



BEAUMONT-CHERRY VALLEY WATER DISTRICT
AGENDA
MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, October 12th, 2016
Regular Session 7:00 p.m.

Call to Order, President Cottrell

President Cottrell began the meeting at 7:02 p.m.

Pledge of Allegiance, Director Covington

Director Covington led the pledge.

Invocation, Director Hoffman

Director Hoffman led the invocation.

Roll Call

Present at the meeting were President Cottrell, Directors Slawson, Hoffman, Douglass, and Covington. 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 Comment

Public who registered their attendance were Patsy Reeley, Bill and Barbara Brown, Tonia Johnson, Mark Swanson, David Fenn, Fran Flanders, and Mark Orozco.

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 2016 Budget Variance Report Review** (pages 4-8)
- b. August 31st, 2016 Cash/Investment Balance Report** (page 9)
- c. September 2016 Check Register Review** (pages 10-21)
- d. September 2016 Invoices Pending Approval**(pages 22-24)
- e. Minutes of the Regular Meeting September 14th, 2016**(pages 25-30)

Director Covington requested item 2e be pulled Director Slawson motioned to approve items 2a through 2d of the Consent Calendar. The motion was

seconded by President Cottrell and passed 5-0 by roll call: Director Covington - Aye; Director Hoffman - Aye; Director Slawson - Aye; Director Douglass - Aye; President Cottrell - Aye.

President Cottrell motioned to approve item 2e of the Consent Calendar. Item 2e was passed 4-0 by roll call: Director Hoffman - Aye; Director Slawson - Aye; Director Douglass - Aye; President Cottrell - Aye. Director Covington abstained from item 2e since he did not attend that meeting.

3. Update on County Utilization of Bogart Park – Oral Report

Director Covington gave an update on the progress of the Ad Hoc Committee he is part of with the County of Riverside and another public agency. Director Covington shared that in July 2015, the Riverside County Regional Park & Open Space District (District) tabled the reassignment of the Bogart Park due to public protest. He shared that in January of 2016, the District advised the public they had hired an independent consultant to do an assessment for future endeavors relating to Bogart Park. He stated that the County has made several comments that the park is running on a deficit. He also shared that in May 2016, the District formed an Ad Hoc Committee to assess the consultant's draft Bogart Park Assessment. He shared some of the recommendations proposed by the Advisory Committee, which included: keep Bogart Park open to the public; amend the current Development Impact Fee; leave Bogart Park a natural wilderness park; funnel the taxes collected in the pass area for parks and trails back to the pass, currently those taxes are being pooled and spent in several cities. The idea of this recommendation is that monies collected should stay in the community; create a better transparency of tax dollars; negotiate and create a multi-agency agreement between the Beaumont-Cherry Valley Water District, Beaumont-Cherry Valley Recreation and Park District, Riverside County Regional Park & Open Space District and the Wildlands Conservancy to create a long-range plan; negotiate a lease extension to allow for stability and future planning of the park; advertise locally and statewide park events; modernize the kiosk to ensure correct collection of park fees, it is estimated only 40% park entry fees are being collected; create a better volunteer group; keep Winesap entry open; revise current pass park schedule to include family pass; man the park seven days a week.

Director Covington shared that General Manager Fraser sent a follow-up letter on his behalf notifying the General Manager of the Riverside County Regional Park & Open Space District that BCVWD would like to know of any future recommendations and ideas of potential development of the park needs ahead of time versus at the end of the process.

Director Covington concluded by sharing that the next meeting will be held on November 3, 2016, at 1:30 p.m. at the Beaumont Cherry Valley Parks and Recreation – Noble Creek, at which time the recommendations will be discussed. He commended the public for stating their concerns.

4. Review of Water Acquisition Options Presentation by Jeff Davis of the San Gorgonio Pass Water Agency.(pages 31-49)**

Mr. Jeff Davis, General Manager of the San Gorgonio Pass Water Agency, shared and gave an overview of the Provost & Pritchard Consulting Group's detailed memorandum on "Water Acquisition Options for the SGPWA". He stated that based on the report, there are opportunities today to procure additional water supplies. Additionally, he stated that some are permanent opportunities and some are short term that may be five to ten years. He shared he will also be pursuing

those opportunities that are not permanent water. He closed by stating that he is always available to answer any questions regarding the report.

Director Hoffman inquired regarding the time frame for enlarging the Cherry Valley pipeline connection.

Mr. Davis explained that all options for the pipeline connection would be provided to General Manager Fraser once the new service application form was turned in to SGPWA. He further explained this is part of their process and their rules and regulations.

General Manager Fraser asked Mr. Davis for clarification for the Board regarding which opportunities are out there based on the report for acquisition of permanent water supply and the associated acre feet.

Mr. Davis stated there are approximately 2000 acre feet or less, with Nickel water reliability of 513 acre feet at 100%, and the other opportunities being 1500 acre feet of State Project water at 60% reliability.

General Manager Fraser also shared his concerns regarding the SGPWA Capacity Fee as proposed and the inability to account for the short term and long term costs recovery at a 100%, so not to burden the residents living here today.

President Cottrell proposed for staff to open discussions with SGPWA staff on the Capacity Fee and for our legal counsel to talk to their legal counsel regarding the new service application form requirement for the modifying of the Cherry Valley pipeline connection.

5. Continuation of 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 50-57)

Public Comment on Item:

Mr. Michael Tidus, attorney for Pardee Homes, shared that Pardee has invested millions of dollars into the infrastructure and capacity fees and other fees with the expectation both in the Water Plan and the Urban Water Master Plan they would be able to pull their building permits and build their homes. He shared the frustration that agencies waited too long to purchase water and now the cost of water has gone up. He also stated that Pardee is willing to help by advancing some of the fees for upcoming projects to help the purchase of the water. He also proposed that the conditions be eliminated from the “Will Serve Letter” or carve them permanent like in the Resolution in 2014. He stated Pardee wants to work with the District and the City, but needs some assurance they will be able to build.

Mr. Jeff Chambers, Pardee Homes, asked that the conditions not be included in their “Will Serve Letter” because they are not able to meet them. Additionally, he shared that Pardee has had a good working relationship with BCVWD for the past 15 plus years and for the first time they cannot move forward with the construction until a pending agreement has the final signatures.

Director of Engineering, Dan Jagers explained that the pending agreement was being processed and waiting for final signatures.

Ms. Judy Bingham shared her concerns and frustration with the City of Beaumont overcharging the Mello-Roos taxpayers. She stated that she held this Board responsible for destroying the pass area for the current residents and she disapproves the approval of the "Will Serve Letter".

General Manager Fraser shared his concerns regarding the ability of obtaining the water supply moving forward and explained that the basis for the conditions in the "Will Serve Letter" is to put everyone on notice. He stated that based on Mr. Davis' report there is realistically a couple thousand acre feet of permanent water supply that may be acquired in the near future. He also reminded everyone that the Water Supply Assessments conducted for these projects and the Urban Water Management Plan have always relied on these two sources of supply; whether it's the recycled water component, the permanent state water project, or other similar rights. He shared that the ability to serve the projects are dependent on imported water supply and at this point our local water supply has been fully exhausted a long time ago. He stated that two thirds of our water supply is dependent upon imported water and currently we serve approximately 13,000 plus acre feet, of which 8,000 to 9,000 come out of the Beaumont Basin.

General Manager Fraser shared that he just wants to put the board and the public on notice and fears that a year from now, or five years from now, he may be asked why did he approve or recommended the "Will Serve Letters" now that we might learn we couldn't get the water supply. He stated that moving forward it is critical to have the ability to obtain the water supply. He shared that there are opportunities in the recycled water and waits to see what direction the City of Beaumont will be going to and looks forward to working together to resolve the ability to provide the water needs of the public.

President Cottrell commented that the City of Beaumont and the Water Board need to work together before approving the development or the build out of the city.

Mr. Tidus, Attorney for Pardee, shared his concerns with the language of conditions #5 and #6 and stated Pardee could not comply with those conditions.

After discussion, Director Covington motioned to approve the "Will Serve Letter" and suspend conditions #5 and #6 of the "Will Serve Letter" for a period of 12 months. Furthermore, direct staff to negotiate an agreement within the next ninety (90) days with the San Geronio Pass Water Agency for the purpose of securing permanent water supplies. If an agreement cannot be reached, the Board will direct staff to move forward to adopt water shortage emergency conditions as stated in Water Code Section 350. The motion was seconded by Director Hoffman and passed 5-0 by roll call: Director Covington – Aye; Director Hoffman – Aye; President Cottrell – Aye; Director Slawson – Aye; Director Douglass – Aye.

6. Consideration of Request for a Second Water Service and Associated "Will Serve Letter" for a Second Proposed Multi-Family Residence Located on Riverside County Assessor's Parcel No. (APN) 419-222-018.(pages 58-63)**

Public Comment on Item:

Mr. Cory Johnson, contractor for the owner, shared his support and request for the "Will Serve Letter" to allow him to build a second duplex complex with its own meter.

After discussion, President Cottrell motioned to approve the "Will Serve Letter" and suspend condition #4 of the staff report and follow the same conditions as granted for Pardee Homes. Motion was seconded by Director Douglass and passed 5-0.

7. Consideration of Request for Water Service "Will Serve Letter" for Single Family Residence Located on Riverside County Assessor's Parcel No. (APN) 401-141-010.(pages 64-68)**

After discussion, President Cottrell motioned to approve the "Will Serve Letter" and suspend condition #4 of the staff report and follow the same conditions as granted for Pardee Homes. Motion was seconded by Director Hoffman and passed 5-0.

8. Consideration of Request for Water Service "Will Serve Letter" for Single Family Residence Located on Riverside County Assessor's Parcel No. (APN) 402-230-017.(pages 69-72)**

After discussion, President Cottrell motioned to approve the "Will Serve Letter" and suspend condition #4 of the staff report and follow the same conditions as granted for Pardee Homes. Motion was seconded by Director Covington and passed 5-0.

9. Consideration of Request for Annexation and "Will Serve Letter" for a Proposed Commercial Development Associated with Tentative Parcel Map No. (TPM) 37205 Riverside County Assessor's Parcel Nos. (APN) 407-230-016 & 407-230-017.(pages 73-79)**

After discussion, President Cottrell motioned to approve the "Will Serve Letter" and suspend conditions #5 and #6 of the staff report and follow the same conditions as granted for Pardee Homes. Motion was seconded by Director Slawson and passed 5-0.

10. Reports For Discussion

a. Ad Hoc Committees

No reports were made.

b. General Manager

General Manager Fraser shared that the District continues to meet water supply demands. He also shared the District continues to look for ways of improving efficiencies and providing great customer service. He shared that the new phone system is working great and shared that the front desk customer service staff are doing a great job; they receive and manage approximately 2,551 calls per month and average a 2 ½ minute wait per call.

General Manager Fraser shared that the District continues to take water at the recharge facilities. He explained that the District is receiving from the SGPWA approximately 22 cubic feet per second, which is about 44 acre feet of water per day. He stated the District is using 3 of its 14 ponds, and he is confident the District has more than ample capacity to receive much more water. He also shared his frustration with the required SGPWA New Service application form, when it is not a new service. He shared that the District sent the deposit along with the letter they required and that should be sufficient to move forward.

c. Directors Reports

Director Covington shared he attended the City of Beaumont City Council meeting on October 4, 2016, which addressed the Waste Water Treatment Plant. The City will be having a workshop on November 2, 2016, at 5:00 p.m. A formal decision of whether to keep the sewer business in Beaumont or move it to Yucaipa will be made at the November 7, 2016, Special City Council meeting at City Hall.

Director Slawson reported that he attended the San Gorgonio Pass Regional Water Alliance meeting and got clarification of what it meant for the BCVWD to be a stakeholder. He explained that being a stakeholder does not requires the District to give any money now, nor in the future. He also would like to bring back the MOU and have it for discussion in November's Regular Board meeting.

d. Legal Counsel Report

No reports were made.

11. Announcements

- Finance and Audit Committee meeting, November 3rd, 2016 at 3:00 p.m.
- Regular Board meeting, November 9th, 2016 at 7:00 p.m.
- District Offices will be closed November 24th, 2016 in observance of Thanksgiving Day.

President Cottrell made the announcements above.

12. Action List for Future Meetings

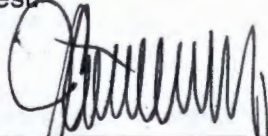
- Proposition 1 Bond Opportunities

President Cottrell made the announcements above.

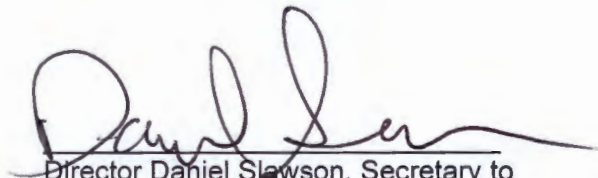
13. Adjournment

President Cottrell adjourned the meeting at 8:42 p.m.

Attest:



Director Jeffrey Cottrell, 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