



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, June 13, 2018 at 7:00 p.m.**

Call to Order: President Covington

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

Pledge of Allegiance: President Covington

President Covington led the pledge.

Invocation: Director Hoffman

Director Hoffman gave the invocation.

Roll Call:

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

Members of the public who registered their attendance: Michele Staples and David Costaldo.

Public Comment: None.

ACTION ITEMS

1. Adjustments to the Agenda:

Mr. Jagers pointed out that a revised Item 4 Staff Report was provided as a handout.

2. Consent Calendar:

The following Consent Calendar items were approved with one motion:

- a. April 2018 Budget Variance Report

- b. April 30, 2018 Cash/Investment Balance Report
- c. April 2018 Cash Flow Report
- d. May 2018 Check Register
- e. May 2018 Invoices Pending Approval
- f. Minutes of the Special Meeting of May 3, 2018
- g. Minutes of the Regular Meeting of May 9, 2018
- h. Minutes of the Special Meeting of May 31, 2018

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

3. Receive and file the 2017 External Audit and Comprehensive Annual Financial Report

General Manager Jagers introduced Mr. Scott Manno of Rogers, Anderson, Malody and Scott, LLP, the District’s auditor who prepared the FY 2017 audit.

Director of Finance and Administrative Services Yolanda Rodriguez presented highlights of the report.

The Board voted to receive and file the 2017 External Audit and Comprehensive Annual Financial Report.

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

4. Consideration of Request for Amendment of Tract 31469 Will Serve Letter (Planning Area 47 or Tentative Tract Map 37428), Update for Sundance Specific Plan Original Will Serve Letter (PA 13 or TTM 31426), and New Will Serve Letter for Chavez School Site Redevelopment (PA 54 or TTM 31427) Pardee Homes Sundance – Specific Plan Amendment No. 3

President Covington introduced Mr. Michael Heishman, representing Pardee Homes. Mr. Heishman reminded the Board about details of the presentation at the May 31 meeting and requested a modification to Condition #7 on Tract 37426 to allow for irrigation of the detention basin landscaping.

General Manager Jagers detailed the landscaping request and indicated he believes the water savings shown by Pardee’s projects supports a small amount of landscaping. He added that discussion at previous meetings included two further conditions that were discussed and the Board may want to consider including: 1. assurance that this is the last of the Sundance development modification; and 2. the area outside of Pardee’s ownership (Planning Area 48) would not be developed by Pardee Homes.

Mr. Jagers concluded that there is a balance that has been accurately and conservatively portrayed.

Director Ramirez asked about ownership of the basin, aesthetics and dedication of Right-of-Way. Mr. Heishman responded it would be dedicated to the City.

Director Hoffman commented that it appears things are well presented and appropriate to move forward.

With one motion, the Board approved the following Requests related to the Pardee Homes – Sundance Specific Plan Amendment #3:

- A. Request for Amendment of Tract 31469 Will Serve Letter (Planning Area 47 or Tentative Tract Map 37428) to provide re-lotting of Tract 31469-5 from 97 Dwelling Units to 138 Dwelling Units*
- B. Update for Sundance Specific Plan Original Will Serve Letter (Planning Area 13 or TTM 31426) from a Planned School Site to 87 Dwelling Units (84 Cluster products and 3 Single Family Dwelling Units)*
- C. New Will Serve Letter to provide for redevelopment of the existing Chavez School Site to new Planning Area 54 (TTM 31427) with 31 Dwelling Units,*

And including the enumerated modifications:

- 1. Planning Area 13 WSL Condition #7 Tract 37426 to allow for irrigation of a border area walkway and associated landscaping around the perimeter of the detention basin*
- 2. This is the last of the Sundance development modifications that will be considered by the BCVWD Board of Directors*
- 3. The area outside of Pardee’s ownership (Planning Area 48) will not be developed by Pardee Homes.*

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

5. Consideration of Application for Water Service for Riverside County Assessor’s Parcel No. 401-170-038 on Avenida Miravilla between Camino del Norte and Whispering Pines Road in the Community of Cherry Valley

Mr. Jagers described the application for an infill lot and noted a potential need to update facilities depending on fire department requirements. Director Diaz asked about the landscape requirements for smart irrigation controllers, and who is responsible for checking those requirements. Mr. Jagers indicated it is part of the plan check process with the County or City and is a standard requirement. President Covington added that it is likely part of the final permit sign off inspections.

Director Hoffman clarified the location of the parcel. President Covington pointed out there is a 4-inch main in front of the property, which would not provide adequate fire flow. General Manager Jagers indicated new houses with sprinklers require 500 gpm and sometimes the pressure is adequate. The District leaves it open ended and there has not been a deposit made for fire flow analysis. The County has recently made some accommodations in those

elevations for 5,000-gallon storage tanks to be installed. Especially in this area, determinations are made on a case-by-case basis; if the fire flow requirements cannot be met, a hydrant would be needed; alternatively, there may have to be an on-site storage tank.

Director Ramirez asked if there were concerns regarding monitoring or access to the meter. Mr. Jagers noted all new meters are installed with radio reads and are real-time monitored. The District tries to avoid placement in backyards, and this is one of the areas targeted for improvement.

The Board approved the Application for Water Service for Riverside County Assessor's Parcel No. 401-170-038 on Avenida Miravilla between Camino del Norte and Whispering Pines Road in the Community of Cherry Valley by the following vote:

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

6. Consideration of Application for Water Service for Riverside County Assessor's Parcel No. 404-100-014 at 11227 Sunnyslope

General Manager Jagers explained this property has an existing house with existing service; the landowner is subdividing the parcel and asking for a second meter. The owner provided a letter issued by the District approximately 10 years ago that indicated once he had met all District conditions, he could be provided service; however it was not a Will-Serve Letter, and there was no record of it having gone to the Board, so the District required him to re-apply.

The Board approved the Application for Water Service for Riverside County Assessor's Parcel No. 404-100-014 at 11227 Sunnyslope by the following vote:

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

7. Consideration of Resolution 2018-07 Amending the District Policies and Procedures Manual, Part II, Section 5A: Regular Meetings to add one monthly Board of Directors Regular Meeting for an Engineering Workshop (fourth Thursday) and change Regular Meeting Time to 6:00 p.m.

Mr. Jagers explained the Resolution and indicated this was requested by the Board due to increased activity. Ms. Kerney advised the Resolution was properly advertised and no comments were received. President Covington asked when the time change would be effective; Ms. Kerney noted it would be immediate.

Director Diaz expressed support for the extra meetings and noted it is difficult for Board members to address the amount of business before the Board, and hard on staff. It is important to be informed and up to date on all that is happening. Director Hoffman noted the Board felt this would be a positive move and there were no comments from the public. President Covington concurred and noted that some Board meetings have been running late, and even with Engineering Workshops every two months, it has not been enough.

The Board adopted Resolution 2018-07 by the following vote:

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

8. Consideration of Resolution 2018-08: Support for the California Water Supply and Water Quality Bond Act of 2018

Mr. Jagers advised that the District received a request for support. There are a number of projects in the Act that are of regional benefit, including \$200 million toward the Salton Sea. Also moving forward is a District RFP for a grant writer, and this goes hand in hand with prior Board comments regarding pursuit of grant funding. Also included of interest to the District is wastewater recycling.

President Covington asked about the similarity to Proposition 1; Mr. Jagers indicated there are several water related activities in process. Director Ramirez asked if there was correlation to any rate increases; Mr. Jagers explained this is funded by the California General Fund, and there are projects that benefit the entire state. President Covington indicated he is in favor of bonds for such capital improvements; but as to this specific bond a majority of the money is already earmarked for projects in northern California, but the Salton Sea is important for this area. Director Ramirez concurred, noting this Board represents the people of this District but there appear to be some indirect benefits to BCVWD. He suggested including wording in the resolution to request that funding would directly impact the BCVWD.

Director Hoffman noted the Salton Sea is a complex situation, and this area is adjacent to the problem. Director Ramirez pointed out the Water Fix project. President Covington indicated this is up to the voters whether or not the District supports. Director Diaz noted there are quite a few indirect benefits such as wildlife habitat, the Oroville Dam, and others. Director Ramirez concurred.

The Board adopted Resolution 2018-08, as presented in its original form, by the following vote:

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

9. Continued Discussion of Potential Security Strategies for the Noble Creek Recharge Facility Phase I

Senior Engineer Mark Swanson delivered information as requested by the Board at the last Engineering Workshop. Additional estimates for the fencing were solicited. He explained the bids and alternatives.

President Covington indicated he is not in favor of the spiral wire fence topper. He noted even a three-strand barbed wire may not be needed and said with the V-topper it may be enough to keep people out. It can be reevaluated if not. He supports the 8 foot height. He noted costs are high, and he offered some suggestions to reduce costs.

Mr. Swanson explained the accounting for staff time and effort, and potential survey needs. Mr. Jagers explained the District tries to track all costs and staff time is charged to projects. Mr. Swanson responded to Director Ramirez about attachment of the post caps; he suggested welding. He indicated he favored the 6-ft fence without the Y-bracket. He pointed out that the 8-ft fence is a \$90,000 cost difference.

President Covington suggested excluding the barbed wire at \$22,000 making the increase in cost of an 8-ft fence approximately \$80,000. Director Hoffman said he has observed teenagers easily scaling a 6-ft chain link fence; he is leaning toward the taller fence. Director Ramirez noted the wire fence appears more difficult to climb.

President Covington asked about the funding source for the fence. Mr. Jagers explained this is an existing facility, but it is still incomplete. The fencing would be part of the overall project and could be funded through facilities fees or capital reserve replacement fees.

President Covington asked Director Ramirez if he would support an 8-ft fence without barbed wire. Director Ramirez said he understands the safety issues, yet is trying to be as fiscally responsible as possible, and said an \$80,000 to \$90,000 difference means a lot to him. Director Hoffman asked Mr. Jagers about any incidents at Phase II, which is secured by a 6-ft chain link fence. Mr. Jagers said he believes the fence has been cut to gain entry. The wire fencing cannot be patched as easily as chain link.

President Covington requested staff to bring back true cost schedules. Director Ramirez requested feedback on vandalism and repairs.

10. Update on Rehabilitation and Repair of District Wells

General Manager Jagers reviewed the status of District wells. Director Hoffman asked staff to report on financial impacts of the repair work at the next meeting, and President Covington asked staff to indicate the date of completion on the chart. Mr. Jagers indicated a report would be given at each Engineering Workshop.

11. Update on the Status of the Noble Creek Turnout Connection Enlargement

General Manager Jagers reported that the San Geronio Pass Water Agency has received comments from the Department of Water Resources on a 90 percent submittal that was made, and there were minor comments regarding the proposed enlargement. The Pass Agency's next step is to finalize the design to 100 percent and re-submit to DWR for review and approval, then the project can be advertised and scheduled for construction.

Mr. Jagers noted this has been in process since 2015 and it is critically important to get this done. An opportunity this year has been missed to add water to storage because it is not physically possible to get it in the ground as the connection is not as large as it could be. He expressed concern about potential delays and recommended that a letter be sent to the Pass Agency. President Covington directed staff to compose a letter for all directors to sign.

Director Hoffman noted the presence of SGPWA Director Dave Costaldo, thanked him for attending this meeting and encouraged him to help facilitate this project. Mr. Costaldo said he would speak to SGPWA General Manager Jeff Davis.

12. Update on Imported Wholesale Water Rates

General Manager Jagers reminded the Board that the District needs to look at rates, which are tied to the wholesale water rates. He explained that he attended the SGPWA Budget and Finance Committee meeting regarding their next year budget. The budget includes a cost per acre-foot of water at \$500. Mr. Jagers noted \$500 per acre-foot is a significant cost increase and could increase annual expenditures by \$9.3 million. That pass-through fee to an average house using 30 units per month could increase by \$21 to \$22 per month. This would be a 157 percent increase. Staff will continue to monitor the Pass Agency's rate study, and will maintain a presence at the rate study meetings. BCVWD is the largest consumer of the SGPWA water and will be the most affected.

President Covington asked about the total costs; Mr. Jagers said he suspects the \$500 is the complete cost, but it is a budget number with likely some basis in reality.

13. Update on the Sites Reservoir Project

Mr. Jagers advised the Sites project is moving forward. The Pass Agency reported there would be a Phase 2 funding requirement to get the preliminary and final design funded before a joint powers authority can be set up to sell bonds to fund the project. BCVWD has proposed to use its new water source fees to help fund its contribution to the 4,000 acre-feet it is party to with the SGPWA's total request of 14,000 acre-feet.

SGPWA GM Davis indicated that costs could be \$600 per acre-foot to fund the Phase 2 component, another \$2.3 million for BCVWD's commitment, and \$6 million for the Pass Agency. The general indication is that number may be higher. BCVWD has collected \$8 to \$10 million for new source water, and this is an appropriate expenditure because it is long-term supply.

Mr. Jagers indicated concern that if the SGPWA funds its component in a rate structure, in what manner would Yucaipa be buying that water. If the funding strategy for this project is not well planned for all of the communities that

ultimately might become a rate for BCVWD and may in the near future be paying through a rate action the \$6 million side.

14. Update on the Re-Prioritization of the San Timoteo Groundwater Sustainability Agency Pursuant to the Sustainable Groundwater Management Act

Mr. Jagers reported that staff has been moving forward with the Sustainable Groundwater Management Act activity and is beginning to work toward a plan. The DWR has looked at this Basin and has put out a May 18, 2018 draft open for public comment, that re-prioritizes it to a very low priority basin status. This effectively means that no management plan is required. This saves money and allows staff to concentrate on other things.

15. Report on the Status of Imported Water Supply Available for 2018

Mr. Jagers noted that if more water can be acquired from the Pass Agency this year, staff would ask for a budget adjustment to purchase more water while available. Currently, \$2.8 million has been budgeted for water purchase. The SGPWA is working on additional supply. BCVWD ordered a replenishment capacity of 9,800 acre-feet and if available, another 6,123 acre-feet for a total of 15,923. That order allows the Pass Agency to understand that BCVWD will take money out of reserves, and they can proceed with the water deals and have a funding mechanism. BCVWD strives for the best, lowest cost solution and the wet years are the time to make those purchases. BCVWD could be looking to spend as much as \$5.4 million.

President Covington asked about the cost for the Nickel Water deal, and the Ventura water. Mr. Jagers explained for the Nickel, it is about \$1,000 per acre-foot, plus wheeling charges, escalation and interest of 2 to 3 percent per year; Ventura is approximately \$840 per acre-foot.

Director Diaz asked about delivery of water. Mr. Jagers said it could be recharged if the connection was large enough. President Covington recognized the SGPWA for the efforts in securing additional water supplies.

16. Legislative Updates

Mr. Jagers noted Senate Bill 606 and Assembly Bill 1668 were signed by the Governor. SB 623 and AB 3045 appear to be dead.

SB 606 and AB 1668 establish some conservation guidelines that will change the Urban Water Management Planning activities moving forward. Three components are to be considered: Leakage in the system, indoor water use (currently 55 gallons until 2025, then reduced to 50 gallons in 2030), and creation of an outdoor water budget. The state sets up for the District to do a water budget analysis then ding people with a rate for not conserving. The District not in compliance can be assessed a \$1,000 per day fine.

President Covington asked staff to prepare a matrix showing legislative activity affecting BCVWD.

17. Reports For Discussion

a. Ad Hoc Committees:

Bogart Park Ad Hoc Committee: Director Hoffman noted that several meetings have been held including the County and the Recreation and Park District. Supervisor Marion Ashley indicated support in moving forward with removing control of the property from the County, and assigning a long-term lease to Beaumont Recreation and Parks District.

Two parcels belong to the BCVWD, and one parcel belongs to the County. There is agreement to begin lease negotiations and legal documentation toward a 99-year or 100-year lease favorable to all. This will allow BRPD to be eligible for grant funding which would allow improvements to be made.

b. General Manager:

Mr. Jagers reported that field staff has removed the benches and grills from the Noble Creek Phase I facility as the Board requested. The equipment is in storage.

b. Directors' Reports:

President Covington acknowledged the upcoming retirement of Director of Operations Tony Lara.

c. Legal Counsel Report: None.

18. Announcements

President Covington read the following announcements:

- Engineering Workshop: June 28, 2018 at 6:00 p.m.
- District Offices will be closed Wednesday, July 4, 2018 in observance of Independence Day.
- Finance and Audit Committee meeting: July 5, 2018 at 3:00 p.m.
- Regular Board meeting: July 11, 2018 at 6:00 p.m.
- Personnel Committee meeting: July 23, 2018 at 5:30 p.m.
- Beaumont Basin Watermaster meeting: August 1, 2018 at 10:00 a.m.
- Collaborative Agencies Committee meeting: September 5, 2018 at 5:00 p.m. (*July 4 meeting cancelled due to holiday*) (*Location: Beaumont-Cherry Valley Recreation and Park District office*)

19. Action List for Future Meetings

- Proposition 1 Bond Opportunities

20. Recessed to Closed Session: 9:03 p.m.

a. CONFERENCE WITH LEGAL COUNSEL – LABOR NEGOTIATIONS
Pursuant to Government Code Section 54957.6:

Agency designated representative:
Dan Jagers, General Manager

Reconvene in Open Session: 9:45 p.m.

Report on Action Taken During Closed Session:

There was no reportable action taken.

21. Adjournment

President Covington adjourned the meeting at 9:46 p.m.

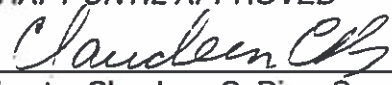
ATTEST:

DRAFT UNTIL APPROVED



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

DRAFT UNTIL APPROVED



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