***

\*\* The Board will take into consideration the recommendation from the ad hoc committee assigned to this task

Director Ross indicated that the ad hoc committee met to review the District's procedures when handling this type of requests and found everything to be in order. He further recommended denial of this claim as the invoice is valid, due and payable. He further recommended that Staff work with customer on a payment plan.

Director Ross moved to deny the variance request and that the customer works a payment plan with staff. Vice President Parks seconded. The motion passed with Director Woll absent.

**8. RECEIVE AND FILE THE 2010 WATER RATE STUDY AND APPROVE 218 NOTICE \*\***

Interim General Manager Anthony Lara explained that the last tables in the report were amended to reflect the Boards recommendation. He indicated that Staff is requesting approval of the Notice to be circulated and to receive and file the 2010 Rate Study.

President Ball invited Luwana Ryan to address the Board on this item. Ms. Ryan requested the following as a disclosure to the rate payers:

- 1- The elective board's list of endeavors to trim staff, staff's hours, expenses and any waste in the District
- 2- (To improve Fixed Operating Expenses) an estimation of money saved over the last year
- 3- Plans to continue to find cost effective procedures to enhance the District's viability and keep rate increases to a minimum (possibly a run down of the District's cost cutting endeavors could be presented at the Public Hearing)

She further indicated that maybe the District needs to do what other agencies are doing like eliminate staff, and list other cost cutting procedures.

Interim General Manager Anthony Lara commented that he had already spoken to Controller Jeannette Olko regarding the cost cutting measures. He indicated that he will work with Ms. Olko in putting together a power point presentation to address those items and to show the rate payers what kind of cost cutting and housekeeping measures the District has taken to try to avoid a rate increase. He indicated that he will be visiting some organizations and communities to make presentations on the rate study in order to reach out to people and inform them of what the District is doing to minimize the rate increase impact on the rate payers.

General Counsel, Gil Granito recommended that the Board at this point make a motion to receive and file as a final report, the Rate Study from Willdan and that in the same motion the Proposition 218 Notice be approved to be mailed out to the District's customers.

Director Halliwill moved to accept the report as filed and ask for clarification relative to pass thru charges for the Pass Agency fees and that the letter that is going out will be sent out to all the rate payers as a secondary mailing; half of the people will receive it as part of the regular billing cycle and the rest will receive the letter as a special mailing and that he understands that the board is supposed to give some input to modify that letter. Director Ross seconded. The motion passed with Director Woll absent.

General Counsel Granito recommended that if the Board is trying to reach a consensus on the letter then the Board needs to add the changes to the letter tonight.

President Ball provided some suggestions for the letter for example; the District changed bank services, the District also decreased courier expenses, and the District is currently on a furlough program.

After discussion, President Ball appointed an ad hoc committee composed of Vice President Parks and himself to work with staff in redrafting the cover letter related to the 218 Proposition Notice.

Director Halliwill moved to reconsider his earlier motion. President Ball seconded. The motion passed with Director Woll absent.

Director Halliwill moved to reinstate the original motion adding that if it should of become apparent that the date needs to be modified because of postal service or final preparation of documents, then staff should modify the date for the meeting accordingly. General Counsel Granito reinstated the motion as follows: "To accept and file the Rate Study, to approve the Draft Prop 218 Notice as modified tonight, with additional authority to Mr. Lara to change the hearing date" Director Ross seconded. The motion passed with Director Woll absent.

#### **9. APPROVAL OF AMENDING ORDINANCE 2007-01, TO REDUCE COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS\*\***

Interim General Manager Anthony Lara recommended that this item be tabled until next board meeting in June, as Staff will present the MOU with the employees at this time also.

Vice President Parks moved to table this item until June. Director Ross seconded. The motion passed with Director Woll absent.

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

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

Director Ross reported that he attended a LAFCO meeting to elect a representative for Special Districts.

Vice President Parks announced that the SGPWA will hold a Water Conservation Workshop on May 20, 2010 at 7PM at the Cherry Valley Grange.

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

- SWP Water Allotment- Lara reported that the allotment went up to 40%. He further indicated that SGPWA will hold more than one Water Conservation Workshops. He will put information regarding these workshops in the directors' inboxes.
- Recycled Water Projects- Lara reported that 2800 Zone Tank exterior will be coated shortly. The Ring Ranch Road Project has about 2 weeks to go with pipeline work. The Desert Lawn and the Brookside Pipeline are complete. The District is working with the Brookside pipeline contractor to resolve some invoices regarding change orders.

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

- Dr. Blair Ball-He also attended the Watermaster meeting.
- John Halliwill- He attended the Watermaster meeting.
- Stella Parks-None
- Ken Ross- None
- Ryan Woll-None

##### **(d) Legal Counsel**

General Counsel Granito reported that AB 1975 was amended three times already. This bill will require that water purveyors require that new residential buildings to install sub metering for all their units.

#### **11. ANNOUNCEMENTS**

**A) The District will be closed May 31, 2010 in observance of Memorial Day**

**B) Regular Board Meeting June 16, 2010 at 7 p.m.**

**ACTION LIST**

- Request from Ms. Bingham as to whether or not the district owns the water
- New draft will serve letter to be presented at the July meeting
- Request from SGPWA, Barbara Voigt for the district to hold a joint workshop

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

President Ball adjourned the meeting to Closed Session at 9:04 p.m.

**A Closed Session will be held pursuant to subdivision (a) of Government Code Section 54956.9 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)**

**13. OPEN SESSION REPORT ON THE CLOSED SESSION**

President Ball reconvened to Open Session at approximately 9:58PM.

Mr. Granito reported that the Closed Session concerned Item 12. A. of tonight' s agenda and was held pursuant to subdivision (a) of Government Code Section 54956.9 for the purpose conferring with legal counsel on the pending litigation noted in Item 12.A. of tonight's agenda. No further reportable action was taken.

**14. ADJOURNMENT**

President Ball adjourned the meeting at approximately 9:59 p.m.

*Dr. Blair Ball*

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

