



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Wednesday, October 11, 2017  
7:00 p.m.**

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**Call to Order: President Slawson**

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

**Pledge of Allegiance: Director Diaz**

*Director Diaz led the pledge.*

**Invocation: Director Ramirez**

*Director Ramirez gave the invocation.*

**Roll Call:**

Directors present:	President Slawson Directors Covington, Diaz, Hoffman, Ramirez
Directors absent:	None
Staff present:	General Manager Dan Jagers, Director of Finance and Administrative Services Yolanda Rodriguez, Water Utility Person III Tony Cove, Senior Finance and Administrative Analyst Bill Clayton, Production Operator James Bean, Temporary Administrative Assistant Lynda Kerney
Legal counsel:	James Markman

**Public Comment:**

*No public comment.*

**ACTION ITEMS**

**1. Adjustment to the Agenda**

*No adjustments to the agenda.*

**2. Consent Calendar:**

The following Consent Calendar items were approved with one motion:

- a. August 2017 Budget Variance Report Review
- b. August 31<sup>st</sup>, 2017 Cash/Investment Balance Report
- c. August 2017 Cash Flow Report
- d. September 2017 Check Register Review
- e. September 2017 Invoices Pending Approval
- f. Minutes of the Regular Meeting September 13<sup>th</sup>, 2017

MOVED: Ramirez	SECONDED: Covington	APPROVED 5-0
AYES:	Covington, Diaz, Hoffman, Ramirez, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

**3. Continued Discussion of Regional Water Supply Requirements for the SGPWA and BCVWD**

*General Manager Jagers presented a Powerpoint. The region is challenged with water supply and the District has been working hard to analyze the current situation. Another issue is the potential capacity fee. A needs analysis has been done based on the Urban Water Management Plan (UWMP), and the intent is to generate discussion in order to move forward with a plan. Agencies must understand, strategize and plan to store water in years of surplus to successfully supply demands in years of deficit. He explained storage in the basin. BCVWD's storage shows a decline from 2013-16 to pay for water needed to survive the drought; advance storage worked. Quite a bit has already been replaced, and expect 33,000 AF in storage at the end of 2017.*

*BCVWD is invested with the San Geronio Pass Water Agency to develop the 4,000 AF Sites Reservoir. One challenge is determining a regional funding strategy. If this reservoir is not completed, water will be even more expensive. It is anticipated 24,000 AF of supply will be needed.*

*Jagers emphasized the importance of the Sites Reservoir construction and the California Water Fix to meet long-term demands. He reviewed best- and worst-case scenarios. The region's needs can be met if the activities planned come to fruition: the Sites Reservoir, recycled water, and conservation.*

*Jagers reiterated that the main point is regional understanding of where the water is coming from, its cost, how it will be funded under a comprehensive funding strategy to include capacity fees for new development, rates, ad valorem taxes and other supplies. Because of how many people benefit from the water, funding should be a combination.*

*Director Ramirez asked for clarification on sources of water supply. Mr. Jagers responded.*

*Director Ramirez noted it is important to foster communication with the city and developers. Conservation should be further explored and encouraged. The District should work with developers while assuring current ratepayers do not bear the costs of new development. He said he supports recycled water in order to keep rates as low as possible.*

*Director Diaz noted that as the Pass Agency learns more information, the Board should be kept informed.*

*President Slawson asked about the status of the California Water Fix. Mr. Jeff Davis responded that it is in process; not yet a reality.*

**4. Assignment of Appointees to Represent the Beaumont-Cherry Valley Water District at the San Timoteo Groundwater Sustainability Agency**

Appointed General Manager Dan Jagggers and Director of Operations Tony Lara (alternate).

*Mr. Jagggers reported that BCVWD is part of the STGSA through the Sustainable Groundwater Management Act. The groundwater management plan is in process, and representatives must be identified for the District.*

*Director Covington asked about using titles instead, in case of staff changes.*

MOVED: Diaz	SECONDED: Hoffman	APPROVED 5-0
AYES:	Covington, Diaz, Hoffman, Ramirez, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

**5. Appointment of Representative to the Beaumont Basin Watermaster Committee**

Adopted Resolution 2017-06, appointing General Manager Dan Jagggers as the new representative member and Director of Operations Tony Lara as the new alternate representative member.

*Mr. Jagggers said he received notice from the Watermaster that representatives are needed. There are three seats, each of three agencies has one seat filled.*

MOVED: Covington	SECONDED: Diaz	APPROVED 5-0
AYES:	Covington, Diaz, Hoffman, Ramirez, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

**6. Consideration of Request for Variance of Water Meter Installation Requirement Riverside County Assessor's Parcel No. (APN) 402-230-015 per District Rules and Regulations Section 3-2.1.7**

*Mr. Thomas Bayer, applicant, addressed the Board and requested the variance. He purchased two adjacent lots. One has a water meter, the other does not. He would like to use the meter on the second lot to serve the future house on the first lot. He understands he is conditioned to add a meter if the second lot is sold or developed.*

*General Manager Jagggers further explained the situation and District policy, which allows for a property owner to make such a request to the Board.*

*Director Covington and Director Hoffman asked about the meter and were informed the District is unable to locate the meter, but policy has been to restore the meter if it was there historically. The District has records of the existence of an Ag meter and will install a new meter on Lot 015, and abandon the service at Lot 014. The applicant will pay any cost difference in changing from an Ag meter to a residential. The District will absorb costs of replacing the meter.*

MOVED: Ramirez	SECONDED: Hoffman	APPROVED 5-0
AYES:	Covington, Diaz, Hoffman, Ramirez, Slawson	

NOES:	None.
ABSTAIN:	None.
ABSENT:	None.

**7. Consideration of Request for a Third Extension of “Will Serve Letter” for Ongoing Development within Pardee Homes – Sundance Master Planned Community (Tract Maps 31469 and 31470)**

*General Manager Jagggers explained this is an ongoing development in process. It is a continued extension to allow the development to proceed.*

MOVED: Hoffman	SECONDED: Diaz	APPROVED 5-0
AYES:	Covington, Diaz, Hoffman, Ramirez, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

**8. Consideration of Request for Second Update of “Will Serve Letter” for Previously Approved Development – Tentative Tract 29267 (Riverside County Assessor’s Parcel No. 400-250-008) - a Portion of Noble Creek Vistas Specific Plan)**

*Mr. Jack Vanderwoude representing Noble Creek Meadows, LLC, addressed the Board and requested an update of the previously-issued Will Serve Letter. He noted his development is a portion of the overall specific plan and has been in process for 18 years.*

*General Manager Jagggers presented background on the development. It has been slower than other development, but plans are near completion.*

*Director Diaz asked how many meters will be required. Mr. Jagggers said there are 275 lots in the development, and directed attention to Tract 29267 on the second page of the staff report. He pointed out that another section of this Specific Plan, Noble Creek Meadows, was purchased by the San Geronimo Pass Water Agency for siting a new reservoir.*

*Mr. Jagggers added that he received an email from Mr. Duane Burke, general manager of the Beaumont-Cherry Valley Recreation and Parks District advising that the Parks District supports this project, as there will be opportunity to get recycled water and improved water service to the park.*

*Director Ramirez clarified that this project was covered in the UWMP; Mr. Jagggers confirmed it is and noted it overlies an area with an agreement for water supply with some obligation to provide water to this project.*

*Director Hoffman asked about receipt of funds on behalf of this project. Mr. Jagggers explained this project was annexed into the District and has submitted deposits; the District has plan checked it. Director Hoffman asked counsel for clarification that the District is obligated to continue to honor the will-serve letters; Mr. Markman indicated that would be prudent.*

*Director Covington asked if there is also a will-serve letter on Tract 29522. Mr. Jagggers responded that the entire Noble Creek SP was approved by the District.*

*This is the only one actively moving forward, but 29522 could move forward if the developer took action. Mr. Vanderwoude gave additional background.*

MOVED: Ramirez	SECONDED: Covington	APPROVED 5-0
AYES:	Covington, Diaz, Hoffman, Ramirez, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

**9. Recommendation of Consultant for the Design and Construction Services for the Well 1A and 2A Replacement Well Project**

*General Manager Jagers reviewed the process and scoring for the project. Four proposals for well re-drilling were received and evaluated by three staff members using a scoring system, prior to opening a separate bid sheet.*

*Director Covington asked about differences in budget and costs in the proposals. Mr. Jagers noted that drilling costs were higher when the projections were done, due to the increased drilling activity during the drought. He explained expected cost centers and opportunities for savings.*

*Director Diaz asked what is excluded in the prices. Mr. Jagers pointed out that well drilling is an inexact science, but analysis was done and the proposals reflect what staff believes is required for the project. Optional tasks were also included, and a contingency added. Differences could be encountered in the field, such as need to deepen the well.*

*Director Ramirez asked the current depth of Well 1; Mr. Jagers said it is 920 to 930 feet, drilled in 1936.*

*Director Hoffman asked if the projected costs are believed to be high at \$4 million and \$5 million. Mr. Jagers explained the figures are inclusive of all the facilities and the project from design and engineering to the building. Director Hoffman pointed out that capital improvement funds were designated; Mr. Jagers explained the figures from the planning document will be moved to the budget. He reassured that each capital project will be brought forward to the Board for approval. Director Hoffman asked about a performance clause; Mr. Jagers noted the contract will include a liquidated damages clause.*

*Director Covington asked about the projected 13-month project timeline. Mr. Jagers indicated that includes the design phase.*

Staff recommends approval of the proposal by Thomas Harder & Co. and authorization for the General Manager to negotiate the final project engineering services and subsequent execution of a Professional Services Agreement in a not-to-exceed amount of \$261,000.

MOVED: Covington	SECONDED: Hoffman	APPROVED 5-0
AYES:	Covington, Diaz, Hoffman, Ramirez, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

**10. Recommendation of Consultant for the Design and Construction Services for the Well 30 and 31 Well Project**

*General Manager Jaggars explained this project is similar to the previously-discussed well drilling project and proposals were similar save some differing environmental factors. Bids were received from much the same group of contractors and the recommendation is again for Tom Harder Associates. Awarding both contracts to the same contractor will increase the potential for savings via economies of scale, staffing and other considerations. Mr. Jaggars explained the scoring of the proposals and differences in bids.*

*Director Ramirez asked about the availability of Tom Harder given increasing workload. Mr. Jaggars noted Harder has been working locally. He explained well drilling processes and timelines and indicated confidence in the timeline.*

*Director Ramirez asked about the specific 13-month schedule. Mr. Jaggars indicated there are already documents created that will help streamline the process. He expects few holdups and a streamlined process. He detailed some steps of the process.*

*Director Diaz also commented on schedule. Mr. Jaggars explained the contractor suggested the time line. There is a “monetary hammer” to hit them with if it is delayed. He explained some of the factors affecting the need for wells, such as the impact of chromium 6. Director Ramirez asked about the chromium 6 issue, and Mr. Jaggars said although the original mandate is no longer an issue, there may be a new level set that will have to be addressed and will affect the cost of treatment.*

*Director Ramirez asked if Harder would be working on all four wells simultaneously if awarded the contract. Mr. Jaggars suggested a concurrent design process with fewer meetings. He noted how well drilling is scheduled and detailed the utilization of the drilling rig.*

Staff recommends approval of the project proposal by Thomas Harder & Co. and authorization for the General Manager to negotiate the final project engineering services and subsequent execution of a Professional Services Agreement in a not-to-exceed amount of \$261,000.

MOVED: Hoffman	SECONDED: Ramirez	APPROVED 5-0
AYES:	Covington, Diaz, Hoffman, Ramirez, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

**11. Presentation of Analysis of the Consultant for the Engineering Services for the Noble Water Storage Tank No. 2 and Transmission Pipeline Project**

*General Manager Jaggars presented the project background, proposed location for the reservoir and associated pipeline, and explained the proposals received from six (6) qualified consulting firms. He said the costs of this project will be mostly funded by developer impact fees. He compared bids from Michael Baker and Cozad and Fox, and their scoring and suggested the Board make the decision. A workshop can be scheduled if desired.*

*Director Covington indicated there is no need to hold a separate workshop and suggested the project be placed on the November agenda for vote.*

Director Covington pointed out the design of the alignment of the pipeline would be the only tricky part, and explained the process. Mr. Jagers added the geotechnical report would bring to light any issues.

Mr. Jagers continued discussing the pipeline bids.

**12. Presentation of Analysis of the Consultant for the Engineering Services for 2017 Water Pipeline Replacement Projects**

General Manager Jagers presented the project background, proposed locations for three pipeline projects: Birdsell, Apple Tree Lane, and Egan Avenue which have been problematic. He explained the proposals received from six (6) qualified consulting firms. Analysis and scoring mirrored the previously discussed process. The costs are close.

Director Covington asked if Mr. Jagers intended these projects to run concurrently. Mr. Jagers responded that he is uncertain there will be economies of scale. The goal is to streamline all the processes as much as possible. All projects will be pretty efficient. Director Covington asked if there was a determination of how fast the District would like to have the projects completed; and whether, if awarded to the same contractor, would the contractor work on both at the same time, or one then the other. Mr. Jagers explained he envisions moving forward with one-person, one-project in order to allow ownership of a project. Having different entities for each of these may be preferable, he suggested.

Director Hoffman asked if the pipeline at Terra Bella is going to provide water to the units on Whispering Pines; Mr. Jagers said not necessarily. Part of the RFP was for analysis and best costs for construction. The solution will be to do the best thing for the lowest costs. Director Hoffman asked if the line would be adequate for fire hydrants; Mr. Jagers answered it would: a minimum 8-inch line.

**13. Request for Approval of the Information Technology Department's Firewall Replacement Proposal**

General Manager Jagers advised that the current equipment is nearing the end of its service life, and requested approval. Funds have been set aside in the Capital Improvement Plan for this expenditure.

Staff recommends approval of the Information Technology Department's Firewall Replacement Proposal to update existing firewall appliances in a not-to-exceed amount of \$10,282.

MOVED: Ramirez	SECONDED: Diaz	APPROVED 5-0
AYES:	Covington, Diaz, Hoffman, Ramirez, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

**14. Reports For Discussion**

- a. Ad Hoc Committees: *No reports.*
- b. General Manager:

*Mr. Jaggars noted that a lot of work went into evaluation of the contractors' proposals. He reported that discussions are continuing with the City of Beaumont and the Pass Agency regarding a capacity fee and funding strategy. It is important to determine a strategy that all can accept.*

*Safety equipment has been ordered as discussed at the workshop.*

*A matrix of all landscaping at District sites has been created in order to track and monitor maintenance. An RFP for landscape services is being written.*

*The installation of the Well 5 liner is complete; it is producing 150-160 gpm. Well 11 is out of service due to issues with the motor. Proposals will be coming forward to address servicing of four wells.*

*This month to date, 519.4 AF of water has been put into the Noble Recharge Facility. A maintenance project is ongoing.*

- c. Directors' Reports:

*Director Covington reported on the Personnel Committee, which is continuing to work with the Employee Association on the MOU, to be ratified by the end of the year. The Association has been very flexible and has suggested some changes. It is still in the draft process, and will come back to the Board for final approval.*

*The compensation survey was discussed, and the Personnel Committee will meet with General Manager Jaggars and Director of Finance and Administration Yolanda Rodriguez to determine how it will impact existing positions.*

*Director Hoffman addressed the Bogart Park discussion during the Engineering Workshop. The presentation by Parks and Recreation was positive and should allow extension of the lease with positive outcomes.*

*Director Ramirez concurred with Director Covington's remarks on the Personnel Committee.*

*President Slawson said he attended the San Gorgonio Pass Water Alliance meeting. He noted that Jeff Davis of the San Gorgonio Pass Water Agency is concerned about water sales and costs. He noted that General Manager Jaggars is working on this.*

*Director Covington said he hoped staff time could be used to identify grant funding for some of these upcoming projects.*

- d. Legal Counsel Report: *None.*

## **15. Announcements**

*President Slawson read the following announcements:*

- Collaborative Agencies Committee meeting, November 1<sup>st</sup>, 2017 at 5:00 p.m.
- Finance and Audit Committee meeting, November 2<sup>nd</sup>, 2017 at 3:00 p.m.
- Regular Board Meeting, November 8<sup>th</sup>, 2017 at 7:00 p.m.
- District Offices will be closed November 23<sup>rd</sup>, 2017 in observance of Thanksgiving Day.



- Engineering Workshop, December 7, 2017 at 7:00 p.m.

**16. Action List for Future Meetings**

*President Slawson listed the following:*

- Proposition 1 Bond Opportunities
- Workshop – Discussion of California Water Code Section 350
- Large Capital Improvement Program projects
- Potential for grant funding

**17. Recessed to Closed Session: 9:05 p.m.**

- a. PUBLIC EMPLOYEE APPOINTMENT pursuant to Government Code section 54957

Title: General Manager

- b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9

Name of case: San Gorgonio Pass Water Agency v.  
Beaumont Basin Watermaster  
Riverside County Superior Court No. RIC 1716346

**Reconvene in Open Session: 9:41 p.m.**

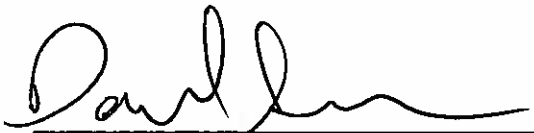
**Report on Action Taken During Closed Session:**

*President Slawson announced that the Board had approved an Employment Agreement with Mr. Dan Jagers, for the position of General Manager.*

**18. Adjournment**

*President Slawson adjourned the meeting at 9:43 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