



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
AGENDA  
MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Wednesday, September 14<sup>th</sup>, 2016  
Regular Session 7:00 p.m.**

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**Call to Order, President Cottrell**

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

**Pledge of Allegiance, Director Slawson**

*Director Slawson led the pledge.*

**Invocation, Director Douglass**

*Director Douglass led the invocation.*

**Roll Call**

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

*Public who registered their attendance were John Jeter, David Fenn, and Nancy Carroll.*

**Public Comment**

*Judy Bingham gave an update on the City of Beaumont official's indictments and shared her concerns regarding the current City of Beaumont's council members.*

**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. June 2016 Budget Variance Report Review\*\* (pages 4-8)
- b. July 2016 Budget Variance Report Review\*\* (pages 9-13)
- c. June 30, 2016 Cash/Investment Balance Report\*\* (page 14)
- d. July 31, 2016 Cash/Investment Balance Report\*\* (page 15)

- e. July 2016 Check Register Review\*\* (pages 16-28)
- f. August 2016 Check Register Review\*\* (pages 29-42)
- g. July 2016 Invoices Pending Approval\*\* (pages 43-44)
- h. August 2016 Invoices Pending Approval\*\* (pages 45-46)
- i. Minutes of the Regular Meeting July 13<sup>th</sup>, 2016\*\* (pages 47-51)
- j. Minutes of the Special Board Meeting July 27<sup>th</sup>, 2016\*\* (pages 52-53)

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

**3. Request For Participation in the 2017 California Special District Association (CSDA) Committee and Expert Team.\*\* (pages 54-58)**

*Director Hoffman volunteered to serve on the CSDA's Expert Feedback Team.*

**4. Consider Authorization of the General Manager to Execute a Contract for Professional Diving Services to Conduct Inspections and Cleaning of Potable Water Reservoirs.\*\* (pages 59-91)**

*General Manager Fraser explained the process of a professional diver conducting the inspection in the potable water reservoirs. He shared this was part of routine maintenance of district facilities. He also shared the importance of having a qualified contractor who was qualified and capable of conducting a corrosion evaluation.*

*Director of Operations Lara, answered questions regarding the company who bid the job. He also shared that other companies who were solicited did not bid because they did not meet the qualifications in the bid specifications. He also answered questions on the process of the annual cleaning and inspection of the potable water reservoirs.*

*After discussion, Director Cottrell motioned to approve the General Manager to enter into contract with H2O Solutions, LLC in the amount not to exceed \$20,000. The motion was seconded by Director Hoffman and passed 4-0, with Director Covington absent.*

**5. Consideration of Request for Water Service ("Will Serve Letter") for Three (3) New Parcels Created by Tentative Parcel Map No. 37080.\*\* (pages 92-96)**

*General Manager Fraser gave an overview of the request for the "Will Serve Letter".*

*After Discussion, Director Slawson motioned to approve the "Will Serve Letter". The motion was seconded by Director Hoffman and passed 4-0, with Director Covington absent.*

**6. Consideration of Request for a Second Extension of "Will Serve Letter" for Ongoing Development within Pardee Homes-Sundance Master Planned Community (Tentative Tract Maps 31469 and 31470).\*\* (pages 97-104)**

*General Manager Fraser gave an overview and voiced staff's concerns regarding the District's ability to provide water supply for these projects. He stated that the plan of service for this project was developed in 2002, and since that time the ability for the City of Beaumont to provide recycled water supply has not materialized.*

*He shared that it is important for the Board and the applicant to understand that an important component of the original plan of service and Urban Water Management Plans for decades was the ability to acquire new water supply from the San Gorgonio Pass Water Agency (SGPWA) and recycled water from the City of Beaumont (City) for the project.*

*General Manager Fraser shared the District's ongoing concerns of the ability of the San Gorgonio Pass Water Agency to acquire new water supply as well as the ability of the City of Beaumont to provide recycled water and make sure that water is allocated to the District's needs, and the needs of the community. As he stated that every Urban Water Management Plan and Plan of Service created by the District, has always been dependent upon the ability to have imported water supply to meet the new demand. He shared this is why there are two provisions included in the staff report for approval of the extension of the "Will Serve Letter", which states that service to the project will be contingent upon acquisition of imported water obtained from the SGPWA and recycled water obtained from the City of Beaumont, Yucaipa Valley Water District or other sources. He stated that the District needs some level of assurance from the City of Beaumont to allocate recycled water to the District to meet the project's water supply demand. This is a concern because of the recent actions taken by the City's council to divert water for other purposes. He shared that a key component of the District's Urban Water Management Plan has always identified that the City allocate recycled water to the District for such projects.*

*Legal counsel Markman, recommended to table this item to the next board meeting to give him and the board members time to review the letter submitted today by Jackson Tidus Law Corporation, attorneys for Pardee Homes.*

**Public comment on Item:**

*Judy Bingham shared her concerns and asked the board to take into consideration the citizens and rate payer and to protect the water resources of the current residents.*

*Michael Tidus, attorney for Pardee Home, expressed his concerns regarding postponing this item until next meeting, as Pardee Homes needs to keep moving with the project. Mr. Tidus recommended to approve the "Will Serve Letter" and remove the two conditions so their project won't be stalled. Mr. Tidus recommended business as usual while the board and the District's legal counsel review the memo from Jackson Tidus Law Corporation.*

*Mike Taylor, with Pardee Homes, stated he understood the District's General Manager's concerns regarding SGPWA not purchasing additional water, but stated Pardee Homes has invested large dollar amounts for infrastructure and wishes to continue working with the District and the City, to find a solution.*

*Mark Orozco, City of Beaumont councilman, shared that he would like to work with the District's board members to find a solution.*

*Dr. Blair Ball, San Gorgonio Pass Water Agency board member, share his concerns regarding allocating water to new development when there are no new sources of water. He recommended this item be tabled, to give an opportunity to review the memorandum, and to protect the residents currently living in Beaumont.*

*Jeff Chambers, with Pardee Homes, commented that he believed there was a surplus of water in the District. He stated that a fair process tonight would be for the Board to approve 200 homes, not that they will build 200 homes, but not to restrict Pardee Homes to move forward with their current development. He stated they have invested millions of dollars in infrastructure.*

*General Manager Fraser clarified there is no surplus of water, the District has had a shortage of water for the last two years, at which time the District has been utilizing its storage account to meet the terms of the Beaumont Basin Judgment.*

*After discussion, President Cottrell motioned to table this item to the next board meeting to give the board members and the District's legal counsel an opportunity to review the memorandum received from Jackson Tidus Law Corporation, with the condition of keeping status quo with current approved ongoing projects, with a cap of up to 200 units. The motion was seconded by Director Douglass and passed 4-0, with Director Covington absent.*

**7. Consideration of Request for "Will Serve Letter" for Ongoing Development within Fairway Canyon Master Planned Community (Tentative Tract Map 36783).\*\* (pages 105-109)**

*General Manager gave an overview of the request for the "Will Serve Letter".*

*After discussion, Director Slawson motioned to approve the "Will Serve Letter". The motion was seconded by Director Douglass and passed 4-0, with Director Covington absent.*

**8. Solar System Project Update – Oral Report**

*Director of Engineering Jagers, gave an oral presentation on possible opportunities for solar energy for the District. He shared that one of the challenges is whether to put the panels on the roof or on a shade structure, which we may not have the space for. He stated the cost would be approximately \$75,000 - \$125,000.*

*After discussion, President Cottrell recommended item be visited at a future date since the cost over the benefit at this time does not fit the needs of the District. There was a consensus from all board members to revisit the item at a future date, with Director Covington absent.*

**9. Update on County Utilization of Bogart Park – Oral Report**

*President Cottrell recommended item be discussed at the next board meeting since this item was on the agenda at the request of Director Covington.*

**10. Reports For Discussion**

**a. Ad Hoc Committees**

*No reports were made.*

**b. General Manager**

*General Manager Fraser gave an update on the fire at the north end of the service area boundary, stating that no facilities were impacted. He shared that the District's personnel responded appropriately and had a*

*storage tank and hydropneumatic system available. He also said staff was on standby and kept their eyes on the fire, making themselves available to the fire resources at the command center. He stated that the reservoirs are kept at high water levels in case of fires. Water from the Phase II recharge facility was utilized by the aerial firefighting aircraft.*

*General Manager Fraser gave a brief update on the Sites Reservoir Project, he stated that the project was oversubscribed. He shared that the SGPWA would get about 7,000 acre-feet of class I shares, and if the State decides not participate there may be additional shares available. Staff recommends to lock up whatever amount of entitlement the District can get.*

**c. Directors Reports**

*Director Hoffman shared that he participates on the Finance & Audit Committee meeting as the chairman. He stated he reviews expenses and revenues each month. He shared that questions are always fully answered and believes there is full transparency.*

*Director Hoffman asked the status of the Storm Grand Project and asked if that was moving forward.*

*Director of Engineering Jaggars, gave an update on the Storm Grand Project and informed the Board that it is moving forward.*

*Director Douglass also shared he participates in the Finance & Audit Committee meeting, and also feels there is full transparency. He stated all his questions are also fully answered.*

*Director Slawson gave an update on the San Gorgonio Regional Pass Alliance. He shared that they are forming an integrated regional water management plan so they can get state grant money and wanted to know if the Board members would support the Alliance.*

*After discussion, President Cottrell recommended that Director Slawson get more information as to what it means for the District to participate.*

*Director Hoffman asked for an update on the upgrading of the SGPWA water connection on Orchard Avenue.*

*General Manager Fraser gave an update on the status. He stated that Mr. Davis will not give the District a preliminary report until the District signs an application for new water services. General Manager Fraser shared that he responded that he did not see the need for a water application since this is a simple review of an existing connection, and at this time is waiting for a response from Mr. Davis.*

**d. Legal Counsel Report**

*No reports were made.*

**11. Announcements**

- Beaumont Basin Watermaster meeting, October 5<sup>th</sup>, 2016 at 10:00 a.m.
- Finance and Audit Committee meeting, October 6<sup>th</sup>, 2016 at 3:00 p.m.

- Regular Board meeting, October 12<sup>th</sup>, 2016 at 7:00 p.m.

*President Cottrell made the announcements above.*

## **12. Action List for Future Meetings**

- Proposition 1 Bond Opportunities

*President Cottrell made the announcements above.*

## **13. Adjournment**

*President Cottrell adjourned the meeting at 9:16 p.m.*

Attest:



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



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

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