



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, July 11, 2018 at 7:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 6:05 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, Ramirez, Slawson
Directors absent:	None
Staff present:	General Manager Dan Jagers, Director of Finance and Administrative Services Yolanda Rodriguez, Senior Engineer Mark Swanson; Assistant Director of Operations James Bean, Administrative Assistant Erica Gonzales; Customer Service Representative Alma Frausto
Legal counsel:	James Markman

Members of the public who registered their attendance: Fran Flanders. Also present: Dr. Blair Ball.

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. May 2018 Budget Variance Report
- b. May 30, 2018 Cash/Investment Balance Report
- c. May 2018 Cash Flow Report
- d. June 2018 Check Register
- e. June 2018 Invoices Pending Approval
- f. Minutes of the Regular Meeting of June 11, 2018

g. Minutes of the Regular Meeting of June 28, 2018

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

3. Consideration of Application for Water Service for Riverside County Assessor's Parcel No. 403-070-004 at 39705 Vineland Street in the Community of Cherry Valley

General Manager Jagers explained this infill property is near the District's Vineland tank complex with a low-pressure pipeline. Staff has included a condition for the owner to provide an exhibit showing final proposed location of the property's septic system to assure there is no issue with the location in proximity to the pipeline.

President Covington clarified the property is located near the wash with ingress / egress from Vineland. Mr. Jagers noted it is potentially in the flood plain and this has been brought to the attention of the owner. He also pointed out that the distance to fire hydrants may also present a problem for the owner, but that would be addressed in the plan check process.

Director Hoffman queried about after Board approval of a meter, whether the property owner could have water without a structure. Mr. Jagers indicated this is not something the staff has historically addressed, but perhaps should in the future. GM Jagers explained that Will-Serve Letters expire after 12 months and all facilities fees and meter fees are paid once in advance.

Mr. Jagers also assured that the applicant's parcel line is north of the District's right-of-way line, and that staff will verify the right-of-way dedication and assure the desired offset.

In response to the concerns of the Board, Senior Engineer Swanson indicated he would meet with the applicant to review his septic plans.

The Board approved the Application for Water Service for Riverside County Assessor's Parcel No. 403-070-004 at 39705 Vineland Street in the Community of Cherry Valley by the following vote:

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

4. Consideration of Request for an Update of "Will Serve Letter" for Tract 30937 (located on Noble Street, north of Brookside Avenue and south of Lincoln Street) in the Community of Cherry Valley

General Manager Jagers noted the original WSL was issued March 18, 2003. The developer's plans were approved in November 2005, but staff will require updated plans. It is an existing tract with four parcels already approved by the County. The developer is looking to move the project forward.

President Covington noted a District water line across the property; all parcels on the east side of Crowther Lane have meters located at the top. There may be an issue relocating those meters.

The Board approved the Update of "Will Serve Letter" for Tract 30937 (located on Noble Street, north of Brookside Avenue and south of Lincoln Street) in the Community of Cherry Valley by the following vote:

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

5. Consideration of Award of Bid for the Purchase of one (1) Fleet Vehicle in the Amount of \$30,715.35

Mr. Jagers advised that the 2018 Capital Improvement Program included four vehicles. This one is the final purchase for the field superintendent: a Ford F250 four door, as the field superintendent transports passengers and requires additional seats. It is also used for transporting parts and materials.

Mr. Jagers reviewed the pricing and recommended the vendor who could produce the vehicle more quickly from a local dealer. Director Diaz asked about additional equipment. Mr. Jagers added the vehicle would receive District identification and lights.

In response to the Board's inquiry, Assistant Director of Operations Bean indicated the lighting cost is approximately \$8,000.

President Covington asked what is done with the older equipment. Mr. Jagers noted that staff is working on declaring some surplus equipment in the near future in order to get rid of some vehicles. This will come to the Board as an action item. Mr. Bean noted that such vehicles have been auctioned previously.

Director Hoffman noted that other municipalities have used Richie Bros. Auctions in Moreno Valley. He said he has read that commercial mid-size truck sales are at record highs. President Covington observed it is a good price.

The Board approved the Award of Bid for the Purchase of one (1) Fleet Vehicle in the Amount of \$30,715.35 by the following vote:

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

6. Consideration of Resolution 2018-10: Nomination of Alternate Member of Beaumont Basin Watermaster Committee

General Manager Jagers advised that with the retirement of Director of Operations Tony Lara, a vacancy opened for the District's alternate member. He explained that the duties and experience of the new Senior Engineer, Mark Swanson provide a reasonable alternative member.

Mr. Jagers explained the process.

The Board adopted Resolution 2018-10 nominating Mr. Mark Swanson as the Alternate Member of the Beaumont Basin Watermaster Committee by the following vote:

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

7. Consideration of Scheduling a District Facilities Tour

President Covington reminded the Board this was discussed at the June 28 Engineering Workshop. The Board felt there were not enough directors present to determine a date at that meeting and it has been brought before the Board once again.

The date was tentatively set for Friday, Sept. 7, 2018.

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

Mr. Jagers advised that he communicated today with SGPWA General Manager Jeff Davis. The SGPWA comments on a 90 percent design to the Department of Water Resources (DWR) on June 11. Since then, DWR has contacted the Pass Agency twice with questions and Mr. Davis provided responses. He is now waiting for response to those answers before submitting the design package for their signature. Once signed, the SGPWA plans to proceed with advertising, accepting bids, and awarding the construction contract, which is good for the BCVWD. The SGPWA believes there is nothing more they can do to push the DWR.

The amendment for the service connection agreement has been signed by DWR. Jagers indicated if this could be done; the agency will likely be prepared to build during the next shut down. He also noted that the engineer working on the project is still supporting it, although he has changed employers.

President Covington noted the importance of the project and referenced the letter sent by BCVWD to the SGPWA in hopes to expedite the project.

9. Consideration of Budget Allocation for Legal Expenses for Transfer of the Bogart Park Lease Agreement

Mr. Jagers advised that at the meeting of the Bogart Park Ad Hoc Committee, interest was expressed to move forward as quickly as possible before changes on the Board of Supervisors. The intent is to prepare a lease agreement based on the old agreement. This will require legal counsel. Staff is requesting funds to be prepared to begin the process.

Director Hoffman indicated he would paint a more complete picture in his Ad Hoc report later this meeting, and recommended proceeding with the necessary funds approval in order to move forward.

President Covington indicated he is unsure about moving forward as this Board has not approved amending or ratifying anything regarding the existing lease. He believes more information is needed from the Ad Hoc Committee.

Director Hoffman explained the parties involved: BCVWD, the Riverside County Park and Open Space District, and the Beaumont-Cherry Valley Recreation and Park District. The citizens of Cherry Valley and the surrounding area are interested in keeping the park open. Riverside County does not desire to continue to operate the park, as is it losing \$65,000 per year.

Feedback shows people are not happy with the condition of the park, Director Hoffman continued. The goal is to turn the lease from Riverside County over to the BCV Recreation and Park District. The land belongs to BCVWD, and the District's rights and access to its facilities within the boundaries must be preserved. The District would like to have legal language to negotiate and an opportunity to make changes. Riverside County and BCVRPD have indicated desire to move forward and must communicate legally. All entities desire an escape clause, and additional details.

Currently, boundaries are being determined and a survey is being considered.

General Manager Jagers reminded the Board there is a signed Memorandum of Intent. The group is trying to establish terms that are acceptable to all. The BCVRPD must do a general plan to transition the facilities. Work is being requested from each entity before the deal can be structured, such as a format of a lease for consideration. Staff added this request to the Board as expenses are anticipated.

Director Diaz added that during the Bogart Park Ad Hoc Committee meetings, it is apparent the County is definitely taking action. It would behoove the Committee and the Water District to consider what happens to that area if action is not taken now; and timing is an issue. The County does not want to continue paying for what it considers a loser.

Director Hoffman noted that LAFCO has given permission to proceed. He said that Supervisor Ashley is pushing for this to be completed before he is out of office, as it is unknown what a new Supervisor may consider. It must be addressed legally so the Water District is protected.

Counsel Markman advised he has looked at the MOI and can draft a lease.

President Covington expressed concern that this may be the cart before the horse. Overall issues must be understood and what it looks like before drafting a lease. He would like to see the entire package, but said he does not want to

stop any survey work or property inventory. He would like to see a presentation on this at the August 8 meeting.

GM Jagers noted that staff could continue its work and a survey can be done. The BCVRPD must also create a master plan before the final go-ahead. Director Hoffman advised that Riverside County has made it clear they will not renew the lease, and BCVRPD will not assume the lease unless there is some type of agreement and escape. The RPD would like to be able to apply for grant funding but cannot unless there is a bona fide lease.

President Covington tabled the item to the August 8 meeting.

10. Update on the Status of District Wells, Capital Improvements, and Engineering Projects

General Manager Jagers drew attention to the tables showing projects in progress. He indicated that Well 12 has been returned to service. The goal is to maximize pumping in the canyon area to reduce the replenishment need.

Well 26, Jagers reported, has been installed and testing came back clean. It will be back in service tomorrow. Well 19 had the motor serviced and staff is waiting on a bearing. Well 22 is now out of service with a sanding problem. Specs have been prepared and the project advertised.

An emergency was declared for Well 29 but it will be a normally advertised bid process but with a shorter timeline. Well 3 is also scheduled to be assessed after the summer due to making some noise.

11. Reports For Discussion

a. Ad Hoc Committees:

Bogart Park Ad Hoc Committee: Director Hoffman indicated this was covered and he has no addition. Director Diaz noted that if the entities do not come together with something, the County area is of concern.

Director Covington expressed support for enhancements at Bogart Park. He understood the need is there.

GM Jagers added that Beaumont, Banning and Calimesa have a lot of growth / building coming, and parks are needed for the community. One comment made by the Parks District was that a nice park would benefit the community now and in the future.

Director Hoffman added that Bogart Park could be a good event venue.

b. General Manager:

Director of Finance and Administration Yolanda Rodriguez reminded the Board members that Monday candidate packets would be available. Staff will be able to administer the candidate oath for Riverside County. For San Bernardino County, candidate Covington will need to pick up a packet in San Bernardino. Director Slawson clarified that only one candidate had to register in San Bernardino.

Mr. Jagers updated on District activity. Staff has informally solicited for assistance with human resources management and has engaged a firm to do a preliminary review, intended to find where activities can be

bolstered or even outsourced. Staff is being more proactive on tracking federal and state legislation, and has prepared an RFP for grant writing. Staff is continuing to work on shredding obsolete records to maximize space and figure out facilities options to prepare for future staffing.

In addition, Mr. Jagers pointed out that the Beaumont Irrigation District was established in 1919, making next year the District's centennial. Internal discussions are happening regarding activities, and the Board will be engaged.

The District completed its annual audit and suggestions have already been implemented. Board meeting start times have been improved, and one meeting per month has been added.

At the SGPWA Board meeting this week, there was a presentation on the Sites Reservoir project, where Mr. Jagers presented a handout. There are costs associated with the second phase of the project that the District will be asked to participate; however, Mr. Jagers gathered that the SGPWA might rethink its agreement with BCVWD. His largest concern is that Phase 2 does not have a defined funding strategy that will not come into focus in the near future.

There will be continued expenditures as the project moves forward, but no water to sell until 2030 or so, which presents a funding strategy problem for including it in the rates. Mr. Jagers intends to make this an Engineering Workshop item. He detailed some of the financing issues.

President Covington requested a presentation to this Board from Jeff Davis in order to explain key issues.

Mr. Jagers reported that Metropolitan Water District voted again on Monday, July 9 to fund the Sites Reservoir project.

The potential for an investment advisor for the District is on hold.

Another 1,094-acre-feet for BCWVD and 56 acre-feet for Banning have been recharged.

The Potrero bridge project is moving forward although the District does not have active WSLs for some of the areas. The District has been providing engineering and plan checking services to try to put the three water lines in the area consistent with the District's master plan. Progress is also being made on the Noble Tank, pipelines, and well project.

The fencing RFP has been written and is about 90 percent complete.

Implementation of accounting software updates is complete and working well.

President Covington asked about recent press releases. GM Jagers explained the District is working on increasing positive presence in the community and show some of the work being done. He noted that the budget for imported water might represent a 57.73 percent increase in the current rate, which could mean an increase of 80 or 90 cents per unit of water. With Board approval, future press releases will be focused on educating the public on where those costs will be coming from and why they are necessary. President Covington suggested releases on the Bogart Park Ad Hoc Committee work, and the ongoing work and

status of wells. Director Ramirez concurred and advised the District to remain consistent and show outreach to the community.

b. Directors' Reports:

Director Slawson noted he attended the San Gorgonio Pass Water Alliance meeting last month and the new Chair is David Fenn from the Pass Agency. They are still working on the IRWM.

c. Legal Counsel Report: None.

12. Announcements

President Covington read the following announcements:

- Personnel Committee meeting: July 23, 2018 at 5:30 p.m.
- Engineering Workshop July 26, 2018 at 6:00 p.m.
- Beaumont Basin Watermaster meeting: August 1, 2018 at 10:00 a.m.
- Finance and Audit Committee meeting: August 2, 2018 at 3:00 p.m.
- Regular Board meeting: August 8, 2018 at 6:00 p.m.
- Engineering Workshop: August 23, 2018 at 6:00 p.m.
- District Offices will be closed Monday, September 3, 2018 in observance of Labor Day.
- Collaborative Agencies Committee meeting: September 5, 2018 at 5:00 p.m. (Location: Beaumont-Cherry Valley Recreation and Park District office)

13. Action List for Future Meetings

- Proposition 1 Bond Opportunities

14. Recessed to Closed Session: 7:34 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: 8:12 p.m.

Report on Action Taken During Closed Session:

There was no reportable action taken.

15. Adjournment: 8:13 p.m.



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

ATTEST:



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