



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
MINUTES OF REGULAR MEETING – ENGINEERING WORKSHOP  
OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Thursday, August 22, 2019 at 6:00 p.m.**

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**Call to Order: Vice President Slawson**

*Vice President Slawson began the meeting at 6:05 p.m.*

*Director Ramirez led the Pledge of Allegiance*

*Invocation was given by Vice President Slawson*

**Roll Call:**

Directors present:	Hoffman, Ramirez, Slawson, Williams
Directors absent:	Covington
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: Nisha Wade, Thomas Medina, and Dr. Blair Ball.

**Public Comment:** None.

**1. Presentation by Public Relations Consultant CV Strategies and Discussion of Progress Update**

General Manager Jagers noted this update was requested by Director Ramirez. Ms. Nisha Wade of CV Strategies briefed the Board on activities over the last six months. The communications campaign, she explained, has focused on the District's centennial and communicating the value of the District, conservation, water supply and enhancing the District's digital presence.

Milestones accomplished include a newsletter, development of a social media policy and protocols, and improvement of search engine optimization, Wade explained. She detailed activities done to support the communication effort.

CV Strategies has also been supporting community engagement activities, Wade said. She shared the new District Facebook page which has 72 "likes" and noted that work done on the website and on social media is improving the District's search engine optimization (SEO). In addition, communication support regarding rates and customer education has been done and will become the main area of focus, including the 100-year acknowledgement at the October Board meeting, Wade said.

Ms. Wade recommended the Board establish a Communications Committee to allow the Board to give input and be involved in communication activities.

Director Williams commented it appears the Facebook page has taken off, and noted that searches now bring up good information whereas before, results were all over the map.

Director Ramirez noted the imagery is more professional. He inquired about the process of SEO. Ms. Wade explained that SEO has to do with how frequently updates are made so the more fresh content is posted to the website is helpful along with Facebook and Twitter. Director Ramirez asked about frequency of posting. Ms. Wade indicated a goal of posting twice a week on Facebook and at least twice a month on the website. Director Ramirez opined that outreach is excellent including the booth and mailers. He encouraged consistency in mailers and social media.

Director Ramirez suggested more communication activity in individual director districts. He indicated interest in serving on the Communications Committee. Ramirez also noted that there is a web page for each director, and it would be beneficial to be able to communicate via those pages. Director Ramirez noted that several months have gone by, and said he feels the action is heading in the right direction.

VP Slawson said he was impressed with the mailers and insert item.

Director Hoffman said he noticed a trend with his company's Facebook page: unless new items were being posted, people lose interest. He encouraged effort to draw viewers. He also noted that the mailers are beneficial, and he is pleased with the activity.

Director Ramirez asked about the formation of a Communications Committee. Mr. Jagers noted members would be assigned by the President. VP Slawson directed staff to add the formation of the committee to the Sept. 11 agenda. Directors Hoffman and Williams also indicated interest in serving.

## **2. Consideration of Amendment of Raftelis Financial Consultants, Inc. Rate and Fee Study Contract to Include Facility Fee Study**

- General Manager Jagers reminded the Board about the discussion regarding terminating the existing facilities fee study contract with Bartle Wells Associates and discussion with Raftelis to add the facilities fee study to the rate study.

Senior Finance and Administrative Analyst William Clayton reported that Bartle Wells was agreeable to contract termination and a cost proposal was received from Raftelis to complete the study. Mr. Clayton explained the cost proposal and comparison of Raftelis estimates with the remainder on the Bartle Wells contract. Combining the rate study with the facilities fee study will save some redundant costs, Clayton noted. He noted contingency costs and charges for additional meetings. Mr. Jagers added that the Bartle Wells study had languished due to the departure of a key BW staff member, and further explained the contract costs.

In response to VP Slawson, Mr. Clayton and Mr. Jagers assured that the contract with Bartle Wells can be terminated, and BW has been directed to stop work

pending direction of the Board. In response to Director Ramirez, Mr. Jagers confirmed these items have been budgeted.

Director Hoffman suggested caution to assure termination of the Bartle Wells contract without conflict. Director Ramirez asked for assurance that the facilities fee study would be comprehensive, and no change orders would be necessary. Mr. Clayton indicated staff will shepherd the project to assure open communication. Mr. Jagers gave examples and indicated that all District needs approved by the Board will be considered. Director Williams asked about Raftelis' access to work completed by Bartle Wells. Mr. Jagers noted that most consultants use different methodology, and although information may be considered, Raftelis would likely retain their own format.

*The Board authorized the General Manager to terminate the contract with Bartle Wells Associates and subsequently execute an amendment to the current Water Rate Fee Study agreement with Raftelis Financial Consultants, Inc. (Raftelis) to perform services necessary to complete the District's Water Facility Fee Study in conjunction with the Water Rate Fee Study in an amount not to exceed \$41,600 by the following vote:*

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

**3. Discussion of Potential Water Service Requirements Necessary to Service Riverside County Assessor's Parcel Nos. 401-020-007 and 401-020-008 located on Oak Glen Road South of Wildwood Canyon Road in the Community of Cherry Valley**

General Manager Jagers explained the project background. The developer recently visited the District to discuss the project again and to understand service. At the time of original application, BCVWD indicated concern that the proposed 26 residences' septic treatment facilities may affect adjacent wells.

BCVWD has already installed some facilities including a tank and piping; additional facilities are required and there is ambiguity as to who would be paying for the infrastructure, Jagers noted.

Senior Engineer Mark Swanson advised that the developer has requested an updated Will Serve Letter and requested initial Board direction. Staff has discussed water quality and 2019 land development requirements with the developer, he said. Septic systems have improved, Swanson noted, but the developer will have to provide assurance. He reviewed the installed facilities and noted that a booster station will also be required.

GM Jagers explained current pipeline status and indicated that 26 new homes would generate facilities fees to cover approximately half the cost of needed upgrades. Director Ramirez asked for infrastructure and project approval details. Mr. Swanson and Mr. Jagers responded, emphasizing water quality. Director Ramirez indicated support for staff's analysis.

Director Hoffman pointed out water supply from Edgar Canyon and as-yet unknown County fire flow requirements. He suggested consideration for additional capacity to enable support for additional lots. VP Slawson noted the existing houses to the north (within San Bernardino County) are serviced by Yucaipa Valley Water District. Mr. Swanson noted that the BCVWD service area extends up the canyon, but BCVWD generally does not serve properties on the east side of Oak Glen.

**4. Consideration of Request for Update of “Will Serve Letter” for Previously Approved Development – Tract 27971 (Parcel Map 34880) located in the City of Beaumont**

Senior Engineer Mark Swanson gave some background on the project known as Olivewood. The developer anticipated grading earlier this year, but it is now expected in January of 2020. Swanson explained he has been in communication with the developer regarding progress.

Mr. Jagers added that in-tract facilities have been installed and noted that the developer has extended a mainline across San Timoteo Creek and down to the new bridge (in Potrero Road).

Director Hoffman asked about receipt of facilities fees; Mr. Jagers explained that fees have been paid for several tracts. There is a total of 981 homes in the development, Jagers said. Director Williams asked for clarification on grading and Mr. Jagers responded. Director Ramirez asked if there were further concerns; Mr. Jagers pointed to additional, yet-to-be resolved infrastructure needs for northerly developments. A mainline extension with a pressure-reducing valve will be required with development of an additional tract. The developer has been conditioned to extend the line.

*The Board approved the request for update of “Will Serve Letter” for an existing ongoing development located west of Potrero Road between Oak Valley Parkway and the CA State Route 60, identified as Tract 27971 (Parcel Map 34880) within the City of Beaumont, subject to payment of all fees to the District and securing all approvals from the City of Beaumont by the following vote:*

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

**5. Discussion of Existing Water Service Alignments from Olive Avenue to Single-Family Residences Located on Elm Avenue and Review and Discussion of Possible Realignment Options Across Riverside County Assessor’s Parcel Numbers (APN) 417-110-008, 417-110-013 and 417-110-015 to Satisfy a Request for a “Continuation of Service Letter” for Said Parcels**

Vice President Slawson called Mr. Thomas Medina to speak. Mr. Medina, an Elm Avenue resident, informed the Board he met with the General Manager and Engineer regarding options for the water line. He advised the Board that water service was previously provided via a line in an alley which was re-routed to Olive

Avenue. He said he believes the meters should be on Elm Avenue, but the costs are prohibitive. He asked the District to locate the lines the right way rather than "putting a Band-Aid on it," and advocated against the looped system, warning about potential damage to water lines from truck traffic and restricted access to address any leaks.

Mr. Jagers explained the re-routing of the mainline in the 1980s to Olive Avenue resulting from the vacation of an alley and a condition of low service pressure. Five existing entities on Elm Avenue receive service from the District from Olive Avenue, Jagers explained. He explained two options developed by staff and noted that work is ongoing on other potential solutions.

Mr. Swanson explained the District was contacted by the previous owner and potential buyers at the time (current owners) of 310 Elm Avenue and two associated parcels which had water lines running across the property. Currently, there is a 5/8-inch connection for 310 Elm. The applicant is requesting an upgrade to a 2-inch to allow for dust control, Swanson explained. The District has a blanket easement across the parcels, but the issue is ultimately a private property one. The District is interested in finding a solution and avoiding an interruption to the existing services, Jagers added.

Mr. Swanson said the current owners have indicated they do not want potential broken pipelines and are trying to be good neighbors. Staff has discussed Option 1 with the owner: a 2-inch line along the property perimeter. Meters would be set in the property owners' backyards, he explained. There is no new construction proposed that would allow the District to condition a new water line.

Director Slawson noted the lack of fire hydrants along Elm. Mr. Jagers explained the buyer is proposing a storage yard and no further construction. The project has been approved by the Planning Department and there is no condition for additional fire service, Jagers said.

Option 2, building a new line along Elm would trigger a CEQA process, Jagers noted. Mr. Swanson explained preliminary estimated costs of \$211,000 assuming two fire hydrants and meters set in front yards. Mr. Jagers indicated this would replace another project in the District's Capital Improvement Program (CIP).

Mr. Medina again addressed the Board. He said he attended the Planning Commission meeting and learned that the applicant would be building an 8-foot block wall along Olive Avenue, which would be built across the existing lines which are just three feet lower than the street.

Director Williams stated that at some point, the main on Elm will have to be done. It is a fire safety hazard to those properties, she observed. The loop system seems most feasible as a temporary fix, she said.

VP Slawson said he appreciates the willingness of staff to work with the community to look at all possibilities.

Director Hoffman asked about upgrading existing meters to automatic read upon removal. Mr. Jagers indicated this would be done.

VP Slawson reviewed the options presented. Mr. Jagers reminded the Board that activities like Option 2 are funded through rates, and anything possible to keep



rates down is a good solution from a cost saving perspective, but it does not mean it is the safest solution. VP Slawson indicated he would like to see the ultimate build-out and some help from those developers.

Director Ramirez asked for the two last options to return to the Board with more information from the property owner and a more finalized schedule and cost estimate for a mainline extension in Elm Avenue.

#### **6. BCVWD Engineering and Operations Departments Preliminary Facilities Needs Analysis and Estimate**

General Manager Jagers reminded the Board about the interim Engineering solution (five-year leased space) and the Operations Department housed in a double-wide trailer. Because the District is currently undergoing facilities fees and rate studies, Jagers explained, there is a need to understand near term costs from a planning perspective and allow the Board to consider.

Staff has listed current and estimated future staffing and space requirements, Jagers noted. He listed some existing facilities and noted that they are "marginally meeting" the District's current needs and should be upgraded.

The draft Engineering and Operations Departments Preliminary Facilities Needs analysis was prepared in-house, Jagers said, and examined space needs, future staffing, total building area, and estimated needs for a 13,000 square-foot building, a 7,000 square-foot warehouse, outside storage and parking. A ½ to ¾ acre well site would also be added resulting in an ideal lot size of 8 to 10 acres. This is comparable to other agencies' facilities, he noted.

BCVWD is currently operating between several sites across the District, Jagers explained. The trend is toward consolidation, but the cost is substantial: \$18 million-plus. Keeping ratepayer costs down is a priority, Jagers acknowledged. The purpose of the study is to determine how these needs will fit into the rate model in order to plan well.

Staff has looked at land the District currently owns, and although there are some larger parcels, they either are not conducive to development or they are located in outlying areas, Jagers explained.

VP Slawson called Dr. Blair Ball to speak. Dr. Ball thanked the District for acknowledging the passing of former director Stella Parks and noted she served on the ad hoc committee for development of the District's current administration building. He offered some historical information.

This building was paid partially by current and future ratepayers under a facility fee, Ball noted. He said he hoped a lot of facilities costs would be borne by future residents, as they create the impact and the need for new buildings. There was a point when the District intended to purchase the homes to the south of the building in order to expand this facility.

Dr. Ball suggested the current Board room should be two levels and it has been problematic for years: sound, lighting, air conditioning and more. He suggested looking into making it a two-story room and said he thought an engineer was hired previously to determine if the room was structurally sound.

Dr. Ball pointed out a 26-acre BCVWD site on Cherry, but it is not centrally located. He reminded that there is a two-acre section at the recharge facility. Since build-out is a few years out, Ball said, the District has the ability to wait to purchase property in recessionary times but planning needs to be done today. He said he applauds the work in looking at needs down the road.

Dr. Ball also suggested purchasing the San Geronio Pass Water Agency building and exchanging it for land at the recharge facility.

Dr. Ball then announced that the SGPWA Board has disbanded the General Manager's Performance Review Ad Hoc Committee and formed a new committee for seeking a replacement for the general manager.

In the Beaumont State of the City address, Ball continued, Mayor Martinez advised the City had just purchased the CNG site near the wastewater treatment facility. The water district may be able to work together with the city on a facility to serve the needs of both entities with shared employees, he suggested.

Director Ramirez said he sees an extreme desire to build and appreciates the effort in the analysis. He pointed to past years of bad financial decisions and advocated a needs vs. wants assessment. He indicated discomfort with including this desire in a rate study, he said. He suggested staff go back and re-assess, looking at updating trailers rather than a \$19 million operations center, while taking care of staff as best as possible. He asked for more options.

Director Hoffman concurred that more options are needed and noted there is no rush to get anything done.

VP Slawson noted the city is growing and staffing would be catching up in the future. He also requested more information.

Mr. Jagers pointed out this is the first step – a space needs assessment was done and costs were run against it. It is important to accurately project the size of space needed, Jagers noted. The point, he said, was to discuss and get direction. He addressed some of Dr. Ball's suggestions.

Director Ramirez suggested looking at redesign or updating of current facilities and stressed keeping costs low. Jagers suggested engaging a professional to determine where opportunities might be as well as new facilities in order to have a clear approach to meet current and future needs for the best cost. Jagers explained the comparisons to other agencies.

Director Ramirez requested this item come back to the Board for further discussion.

## **7. Discussion of City of Beaumont Municipal Code Chapter 17.06 "Landscape Standards"**

General Manager Jagers introduced the Landscape Standards and advised that staff has heard from some Homeowners Associations (HOAs) that the City of Beaumont has begun allowing conversion from non-turf front yards to turf front yards. However, City Municipal Code 17.06.130 (City Ordinance 1069) identifies

that the City will rely on the water purveyors to enforce landscape watering efficiency requirements.

Jaggers said he has spoken with City Manager Todd Parton. The BCVWD is the enforcement entity, therefore has not been doing its best for the community. He suggested a letter from the Board to the City Council identifying that certain conditions are taking place and the BCVWD will start acting if necessary, to ensure the ordinance is met.

Senior Engineer Swanson questioned what policies are in place to enforce, what burdens there would be on District staff, and how the ordinance could be enforced. The intentions are good, he said, but there may be some issues with how it is written. City staff communicates to the development community that drought-tolerant landscaping must be installed, however once an owner moves in, they are allowed to convert it., Swanson explained. However, in his experience, a homeowner must submit a plan to the HOA for review and approval. Right now, Swanson continued, the City is saying an owner may convert back to turf - therefore the HOA gives approval. A policy is needed to allow the District to police the conversion, with fines or requirements to convert back, Swanson said. The intent of the ordinance is being undermined, Jaggers stated.

Will-Serve Letters issued to developers specify that landscape ordinances must be met, Swanson pointed out. Just because a property changes hands, it should not change the drought-tolerant requirement. Mr. Jaggers pointed to a clause that allows a change to existing landscaping but specifies water use requirements that are difficult to meet with turf applications.

Director Ramirez pointed out there is a type of turf that satisfies the evapotranspiration requirements, but it is expensive.

Mr. Jaggers stated that the District sees a significant reduction in water use at non-turf front yard houses. He stressed the importance to water supply. The Board has asked if there is sufficient water supply, with these ordinances in place Jaggers said he feels more comfortable to respond. The first step is to inform the Board, Jaggers noted. Staff is examining the issue. He suggested a letter from the Board to the City Council identifying that the ordinance should not allow conversions back to turf, and explaining there are conditions through the Will-Serve process that meet the ordinance. When yards are converted back, they do not meet the ordinance, Jaggers said.

Director Ramirez asked about blight. Jaggers explained that apparently, after heavy rains, the drought-tolerant material washes into the street and must be swept up. Mr. Swanson pointed out that materials are approved by the City, and if a material is not performing the City should re-evaluate.

The solution, Jaggers noted, is for the City to update the ordinance and not have the District function as the "water police," or find another solution. Mr. Swanson pointed to coming legislation regarding water budgeting and noted that when homes convert back to turf, few of those homeowners understand future rate changes due to conservation mandates and it will become a larger problem, including people no longer watering their lawns.

Mr. Jaggers advocated for additional outreach. Non-action is not appropriate if the District is tasked with enforcement, he said.



Director Williams pointed to Section 17.06.130 which shows options such as tiered rates and penalties for water waste and asked about the District's role. Mr. Swanson addressed rates, and Mr. Jagers added that state legislation is driving the pricing structure and may provide some tools. Jagers also suggested strengthening the language in Will-Serve Letters to disallow conversion to turf.

VP Slawson concurred that a letter to the City is appropriate and directed staff to compose said letter. Director Ramirez suggested a phase-in approach to ordinance amendment.

#### **8. Discussion regarding Well and Booster Station Facilities Construction Options**

Mr. Jagers advised the Board that decisions will need to be made on housing well facilities. He noted that President Covington has thoughts on this and suggested the topic return at a future meeting. Decisions to be made include what type of structure would be appropriate for what neighborhoods, as Division of Drinking Water regulations no longer allow the typical structures used by BCVWD.

In response to VP Slawson, GM Jagers acknowledged cooling and noise abatement needs.

#### **9. Discussion of San Geronimo Pass Water Agency 2020 Water Order and Sites Reservoir Funding Requirements**

Mr. Jagers reiterated the announcement by Dr. Ball. He noted that BCVWD must make its water order by September 1, 2019 for the 2020 water year. The SGPWA General Manager indicated their ponds would be operational by September, but Jagers said he believes there is additional work to be done.

The SGPWA GM also discussed with his Board what the rate should be moving forward so that the managers understand the 2020 costs, Jagers reported. The GM was leaning toward leaving the rate the same for 2020.

Jagers advised that the Yucaipa Valley Board is discussing whether to order nothing initially in 2020 or order 500 acre-feet (a-f) – down from 1,150 acre-feet this year. BCVWD last year ordered 16,000 a-f to assure whatever was available could be stored. He reminded the Board that he presented this information at the last meeting.

Jagers said he looked at Beaumont Basin production and replenishment needs. He indicated that a little over 4,000 a-f will be added to storage this year, for a total storage account of 39,133. The goal is to balance production and replenishment, Jagers said. He noted that at the last meeting, President Covington said he felt the target should be five years of water in storage.

More storage without extraction causes water to leak out of the Basin, Jagers explained, so the supply curve is important. He reminded the Board that the District has been taking millions out of reserves to buy water for the future. Currently, Jagers said, the District has 4.2 years of supply in storage. Early

implementation of conservation measures could stretch that to 5.6 years of water in storage.

GM Jagers provided an overview and recommended a 12,500 a-f water order at a cost of \$1.139 million from reserves, resulting in a total storage account of 41,989 a-f.

Continuing to add to storage will draw down the District's reserves and it is undesirable to recover the costs from the current ratepayers, he added.

VP Slawson indicated the numbers look good. Director Hoffman cautioned against any order above Jagers' recommendation and pointed out hydraulic constraints. Directors Ramirez and Williams concurred.

Director Ramirez pointed to the imported water rate at \$399 and Mr. Jagers reminded that represents an increase from the \$317 rate last year. It will result in an increased pass-through to ratepayers of approximately \$7 per month.

Mr. Jagers directed the Board's attention to upcoming payments for participation in the Sites Reservoir project. BCVWD's cost could be \$28 million if the District continues to participate. Funds of \$8 to \$10 million have been collected from developers through fees for new water sources, Mr. Jagers advised. He projected 6,000 new houses at \$4,700 per unit to reach the funding target. The SGPWA is also considering a capacity fee in addition, Jagers noted.

A solution for BCVWD's 4,000 acre-feet is needed in order to continue to participate, Jagers explained. He said he will present different scenarios for consideration next month and noted there are many moving parts beyond the control of the District.

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

There were no questions from the Board.

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

There were no questions from the Board.

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

Mr. Jagers reiterated the news about the dissolution of the SGPWA's General Manager Review Committee and initiation of a GM hiring committee. He indicated concern that there are unresolved issues with the recharge facility. The BCVWD ratepayers contributed toward it and Mr. Jagers said he would like to see it operational. He said he offered BCVWD staff to assist the SGPWA.

GM Jagers reported on pond maintenance at the recharge facility. A new assistant engineer has been hired and today is the last workday for the departing assistant engineer. The recruitment process for another engineer must start soon, he noted.

### 13. Topics for Future Meetings:

- Public Relations firm to return in October with an update including the website (Director Ramirez)

### 14. Announcements

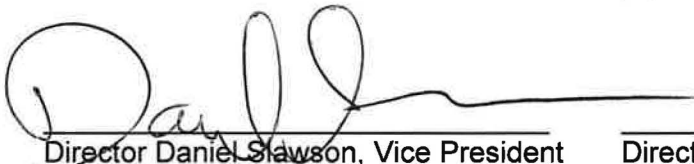
*Vice President Slawson read the following announcements:*

- District Offices will be closed Mon., Sept. 2, 2019 in observance of Labor Day
- Collaborative Agencies Committee Meeting: Sept. 4, 2019 at 5:00 p.m.
- Finance and Audit Committee Meeting: Sept. 5, 2019 at 3:00 p.m.
- Regular Board Meeting: Sept. 11, 2019 at 6:00 p.m.
- Personnel Committee meeting: Sept. 23, 2019 at 5:30 p.m.
- Engineering Workshop: Sept. 26, 2019 at 6:00 p.m.
- Beaumont Basin Watermaster Committee Meeting: Oct. 2, 2019 at 10:00 a.m.
- BCVWD Centennial Celebration and Regular Meeting: Oct. 9, 2019 at 6 p.m.

### 15. Adjournment

*Vice President Slawson adjourned the meeting at 9:45 p.m.*

ATTEST:

A handwritten signature in black ink, appearing to read 'Daniel Slawson', written over a horizontal line.

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

A handwritten signature in blue ink, appearing to read 'Andy Ramirez', written over a horizontal line.

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

