



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
MINUTES OF THE  
SPECIAL BOARD MEETING IN LIEU OF REGULAR MEETING OF  
THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Thursday, May 18<sup>th</sup>, 2017  
6:00 p.m.**

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**Call to Order, President Slawson**

*President Slawson began the meeting at 6:02 p.m.*

**Pledge of Allegiance, Director Covington**

*Director Covington led the pledge.*

**Invocation, Director Slawson**

*President Slawson led the invocation.*

**Roll Call**

*Present at the meeting were: President Slawson, Director Covington, Hoffman, Diaz, and Director Ramirez. 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 David Fenn, John Dorris, Fran Flanders, Barbara White, Pat Doherty, Lloyd White, and David Castaldo.*

**Public Comment**

*Director of Finance and Administrative Services Rodriguez, read an email from Dr. Blair Ball, who requested that his concerns regarding the closed session agenda item of conference with labor negotiators, described in the email be read during public comment. Mr. Ball shared that he read the recent employee survey and wanted to share with the Board members some of the history of the BCVWD (District). He shared that a problem the District had endured in the past was the issue of nepotism, favoritism, and cronyism, which stopped under the management of Eric Fraser.*

*Dr. Ball pointed out that employee comments on the survey were directed towards safety issues, yet the District was awarded \$78,000 the previous month from JPIA insurance group for being a safe district and shared that the District can have all the safety equipment available and safety policies in place, but if safety is not practiced by employees, the results can have detrimental consequences.*

*Dr. Ball also addressed the pay scale concern and stated that a district this small and with its limited resources will never be the highest paying water district and shared that the MOU offered many advantages, such as ten-four day work week, birthday off with pay, day off after Thanksgiving, and the quick step increase over*

*a short period of time to achieve the highest pay scale in that classification. He added that the District offers a competitive benefit package.*

*Finally, Dr. Ball shared that he found question number ten of the survey to be problematic in that why there is a two year timeframe in rating morale of executive staff. He encouraged the board members to review the comments with General Manager Fraser and allow him to provide details. He also stated that in his observation, the District is under excellent management and with the direction of the board is on sound ground.*

*Ms. Judy Bingham requested for an opportunity for another public comment after closed session, to allow other citizens who couldn't attend the meeting at 6:00 p.m., but would be there at 7:00 p.m. President Slawson, after legal counsel input, saw no problem with the request.*

## **ACTION ITEMS**

### **1. Recessed to Closed Session**

- a. Conference with Labor Negotiators pursuant to Government Code 54954.5(f):

Agency Negotiator: Eric Fraser

Represented Employees: BCVWD Employees

*President Slawson reconvened the meeting at 8:03 p.m.*

*Legal Counsel Mr. Markman reported that there was no reportable action regarding the matter discussed during closed session.*

### **Public Comment**

*Mr. David Castaldo, San Geronio Pass Water Agency (Pass) Director, introduced himself as a newly appointed Director. He shared that the Pass is actively and aggressively pursuing water resources to be able to provide BCVWD's and other agency's water supply needs. He shared that the Pass is applying to the Watermaster for a water storage account to be able to store at least 25,000 acre feet of water, and would like the BCVWD board to include an agenda item at our next Board meeting in support of their application to the Watermaster.*

*Ms. Judy Bingham shared that the rate payers are very happy with General Manager Fraser's management of Beaumont-Cherry Valley Water District. She stated that the District is in the best financial shape it has ever been. Ms. Bingham requested Director Ramirez' provide a copy of his Fair Political Practices form 460.*

*Ms. Patsy Reeley shared that she is also very happy with the management of General Manager Fraser, and stated that he has brought the District out of the red tape it was and would like to see him stay with the District for as long as he wants.*

### **2. Adjustments to the Agenda**

*There were no changes to the Agenda.*

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. March 2017 Budget Variance Report Review\*\* (pages 4-8)
- b. March 31<sup>st</sup>, 2017 Cash/Investment Balance Report\*\* (page 9)
- c. April 2017 Check Register Review\*\* (pages 10-22)
- d. April 2017 Invoices Pending Approval\*\*(pages 23-25)
- e. Minutes of the Regular Meeting April 12<sup>th</sup>, 2017\*\*(pages 26-31)

*Director Hoffman motioned to approve all items on the Consent Calendar. The motion was seconded by Director Diaz and passed 5-0.*

**4. Nomination and Election of the District Secretary\*\*(pages 32)**

*Director Covington nominated Director Diaz for District Secretary. Nomination was seconded by Director Hoffman and passed 5-0.*

*President Slawson requested to include appointment of the current vacancy in the Finance and Audit Committee at our next Board meeting.*

**5. Award of Bid - 2017 Caterpillar Model 416 F2 HRC Backhoe/Loader from Johnson Machinery in the amount of \$90,920.12.\*\*(pages 33-40)**

*Director of Operations Lara explained the bid process and the specifications and functionality of the equipment.*

*After discussion, Director Ramirez motioned to approve the purchase of the backhoe/loader with the cost not to exceed \$90,920.12. The motion was seconded by President Slawson and passed 5-0.*

**6. Award of Bid for the purchase of Three Pick-up Trucks from Downtown Ford in the amount of \$76,493.32.\*\*(pages 41-56)**

*General Manager Fraser explained the purchase of the vehicles is part of the board approved Capital Improvement Plan, which provides replacement of the District's fleet vehicles.*

*Director of Operations Lara explained the cost savings with the purchase of the vehicles from Downtown Ford.*

*After discussion, Director Diaz motioned to approve the purchase of the three pick-up trucks with a cost not to exceed \$76,493.32. The motion was seconded by Director Covington and passed 5-0.*

**7. Consideration and Approval of Koff & Associates Proposal for a Compensation Study in an amount not to exceed \$19,890.\*\* (pages 57-92)**

*General Manager Fraser gave an overview the selection process of Koff & Associates, which was through a rating process based on the needs of the District. He shared that Koff & Associates just happened to come in at the lowest bid.*

*Director Diaz shared her concerns regarding the cost and suggested it could be done in-house using an internet search.*

*After discussion, Director Covington motioned to approve the proposal from Koff & Associates with a cost not to exceed \$19,890. Director Ramirez seconded the motion and passed 4-1 with Director Diaz voting no.*

**8. Consideration of Beaumont-Cherry Valley Water District (BCVWD) Board Member/Staff to Represent BCVWD at the City of Beaumont General Plan Task Force Meetings.\*\* (pages 93)**

***Public Comment***

*Ms. Patsy Reeley recommended that new board member, Director Diaz, represent BCVWD at the City of Beaumont General Plan Task Force. She stated that it would be an excellent opportunity to meet members of the City of Beaumont.*

*Ms. Judy Bingham shared her concerns regarding BCVWD's representation at the City of Beaumont. She shared her disapproval of having Director Ramirez or Director Covington representing BCVWD.*

*After discussion Director Ramirez motioned to appoint Director Covington as the BCVWD's representative at the City of Beaumont General Plan Task Force, with Director Hoffman being the alternative. Director Diaz seconded the motion and passed 5-0.*

**9. Update of Status of BCVWD Participation in Formation of Groundwater Sustainability Agency for the San Timoteo Basin Required under the Sustainable Groundwater Management Act of 2014.\*\* (pages 94-107)**

*General Manager Fraser gave an update of BCVWD's participation and explained this was a received and file item which would be further discussed at the next Board Engineering Workshop.*

*Director of Engineering answered board's questions and also shared that there would be a public hearing regarding this matter at the next Board Engineering Workshop.*

**10. Status of Sustainable Water Supply Acquisition. \*\* (pages 108-115)**

*General Manager Fraser gave an overview and update and shared the ongoing concern that to date, the San Gorgonio Pass Water Agency does not have a defined deal. He shared his concerns regarding the acquisition of sustainable water supply versus a one-off deals. He encouraged the board to review the memo in depth to get familiar as to where the District stands in obtaining sustainable water supply. He also encouraged the board to consider the opportunities under Water Code section 350 if the District does not foresee any water supply coming through. He stated that the District needs to exercise caution and make sure it has a clear opportunity to obtain permanent water supply to avoid impacting existing customers by making them cut back water usage to accommodate new development.*

*General Manager Fraser shared that the San Gorgonio Pass Water Agency has a Capacity Fee in place, which is \$6,231 per acre foot. He shared that he believed that was a bargain based upon market research. He recommended that the board give him authorization to issue a check for \$6.4 million dollars to cover the 1,588 dwellings units constructed since adaption of the fee. He stated that he believed that price structure could be substantially different in the near*

future and would like the opportunity to lock in that price, given that it is assumed this is permanent entitlement.

### **Public Comment**

*Mr. David Fenn, San Geronio Pass Water Agency (Pass) President, shared that there are six new board members with new direction, new effort and they are doing everything to secure water supply for our District and other agencies, for existing customers and new development. He stated that there are multiple water sources and currently the Pass is working on a new water deal, which details cannot be disclosed at this time. Additionally, he shared that their Urban Water Management Plan provides the option for long-term water lease. He urged the board not to rush into a decision and give the Pass a little more time to anchor the water deals they are pursuing.*

*Director Ramirez asked Mr. Fenn if he thought the District was overly cautious, at which Mr. Fenn replied "yes".*

*General Manager Fraser shared his concerns and encouraged the board to have joint closed sessions with the Pass to discuss a deal or at least the structure of the deals to help the District and the Agency make a sound decision, but currently this is not happening. He stated that under the Water Supply Assessment of the Water Code, the District has to certify that the District can meet the water demands. He also shared that the District has to protect itself and not get in a situation of potential liability and explained that is the reason why "Will Serve Letters" are getting approved or extended, because in the past the projects were approved and the developer acted upon good faith and invested in such projects. He stated that the District needs to be cautious moving forward and Water Code Section 350 gives the District some protection.*

*Ms. Judy Bingham shared her concerns regarding the continued approval of "Will Serve Letters" and the ability to supply the water. She cited California Water Code section 66473.7 regarding the 20 year water supply. She urged the board to consider Water Code Section 350.*

*Mr. Lance Adams shared his concerns regarding the overdraft of the basin and the ongoing approval of the "Will Serve Letters". He urged the board to stop approving the "Will Serve Letters" since the District does not have the water resource to keep building.*

*Mr. David Castaldo, SGPWA board member, shared that he believes the water is coming and stated that he and the rest of the Pass board members are working hard to bring the water, but understands that the BCVWD board members have to do what's best for the District if pursuing Water Code Section 350. He invited the board to attend their board meetings and engage in communication to help build trust.*

*Director Covington thanked the SGPWA board members for their input. He expressed concern regarding the decision filing Water Code 350 and recommended that the topic be discussed more in depth at a different forum.*

*After discussion, it was the board consensus to have the Water Code Section 350 discussion more in depth in a Workshop setting with public participation.*

**11. Consideration of the San Geronio Pass Water Agency's April 6, 2017 Sites Reservoir Cost Sharing Draft Agreement and Associated Transmittal Letter Dated April 6, 2017.\*\*(pages 116-135)**

*General Manager Fraser gave an overview of the agreement and recommended the board give approval for the General Manager to move forward with the agreement.*

*Director of Engineering Jagers answered board questions and explained that the cost of \$195,420 is the initial planning phase. He explained that the cost is programmed into the CIP budget.*

*After discussion, Director Covington motioned to approve the agreement. The motion was seconded by Director Hoffman and passed 5-0.*

**12. Consideration of entering into a Memorandum of Intent Regarding assignment of the Lease from the County of Riverside to the Beaumont-Cherry Valley Parks and Recreation District for District Property located at Bogart Park. \*\*(pages 136-140)**

*General Manager Fraser gave an overview of the Memorandum of Intent and the lease currently in place with County of Riverside.*

*Director Covington motioned to approve the Memorandum of Intent. The motion was seconded by Director Hoffman and passed 5-0.*

**13. Consideration of Request for a New "Will Serve Letter" for Tract No. 33680 (Riverside County Assessors No. 414-142-038) for a new residential development within Beaumont California.\*\*(pages 141-149)**

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

*Director of Engineering Jagers explained that this request was requested at a previous board meeting, but the original "Will Serve Letter" was not found. So the applicant is submitting as a new "Will Serve Letter".*

*Legal Counsel Markman suggested that the "Will Serve Letter" be approved with the condition that staff verifies that a valid tentative map exists.*

*Director of Engineering Jagers verified that such map exists.*

*After discussion, Director Covington motioned to approve with the caveat from legal. The motion was seconded by President Slawson and passed 5-0.*

**14. Consideration of Request for Water Service and Associated "Will Serve Letter" for a Proposed Multi-Family Residential Development Consisting of Two Duplexes located on Riverside County Assessor's Parcel No. (APN) 419-222-022.\*\*(pages 150-154)**

*Director of Engineering Jagers gave an overview of the schematic of the property.*

*Director Covington motioned to approve the "Will Serve Letter". The motion was seconded by Director Diaz and passed 5-0.*

**15. Consideration of Request for Update of "Will Serve Letter" for Previously Approved Development – Tract 32850.\*\*(pages 155-174)**

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

*Director Covington motioned to approve the update of the "Will Serve Letter". The motion was seconded by Director Hoffman and passed 5-0.*

**16. Update of Status of Rehabilitation and Repair of District Well No's 5, 13, 18 and RR1, and Request of Authorization for General Manager to Expend Additional Funds Related to Installation of Well Screen Liner in Well No. 5.\*\*(pages 175-178)**

*Director of Engineering Jagers explained the repairs up to date on the wells and the additional anticipated repairs needed for Well No. 5.*

*After discussion, Director Ramirez motioned to approve the General Manager to expend additional funds for Well No. 5 in an amount not to exceed \$25,704.00. The motion was seconded by Director Diaz and passed 5-0.*

**17. Reports For Discussion**

a. Ad Hoc Committees

*No Reports were made.*

b. General Manager

*General Manager Fraser gave a brief update on the water connection with the SGPWA (PASS). He shared that the District continues to take as much water as the District is able to obtain from the PASS, 24 cfs. He shared that staff continues to learn the best management for algae control and there is continued good performance. He stated he is waiting on Mr. Davis on the status of the EBX2 completion.*

c. Directors Reports

*President Slawson shared that he attended the Pass Alliance meeting at which the General Manager for the Pass Agency gave a discussion on the Urban Water Management Plan.*

d. Legal Counsel Report

*No Reports were made.*

**18. Announcements**

- District Offices will be closed May 29<sup>th</sup>, 2017 in observance of Memorial Day
- Finance and Audit Committee meeting, June 1<sup>st</sup>, 2017 at 3:00 p.m.
- Engineering Workshop, June 1<sup>st</sup>, 2017 at 7:00 p.m.
- Beaumont Basin Watermaster meeting, June 7<sup>th</sup>, 2017 at 10:00 a.m.
- Regular Board Meeting, June 14<sup>th</sup>, 2017 at 7:00 p.m.

*President Slawson made the announcements above.*

**19. Action List for Future Meetings**

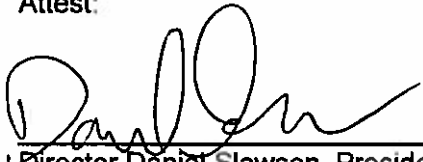
- Proposition 1 Bond Opportunities


*President Slawson made the announcement above and requested to add a Workshop to Discuss Section 350, to the Action List for Future Meetings.*

## **20. Adjournment**

*President Slawson adjourned the meeting at 9:44 p.m.*

Attest:

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

  
\_\_\_\_\_  
Director Claudeen C. Diaz, Secretary  
to the Board of Directors of the  
Beaumont-Cherry Valley Water District

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