



BEAUMONT-CHERRY VALLEY WATER DISTRICT
AGENDA
MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, March 8th, 2017
Regular Session 7:00 p.m.

Call to Order, President Slawson

President Slawson began the meeting at 6:59 p.m.

Pledge of Allegiance, Director Covington

Director Covington led the pledge.

Invocation, Director Ramirez

Director Ramirez led the invocation.

Roll Call

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

Public who registered their attendance were Patsy Reeley, Barbara Brown, Mark Swanson, and Fran Flanders.

Public Comment

Ms. Judy Bingham thanked the District for promptly replying to her latest records request. She reminded the Board of Directors that she is still waiting for their records from her request in January.

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. January 2017 Budget Variance Report Review** (pages 4-8)
- b. January 31st, 2017 Cash/Investment Balance Report** (page 9)
- c. February 2017 Check Register Review** (pages 10-24)

- d. February 2017 Invoices Pending Approval**(pages 25-26)
- e. Minutes of the Regular Meeting February 8th, 2017**(pages 27-30)

Director Ramirez requested item 2d be pulled for discussion. Director Covington motioned to approve items 2a through 2c and item 2e of the Consent Calendar. The motion was seconded by Director Hoffman and passed 4-0.

Director Ramirez requested a copy of the entire February 2017 legal invoice be sent to him with the next Board packet. Legal Counsel Markman advice Board members that invoices are available for review at any time at the District Office.

Director Ramirez motioned to approve item 2d of the Consent Calendar. The motion was seconded by Director Hoffman and passed 4-0.

- 3. Acceptance of the resignation of Director Nathan Douglass from the Board of Directors of the Beaumont-Cherry Valley Water District effective February 20, 2017 and determine whether to fill the vacancy by "Appointment" or by calling for an "Election" as provided in Government Code Section 1780.** (pages 31-34)**

Legal Counsel Markman explained the process and timeline for an election or an appointment for the new vacancy in Division 2.

General Manager Fraser demonstrated on the overhead the boundaries of Division 2.

After discussion, Director Hoffman motioned to appoint a candidate, requested the Notice of Interest to Serve on the Board of Directors be posted at several locations and a quarter page advertisement in the Record Gazette and the Press Enterprise newspapers, with an advertising budget not to exceed \$5,000.00. The motion was seconded by Director Ramirez and passed 4-0.

- 4. Appointment of Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) Alternate Representative.** (pages 35-76)**

After discussion, President Slawson appointed Director Ramirez as the ACWA/JPIA Alternate Representative to serve on the ACWA/JPIA Board of Directors.

- 5. BCVWD 2017 CIP Budget & Ten-Year CIP Plan.** (pages 77-122)**

General Manager Fraser gave an update on the final 2017 CIP Budget and Ten-Year CIP Plan.

Director Hoffman motioned to approve the BCVWD 2017 CIP Budget & Ten-Year CIP Plan. The motion was seconded by Director Covington and passed 4-0.

- 6. Consideration of Conducting an Employee Satisfaction Survey.** (pages 123-129)**

Director Covington, Chairman of the Personnel Committee, gave an overview of the Personnel Committee meeting which took place on February 22, 2017.

He shared that the Personnel Committee recommended an employee satisfaction survey be conducted using Survey Monkey. He shared that the purpose of the survey is to get a feel for the overall health of the District and understand the needs and concerns of the employees. He stated that the survey will be confidential and the results of the raw data would be discussed at the next Personnel Committee meeting as well as providing copies to all board members.

Director Ramirez motioned to approve the Personnel Committee to move forward with conducting an Employee Satisfaction Survey. The motion was seconded by Director Hoffman and passed 4-0.

7. Consideration of Request for “Annexation and Will Serve Letter” for a proposed Office and Warehouse Commercial Development located on Riverside County Assessor’s Parcel No. (APN) 417-220-009 (Parcel 9, Parcel Map No. 26348). (pages 130-139)**

General Manager Fraser gave an overview of the Annexation and Will Serve Letter request.

Director of Engineering explained the logistics of the parcel.

After discussion, Director Ramirez motioned to approve the Annexation and Will Serve Letter request. The motion was seconded by Director Hoffman and passed 4-0.

8. Consideration of Request for Update of “Will Serve Letter” for Commercial Development Infill Parcel Associated with Pardee Sundance Community (Originally Deutsch Property “Will Serve and Annexation”) (Infill Parcel - Riverside County Assessor’s Parcel No. 419-020-059). (pages 140-153)**

General Manager Fraser gave an overview of the request for the updated Will Serve Letter, which was included in the original Water Improvement Plan back in 2008.

Director of Engineering Jagers shared that representatives from Pardee Homes and the applicants were in attendance, he also shared with the Board of Directors a copy of the planned development provided by the representatives.

Director Ramirez shared that he was pleased with staff in including the landscaping and water conservation conditions that must be met prior to final project development.

Director Covington motioned to approve the Updated Will Serve Letter. Motion was seconded by Director Ramirez and passed 4-0.

9. Groundwater Recharge Facility Maintenance Update (Oral Report by Director of Operations Lara).

Director of Operations Lara gave an overhead presentation in which he shared the history of Phase I and Phase II. He shared and compared the activities of the facilities in 2014 and 2015 to last year. He stated that in 2014 and 2015 combined recharged in Phase I and Phase II was 7,178 AF annually, with an average daily flow of about 4,700 gallons per minute. He stated this was based on eleven months of operations. In comparison to 2016 the annual acre feet

was 9,951 and an average daily water flow of 4,800-11,200 gallons per minute, in a nine month period. He shared that this is the most water ever recharged in the facilities.

Director of Operations Lara explained that extensive maintenance is done during the system shut down and routine maintenance is done throughout the year during delivery cycles. He explained that some of the reasons for maintenance during the year are due to reduction in percolation rates seen in the fall, and algae growth in the warm summer months. He also explained the maintenance process.

Director of Operations Lara shared that there were changing conditions in 2016, such as an increased in flow rates, which were one-and-one half times higher than the highest ever experienced by the facilities. He shared that there was unusual algae growth in the fall months with a decrease in percolation. He shared that some of the causes were due to the introduction of fine materials caused by the increased flow to the State Water Project system and an increased algae growth due to water quality from the State Water Project. He went on to explain the process for maintenance and soil sample testing. He closed by sharing that staff continues monitoring and chemically treating the water to keep algae at a minimum and improve percolation rates.

10. Reports For Discussion

a. Ad Hoc Committees

No reports were made.

b. General Manager

General Manager Fraser followed up Director of Operations Lara's presentation and stated that all the work is done in-house and it's very cost effective in comparison if the District had a conventional treatment plant. He shared that copper sulfate is being used for the treatment of algae control.

General Manager Fraser shared the current flow into the facility information displayed on the District's website. The website demonstrates how much water is being taken in the ponds. He shared that the facilities are taking an increased amount of water which the facilities have historically never experienced. He shared that the average water inflow today is 10.2 million gallons of water per day, or 15 cubic feet per second, and still anticipates it will increase to 20 cfs.

General Manager Fraser addressed the social media comments that implied that the District had to turn back the flow, he shared that the District did have to turn back the flow to allow for maintenance. He shared that the facilities are not a failure and the District is putting more water than historically has ever been done. He stated that staff was doing a good job in trying to keep modifying techniques as they move forward and it's a collaborative effort in trying to make the facilities work most efficiently.

General Manager Fraser shared that he met with Mr. Jeff Davis, from the San Gorgonio Pass Water Agency (SGPWA), to discuss the Sites Reservoir and the issue of the counter offer from their agency, in which the District indicated to be interested in purchasing only 4,000 AF of

Class 1 shares. He stated that the SGPWA Board was concerned with the District not sharing the risk for Class 2 shares. He shared that would need to be discussed in more detail with the Board members at a future Board meeting when the SGPWA presents the BCVWD Board with a definite offer.

General Manager Fraser shared that staff has been working collaboratively with the Yucaipa Valley Water District and the City of Banning on the issue of Capacity Fee collection. He stated that two draft agreements were presented at the last SGPWA Board meeting. He shared that the Board indicated some opposition on the structure of the agreements. He also shared that he as an agency will be sending a draft agreement that models the same agreement that was presented to them before and he will be bringing the results to the Board.

General Manager Fraser shared his concerns regarding the SGPWA's lack of desire to allocate water supply to individual agencies in conjunction with collecting the fee. He shared that there are sections of the Water Code SB610 Water Supply Assessment, which says that if you're going to identify a wholesaler to provide water to you, you need to have one of three things in the agreement; water rights, entitlement, or have a contractual arrangement identifying the water supply. He stated that for the District to move forward and be able to issue Will Serve Letters with a level of certainty, the District needs to have such an agreement. He also shared that the SGPWA has also completed their Urban Water Management Plan and they incorporated some of the comments the District had indicated, and they are moving forward with the plan at their next Board meeting.

c. Directors Reports

Director Covington shared that he attended the SGPWA Board meeting. He shared his observations of the discussion of the draft agreement between Calimesa, Yucaipa Valley Water District, and the SGPWA, and shared that there seemed to be a disconnect. He shared that perhaps the process needed to start all over. He suggested having the same players; the City of Calimesa, Yucaipa, SGPWA, and the developers and discuss the issues in a workshop type of meeting, because it just seemed that there was no resolution at the SGPWA Board meeting.

Director Hoffman shared that he has served on the Finance and Audit Committee meeting for the last year. He wanted to commend personnel and management staff for doing an exceptional job during the past year managing the finances during a difficult year in which water sales dropped. He shared that although a difficult year, water rates weren't increased, there was money set aside for the purchase of new water, District equipment is fully paid, there is money set aside in reserves for capital improvement projects, there is restricted cash set aside for Capacity Fees and the District stayed within budget.

Director Ramirez shared the importance of public relations with students on water conservation. He suggested the District reach out to the schools and help educate children on the importance of water conservation. He would like the District to add to what has been started by the District to encourage participation in water conservation education. He would like to see participation in which there is feedback from the students.

Director of Operations Lara updated Director Ramirez and the Board that the District contracts with the Inland Empire Resource Conservation District who conduct K - 12 presentations on the District's behalf. He shared that he and Mr. Bean (BCVWD employee) have also done presentations.

President Slawson shared that he thought it was a good idea and encouraged the continued outreach within budget.

d. Legal Counsel Report

Legal Counsel Markman shared the Ninth Circuit Ruling in favor of Agua Caliente Band of Cahuilla Indians, in which Phase I states the Tribe has reserved rights to groundwater. He shared that he was available to talk to Board members regarding ruling.

11. Announcements

- Beaumont Basin Watermaster meeting, April 5th, 2017 at 10:00 a.m.
- Finance and Audit Committee meeting, April 6th, 2017 at 3:00 p.m.
- Regular Board Meeting, April 12th, 2017 at 7:00 p.m.

President Slawson made the announcements above.

Director Covington reminded the Board that the Engineering Workshop was scheduled for April 6, 2017. The meeting was rescheduled to April 3, 2017 to accommodate all Board member's schedules.

12. Action List for Future Meetings

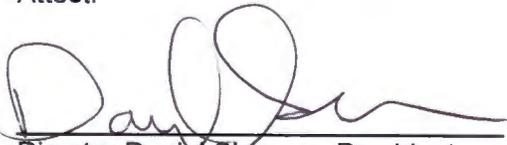
- Proposition 1 Bond Opportunities
- Pond Maintenance Discussion

President Slawson made the announcements above.

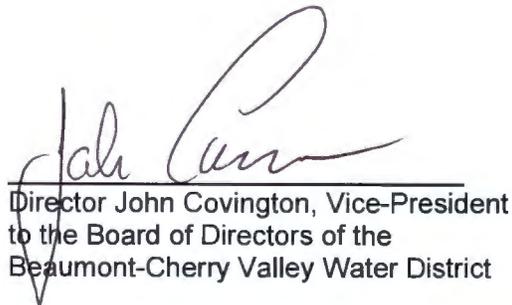
13. Adjournment

President Slawson adjourned the meeting at 8:36 p.m.

Attest:



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



Director John Covington, Vice-President
to the Board of Directors of the
Beaumont-Cherry Valley Water District

** Information included in the agenda packet