



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
AGENDA  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Wednesday, October 8<sup>th</sup>, 2014  
Regular Session 7:00 p.m.**

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**Call to Order, Director Ross**

*Vice President Ross began the meeting at 7:02 p.m.*

**Pledge of Allegiance, Director Slawson**

*Director Slawson led the pledge.*

**Invocation, Director Ball**

*Director Ball led the invocation.*

**Roll Call**

*Present at the meeting were Vice President Ross, Directors Ball, Guldseth and Slawson. Legal Counsel: James Markman. District Staff: General Manager: Eric Fraser, Director of Operations: Anthony Lara and Director of Engineering: Dan Jagers. Public that registered their attendance were: Fran Flanders, Minnie Birchard, Lee Birchard, Bill Dickson, David Castaldo, John M Halliwill, Mike White, Lloyd White, Barbara Brown, Patsy Reeley, and Mary Ann Melleby.*

**Public Comment**

*John Halliwill commented on his recent attendance to a City of Beaumont meeting. Part of the meeting was in regards to a letter submitted by the City to the Board with respect to the lawsuit, but the dialogue with the City was brief. Mr. Halliwill wanted to acknowledge that he was glad to hear the direct comments and proposals by Director Ball who was also in attendance.*

**ACTION ITEMS**

**1. Adoption of the Agenda (pages 1-3)**

*General Manager Fraser advised the Board that there were no changes to the Agenda. Director Guldseth motioned to adopt the agenda. The motion was seconded by Director Slawson and passed 4-0.*

**2. Consent Calendar:** All matters listed under the Consent Calendar are considered by the Board of Directors to be routine and will be enacted in one motion. There will be no discussion of these items prior to the time the Board considers the motion unless members of the Board, the administrative staff, or the public request specific items to be discussed and/or removed from the Consent Calendar.

- a. August 2014 Budget Variance Report Review\*\* (pages 4-8)
- b. August 31<sup>st</sup>, 2014 Cash/Investment Balance Report\*\* (page 9)

- c. September 2014 Check Register Review\*\* (pages 10-26)
- d. September 2014 Invoices Pending Approval\*\* (pages 27-30)
- e. Minutes of the Regular Meeting September 10<sup>th</sup>, 2014\*\* (pages 31-39)

*Director Slawson motioned to approve the Consent Calendar as presented. The motion was seconded by Director Guldseth and passed 4-0.*

- 3. Acceptance of the resignation of Director Ryan Woll from the Board of Directors of the Beaumont-Cherry Valley Water District effective September 12, 2014 and determine whether to fill the vacancy by "Appointment" or by calling for an "Election" as provided in Government Code Section 1780\*\* (pages 40-41)**

*Director Ball reminded the Board that vacancies had been filled in the past by appointment due to high election cost. Director Ball therefore motioned to fill the vacancy by appointment. The motion was seconded by Director Guldseth and passed 4-0.*

- 4. Amendment to mandatory water restrictions as it relates to odd and even watering schedules for the months of November through April adopted under Resolution 2014-04 on August 13, 2014\*\* (pages 42-42)**

**Public Comments on Item:**

*John Halliwill expressed concern that staff took action updating the resolution before the Board could approve the change. He also requested information on what implementation policy the District has for the restrictions in place.*

*General Manager Fraser explained staff actions on ratifying the schedule as there was a deadline to ensure that bills going out with the flyers would have accurate information for the November effective date. He also explained enforcement through education as well as following the established actions defined by the rules and regulations for properties that resist compliance. Director of Operations Lara further commented on the public response that initiated the amendment, working with large users such as HOAs, and the increased volume of residents reporting potential water use violations.*

*Director Guldseth motioned to amend Resolution 2014-04. The motion was seconded by Director Slawson and passed 4-0.*

- 5. Consideration of Request for Updated "Will Serve Letter" and Annexation for Sunny-Cal Specific Plan Project Tentative Tract Map 36853 (Located South of Cherry Valley Boulevard/North of Brookside Avenue/East of Hannon Road/West of Interstate 10 Freeway)\*\* (pages 43-47)**

*Director Slawson mentioned that he would abstain from voting on item 5 as CV Communities is a client of his engineering firm and exited the room.*

**Public Comments on Item:**

*Mike White with CV Communities notified the Board that he was available for comments or questions after the meeting but looks forward to eventual annexation into the District.*

*Judy Bingham acknowledged that the developer bought water rights with the land but wanted to advise them that there could be hurdles with LAFCO, the City's infrastructure and the City's inability to establish additional bond debt.*

*Patsy Reeley questioned the items referencing recycled and non-potable water as there is currently none available. She asked for clarification during the review of the request.*

*Director Ball acknowledged the overlying water right of CV Communities but expressed concern with the replacement of depleted water after hearing recent City suggestions to move recycled water to the local golf course. Director of Engineering Jagers explained that the intended source of the non-potable water referenced in the conditions of the request was from the Yucaipa Valley Water District as stated in the District planning study. General Manager Fraser asked the Board to consider the opportunity to build a significant portion of the Master planned facilities as a portion of this project without a financial impact to existing rate payers.*

*Director Ball motioned to review the request after the City Manager requests a meeting to be held at BCVWD exclusively between the City Manager and the General Manager to discuss the future destination for the water treated through the City's waste water treatment facility. The motion was seconded by Director Guldseth and passed 3-0 with Director Slawson abstaining. Director Slawson returned to the room following the vote.*

**6. Consideration of Request for "Will Serve Letter" for Ongoing Development within K Hovnanian's – Four Seasons at Beaumont Development (Tract 33096-5)\*\* (pages 48-62)**

**Public Comments on Item:**

*Mike White again asked for clarification on the reason for the delay in the approval for the "Will Serve Letter" as he feels the recycled water issue with the City is not related to the overlying rights that he and this developer have. Mr. White voiced his frustration with the differences between the City and the District, but hopes that the matter will be resolved quickly so that the project can move forward.*

*Judy Bingham provided a brief history to clarify the issues regarding the recycled water. She expressed concerns with the costs the City has passed on to the residents of Beaumont previously as well as the volume of approvals for "Will Serve Letters" in the past.*

*Legal Counsel Markman clarified that one of the conditions of the "Will Serve Letter" was to maximize the usage of the reclaimed water system. That condition was based on the premise that the water would be provided by the City's water treatment facilities. As there has recently been discussion by the City to provide the treated water to somewhere else, there is concern that the non-potable water will not be available and the developers will have fulfilled construction requirements that will become stranded investments for their projects.*

*After discussion, Director Ball motioned to review the request after the City Manager requests to meet with the General Manager to discuss the future destination for the water treated through the City's waste water treatment facility.*

*The motion was seconded by Director Guldseth and passed 3-1 with Director Slawson voting no.*

**7. Consideration of Resolution 2014-05, Precluding the Issuance of Will Serve Letter Under Certain Prescribed Circumstances\*\* (pages 63-65)**

**Public Comments on Item:**

*Lloyd White applauded the Board for the resolution saying that it was time to address the issues with water. He also asked if there was a way to verify the City's claims on their conservation efforts.*

*Patsy Reeley commented that she liked the resolution but would like to have seen an added provision that denied renewals of "Will Serve Letters" for developers who have not been active for at least one year.*

*Judy Bingham thanked Director Ball for his efforts on this matter and encouraged other Board members to support the resolution.*

*Legal Counsel Markman briefly reviewed the resolution and discussed the considerations that were taken in creating the document. Director Slawson expressed concerns on the litigation potential of the resolution as well as the negative effects it could have on the economy. He also questioned the difference between allowing multiple single family homes being constructed on an individual basis versus a tract with the same total number of homes. Director Ball cited the risks that were considered with the resolution, including the drought, the public's call for managed growth and the lack of Title 22 compliance for the City. Director Guldseth commented that the drought and the ratepayer's comments need to be considered major factors moving forward, especially when seeing examples like Australia where a drought has exceeded 10 years and the comment was made that, in hindsight, they wished they would have instilled more stringent conservation efforts in their third year.*

*Vice President Ross motioned to approve the resolution. The motion was seconded by Director Guldseth and passed 3-1 with Director Slawson voting no.*

**8. Reports For Discussion**

**a. Ad Hoc Committees**

*On behalf of the Committee, Director Ball attended the Alliance meeting where the topic of discussion was lawn irrigation, specifically referencing issues with subsurface irrigation. He noted that an expert from the City of Banning could speak to the Alliance again in the future for a fee, but that they were very informative and helpful.*

**b. General Manager**

*General Manager Fraser thanked staff and Director of Operations Lara and Field Superintendent Dahlstrom for their swift efforts to clear the damage from the flash flood and reconstruction of the District's recharge facilities.*

**c. Directors Reports**

*Director Slawson had nothing to report.*

*Director Ball attended the City council meeting asking the City to halt the lawsuit as it is counterproductive. The City referenced a counter offer given to the District that will be discussed in the closed session.*

*Director Guldseth reiterated his support for the resolution that passed as it was in direct response to the public forum and the repeated requests and comments from the ratepayers.*

*Vice President Ross had nothing to report.*

d. Legal Counsel Report

*Mr. Markman had nothing to report.*

**9. Announcements**

- Finance & Audit Committee meeting, November 6<sup>th</sup>, 2014 at 3:00 p.m.
- Regular Board meeting, November 12<sup>th</sup>, 2014 at 7:00 p.m.
- Beaumont Basin Watermaster meeting, December 3<sup>rd</sup>, 2014 at 10:00 a.m.

*Vice President Ross made the announcements above.*

**10. Action List for Future Meetings**

- Schedule a workshop to discuss the landscape for the Noble Creek Recharge Phase II Project with the public
- Update the Board on Infosend after one year
- Solar System Update
- Grand Avenue Storm Water Capture Project

*Vice President Ross made the announcements above.*

*Director Ball motioned to establish a Special Meeting for November 5<sup>th</sup>, 2014 at 7 p.m. The motion was seconded by Vice President Ross and passed 4-0.*

**11. Recess to Closed Session**

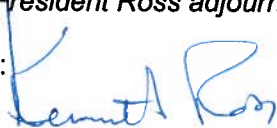
- a. Conference with Legal Counsel on existing litigation pursuant to Government Code 54956.9 (*City of Beaumont vs. Beaumont-Cherry Valley Water District*, Superior Court of California, County of Riverside, Case No. RIC 1314072).

*Vice President Ross recessed the meeting to closed session at 8:25 p.m. There was no reportable action.*

**12. Adjournment**

*Vice President Ross adjourned the meeting at 9:08 p.m.*

Attest:



Director Ken Ross, Vice President  
of the Board of Directors of the  
Beaumont-Cherry Valley Water District

\*\* Information included in the agenda packet



Director Daniel Stawson, Secretary to  
the Board of Directors of the  
Beaumont-Cherry Valley Water District