



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, February 14, 2018
7:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 7:04 p.m.

Pledge of Allegiance: Director Hoffman

Director Hoffman led the pledge.

Invocation: Director Diaz

Director Diaz gave the invocation.

Roll Call:

Directors present:	President Covington Directors Diaz, Hoffman, Slawson
Directors absent:	Director Ramirez
Staff present:	General Manager Dan Jagers, Director of Finance and Administrative Services Yolanda Rodriguez, Senior Finance and Administrative Analyst William Clayton, Temporary Administrative Assistant Lynda Kerney
Legal counsel:	James Markman

Public Comment: None.

ACTION ITEMS

1. Adjustments to the Agenda: None.

2. Consent Calendar:

The following Consent Calendar items were approved with one motion:

- a. December 2017 Budget Variance Report
- b. December 31, 2017 Cash/Investment Balance Report
- c. December 2017 Cash Flow Report
- d. January 2018 Check Register
- e. January 2018 Invoices Pending Approval
- f. Receive and file letter from auditor outlining the Planned Scope and Timing of the Audit for Fiscal Year Ended December 31, 2017, pursuant to Statements on Auditing Standards No. 114 (SAS 114)
- g. Minutes of the Regular Meeting of January 10, 2018

MOVED: Slawson	SECONDED: Diaz	APPROVED 4-0
AYES:	Covington, Diaz, Hoffman, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	Ramirez	

3. 2018-2027 10-Year Capital Improvement Plan

General Manager Jagers reminded the Board that the draft CIP was introduced at the Engineering Workshop on Feb. 1. He presented a PowerPoint and detailed the content of the CIP document.

He explained the nature of CIP projects: non-recurring costs that generally exceed \$5,000 and have a useful life of at least two years. Most have a cost of greater than \$1 million and a useful life of 10 and 50 years. Mr. Jagers explained the ten-year Plan summary, including more than \$200 million in infrastructure projects, IT and administrative projects, and vehicle and equipment purchases.

Mr. Jagers noted that although a project may be listed in the CIP, no project may be awarded without proper vetting and Board approval. Staff will adhere to the District's Purchasing Policy.

He requested the Board accept the first year of the Capital Improvement Plan as the adopted capital budget for 2018.

President Covington asked about coordination on projects with the City of Beaumont. Mr. Jagers explained there are some City activities that could impact existing BCVWD facilities, and it would be beneficial to partner on these projects, such as grade separations. President Covington indicated that costs and potential funding may be shared so the burden is not entirely on the District. Jagers also pointed out recycled water projects in conjunction with the City.

In response to Director Diaz, Mr. Jagers indicated recycled water may be available in the near future and explained some hurdles.

General Manager Jagers continued, noting that it is important to finish the facility fee study. Discussions continue with the City of Beaumont for recycled water. Regional solutions are being explored. The District must continue to procure as much State Project Water as possible, he said.

Not budgeted are annual maintenance costs, Mr. Jagers stated.

President Covington noted the CIP that was approved in March 2017 totaled \$138 million. This year it has increased to \$201 million. Mr. Jagers pointed out that the 2017 Plan did not include the recycled water components and the pipeline project, but these have moved forward this year. President Covington inquired about work planned on wells between 2017 and 2020, as some price tags are over \$6 million. Jagers explained the costs include a 30 percent contingency, soft costs such as design, and more. He expects the District will enjoy some savings, particularly as costs of well drilling have declined. Costs will continue to be refined.

President Covington also pointed out the potable pipeline replacement project approved last year listed some facilities likely more than 100 years old, but they have been pushed to 2028. Mr. Jagers explained that priority has been given to facilities where leakage and issues have occurred, and adjustments were made to balance costs. The master plan will continue to be reassessed.

President Covington indicated support for the purchase of replacement vehicles, noting the age of some of the fleet.

Director Diaz asked about project funding. General Manager Jagers listed sources such as facilities fees from new development, capital replacement, front footage fees and other sources. He noted there will be some factors that will need to be addressed in a rate study. President Covington added that the District should try to garner funding through Proposition 1 funds.

The Board approved the 2018 Capital Improvement Budget and 10-Year Capital Improvement Plan.

MOVED: Slawson	SECONDED: Hoffman	APPROVED 4-0
AYES:	Covington, Diaz, Hoffman, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	Ramirez	

4. Substance Abuse Policy

- a. **Consideration of Resolution 2018-02 Amending the District's Policies and Procedures Manual Part I, Section 48: Substance Abuse**
- b. **Consideration of Resolution 2018-03 adding Addendum No. 1 to the 2018 – 2021 Memorandum of Understanding Between the BCVWD Employee Association and the District**

General Manager Jagers advised that legal counsel has made some updates to the policy to bring it current with the law. At the December meeting, the Board identified that they would like the MOU to reference the policy, and that is presented as an addendum.

The policy has been vetted with the Personnel Committee and with legal counsel, and discussed with staff.

President Covington confirmed for Director Diaz that the Personnel Committee had been included.

Director Hoffman moved approval of items 4a and 4b. The Board approved Resolutions 2018-02 and 2018-03 with one motion.

MOVED: Hoffman	SECONDED: Diaz	APPROVED 4-0
AYES:	Covington, Diaz, Hoffman, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	Ramirez	

5. Discussion regarding Encroachment Permit Request from the City of Beaumont for Extension of Brine Line Facilities in the Heartland Area within a BCVWD Easement

Mr. Jagers explained the situation of an easement over City-owned property and the City's extension of the brine line in the area west of the Potrero Road bridge. The City has requested to place brine line facilities within the District's easement. Such an encroachment permit is authorized by District policy, with the approval of the General Manager and assurance that District facilities are protected.

The District is working with the City to get recycled water and it is the belief of the General Manager that it is possible to provide this encroachment permit. This item is for information only; the permit is within the discretion of the GM.

President Covington indicated support but warned against getting ahead of the curve in incurring any costs to the district. Director Hoffman asked for reassurance that the District is not giving up anything that may be needed in the future. Mr. Jagers assured there is space available in the easement and added that the District will be needing space in city easements in the future. Directors Slawson and Diaz commended the spirit of cooperation.

6. Riverside Local Agency Formation Commission (LAFCO) Call for Nominations for a Special District Member (Western) and a Special District Member of the Countywide Redevelopment Oversight Board

Ms. Lynda Kerney explained the two separate nomination requests from LAFCO. Counsel Markman added an explanation of the duties of the Commission.

Nomination

President Covington nominated Director Hoffman to stand for election as the Riverside County Local Agency Formation Commission Special District Member (Western). The nomination was seconded by Director Diaz. The nomination was approved.

NOMINATED BY: Covington	SECONDED: Diaz	APPROVED 4-0
AYES:	Covington, Diaz, Hoffman, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	Ramirez	

Approval

Director Diaz moved to approve the nomination of Director Hoffman. Director Slawson seconded the motion.

MOVED: Diaz	SECONDED: Slawson	APPROVED 4-0
AYES:	Covington, Diaz, Hoffman, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	Ramirez	

There was no nomination for the Riverside County Redevelopment Agency Oversight Board.

7. Reports For Discussion

- a. Ad Hoc Committees: Director Slawson noted he attended the last meeting of the San Geronio Pass Regional Water Alliance and stated that General Manager Jagers gave an excellent presentation.

- b. General Manager:

Mr. Jagers reported that the Grand Avenue Project is moving forward. The Substance Abuse Policy has been updated. He has been working with the City on the recycled water project and there is positive movement. Well 6 is up to about 250 gallons per minute, a report will come back to the Board on what was spent. Phase 1 and 2 recharge facilities are being utilized. Director of Operations Tony Lara will be crafting a letter to the SGPWA to bring some items to their attention to avoid issues in the future. The SCADA system is improved including remote access for standby crew. Water deliveries in December were 1,198 acre-feet. The system is being analyzed for leaks and trouble areas are being targeted.

- c. Directors' Reports:

Director Diaz stated that she liked the direction the District is taking.

Director Hoffman reminded the Board that in 2017 excess water was purchased from the San Geronio Pass Water Agency, which was used for recharge. This impacted the 2017 budget, but he believes it was justified. He also noted that due to realignment of investments, the District is now earning a better return.

- d. Legal Counsel Report: None.

8. Announcements

President Covington read the following announcements:

- District Offices will be closed Monday, February 19, 2018 in observance of Presidents' Day.
- Finance and Audit Committee meeting: March 1, 2018 at 3:00 p.m.
- San Geronio Pass Water Agency Rate Study Preliminary Public Meeting: March 1, 2018 at 6:00 p.m.
- Collaborative Agencies Committee meeting: March 7, 2018 at 5:00 p.m.
- Regular Board meeting: March 14, 2018 at 7:00 p.m.
- Personnel Committee meeting: March 26, 2018 at 5:30 p.m.

- Beaumont Basin Watermaster meeting: March 28, 2018 at 10:00 a.m.
- Engineering Workshop: April 5, 2018 at 7:00 p.m.

9. Action List for Future Meetings

- Proposition 1 Bond Opportunities

10. Recessed to Closed Session: 8:12 p.m.

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

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

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

Name of case: Charles Peters dba Pioneer Mobile Village
vs. Beaumont-Cherry Valley Water District, Riverside
County Superior Court No. RIC 1707116

- PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54947
Title: General Manager

Reconvene in Open Session: 8:22 p.m.

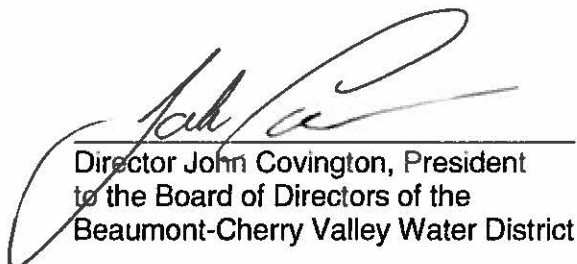
Report on Action Taken During Closed Session:

There was no reportable action taken.

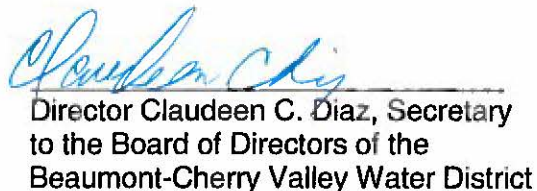
11. Adjournment

President Covington adjourned the meeting at 8:23 p.m.

ATTEST:



Director John Covington, 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