



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING – ENGINEERING WORKSHOP
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Thursday, October 25, 2018 at 6:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 6:07 p.m.

Roll Call:

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| Directors present: | Directors Covington, Hoffman, Williams |
| Directors absent: | Ramirez, Slawson |
| Staff present: | General Manager Dan Jagers, Director of Finance and Administrative Services Yolanda Rodriguez, Senior Finance and Administrative Analyst William Clayton; Assistant Director of Operations James Bean, Senior Engineer Mark Swanson, Administrative Assistant Erica Gonzales |

Members of the public who registered their attendance: Fran Flanders, Judy Bingham, Kyla Brown, Libi Uramovic.

Public Comment: None.

ACTION ITEMS

1. Consideration of Authorization of General Manager to enter into a Contract for Grant Writing Consulting Services

Director of Finance and Administrative Services Yolanda Rodriguez reminded the Board this item was before them at the October 2 meeting, and more information was requested. Based on ratings of experience, references and cost, staff recommends Townsend Public Affairs, but Ms. Rodriguez indicated staff is comfortable with any of the top three. Mr. Jagers indicated that additional research was done regarding fee structures.

Townsend offers a \$4,000 per month flat fee but is willing to invoice per grant at \$150 per hour, Ms. Rodriguez explained. Mr. Jagers indicated staff would negotiate certain activities regarding the approach on a per grant basis and any preliminary work to identify grant opportunities.

President Covington asked about assistance with any post-award administration and compliance. Mr. Rodriguez said her understanding is that Townsend initially would handle submission of the grant application, all follow-ups, and train staff to keep up requirements for long-term management. There are current BCVWD staff members who are experienced with grant management, she said.

Director Williams asked about the comprehensive follow up on unsuccessful applications, and whether staff would be included; Ms. Rodriguez said they would. Director Williams asked about success rate in percentage terms. Ms. Rodriguez

said they did not provide that information. Director Hoffman voiced concern regarding unknown return on investment. He stressed consistent feedback on what is being accomplished. President Covington added there are no guarantees with grants. The annual cost of \$48,000 as opposed to the spending of the Capital Improvement Plan, it does not compare, he said. Director Hoffman acknowledged the need for specialized experience, but emphasized being conscious of any return and follow up.

Mr. Jagers gave examples of areas where costs could be offset.

The Board approved a contract with Townsend Public Affairs for grant writing services for a three-year term (renewable each year) and not-to-exceed amount of \$144,000 by the following vote:

| | | |
|----------------|------------------------------|--------------|
| MOVED: Hoffman | SECONDED: Williams | APPROVED 3-0 |
| AYES: | Covington, Hoffman, Williams | |
| NOES: | None. | |
| ABSTAIN: | None. | |
| ABSENT: | Ramirez, Slawson | |

2. Update: Bogart Park Lease Agreement

Ms. Kyla Brown, Assistant Parks Director of the Riverside County Regional Park and Open Space District (County) provided an update on the status of negotiations with the Beaumont-Cherry Valley Recreation and Park District (RPD) and the involvement of the BCVWD. She reminded the Board about the BCVWD-owned land of Bogart Park leased by the County and presented some history.

The County had sought a local provider to operate the park more efficiently and a task force recommended a multi-agency agreement. The Ad Hoc Committee, including Ms. Brown and representatives from BCVWD and BCVRPD has met over the past year resulting in a desire for the RPD to assume responsibility for the park via a lease and operating agreement and transition agreement, and assignment of the remaining 12 years of the County's lease of BCVWD land to the RPD.

Operations could be transferred in January. Staff is now seeking input and guidance from the Board as to how it desires to proceed. Concurrence from the BCVWD is necessary to effect the assignment and assumption agreement.

Director Hoffman advised the Board that the Ad Hoc Committee has discussed concerns about access to the BCVWD facilities on the property as well as potential facilities to develop in the future. Those will be indicated in the lease. Mr. Jagers added that the BCVRPD felt they needed three years to transition and develop an action plan. The assignment of the lease would cover the remaining 12 years, and an extension would have to be considered by BCWVD separately.

Mr. Jagers noted that most of the District's concerns have been addressed. Still to be resolved is a closeout clause if the BCVRPD decides later not to pursue. The interest before the Board at this time is submission of these documents to legal counsel, he said. The agreements would then be brought back at the Nov. 14 meeting for approval to move forward.

Director Hoffman added some detail regarding the lease. Ms. Brown clarified that the lease in place between the County and BCVWD transfer entirely to the RPD, including access to the District's facilities. President Covington noted that BCVWD

is not a signatory to the lease and operating agreement, it is between the County and the RPD. The Water District would be a signatory to the assignment and assumption agreement, he said.

Ms. Williams noted a jumbled paragraph and clarified that if the land is to be used for any other intent than a park, it must be decided by the voters. The RPD must be so advised. She asked about the District's easements, and Mr. Jagers clarified. President Covington asked about Section 4; Ms. Brown said she believes it is BCVWD property.

By consensus, the Board directed staff to move the documents to legal counsel and agendaize the approval for Nov. 14.

3. Discussion and Consideration Regarding the Draft 2018 imported Water Rate Analysis for the San Geronio Pass Water Agency

General Manager Jagers reminded the Board of earlier discussions of the new San Geronio Pass Water Agency proposed imported water rates between \$468 to \$689 per acre-foot, and potential variations between. The plan places the burden of the rate on the near-term purchasers, he said. The Board of the Yucaipa Valley Water District discussed this issue a couple of weeks ago and produced a letter to the SGPWA that set forth some of the ideas to consider as rate options. Mr. Jagers recommended a similar letter from the BCVWD.

Mr. Jagers explained there is about 10,000 acre-feet of recharge water in the Basin now, and explained average year supply. The SGPWA plan creates a condition where the compressed cost recovery may result in less water purchased. He reminded the Board that the BCVWD practices conjunctive use – when it is a wet year, the District purchases more water for recharge, and in a dry year it is sold, to average out. He suggested asking the SGPWA to share the burden of conjunctive use through its rate structure.

He presented a draft letter and explained key points including a plan for smooth rate recovery rather than a compressed three-year payback. It appears the Nickel water was paid in advance and staff will follow up. Mr. Jagers stated that the SGPWA is making some deals that could create a burden for the BCVWD, as the goal is to buy 10- to 15,000 acre-feet if the cost is reasonable, so storage can continue to be increased in preparation for any drought. The short-term compression of the payback for 2018 creates a burden that BCVWD may not want to absorb.

President Covington asked about the Taussig study. Mr. Jagers indicated the presentation at the SGPWA workshop was a three-year outlook: 2019 – 2021. He also noted that in the rate model the BCVWD was assumed to purchase 16,280 acre-feet; however the water order was made with the caveat that if the rate increases, the BCVWD's water order may be adjusted down.

Director Williams concurred with the content of the letter.

Director Hoffman clarified that the SGPWA is financially committed to purchasing the Nickel Water, and BCVWD has shown interest in ordering, but also has the caveat to reduce the order depending on cost. Mr. Jagers explained the obligation to the Nickel Water deal. Director Hoffman asked about delivery capacity to receive

the water; Jagers indicated that currently the District does not have the capacity, but with the new SGPWA facility and the potential facility upgrade, the capacity would be available. He noted the potential for hydraulic constraint.

The Board approved executing correspondence addressed to the Board of Directors of the San Geronio Pass Water Agency by the following vote:

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|-----------------|------------------------------|--------------|
| MOVED: Williams | SECONDED: Hoffman | APPROVED 3-0 |
| AYES: | Covington, Hoffman, Williams | |
| NOES: | None. | |
| ABSTAIN: | None. | |
| ABSENT: | Ramirez, Slawson | |

4. **Water Re-Use 2x2 Committee Update and BCVWD implementation status**
 - a. **City of Beaumont / BCVWD Ad Hoc Recycled Water Committee Status Report No. 1**
 - b. **Recycled Water implementation schedule**
 - c. **Booster Station Facilities preliminary schedule**

Ms. Judy Bingham pointed out an invitation from the City of Beaumont for a groundbreaking at the wastewater treatment plant, but there is no mention of recycled water, she said. She warned that the City may not be reliable and the BCVWD should be cautious. She said she does not believe there will be recycled water. She also asked if President Covington intended to recuse himself due to the City's promise of recycled water to the Morongo tribe.

Ms. Bingham also voiced concern about the potential location of storage tanks near Bolo Court.

General Manager Jagers briefed the Board on the meeting of the 2x2 Committee. The Committee identified a need for a memorandum of understanding prior to expending funds. The City anticipated completion of the wastewater treatment plant (WWTP) expansion by March of 2020; a booster station must be designed, bid and built. Mr. Jagers said this is a two-year project, which he feels is already behind schedule.

A meeting has been scheduled for Nov. 8 to discuss an MOU. The BCWVD still has much work to do to prepare to connect to their supply of recycled water and begin delivering it, including approval from the Division of Drinking Water and training staff. President Covington suggested the completion of the WWTP in 16 months is ambitious; the contract was just awarded. He pointed out the infrastructure needed to bring the recycled water to the BCWVD system and needed financing, concurring that there is a lot of work ahead.

President Covington stressed that he wants to make sure the District has done everything needed to push this forward as quickly as possible. Mr. Jagers listed some of the planning challenges and activities necessary and said he created a schedule and forwarded it to the City. He gave detail on some of the WWTP facilities.

Ms. Bingham read a passage from city documents regarding sale of water and said she hoped the District was aware of a 1993 contract between the City and the District that gave BCWVD all the recycled water in exchange for unlimited will-

serve letters. She said she hopes the cost does not spill over onto the ratepayers. President Covington said he understood the contracts to have been voided by the City Council in 2012. He assured Ms. Bingham there is no signed agreement between the City and the Tribe.

Director Hoffman asked if facilities fees have been set aside for funding the booster station. Mr. Jagers explained the facilities fee component for recycled water collects about \$53 million, which includes funds for booster stations. There is also a facilities fee update in progress, he advised. Director Hoffman asked about cost estimates, and Mr. Jagers explained he arrived at a cost estimate based on recent construction by other agencies.

5. Update: East Branch Extension – Noble Turnout Upgrade Status Report

Mr. Jagers reiterated that the SGPWA recently received signed plans from the Department of Water Resources and put the project out to bid. He received a set of plans and asked for all billing to assemble a cost of \$243,000 to bring to the Board for authorization.

The bid opening will be next week, but enough has changed that the cost must be accurately assessed. Mr. Jagers reviewed the changes, including the size of vaults. He now estimates the cost to be more like \$420,000 including engineering fees. It is important to move this along, he said, and avoid "sticker shock" at the end. Real numbers will be available next week. The SGPWA has a hard cost to date of \$35,640 plus a contract with Engineering Resources of Southern California for \$42,000 to complete it.

Mr. Jagers explained he also budgeted some funds for legal work to complete the agreements. He intends to bring back the bids, and an agreement with SGOWA will need to be executed to move into construction.

There will be no shutdown until December 2019, and Jagers anticipates construction to begin in April or May 2019. President Covington asked about completion date, and Mr. Jagers estimated two to three weeks. He expects water delivery to be caught up in a matter of weeks.

6. Update: Potential Security Strategies for the Noble Creek Recharge Facility Phase I

Mr. Jagers explained that a RFP has been prepared for building the facilities but there have been some developments since the Board approved moving forward.

The SGPWA is considering using chain link fence and wrought iron at their facility along Beaumont Avenue. Mr. Jagers created some drawings and figures of the fence panels and explained detail of the installation. He noted concerns about serviceability over time and suggested waiting to see the outcome of the SGPWA's project.

Director Hoffman noted there are a number of District projects that are higher priority and suggested it should be pursued but not on an aggressive basis. President Covington pointed to the options and costs presented previously. He suggested staff obtain estimates on chain link and look at color or coating options with wire across the top.

President Covington noted that he has observed people in the area at night. Director Hoffman requested specifications on gauge of the wire and diameter of posts and any upgrades. Mr. Jagers indicated the District is using a robust public works specification.

7. Well Facilities Above Ground Improvements

General Manager Jagers noted that concerns for well improvements are aesthetics, sound attenuation, security, and mitigating impacts on surrounding residences.

There are currently four well drilling projects underway, which will turn into well-equipping projects, he said. Jagers gave an overview of existing District well facilities.

Mr. Jagers described a number of the District's older wells which were built in the 1930s to 1950s and then resided in fields, but development has now occurred around them and they are noisy at night.

Jagers shared photos and described the design and workings of other facilities on which he had worked, as examples of potential design for rehab or upgrade of BCVWD's wells. He requested the Board concur on a general design or style to create the footprint of the building in which to locate the well.

Mr. Jagers explained that wellhead improvements must be identified, and general pumping facility concepts must be finalized, then wellhead construction will come back to the Board for review and comment. Staff will begin designing footprints for to fit current and future well activities including consideration of some Chromium 6 options to assure facilities can accommodate treatment.

President Covington suggested staff consider whatever is most cost effective and makes the most sense for operations. There will be variations needed for different sites depending on well equipment, he said. Covington also stressed low maintenance design, such as steel frame and metal buildings. A block building may be more appropriate when mitigating noise, or use of sound insulation, he suggested. Mr. Jagers concurred that within the City, a masonry wall and removable metal frame roof structure would be appropriate. President Covington indicated that expenditure of \$50,000 to \$80,000 for a low maintenance building that serves its purpose would be acceptable. President Covington indicated it would be acceptable to use a quality metal Borga type of building. Mr. Jagers will bring back costs.

Director Hoffman concurred with Covington and noted there are many options. President Covington noted the District is likely exempt from County of Riverside ordinance prohibiting metal buildings on lots smaller than one or two acres. He agreed the District must be sensitive in residential areas but current facilities look rough, and anything greater than what is now there is an improvement.

Director Williams asked about required insulation for noise level. Mr. Jagers described the foam panels and the sound attenuation study. Even those items can get expensive, he explained. President Covington suggested contacting vendors for prices on metal buildings. Mr. James Bean pointed out that the corrosion of metal buildings can be very aggressive due to the chemicals used. Director

Hoffman pointed out that some of that damage may be due to humidity; Bean concurred.

8. Discussion regarding Upcoming Press Release Opportunities

Mr. Jagers reminded the Board that Director Ramirez had indicated a desire to collect dialogue from the Board members on upcoming items. Of note now is the recycled water activity, Jagers said. A press release has been drafted, and the City improved and generalized it.

The next press release will focus on treatment plant expansion.

President Covington suggested the topic of Bogart Park. Director Hoffman suggested the increase in return on investments; Mr. Jagers noted that this is the District's fiduciary duty.

9. Update: Status of District Wells, Capital Improvements, and Engineering Projects

Senior Engineer Mark Swanson updated the Board on Line MD-16. He has communicated with Riverside County Flood Control and the MOU is in progress. Flood Control has been at a standstill, focused on their facilities needs due to the Holy Fire this summer. Mr. Jagers added that staff has expressed to Flood Control that before significant expenditures are made by the District the MOU must be in place.

Mr. Swanson updated the Board on activity on the pipeline project with Michael Baker and Associates, and the tanks project with Cozad and Fox.

President Covington asked about the status and timeline on two wells being drilled. Mr. Jagers noted that the plans are under review. His goal is to get the wells going as fast as possible and a bid package ready in the first couple of months of 2019.

President Covington asked about the pipeline project. Mr. Swanson and Mr. Jagers responded. The tank drawings are complete and there are some changes to be made for cost effectiveness.

10. Update: Legislative Action and Issues Affecting BCVWD

Mr. Swanson noted a few changes to the report: The federal Water Infrastructure Act was signed on October 12; the Energy and Water Appropriations bill was signed by the President on September 21.

Staff will try to research AB 2370 was signed indicating any day care facility registered with the state, built prior to 2010, is required to test for lead in faucets every five years. Mr. Swanson noted there is question as to whether the day care facility pays for and does the testing, or the District does the testing and is reimbursed. The State is working on a plan, and staff will advise the Board if there is a fiscal impact to the District.

Also signed into law at the end of September were microplastics and discontinuation of water service, but neither affect the Districts at this time, Swanson said.

President Covington asked about the status of Chromium 6; Mr. Jagers and Mr. Swanson answered they have seen nothing.

11. Reports For Discussion


- a. Ad Hoc Committees
 - o Bogart Park AD Hoc Committee: *Nothing further.*
 - o Ad Hoc Committee for Water Re-Use: *Nothing further.*
- b. General Manager

Mr. Jagers advised the Board about the City's Groundbreaking event on October 31 at 10 a.m. This is important to the District, and he plans to attend. This coincides with the 10 a.m. SGPWA bid opening for the Noble Creek facility; a BCVWD staff member will attend.

12. Topics for Future Meetings: *None.*

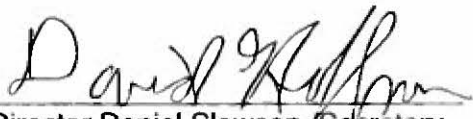
13. Adjournment

President Covington adjourned the meeting at 8:27 p.m.



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

ATTEST:



Director Daniel Slawson, Secretary
to the Board of Directors of the
Beaumont-Cherry Valley Water District
*David Hoffman, Treasurer
for Daniel Slawson*