



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING – ENGINEERING WORKSHOP
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Thursday, February 28, 2019 at 6:00 p.m.**

Call to Order: President Covington

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

Director Ramirez led the Pledge of Allegiance

Invocation was given by Director Williams

Roll Call:

Directors present:	Covington, Hoffman, Ramirez, Slawson, Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers, Director of Finance and Administrative Services Yolanda Rodriguez, Assistant Director of Operations James Bean, Senior Engineer Mark Swanson, Accountant III Lorena Lopez, Senior Accountant Sylvia Molina, Administrative Assistant Erica Gonzales, Senior Finance and Administrative Analyst Bill Clayton, Accounting Technician Sally Hernandez

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

Public Comment: None.

President Covington advised the Board of an Emergency item which will be addressed later in the Agenda as item 9 and drew attention to the staff report handout.

ACTION ITEMS

1. Presentation of the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for BCVWD's 2017 Comprehensive Annual Financial Report and Photo Opportunity

General Manager Jagers reminded the Board that this award had been discussed previously. Ms. Fran Flanders expressed appreciation for the District's work and achievement of the CAFR award.

2. Consideration of Award of Contract for Well No. 3 – Well and Well Pumping Unit Rehabilitation and Repair

General Manager Jagers explained service intervals for Well 3 and said that Operations staff noticed a problem potentially relating to worn bearings. The Board was advised of the issue at a previous meeting, staff subsequently solicited bids,

and four contractors responded. Jagers explained the bids range up to \$124,000. He noted that Legend Pump and Well Services, Inc. has been the low bidder in the most recent bid opportunities and is once again at \$64,075 for the base bid, plus chemical well rehabilitation at \$38,866 for a total bid of \$102,941.

Mr. Jagers pointed to the staff report summarizing the work that staff believes may be needed and noted there is 10 percent added to the budget in case of other issues such as replacement of worn shaft and bearings.

President Covington asked the depth and diameter of the well. Assistant Director of Operations James Bean answered it is 850 feet deep and a 16-inch diameter. Covington asked about chemical treatment. Mr. Jagers explained that staff always bids chemical treatment just in case; but the main issue is to address the noise.

Director Williams asked about the state's re-evaluation of Chromium 6 and whether the well would be usable if the state sets a new maximum contaminant level (mcl). Mr. Jagers explained that a judge threw out the state's mcl upon finding that proper due diligence associating the cost with the actual treatment was not done. A state water advisory group has been formed to discuss Chromium 6 and there are some more cost-effective treatments being evaluated, he said. In addition, it is possible the maximum contaminant level would be set higher, in which case the BCVWD would no longer be affected. General Manager Jagers explained some potential lower cost options and indicated treatment is better than drilling a new well. President Covington said he remembered Well 3 being barely over the previous mcl and agreed that a \$150,000 cost of treatment would be better than a new \$1.5 million well.

Director Ramirez asked about the cost for video inspection. Mr. Bean indicated it is about \$1,000. Ramirez asked about in-house camera equipment and the procedure for well video; Mr. Bean explained the process and said he believes it feasible to continue this work as part of a contract.

The Board the Award of Contract for Well No. 3 – Well and Well Pumping Unit Rehabilitation and Repair to Legend Pump and Well Service in the not-to-exceed amount of \$113,240 by the following vote:

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

3. Consideration and approval of amended 2019 Salary Schedule to reflect General Manager Salary Increase

President Covington reminded the Board that the General Manager salary increase had already been approved at the February 13, 2019 Board meeting in closed session. The item in consideration here is only the amendment to the Salary Schedule.

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The Board approved amended 2019 Salary Schedule to reflect General Manager Salary Increase by the following vote:

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

4. Discussion of SGPWA Rate Study, Capacity Fee Study, Tax Based Funding and SGPWA Schedule of Activities

General Manager Jagers updated the Board, reminding that the San Geronio Pass Water Agency has indicated their costs are increasing and believes a rate increase is necessary. Some of the water managers have given it a hard look. A large component of the cost is the Nickel Water deal, which costs \$1,000 per acre-foot (AF) for 1,700 AF of water (\$1.7 million) per year. This is creating a burden regarding how this is to be funded moving forward. If the SGPWA cannot figure out a funding mechanism other than rates, the BCVWD as its largest consumer is most significantly affected.

Mr. Jagers indicated that Yucaipa Valley Water District has also been evaluating the situation and pointed to a summary of 2018 invoices from the Department of Water Resources (DWR) to SGPWA done by YVWD. He explained the cost components ranging from today's values of \$317 up to \$617 then revised down to \$539, mostly related to increasing energy costs of moving water down to this area.

YVWD suggested a different model, Jagers explained, that does not include the Nickel Water cost until 2021, which would allow smoothing of the rates. SGPWA General Manager Davis offered counterproposals which ultimately included some of the Nickel Water, Jagers said, which equates to a rate in 2021 of \$539 per AF.

Mr. Jagers explained additional SGPWA water deals with the City of Ventura and pointed to an analysis of State Water Project energy costs from YVWD.

In response to President Covington, Mr. Jagers briefed the Board on the potential funding plan for the Nickel Water costs.

A lot of work has been done, Jagers said, and all of the managers are committed to finding a solution to support the water supply project. Mr. Jagers said he has advocated for a holistic plan that includes a capacity fee component, a tax-based funding strategy for near- and long-term projects, the interim deals and the ongoing cost of water.

President Covington indicated he is attending the managers meetings and this is very complex. It will not be solved in the very short term, he said.

Mr. Jagers added that the SGPWA has made some changes in the temporary metering system which served the BCVWD over the past year. The SGPWA also advised the BCVWD that the Department of Water Resources will also be making some adjustments, which will result in the water delivery system being constrained to 16 cfs. BCVWD has been taking 20 cfs and is upgrading the turnout to go to 34.

In addition, the SGPWA is anticipating loss of up to 4,000 AF as the San Luis Reservoir has reached capacity and continues to spill water.

These unplanned shutdowns are a stranglehold on the East Branch Extension, President Covington pointed out, and suggested including communication with officials at the DWR.

Director Williams asked about the costs for Nickel Water and if the BCVWD ratepayers would ultimately be paying these costs. Mr. Jagers noted there are various funding mechanisms under discussion.

5. Discussion regarding Beaumont Avenue Road Rehabilitation – Meter / Service Replacement

Mr. Jagers explained the City of Beaumont plans to reconstruct Beaumont Avenue and that the District has some services in that street. There are some components of the system within that street that need attention, he said, similar to the 8th Street project recently completed.

Senior Engineer Mark Swanson explained the project, which will focus on work within areas where the street will be reconstructed. Services identified will be pulled and replaced prior to the street project. The City has not yet put this out to bid the design, but once the design is contracted, Mr. Swanson will coordinate with that agency.

Mr. Swanson explained related areas of concern for pipeline replacement at 9th Street from Beaumont Avenue to Euclid, and 11th Street from Beaumont Avenue to the alleyway.

President Covington asked about leaks in the area and the impetus for the work. Mr. Swanson indicated the pipelines are a galvanized material which is no longer used, and will be replaced with copper. New meters will be placed where necessary. Poly / plastic lines will be replaced. Leaks and repairs are mainly in the two pipelines indicated. Mr. Jagers explained that staff examined each meter box to identify which were not copper services, and older lines would be replaced.

President Covington asked about fire service and hydrants. Mr. Jagers said he believes they are all steel or ductile iron runs.

There was such a cost savings on the 8th Street project, Jagers said, staff is considering a similar methodology. The next step is to design the project and identify each specific component and further refine the plan.

President Covington asked about doing some work in-house; Mr. Swanson indicated this will be considered and Mr. Jagers added that the hybrid approach last time was to hire a contractor to provide the installation labor and the District provided materials.

Director Ramirez asked about other materials less prone to corrosion. This area of the City, Mr. Swanson noted, does not seem to experience corrosion issues. The District standard is ductile iron, Mr. Jagers explained. Director Ramirez suggested that in planning for 50 years in the future, other materials should be examined and assessed.

In response to Director Hoffman, Senior Engineer Swanson explained that older meters will be upgraded to radio read meters. Director Slawson commended staff for coordinating with the City.

6. Consideration of Declaration of Surplus Property and Method of Disposal

General Manager Jagers advised the Board that the District owns trucks with various significant issues and pointed to the detail in the staff report. Also at issue is a 1997 backhoe with a transmission and brake problems and an engine that is no longer serviceable due to the requirements of the South Coast Air Quality Management District. Repair quotes were in the range of \$25,000 to \$30,000 which is above the value of the equipment.

The trucks listed are those which the District has purchased replacement vehicles. District policy requires these to be advertised for sale and sealed bids brought to the Board. Another option, Jagers explained, is to deviate from the policy and instead, auction the vehicles and recover whatever value might be possible. This would also be a more efficient use of staff time. Director Ramirez concurred. Director Hoffman commented that an auction offers broader exposure, and suggested also eBay and Craigslist. The sealed bid is the least efficient way to accomplish the goal, Hoffman posited.

The Board approved and declared the following surplus property:

Plate Number	Vehicle Make/Model	Estimated Value
N/A	1997 Cat Backhoe 416C	Unknown
1281516	2008 Ford F-150	Unknown
1164767	2006 Ford F-250	Unknown
1272898	2008 Ford F-250	Unknown
1122315	2005 Ford Ranger	Unknown
1184583	2004 Dodge 1500 4X4	Unknown

and approved variance from District Policies and Procedures Part III, Section 18 A ii – iv in authorizing staff to utilize a third party auction service to auction the above vehicles by the following vote:

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

Director Hoffman added there is also a nationwide online auction available.

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

General Manager Jagers advised the Board that capital improvement projects are moving forward. Next week, a Request For Proposal for the wall project to enclose the site of Well 25 will be released. Staff is working on an RFP for the rate study and expects to advertise and post it Monday or Tuesday.

Director Ramirez asked about the Board Room audio project. Mr. Jagers explained the audio-video system is circa 2007-08 and much of the equipment is bandaged together. The project includes new speakers, changing the way sound is delivered in order to improve service to the public. The amount budgeted is intended to satisfy the update of all components; actual costs may be less. This would be facilitated by the District's IT Manager. President Covington pointed out that when in the audience, it is difficult to hear in the Board Room and difficult to see the screen.

President Covington asked staff to add to the spreadsheet a percentage estimate toward completion.

General Manager Jagers noted that IT projects are moving forward.

8. Update: Legislative Action and Issues Affecting BCVWD

Senior Engineer Mark Swanson highlighted the staff report and noted that the new governor has indicated he prefers to scale back the Twin Tunnels project to one tunnel. The Metropolitan Water District will respond and BCWVD will monitor.

The proposed water tax to benefit disadvantaged communities may be brought back by Gov. Newsom. Staff will watch.

Legislators are beginning to come back and staff will monitor any developments. Mr. Swanson noted the new SB 559, a proposal for \$400 million to repair the Friant-Kern Canal. Swanson also pointed to the approval of SB 606 and AB 1668 which do not take effect for a few years, however Mr. Swanson has heard that conservation should be communicated – not because of drought conditions, but because legislation is driving it. The District should begin to get the word out about conservation and this will be discussed at a future date.

Mr. Jagers noted that he and Mr. Swanson gave a presentation at the meeting for the One Water, One Watershed grant funding opportunities, asking for \$2.2 million out of the \$4.4 million available for recycled water. The next step is a ranking in early March, followed by an interview process. The next Water Re-Use Committee meeting has been scheduled for Wednesday at 5 p.m., Jagers noted.

President Covington asked about the ranking of projects; Mr. Jagers answered that ranking will be done by the Santa Ana Watershed Project Authority.

President Covington re-ordered the agenda to include the following Emergency item:

9. EMERGENCY ITEM

Ratify Emergency regarding the necessary and immediate repairs to Booster 21A and Well 21.

General Manager Jagers reported that on Monday evening staff identified that the 21A booster motor had reached the end of its service life and shorted. An

electrician verified the issue. The motor of Well 21 in the same building shorted that evening, also. GM Jagers said he found the condition suspect but Southern California Edison advised they had no service area issues.

The booster station motor and pumping unit are critical pieces of equipment moving into the summer months, Jagers stated, and he stressed that the need for immediate repair constitutes an emergency. Staff has identified and instituted temporary solutions and Jagers explained the options for needed repairs. Staff recommends Option A for a total of \$19,723.20 including a 20 percent contingency due to the emergency status. Option B includes an available 150 hp new motor at an estimated cost of \$5,461 which requires additional work, for an estimated total of \$23,961.60.

Either option is one week to 10 days estimated work time. The GM is authorized to spend up to \$25,000 in an emergency situation; this is coming to the Board in the interest of transparency.

The cost of the 400 hp Well 21 pumping unit repair is estimated to be \$25,294.80 including all work and contingency. A new motor would be approximately \$47,000, Jagers explained.

Declaration of an emergency situation is warranted, Jagers explained, as the Well 21 booster provides essential redundancy, and staff wants to pull Well 3 to service it prior to summer. Legend Pump and Well was brought in, as they have been consistently the lowest bidder on the last few projects. They confirmed the issues. President Covington indicated he understands the importance.

Director Ramirez asked about the age of the pump at Well 21; Mr. Bean said the age of the booster pump is estimated to be 43 years old and the well pump may be as old as 30 years. Director Ramirez asked about regular maintenance schedules; Mr. Bean indicated that proactive maintenance schedules are being created starting with wells in Edgar Canyon.

President Covington noted that given the age of the motors, he would recommend buying new, high efficiency equipment for \$70,837.20 including 20 percent contingency for the required modification. Director Ramirez concurred. GM Jagers cautioned that within the next five years, there will be a CIP project to re-equip the Well 21 boosters to pump to a different pressure zone, requiring lower horsepower motor. Buying new motors now would mean they are oversized. Mr. Jagers noted that staff can investigate re-use of the motors.

Some of the expense will be recovered in energy efficiency, President Covington noted. The additional \$30,000 may not be fully recovered in five years before the retrofit of the booster station. He also pointed out that a rewind of the motor would come with only a one-year warranty. Director Slawson asked about additional work. Mr. Jagers said he believes the 20 percent contingency would cover any potential.

Director Ramirez noted risk of repairing old motors, and continued to recommend purchasing new. Director Williams asked about well shaft work that will be required for the retrofit in five years, Mr. Bean responded that work on the booster station would have to be re-done during the retrofit, but not work on

the well. Director Williams suggested a combination of repair and new motors. After discussion, directors reached consensus on purchase of new equipment.

The Board ratified the declaration of emergency condition and approved Option 1B: Replacement of the existing 21A Booster Pump Motor, and Option 2B: Replacement of the existing Well 21 Pump Motor by the following vote:

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

10. Topics for Future Meetings

Draft Memorandum of Understanding with the City of Beaumont on Recycled Water

11. Announcements

President Covington read the following announcements:

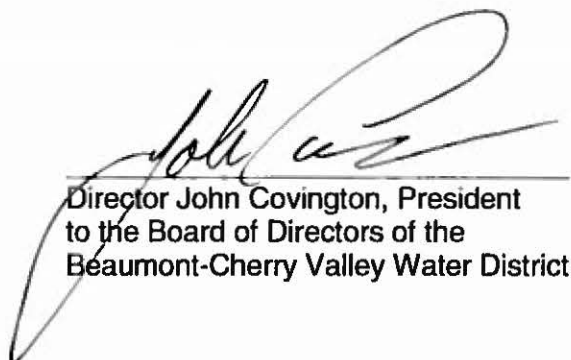
- Beaumont Basin Watermaster Committee: March 6, 2019 at 11:00 a.m.
- Collaborative Agencies Committee meeting: March 6, 2019 at 5:00 p.m.
(Location: Beaumont-Cherry Valley Recreation and Park District – Noble Creek Community Center, 390 W. Oak Valley Pkwy)
- Finance and Audit Committee meeting: March 7, 2019 at 3:00 p.m.
- Regular Board meeting: March 13, 2019 at 6:00 p.m.
- Personnel Committee Meeting: March 25, 2019 at 5:30 p.m.
- Beaumont Basin Watermaster Committee: March 27, 2019 at 10 a.m.
- Engineering Workshop: March 28, 2019 at 6:00 p.m.

Mr. Jagers added:

- Water Re-Use Committee: March 6 at 5 p.m.

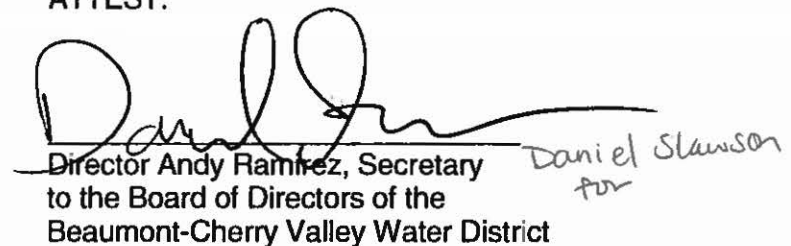
12. Adjournment

President Covington adjourned the meeting at 7:53 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 Slawson
for