



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
AGENDA  
MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Wednesday, December 9<sup>th</sup>, 2015  
Regular Session 7:00 p.m.**

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**Call to Order, President Cottrell**

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

**Pledge of Allegiance, Director Hoffman**

*Director Hoffman led the pledge.*

**Invocation, Director Douglass**

*Director Douglass led the invocation.*

**Roll Call**

*Present at the meeting were Directors Cottrell, Covington, Douglass and Hoffman, Director Slawson was absent due to illness. Legal Counsel: James Markman. District Staff: General Manager: Eric Fraser, Director of Engineering: Dan Jaggars, Engineer: Joe Reichenberger, Director of Operations: Anthony Lara, and Director of Finance and Administrative Services: Yolanda Rodriguez.*

*Public who registered their attendance were Fran Flanders and Sean Balirgit.*

**Public Comment**

*No public comment*

**ACTION ITEMS**

**1. Adjustments to the Agenda**

*There were no changes to the Agenda.*

**2. Reorganization of the Board of Directors\*\* (pages 3)**

- **Nomination and Election of the President**  
*Director Hoffman nominated Director Cottrell for President. Director Covington seconded the motion and passed 4-0, with Director Slawson absent.*
- **Nomination and Election of the Vice President**  
*Director Cottrell nominated Director Hoffman for Vice President. Director Douglass seconded the motion and passed 4-0, with Director Slawson absent.*

- **Nomination and Election of the District Treasurer**  
*Director Cottrell nominated Director Douglass for Treasurer. Director Covington seconded the motion and passed 4-0, with Director Slawson absent.*
- **Nomination and Election of the District Secretary**  
*Director Cottrell nominated Director Slawson for Secretary. Director Hoffman seconded the motion and passed 4-0, with Director Slawson absent.*
- **Appointment of the Personnel Committee**  
  
*President Cottrell appointed Director Covington and Director Slawson to the Personnel Committee.*
- **Appointment of the Finance & Audit Committee**  
  
*President Cottrell appointed Director Hoffman and Director Douglass to the Finance & Audit Committee.*

**3. 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. October 2015 Budget Variance Report Review\*\* (pages 4-8)
- b. October 31<sup>st</sup>, 2015 Cash/Investment Balance Report\*\* (page 9)
- c. November 2015 Check Register Review\*\* (pages 10-26)
- d. November 2015 Invoices Pending Approval\*\* (pages 27-29)
- e. Minutes of the Regular Meeting November 10<sup>th</sup>, 2015\*\* (pages 30-33)

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

#### **4. BCVWD Masterplan Overview: Oral Report**

*Joe Reichenberger, contract Engineer to the District, gave an overview presentation on the District's Masterplan. He stated that the Masterplan identified projects needed, the estimated water demands from now to build out and individual project cost. He also shared that a Non-potable Water Masterplan is also being created, which compliments the Masterplan. Additionally, the Masterplan includes the potential for wellhead treatment to address water quality issues. Mr. Reichenberger stated that the prime purpose of the Masterplan is to provide the basis for the revision of the District's Facility's Fees, to ensure that the Facility Fees collected will pay for the facilities needed with growth. A draft five to ten year Capital Improvement Program will be submitted to the Board in February 2016.*

#### **5. Consideration and adoption of the 2016 Budget\*\* (pages 34-74)**

*General Manager Fraser gave a presentation of the proposed 2016 Operating Budget. The budget is balanced using conservative revenues and growth estimates coupled with realistic expense assumptions. He shared that the District continues to be debt free. He stated that he does not anticipate any*



rate increases at this point in time, but that may have to be revisited if needed, based on the Capital Improvement Program and revenue needs. He shared that the District's cash position is about \$24.2 million, which has increased compared to 2014 by approximately \$8 million. He shared that the assumptions used in this budget include reduced water sales revenue due to possible extensive El Nino related rainfall and conservation.

General Manager Fraser shared that depreciation is approximately \$2.5 million. The budget includes \$1.8 million for the Depreciation Reserve Fund. He shared that traditionally, he likes to fund the total amount of depreciated assets for the year, but this year, due to the reduction in revenues associated with the governor's mandates in water conservation, we do not anticipate funding the total depreciation for the year. He stated reserves funding continues to increase, which will allow the District to move forward with the Capital Improvement Program.

In conclusion, he stated that the focus for 2016 is; the Grand Ave Storm Water Capture Project, working in conjunction with the Riverside County Flood Control and Water Conservation District; the Urban Water Management Plan update; Revisiting the fee study to make sure the District is charging adequate facilities fees to cover those costs; and working with Yucaipa Valley Water District on a recycled water solution.

After discussion, Director Hoffman motioned to approve the 2016 Budget. The motion was seconded by Director Covington and passed 4-0, with Director Slawson absent.

#### **6. San Gorgonio Pass Water Agency Capacity Fee\*\* (pages 75-76)**

General Manager Fraser requested direction from the Board on requesting a formal presentation to the BCVWD Board by a representative of the San Gorgonio Pass Water Agency regarding their recent adopted capacity fees. There was consensus to include the presentation in the February 10<sup>th</sup>, 2016, Regular Meeting of the Board of Directors.

#### **7. Discussion Regarding Bogart Park Lease Assignment**

Director Covington proposed that BCVWD appoint a Board member to represent the District regarding lease assignment discussion for Bogart Park. He shared his involvement and attendance at the collaborative agency meetings regarding the matter. Director Cottrell acknowledged that either General Manager Fraser or Director of Operations Lara already attend the meetings and expressed that there was already adequate representation from BCVWD. Director Cottrell recommended that Director Covington give the Board regular updates if additional action is needed.

#### **8. Reports For Discussion**

##### **a. Ad Hoc Committees**

*No reports were made.*

##### **b. General Manager**

*General Manager gave a brief presentation showing a spreadsheet demonstrating the cumulative revenue collected for SGPWA*

*importation charge via the water utility bill, versus the expense the District has incurred for the purchase of water from the SGPWA. He shared that in past years the District was not collecting the importation charges, which threw the District in a deficit mode, which the District has been trying to catch up. He explained we currently have about \$1.9 million dollars in revenue collected and set aside specifically for the purchase of the water from the SGPWA once the water becomes available. This purchase will be necessary to offset the extractions and concurrent deficit from our basin storage account.*

c. Directors Reports

*President Cottrell shared that he attended the SGPWA Board meeting last month, and stated that SGPWA has officially changed their Board meeting times to 7:00 p.m., which will give an opportunity for the BCVWD Board members and working members of the public to attend. He also shared that the SGPWA approved expenditures of funds to move forward with the recharge basins across from BCVWD's basins.*

d. Legal Counsel Report

*No reports were made.*

**9. Announcements**

- Finance & Audit Committee meeting, January 7<sup>th</sup>, 2016 at 3:00 p.m.
- Regular Board meeting, January 13<sup>th</sup>, 2016 at 7:00 p.m.
- District Offices will be closed on January 18<sup>th</sup>, 2016 in observance of Martin Luther King Day.

*President Cottrell made the announcements above.*

**10. Action List for Future Meetings**

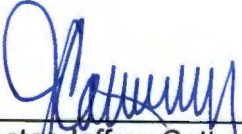
- Solar System Update
- Grand Avenue Storm Water Capture Project
- Proposition 1 Bond Opportunities
- Sustainable Groundwater Management Act: BCVWD impact

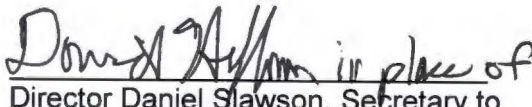
*President Cottrell made the announcements above.*

**11. Adjournment**

*President Cottrell adjourned the meeting at 8:30 p.m.*

Attest:

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

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