



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, June 12, 2019 at 6:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 6:05 p.m.

Pledge of Allegiance: Vice President Slawson

Vice President Slawson led the pledge.

Invocation: Director Williams

Director Williams gave the invocation.

Roll Call:

Directors present:	Directors Covington, Hoffman, Ramirez, Slawson, Williams
Directors absent:	
Staff present:	General Manager Dan Jagers, Director of Finance , Senior Engineer Mark Swanson; Administrative Assistant Erica Gonzales
Legal counsel:	James Markman

Members of the public who registered their attendance: Hendrick Becker, Blair Ball, Fran Flanders, Joan Marie Patsky, and Nisha Wade.

Public Comment:

Vice President Slawson identified Mr. Hendrick Becker and read a letter into the record:

Dear Mr. Chairman,

I am writing you and the Board to respectfully request a variance in the requirements submitted to me in my request for service at 9584 Avenida Miravilla, Cherry Valley. In order for me to receive service, I have to do an eight-inch main line extension of 230 feet along the front of my property, as well as to install a new fire hydrant.

The property behind me is already receiving service with the line running through my property to get there. The Fire Department already cleared my permit to build based on the existing fire flow data and with the added sprinkler requirements involved. My manufactured house will arrive in the first week of July.

If no variance is possible, may I request for you to consider a bond that I pay towards the future extension project, so that I can just receive the service needed at my house at this time.

Thank you for your kind consideration,

Sincerely, Hendrick Becker

VP Slawson explained that staff has been working with Mr. Hendrick and this item is not on the agenda. Mr. Jagers advised the Board that District policy allows a brief response to public comment and explained that the Water Master Plan requires the extension of mainlines in the area. Mr. Becker thanked the Board and said that it is his understanding that it is not unusual to post a bond towards an extension and he requests consideration, if not tonight, on the next meeting agenda. President Covington noted that Mr. Becker's letter dated June 11, 2019 is received and filed and directed staff to include this item on the next agenda.

ACTION ITEMS

1. Adjustments to the Agenda: None.

2. Consent Calendar:

The following Consent Calendar items were approved with one motion:

- a. April 2019 Budget Variance Report
- b. April 30, 2019 Cash/Investment Balance Report
- c. May 2019 Check Register
- d. May 2019 Invoices Pending Approval
- e. Minutes of the Regular Meeting of May 8, 2019
- f. Minutes of the Regular Meeting of May 23, 2019

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

3. Discussion and Consideration of Final Draft Memorandum of Understanding Regarding Recycled Water by and between the Beaumont-Cherry Valley Water District and the City of Beaumont

General Manager Dan Jagers pointed out some minor changes arising from the joint meeting of the City of Beaumont and BCVWD Board. He noted one substantive change: language from the city related to water reuse, recharge and future facilities was modified to better accommodate those activities and treatment facilities to be funded from a range of sources.

Director Hoffman asked if water received at the BCVWD's booster pump is treated to the level necessary for spread in the recharge ponds. Mr. Jagers explained the City's agreement with the State Water Resources Control Board and the Santa Ana Watershed Project Authority and said in the near-term, the water will be treated to a higher quality required by BCVWD, but there are new regulations being

pursued regarding groundwater quality and until there is some hydrogeologic groundwater modeling, it is unknown from a quality perspective. Jagers indicated that BCVWD would likely add treatment in order to recharge. He also noted that the Beaumont-Cherry Valley Recreation and Park District uses approximately 50 to 70 acre-feet of water each year and will convert to use of recycled water. If there are more customers for the recycled water, Jagers continued, it does not have to be recharged. In the wintertime, Hoffman noted, demand for irrigation water is 80 percent lower. He said his goal is to recoup and use all the recycled water. Mr. Jagers assured there are plans for the supply.

President Covington asked about fixed costs that will be charged to the District by the City. Mr. Jagers explained this is related to delivery costs. There will be a cost study, Jagers noted. Counsel Markman pointed out the City will not collect this money and spend the cash; this is an amortized cost of something that is already built. Jagers added that this sets forth costs to allow for future planning. Director Hoffman noted the importance of this section and suggested it be further discussed.

Mr. Jagers indicated that at this point, the facility must be built and there are costs associated. Director Hoffman pointed out that the City is one of the largest consumers of recycled water, so it is to their advantage to keep costs down. Counsel Markman said he had been concerned the City was going to amortize the entire treatment plant against recycled water, but the current language assures inclusion of only the facilities necessary to get recycled water to BCVWD. He believes the language is adequate.

In response to President Covington, Mr. Jagers said the City will be addressing this item on June 18.

Mr. Jagers reviewed additional amendments on the redline. Counsel Markman pointed out the use of the word "latter" instead of "later." Director Ramirez referred to the non-potable water plan and said he does not want to see the water being treated to the level of potable re-use. Director Hoffman advised that some citizens believe the City may be making an effort to profit from the treatment of sewage. The water belongs to the ratepayers until the point it leaves their homes; from there the City has the responsibility of transporting and processing the water, and the District has the responsibility of receiving and recharging or reusing it. Hoffman reiterated that the District has the first right of refusal for purchasing all the recycled water produced by the City.

VP Slawson and President Covington acknowledged staff for getting this done. Director Ramirez stressed that this is a very positive move forward for the entire system and for sustainability.

Dr. Blair Ball expressed concern that the recycled water would become too costly to sell. He noted that the water itself should be free. The citizens have paid BCVWD to secure water to their home, and the citizens then pay the City of Beaumont to dispose of the water. At that point, the water becomes free, as it has been paid for twice, Ball said. To have a City add more cost to that water is worrisome, he said. President Covington assured that the Board shares the concern about costs.

The Board approved the Final Draft Memorandum of Understanding Regarding Recycled Water by and between the Beaumont-Cherry Valley Water District and the City of Beaumont 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 Request for “Will Serve Letter” for Proposed Housing Project - Allegheny Avenue (Riverside County Assessor’s Parcel No. 419-150-050) located north of 6th Street and south of 8th Street in the City of Beaumont

General Manager Jagers explained the project consists of 48 multi-family dwelling units and the developer, Linc Housing Corporation, is requesting service. A water main extension will likely be required. Jagers reiterated that if water supply plans come to fruition the District is in reasonable shape but there is some uncertainty.

Director Ramirez noted the project will be required to use recycled water for irrigation. President Covington added that there is not likely recycled water available in the vicinity. Mr. Jagers explained that approximately 2,000 feet of recycled water main may be necessary.

Director Hoffman pointed out there is existing low-income housing in the vicinity.

The Board approved a “Will Serve Letter” for the Proposed Housing Project - Allegheny Avenue (Riverside County Assessor’s Parcel No. 419-150-050) located north of 6th Street and south of 8th Street in the City of Beaumont 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. 403-042-034 located at 10271 Cherry Avenue in the Community of Cherry Valley

General Manager Jagers presented the request and noted conditions of approval. Director Williams asked about the site plan. Mr. Jagers responded. Director Ramirez asked about requirements for recycled water; Mr. Jagers stated that the District does not currently require dual plumbing on single residential facilities. Additionally, the City ordinance prohibits use of turf on new housing developments. He explained the non-potable water system, indicating it is not prudent to saddle ratepayers with large depreciation and maintenance costs to expand the system.

The Board approved the request for “Will Serve Letter” for Riverside County Assessor’s Parcel No. 403-042-034 located at 10271 Cherry Avenue in the Community of Cherry Valley 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 Request for “Will Serve Letter” for Riverside County Assessor’s Parcel No. 403-110-019 located at 10521 Noble Street in the Community of Cherry Valley

General Manager Jagers reviewed the development plan to add a new house. There is an existing house; this would be a second service to the property. BCVWD policy states that a structure more than 1,200 square feet requires a second meter, and this does not fall under the “granny flat” laws that preclude the District from charging additional fees.

Jagers pointed out that the amount of landscaping is reduced with two dwelling units on one property, therefore landscape water use and overall use decreases. Director Hoffman reported that the house is currently under construction and the builder was unaware that a second meter was required. Mr. Jagers advised the builder had requested service.

The Board approved the request for “Will Serve Letter” for Riverside County Assessor’s Parcel No. 403-110-019 located at 10521 Noble Street in the Community of Cherry Valley by the following vote:

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

7. Update and Discussion regarding the Beaumont Master Drainage Plan Line 16

General Manager Jagers presented background on the project. District staff has met with Riverside County Flood Control and work is moving forward on a Memorandum of Understanding. Design is 30 percent complete, Jagers noted, and the effort has picked up speed. BCVWD has a concept but has not begun drafting plans.

The District does not want to slow the project and was offered an opportunity to contract with Flood Control’s approved contractor for \$40,000 to \$50,000. Mr. Jagers stated this makes sense right now due to District staff time on other projects, and to provide cohesion on the project, as that contractor has already

done the hydraulic analysis and has the data. If the Board has no issue with this option, staff will obtain a scope of work.

This would be a variance from the regular purchasing policy, Jagers noted. Senior Engineer Mark Swanson added some technical details and recommended leveraging the opportunity to work with Flood Control.

Director Ramirez asked how many acre-feet of stormwater are estimated to be captured. Mr. Jagers said as much as 500 acre-feet may be available; staff believes it may be 250 to 400 acre-feet of water supply, presuming it can all be recharged.

President Covington indicated he reviewed his notes from the discussion of this project in July 2017 and indicated he hopes the issues are addressed as the District gets closer to finalizing the plan.

GM Jagers asked for Board direction and assured that any contract will be brought back to the Board for final approval. Director Ramirez indicated that this solution saves money and staff time. Director Hoffman noted that recovering 500 acre-feet is preferable to buying 500 acre-feet at \$399 per acre-feet. The cost would be recovered in seven to nine years. He pointed out there is some grant funding for this project; Mr. Jagers noted that a facilities fee component is collected from development and those funds will also support this project.

President Covington noted the intent is to have a final draft MOU and confirmed that the costs to the District will be between \$1.39 and \$1.89 million. Mr. Swanson confirmed that number represented the District's 50 percent share. Anything further, such as improvements to the Noble Creek Recharge Facility, are costs to the District, Covington clarified.

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

This item was tabled.

9. Reports For Discussion

a. Ad Hoc Committees:

San Geronio Pass Regional Water Alliance: Director Slawson reported that the Committee met and discussed pass-through fees. Some of the numbers were astronomical, he noted. Revisions will be available in the future. The Committee meets again on the 26th to determine a new Chair.

Finance and Audit Committee: Director Slawson reported on the June 11 meeting. He indicated the District's finances are good and are on track for the year.

2x2 Recycled Water Committee: Director Hoffman indicated there have been no recent meetings.

b. General Manager:

Mr. Jagers advised that things are going well. He presented a chart comparing this year's production to last year's, stating the numbers reflect that it has been a cool year with a lot of rain. Production from the Beaumont Basin is down 942

acre-feet from last year. Production has been increased in Edgar Canyon by 151 acre-feet, saving \$60,000 in replenishment costs, GM Jagers stated, and he reminded the board about the work done on those wells and the line break caused by the Pass Agency. Banning's production from the Beaumont Basin is 24.66 acre-feet.

Staff is trying to find the most economical solutions and is determining the cost to pump each well, Jagers explained.

Jagers reminded the Board about activities at the Noble Creek facility. He said the facility is currently running at 30 cfs which is 58.8 acre-feet per day (19,600 acre-feet of water delivery over 11 months). The replenishment need right now is approximately 9,000 acre-feet, he explained. The ponds are at 40 to 50 percent capacity. On June 11, Jagers said, he received an email from San Geronimo Pass Water Agency General Manager Jeff Davis notifying BCVWD that the SGPWA will not be able to deliver more than 23 cfs in the future as there is not capacity in the pipeline. This is disappointing, Jagers noted, as 3,500 acre-feet has already been lost from the San Luis Reservoir, and now the District is constrained to 23 cfs. Jagers estimated that through December, 7,500 acre-feet can be obtained. The District had ordered 16,000 acre-feet this year. There is also talk about shutting down the East Branch Extension in December, he noted. The District may not receive all the water ordered this year.

President Covington summarized that BCVWD installed a 34 cfs connection but now can receive no more than 23 cfs.

Jagers noted the SGPWA has a 20 cfs facility that should have been completed in January. Jagers said he suggested to Mr. Davis that he run some water through to determine hydraulic capacity.

Mr. Jagers explained that he has heard that the SGPWA is awaiting a change order for reconnection of the temporary feed that was installed. The plans that were bid did not show the reconnection, and the change was made in February. Mr. Jagers documented the work done outside scope in a letter and noted some discrepancies. BCVWD did not participate in the decision and did not authorize the work as a funding agency, so BCVWD should not have the exposure of it, he stated.

Additionally, BCVWD experienced a break on a 12-inch water line requiring three lengths of pipe to be replaced by SGPWA's contractor. Jagers sent the request via email in an effort to protect the District's assets.

Mr. Jagers advised there have been meetings with the cities regarding the push by the SGPWA to look again at a capacity fee. Mr. Jagers said he explained the BCVWD's needs from the Sites Reservoir at one of the meetings.

The SGPWA has indicated there may be an East Branch Extension shutdown in December. This would be detrimental to the District's water delivery this year, Jagers noted.

General Manager Jagers updated the Board on the leased space for Engineering staff, who moved in about a week ago.

c. Directors' Reports:

Director Williams reported she attended the Bay-Delta Tour.

Director Ramirez reported he has been working with the General Manager and CV Strategies to be more proactive on communicating activities.

President Covington reported that he, Director Williams and Director Slawson attended the Bay-Delta Tour last week. He gave some detail and recommended it as a very good tour.

Director Slawson concurred with Covington's comments on the Bay-Delta Tour and added that it covered five counties, and 20+ agencies. He thanked the Board for the opportunity to learn about the source of the area's water.

d. Legal Counsel Report:

Counsel Markman reported that last month, Richards Watson and Gershon became the general legal counsel for the Antelope Valley-East Kern Water Agency, which will enable the provision of a more robust water rights department at the firm.

10. Announcements

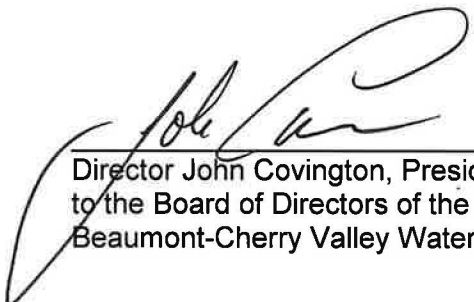
President Covington read the following announcements:

- Engineering Workshop: June 27, 2019 at 6:00 p.m.
- Finance and Audit Committee meeting: July 3, 2019 at 3:00 p.m.
- Collaborative Agencies Committee meeting: No meeting in July due to holiday, the next meeting will be in September.
- Regular Board Meeting: July 10, 2019 at 6:00 p.m.
- Personnel Committee meeting: July 22, 2019 at 5:30 p.m.
- Engineering Workshop: July 25, 2019 at 6:00 p.m.
- Beaumont Basin Watermaster Committee: August 7, 2019 at 10:00 a.m.

11. Action List for Future Meetings


- Water supply for BCVWD and the region

12. 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
to the Board of Directors of the
Beaumont-Cherry Valley Water District