



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
MINUTES OF REGULAR MEETING – ENGINEERING WORKSHOP  
OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Thursday, July 25, 2019 at 6:00 p.m.**

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**Call to Order: Vice President Slawson**

*Vice President Slawson began the meeting at 6:35 p.m.*

*Director Hoffman led the Pledge of Allegiance*

*Invocation was given by Vice President Slawson*

**Roll Call:**

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

Members of the public who registered their attendance: Duane Burk, Mike Thompson, Fran Flanders, and Dr. Blair Ball.

**Public Comment:** None.

**1. Discussion and Presentation Regarding Bogart Park by Duane Burk, General Manager of Beaumont-Cherry Valley Recreation and Park District**

Vice President Slawson introduced Mr. Duane Burk, General Manager of the Beaumont-Cherry Valley Recreation and Park District (RPD). Mr. Burk indicated that he arrived too late to the July 14 meeting; it had already been adjourned.

Mr. Burk reminded the Board the RPD took over Bogart Park on January 1, 2019. He reassured the Board that the RPD is not looking for a monetary commitment or assistance from the BCVWD. He proffered annual park passes. He explained that the County's park fees have not been changed and research is being done on any fee changes. He advised that the well has been rebuilt, and the tank will be undergoing repair.

Mr. Burk continued that irrigation is working, tree trimming has been done, 39 dead trees were removed, and 26 additional stumps were removed. Fire crews have been working on fire breaks and trail access and the gate will be made more user-friendly.

Mr. Burk noted he met with the San Bernardino Horsemen's Association regarding exclusive equestrian trails. Camping will be restricted to the center area, he said. The pond will be refilled after 2020 and stocked with fish. He suggested a Board field trip.

Mr. Burk provided a draft for a re-dedication of the park with ribbon cutting to include Board members and the County in January 2020. Burk said he looks forward to working with the District in perpetuity.

Director Hoffman asked about park visitor numbers. Mr. Burk noted the gate stopped working and was left open, so no numbers are available. A staff member will be at the kiosk during August and will be doing a survey.

Both negative and positive comments have been received, Burk said. Director Hoffman advised that a couple of constituents had voiced support for keeping the pond. He said he is glad to hear the plan and encouraged communication on both Facebook and NextDoor.

Director Ramirez noted that Bogart Park is a hallmark of the area, and said he was glad to have participated on the Ad Hoc Committee. He thanked Mr. Burk for his work. He stressed the work with Cal Fire and the ability to stretch resources. He expressed support for a Board tour and the re-dedication.

In response to Director Ramirez, Mr. Burk explained there is not really a homeless problem. Limiting campers to an area allows better control in the case of fire.

General Manager Jagers commented on the maintenance work being addressed.

**2. Consideration of California Environmental Quality Act (CEQA) Categorical Exemption and Notice of Exemption for the Well 1A and Well 2A Replacement Projects located at 12<sup>th</sup> Street and Palm Avenue and 12<sup>th</sup> Street and Michigan Avenue respectively**

General Manager Jagers indicated this is a transparency issue and explained the well project. Because this is a re-drill, staff and consultants have identified that the project is eligible for a Class 2 categorical exemption. Although not necessary, the CEQA Notice will be recorded. Board action is not required, Jagers said.

**3. Consideration of Authorization of Addendum for Additional Engineering Services Required for the Noble Water Storage Tank No. 2 and Transmission Pipeline Project**

General Manager Jagers explained there have been changes in the law which require action. Senior Engineer Mark Swanson noted that the Noble Tank addition contract was approved in November of 2017 for \$193,000. At the time of the survey, Mr. Jagers added, he included determination regarding a third tank as included in the Master Plan. This used a portion of the funds dedicated to contingency. Mr. Swanson explained two additional CEQA requirements and the Water Quality Management Plan which were not addressed in the RFP or original scope of work.

In response to Director Ramirez, Mr. Swanson further explained the new requirements. Mr. Jagers indicated the new requirements resulted from the conditions of the Paradise wildfire. Director Ramirez noted that the RFP should be updated for future projects.

*The Board approved the execution of an addendum for additional engineering services necessary to complete the Noble Tank No. 2 and Transmission Pipeline project design and bid phase scope of engineering services in the amount of \$25,300 (\$22,970 for engineering services and \$2,330 for contingencies @ ~10%) by the following vote:*

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

**4. Consideration of Termination of Contract with Bartle Wells Associates for Facilities Fee Study and Amendment of Raftelis Financial Consultants, Inc. Rate and Fee Study Contract to Include Facility Fee Study**

Senior Finance and Administrative Services Analyst William Clayton explained that in 2016 the Board approved a contract with Bartle Wells for a Facility Fee Study. Some preliminary work was done, but the project stalled due to some staffing changes with the consultant. It is important to examine the facility fees to assure adequacy, Clayton noted. In May 2019 the Board approved a contract with Raftelis Financial Consultants for a Water Rate Study.

In the course of providing data to Raftelis and the need to update the facility fee information, staff identified that it may be more efficient to terminate the Bartle Wells contract and have Raftelis complete the facility fee study if the cost is within the remaining balance of the contract.

General Manager Jagers noted that Raftelis already has a facility fee component built into their model. Staff also noted that this is the point to make a decision and staff believes the holistic approach of Raftelis addresses the District's needs, Jagers said. Staff is not proposing to spend additional funds, he noted.

Mr. Clayton answered a question from Director Hoffman about the current expenditures on Bartle Wells. Mr. Jagers added that the data originally provided to Bartle Wells is now two years old and requires updating.

Director Ramirez expressed support and suggested directing staff to stay within the budgeted amount and to bring the result of negotiations with Raftelis back to the Board. GM Jagers suggested the motion include suspension of the work of Bartle Wells to incur no further charges.

*The Board authorized the General Manager to suspend the current work with Bartle Wells and Associates, and open negotiations with Raftelis Financial Consultants, Inc. to perform services necessary to complete the District's Water Facility Fee Study in conjunction with the District's Water Rate Study and directed staff to return to the Board regarding termination of the existing contract with Bartle Wells Associates for said study by the following vote:*

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

**5. Consideration of Resolution 2019-\_\_ Amending Part 8 Section 1.2 of the Beaumont-Cherry Valley Water District Regulations Governing Water Service related to Water Service Applications**

Director Hoffman suggested allowing the General Manager to extend the WSL for a second year on projects up to a certain size or projects that do not involve a lot of water. Staff will include this option on the next staff report.

Director Slawson asked for clarification of the difference in the options. Mr. Jagers explained that under Option 2, if the project had still not started, the renewal process would begin again.

This item was tabled to the August 14, 2019 meeting.

**6. Consideration of Request for Water Service “Will Serve Letter” for Riverside County Assessor’s Parcel No. 415-100-082 and 415-100-083 located at 1236 and 1238 Massachusetts Avenue in the City of Beaumont**

Senior Engineer Mark Swanson explained that the request is for two single-family residences. The parcels have been divided per the parcel map. There are service connections to the site, he said, and the applicant will be required to pay the necessary fees including facility fees for water service and meters.

In response to Director Ramirez, Mr. Swanson advised that current facility fees are \$10,122 per Equivalent Dwelling Unit (EDU). Each house is considered one EDU. Mr. Jagers added that part of the facility fee study will assure that these fees accurately cover the costs.

*The Board approved the Request for Water Service “Will Serve Letter” for Riverside County Assessor’s Parcel No. 415-100-082 and 415-100-083 located at 1236 and 1238 Massachusetts Avenue in the City of Beaumont by the following vote:*

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

**7. San Geronio Pass Water Agency Update regarding SGPWA Ad Valorem Tax Rate, 2019/2020 Water Purchases, Delta Conveyance Project, and Sites Reservoir Project**

General Manager Jagers briefed the Board on a recent SGPWA Board meeting and distributed handouts. He explained some of the expected expenditures of the Pass Agency.

Mr. Jagers provided spreadsheets detailing the costs of participation in the Sites Reservoir and other sources of supply, including an annual analysis through 2035. He pointed out that starting in 2021 there would be a total cost to BCVWD of \$9,268,000. Once the project is under construction and paying the entire bond, there is no water to be sold during that period yet there are costs to the BCVWD. If not funded through tax-based contributions, the BCVWD share is \$1.891 million. That 15-year commitment costs the District a total of \$22 million, said Jagers.

Currently, the District collects a fee from developers which is not enough to cover the Sites cost. When water begins to be sold, he continued, the cost is spread across the rate. He said he expects it to impact homes at about \$100 per year. He would like to see a consistent projection including rates, capacity fees and tax base, he said, which must all work together to complete the approach.

BCVWD may want to consider adding a capacity fee on top of what the SGPWA adds, he said. The 4,000 acre-feet from the Sites Reservoir should be enough to serve 8 to 10,000 homes, Jagers continued, and is a significant piece of what is left for the District to obtain.

He noted the total debt service from 2004 to 2035 is projected to be \$866 million, he advised and highlighted some of the other water supply projects.

Jagers pointed out that in 2035, the costs for all the projects could potentially be cut in half while the tax base remains at \$23 million. He suggested the SGPWA refine the numbers, as BCVWD's ratepayers are paying the higher rates, and contributing the most tax base. In the next 15 years, BCVWD, Banning and Calimesa will likely continue to grow resulting in contribution of more taxes.

BCVWD is doing the heavy lifting now, Jagers explained, but is receiving early benefit of the facilities and is helping the outer regions by getting the facilities funded with tax base. He encouraged the Board to continue being informed and acknowledged the presence of two SGPWA Board members at the meeting.

Director Ramirez commented that it was a positive experience to attend the SGPWA meeting. He encouraged further conversation. Whatever can be done to lessen the burden on the ratepayers should be done, he said. Director Hoffman concurred.

VP Slawson asked about projected numbers after 2036. Mr. Jagers indicated that bond costs had been projected, but the Department of Water Resources has not produced numbers.

Dr. Blair Ball pointed to a calculation error on a spreadsheet. Mr. Jagers acknowledged and will update. Dr. Ball said he agreed that the issues are extremely complex. Many would prefer to see the future residents to pay for the water supply problem that they are going to incur, and it would seem wise to reduce the ad valorem tax rate for those who are already here, he said. That can be gained by having a realistic and current capacity fee.

Mr. Jagers noted that Banning has indicated that they still have existing groundwater capacity which might serve 3,000 to 5,000 houses to ease the burden over a longer period. He said he suspects Banning and Yucaipa may not be as interested in a capacity fee. Numbers must be accurate and reflect the right amount, and there is not yet a clear understanding.

Discussion of the impact of capacity fees ensued.

#### **8. Update: Status of District Wells, Capital Improvements, and Engineering Projects**

There were no questions from the Board.

#### **9. Update: Legislative Action and Issues Affecting BCVWD**

There were no questions from the Board.

#### **10. General Manager's Report**

Mr. Jagers explained production staff is working to assure wells are running cool during the summer. Motors running hot may be replaced to avoid catastrophic failure.

Mr. Jagers advised that due to heat and other causes there is another hydraulic constraint on the East Branch Extension. Instead of 25 to 27 cfs, the capacity will drop to 20 cfs for a while, he said. Staff will continue to keep delivery as great as possible to secure water for the ratepayers, Jagers assured.

There are many costs which must be determined how to fund, and all will change the landscape of how the District does business, Jagers advised. Staff is trying to stay on top of analysis, and it is a daunting task, he said.

#### **11. Topics for Future Meetings:**

- Facilities Fees and Water Rates
- Public Relations Firm Update including online communication accomplishments and a plan for Board members' interaction and communication online to ratepayers.

#### **12. Announcements**

*Vice President Slawson read the following announcements:*

- Finance and Audit Committee Meeting: August 1, 2019 at 3:00 p.m.
- Beaumont Basin Watermaster Committee Meeting: Aug. 7, 2019 at 10:00 a.m.
- Regular Board Meeting: August 14, 2019 at 6:00 p.m.
- Engineering Workshop: August 22, 2019 at 6:00 p.m.




- District Offices will be closed on Monday, September 2, 2019 in observance of Labor Day
- Collaborative Agencies Committee Meeting: September 4, 2019 at 5:00 p.m.
- Finance and Audit Committee Meeting: September 5, 2019 at 3:00 p.m.
- Personnel Committee meeting: September 23, 2019 at 5:30 p.m.

**13. Adjournment**


*Vice President Slawson adjourned the meeting at 8:24 p.m.*

ATTEST:



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



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

