



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, January 9, 2019 at 6:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 6:04 p.m.

Pledge of Allegiance: Vice President Slawson

Vice President Slawson led the pledge.

Invocation: Director Ramirez

Director Ramirez gave the invocation.

Roll Call:

Directors present:	President Covington Directors Hoffman, Ramirez, Slawson, Williams
Directors absent:	None
Staff present:	General Manager Dan Jaggars, Senior Engineer Mark Swanson; Senior Assistant Director of Operations James Bean, Administrative Assistant Erica Gonzales
Legal counsel:	James Markman

Members of the public who registered their attendance: Fran Flanders and Lloyd White.

Public Comment: None.

ACTION ITEMS

1. Adjustments to the Agenda: None.

2. Consent Calendar:

Item d – December invoices pending approval – was pulled for discussion.

The following Consent Calendar items were approved with one motion:

- a. November 2018 Budget Variance Report
- b. November 30, 2018 Cash/Investment Balance Report
- c. December 2018 Check Register
- e. Minutes of the Special Meeting of December 6, 2018
- f. Minutes of the Regular Meeting of December 12, 2018

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

d. December 2018 Invoices Pending Approval

President Covington noted the staff report figure is different from the balance due. General Manager Jagers explained that typically the balances from the previous statement show up, although previously approved for payment, but payment has not usually been received prior to the next invoice being generated.

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

3. Consideration of Resolution 2019-01 Acknowledging the Review, Receipt and Acceptance of the District's Investment Policy

General Manager Jagers explained the annual review and statement of the District's investment policy. He reminded the Board this policy was approved in December 2017, re-stated in January 2018, and is now before the Board for restatement. There have been no changes, Jagers said.

Director Hoffman indicated confidence that in the past this has been satisfactory and changes in investment policy have added substantially to interest income. He asked for additional feedback regarding following the policy and generation of ideas for investments within the scope of the policy, and who would make that decision. He suggested further legal review.

President Covington asked if the policy is a statement of best management practices, as it does not define in which investments the District's funds are invested. Mr. Jagers explained that for protection of the District's funds, the policy limits the legal vehicles in which the District may invest. It has been based on a standard format and adapted for the District.

Some Districts, Jagers noted, have engaged advisors to guide their long-term investments and this possibility may be before the Board in the future. He said he believes the District's current investment vehicles are satisfying its needs.

Director Hoffman added that his concerns are safety and availability of use of the money, while maximizing return on investment. President Covington asked about making changes in investments. GM Jagers reminded that when money is moved, the Board is advised. The policy allows staff some discretion to move things around, but if a more robust investment vehicle is considered, staff will bring it to the Board. These ideas are also discussed monthly at the Finance and Audit Committee.

President Covington indicated confidence that staff is monitoring investments. Mr. Jagers pointed out that the Resolution gives the General Manager oversight of the plan and the policy directs the day-to-day activity to the Director of Finance and Administration.

Director Ramirez indicated it seems staff is doing a good job. Other entities which have advisors are only obtaining 1 percent, he said. He encouraged use of advisors but not sole reliance, and advocated additional eyes on the process.

The Board adopted Resolution 2019-01 Acknowledging the Review, Receipt and Acceptance of the District's Investment Policy by the following vote:

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

4. Consideration of a Request for Update of "Will Serve Letter" for Previously Approved Development – Country Club Village (Riverside County Assessor's Parcel Nos. 400-010-003-8, 400-010-014-0, and 400-010-017-1) located in the City of Calimesa

General Manager Jagers explained the request. Country Club Village consists of a multi-use facility on three parcels, which were granted a Will-Serve Letter in December 2017. This has been moving through the development process in Calimesa with some minor revisions of the project site. The significant changes, Jagers pointed out, are a 9 percent increase in retail space, which does not consume much more water; the restaurant has increased from 6,200 to 6,500 square feet, and ultimately the building coverage across the site has been reduced by 8 percent.

Staff believes there is no significant change in water demand.

Director Ramirez noted that Mr. Jagers had answered a question regarding a change on the original amount of senior living and he has no objection. In response to Director Hoffman, Mr. Jagers confirmed that this area had been annexed into the District.

The Board approved the updated and modified "Will Serve Letter" for Previously Approved Development – Country Club Village (Riverside County Assessor's Parcel Nos. 400-010-003-8, 400-010-014-0, and 400-010-017-1) located in the City of Calimesa by the following vote:

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

5. Consideration of Request for "Will Serve Letter" for Riverside County Assessor's Parcel No. 401-110-046 located on Kadev Avenue, South East of Oak Glen Road, South of Tokay Street in the Community of Cherry Valley

Mr. Jagers explained this is a proposed single-family residence on an undeveloped lot for applicants Jocelyn Garcia and Tyler Large. In response to Director Ramirez, Mr. Jagers explained current front footage fees would be applied. Director Ramirez asked when the last adjustment of such fees was; Mr. Jagers answered the facilities fees were adopted in 2008, and the rate study was adopted in 2010.

The Board approved the Request for a new "Will Serve Letter" for Riverside County Assessor's Parcel No. 401-110-046 located on Kadev Avenue, South East of Oak Glen Road, South of Tokay Street in the Community of Cherry Valley by the following vote:

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

6. Consideration of a Request for Update of "Will Serve Letter" for Previously Approved Development – Parcel Map 35266 (Parcel Nos. 1 and 3) San Gorgonio Village (Riverside County Assessor's Parcel Nos. 419-260-057 and 419-0260-059) located in the City of Beaumont

Mr. Jagers reminded that this has been before the Board a number of times as the San Gorgonio Village Specific Plan approved by the Board in the mid-2000s when the Kohl's was constructed. There have been minor revisions to the tenants in the market and business complex, but it is in accordance with what was approved previously.

Director Ramirez asked Mr. Jagers if there were any concerns. Mr. Jagers noted some revisions to total square footage but is generally the same project as it comes to water supply. He noted that the SGPWA has identified new water supply and executed deals to obtain more water. The District's planning activities, including recycled water, show that the project's needs should be able to be satisfied, he said.

Director Hoffman noted this would contribute to the traffic issues in the area.

President Covington noted that fees were paid for Parcel 2, the Kohl's facility. He noted some fees paid for Parcel 1, but none for Parcel 3. Mr. Jagers indicated that District records show that Front Footage Fees were paid for the Kohl's development in excess of what was due. Staff is resolving the remaining fees due with the credit for fees paid and not applied to the Kohl's parcel. Facilities Fees for the new development will be due also.

The Board approved the Request for Update of "Will Serve Letter" for Previously Approved Development – Parcel Map 35266 (Parcel Nos. 1 and 3) San Gorgonio Village (Riverside County Assessor's Parcel Nos. 419-260-057 and 419-0260-059) located in the City of Beaumont, by the following vote:

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

7. Reports For Discussion

a. Ad Hoc Committees:

San Geronio Pass Water Alliance: Director Slawson reported there has been no meeting, but investments are doing well.

Collaborative Agencies: President Covington reported that it was a short meeting but there was an extended conversation about the Bogart Park transfer. He said that Mr. Jagers reported on the SGPWA water rates issue. Beaumont Unified School District said there would be no new high school for a while.

Ad Hoc Committee on Water Re-Use: Director Hoffman reported this is ongoing.

Bogart Park Ad Hoc Committee: Director Hoffman reported that the park is now under the jurisdiction of the Beaumont-Cherry Valley Recreation and Park District.

Finance and Audit Committee: Director Hoffman reported that the budget was well structured and followed closely. He expects the 2019 budget to be similar.

b. General Manager:

Mr. Jagers reported that Finance staff submitted the District's Comprehensive Annual Financial Report (CAFR) to the GFOA and received an award of excellence.

Water recharge quantities for December, Jagers reported, were 1,148.6 acre-feet. Overall recharge for 2018 was 12,121 acre-feet, which is well above replenishment need, and Banning recharged 500 acre-feet through the Noble Creek Recharge Facility. Jagers answered questions posed by President Covington about the Banning recharge agreement. Covington indicated he wants to assure that BCVWD is first in line to maximize the connection for the benefit of Beaumont-Cherry Valley.

Mr. Jagers explained that the anticipated shutdown of the East Branch Extension in December has been moved to February as the Department of Water Resources has some leaking valves to replace which requires a shutdown. Jagers detailed the construction plans for the expansion and expects it can be done in February. He plans to request the SGPWA use its recharge facility to make the BCVWD whole as to what would have been recharged at its facility. Covington suggested the SGPWA should park the water for BCVWD then roll it into the BCVWD storage account with the Watermaster at no cost.

Jaggers continued, stating he expects upgraded recharge rates of up to 20,000-acre feet. Director Hoffman asked about SGPWA's recharge capacity; Jaggers detailed the facilities. Director Slawson asked about spillage from the Beaumont Basin, and Jaggers explained that the hydrogeologist's model shows leakage to the southeast.

Jaggers reported on production from the Beaumont Basin and Edgar Canyon. Staff has been working to maximize the Edgar Canyon production. President Covington pointed out that 12,000 acre feet was pumped from the Beaumont Basin, and 12,000 acre-feet was imported. The replenishment need is approximately 9,000, Jaggers noted. Covington requested information from the Beaumont Basin Watermaster annual report to show trends in storage.

GM Jaggers advised that chemicals being added have ceased for the winter, and staff has seen a slight decline in recharge capacity due to algae growth.

Jaggers reiterated that the SGPWA advised of the East Branch shutdown in February. In October, the SGPWA reported that the next shutdown would be in December 2019. Staff is preparing to do the usual maintenance.

Well 22 has been put back in the ground and tested. The discharge piping is still underway and site grading still needs to be done to improve drainage.

c. Directors' Reports:

Director Williams reported on the Collaborative Agencies meeting. She noted the School District would be reconfiguring the high school site to a potential K-6. They also received a grant for visual and performing arts. Beaumont PD has hired new officers, and Beaumont Library a new librarian.

Director Ramirez indicated he looks forward to the Personnel Committee meeting on Jan. 28. He requested an update on the HR consultant. He requested a process for Board members to participate with the new PR firm.

d. Legal Counsel Report: None.

8. Announcements

President Covington read the following announcements:

- Water Re-Use 2x2 Committee Meeting: January 10, 2019 at 5:00 p.m.
(Location: City of Beaumont Offices 550 E 6th St.) – **canceled**.
Mr. Jaggers advised that the City of Beaumont has requested to move the meeting to a future date, as there is a new representative assigned. Director Hoffman noted he will be out of town from the 15th through 20th.
- District Offices will be closed Monday, January 21, 2019 in observance of Martin Luther King, Jr. Day
- Engineering Workshop: January 24, 2019 at 6:00 p.m.
- Personnel Committee Meeting: January 28, 2019 at 5:30 p.m.
- Bogart Park Ad Hoc Committee meeting: PENDING February 4, 2019 at 5:45 p.m.
- Beaumont Basin Watermaster Committee: February 6, 2019 at 10 a.m.
- Finance and Audit Committee Meeting: February 7, 2019 at 3:00 p.m.
- Regular Board meeting: February 13, 2019 at 6:00 p.m.

- District Offices will be closed Monday, February 18, 2019 in observance of Presidents' Day
- Engineering Workshop: February 28, 2019 at 6:00 p.m.
- Collaborative Agencies Committee meeting: March 6, 2019 at 5:00 p.m.
(Location: Beaumont-Cherry Valley Recreation and Park District – Noble Creek Community Center, 390 W. Oak Valley Pkwy)

9. Action List for Future Meetings

- Proposition 1 Bond Opportunities
- Proposition 68
- Water supply for BCVWD and the region

10. Recessed to Closed Session: 7:10 p.m.

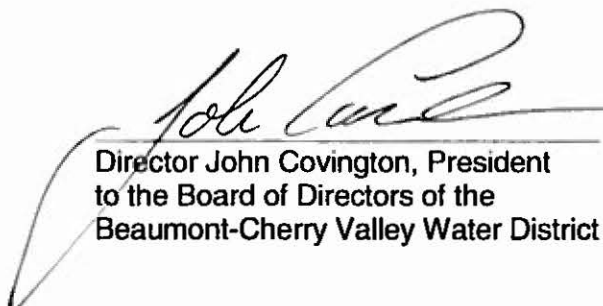
- a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54947
Title: General Manager

Reconvene in Open Session: 7:45 p.m.

Report on Action Taken During Closed Session:

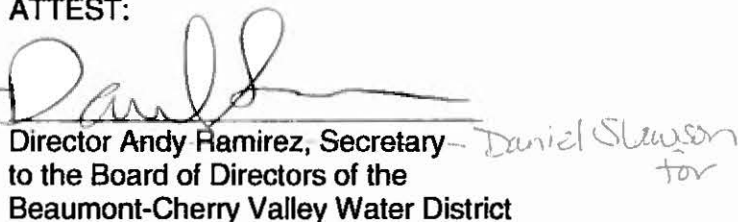
There was no reportable action taken.

11. Adjournment: 7:45 p.m.



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

ATTEST:



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