



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING – ENGINEERING WORKSHOP
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Thursday, September 26, 2019 at 6:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 6:08 p.m.

President Covington 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, Senior Engineer Mark Swanson, Administrative Assistant Erica Gonzales, Assistant Director of Operations James Bean, Senior Finance and Administrative Analyst William Clayton, Engineering Assistant Daniel Baguyo

Members of the public who registered their attendance: Nisha Wade, Thomas Medina, Norma Medina, Peggy McClung, Mike Thompson, Mike Moran, Marilee Moran, Ryan Jordan, Nate Smith and Kirk Howard.

Public Comment: None.

General Manager Jagers advised the Board of an Emergency Agenda Item regarding District facilities with mold issues that requires immediate action for health and safety. President Covington added the item to the agenda as No. 17.

1. Resolution 2019-10: Proclaiming September 22, 2019 to September 28, 2019 as Special Districts Week

General Manager Jagers explained the opportunity to join other agencies in recognizing Special Districts Week as designated by California Assembly Concurrent Resolution 89.

The Board adopted Resolution 2019-10 proclaiming September 22, 2019 to September 28, 2019 Special Districts Week by the following vote:

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

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

Ms. Nisha Wade of CV Strategies briefly recapped her previous presentation and provided a handout on the District Outreach Plan. She advised the Board about additional deliverables and noted the recommendation for formation of an Ad Hoc Communications Committee.

President Covington pointed out that the current contract is not-to-exceed \$100,000 and as of September 11, \$55,389 has been expended. He asked about the additional deliverables; Ms. Wade confirmed they were not included in the original scope of work. In response to President Covington, Ms. Wade explained some of the items are complete and others are ongoing.

In response to Director Williams, Ms. Wade explained the additional deliverables are covered under the initial contract. Mr. Jagers noted that staff has monitored progress and slowed work to assure the budget is not exceeded.

Director Ramirez complimented the newsletter and said he appreciated the list of deliverables. He said he believes the social media is good, but he would like to see more outreach through the Press Enterprise and Record Gazette.

Director Hoffman said he believes there will be more engagement with the website than social media. President Covington complimented the newsletter.

Mr. Jagers added the website is improved and noted much behind-the-scenes work with the IT Manager. President Covington noted the hiring of a PR firm is a step forward for the District.

3. Discussion and Consideration of Formation of an Ad Hoc Communications Committee

General Manager Jagers explained there are some Board members who desire to participate in the messaging for the District. Some critical items are coming up, he advised, and noted the importance of getting out the right message. Staff is working to complete the remaining items in the CV Strategies contract within the contract budget, Jagers said.

President Covington appointed Directors Ramirez and Williams to participate with Director Hoffman as alternate to a new Ad Hoc Communications Committee. The Committee will meet at the BCVWD Administration Office starting at the end of October. President Covington assigned the Committee members to set goals and a timeline at its first meeting and advised them to be mindful of the budget.

4. Consideration of Letter Requesting Governor's Veto on AB 1184 (Gloria): Public Records: Writing Transmitted by Electronic Mail: Retention

General Manager Jagers explained that the California Special Districts Association has requested letters to be sent to Governor Newsom regarding veto of AB 1184, as it requires retention of all email. The District receives thousands of emails including an amount of spam and the desire is to not store non-essential

materials. Business-related emails are retained per the California Public Records Act.

Director Ramirez noted this has passed the Assembly and was supported by local elected officials. Director Hoffman indicated that as Chair of the Finance and Audit Committee, he advocates transparency but does not feel the burden of additional recordkeeping is necessary and supported sending the letter. Director Slawson and President Covington concurred.

The Board directed staff to execute the letter requesting veto of AB 1184 (Gloria) Public Records: Writing Transmitted by Electronic Mail: Retention and forward to Governor Gavin Newsom and the California Special Districts Association by the following vote:

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

5. Consideration of a 2019 Mid-Year Budget Adjustment

Mr. Jagers explained the request for budget adjustment in the amount of \$3,046,426 for additional imported water. As discussed at previous Board meetings, the District budgets for an average year's expenditure for water supply and when more water is available, reserves are drawn down to make purchases of water to serve in the future.

Additionally, the water wholesaler has raised the price per acre-foot (AF) from \$317 to \$399. Delays in the Noble Creek expansion and a water line break also put the District behind its ideal goal for deliveries, Jagers said. Hydraulic constraints are still affecting delivery, he advised.

Jagers presented three scenarios and recommended a not-to-exceed amount of \$3,046,426 for an additional 7,634.9 AF of imported water to reserve for drought years. The goal moving forward, Jagers continued, would be to reduce the water orders. The funds are taken from reserves, he explained.

President Covington noted the State Water Project is at 75 percent reliability this year. He asked Mr. Jagers to confirm the ability to deliver the water in a timely fashion. Mr. Jagers said he is confident that delivery at 20 to 25 cfs on average is achievable.

President Covington said he supports the decision to purchase the water, as it is not always available. Director Williams asked about reliability of delivery of the minimum. Mr. Jagers expressed confidence but acknowledged unknowns.

Director Hoffman asked about current reserves and Mr. Clayton answered the District has approximately \$22 million. Water is not getting any less expensive, Hoffman pointed out, and said he believes buying water when available will put the District in a better position in the future. Director Slawson indicated agreement with President Covington.

President Covington posited that the City of Banning has water in storage and may be amenable to selling it to BCVWD at a discounted rate. Director Hoffman pointed out that hydraulic constraints affecting the BCVWD also affect other area agencies. Mr. Jagers noted capacity would be available in the spring.

The Board approved a mid-year adjustment to the Fiscal Year 2019 Operating Budget for State Water Project purchases in the amount of \$3,046,426 by the following vote:

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

6. Presentation of SB 998 Regarding Water Shutoff Protection Act and Consideration of Potential BCVWD Policy Changes for Compliance

Senior Finance and Administrative Analyst William Clayton briefed the Board on the recently enacted legislation. The law provides procedural protections for delinquent customers before shutoff, and becomes effective February 1, 2020, Clayton explained. It will require a District policy change, he advised. Mr. Clayton explained the current process and new requirements.

Turning water off is a last resort, Clayton noted, but it prevents the District from encountering Proposition 218 issues where some customers are being subsidized by others. One major consideration is that the new law allows anyone to get a payment plan, Clayton said. General Manager Jagers added that it is important to have a well-crafted policy, as the new law allows a lengthy period of time before the District can discontinue service.

In response to President Covington, Mr. Jagers explained that changing to monthly from bi-monthly billing was analyzed by staff. Director Hoffman asked about current uncollectible losses. Mr. Clayton noted that no account is considered uncollectible, as any outstanding liability converts to a lien on the property.

Clayton explained two options for billing timelines and compared to the District's current process: A. The bill is due upon receipt, or B. The bill is due thirty (30) days after issuance. Mr. Clayton advised that many agencies' bills are due 21 days after receipt, but SB 998 will change that.

Director Hoffman indicated that the fewer delinquencies generated, the better for the District and cash flow. Giving people additional time would be beneficial for them and for the District, he suggested. President Covington agreed and confirmed the District accepts online payments. Mr. Jagers added that a lot of staff time was spent addressing delinquencies and shut offs / turn ons, but new processes have reduced the average of 350 to 400 delinquencies to 40 or 50.

President Covington indicated aversion to additional staff time on shut offs and timely paying customers absorbing costs for delinquencies. He noted that a few may take advantage of the law's benefits and make public agencies carry the burden. There is no funding for this mandate, he pointed out. Any policy must be fair to the customer and the District, he said, without increasing shut off rates.

President Covington directed staff to compose a tight policy that serves the District and all its customers. With the input of the Board regarding billing periods, staff will revise bills and reminder notices and processes, Clayton said. Mr. Jagers suggested Option A which has been working well for the District, rather than stretching the billing further, which may be detrimental.

President Covington concurred. Director Williams asked about additional qualifications for the payment program and a sliding scale. Mr. Clayton noted these have been brought up and will be considered. Mr. Jagers said the language of SB 998 seems flexible enough to allow some similar structure. President Covington asked about the adaptability of billing software. Mr. Clayton said it appears to be capable without hiring additional staff.

Mr. Clayton answered questions about notice requirements and appeal process for Director Williams. She suggested shortening the 15-day appeal period to seven to 10 days of the notice since the District no longer has the option of shut off. Director Ramirez agreed and suggested establishing guidelines rather than hard rules, to allow for some flexibility. He pointed out that the District is primarily an English and Spanish speaking community, and Mr. Jagers noted bi-lingual staff and that there has not been a problem communicating with customers. Director Ramirez concurred regarding Option A with seven days.

Director Hoffman said he preferred Option A with a 15-day grace period. Director Slawson concurred on Option A with a grace period.

Mr. Jagers complimented staff and explained the hardship caused to the District due to this legislation. President Covington noted the Board would like to work reasonably with its customers, but the District is not a bank.

7. Consideration of Request for an Update of “Will Serve Letter” for Riverside County Assessor’s Parcel No. 402-190-007 located at 40090 Lincoln Street in the Community of Cherry Valley

Senior Engineer Mark Swanson explained this is a fairly large residential parcel. Mr. Jagers noted the existing WSL expired in 2017.

The Board approved the request for an update of “Will Serve Letter” for domestic water service for a proposed single-family residence located at 40090 Lincoln Street, identified as Riverside County Assessor’s Parcel No. (APN) 402-190-007, in the Community of Cherry Valley by the following vote:

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

8. Consideration of Request for “Will Serve Letter” and Annexation Approval for 99 S. California Avenue (Riverside County Assessor’s Parcel No. 417-180-014) in the City of Beaumont

Senior Engineer Mark Swanson explained the applicant is proposing an RV storage facility. The project is not currently located within the District boundaries and will require an annexation process. He pointed out this is a different project that one discussed at prior meetings.

Mr. Swanson pointed out estimated consumption figures and explained landscaping. A condition may be included that states if consumption is above and beyond the estimates, the District has a right to audit. President Covington asked about the high potable water demand. Mr. Jagers indicated the calculations were provided by the applicant based on another facility which includes an office and restroom.

Ryan Jordan addressed the Board on behalf of the applicant. He noted there is no RV wash. The plan includes some landscaping, a single office with restroom and a hose bib for RVs. Mr. Nate Smith, civil engineer for the project, told the Board that the water demand was based on usage for a similar facility and is not based on this project, but he expects the water usage to be similar.

In response to Director Ramirez, Senior Engineer Swanson explained the WSL application process, including CEQA, LAFCO and the Planning Department. Mr. Smith advised there is an approved Mitigated Negative Declaration for CEQA.

Mr. Smith provided additional detail on fire flow in response to Director Hoffman. He requested to work with staff regarding the 24-inch pipe on California Street. Mr. Swanson suggested there may be potential for change in the water demand estimate. Mr. Jagers stressed the importance of accuracy for determining fees and recommended this be brought back to the October 9 meeting.

Mr. Swanson drew attention to the plan and pointed out the 24-inch water line proposed for future needs. Traditionally, the District requires a mainline extension and agreed to work with the applicant on options. Mr. Jagers reminded that District policy is to extend across all frontages.

The item was NOT approved.

The Board tabled the Request for Will Serve Letter for APN 417-180-014 to the October 9 meeting by the following vote:

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

9. Consideration of Request for Extension of “Will-Serve Letter” for Previously-Approved Development: Riverside County Assessor’s Parcel Nos. 401-020-007 and 401-020-008 (TTM 30450) located on Oak Glen Road South of Wildwood Canyon Road in the Community of Cherry Valley

Mr. Jagers reminded the Board there was significant discussion on this item at the previous meeting when two Board members were absent. Jagers and Swanson explained the ownership of the two parcels to be included in the WSL.

Mr. Jagers described the existing infrastructure. Additional facilities are needed to service the Tract Map, he explained. At the last meeting, Jagers reminded, the Board was advised that a pressure reducing station will be required.

Mr. Swanson noted that the original WSL was issued in 2005 and updated in 2010 for the 26-unit project. There is no sewer service to the area. Mr. Jagers pointed out that the project tried to detach from the BCVWD service area, but the District resisted.

Director Williams indicated support for the WSL since the District previously fought the detachment.

The Board approved the request for the extension of "Will Serve Letter" for Tentative Tract Map (TTM) 30450, a proposed 20.8-acre single-family residential development spanning over two (2) parcels (Riverside County Assessor's Parcel Nos. [APN] 401-020-007 and 401-020-008) located in the Community of Cherry Valley by the following vote:

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

10. BCVWD Engineering and Operations Departments Preliminary Facilities Needs Analysis and Estimate

General Manager Jagers reminded the Board of previous discussion of needs. Jagers explained that a determination of the District's future must be made, and the Board needs to be aware of options and prepared to make decisions.

He estimated the District is about halfway built out with a projection of growth which will require a staffing increase. The current facility was not best planned for the future, he pointed out. The leased space is working well for current needs, he said.

Future staffing and facilities needs were examined, and projections made in the "Draft Engineering and Operations Departments Preliminary Facilities Needs Analysis and Estimate," which was completed in-house, he said. Staff compared BCVWD with other agencies' facilities. If more land will be required for future expansion, Jagers advised, money must begin being programmed into the rate.

He reviewed existing facilities and some options. Jagers described additional properties owned by the District and discussed their potential for building facilities. He detailed the parcel located west of the Taylor tank which was purchased to provide an opportunity to install a surface water treatment plant should it be needed, as the East Branch Extension crosses the top of the property.

Jaggers shared information on facilities at other agencies for comparison. He pointed out potential lots for expansion. Since the last meeting, Jaggers explained, engineers have fitted operations to a 9.5-acre lot for a graphical representation of what is in the report. It includes a well site, water quality basin, outdoor storage, and a warehouse. The first target is to capture the land while it is available, Jaggers said.

President Covington pointed out that staff's first estimate is \$19 million and a phase-in approach over a decade will need to be implemented. Jaggers offered options and suggested this is a point where there is opportunity to purchase some land. Covington indicated support for land purchase. He noted that current facilities are in poor condition. The area population at build-out will total 80 to 90,000, Covington said, and at current population of 45,000, it is obvious current facilities have been outgrown. He said that with more detailed information he would consider the phases, for example land acquisition and preliminary design as Phase 1. He said he appreciates the pre-planning and requested budget numbers.

Director Williams concurred it is a good time to buy land. Director Ramirez indicated this will increase the outcome of the rate study and suggested consideration that this is the height of the real estate market. Example buildings are not suitable for BCVWD, he said. Although he likes the idea of a new Engineering and Operations Center, the price tag is audacious, he said, and requested a compromise solution. He stressed fiscal responsibility and suggested tearing down current facilities and rebuilding.

President Covington directed staff to focus on the numbers moving forward and the effects on the rate study. Mr. Jaggers pointed out that a new well site is needed, and \$390,000 for 10 acres is not extravagant. Covington reiterated Director Ramirez' question regarding rebuilding of existing facilities.

11. Consideration of Authorizing the General Manager to Enter into a Not-to-Exceed Contract of \$15,000 for Planning and Guidance for the Implementation and Permitting of a Recycled Water System

Assistant Director of Operations James Bean presented some details of the non-potable water system and reminded the Board that recycled water is anticipated to be a major component. He said he has been in discussion with the Department of Water Resources regarding the permitting process, system requirements and recommendations. He noted a time constraint with the City of Beaumont and the wastewater treatment plant upgrade, and said the goal is to be in position to receive the recycled water.

President Covington asked about the choice of T.R. Holliman and Associates. Mr. Bean explained the company was identified through an association dedicated to water re-use. The expert team will be able to provide a roadmap for the District to know exactly what is needed from RFPs and public bids to permitting.

President Covington noted the District is a bit behind in the process and must get the system permitted. Director Ramirez said the collaboration is encouraging and indicated support for the request.

The Board authorized the General Manager to enter into a contract with T.R. Holliman & Associates for consulting services to provide preliminary planning and guidance to District staff for the implementation and permitting of the District's existing Recycled Water System in a not to exceed amount of \$15,000 by the following vote:

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

12. Discussion and Consideration of Elm Avenue Mainline Extension, South of Fourth Street

Vice President Slawson advised there are two members of the public to speak on this item after the staff report.

Senior Engineer Mark Swanson reviewed the project background. Correspondence from the project applicant, 310 Elm, LLC, which was originally seeking a larger meter, advises that they no longer desire to work with BCVWD on potential options, and want to move forward with the Planning Commission conditions of protecting the lines in place and assuring the owners have rights to their water lines. They are not building on the property and will use the existing meter.

At the Engineering Workshop on September 26, 2019, the homeowners requested a pipeline along Elm Avenue, Swanson recalled. Mr. Jagers reiterated detail on the pipeline locations and issues.

Mr. Swanson indicated that staff has considered the request for a mainline along Elm Avenue which is considered an upgrade. Mr. Swanson reviewed drawings which were made to better identify the needed work, and preliminary cost estimates to construct a line from 4th Street south.

Swanson pointed out significant cost to re-plumb service lines from the back to the front of the houses. President Covington suggested this might be something to work out with the homeowner, as this would be an unbudgeted impact.

The City's updated General Plan, Swanson continued, shows this area will remain residential. This new pipeline is not in the District's Potable Water Master Plan and funding would have to be determined. As part of the rate study, the Capital Improvement Plan is being considered and this would be included in capital replacements with an impact of \$300,000.

If approved, the project would be about one year to 1.5 years away. Staff requested the Board's input regarding project funding in order to move forward. President Covington asked about fire protection for the homes; Mr. Swanson said the closest fire hydrant is located at 4th Street and Elm, approximately 850 feet from the southernmost house.

President Covington called upon the public for comment.

Ms. Peggy McClung of 330 Elm reminded the Board there has already been service interruption due to demolition activity at 310 Elm. They fixed it, she said, but there was no communication to the neighbors or to the District. She advised there will be a tall fence built and wondered about access to lines if repair is needed. The neighborhood, she noted, is considered by the City to be historic and it seems wrong not to have sufficient fire hydrants. Fire risk is worsening, she explained.

Mr. Thomas Medina of 240 Elm indicated he had been willing to support the proposed fix, and now encouraged the relocation of the mainline along Elm. He reiterated there are no nearby fire hydrants. He expressed concern about heavy equipment on the site and breakage of lines, along with inability to contact the 310 Elm LLC owner in case of problems.

Mr. Jagers interjected the possibility of working with the City to assure that the easement allows ingress and egress to the homeowner and the District. In response to President Covington, Mr. Swanson explained the project is a storage yard, and the District has no mechanism to compel upgrades.

President Covington said he considers it a liability for the District that the street has no fire protection. Mr. Swanson pointed out there may be other areas within the District in the same type of condition. The goal should be fire protection, but action for one may open the door for others, Swanson warned. Covington suggested bringing this back as part of the 2020 budget.

Director Williams expressed that the safety of residents is very important, and she supported including this in the 2020 budget. Directors Hoffman, Ramirez and Slawson concurred.

Mr. Thomas Medina asked about the minimum distance between fire hydrants. President Covington advised that it is either the County or the City that establishes the requirements. Mr. Swanson indicated it varies depending on the land use; he believes it is 500 feet for single family residential. Director Williams asked about potential differences in requirements due to the historic district. Mr. Swanson will check with the City.

13. Status of San Geronio Pass Water Agency 2020 Water Order

This item was tabled.

14. Update on Sites Reservoir, Participation Agreement, and Ongoing Funding Requirements

This item was tabled.

15. Discussion of Special Joint Meeting of September 25, 2019 between the San Geronio Pass Water Agency, San Bernardino Municipal Water District, and Yucaipa Valley Water District

Mr. Jagers reported on the meeting. Yucaipa Valley Water District is pursuing solutions for their service area in Calimesa. All the stakeholders and entities

serviced by the SGPWA need the same solution. There was discussion about legal counsel, fees involved and avoiding going to court, Jagers advised. Tim Worl was brought in to facilitate. All agencies have similar concerns about assuring their needs are heard, he said. He said it bears watching.

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

This item was tabled.

17. EMERGENCY ITEM ADDED

Declaration of an Emergency by The General Manager, and Ratification by Board of Directors for Water Damage and Mold Remediation at The District Warehouse (Shop), located at 11083 Cherry Avenue

General Manager Jagers reported that black mold has been identified at the District Shop, and he believes the health and safety issue meets the criteria for emergency activities. Staff would like to proceed with initial remediation and has a quote for \$7,100. Jagers requested ratification of the emergency and advised that he expects more activities will be necessary, for a total of \$23,250.

The Board accepted the report, ratified the emergency and authorized the General Manager to enter into a contract with SERVPRO to proceed with mold remediation in the amount of \$7,100 by the following vote:

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

18. Update: Legislative Action and Issues Affecting BCVWD

This item was tabled.

19. General Manager's Report

Mr. Jagers introduced new Engineering Assistant Daniel Baguyo.

20. Topics for Future Meetings:

None were suggested.

21. Announcements

President Covington read the following announcements:


- Beaumont Basin Watermaster Committee Meeting: Oct. 2, 2019 at 10:00 a.m.
- Finance and Audit Committee Meeting: Oct. 2, 2019 at 3:00 p.m.


- BCVWD Centennial Celebration and Regular Meeting: Oct. 9, 2019 at 6 p.m.
- Engineering Workshop: Oct. 24, 2019 at 6:00 p.m.
- Collaborative Agencies Committee Meeting: Nov. 6, 2019 at 5:00 p.m.
- District Offices will be closed on Mon., Nov. 11 in observance of Veterans Day
- Personnel Committee meeting: Nov. 25, 2019 at 5:30 p.m.
- Association of California Water Agencies Fall Conference: Dec. 3 - 6 in San Diego
- BCVWD Budget Workshop: Thursday, December 5 at 6 p.m.

Mr. Jagers advised of a Special Meeting on October 17, 2019 for the first Rate Workshop.

22. Adjournment

President Covington adjourned the meeting at 9:20 p.m.


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

ATTEST:

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