



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Wednesday, February 13, 2019 at 6:00 p.m.**

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**Call to Order: President Covington**

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

**Pledge of Allegiance: Director Hoffman**

*Director Hoffman led the pledge.*

**Invocation: Director Hoffman**

*Director Hoffman gave the invocation.*

**Roll Call:**

Directors present:	President Covington Directors Hoffman, Ramirez (exited at 7:10 p.m.), Slawson, Williams (arrived 6:07 p.m.)
Directors absent:	None
Staff present:	General Manager Dan Jagers, Senior Engineer Mark Swanson; Senior Finance and Administrative Analyst Bill Clayton, Assistant Director of Operations James Bean, Administrative Assistant Erica Gonzales
Legal counsel:	James Markman

Members of the public who registered their attendance: Dr. Blair Ball, Ron Duncan, Tim Daniels, and Lloyd White. Also present: Rhonda Strout-Garcia, principal, Human Resources Dynamics and Performance Management.

**Public Comment:** None.

**ACTION ITEMS**

**1. Adjustments to the Agenda:**

*President Covington moved item 7 to the beginning of the agenda.*

*General Manager Jagers also advised the Board that on the California Water Conditions report, the date indicated was February 7; this has been updated to today's date with newly available information.*

**(7) Discussion regarding Board training with BCVWD's Public Relations Consultant CV Strategies**

General Manager Jagers advised that a public relations firm has been engaged to assist with public outreach. In a kickoff meeting, discussed were goals and priorities for 2019, stakeholders to target, strategic partners both public and private, the media landscape, key messages, rates outreach, the centennial celebration, creation of a newsletter and welcome packet, and timelines.

*6:07 p.m. - Director Williams arrived.*

Mr. Jagers noted video production is also included in CV Strategies' proposal. A general overview of outreach for messages the Board may want to communicate can be included in a Board training session, to be scheduled at the Board's convenience.

Also discussed was social media product and process and anticipated communication challenges, and District resources.

Director Ramirez asked about Board communication with the PR firm. Mr. Jagers recommended the Board meet with the firm to discuss goals and objectives. Director Ramirez suggested this be scheduled at the next Engineering Workshop. Mr. Jagers will check with the firm.

**2. Consent Calendar:**

*Item a – December 2018 Budget Variance Report – was pulled for discussion.*

*The following Consent Calendar items were approved with one motion:*

- b. December 31, 2018 Cash/Investment Balance Report
- c. January 2019 Check Register
- d. January 2019 Invoices Pending Approval
- e. Minutes of the Regular Meeting of January 9, 2019
- f. Minutes of the Regular Meeting of January 24, 2019

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

**a. December 2018 Budget Variance Report**

President Covington introduced the item, the 2018 year-end budget adjustments. Mr. Jagers advised there were two higher-than-budgeted line items discussed at the Finance and Audit Committee last week: purchase of more State Water Project Water than anticipated because more was available than was budgeted, and electricity for wells, as more water was pumped. President Covington clarified this will be a budget transfer from reserves. He asked about potential for a line item increase for water in 2019. Mr. Jagers explained this is a wet period, when water is available for purchase for storage for dry years. Staff continually analyzes supply, he said.

Director Hoffman noted the comparison of total annual budgeted expenses at \$13,718,000 with 4.25 percent of budgeted funds remaining despite the overages. He said he felt the staff did a good job of staying close to budget and indicated he finds this satisfactory.

*The following Consent Calendar item was approved by the following vote:*

*a. December 2018 Budget Variance Report*

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

**3. Consideration of Sites Reservoir Phase 2 Agreement and Authorization of Related Expenditure for 2019 Participation, Not-to-Exceed \$267,790.50**

President Covington reminded the Board that this was discussed at the last meeting, and it was requested that staff bring it back for final discussion.

Mr. Jagers reiterated that the San Geronio Pass Water Agency (SGPWA) is moving forward with a participation of 14,000 acre-feet in the Sites Reservoir Project for the Phase 2 / 2019 activities. SGPWA General Manager Jeff Davis made a presentation at the last Board meeting. The cost for BCVWD's commitment of 4,000 acre-feet in Phase 2 is \$240,000 based on \$48.50 per acre-foot, with an added \$27,790.50 for conversion of the Phase 1 Class 2 water to Class 1 water. He reminded the Board that the water supply is not secured until the project is built, but this moves the District from an uncertain supply. He requested authorization to prepare a check for the two items set forth. The payment is due on Friday.

In response to Director Ramirez' request to clarify for the public, Mr. Jagers repeated the Class 1 and Class 2 water conversion explanation. Director Hoffman expressed hope that the Sites Reservoir will become reality and said the time is now to be on board, as the water is needed with the area growing. He said he is cautious about the risk of spending money that may result in no return, but there is no additional information that will make the decision more comfortable to move forward. Director Hoffman said he believes the price is good and that it is something the Board must strongly consider.

President Covington explained that he compared the 2017 agreement with the new Phase 2 agreement and noted he is happy with the Phase 2 agreement and glad that Mr. Jagers went to the SGPWA to recommend there be an agreement on the table in order to move into Phase 2. He noted the Phase 2 agreement has few changes from the 2017 agreement and he believes that BCVWD has covered all the bases as best it can given unsecured money: "you're in or you're out," and that has been known since 2016 when this first came to the Board.

*The Board approved the Sites Reservoir Project Participation in Phase 2 Reservoir Project Agreement between the San Geronio Pass Water Agency and the Beaumont-Cherry Valley Water District for the District's 4,000 acre-feet share and participation in SGPWA's 2019 Phase 2 Participation of the Sites Reservoir Project and authorized expenditures not-to-exceed \$240,000 for the 2019 Phase 2*

*Participation to fund the District's Sites Reservoir Project share consisting of 4,000 acre-feet of SGPWA's 14,000 acre-feet and authorized expenditures not-to-exceed \$27,790.50 for the conversion of 1,146 acre-feet of Class 2 water to Class 1 water and as stated in the attached January 11, 2019 letter from the San Geronio Pass Water Agency by the following vote:*

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

**4. Review of Project Status and Review and Consideration of the San Geronio Pass Water Agency Invoice for the East Branch Extension Noble Turnout Upgrade and Authorization for Expenditures not to Exceed \$60,000 for the Department of Water Resources Construction and Plan Check Deposit**

General Manager Jagers reminded the Board this was brought forward previously. The estimate of DWR charges was based on available information as of August 31, 2018 after completion of plan check. The SGPWA conveyed a \$60,000 deposit to the DWR toward the Noble Creek turnout expansion. Some of the work was included in the estimate previously requested for authorization but the SGPWA is asking for reimbursement of their deposit with the expectation that the remainder of the deposit will be returned to them, then to the BCVWD. Staff believes it appropriate to extend coverage to the SGPWA deposit paid.

Mr. Jagers said he anticipates the work will be completed around March 15. The SGPWA is working concurrently on their expansion of the Mountain View turnout. He said he hopes there will be economies of scale when the DWR participates, and estimated another \$10,000 to be consumed from the deposit on these activities. Director Ramirez noted the initial estimate by the consultant seemed to be off by a significant amount. Mr. Jagers said he believes the deposit request is based on the valuation of the project and the DWR seems to have considered this a brand new project. Additionally, the project dragged on longer than anticipated and the District was caught with higher tariffs on materials.

Director Hoffman asked about the budget for construction costs; Mr. Jagers replied it is in the Capital Improvement budget. Hoffman also reported that work has begun on the project; there is equipment and activity on the site.

President Covington clarified that the project has already been approved by DWR, plan checked and design approved, and asked if the remainder of the deposit would be for inspection services or other activities. Mr. Jagers said he expects there will be work regarding hooking up telemetry of the new valves and interfacing with their system, plus a site visit.

Director Hoffman asked if photos were being taken of the work. Mr. Jagers said he and Mr. Bean attended a SGPWA tour of the facility and took photos. Staff is watching the facility and additional photos have been taken.

Director Ramirez expressed displeasure with the continued increase in expenditures and stated that he understands the need, but believes the market has become unfair.

*The Board approved payment of the San Geronio Pass Water Agency Invoice for the East Branch Extension Noble Turnout Upgrade and authorized expenditures not-to-exceed \$60,000 for DWR Construction and Plan Check Deposit by the following vote:*

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

**5. Resolution 2019-03: Consideration of Approval of Water Supply Assessment and Update to “Will Serve Letter” for Water Service for Hidden Canyon Industrial Park located south of State Highway 60 and west of Potrero Boulevard (Riverside County Assessor’s Parcel Nos. 421-020-001 and 421-020-006)**

President Covington reminded the Board that this was on the agenda and discussed at length at the previous Board meeting. Mr. Jagers explained this is a housekeeping activity to assure compliance with state legislation. In the mid-2000s, the BCVWD approved a project of 426 residential dwelling units and associated commercial and development space. In 2001, that project was reconceived as a commercial warehousing and distribution center of 2.8 million square feet. Because of the square footage, a WSA was required.

Using the District’s Urban Water Management Plan and White Papers, the WSA has been updated and projects 20 years to determine if water supply could support the project. The WSA identifies that for the requested 59 acre-feet of water for the development landscaping and domestic supply (24 acre-feet for potable, and 35 acre-feet for non-potable); the District can meet the demand.

President Covington pointed out the project water demand was reduced from 290 acre-feet per year to 59 or 60. Director Ramirez asked if there had been any comment from the City. Not regarding the District’s involvement, Mr. Jagers noted, although the City has approved the project and it is in plan check. There are nuances to be worked out such as fire flow.

Director Ramirez asked if similar projects in the future might be conditioned to include recharge basins; Mr. Jagers noted this project is outside the Beaumont Basin, and the developer will be asked to provide a well site as part of the development. With stormwater runoff and discharge from the treatment plant in the area, the goal is to get that water back via activities such as return flow losses out of the Beaumont Basin through San Timoteo, Jagers explained. Every opportunity to improve water flow collection in those kinds of facilities will be pursued, he said. In response to Director Ramirez, Mr. Jagers stated there is no easement on the development property but there is a water quality basin, which effectively creates a recharge opportunity.

*The Board adopted Resolution 2019-03 approving the Water Supply Assessment and Update to “Will Serve Letter” for Water Service for Hidden Canyon Industrial Park located south of State Highway 60 and west of Potrero Boulevard (Riverside*



*County Assessor's Parcel Nos. 421-020-001 and 421-020-006) located in the City of Beaumont by the following vote:*

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

**6. Consideration of a Request for "Will Serve Letter" for 9087 Avenida Miravilla (formerly known as Riverside County Assessor's Parcel Nos. 401-190-033, 401-190-034 and 401-190-035 located on Nonie Court) in the Community of Cherry Valley**

*6:48 p.m. – Director Hoffman recused himself from the discussion and vote and exited the Board Room.*

Mr. Jagers reminded the Board that this item has been discussed at previous meetings. The applicant, Tim Daniels, and his wife, are present at the meeting. Staff has met on site with the applicant and a solution was discussed at the Engineering Workshop on January 24. The parcels originally had a Will-Serve Letter when they were split by a former owner. Mr. Daniels has merged the parcels and is looking for a solution for one service for his house. The most cost effective solution that satisfies the District, Jagers explained, is the realignment of existing facilities that cross the property.

The applicant would re-align the waterline along his property and the District would replace the aging water lines south of the property, on property owned by Director Hoffman. Mr. Jagers noted that much staff time is spent addressing leaks on the aging lines and this solution seems most cost effective.

Mr. Jagers noted that this solution does not provide the required fire flow and this has been verbally communicated to the owner.

President Covington asked about costs to be borne by the District on this project. General Manager Jagers identified the pipeline replacement location and indicated there is not yet a final alignment determined. The District will assess after the property owner's work is finished; staff is not yet requesting authorization for the replacement work. He estimated \$4,000 to \$5,000 in materials plus staff labor.

President Covington asked about fire flow, additional service connections, and performance of the work. Jagers replied there are no other connections and the applicant's contractor would be responsible for the work on his property; the District would perform inspections. In response to Director Ramirez, Mr. Jagers noted there is a fire hydrant approximately 900 feet north on Ave Miravilla, and one 1,200 feet south at Ave Miravilla. General discussion ensued on fire flow possibilities.

*The Board approved the Request for "Will Serve Letter" for 9087 Avenida Miravilla (formerly known as Riverside County Assessor's Parcel Nos. 401-190-033, 401-190-034 and 401-190-035) located in the Community of Cherry Valley, with the*

*caveat that the design of any blow off valve is located on the right-of-way by the following vote:*

MOVED: Ramirez	SECONDED: Williams	APPROVED 4-0
AYES:	Covington, Ramirez, Slawson, Williams	
NOES:	None.	
ABSTAIN:	Hoffman	
ABSENT:	None.	

*Director Hoffman rejoined the meeting at 7:00 p.m.*

**7. Discussion regarding Board training with BCVWD's Public Relations Consultant CV Strategies**

*This item was addressed earlier in the meeting.*

**8. Update regarding Office Rental Space**

General Manager Jagers advised that staff is negotiating with two potential properties. One building under consideration has some existing office improvements that are not conducive to the District's needs.

Senior Engineer Mark Swanson explained that the District needs one to two additional office spaces (130 to 190 sq. ft.) plus a few cubicles. A consultant was retained and determined that reconfiguring of existing space could result in more cubicles but no additional office space. The modular building was limited due to ADA compliance and fencing to secure the site.

Staff has looked at a couple of facilities for lease and will look at a couple more, Swanson explained. Mr. Jagers added that the District had been looking for 1,300 to 1,400 square feet. Under consideration now, Swanson continued, is 1,000 sq. ft. at \$1.40 per sq. ft. per month with no CAM charges. The manager indicated terms are negotiable but an escalator is usually included. A three to five year term with extension is possible. New walls and electrical work would be necessary; Swanson estimated a cost of about \$20 per sq. ft.

Director Ramirez asked about repurposing a portion of current space, specifically the Board chamber. Both Mr. Swanson and Mr. Jagers suggested the meeting space will likely be necessary for meetings in the future, but Director Ramirez pointed out those incidences are rare. Staff has discussed using the space for temporary work when necessary, but has not considered remodeling. The concept, Jagers said, is to have Operations and Engineering in another facility. One thousand square feet is probably less than what is currently needed.

President Covington asked for detail on the consultant's work. Mr. Jagers explained they proposed two more cubicles but it condensed the existing cubicles even smaller and they are already narrow for engineering activities.

*7:10 p.m. – President Covington noted the exit of Director Ramirez.*

Director Hoffman agreed the Board room is seldom filled to capacity and suggested if larger accommodation is needed a meeting could be held at a different location. Discussion ensued about the reduction of meeting space.

Mr. Swanson shared layout options. Mr. Swanson replied to Director Hoffman's questions about ADA compliance. Mr. Jagers concluded that the target needs to be 1,200 to 1,400 square feet minimum, or 1,400 to 1,600 as was originally envisioned. President Covington indicated support for a move to adequate professional space with conference room and cautioned on costs of tenant improvements and ADA requirements.

Mr. Swanson reported that he is going to view another space but it is further away.

President Covington suggested staff determine the best option and bring back for approval. Director Hoffman suggested an interim solution may be productive, but expressed support for the staff's needs.

#### **9. Update and Discussion regarding California Water Conditions as of February 13, 2019**

Mr. Jagers pointed out this is shaping up to be a 60 to 80 percent water year for California. Some of the challenges are the BCVWD facility shutdown due to the work at Crafton Hills Reservoir and the timing of the upgrades.

GM Jagers explained the state of the snowpack and an anticipated wet snowstorm (atmospheric river). Current reservoir levels are above historic average across California. Due to the levels, the state may ask agencies to take their water (Article 21 water). With the current turnout shutdown, the District will be unable to take the water. In addition, the SGPWA facility will not be back online until the end of March. This is a potential missed opportunity for additional supply not counted against the Table A allotment.

Mr. Jagers hopes the SGPWA reaches out to other state contractors who might have space available and consider a trade.

President Covington recalled previous meeting discussion and asked about the Crafton Hills shutdown. Mr. Jagers reminded there was supposed to be no February shutdown; instead a shutdown in December. Subsequently, Valley and Yucaipa agreed on a February shutdown without advising other agencies and against the request of BCVWD. Jagers said he believes there will also be a December shutdown.

GM Jagers advised that the Beaumont-Cherry Valley Recreation and Parks District fishing derby is scheduled in early April, and that agency has been notified of the construction schedule of the east branch extension. The SGPWA has assured they will do whatever is necessary to assure water flow to the ponds.

#### **10. Review of BCVWD Grant Opportunities**

Mr. Jagers advised the Board that the grant writer has submitted for a \$4.4 million / 50-50 matching funds recycled water grant opportunity through the Santa Ana Watershed Project Authority and the One Water, One Watershed activity.

There is a mandatory meeting at the end of the month then a process possibly resulting in a project status update in July. Other grant opportunities are being



addressed by consultant Townsend and Associates: AMI conversions, solar initiatives, turf removal funding, and SCADA system upgrades.

Additionally, Townsend is keeping staff updated on happenings at the state such as Governor Newsom's support of one tunnel for the Cal Water Fix. President Covington suggested keeping eyes on the rollout of Prop. 68.

#### **11. Update: Well 26**

Assistant Director of Operations James Bean reminded the Board of the failure of the Well 26 motor, which was sent in for evaluation. It had been expected to be covered under warranty work. Instead, the problem will require the motor to be re-wound which is not warranty work; it will be a total cost of approximately \$15,000 including reinstallation. Staff authorized the work, as the well will be needed back online before summer and it is within the General Manager's purchasing authority. Funds are available in the 2018 equipment maintenance and repair budget.

Director Slawson asked about guarantee on the winding. Mr. Bean assured there would be an additional warranty. Director Williams asked about the length of the warranty; Mr. Bean replied it is one year.

#### **12. Reports For Discussion**

##### **a. Ad Hoc Committees:**

San Geronio Pass Water Alliance: Director Slawson reported there was discussion on water supply and water rates. All is on hold now while studies are being done.

2X2 Recycled Water Committee: Director Hoffman indicated the group is awaiting a meeting date.

##### **b. General Manager:**

Mr. Jagers reported that Beaumont-Cherry Valley Recreation and Parks District General Manager Duane Burk identified that their Board would like to do a monument at the Bogart Park entrance to memorialize the new relationship with the City and BCVWD as an ongoing project. He suggested a semi-annual or quarterly meeting for the Ad Hoc Committee while moving forward to determine solutions. President Covington asked if meetings would include the County; Mr. Jagers indicated the County is now out of the park.

##### **c. Directors' Reports:**

Director Hoffman said he noticed ongoing disking at District sites looks good. He said he noticed the landscape crew working at Phase 1 and everything is looking good.

##### **d. Legal Counsel Report: None.**

### **13. Announcements**

*President Covington read the following announcements:*

- 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)
- Finance and Audit Committee meeting: March 7, 2019 at 3:00 p.m.
- Personnel Committee Meeting: March 25, 2019 at 5:30 p.m.
- Beaumont Basin Watermaster Committee special meeting: March 27, 2019 at 10 a.m., Mr. Jagers will clarify this date.

### **14. Action List for Future Meetings**

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

Mr. Jagers advised that with the new grant activities, the intent is to report on those items as the grant writer moves forward. These are covered under that report and can be removed from this list.

### **15. Recessed to Closed Session: 7:55 p.m.**

- a. CONFERENCE WITH LABOR NEGOTIATORS  
Pursuant to Government Code Section 54957.6  
District Designated Representatives: Dan Jagers, General Manager  
Employee Organization: BCVWD Employee Association
- b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Pursuant to Government Code Section 54947  
Title: General Manager

**Reconvene in Open Session: 9:11 p.m.**

### **Report on Action Taken During Closed Session:**

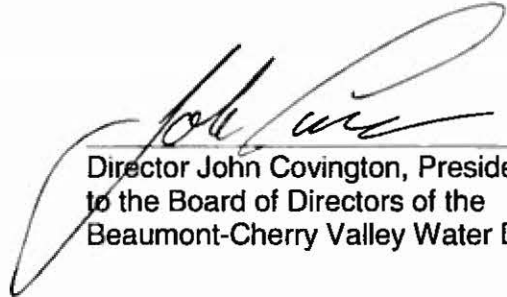
- a. CONFERENCE WITH LABOR NEGOTIATORS  
Pursuant to Government Code Section 54957.6  
District Designated Representatives: Dan Jagers, General Manager  
Employee Organization: BCVWD Employee Association

*There was no reportable action taken.*

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

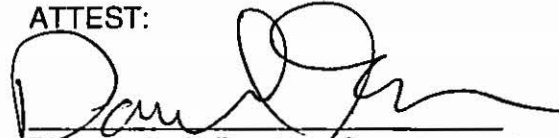
*The Board voted to provide a 5 percent salary increase to the General Manager, effective January 1, 2019.*

**16. Adjournment: 9:11 p.m.**



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

ATTEST:



\_\_\_\_\_  
Director Andy Ramirez, Secretary  
to the Board of Directors of the  
Beaumont-Cherry Valley Water District

*Daniel Lawson  
for*

