



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, October 14th, 2015
Regular Session 7:00 p.m.**

Call to Order, Vice President Cottrell

Vice President Cottrell began the meeting at 7:01 p.m.

Pledge of Allegiance, Director Slawson

Director Slawson led the pledge.

Invocation, Director Hoffman

Director Hoffman led the invocation.

Roll Call

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

Public who registered their attendance were Brandi Hollstein, Barbara W. Brown, Patsy Reeley, Fran Flanders, Luwana Ryan, Elizabeth Douglass, Nathan Douglass, Lloyd White, Lynette Simonson, L. Balch, and David Fenn.

Public Comment

Patsy Reeley shared her concerns regarding irrigation being done by Pardee homes at the corner of Cherry and Brookside. General Manager Fraser and Director of Operations Lara assured Ms. Reeley the water was coming from the District's non-potable water system supplied by well #26 which does not meet drinking water standards.

ACTION ITEMS

1. Adjustments to the Agenda

There were no changes to the Agenda.

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 2015 Budget Variance Report Review** (pages 3-7)
- b. August 31st, 2015 Cash/Investment Balance Report** (page 8)
- c. September 2015 Check Register Review** (pages 9-19)

- d. September 2015 Invoices Pending Approval** (pages 20-21)
- e. Minutes of the Regular Meeting September 9th, 2015** (pages 22-27)
- f. Consideration of Proposed Changes to the District's Conflict of Interest Code*** (pages 28-32)

Director Covington motioned to approve all items on the Consent Calendar. The motion was seconded by Director Hoffman and passed 4-0.

3. Consideration of applicants for appointment to the Board of Directors

Public Comment on Item:

Ms. Luwana Ryan shared her viewpoint regarding the appointment of the new Board member for division 2. She stated that since this was an appointment versus an election, that the Board take in consideration experience in engineering and/or water related endeavors when making a choice for Board appointment.

Vice President Cottrell invited the candidates individually to a five minute speech to provide their background information. Once completed, the Board would then proceeded to interview each candidate.

Candidate Lynette Simonson, who resides in Four Season in Beaumont, gave an overview of her experience and volunteer history. She shared her concerns and goals for the Beaumont-Cherry Valley Water District, which would include being actively involved in decision making. She shared that she has a Bachelor's Degree in Public Administration and is a retired Certified Financial Planner.

Candidate Nathan Douglass, of Beaumont, shared that he wants to give back to the community. He stated that although his background as an engineer for the County of San Bernardino helps him understand the District's activities, he also understands there's much more involvement in serving on the Board of Directors, and his goal is to best represent the people of District 2. He shared that he has a Bachelor's in Construction Engineering Technology, an Associates in Religious Studies, and will be taking the Professional Engineer's exam later this month.

Vice President Cottrell called for nominations.

Director Slawson thank both candidates for wanting to serve on the Board of Directors. He motioned to nominate Mr. Nathan Douglass based on his engineering experience. Being no other nominations, Director Hoffman seconded the motion to appoint Nathan Douglass as the new Board member. The motion was passed 3-1, with Director Covington opposing.

Secretary to the Board, Director Slawson, administered the Oath of Office to the newly appointed Director Douglass who then took his seat on the dais.

Director Cottrell also thank both candidates for wanting to serve on the Board of Directors and commented that the choice of appointment versus holding an election is to save the residents thousands of dollars associated with the cost of an election.

4. Consideration of Resolution 2015-06: Update BCVWD Regulations Governing Water Service Part 5 - Charges(pages 33-38)**

General Manager Fraser gave an overview of the current Schedule of Rates for water service installation charges, fire service installation deposits, and

construction meter charges found in Part 5 of the BCVWD Regulations Governing Water Service. General Manager Fraser recommended the Board consider the update of the fee schedule, which would eliminate the current lack of full cost recovery for meter installations. General Manager Fraser provided the full analysis conducted by District staff in calculating an accurate cost for each meter deposit type and explained the parameters used in the analysis. Director of Operations Lara further explained the cost associated with each meter installation.

Public Comment on Item:

Ms. Voigt asked if a further study had to be done, such as a Nexus study, with public hearings. Legal Counsel Markman explained this was not a fee increase, but rather a direct cost to the district for meters and meter installations, therefore no outside analysis is warranted.

Ms. Luwana Ryan shared her concerns with one member of the Board of Directors requesting to table the item to further review the analysis and suggested Board members review the agenda and contact staff with questions prior to the Board meeting.

After review and discussion, Director Slawson motioned to approve Resolution 2015-06. The motion was seconded by Director Hoffman and passed 5-0.

5. Consider Adoption of the 2015-2016 San Gorgonio Pass Regional Water Alliance Memorandum of Understanding (MOU) and Appoint a representative to the San Gorgonio Pass Regional Water Alliance Agency(pages 39-43)**

General Manager Fraser explained that with the resignation of President Ross, the Beaumont-Cherry Valley Water District did not have a representative on the San Gorgonio Pass Regional Water Alliance and asked for a Board member to be appointed. He further asked the Board to consider the adoption of the 2015-2016 San Gorgonio Pass Regional Water Alliance Memorandum of Understanding, which he explained was voluntary.

After discussion, Director Slawson volunteered to fill the vacancy and represent BCVWD on the San Gorgonio Pass Regional Water Alliance. Director Slawson motion to approve the San Gorgonio Pass Regional Water MOU. Motion was seconded by Director Cottrell and passed 5-0.

6. Reports For Discussion

a. Ad Hoc Committees

No Reports were made.

b. General Manager

General Manager Fraser gave an update on the San Gorgonio Pass Water Agency ceasing delivery of water for the season, for which they are holding over an estimated 1900 acre feet until next year. He stated the District probably won't see water until next March. He also shared that the District is preparing to capture storm water at the ponds as it has done historically, capturing water off Lincoln Ave going into Phase II and water that comes down Beaumont Ave by Cherry Valley Blvd into Phase I.

He shared that District staff is preparing for El Nino by; stock piling sand bags throughout the District in case high water events occurred, making sure all recharge facilities are capable of capturing water as necessary, and having equipment in place to divert water flows back to the creek to avoid facility damage.

General Manager Fraser shared that the Master Plan is wrapping up and once completed, the District will compile a project list and look for funding opportunities such as Prop 1. He shared that he continues to have dialogue with Yucaipa Valley Water District on regional solutions and recycled water opportunities, as well as looking at funding opportunities. Additionally, General Manager Fraser shared that the City of Beaumont has requested to have a joint meeting to discuss regional solutions for water and waste water. He shared the dates the City of Beaumont was proposing to have this joint meeting.

General Manager Fraser shared that Chromium 6 treatment technologies being implemented in other districts and the cost associated are being evaluated. He expects to come back with a treatment proposal this winter.

He shared he sent a letter to the San Gorgonio Pass Water Agency (SGPWA) at the direction of the Board, in which he shares the District's concerns regarding violation of Prop 26, the overcharging of their customers. Preliminary estimates show that there are \$3.6 to \$4 million dollars that have been overcharged to all their customers. At this point we are waiting for a response and an explanation from the SGPWA as to why the Agency does not pass through the millions in credits issued by DWR to our customers.

c. Directors Reports

Director Hoffman thanked the District staff for the boulders and cable fencing placed at the Recharge Facility, to help keep out transients and others using that facility outside of operating hours. He also thanked the District staff for the weed abatement at Phase II.

Director Cottrell reported he, along with Director Hoffman and General Manager Fraser, attended the San Gorgonio Pass Water Agency Engineering Workshop, at which the District presented to the San Gorgonio Pass Water Agency Board members some of the District's priorities such as; having evening Board meetings to allow the public to attend, asked them to work on the audit analysis of overcharges the District has requested, asked to be lean on their cost of operations, and expressed dissatisfaction with the San Gorgonio Pass Water Agency moving forward with building the recharge facility across the District's recharge ponds for which no definitive source of water has been identified.

d. Legal Counsel Report

Legal Counsel Markman gave an overview of Governor Brown's Reform Bill that just passed, which addresses the conduct of water basin adjudication and allocation of water rights, he stated he was on a committee that made those recommendations. He felt this is the second step towards intelligent groundwater regulation.

He also gave an update of Judge Karnow's ruling, which orders Metropolitan Water District of Southern California to pay the San Diego County Water Authority \$231.7 million in interest and refunds for illegal rates changed by the wholesaler to the SDCWA.

7. Announcements

- Finance & Audit Committee meeting, November 5th, 2015 at 3:00 p.m.
- District Offices will be closed on November 11th, 2015 in observance of Veteran's Day.
- November Regular Board Meeting, to be determined due to holiday.
- District Offices will be closed on November 26th, 2015 in observance of Thanksgiving Day.

Vice President Cottrell made the announcements above. The Board members agreed to have the next Regular Board Meeting on Tuesday, November 10th, 2015 at 7:00 p.m. as a Special Board meeting in Lieu of the Regular Board meeting due to Veteran's Day holiday.

8. Action List for Future Meetings

- Solar System Update
- Grand Avenue Storm Water Capture Project
- Proposition 1 Bond Opportunities
- Sustainable Groundwater Management Act: BCVWD impact

Vice President Cottrell made the announcements above.

9. Adjournment

Vice President Cottrell adjourned the meeting at 8:12 p.m.

Attest:



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



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

**** Information included in the agenda packet**