



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, November 13, 2019 at 6:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 6:10 p.m.

Pledge of Allegiance: Director Ramirez

Director Ramirez led the pledge.

Invocation: Vice President Slawson

Vice President Slawson gave the invocation.

Roll Call:

Directors present:	Covington, Hoffman, Ramirez, Slawson, Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Finance and Administrative Services Yolanda Rodriguez Senior Engineer Mark Swanson Administrative Assistant Erica Gonzales Assistant Director of Operations James Bean Civil Engineering Assistant Daniel Baguyo
Legal counsel:	Jim Markman

Members of the public who registered their attendance: Kirk Howard, Nate Smith, Thomas Medina, Norman Medina. From the San Geronio Pass Water Agency: Dr. Blair Ball.. From the City of Beaumont: Councilman Lloyd White.

Public Comment: None.

ACTION ITEMS

1. Adjustments to the Agenda: None.

General Manager Jagers advised the Board there is a handout for Item 3.

2. Consent Calendar:

The following Consent Calendar items were approved with one motion:

- a. September 2019 Budget Variance Report
- b. Quarterly Statement of Cash Flows for September 30, 2019
- c. September 30, 2019 Cash/Investment Balance Report
- d. October 2019 Check Register
- e. October 2019 Invoices Pending Approval
- f. Minutes of the Regular Meeting of October 9, 2019
- h. Minutes of the Regular Meeting of October 24, 2019

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

- g. Minutes of the Special Meeting of October 17, 2019

Item 2g: Minutes of the Special Meeting of October 17, 2019 was approved by the following vote:

MOVED: Slawson	SECONDED: Hoffman	APPROVED 4-0-1
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	None.	
ABSTAIN:	Ramirez.	
ABSENT:	None.	

3. PUBLIC HEARING

Resolution 2019-13: Adopting a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for 2017 Water Pipeline Replacement Project

President Covington introduced the item and explained the public hearing procedure.

The Public Hearing was opened at 6:15 p.m.

Director of Finance and Administration Yolanda Rodriguez reported that the Notice of Public Hearing was recorded with the County of Riverside on October 9 and published in the Record-Gazette on October 11 and 18, as well as posted at several public offices and mailed to property owners within a reasonable distance to the project. As of this evening, no written comments or protests on this item have been received, she noted.

Senior Engineer Mark Swanson described the project involving three pipelines: Avenida Altejo Bella, Apple Tree Lane, and Egan Avenue. Staff prepared the studies required by the California Environmental Quality Act (CEQA), Swanson explained, and sent out notices. Two tribal governments indicated interest, information was received, and both tribes are satisfied, Swanson said. No additional correspondence was received.

In response, to Director Ramirez, Mr. Swanson confirmed that engineering consultants assisted with the Mitigated Negative Declaration (MND). Mr. Jagers noted that these are replacement pipelines and could have been

considered for a categorical exemption from CEQA, however because a new alignment for the Altejo Bella pipeline was identified, staff went above and beyond the minimum required in the interest of transparency.

There was no public comment.

President Covington closed the Public Hearing at 6:22 p.m.

The Board adopted Resolution 2019-13 Adopting a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for 2017 Water Pipeline Replacement Project by the following roll call vote:

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

4. NOT ADOPTED. Resolution 2019-__: Revision of District Policies and Procedures Manual: Part II – Applicable to Board of Directors and District Staff

General Manager Jagers noted that several issues have been clarified in the Part II revision. He drew attention to the summary of substantive items addressed and to the redline copies. Legal counsel has reviewed it and made minor changes.

Director Ramirez noted that the Personnel Committee went back and forth to assure revisions were as clear as possible, with the intent to eliminate vagueness and allow future Boards to function efficiently. Additionally, he continued, the Committee worked with staff to correct typos, to assure liabilities were reduced, and clarify expectations and communications.

Directors Hoffman and Slawson thanked and complimented the Committee members. President Covington noted that the Committee believes that loopholes and gray areas have been cleaned up. There were many restrictions that tied the hands of staff and directors in basic functions, he said. Other agencies' policies were compared, and Covington said he believes this is a step forward in revising the entire policy handbook.

President Covington called Dr. Blair Ball for public comment. Dr. Ball indicated he appreciated what was done by the Committee and advised that many years ago, he and Stella Parks did the same. He drew attention to Section 6C regarding agenda preparation. Item ii indicates the agenda will be set at the discretion of the Board President and the General Manager, and "should the President decline to agendize an item requested by an individual Board member," they can come back at a different date, Ball read. He said he strongly believes that any director should have the ability to put something on the agenda without consent of the Board President. Each director represents a specific area and the President has no authority over other Board members, Ball added, and suggested the following:

"The President shall not decline to agendize an item requested by an individual Board member, and shall place the item on the next Board meeting." Some items

could be time-sensitive, he explained. Ball pointed out that any item could be tabled or dismissed at a public meeting.

Director Ramirez requested the item be adjusted to not decline a request by a Board member to place an item on the agenda. Director Slawson pointed out the policy indicates the agenda will be set by the President and GM, and all directors have a direct line to the GM. Covington advised that his intent was to prevent rogue Board members from placing items on the agenda to advance their own agenda, and to formalize the process which had been ambiguous. President Covington acknowledged Dr. Ball's comments but suggested a weigh-in by the GM, president and vice president. He said he is comfortable with the wording as it appears.

Director Ramirez agreed with Covington regarding the potential of rogue directors and suggested adding "if unreasonable," in Section 6Cii.

President Covington called Lloyd White of the City of Beaumont for public comment. Councilman White shared his experience and said the City relies on the "Future Agenda Items" section at the end of each agenda at which point any suggested agenda items can be vetted and consensus of the council received to agendize an item. In addition, the Mayor can independently add agenda items.

Director Williams pointed out the policy allows an item to be agendized via a majority vote. Director Ramirez indicated the use of the word "may" could also mean "may not," and should be clarified.

President Covington called Nate Smith for public comment. Smith agreed with previous public speakers and noted experience on an HOA board where members representing a constituency could be shut out if the president's opinion differed. He stressed the importance to allow directors to submit an agenda item since no one is duly elected by the entire district.

Counsel Markman opined this is at the discretion of the Board. Mr. Jaggars read:

"The agenda will be set at the discretion of the President and General Manager per Section 6A, above. Should the President decline to agendize an item, if unreasonable, as requested by an individual Board member, the item will be agendized at a subsequent meeting based on a majority vote of the Board."

Director Ramirez indicated his consideration of the comments made and noted concerns. After some discussion, Director Hoffman suggested the policy go back to the Personnel Committee and directors think about the wording as it is important to get it right and assure there is a way to get items on the agenda.

GM Jaggars pointed to Section 6A which clarifies the agenda is prepared in cooperation with the GM, Board President and/or Vice President.

President Covington moved to adopt Resolution 2019-__: Revision of District Policies and Procedures Manual: Part II – Applicable to Board of Directors and District Staff with the removal of the last sentence of Section 6-c-ii.

Director Ramirez posited that Section 6Cii then contradicts Section 6A and noted additional concern. President Covington rescinded his motion, tabled the item and remanded the policy back to the Personnel Committee.

Counsel Markman indicated it is a common struggle as to how items get onto an agenda and there is no standard solution.

The Resolution was NOT ADOPTED.

5. Resolution 2019-14: Approving a Memorandum of Agreement for the Creation of the Coordinated San Timoteo Groundwater Sustainability Agency

General Manager Jagers reminded the Board that the Sustainable Groundwater Management Act (SGMA) created a condition where a Groundwater Sustainability Agency (GSA) must be formed and subsequently a Sustainable Groundwater Plan must be implemented if the basin was designated a certain priority. The San Timoteo Groundwater Basin was initially designated Medium Priority by the Department of Water Resources (DWR). During its process the DWR re-categorized the San Timoteo basin as Low Priority.

President Covington noted a potential conflict regarding basin management with his employer, recused himself from the discussion, passed the gavel to VP Slawson and left the room at 6:50 p.m.

Mr. Jagers explained that the required GSA was formed in 2016 and the initial process of the Sustainable Groundwater Plan was initiated. The basin was re-categorized due to management of the adjudicated portion by the Beaumont Basin Watermaster. No plan is now required, and associated expenses unnecessary; but this may change in the future, Jagers explained.

GSA meetings continued and there is interest by BCVWD and Yucaipa Valley Water District in managing sub-basins outlying the adjudicated area, Jagers explained. He detailed potential activities to be addressed and suggested it behooves the BCVWD to participate in a management plan to assure agreement that the basin is managed well and is positioned for the oncoming growth. The intention is to manage certain areas and set the stage for participation, Jagers explained. No formal plan is required; the intent is to manage together in good faith and parallel the requirements of SGMA to be prepared if the basin is again re-prioritized, but not apply to DWR for recognition.

In response to Director Ramirez, Mr. Jagers confirmed that the San Geronio Pass Water Agency (SGPWA) has no interest in participating in this activity. Director Ramirez opined that it is an excellent point to recapture any leakage from the basin. Director Hoffman indicated he feels it wise to parallel the SGMA.

The Board adopted Resolution 2019-14 Approving a Memorandum of Agreement for the Creation of the Coordinated San Timoteo Groundwater Sustainability Agency by the following vote:

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

President Covington returned to the dais at 7 p.m.

6. 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 Swanson reminded the Board of previous discussions of this item and noted the applicant was present. Water consumption information has been provided and staff believes it fair and reasonable. The extension of the 24-inch main on California south from First Street was discussed with the applicant last week, is a project condition, and details will be worked out at staff level.

Mr. Swanson reviewed the domestic water demand numbers of 350 gallons per day (GPD). Although lower than nearby facilities, it does not seem unreasonable given conservation activity, Swanson said. Approval of the Will-Serve Letter (WSL) tonight allows the applicant to move forward with the LAFCO process for annexation, Swanson explained.

Director Williams pointed out the Table should show Total Estimated Water Demand of 368 GPD. Director Ramirez asked about comparable water use in other scenarios. Mr. Swanson explained the research done by staff and noted the District reserves a right to perform a water audit in the future. If consumption is higher than expected, the applicant must pay the appropriate facility fees.

Director Hoffman stated he appreciated everyone working together on this item.

The Board approved the “Will Serve Letter” and Annexation for 99 S. California Avenue (Riverside County Assessor’s Parcel Nos. 417-180-013 and 417-180-014) in 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.	

7. Consideration of Appointment of a BCVWD Delegate Voter at the Association of California Water Agencies Annual Fall Conference in San Diego, CA on Dec. 4, 2019

Mr. Jagers explained the request of ACWA for the Districts vote on the candidate slate or other candidate(s). Director Williams is the only BCVWD director registered to attend the conference and it is recommended she be appointed to cast the ballot. Jagers noted there is a Budget Workshop slated for Thursday, Dec. 5. Director Williams indicated she will try to return from the conference in time to attend the Budget Workshop.

The Board approved Appointment of Director Lona Williams as the BCVWD Delegate Voter at the Association of California Water Agencies Annual Fall Conference in San Diego, CA on Dec. 4, 2019 by the following vote:

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

8. Review and Consideration of Adjustment of Director Per Diem Fees and Provision of Health Benefits for Directors

Mr. Jagers reminded the Board about previous discussion. Director of Finance and Administrative Services Yolanda Rodriguez reviewed information from comparable agencies which shows many offer health benefits to directors.

BCVWD contracts for benefits with CalPERS, which does not allow the extension of benefits to Board members, so the District would have to contract with a different insurer to provide the benefit, Rodriguez explained. Another option, she continued, is to consider total costs for per diem along with the average cost of health benefits provided by other agencies totaling an average package of \$2,346.66, to make the Board's total compensation comparable to other agencies.

President Covington noted that it would be catastrophic to employees to pull BCVWD out of the CalPERS insurance benefit in order to obtain an alternative insurer to include directors. He pointed out that 85 to 90 percent of other agencies provide health benefits for directors. Three directors previously requested staff inquire as to provision of benefits, Covington said, and agrees if it is the will of the Board to direct staff to continue.

If the directors wish to have medical insurance, Covington continued, the five should be under a different policy. If a director currently has a better plan offered through an employer for example, Covington suggested, there could be a provision via a public hearing process to set aside a medical health benefit stipend so directors might procure their own medical insurance, and/or obtain insurance through the District.

GM Jagers added that legal counsel will have to advise what the District can do. There will be additional considerations, he noted, such as insurance offered for director only, or if it will include dependents; there is a significant difference in costs. Covington noted most agencies provide benefits for the director and dependents. Mr. Jagers noted that the next step to truly understand costs for health insurance benefits will have to be shopped to potential insurers.

Counsel Markman added the District may be able to shop for benefits or levels of secondary coverage in addition to what directors currently receive from employers.

President Covington polled the Board members. Director Williams supported further research. Director Ramirez indicated the heart of the staff report is good. He said he liked Option 2 presented and would be prepared to vote to move forward with insurance. Director Hoffman said his purpose is to serve the community and he does not feel entitled to the medical benefits although other districts provide them. Director Slawson indicated support for insurance or stipend and pointed out that current directors have their own health insurance now, but that may not necessarily be the case for everyone who may want to serve on the Board. Health insurance is a baseline need, he said.

GM Jagers reiterated the need for legal counsel vetting. Covington added that insurance may entice other candidates to step up for election more than service to the community. There is a lot of uncompensated work behind the scenes, he noted, and this agency needs to be equitable to others.

Counsel Markman said he would work with the new HR Coordinator and Ms. Rodriguez to assure options are not problematic.

Director Ramirez and GM Jagers confirmed to bring back the item in January. President Covington asked how potential expenses of more than \$100,000 per year would be accounted for in the 2020 budget if yet undecided. Ms. Rodriguez indicated she anticipates a budget amendment in 2020 due to several factors.

With consensus of the Board, President Covington directed staff to bring back a stipend option and real cost comparison at the January 8, 2020 Regular Meeting.

9. Southern California Edison Public Safety Power Shutoff Report and District Activities

Assistant Director of Operations James Bean explained that Public Safety Power Shutoffs (PSPS) are the new norm when there is a high risk of fires. The District has been proactive in adjusting to the conditions, Bean explained.

Staff produced an energy cost analysis including different time of use rates as staff tries to conserve energy and limit costs. The District is notified when a shutoff may occur and has analyzed what would result if pumps were run during higher energy cost time of use in order to keep reservoirs full.

A PSPS was experienced for a 28-hour period in October which affected two wells, four reservoirs, a booster station and a telemetry repeater. All reservoirs had been filled in preparation and staff worked with Cal Fire and other agencies to monitor conditions. Backup generators were employed, and the public was notified via phone blast and social media to conserve water. The City and the Recreation and Park District also shut down irrigation.

Director Williams commented that the proactivity is impressive. Director Ramirez asked if all well sites have generators; Mr. Bean said not every site, but in strategic locations. There may be need to change operations and utilize additional generators with the new norm, he said.

In response to President Covington, Mr. Bean said there are at least two well sites that are prepared for adding generators. Covington asked about the Air Resources Board related to the use of generators during PSPS events and Bean said there has been no opinion yet. Covington suggested renting generators for the three months of the Santa Ana wind season.

Director Hoffman added that water supply could become restricted in areas after three or four days without power as it is used up, and he advocated for generators.

GM Jagers reported on a discussion at the Collaborative Agencies meeting. The County of Riverside is meeting with Southern California Edison and the consensus is that Edison did not manage the event well. This new norm is significantly

different than what has been planned for, Jaggers noted. In an emergency, the Board would declare significant restrictions, but this is a case where a utility is deciding they have too much risk because of their antiquated facilities. This puts everyone at risk due to lack of regular fire supply and in a fire event, the system may be depressurized creating a health risk.

10. Reports For Discussion

a. Ad Hoc Committees: No Report.

b. General Manager:

Mr. Jaggers updated the Board of well rehabilitation activities. The mold remediation at the yard was done. During the process, some structural issues were identified and will be addressed.

Production is down by 957 acre-feet (AF) compared to last year, which is within projections and is good news, Jaggers said. He anticipates an increase next year. The SGPWA and State Water Project have had some delivery inconsistencies, Jaggers explained. BCVWD makes adjustments to adapt.

Jaggers reported the status of the ponds and recharge activity. BCVWD and Banning have taken 12,051 AF and 125 AF respectively, year-to-date. BCVWD's total may be 14,077 AF and a cost adjustment will be made for an estimated total of \$5.3 million, Jaggers explained.

At a recent workshop of the SGPWA Board, General Manager Jeff Davis reported that nothing about the new imported water rate was unusual. Jaggers gave background on the imported water rate and presented calculations estimating that at the end of September, SGPWA met its stated goal of collecting half the cost of the Nickel Water. He also pointed out that the DWR variable rate anticipated to be \$289 per AF instead appears to be \$239.21 per AF, resulting in added funds to SGPWA reserves.

BCVWD believes there will be a significant reduction in SGPWA's expected loss in 2019, and sales moving forward will help. BCVWD is currently the only agency buying water and paying the toll, Jaggers said, and he indicated it is unfortunate that the history of the cost of variable water is overstated and there is never a reconciliation of the true cost of water. Jaggers said he will continue to monitor and will report back to the Board in January.

c. Directors' Reports:

VP Slawson attended the Riverside County Water Task Force meeting on October 25 and listened to discussion of recent legislation such as the human right to water and the significant work that will be needed to determine the associated credit. Slawson reported that the General Manager from Eastern Municipal Water District said they hope to convince the state that if the plans are implemented that they add something to the EBT or WIC program and leave the water districts out of it.

Counsel Markman commented this is a problem arising everywhere due to conflict with Proposition 218 which requires charging the ratepayer only the portion of the costs to serve water to them. The District cannot charge or give a customer different amounts of water depending on their income level. It is

unknown how the state will square those concepts without a Constitutional amendment, Markman said.

d. Legal Counsel Report: None.

11. Announcements

GM Jagers provided a three-month calendar detailing the upcoming activities of the District and asked the Board to review it for discussion at the meeting next week. Director Ramirez suggested consolidating meetings of Dec. 11 and Dec. 18. President Covington concurred, noting he is not in town on the 11th. He noted the rate workshop is important and suggested curtailing the agenda on the 18th to include the rate workshop.

President Covington read the following announcements:

- Engineering Workshop: Thursday, Nov. 21, 2019 at 6 p.m. *Note day change due to Thanksgiving Holiday*
- Personnel Committee meeting: Monday, Nov. 25, 2019 at 5:30 p.m.
- District Offices will be closed on Thursday, Nov. 28 in observance of Thanksgiving Day
- Association of California Water Agencies Fall Conference: Dec. 3 – 6
- Beaumont Basin Watermaster Committee Meeting: Dec. 4, 2019 at 10:00 a.m.
- Finance and Audit Committee Meeting: Dec. 5, 2019 at 3:00 p.m.
- Budget Workshop: Thurs., Dec. 5, 2019 at 6:00 p.m.
- Regular Board Meeting: Wednesday, Dec. 18, 2019 at 6 p.m.

12. Action List for Future Meetings

- Water supply for BCVWD and the region

13. Convened in Closed Session: 8:11 p.m.

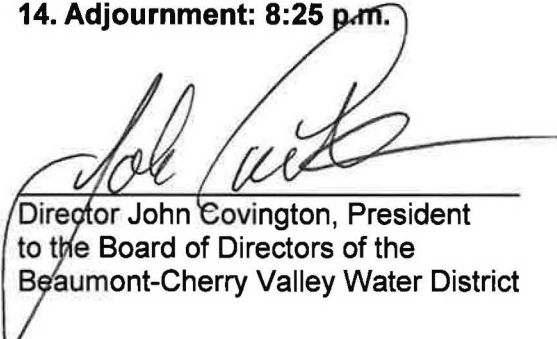
- a. CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation
Pursuant to Government Code Section 54956.9(d)(4)
One Potential Case

Reconvened in Open Session: 8:25 p.m.


Report on Action Taken During Closed Session:

No reportable action was taken.

14. Adjournment: 8:25 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