



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, July 8th, 2015
Regular Session 7:00 p.m.**

Call to Order, President Ross

President Ross began the meeting at 7:08 p.m.

Pledge of Allegiance, Director Covington

Director Covington led the pledge

Invocation, Director Slawson

Director Slawson led the invocation

Roll Call

Present at the meeting were President Ross, Directors Cottrell, Slawson, Covington and Hoffman. Legal Counsel: James Markman. District Staff: General Manager: Eric Fraser, Director of Operations: Anthony Lara, Director of Engineering: Dan Jagggers and Director of Finance and Administrative Services: Yolanda Rodriguez.

Public who registered their attendance were Michael De La Torre, Bill Dickson, Margaret Downs, Minnie Burchard, Amylis Jamerson, Lee Birchard, Patsy Reely, Barbara W. Brown, Mark Swanson, Pat King, Pam Lindgred, Nancy Carroll, Ron Daneo, Blair Ball.

Public Comment

Patsy Reely expressed her concerns on an article she read in the Press Enterprise regarding Caltrans planting non- drought tolerant landscape along the 91 freeway using potable water. She shared that she wrote to Governor Brown regarding her concerns as to why Caltrans is allowed to do landscaping using potable water, as residents are being asked to use less water. She suggested the District's General Manager write a letter to Governor Brown regarding this matter.

ACTION ITEMS

1. Adjustments to the Agenda

General Manager Fraser asked President Ross pull item (f) for separate discussion; the District's auditors will be making a presentation on the 2014 audit. President Ross pulled item (f) and numbered it 3b.

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. May 2015 Budget Variance Report Review** (pages 4-8)
- b. May 31st, 2015 Cash/Investment Balance Report** (page 9)
- c. June 2015 Check Register Review** (pages 10-26)
- d. June 2015 Invoices Pending Approval** (pages 27-34)
- e. Minutes of the Regular Meeting June 10th, 2015** (pages 35-39)
- f. Annual Financial Report for 2014-DRAFT** (pages 40-94)

Director Covington motioned to approve items a through e on the Consent Calendar. The motion was seconded by Director Hoffman and passed 5-0.

3. Consideration of Candidate Nomination of Interested District Board of Director Members for the Association of California Water Agencies (ACWA) Position of President and Vice President for the 2016-2017 Term (pages 95-101)**

After discussion, President Ross motioned to take no action. The motion was seconded by Director Slawson not to nominate and passed 5-0 not to nominate.

3b. Annual Financial Reporting for 2014 – FINAL (pages 40-94)**

On behalf of Vavrinek, Trine, Day & Co., LLP, external auditor Phillip White presented the clean, unmodified opinion for the audit of the 2014 Financial Report. Items pointed out to the board included: Note 17 Special Item in the Financials and explained the significant change in actuarial calculation for the Other Post-Employment Benefits. He also shared there were no difficulties in collecting information from management; realistic estimates were used in valuing dedicated capital assets; prior period adjustments; and internal controls.

After discussion, Director Slawson motioned to accept and receive the 2014 audit. The motion was seconded by Director Hoffman and passed 5-0.

4. California Special Districts Association (CSDA) 2015 Board Elections: Vote To Elect A Representative to the California Special District Association Board of Directors in the Southern Network for Seat A (pages 102-107)**

After discussion, Director Covington motioned to issue a vote for Jo MacKenzie. The motion was second by President Ross and passed 5-0.

5. Consideration of Resolution 2015-03: A Resolution of the Board of Directors of the Beaumont-Cherry Valley Water District Amending the District's Policies & Procedures Manual Pursuant to the Healthy Workplace Healthy Family Act of 2014 (AB 1522) (pages 108-121)**

General Manager Fraser provided an overview of the consideration of Resolution 2015-03, which amends the District's current Policies and Procedures Manual to comply with current Healthy Workplace Healthy Family Act of 2014 (AB1522).

After discussion, Director Cottrell motioned to approve Resolution 2015-03, which amends the District's current policy. The motion was seconded by President Ross and passed 5-0.

6. Grand Avenue Storm Drain Project Second Project Update and Request for Board Consideration of Approval of Resolution 2015-04 Supporting SAWPA's OWOW 2.0 Integrated Regional Water Management Plan (IRWMP) for the Santa Ana River Watershed ** (pages 122-151)

General Manager Fraser provided an overview on the consideration to approve Resolution 2015-04, which allows the District to support the Santa Ana Watershed Project Authority (SAWPA) One Water, One Watershed (OWOW) 2.0 Plan. He shared the District has been working in collaboration with the Riverside County Flood Control & Water Conservation District to continue development of the Grand Avenue Storm Water Capture Project and obtaining Proposition 84 grant funding. He shared SAWPA administers Proposition 84 Grant monies and one of the stipulations of being eligible for grant funding from DWR is for the District to adopt the SAWPA OWO 2.0.

Public Comment on Item:

Patsy Reeley questioned why Grand Avenue was chosen to capture flood waters.

General Manager Fraser explained the mechanics of capturing water running north south and explained that Grand Avenue is high enough to flow by gravity to the District's Recharge Facility.

After discussion, Director Covington motioned to approve Resolution 2015-04. The motion was seconded by Director Slawson and passed 5-0.

7. Consideration of Resolution 2015-05 a Resolution of the Board of Directors of the Beaumont Cherry Valley Water District authorizing the implementation of penalties for non-compliance with mandatory water use restrictions and rescinding Resolution 2015-02 (pages 152-156)**

General Manager Fraser gave an overview of the consideration of Resolution 2015-05, which authorizes the implementation of penalties by the District to its customers for non-compliance with the mandatory water use restrictions.

Director of Operations Lara explained the time frame of ten (10) days between each violation. He answered questions regarding the District's failure to comply with Governor Brown's Water Reduction Executive Order: (a) Information Order, (b) Issue of Conservation Order, and (c) Cease and Desist Order.

Public Comment on Item:

Nancy Carroll expressed her support for the penalties and gave suggestions how to record penalties collected and gave suggestions on what penalty fine monies should be used for.

Patsy Reely expressed her concerns on the method of calculating the penalty.

After discussion, Director Covington motion to approve Resolution 2015-05. Director Ross seconded the motion. The motion was passed 5-0.

8. Consider Authorization of Pumping Unit Repair Costs Related to Well 25 Placement of Gravel Seal, Bentonite Plug and Cement Cap Contract (pages 157-158)**

General Manager Fraser explained the request for authorization of pumping unit repair in the amount not to exceed \$20,907.32: he explained that on May 13, 2015 the Board authorized \$60,424.00 for placement of gravel seal, bentonite plug, and cement cap. During this process the contractor discovered additional repairs needed and recommended the pumping unit bowl assembly, line shaft enclosing tube, line shaft and bearings be replaced due to excessive wear.

Director Slawson motion to approve additional cost. The motion was seconded by Director Cottrell and passed 5-0.

9. Consideration of Request for a Conditional "Intent to Serve Letter" for Proposed Low Income Veterans Housing Project – Illinois Avenue, Beaumont, CA and approval of Draft "Intent to Serve Letter" (Riverside County Assessor's Parcel No's 418-020-027, -032, -033, -034) (pages 159-175)**

Public Comment on Item:

Michael De La Torre, with LINC Housing Corporation, gave an update on the status of the low income veteran's housing project. Mr. De La Torre shared that although the project has quite some time before the project is started, the project's funding process is moving forward.

After discussion, Director Covington motion to approve the Conditional "Intent to Serve Letter". The motion was seconded by Director Slawson. Motion was passed 5-0.

10. Update & Discussion of the San Gorgonio Pass Water Agency Water Issues

General Manager Fraser gave a presentation to update the Board and the public on the issues and concerns the District is facing in obtaining water from the San Gorgonio Pass Water Agency (SGPWA). He shared the District's frustration with the lack of communication from SGPWA on how they will fulfill BCVWD's water order and their priority of water delivery. He discussed the missed opportunities to purchase surplus water from San Bernardino Municipal Water District. Additionally, he gave an update on SGPWA's intention to build a Recharge Facility across from BCVWD's existing Recharge Facility, and SGPWA's failure to identify a customer that the Recharge Facility would benefit. He pointed out BCVWD already has the means of recharging its own water supply and recharges water for Banning and has offered to recharge for Yucaipa Valley Water District. General Manager Fraser questioned SGPWA's lack of desire to work collaboratively with BCVWD in finding ways of providing water to the District using gravity versus incurring pumping costs and ended his presentation with the questions; Is this the most efficient means of supplying water to customers? Are customers aware of the issues? And, why not work together towards finding efficiency?

Public Comment on Item:

Blair Ball, Director of SGPWA, shared his concerns as a tax payer and water rate payer and expressed his sensitivity to the cost coming forward

and future costs. He also expressed as a Director of SGPWA would like to work together with BCVWD officials to find ways on how we can help the customers. He proposed an AD HOC committee to discuss each of SGPWA's customer's top three priorities.

Bill Dickson, SGPWA Vice President, shared he would like to have all the Board members involved in meeting with their agency to find solutions.

11. Reports For Discussion

a. Ad Hoc Committees

No reports were made

b. General Manager

General Manager Fraser gave an update on Well #26 connection to the non-potable system and should be complete within a few weeks.

c. Directors Reports

Director Covington reported the Collaborative Agency Committee discussed the potential reassignment of the Bogart Park lease by Riverside County.

Director Covington expressed his desire to provide better communication between Board members and BCVWD customers attempting to get in touch with Board members. He asked for an email box.

Director Slawson reported on his meeting with Pardee Homes and was informed that communication seems to be improving between the City of Beaumont and BCVWD and suggested an AD HOC committee be formed to continue the channels of communication.

d. Legal Counsel Report

No reports were made.

12. Announcements

- **Special Board Meeting/Workshop, July 15th, 2015 at 6:30**
- **Watermaster meeting, August 5th, 2015 at 10 a.m.**
- **Finance & Audit Committee meeting, August 6th, 2015 at 3:00 p.m.**
- **Regular Board meeting, August 12th, 2015 at 7:00 p.m.**

President Ross made the announcements above.

13. Action List for Future Meetings

- **Solar System Update**
- **Grand Avenue Storm Water Capture Project**

President Ross made the announcements above.

14. Adjournment

President Ross adjourned the meeting at 9:24 p.m.

Attest:



Director Jeffrey Cottrell, Vice President
to the Board of Directors of the
Beaumont-Cherry Valley Water District



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

** Information included in the agenda packet