



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
REGULAR MEETING AGENDA  
BOARD OF DIRECTORS ENGINEERING WORKSHOP  
560 Magnolia Avenue, Beaumont, CA 92223  
Thursday, July 26, 2018 - 6:00 p.m.**

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**Call to Order, President Covington**

**Roll Call**

**Public Comment**

**PUBLIC COMMENT:** At this time, any person may address the Board of Directors on matters within its jurisdiction, which are not on the agenda. However, any non-agenda matters that require action will be referred to Staff for a report and possible action at a subsequent meeting. To provide comments on specific agenda items, please complete a speaker's request form and provide the completed form to the Board Secretary prior to the Board meeting. Please limit your comments to three minutes. Sharing or passing time to another speaker is not permitted.

**ACTION ITEMS**

1. **Sites Reservoir Project: Overview and Funding Requirements** (pages 3-14)
  - a. **Presentation by San Geronio Pass Water Agency General Manager Jeff Davis**
  - b. **Presentation by Dan Jagers regarding BCVWD Sites Reservoir Funding Strategies**
  - c. **Board Discussion**
2. **Consideration and approval of Legend Well and Pump Services, Inc.'s Proposal for Well 22 Pumping Unit Repair and Well Rehabilitation for \$121,200.00** (pages 15-17)

**INFORMATION ITEMS**

3. **Update: Legislative Action and Issues Affecting BCVWD** (pages 18-20)
4. **Update: Status of District Wells, Capital Improvements, and Engineering Projects** (pages 21-27)
5. **General Manager's Report**
6. **Topics for Future Meetings**
7. **Closed Session**
  - a. **CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION**  
Pursuant to Government Code Section 54956.9 (e) (2):  
One Case  
Consideration of Claim #18-0721

## 8. Adjournment

**AVAILABILITY OF AGENDA MATERIALS** - Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Beaumont-Cherry Valley Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, at 560 Magnolia Avenue, Beaumont, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during the meeting, they can be made available from the District Office in the Board Room of the District's Office.

**REVISIONS TO THE AGENDA** -In accordance with §54954.2(a) of the Government Code (Brown Act), revisions to this Agenda may be made up to 72 hours before the Board Meeting, if necessary, after mailings are completed. Interested persons wishing to receive a copy of the set Agenda may pick one up at the District's Main Office, located at 560 Magnolia Avenue, Beaumont, California, up to 72 hours prior to the Board Meeting.

**REQUIREMENTS RE: DISABLED ACCESS** - In accordance with §54954.2(a), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the District Office, at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. The District Office may be contacted by telephone at (951) 845-9581, email at [info@bcvwd.org](mailto:info@bcvwd.org) or in writing at the Beaumont-Cherry Valley Water District, 560 Magnolia Avenue, Beaumont, California 92223.

### CERTIFICATION OF POSTING REGULAR MEETING

I certify that on or before 5:59 p.m. July 23, 2018, a copy of the foregoing notice was posted near the regular meeting place of the Board of Directors of Beaumont-Cherry Valley Water District and to its website at least 72 hours in advance of the meeting (Government Code §54956(a)).



\_\_\_\_\_  
Yolanda Rodriguez  
Director of Finance and Administration



## STAFF REPORT

**TO:** Board of Directors  
**FROM:** Dan Jagers, General Manager  
**SUBJECT:** Update on Sites Reservoir Project and Future Funding Requirements

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### **Staff Recommendation**

No recommendation. Information only.

### **Background**

BCVWD Staff have demonstrated the importance of the Sites Reservoir Project in meeting the SGPWA's and BCVWD's long-term water supply needs both during board presentations and via BCVWD White Paper Nos. 1 through 6. Staff also identified the Sites Project Authority, a Joint Powers Agency (JPA), is responsible to pursue the development and construction of the Sites Reservoir Project.

The Sites Reservoir Project implementation is proposed to occur in the following five phases – from planning, through transfer, to the ultimate operation authority. A phasing/activity diagram is attached.

- Phase 1 – California Water Commission Proposition 1 Application, feasibility level engineering, and preliminary environmental work.
- Phase 2 – Final EIRs and preliminary engineering
- Phase 3 – Permits, rights-of-way, and final design
- Phase 4 – Construction and close-out
- Phase 5 – Transfer to operation

Phase 1 is scheduled to be completed in 2018. Phase 1 focused on preparing a proposal for funding from the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1). The California Water Commission, designated to review all of the Proposition 1 applications, indicated the Sites Reservoir Project would be eligible for approximately \$1 Billion of Proposition 1 funding. This was less than the anticipated \$1.7 Billion. The difference, \$0.7 Billion, will have to be borne by the project participants. The overall Sites Reservoir Project cost is \$5.1 Billion (2017 cost). In addition to Proposition 1 funding, the federal government will fund a portion of the flood control benefits with the remainder funded by the Sites Project Authority (about 54% per White Paper No. 4).

For the Phase 1 work, which, was self-funded by the project participants, SGPWA entered into an agreement with the Sites Project Authority for 14,000 AF participation, with BCVWD agreeing to 4,000 AF share of the 14,000 AF. This agreement was approved at a BCVWD Board Meeting in January 2017. The participation and funding for Phase I is summarized as follows:



Class 1 Water: 8,799 AF at a Phase 1 not to exceed cost of \$60/AF  
Class 2 Water: 5,201 AF at a Phase 1 not to exceed cost of \$30/AF.

SGPWA at 10,000 AF of 14,000 AF Requested (71.43%)

Class 1 Water: 6,285 AF at a Phase 1 not to exceed cost of \$60/AF  
Class 2 Water: 3,715 AF at a Phase 1 not to exceed cost of \$30/AF  
Maximum SGPWA commitment -- \$488,550

BCVWD at 4,000 AF of 14,000 AF Requested (28.57%)

Class 1 Water: 2,514 AF at a Phase 1 not to exceed cost of \$60/AF  
Class 2 Water: 1,486 AF at a Phase 1 not to exceed cost of \$30/AF  
Maximum BCVWD commitment -- \$195,420 (actual amount paid \$166,200)

The Sites Joint Powers Authority defined Class 1 water as 50% of the expected annualized yield of water from the Sites Reservoir that would be allocated to Project Members. Class 2 water is some of the remaining 50% which could become available depending on the Proposition 1 funding. Class 1 water carries less risk; if the project gets constructed, all Class 1 water will be realized. Class 2 water carries more risk. For Phase 1 participation, BCVWD actually only paid \$166,200 per BCVWD records – all in 2017.

With the reduced funding by the State through Proposition 1, it is believed that most or all of the Class 2 water will be converted to Class 1 water. There will most likely no longer be any Class 2 water. The actual project yield is not available at the present time, but an estimate can be made. The total yield should be at least 330,000 AFY for the Sites Reservoir Project. From White Paper No. 1, SGPWA and BCVWD's total will be 10,000 AFY and 4,000 AFY respectively.

### **Estimated Costs for Phase 2 Participation**

Of interest to the Board are the costs BCVWD will be incurring going forward with this critical water supply project. No firm costs have been developed by the Sites Project Authority at present, so only an estimate of future costs can be presented.

|   |                 |
|---|-----------------|
| Estimated Class 1 water project yield         | 330,000 AFY     |
| Phase 2A costs                                | \$176 Million   |
| Phase 2B costs                                | \$292 Million   |
| Phase 3 costs                                 | \$1.218 Billion |
| Phase 4 costs                                 | \$3.436 Billion |
| <hr/>   |                 |
| Total Capital Cost of Sites Reservoir Project | \$5.1 Billion   |

Phase 2 funding strategies are now being discussed by the JPA and staff understands that the Phase 2 cost to the State Water Contractor is anticipated to be \$350 Million, which may be funded by an interest only bond payment between 2020 and 2022. The additional \$118 Million of the total \$468 Million Phase 2 cost is anticipated to be funded by sources other than the SWCs. For budgeting purposes, until the estimates can be refined, the above estimates should be used. At an estimated interest rate of 6%, this equals a total annual interest payment of \$21 Million. Currently the SGPWA indicates they currently are responsible for 3.69% of the project cost, or



approximately \$774,900 per year interest only payment at 6% interest. Table 1 below sets forth estimated interest only payments ranging between 4% and 6%.

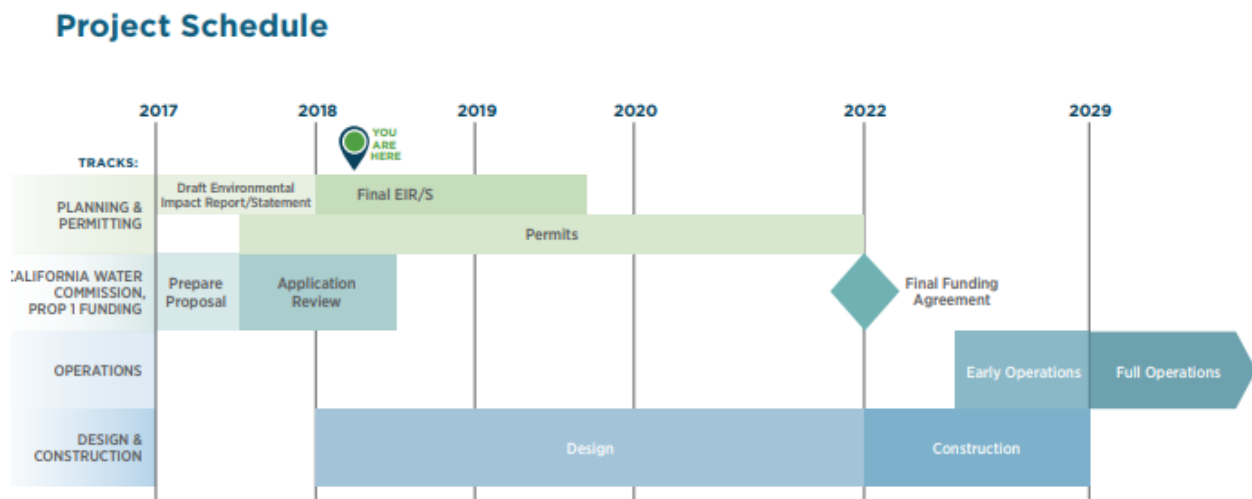
**TABLE 1  
SITES RESERVOIR PHASE 2 COSTS**

| Phase 2 Principal Cost | Interest Rate | Annual Interest Payment | SGPWA Project Share | SGPWA Annual Project Payment | SGPWA Share | SGPWA Annual Payment | BCVWD Share | BCVWD Annual Payment |
|------------------------|---------------|-------------------------|---------------------|------------------------------|-------------|----------------------|-------------|----------------------|
| \$350,000,000          | 4%            | \$14,000,000            | 3.69%               | \$516,600                    | 71.43%      | \$369,000            | 28.57%      | \$147,600            |
| \$350,000,000          | 5%            | \$17,500,000            | 3.69%               | \$645,750                    | 71.43%      | \$461,250            | 28.57%      | \$184,500            |
| \$350,000,000          | 6%            | \$21,000,000            | 3.69%               | \$774,900                    | 71.43%      | \$553,500            | 28.57%      | \$221,400            |

Phase 3, Final Design, also may require some initial funding until the bonds are sold, which presumably would cover some or all the design, environmental studies, permitting, and right-of-way acquisition.

Figure 1 shows the overall project schedule developed by the Sites Project Authority. Phase 2A and 2B which includes the environmental studies and preliminary engineering should be completed by 2020 and final design by 2022. It is anticipated that bonds will begin being sold sometime between 2020 and 2022.

**Figure 1  
Sites Reservoir Project Schedule**



BCVWD staff anticipates funding Phase 2 or the Phase 2 interest only costs from Facilities Fees collected by the District from Developers for the water supply component related to Water Rights (new water supply acquisition).



There are several additional options as funding sources for Phase 2, which could be implemented by the SGPWA:

1. Capacity Fee
2. Water Rates
3. From SGPWA's share of Riverside County's 1% reallocation of property taxes
4. A combination of each.

It is unlikely the Phase 2 costs can be funded from the current property taxes collected for the State Water Project debt service; but this should be determined by SGPWA's legal counsel. Currently, of these funds, SGPWA does not have a capacity fee that has been adopted by the retailers for collection.

Funding from rates, assuming 13,000 AFY annual water sales, and further assuming this would be spread out over five years, a "rate surcharge" of between \$109 and \$136/AF to the current water rate would fund Phase 2 costs. However, District staff anticipates continued development of other water supplies (recycled water, storm water capture and increased production outside of the Beaumont groundwater Basin) which may reduce the total annual water sales by possibly 2,000 Acre Feet. The rate surcharge could be reduced if it were spread out over a longer period of time; that is an option.

In 2017 SGPWA received about \$2.3 million of Riverside County's 1% property tax. This will likely increase each year as development occurs in the SGPWA service area. (Refer to White Paper No. 5.) If a portion of this were dedicated each year for five years, \$1.4 to \$1.8 million per year would have to be dedicated. This appears to be a reasonable option.

### **Financial Impact**

To be determined.

### **Attachments**

Figure 2 – Project/Financial Timeline

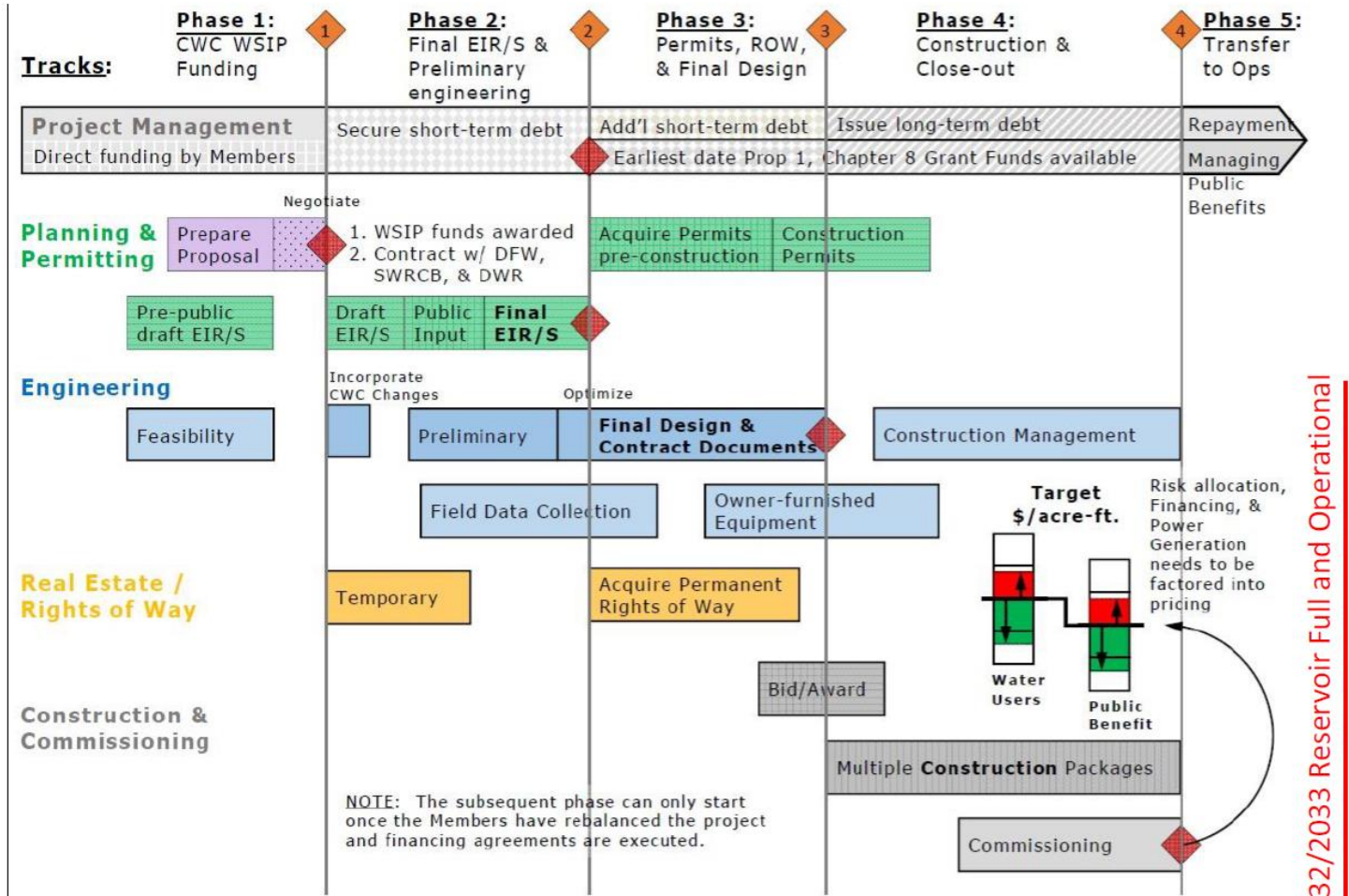
Table 2 – Sites Reservoir Phase 2 Cost per Connection

SGPWA Power Point Presentation from their July 9, 2018 Engineering Workshop

Prepared by J. C. Reichenberger, Senior Engineer and Dan Jagers, General Manager.

Figure 2

(Table 1 of Attachment 3 from Sites Project Authority's Amended and Restated Phase 1 Reservoir Project Agreement)



2032/2033 Reservoir Full and Operational

BCVWD Understanding of Cost Distribution Time Line

| Phase    | 2018 | 2019                    | 2020   | 2022     | 2024     | 2030                               |
|----------|------|-------------------------|--------|----------|----------|------------------------------------|
| Phase 1  |      |                         |        |          |          |                                    |
| Phase 2A |      | \$176M                  |        |          |          |                                    |
| Phase 2B |      |                         | \$292M |          |          |                                    |
| Phase 3  |      |                         |        | \$1.218B |          |                                    |
| Phase 4  |      |                         |        |          | \$3.436B |                                    |
| Phase 5  |      |                         |        |          |          | Total Moving Forward \$5.1 Billion |
|          |      | \$468M                  |        |          |          |                                    |
|          |      | \$350 M Required by SWC |        |          |          |                                    |
|          |      | Interest Only Payments  |        |          |          |                                    |
|          |      | See Table 1             |        |          |          |                                    |

**TABLE 2  
SITES RESERVOIR PHASE 2 COST PER CONNECTION**

| Year | Growth (Conn. Per Year) | Number of Connections | Cost      | Running Cost | Annual Cost per Connection | Cost per Connection per Month |
|------|-------------------------|-----------------------|-----------|--------------|----------------------------|-------------------------------|
| 2018 | 0                       | 18,000                | \$774,900 | \$774,900    | \$43.05                    | \$3.59                        |
| 2019 | 500                     | 18,500                | \$774,900 | \$1,549,800  | \$41.89                    | \$3.49                        |
| 2020 | 500                     | 19,000                | \$774,900 | \$2,324,700  | \$40.78                    | \$3.40                        |
| 2021 | 500                     | 19,500                | \$774,900 | \$3,099,600  | \$39.74                    | \$3.31                        |
| 2022 | 500                     | 20,000                | \$774,900 | \$3,874,500  | \$38.75                    | \$3.23                        |
| 2023 | 500                     | 20,500                | \$774,900 | \$4,649,400  | \$37.80                    | \$3.15                        |
| 2024 | 500                     | 21,000                | \$774,900 | \$5,424,300  | \$36.90                    | \$3.08                        |
| 2025 | 500                     | 21,500                | \$774,900 | \$6,199,200  | \$36.04                    | \$3.00                        |
| 2026 | 500                     | 22,000                | \$774,900 | \$6,974,100  | \$35.22                    | \$2.94                        |
| 2027 | 500                     | 22,500                | \$774,900 | \$7,749,000  | \$34.44                    | \$2.87                        |
| 2028 | 500                     | 23,000                | \$774,900 | \$8,523,900  | \$33.69                    | \$2.81                        |
| 2029 | 500                     | 23,500                | \$774,900 | \$9,298,800  | \$32.97                    | \$2.75                        |
| 2030 | 500                     | 24,000                | \$774,900 | \$10,073,700 | \$32.29                    | \$2.69                        |
| 2031 | 500                     | 24,500                | \$774,900 | \$10,848,600 | \$31.63                    | \$2.64                        |
| 2032 | 500                     | 25,000                | \$774,900 | \$11,623,500 | \$31.00                    | \$2.58                        |
| 2033 | 500                     | 25,500                | \$774,900 | \$12,398,400 | \$30.39                    | \$2.53                        |
| 2034 | 500                     | 26,000                | \$774,900 | \$13,173,300 | \$29.80                    | \$2.48                        |
| 2035 | 500                     | 26,500                | \$774,900 | \$13,948,200 | \$29.24                    | \$2.44                        |
| 2036 | 500                     | 27,000                | \$774,900 | \$14,723,100 | \$28.70                    | \$2.39                        |
| 2037 | 500                     | 27,500                | \$774,900 | \$15,498,000 | \$28.18                    | \$2.35                        |
| 2038 | 500                     | 28,000                | \$774,900 | \$16,272,900 | \$27.68                    | \$2.31                        |
| 2039 | 500                     | 28,500                | \$774,900 | \$17,047,800 | \$27.19                    | \$2.27                        |
| 2040 | 500                     | 29,000                | \$774,900 | \$17,822,700 | \$26.72                    | \$2.23                        |



# UPDATE ON SITES RESERVOIR

July 9, 2018

## Sites Ownership and Governance

- 27 water purveyors own a portion of the project
- Some are public, some are investor-owned, some are mutual water companies
- Agency currently owns 3.69%
- State Water Contractors collectively own 38.54%
- Project is owned by Sites Reservoir JPA
- Technical work managed by the Reservoir Project Committee (Agency a member)
- General Manager hired by the JPA directs the work
- DWR and Bureau of Reclamation involved as non-paying participants
- Consultants do the bulk of the technical work

## Advantages of Sites

- Project site has been studied for over 50 years
- Legislation set up JPA
- JPA is a driven, motivated group of water agencies
- Project has built-in environmental benefits
- Project has qualified for nearly \$1 billion in Prop 1 funding
- Project is likely to qualify for WIIN Act funding as well
- Project may qualify for WIFIA low-interest loan
- Provides a new water supply currently not appropriated
- Cost of water is relatively inexpensive for a dry-year supply

## Disadvantages of Sites

- Location is north of Delta
- Large surface reservoir project likely to be fought by environmental groups
- Water rights not appropriated yet
- Many permits must be obtained
- Project must be online by 2030
- Capital intensive project

## Sites Phases

- Phase 1—through 2018
- Phase 2A—2019-2020
  - *Final EIR/NOD, geotech studies, surveys, prelim engineering, agency coordination for permitting*
- Phase 2B—2020-2022
  - *Complete permits, obtain water rights, Final EIS/ROD, final design, selection of pump/turbine vendors, develop Principles of Agreement with DWR, Reclamation*
- Phase 3—2022-2024
  - *Final design for dams, begin dam construction, major equipment tested, finalize right of way acquisitions*
- Phase 4—2024-2030
  - *Completion of construction, begin filling reservoir*

## Base Costs by Phase (2017 dollars)

|               |                      |
|---------------|----------------------|
| ■ Phase 2A    | \$176 million        |
| ■ Phase 2B    | \$292 million        |
| ■ Phase 3     | \$1.218 billion      |
| ■ Phase 4     | \$3.436 billion      |
| <b>Total:</b> | <b>\$5.1 billion</b> |

Note: Does not include risk adjustment. Includes contingencies for engineering (10%), construction (15%), and non-contract cost allowance (17%)

## Permits Required (partial list)

- CWA Section 404
- ESA Section 7
- Bald Eagle Protection Act
- Navigability Determination
- FERC license
- SWRCB Water Rights permit
- CWA Section 401
- DSOD Certification
- CDFW Streambed Alteration permit

## Contracting Strategy

- All alternative delivery methods being considered, from traditional design/bid/build to full Design/Build, including many variations in between
- Different delivery methods may be used for different contracts
- Risk management will be key in identifying delivery methods for different contracts

## Financing

- All costs for future phases are to be financed
- Bonds will be sold and principal and interest repaid
- Pay-as-you-go may or may not be permitted
- **Estimated revenue required initially for Phase 2: \$350 million**
- Consultants have been hired and a finance plan is being developed for Phase 2
- Finance plan will address potential default of investors
- Agency will likely have to obtain a bond rating at some point

## Next Steps

- Phase 1 water to be re-allocated
- **Most or all of Class 2 water is likely to become Class 1 water (Agency will likely be allocated its full 14,000 AF request if desired)**
- Investors will be asked to commit to Phase 2 and the accompanying financial obligations in September-October 2018
- Once an investor is committed to Phase 2, it cannot drop out unless another investor steps in to pick up the difference (no guarantees)
- Next payment due January 2020 (interest only on Phase 2 principal)

## Agency Position at This Time

- Requested 14,000 AF of capacity (10,000 for Agency)
- BCVWD has requested 4,000 AF
- Agency responsible financially for all 14,000 AF
- Available funding sources
  - *General fund tax revenues*
  - *State Water Project tax revenues (if approved by DWR)*
  - *Capacity fee revenues (if approved by retail water agencies)*
  - *Water rates (no additional water until 2031)*

## Key Issues in 2018

- **Does the Agency still wish to purchase 14,000 AF of capacity?**
- How will the Agency fund its share of the Sites project?
- **How to protect the Agency from potential default by BCVWD?**
- More details available in August and September



## STAFF REPORT

**TO:** Board of Directors

**FROM:** Dan Jagers, General Manager

**SUBJECT:** **Authorization of General Manager to enter into a Contract for the Repair and Rehabilitation of Well 22**

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### **Staff Recommendation**

Authorize the General Manager to enter into a contract for an amount not to exceed \$121,200.00 with Legend Pump and Well Service Inc. to perform the work necessary to remove, inspect and repair the District's existing Well 22 pumping unit.

### **Background**

Well 22 is located within the City of Beaumont along Oak Valley Pkwy between Michigan Avenue and Palm Avenue. This well supplies water to the District's 2750 (Beaumont) pressure zone, and is owned and operated by the District. Well 22 was constructed (drilled) in 1981 to a depth of 798 feet by SoCal Pump & Well Service, Inc. of Bloomington, California. The well construction consists of approximately 555 feet of casing.

Originally, Well 22 was equipped with a 400 horsepower motor, and a 14" pumping unit with a maximum historic pumping capacity of approximately 2,100 gallons per minute (1,200 to 1,400 gallons per minute recently) when pumping to the 2750 pressure zone. The well was last serviced in 1992, which included service of the motor and installation of a new pumping unit bowl assembly.

### **Summary**

Staff has identified the need to remove and inspect Well 22's pumping unit due to a decrease in performance experienced during the month of June 2018. Staff noted an initial decline in pumping performance from 1,200 to 1,400 gallons per minute to 600 gallons per minute. Subsequently, Staff verified the well's flow meter calibration with McCrometer Inc. Staff also identified that the well seemed to be producing a significant amount of sand during startup. This increased sand production may have adversely affected the pumping unit performance due to excessive wear. Staff has removed Well 22 from operation at this time.

Well 22 has a sand separator on the bottom of the pumping unit and Staff has identified the need to inspect and possibly replace the sand separator unit. Based upon Well 22's rapid decline in performance to approximately 43% of the normal flow rate, it is Staff's opinion that the pumping unit has failed. Staff has included replacement of the pumping unit and the sand separator (about \$10,000) as part of the base bid work to be completed.

It is anticipated that the repair work will require removal, inspection, and more than likely replacement of the pumping unit and possibly the sand separator. Staff proposes to video inspect, wire brush, and bail clean the Well while the pumping unit is removed. The motor will be inspected by the District's motor vendor, Brithinee Electric and serviced and repaired as needed.



Additional well rehabilitation may be warranted using chemical well rehabilitation. The necessity of this work item will be determined subsequent to the completion of a well inspection video which will be performed as part of the work.

Staff solicited bids for said project in the local newspaper, on the District’s website during a two-week period in July, and also contacted local area well maintenance companies who have expressed interest in bidding District work. Sealed bids were received from four (4) pump and well service companies and opened on July 18, 2018. The bid results are set forth in Table 1 and include the Base Bid Schedule as well as possible additional work related to Chemical Well Rehabilitation. Staff anticipates chemical well rehabilitation will most likely not be required but wished to secure approval of expenditures for this item in the event the well inspection video presents evidence that this work may be necessary.

**Table 1**  
**WELL 22 PUMP REPAIR AND WELL REHABILITATION**  
**SUMMARY OF BID RESULT**

| <b>Bidder</b>                                | <b>Base Bid Amount<br/>(Basis of Award)</b> | <b>Chemical Well Rehabilitation<br/>Additive Bid Item</b> | <b>Total Base Bid and<br/>Chemical Well<br/>Rehabilitation</b> |
|--|---|---|--|
| L.O. Lynch, Quality Wells and Pumps, Inc.    | \$102,970.00                                | \$16,170.00   | \$119,140.00   |
| Tri County Pump Company                      | \$89,973.00                                 | \$89,084.00   | \$179,057.00   |
| Best Drilling and Pump                       | \$86,530.00                                 | \$50,000.00   | \$136,530.00   |
| <b>Legend Pump &amp; Well Services, Inc.</b> | <b>\$74,709.30</b>                          | \$36,480.00   | \$111,189.30   |

Staff has completed a review of the submitted bids and has determined that Legend Pump and Well Service Inc. is the lowest responsive bidder for both the Base Bid as Well as the total bid with chemical rehabilitation. The bid amounts set forth in Table 1 include Base Bid Amounts which establish the Basis of Award and are based on the Scope of Work-Fee Schedule included in the bid packet. Said Scope of Work – Base Bid sets forth the minimum work Staff anticipates will be required for repair of Well 22.

Said Base Bid Schedule does not include any additive work items, which may be necessary or desired by the District once the pumping equipment is removed from the well and inspected, and upon completion of the initial video survey of the condition of the well. The Bid does include Additive Bid Schedules which include costs for Chemical Well Rehabilitation (probably not necessary at this time) however requested herein for authorization if necessary, and typical items that may need replacement during the well repair and rehabilitation project. These items are included in the Bid Schedules to establish pricing in the event said work is deemed necessary.

Staff has requested a contingency of approximately 10% as identified in Table 2, to provide for minor maintenance items which may need to be replaced as part of the work activities.

At this time, Staff requests that the Board authorize award of the work related to repair and rehabilitation of Well 22 to Legend Pump & Well Services in the amount set forth in Table 2, hereafter.





**Table 2  
WELL 22 SUMMARY OF REQUESTED WORK AUTHORIZATION**

| <b>Work Item</b>   | <b>Description of Work</b>  | <b>Base Bid Amount (Basis of Award)</b> |
|--|---|---|
| 1  | Base Bid Work (Pump Removal, Well Videos, Well and Pump Bowl Refurbishment and Rehabilitation) (Estimated Cost) | \$64,804.30                             |
| 2  | New Sand Separator with Pump Flow of 1,200-1,700 GPM (Estimated Cost)   | \$9,905.00                              |
| 3  | Chemical Well Rehabilitation (Additive Bid Item to be performed as necessary)                                   | \$36,480.00                             |
| <b>Well Rehabilitation Work with Chemical Rehabilitation</b> |   | <b>\$111,189.30</b>                     |
| <b>Well Rehabilitation Services Contingency (~9%)</b>        |   | <b>\$10,000.00</b>                      |
| <b>Total Requested Authorization (Rounded)</b>               |   | <b>\$121,200.00</b>                     |

In the event the inspection of the well indicates the need to perform additional work to rehabilitate the well in excess of the \$121,200.00 identified herein, Staff will seek additional direction from the Board of Directors before additional action is taken.

**Fiscal Impact**

The fiscal impact to the District will be an amount not to exceed \$121,200.00, as set forth in Table 2 above. This not-to-exceed amount includes additional funds over the base bid amount to cover the cost of chemical treatment (if necessary) and to provide approximately 9% contingencies for replacement of normally worn well components.

Funds are available from the Capital Replacement Reserve funds for completion of this work.

Report prepared by James Bean, Assistant Director of Operations



**Beaumont-Cherry Valley Water District  
Regular Board Meeting  
July 26, 2018**

Item 3

BCVWD LEGISLATIVE UPDATE

| Federal  |   |   |                                   |
|--|---|---|-----------------------------------|
| Issue  | Status  | Description   | New or Change in Status (New/Y/N) |
| <b>H.R. 8 – Water Resources and Development Act (WRDA) of 2018</b>     | Approved by House on 6/6/18. On 6/26/18, Bill was placed on Senate Legislative Calendar | This bill will authorize various US Army Corps of Engineers projects under previous reform efforts to be improved. Eliminates barriers to project delays and improves oversight and transparency. Reauthorizes the Levee Safety Initiative and National Dam Safety Program through 2023. Authorizes modifications to on-going projects – including Yuba River Basin. WRDA would be considered by Congress every 2 years.  | Y                                 |
| <b>H.R. 434 – New WATER Act</b>  | Introduced 02/07/17 – Referred to House Subcommittee on Water, Power, and Oceans        | This bill would authorize the Dept. of Interior, for 15 years after the bill's enactment, to provide financial assistance, such as secured loans or loan guarantees, to entities that contract under federal reclamation law to carry out water projects within the 17 western states served by the Bureau of Reclamation, other states where Bureau is authorized to provide project assistance, Alaska, and Hawaii.   | N                                 |
| <b>H.R. 1269 – Sacramento Valley Water Storage and Restoration Act</b> | Introduced 3/10/17 – Referred to House Subcommittee on Water, Power, and Oceans         | This bill would direct the Secretary of the Interior to take actions to support the non-Federal investments in water infrastructure improvements in the Sacramento Valley. The legislation declares that it is in the interest of the Federal Government to work with the Sites Reservoir Project Authority to study, promote, develop, design, finance, acquire, construct, manage, and operate Sites Reservoir and related facilities in order to advance the Sites Project in the most expeditious and cost-effective manner possible. | N                                 |
| <b>Energy and Water Appropriations Bill For FY 2019</b>                | Passed by the Senate 6/24/18  | Overall, the bill totals \$44.7B. Includes \$1.56B in funds for the Bureau of Reclamation, including \$134M for water storage projects authorized in the Water Infrastructure Improvements for the Nation (WIIN) Act.   | Y                                 |

| California  |   |  |                                   |
|---|---|--|-----------------------------------|
| Issue   | Status  | Description  | New or Change in Status (New/Y/N) |
| <b>AB 869: Sustainable Water use and demand reduction: recycled water</b> | 8/24/17 – Referred to Senate Natural Resources and Water Committee  | This bill would require long-term standards for urban water conservation and include a credit for recycled water. Urban water suppliers would receive a credit for the volume of its potable water reuse, on an acre-foot basis, to meet its water use target. Encourages continued investment in water reuse throughout the state to be better prepared for periods of drought.   | N                                 |
| <b>AB 1667: Water Management planning</b>                                 | 7/11/17 – Referred to Senate Natural Resources and Water Committee. | Existing law requires the state to achieve a 20% reduction in urban per capita water use by December 31, 2020. Urban water suppliers are required to develop urban water use targets and an interim urban water use target. This bill would require the State Water Resources Control Board, in consultation with the Department of Water Resources, to adopt long-term standards for urban water conservation and water use on or before May 20, 2021. Additionally, this bill would require an urban water supplier to calculate water use targets, as provided, no later than July 1 of each calendar year, beginning the calendar year after the board adopts long-term standards for urban water conservation and water use, and also urban water suppliers would be required to submit an annual report to the department for these purposes by July 1 of each year. An urban water management plan would be required to be updated on or before July 1, in years ending in 6 and one, incorporating updated and new information from the 5 years preceding the plan update. | N                                 |
| <b>AB 1668 - Water Management Planning</b>                                | 5/31/18 – Approved by Governor                                      | Approved bill which establishes an “urban water use objective” representing the total amount of efficiently used water by water suppliers. Five major components: 1) Total Indoor Residential Use; 2) Total Outdoor Water Use and CII Use; 3) Water Loss from Leaks; 4) Approved Variances; 5) Credits for Qualifying Potable Reuse.   | N                                 |
| <b>AB 2501: Drinking water: consolidation and extension of service</b>    | Amended on 6/27/18 and re-referred to Committee on Appropriations   | This bill would delete the exception excluding potentially subsumed areas served only by domestic wells from the initial public meeting requirement. The bill would require the state board to consider, among the other relevant information on which a local agency formation commission provides input to the state board, input regarding whether the consolidation or extension of service is cost effective. Fees or charges imposed on a customer of a subsumed water system shall not exceed the costs incurred to provide the drinking water service.   | Y                                 |

|  |  |   |   |
|--|--|---|---|
| <b>AB 3206: Water conservation: water meters: accuracy and performance standards</b>           | 6/27/18 – Passed as Amended by Senate Natural Resources and Water Committee. Re- Referred to Committee on Appropriations | Proposed bill would require the State Energy Resources Conservation and Development Commission, on or before January 1, 2022 to adopt regulations setting standards for the accuracy of water meters.   | Y |
| <b>SB 606: Water Management Planning</b>   | 5/31/18 – Approved by Governor   | The bill would require an urban retail water supplier to calculate an urban water use objective no later than November 1, 2023, and by November 1 every year thereafter, and its actual urban water use by those same dates.  | N |
| <b>SB 952: Water Conservation: Local Water Supplies</b>  | 2/8/18 – Referred to Senate Committee on Rules.  | This Bill would provide a statement of intent of the Legislature to enact legislation that would require the State Water Resources Control Board to recognize local water agency investment in water supply and will ensure that local agencies receive sufficient credit for these investments in meeting any water conservation or efficiency mandates                                | Y |
| <b>SB 998: Discontinuation of residential water service: urban and community water systems</b> | 6/27/18 – Re-referred to Committee on Appropriations   | This Bill would prohibit residential service from being discontinued under specified circumstances (i.e. inability to pay). The proposed bill sets forth a shut-off process creates a statewide program which would prevent discontinuation of service for at least 60 days for delinquent customers, cap reconnection fees that may or may not cover the actual cost of reconnections. | Y |
| <b>SB 1422: California Safe Drinking Water Act: Microplastics</b>                              | 6/27/18 – Re-referred to Committee on Appropriations   | Would require the State Water Resources Control Board to adopt requirements for the testing and reporting of the amount of microplastics in drinking water, including public disclosure of those results.   | Y |



## **STAFF REPORT**

**TO:** Board of Directors

**FROM:** Dan Jagers, General Manager

**SUBJECT:** **Update on the Status of District Wells, Capital Improvements, and Engineering Projects**

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### **Staff Recommendation**

No recommendation.

### **Background**

Beginning in late 2017, the Board has approved a number of Capital Improvement, Engineering and Well repair and rehabilitation projects, either as part of the annual program to ensure quality of supply and serviceable equipment, or out of necessity due to equipment failure. The purpose of this staff report is to update the Board on all major Capital Improvement, Engineering and Well repair and rehabilitation projects that have been undertaken in 2017/2018 or are upcoming in the near future.

### **Summary**

The attached tables set forth the current status of said on-going projects.

### **Attachments**

Table 1 – 2018 Board Approved Facility Replacement and Well Site Repair and Replacement

Table 2 – On-going Capital Improvement Projects

Table 3 – Upcoming Capital Improvement Progress

Prepared by Erica Gonzales, Administrative Assistant 07/26/2018

## Beaumont-Cherry Valley Water District

| <b>Table 1</b>  |                                      |   |                   |                             |                           |
|---|--------------------------------------|---|-------------------|-----------------------------|---------------------------|
| <b>2018 Board Approved Facility Replacement and Well Site Repair and Rehabilitation</b> |                                      |   |                   |                             |                           |
| <b>Project Description</b>  | <b>Board Approved Project Amount</b> | <b>Total Project Expenses (June 30, 2018)</b> | <b>% Expended</b> | <b>Funding Source</b>       | <b>Project Status</b>     |
| 8th Street Water Service Lateral Replacement  | \$ 169,000                           | \$ 152,731                                    | 90%               | Capital Replacement Reserve | Complete                  |
| Well 3 Motor Electrical Work  | \$ 5,200                             | \$ 8,730                                      | 168%              | Capital Replacement Reserve | Complete                  |
| Well 6 Pumping Unit Repair  | \$ 43,030                            | \$ 34,664                                     | 81%               | Capital Replacement Reserve | Complete                  |
| Well 11 Repair and Rehabilitation <sup>(1)</sup>  | \$ 21,905                            | \$ 13,979                                     | 64%               | Capital Replacement Reserve | Complete                  |
| Well 20 Repair and Rehabilitation <sup>(1)</sup>  | \$ 21,905                            | \$ 16,919                                     | 77%               | Capital Replacement Reserve | Complete                  |
| Well 12 Repair and Rehabilitation <sup>(1)</sup>  | \$ 21,905                            | \$ 670  | 3%                | Capital Replacement Reserve | Complete                  |
| Well 19 Repair and Rehabilitation <sup>(1)</sup>  | \$ 21,905                            | \$ 670  | 3%                | Capital Replacement Reserve | Motor Reinstalled 7/18/18 |
| Well 26 Repair and Rehabilitation   | \$ 142,900                           | \$ 22,500                                     | 16%               | Capital Replacement Reserve | Complete                  |
| Well 29 Emergency Repair <sup>(2)(3)</sup>  | \$ 119,637                           | \$ 25,752                                     | 22%               | Capital Replacement Reserve | Complete                  |

Notes:

- (1) Board approved a total cost of \$87,621 for all 4 projects
- (2) Engineer's Estimate provided, authorization to spend \$250,000 as a Board-ratified emergency
- (3) Total completed project cost is \$154,041

**Table 2**  
**Ongoing Capital Improvement Plan (CIP) Projects**

| Project No.     | Project Description   | Approved CIP Cost | Total Project Expenses (June 30, 2018) | % Expended | Budget 2018  | Y-T-D Expenses (June 30,2018) | Funding Source              | Project Status                            |
|-----------------|---|-------------------|--|------------|--------------|-------------------------------|-----------------------------|---|
| WR-SITES-Reser. | Investment in Sites Reservoir Project                           | \$ 4,000,000      | \$ 166,000                             | 4%         | \$ 73,800    | \$ -                          | Facilities Fees             | Ongoing                                   |
| WR-REWTR-Plan   | Recycled Water Masterplan Update 2016                           | \$ 25,000         | \$ 82,511                              | 330%       | \$ 25,000    | \$ 3,867                      | Facilities Fees             | Ongoing                                   |
| WR-IMWTR-Plan   | Pass Agency Imported Water Strategy                             | \$ 7,000          | \$ 50,992                              | 728%       | \$ 7,000     | \$ 25,276                     | Capital Replacement Reserve | Ongoing, White Papers 1-6                 |
| WR-COBW-Plan    | City of Beaumont Recycled Water Project                         | \$ 15,000         | \$ 7,959                               | 53%        | \$ 15,000    | \$ 1,580                      | Facilities Fees             | Ongoing                                   |
| M-3040-0002     | Noble Booster Pump and Motor(Spare Pump & Motor)                | \$ 26,188         | \$ 2,977                               | 11%        | \$ 26,188    | \$ 1,654                      | Capital Replacement Reserve | Specs. 80% Complete                       |
| M-0000-0001     | 800hp Spare Motor   | \$ 131,948        | \$ 2,432                               | 2%         | \$ 131,948   | \$ 1,409                      | Capital Replacement Reserve | Specs. 80% Complete                       |
| M-2750-0001     | 2850/2750 Pressure Reducing Station & Piping (Cherry Reservoir) | \$ 52,767         | \$ 869                                 | 2%         | \$ 52,767    | \$ -                          | Capital Replacement Reserve | Not started                               |
| M-0000-0002     | Chlorination Retrofit At Misc. Wells (6 Well Sites)             | \$ 100,677        | \$ 17,791                              | 18%        | \$ 31,713    | \$ 17,791                     | Capital Replacement Reserve | 3 year project, 1 of 2 purchased for 2018 |
| W-2750-0001     | Replacement for Well 2  | \$ 5,389,609      | \$ 29,006                              | 1%         | \$ 2,191,452 | \$ 24,983                     | Capital Replacement Reserve | Ongoing                                   |
| W-2750-0002     | 2750 Zone Well in Noble Creek Regional Park                     | \$ 5,995,649      | \$ 16,732                              | 0%         | \$ 3,208,817 | \$ 10,965                     | Facilities Fees             | Ongoing                                   |
| W-2750-0005     | Replace 2750 Zone Well 1  | \$ 4,161,200      | \$ 30,164                              | 1%         | \$ 2,750,969 | \$ 24,997                     | Facilities Fees             | Ongoing                                   |
| M-2850-0001     | Well 25 East Block Wall and Entrance Gate                       | \$ 56,660         | \$ 3,705                               | 7%         | \$ 56,660    | \$ 723                        | Facilities Fees             | Specs. 80% Complete                       |

**Table 2  
Ongoing Capital Improvement Plan (CIP) Projects**

| Project No.  | Project Description  | Approved CIP Cost | Total Project Expenses (June 30, 2018) | % Expended | Budget 2018  | Y-T-D Expenses (June 30,2018) | Funding Source              | Project Status |
|--------------|--|-------------------|--|------------|--------------|-------------------------------|-----------------------------|----------------|
| W-2850-0001  | New Beaumont Basin Well on Pardee Sundance Site                              | \$ 5,860,743      | \$ 16,004                              | 0%         | \$ 2,303,894 | \$ 10,965                     | Facilities Fees             | Ongoing        |
| T-3040-0001  | 2 MG 3040 Zone Tank  | \$ 3,769,181      | \$ 61,808                              | 2%         | \$ 239,743   | \$ 50,657                     | Facilities Fees             | Ongoing        |
| T-3040-0001  | Pressure Zone Pipeline   | \$ 1,250,369      | \$ 9,198                               | 1%         | \$ 65,312    | \$ 3,999                      | Facilities Fees             | Ongoing        |
| WR           | Grand Avenue Storm Drain   | \$ 2,160,327      | \$ 38,058                              | 2%         | \$ 327,261   | \$ 748                        | Facilities Fees             | Ongoing        |
| NPT-2800-001 | Raw Water Filter System at 2800 PZ Tank                                      | \$ 263,543        | \$ 2,235                               | 1%         |              | \$ -                          | Facilities Fees             | Not started    |
| P-2750-0069  | Egan Ave-California Ave. Alley, 5th to 7th                                   | \$ 221,920        | \$ 11,662                              | 5%         | \$ 221,920   | \$ 8,814                      | Capital Replacement Reserve | Ongoing        |
| P-3620-0015  | Appletree Ln, B line to Oak Glen Rd  | \$ 696,143        | \$ 12,059                              | 2%         | \$ 696,143   | \$ 9,331                      | Capital Replacement Reserve | Ongoing        |
| P-3620-0012  | Ave Altejo Bella, Ave Miravilla to end of cul-de-sac                         | \$ 295,648        | \$ 12,664                              | 4%         | \$ 100,000   | \$ 9,830                      | Capital Replacement Reserve | Ongoing        |
| IT-NETW-0006 | Workstation Replacement project (50 units @ \$1,000 per unit - 33% per year) | \$ 225,096        | \$ 4,016                               | 2%         | \$ 20,101    | \$ 4,016                      | Capital Replacement Reserve | 20% Complete   |



## Beaumont-Cherry Valley Water District

| Table 3<br>Upcoming Capital Improvement Plan (CIP) Projects |   |                   |                             |                 |
|---|---|-------------------|-----------------------------|-----------------|
| Project No.   | Project Description                                   | Approved CIP Cost | Funding Source              | Priority (1 -5) |
| TM-3040-0001  | Highland Springs Reservoir Recoat & Retrofit          | \$ 375,200        | Capital Replacement Reserve | 2               |
| TM-3330-0001  | Lower Edgar Reservoir Recoat & Retrofit               | \$ 375,200        | Capital Replacement Reserve | 2               |
| BP-2850-0001  | 2850 Zone to 3040 Zone Booster Pump Station           | \$ 3,921,014      | Facilities Fees             | 2 - 3           |
| W-2850-0003   | New Beaumont Basin Well Noble Creek Meadows           | \$ 6,688,706      | Facilities Fees             | 5               |
| PR-3330-0001  | 3330 to 3150 Lower Mesa, Noble Regulator              | \$ 37,286         | Capital Replacement Reserve | 4               |
| PR-3620-0001  | 3620 to 3330 Fisher Pressure Regulator                | \$ 37,286         | Capital Replacement Reserve | 3               |
| NPR-2520-0001   | 2520 to 2370 Non-potable Water Pressure Regulator     | \$ 134,041        | Facilities Fees             | 1 - 2           |
| NPR-2600-0001   | 2600 to 2520 Non-potable Water Pressure Regulator     | \$ 134,041        | Facilities Fees             | 1 - 2           |
| NPR-2600-0001   | 2600 Zone Non-potable Regulation and Metering Station | \$ 362,474        | Facilities Fees             | 3 - 4           |
| NPR-2800-0001   | 2800 to 2600 Non-potable Water Pressure Regulator     | \$ 211,431        | Facilities Fees             | 3 - 4           |
| NT-2800-0001  | 2MG Non-potable 2800 Zone Tank                        | \$ 4,267,870      | Facilities Fees             | 5               |
| NWR-2600-0002   | San Timoteo Creek Non-potable Extraction Wells        | \$ 8,793,300      | Facilities Fees             | 2 - 3           |
| P-2520-0003   | Cherry Valley Blvd., End Ex. 24-in to Suncl PA 17     | \$ 181,764        | Facilities Fees             | 3               |
| P-3620-0009   | Ave. Miravilla, End of 12-in to Whispering Pines      | \$ 339,092        | Capital Replacement Reserve | 1               |
| P-2750-0067   | Elm Ave.-Wellwood Ave. Alley, 7th St. to 5th St.      | \$ 152,976        | Capital Replacement Reserve | 1               |

## Beaumont-Cherry Valley Water District

| Table 3<br>Upcoming Capital Improvement Plan (CIP) Projects |   |                   |                             |                 |
|---|---|-------------------|-----------------------------|-----------------|
| Project No.   | Project Description   | Approved CIP Cost | Funding Source              | Priority (1 -5) |
| IT-NETW-0002  | Redundant SAN Project   | \$ 27,950         | Capital Replacement Reserve | 3               |
| IT-NETW-0003  | Endpoint Protection / LanGuard Security Software Project      | \$ 11,010         | Capital Replacement Reserve | 1               |
| IT-NETW-0004  | Email Spam Protection / Archive Solution                      | \$ 7,839          | Capital Replacement Reserve | 1               |
| IT-NETW-0005  | IP Surveillance Project                                       | \$ 27,950         | Capital Replacement Reserve | 1               |
| IT-NETW-0008  | Shoretel Phone System Redundancy Equipment                    | \$ 13,769         | Capital Replacement Reserve | 4               |
| IT-NETW-0009  | Engr. Blueprint/ Plans Printer/Scanner                        | \$ 8,414          | Capital Replacement Reserve | 2               |
| IT-NETW-0010  | Truck Radios (7)  | \$ 21,655         | Capital Replacement Reserve | 3               |
| IT-SCAD-0002  | Wonderware SCADA Phase 2 Project                              | \$ 391,596        | Capital Replacement Reserve | 2               |
| IT-SCAD-0003  | Wonderware SCADA Phase 3 Project                              | \$ 224,686        | Capital Replacement Reserve | 3 - 4           |
| IT-SCAD-0004  | AMR / AMI Deployment Project                                  | \$ 4,198,595      | Capital Replacement Reserve | 2               |
| IT-ADMN-0001  | Laser-Fishe Digitized Fileroom Project                        | \$ 100,833        | Capital Replacement Reserve | 2               |
| IT-ADMN-0003  | Replace Desk 14 Desk Chairs @ \$90 ea-old high backs worn out | \$ 1,260          | Capital Replacement Reserve | 2 - 3           |
| IT-ADMN-0004  | Replace 18 Guest Chairs @ \$135 ea - broken and dangerous     | \$ 2,430          | Capital Replacement Reserve | 2 - 3           |
| IT-ADMN-0005  | Two (2) End Tables for Lobby @ \$85 ea                        | \$ 170            | Capital Replacement Reserve | 2 - 3           |

## Beaumont-Cherry Valley Water District

| Table 3<br>Upcoming Capital Improvement Plan (CIP) Projects |   |                   |                             |                 |
|---|---|-------------------|-----------------------------|-----------------|
| Project No.   | Project Description   | Approved CIP Cost | Funding Source              | Priority (1 -5) |
| IT-ADMN-0006  | Three (3) Customer Svc.Stools @\$140 ea - old ones worn out | \$ 420            | Capital Replacement Reserve | 2 - 3           |
| VE-TRUK-0003  | F150 (Replacing the 2005 4X4 Ranger) (Dec, 2004)            | \$ 27,485         | Capital Replacement Reserve | Ordered         |
| VE-TRUK-0006  | F150 (Replacing the 2005 4X4 Ranger) (Dec, 2004)            | \$ 27,485         | Capital Replacement Reserve | Ordered         |
| VE-TRUK-0007  | F150 (Replacing the 2006 4X4 Ranger)(Dec, 2004)             | \$ 27,485         | Capital Replacement Reserve | Ordered         |
| VE-TRUK-0010  | 2004 Dodge 1500 (Mar, 2004)                                 | \$ 36,084         | Capital Replacement Reserve | 2 - 3           |