



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, August 8, 2018 at 6:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 6:03 p.m.

Pledge of Allegiance: Director Diaz

Director Diaz led the pledge.

Invocation: Director Slawson

Director Slawson gave the invocation.

Roll Call:

Directors present:	President Covington Directors Diaz, Hoffman, Ramirez, Slawson
Directors absent:	None
Staff present:	General Manager Dan Jagggers, Finance and Administrative Analyst Bill Clayton, Senior Engineer Mark Swanson; Assistant Director of Operations James Bean, Administrative Assistant Erica Gonzales
Legal counsel:	Tilden Kim

Members of the public who registered their attendance: Barbara H. Brown, Fran Flanders, Lona Williams, Lloyd White and Patsy Reeley. Also present from the Beaumont-Cherry Valley Recreation and Park District were John V. Flores, Dan Hughes and Duane Burk.

Public Comment: None.

ACTION ITEMS

1. Adjustments to the Agenda:

General Manager Jagggers requested delay of Item 3 since Beaumont-Cherry Valley Recreation and Park District General Manager Duane Burk would be arriving later.

2. Consent Calendar:

The following Consent Calendar items were approved with one motion:

- a. June 2018 Budget Variance Report
- b. June 30, 2018 Cash/Investment Balance Report

- c. June 2018 Cash Flow Report
- d. July 2018 Check Register
- e. July 2018 Invoices Pending Approval
- f. Minutes of the Regular Meeting of July 11, 2018
- g. Minutes of the Regular Meeting of July 26, 2018

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

3. Presentation regarding Status of Bogart Part Lease Transfer Agreement and possible Consideration of Budget Allocation for Legal Expenses for Transfer of the Bogart Park Lease Agreement

This item will be addressed later in the meeting.

4. Consideration of Request for Update of “Will Serve Letter” for Previously Approved Development - Tract 27971 (Parcel Map 34880) located in the City of Beaumont

General Manager Jagers explained this is an ongoing development known as Olivewood. Work has commenced, main lines have been installed and this is a formality to update the Will Serve Letter.

Director Hoffman noted this project appears to be ongoing for a period of time, undergoing a change of ownership. He reminded the Board that it recently approved another Will Serve Letter and that the Board should continue to move in the same direction.

Director Ramirez asked how the District’s water system and water supply has been addressed and will be impacted by the project. General Manager Jagers reminded the Board about the San Gorgonio Pass Water Agency’s water supply deals. There is currently more supply than the replenishment requirements for the basin, and the District anticipates additional supply from recycled water. For the next year, Jagers said, the District is in reasonable shape. If the long-term projects such as the Sites Reservoir and California Water Fix do not move forward, there may be more concern in the future. President Covington asked about fees paid; Mr. Jagers reported facilities fees, connection fees and a new source water supply component have been paid for the first set of phases, and infrastructure has been installed. Once fees are paid, the development has completed that activity, Jagers said.

Director Hoffman noted that models are completed.

The Board approved the Update of “Will Serve Letter” for Previously Approved Development - Tract 27971 (Parcel Map 34880) located in the City of Beaumont 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 Request for Water Service for Riverside County Assessor's Parcel No. 405-120-005 located on Vineland Street between Ralph Road and Nancy Avenue in the Community of Cherry Valley

Mr. Jagers explained this is a request from the owner of an infill lot for water service for a new manufactured home and detached garage. Director Hoffman noted that it does not look like there is access for the District to install a meter; the parcel seems to have an easement to the back portion of the lot. Mr. Jagers responded it is an odd-shaped one parcel lot. Access is via frontage on Vineland, the meter would be installed there. The owner is responsible for the plumbing southerly to the project site.

The Board approved the Request for Water Service for Riverside County Assessor's Parcel No. 405-120-005 located on Vineland Street between Ralph Road and Nancy Avenue in the Community of Cherry Valley by the following vote:

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

6. Consideration of Request for Water Service for Riverside County Assessor's Parcel No. 403-030-024 located on Napoleon Street between Lambert Road and Dutton Street in the Community of Cherry Valley

Mr. Jagers reported there are two parcels to be developed at some point, which will require an extension of the main from Napoleon Street. It is an infill lot, and the owner would be required to extend facilities into the site.

President Covington noted it would be cumbersome to get water service into the site. Mr. Jagers advised that staff has discussed with the owner a need for a cul-de-sac to install facilities to serve the property. Director Ramirez asked if the cul-de-sac had been dedicated to the County; Mr. Jagers said he believes this is in progress.

Director Hoffman confirmed that expenses of infrastructure to the property are borne by the owner.

The Board approved the Request for Water Service for Riverside County Assessor's Parcel No. 403-030-024 located on Napoleon Street between Lambert Road and Dutton Street in the Community of Cherry Valley by the following vote:

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

7. Consideration of Beaumont-Cherry Valley Water District Staff Reorganization – Civil Engineering Assistant

General Manager Jagers explained the suggested reorganization to provide a new full time position due to the retirement of the Director of Operations, and the departure of a graduate intern who was performing plan checks. The intent now is to leave vacant the Director of Operations position, but support is needed for the development activities and recycled water. The proposed Civil Engineering Assistant position provides for those services, Jagers explained. A portion of the cost of the position will be recovered through developer deposits. In the event of a development slowdown, the position would be tasked with Capital Improvement Program activities.

Director Hoffman asked about recruitment procedures. Mr. Jagers noted the hiring responsibility falls to the General Manager. President Covington asked about the vacant intern position. Mr. Jagers said it would likely remain on the organizational chart, but unfilled, depending on workload.

The Board approved the addition of the position of Civil Engineering Assistant by the following vote:

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

8. Consideration of Appointment of an Ad Hoc Committee for Water Re-Use to Coordinate with the City of Beaumont on Recycled Water

General Manager Jagers reported the District is moving forward with the City of Beaumont on a Memorandum of Understanding (MOU) for the use of recycled water as well as the activities necessary to assure readiness to accept delivery of recycled water. The City recently completed a rate study and has accepted bids for the three components of the treatment plant project, which went to the City Council on Aug. 7. Mr. Jagers shared highlights of the City Staff Report with a \$77,985,188.40 project cost. The City is also working to establish an Ad Hoc Committee to work with the District.

In response to President Covington, Mr. Jagers said he envisions two Board members and two Council members working with management level and engineering staff to resolve issues and determine agreement terms and cost estimates. The City anticipates construction by March 2020, a close timeline.

President Covington suggested varying times for meetings to fit director schedules. Director Slawson expressed support for working with the city. Director Hoffman asked about the anticipated amount of recycled water. Mr. Jagers indicated he expects early production at about 1,200 to 1,300 acre-feet, increasing over time. Directors Hoffman and Slawson volunteered to serve. Director Ramirez offered to be an alternate and expressed support.

The Board approved the formation of an Ad Hoc Committee for Water Re-Use to coordinate with the City of Beaumont on Recycled Water and appointment of Directors Hoffman and Slawson to the Committee and Director Ramirez as alternate by the following vote:

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

9. Consideration of Acceptance of the Resignation of Director Claudeen Diaz from the Board of Directors effective August 9, 2018 and Determination of Method of Filling Vacancy per Government Code Section 1780

Mr. Jagers advised that Director Diaz notified staff of her intent to resign due to moving out of the District, effective August 9. Due to the upcoming election, staff has requested guidance from the Registrar of Voters but has not yet received definitive information as to how best to move forward. With the resignation so close to the election, unique circumstances are created.

The staff report outlines the typical process for appointment of a director, Jagers noted. Legal Counsel Tilden Kim advised that counsel has reviewed the staff report and finds it on point with the law. The timing of the resignation with the upcoming election are so close, it provides some flexibility for the Board. Mr. Kim pointed out options A and B on the staff report, and advised of an Option C: Waiting until the results of filings for candidacy for the upcoming election.

President Covington also pointed out that further guidance from the Registrar of Voters would be helpful.

Director Diaz thanked staff and Board members and said she appreciated the opportunity to work with the Board. General Manager Jagers thanked Director Diaz for her work on the Personnel Committee.

The resignation of Director Claudeen Diaz, effective August 9, 2018, was accepted, and the determination of method of filling the vacancy per Government Code Section 1780 was tabled to a future meeting by the following vote:

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

10. Consideration of Resolution 2018-11 Recognizing Claudeen Diaz's Service to Beaumont-Cherry Valley Water District

President Covington read the Resolution and thanked Director Diaz. Director Ramirez complimented Director Diaz.

The Board adopted Resolution 2018-11 by the following vote:

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

11. Consideration of Appointment of a Director(s) to the Positions formerly held by Director Diaz:

- A. Board Secretary**
- B. Finance and Audit Committee**
- C. Bogart Park Ad Hoc Committee**

President Covington noted that the Board Secretary appointment requires a vote of the Board; however, the other committee appointments are at the discretion of the President. General Manager Jagers advised that Director Ramirez, as the current alternate for the Bogart Park Ad Hoc Committee, would be willing to serve as a regular member.

President Covington called for nominations for Board Secretary. Director Hoffman nominated Director Slawson.

The Board appointed Director Daniel Slawson to the office of Board Secretary by the following vote:

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

President Covington appointed Director Daniel Slawson to the Finance and Audit Committee, and Director Andy Ramirez to the Bogart Park Ad Hoc Committee.

12. Update on the Status of District Well Rehabilitation and Repairs

General Manager Jagers reported that two wells have been restored to service. Three more wells are out of service but could be used to maximize production. Mr. Jagers reported that a contract was signed for Well 22 repairs as was authorized at the Engineering Workshop.

In response to Director Diaz, Mr. Jagers explained such repairs are funded out of capital replacement funds (depreciation). In light of replenishment costs of \$317 per acre-foot, the cost of rehab work on the Edgar Canyon wells actually saves the District up to \$150,000 per year.

13. Update Regarding District's Conversion of Direct Read Meters to Automatic Meter Read (AMR/AMI) Program

Mr. Jagers informed the Board that a vendor has been selected and meters have been being replaced via the standard meter program. Staff is preparing to accelerate replacement of meters in targeted areas, where meters are old or difficult to access.

Updates will be given to the Board monthly or quarterly, Mr. Jagers stated. President Covington noted that the first such meters were installed about two years ago and asked how the project was working. Assistant Director of Operations James Bean described some of the testing staff performed on meters and indicated staff is pleased with them.

Director Hoffman asked about the process of reading and any errors. Mr. Bean indicated there is possibility of error when data is input into the billing system, but as long as the meter is correctly associated with a house/address and the account, there is no error as each meter sends an individual signal. There are also checks and balances performed.

Director Diaz noted that in her prior experience, radio reads saved a lot of time. President Covington concurred. Mr. Jagers noted the goal of using technology to minimize labor burden, especially with personnel costs. The Board expressed support.

14. District Facilities Tour

President Covington reminded the Board that a tentative date was set for September 7 for the Board and the public to do a District facilities tour. Directors concurred with the September 7 date.

15. Reports For Discussion

a. Ad Hoc Committees:

Bogart Park Ad Hoc Committee: The Committee activity will be addressed along with the Bogart Park presentation.

b. General Manager:

Mr. Jagers reported that San Geronio Pass Water Agency General Manager Jeff Davis said that the Department of Water Resources indicated they had made an error in drafting the amendment for the service connection agreement. It will be corrected and sent to the SGPWA for signature. Mr. Davis also told Mr. Jagers he has discussed with DWR the service connection personnel and the only remaining comment on the 100 percent submittal was that the DWR wanted to see a list of acronyms on the drawings. The SGPWA is in the process of adding that, then will submit a 100 percent complete set of

construction documents to DWR for signature. This fits within the timeline for completion submitted by BCWVD.

In the last SGPWA Board meeting agenda, it was noted there is a new contract with a design engineer who has changed firms. The cost to complete is \$42,000. DWR also required SGPWA to submit a \$60,000 deposit for review of the drawings, but hopefully much of that can be recovered, Mr. Jaggars said.

Mr. Jaggars reminded the Board that the District had issued a grant writing RFP. Comments are being reviewed by staff and it may come to the Board soon to ensure the District is successful in any opportunities.

Mr. Jaggars reported the District continues to deliver 9,000 to 20,000 cfs to the Noble Creek Recharge Facility: 1,086 acre-feet in July for the District, and 56 acre-feet for Banning. To date, a total of 8227 acre-feet have been recharged. This brings the District within 1,000 acre-feet of its replenishment needs for last year. The total for the year is anticipated to be 12,000 to 13,000 acre-feet.

General Manager Jaggars pointed out there are three additional Edgar Canyon wells to complete the rehab and maintenance program. With the SGPWA potentially raising rates in the near future, continued development and redevelopment of those wells is important and staff proposes to be more aggressive in completing this project. Water pumped from Edgar Canyon does not have to be replenished with imported water; therefore, the pay back for the rehab activities is estimated at less than a year. He detailed the pumping capacity. If all wells are restored, the District could regain 400 acre-feet. If this water had to be replenished, the cost would be around \$150,000 per year.

The contract for Well 22 has been executed. Well 3 now has a noise; the intent is to service the well.

Mr. Jaggars anticipates more press releases will be ready shortly. The SGPWA appears to be finalizing some additional water deals and the work being done should be broadcast.

b. Directors' Reports:

Director Slawson reported that he attended the San Geronio Regional Water Alliance meeting. A representative from Sacramento explained Proposition 3 on the November ballot, which the District supported. Director Slawson said he believes the Alliance is a good group. Mr. Jaggars added that the SGPWA noted that this year's supply of imported water was approximately 18,300 acre-feet.

Director Ramirez acknowledged the positive news and recommended staff obtain more comments from the directors on the press releases.

c. Legal Counsel Report:

Counsel Tilden Kim noted he has been working with the District on other matters for more than a decade, and indicated it was a pleasure to attend the Board meeting.

President Covington introduced Item 3:

3. Presentation regarding Status of Bogart Part Lease Transfer Agreement and possible Consideration of Budget Allocation for Legal Expenses for Transfer of the Bogart Park Lease Agreement

President Covington welcomed representatives of the Beaumont-Cherry Valley Recreation and Park District: Chairman John V. Flores, Director (and Ad Hoc Committee Chair) Dan Hughes and General Manager Duane Burk.

Mr. Jagers reminded the Board that after some discussion of allocating funds for legal expenses related to the transfer of the lease at the July 11, 2018 meeting, this item was tabled. At the Bogart Park Ad Hoc Committee meeting last night, a structure for proceeding was better defined.

Mr. Burk thanked Directors Hoffman and Diaz for their service on the Ad Hoc Committee. He described the partnership between the Riverside County Regional Park and Open Space District (RCRPOSD), the Beaumont-Cherry Valley Recreation and Parks District (BCVRPD) and the Beaumont-Cherry Valley Water District (BCVWD). The intent is to regain local control of Bogart Park, or if the BCVWD as landowner decides, to maintain it as open space.

Mr. Burk explained the BCVRPD does not want to take over more facilities than needed for the park or over-commit and over obligate the BCVRPD, while partnering with the BCVWD in an ongoing relationship; a three-party agreement. Ultimately, the RCRPOSD will be removed from the partnership.

The BCVWD owns the land, and there is some responsibility to follow legal counsel to assure the partners are in agreement. Mr. Burk indicated the Ad Hoc Committee has made strides. The BCVRPD has entered an agreement with a financial company to do a financial study and determine costs and potential revenue. Yesterday, the BCVRPD received the draft legal document for transfer of the lease and will be discussed by the Board at its September meeting. Staff will prepare a timeline for the process. Mr. Burk reiterated a commitment to the park and said it is moving forward in the right direction with support of the Board.

President Covington recognized BCVRPD Director Hughes for his efforts on the park project. Mr. Jagers noted that Kyla Brown from the RCRPOSD was unable to attend tonight's meeting.

Mr. Jagers continued. There is interest in moving this forward as quickly as possible. The BCVWD owns two parcels of land currently leased to the County since 1931. The lease expires on Oct. 5, 2030. The RCRPOSD would like to get out of the remaining 12 years of the lease, and the BCVRPD would like to take it over, but would like to negotiate a longer-term lease so they can then pursue grants and funding with a secured opportunity to develop with those funds, Jagers explained.

There has been great community support for this activity moving forward. Mr. Jagers reminded the Board that in July 2017 a Memorandum of Intent was signed to indicate support to develop a plan and work together. The Ad Hoc Committee is in this process.

At the Ad Hoc Committee meeting last night, Mr. Jagers said he understood the direction was for the County to work with the BCVRPD to develop bullet points of a proposed transition plan, and County Counsel will look at the lease agreement between the County and the BCVWD and make recommendations to move forward. After that work is done, the BCVWD will involve its legal counsel to assure the terms meet the District's needs.

Mr. Jagers explained that a number of issues for the BCVWD have been identified that must be incorporated into the agreements: additional facilities and future needs in the region (reservoirs and other), land boundary discrepancies, and parcels that appear to be included in the lease but are private property.

Discussion also included responsibility for maintenance of International Park Road, which crosses BCVWD property but is not necessarily dedicated right of way. It has been maintained by Riverside County, but after the transition out of the lease, there will be a need to define who will maintain the road. Director Hoffman pointed out this was a dirt road 25 years ago.

Mr. Jagers explained that as activities independent of the Bogart Park lease, the Highland Springs Reservoir sits on District-owned property, but there are pipelines that appear to encroach on some County property that is contiguous with the park property, and in addition, the District is interested in securing a secondary reservoir site. A surveyor must be hired to write a legal description of the property.

Mr. Jagers gave an overview of the current process: RCRPOSD and BCVRPD will need to negotiate finer points of their agreement, Riverside County Counsel will structure the draft agreement with BCVRPD and will review and comment on the BCVWD / County Bogart Park Lease Agreement Transfer, no LAFCO action is required because the land is within the BCVRPD sphere of influence, and Riverside County Counsel and BCVWD legal counsel would then draft a new lease agreement or amend the existing lease agreement.

Bogart Park Ad Hoc Committee Chair Dan Hughes indicated they have been working on this for a long time and the process through counsel will take time but can be done. The BCVRPD Board wants to do what is right for everyone, including its constituents and also the BCVWD future needs. He assured the Board that the BCVRPD wants to work together to make this happen.

Director Hoffman commented that in serving on the Ad Hoc Committee, he believes this can move forward and it is a win-win situation for all three agencies. The issues are for clarification, not intended to be restrictive. It is anticipated that the community will support this and hope it will be a place of benefit for a long time to come.

Mr. Jagers suggested publicizing the project to the community through advertising.

President Covington noted there was great progress at the Ad Hoc Committee level. Director Diaz added that when this agreement is written it would have better attention to detail. President Covington noted that Proposition 68 may have a big impact and should be watched over the next year.

The Board approved the continued progression of the Bogart Park Lease Transfer Agreement, and the budget allocation for legal and other expenses related to transfer of the Bogart Park Lease Agreement, the resolution of the legal description and addressing of the Highland Springs reservoir property, not to exceed \$20,000 by the following vote:

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

Mr. Burk thanked Director Diaz for her work and said he looks forward to continuing work with the BCVWD.

16. Announcements

President Covington read the following announcements:

- 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 – Noble Creek Community Center, 390 W. Oak Valley Pkwy)
- Finance and Audit Committee meeting: September 6, 2018 at 3:00 p.m.
- Regular Board meeting: September 12, 2018 at 6:00 p.m.
- Personnel Committee Meeting: September 24, 2018 at 5:30 p.m. in the conference room
- City of Beaumont Officer of the Year Awards: September 24, 2018 at 6 p.m. in the Water District Board Room

17. Action List for Future Meetings

- Proposition 1 Bond Opportunities
- Proposition 68

18. Adjournment: 7:54 p.m.

Andy Ramirez FOR:

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

ATTEST:

Daniel Slawson

 Director Daniel Slawson, Secretary
 to the Board of Directors of the
 Beaumont-Cherry Valley Water District

