



BEAUMONT-CHERRY VALLEY WATER DISTRICT
560 Magnolia Avenue, Beaumont, CA 92223

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
Wednesday, May 13, 2020 at 6:00 p.m.**

***Meeting held via teleconference pursuant to
California Government Code Section 54950 et. seq. and
California Governor's Executive Order N-29-20***

Call to Order: *President Covington began the meeting at 6:05 p.m.*

Pledge of Allegiance: **President Covington**

President Covington led the pledge.

Invocation: **Director Slawson**

Invocation was given by Director Slawson

Announcement of Teleconference Participation

Director of Finance and Administration Yolanda Rodriguez clarified that this meeting is conducted via teleconference pursuant to California Government Code Section 54953, and under Executive Order N-29-20 and N-33-20 of the Governor of California.

The teleconference capabilities of this meeting have been identified in the Notice and Agenda for this meeting, pursuant to the Brown Act and the Governor's Executive Order. Under the Governor's Executive Order and the Gathering Guidelines of the California Department of Health due to the danger of COVID-19, the teleconference locations are not publicly accessible. The public's right to comment and participate in the meeting is being assured via teleconference capabilities.

The Beaumont-Cherry Valley Water District (BCVWD) will use sound discretion and make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to meetings.

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Roll Call:

Directors present:	Covington, Hoffman, Slawson, Williams
Directors absent:	Ramirez
Staff present:	General Manager Dan Jagers Director of Finance and Administration Yolanda Rodriguez Senior Engineer Mark Swanson Assistant Director of Operations James Bean Senior Finance and Administrative Analyst William Clayton Engineering Assistant Daniel Baguyo Administrative Assistant Erica Gonzales Information Technology Manager Robert Rasha
Legal Counsel	James Markman

Members of the public who registered attendance: Michelle Staples, Dan Haskins, Katie Hallberg, and Dr. Blair Ball were in attendance on the teleconference.

Director of Finance and Administration Yolanda Rodriguez verified that all members of the Board of Directors have indicated that they are able to hear the other directors clearly on the teleconference. No directors expressed any reason to believe, based on voice recognition or otherwise, that those persons representing themselves to be directors are not truly so.

Public Comment: None.

1. Adjustments to the Agenda: None.

General Manager Jagers drew attention to a handout related to Item 4: Resolution 2020-__: Authorizing an Amendment to the BCVWD Fiscal Year 2020 Operating Budget. He advised that it should be available on the website prior to introduction of the agenda item. Director Hoffman requested email of the handout.

2. Consent Calendar:

The following Consent Calendar items were approved with one motion:

- a. March 2020 Budget Variance Report
- b. March 2020 Cash/Investment Balance Report
- c. Quarterly Statement of Cash Flows for March 31, 2020
- d. April 2020 Check Register
- e. April 2020 Invoices Pending Approval
- f. Minutes of the Regular Meeting of April 8, 2020
- g. Minutes of the Regular Meeting of April 23, 2020

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

3. Noble Creek Recharge Facility Phase I Fencing Project Status Review and Consideration of Approving an Additional Expenditure for Land Surveying Services

General Manager Jagers advised that the right-of-way and property lines will be surveyed. Bids from three survey companies fell within his purchasing ability, he explained. He updated the Board on the fencing plans and alignment.

In response to Director Hoffman, Mr. Jagers said the fencing contractor is ready to proceed. The survey bids were reviewed yesterday, and staff will most likely choose the lowest most responsible bidder. The survey companies are also ready to begin. He said he expects completion of the survey work and acquisition of project materials over the next 30 days.

Director Hoffman requested some clarification on the fencing locations; Mr. Jagers explained.

President Covington asked about survey costs and costs related to changes in fence alignment. Mr. Jagers explained staff is waiting for clarifications from one entity and said he is not prepared to speak to costs; but noted the survey cost is under \$10,000. Discussions with the fencing contractor noted that any additions are minor and within the contingency, he said. President Covington requested an update in June.

4. Resolution 2020-10: Authorizing an Amendment to the BCVWD Fiscal Year 2020 Operating Budget

President Covington introduced the item and reminded the Board that this action was anticipated at the beginning of the year. Mr. Jagers confirmed the location of a handout on the District's website.

Director of Finance and Administration Yolanda Rodriguez reminded the Board that the 2020 Operating Budget and Five-Year Capital Improvement Budget were adopted by the Board at the December 18, 2019 meeting. The Operating Budget showed a deficit of \$394,012 and the Board approved a contribution from operating reserves to balance the budget. Ms. Rodriguez noted that the Board adopted a new rate structure along with the 2019 Water Financial Plan and Utility Rate Study effective March 1, 2020.

The new budget reallocates revenue and expenses as a result of the Rate Study, Rodriguez stated. There is an increase in projected water sales revenues of \$197,790, she explained, and detailed the affected budget line items and transfers.

The original adopted budget of \$17,014,195 is now proposed to be adjusted to \$16,984,696 and includes capital replacement reserves, Ms. Rodriguez explained.

General Manager Jagers reminded the Board that these activities and strategy were discussed with budget adoption in December. This budget represents that plan, he said. Jagers noted that approximately 9 percent of the first-year increase was related to the increase in pass-through fees for San Geronio Pass Water Agency (SGPWA) increased wholesale water rate for imported water, resulting in \$1,153,653 in additional revenue. In addition, he continued, calculated depreciation is \$2.681 million; but only \$790,431 is covered in this budget. The

past practice of the District has been to put as much as possible aside for capital replacement to avoid debt moving forward, Ms. Rodriguez added, but in 2020 to minimize impact to the ratepayers, only 29.6 percent has been set aside. Moving forward, she noted, as much as possible should be allocated for capital replacement to create long-term sustainability for the District.

Director Williams indicated she appreciated the detailed information. President Covington noted that the Board was cognizant of the coming amendments. He asked how the COVID-19 issue may impact the budget, as all these projections were based on a normal scenario.

Ms. Rodriguez noted it is early to anticipate what kind of impact on cash flow the District may experience. Staff is looking at activity now related to COVID-19 and month-by-month impact and may need to revisit the budget based on impact and other governor mandates. There will be more on this later in the agenda, she noted.

Mr. Jagers pointed to Item 10 on the agenda. Due to the bi-monthly billing cycle for most residential customers, he said, tracking costs run two months out. Staff is closely monitoring production which translates to sales, among a number of things affecting cash flow projection, Jagers explained.

The Board adopted Resolution 2020-10 Authorizing a Mid-Year Amendment to the Fiscal Year 2020 Operating Budget and authorized staff to set aside an allocation of funds for the ongoing costs of the Other Post-Employment Benefits (OPEB) and the Unfunded Pension Liability accounts by the following roll call vote:

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

5. Resolution 2020-11: Proclaiming the Week of May 17, 2020 to May 23, 2020 as Special Districts Week, and Letter of Support for Assembly Concurrent Resolution 179 Proclaiming Special District Week in the State of California

General Manager Jagers gave background on the event promoted by the California Special Districts Association.

President Covington asked if this event would be on the agenda each year since the dates change. Mr. Jagers advised that if this becomes an annual activity, it would be moved forward as an ongoing activity.

The Board adopted Resolution 2020-11 Proclaiming the Week of May 17 to May 23, 2020 as Special Districts Week within the Beaumont-Cherry Valley Water District and approved the letter of support for Assembly Concurrent Resolution 179 Proclaiming Special Districts Week in the State of California by the following roll call vote:

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

6. 9th and 11th Street Pipeline Replacement Project Construction and Cost Update

Senior Engineer Mark Swanson reminded the Board that this project was originally started in early 2019 in conjunction with the City of Beaumont’s ongoing Beaumont Avenue rehabilitation project.

Staff identified 600 feet of pipeline to be replaced along Beaumont Avenue, and a plan was developed to identify the project scope and cost for a hybrid project – the District provided materials and a contractor to provide the installation. As of today, the total cost is at \$186,272.50 which is about \$31,000 under the Board-approved budget, Swanson explained.

The 9th and 11th street components are substantially complete, Swanson reported. He noted that project costs had not included abandonment of the alley at 9th and 10th behind the post office, and this work will be identified under maintenance rather than capital improvement. The costs incurred were \$47,984. The alley is also substantially complete, he advised. Final numbers are expected to be available for the June Board meeting, Swanson noted.

Mr. Jagers added detail on the alley project and the affected residences.

Public Comment: Dr. Blair Ball commented that he appreciated that much of the work is being done in house by field workers and thanked staff for allowing that to happen.

President Covington concurred with Dr. Ball’s comments and noted that Beaumont Avenue had been in poor condition.

7. Comment Letter regarding the State Water Resources Control Board Hexavalent Chromium Maximum Contaminant Levels (MCL) Economic Feasibility White Paper

General Manager Jagers advised that the District will have three wells adversely affected by Hexavalent Chromium if the 10 parts per billion (ppb) maximum contaminant level (MCL) is reinstated. He explained the history of the regulations.

In order to comply with the MCL, BCVWD turned off two wells and plumbed the third into the non-potable water system, Jagers said. In May of 2017, the Court invalidated the MCL on the basis that California Department of Public Health (CDPH) had not properly considered the economic feasibility of complying with the MCL. In response, the State Water Resources Control Board (SWRCB) has been developing options for evaluating economic feasibility during the MCL process, Jagers continued.

The SWRCB has issued a white paper discussing the economic feasibility analysis, Jagers explained. It summarizes the challenges faced by the SWRCB

in considering the economic feasibility and presents the perspective of the staff regarding the problems with developing a standardized framework for determining if the proposed MCL is economically feasible, Jaggars said; i.e. they are uncertain as to how to proceed and have proposed a non-holistic approach.

The Association of California Water Agencies has provided comments and encourages districts to submit comments on the white paper, due on May 15, Jaggars explained. He explained the points made in the draft letter for Board approval. The MCL could adversely affect the District with millions of dollars of expense if not properly set, Jaggars warned.

President Covington opined that it appears to be a boilerplate white paper with emphasis on the difficulty of the economic feasibility, almost saying it is impossible to determine a formula. He acknowledged the importance of the comments.

President Covington noted that Director Slawson is still chairing the San Gorgonio Regional Water Alliance and suggested a similar letter with multiple agencies signing. Director Slawson confirmed he is still the chair, but the group has not been meeting, therefore there is no opportunity to sign a letter.

Mr. Jaggars added that he passed along the information to the City of Banning and is in communication with staff there. The City is a partner in some wells, he reminded.

The Board approved the comment letter to the State Water Resources Control Board (SWRCB) and directed staff to forward the letter under the signature of President John Covington a by the following roll call vote:

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

8. Yucaipa Valley Water District April 14, 2020 Agenda Item IV. D. Consideration of Initiating Sphere of Influence and Annexation Proceeding for Various Properties to the Yucaipa Valley Water District (Merlin Properties, APN 413-290-041 & 042)

General Manager Jaggars explained that the Yucaipa Valley Water District (YVWD) Board of Directors took action on a Merlin Properties item at its April 14 Board meeting. Mr. Jaggars had attended the meeting via teleconference and requested postponement to allow BCVWD to analyze its interest.

Staff's investigation shows that in 2003, the then-property owner Fred Reidman approached the BCVWD Board and obtained a water service Will-Serve Letter (WSL) and authorization for annexation. The property was subsequently annexed into the BCVWD on August 17, 2006 (LAFCO 2004-48-5) but it appears that the Riverside Local Agency Formation Commission (LAFCO) inadvertently provided incomplete information to the YVWD.

At the time YVWD took action, they believed the property was in neither the YVWD nor BCVWD sphere of influence or boundary, Jaggars noted.

Subsequent to the annexation, Jagers continued, Desert Lawn Drive was realigned, and an easement provided by the Reidman family. This subdivided the property into three, causing alteration of Assessor's Parcel Numbers.

With the annexation, BCVWD proceeded with construction of facilities and master planning to provide water and non-potable water service to the project and has prepared to service the property, Jagers continued. The property has an overlie water right, which would convert to service the property per the Beaumont Basin adjudication, so would not result in need for additional imported water supply.

A significant amount has been invested in facilities including non-potable water line installed across the frontage in 2009, and facilities along Cherry Valley Boulevard, Jagers explained. What remains to be completed is extension from that existing facility of approximately 1,459 feet of additional pipe to connect, he continued. Jagers noted that BCVWD has moved forward in good faith, and he recommended the District continue to work with the developer to provide service and move forward with the existing facilities.

The developer will need to come to the Board with an update for their WSL, but due to its overlie water right, Jagers said he sees no significant reason why that would not be supported by the Board.

Legal Counsel James Markman advised the Board that the YVWD process was based on an erroneous conclusion and BCVWD had asked for a delay in order understand it. BCVWD was contacted by the attorneys for the developer to set a meeting to discuss with YVWD. The findings show that BCVWD has spent money bringing infrastructure to the project and that investment would clearly be stranded if BCVWD was not the service provider, Markman stated. Under the Service Duplication Act as well as the fact that the water service that BCVWD can supply is equivalent to the service from YVWD, there is no reason for a de-annexation, Markman stated. The link to provision of sewer service in order to capture the opportunity to provide water service is not a correct way to proceed when the property is already in the BCVWD service area. Mr. Markman indicated agreement with General Manager Jagers' recommendation to proceed in working with the developer on the WSL update and provision of water service.

Public Comment: Michelle Staples, Attorney for the Merlin project: Ms. Staples indicated that her understanding is that the water service would not be equivalent from BCVWD and there are issues that project engineer Dan Haskins can explain. A significant problem is the sewer service, she continued. The only way the project will be able to receive sewer service from YVWD is to also receive water service from them because of their sustainability policy; they need the water and sewer linked in order to be able to provide recycled water. Also, she pointed out, when ownership changes the new owner often neglects to notify the sewer supplier creating administrative issues.

The YVWD can set the terms to provide service, she noted, and said the bottom line is, if the property is not able to get sewer service from YVWD then it cannot get water service, and the project will not move forward. She asked for the Board's consideration.

Public Comment: Dan Haskins, Land Engineering: Mr. Haskins questioned whether the water service infrastructure mentioned by Mr. Jagers contained potable or non-potable water. He acknowledged a potable line at the corner of

Cherry Valley Boulevard and Desert Lawn Drive to which the Merlin project would be required to install about 3,000 feet of line as currently planned based on the District's 2016 master plan.

Mr. Haskins indicated that one of the issues with extending potable water to that point is the creation of a dead end on that line; fire department approval of that is questionable for 179 homes. He anticipates the potential for doubling the length of the line at substantial additional expense. The YVWD currently has a 12-inch line in Desert Lawn Drive that is within 400 feet of the Merlin property, he continued, and they have a readily available circulating line in a nearby tract. This would appropriately meet the California fire code, Haskins posited, and City of Calimesa Fire Department requirements for a looped system.

Haskins stated that the YVWD service is a more cost effective and code compliant design for potable water. For non-potable, YVWD currently has a line in Desert Lawn Drive at the same distance (400 feet) from the Merlin property. Water and sewer are readily available from YVWD, he concluded.

Mr. Jagers responded and noted that it appears that BCVWD was left out of the loop on the project planning and no opportunity was provided for BCVWD to weigh in at a point when it would be more economically feasible. This created a condition of economic unbalancing, Jagers stated. The District has made investments in infrastructure that would have provided an economic opportunity for this project, including plans that were shared with Mr. Haskins, he said.

Others seem to have created a condition putting BCVWD at an unfair position, Jagers continued. Mr. Jagers pointed out that the project engineer did not timely contact LAFCO to determine if the project was in BCVWD's SOI or service area.

Mr. Haskins clarified that his firm did not contract with the Reidman family until August of 2019 and did not approach any utility until December of 2019. Many of the questions regarding line construction were prior to any meeting with YVWD. It was the City of Calimesa that contacted YVWD to request a meeting, not the project, he said. There was no malicious intent on the part of the project engineers to suggest a specific agency serve the project, he stated. He also noted that the District's boundary maps show the Reidman project outside of BCVWD territory, creating confusion for both.

In 2008, Haskins pointed out, it went back to LAFCO to convert the area back to YVWD, so there was a weighted understanding on the part of the project that this was to be served by YVWD.

Legal Counsel Markman stated that everyone has a due diligence obligation: including the City of Calimesa, YVWD, the engineers and the developer, to understand through some records. The fact that there is a WSL issued to this project owner's father, that indicates annexation to the BCVWD. The BCVWD spent money putting in facilities to reach this property as well as some property on the other side within its service area. Once that happens, it is the YVWD that is trying to generate a service duplication. BCVWD would have a stranded investment that would have to be calculated, in addition to the service duplication which is prohibited by law. The legal position is of classic service duplication.

Mr. Markman also pointed out that it is a shame that the only agency that can provide sewer service is somehow finding reasons to say that they won't do so, because they want to provide water service opportunity and the water rights

conversion that goes with it. They are linking the two services and vetoing the movement of this project, as they could very easily offer the sewer service without de-annexation from BCVWD.

In addition, Markman continued, it will not necessarily be cheaper for de-annexation, as it may generate a service duplication lawsuit. Mr. Markman noted he would not advise the Board to accept de-annexation, as the ratepayers would have to absorb the cost of the stranded infrastructure. He said he is certain there is a way to address the looped system and provide water and sewer service, but there are some legal barriers to moving in the direction requested.

Director Williams indicated she would like more information at the next meeting. Director Hoffman suggested tabling the item to allow time to get more feedback and do more research. President Covington noted this is not an action item; it is an update to a previous agenda item.

Director Slawson posited there needs to be a lot more communication and information shared between a few different entities before this is discussed again. This is a complicated situation and the problems must be solved, he stated.

President Covington acknowledged a lack of due diligence; granted there were many stops and starts to the project and it is an odd situation, he said. He stressed that the project is located in BCVWD's service area and BCVWD has made a tremendous investment in the area. When this item came up in April, Covington continued, BCVWD asked for a delay in YVWD action but was rejected. Without the efforts of BCVWD staff, the situation could have been made worse with the project moving forward with YVWD providing service in BCVWD's boundary, Covington pointed out. As this moves forward, BCVWD and the associated parties must meet and figure out where this is going to go, Covington stated. He thanked staff for their work.

Public Comment: Ms. Katie Hallberg with Yucaipa Valley Water District pointed to legal counsel's comment suggesting that YVWD had initiated the service bundling requirement to benefit the District and explained this requirement has been in place since 2008 and was adopted by the Board after two years of discussion due to multiple issues with unbundled services. She indicated the District respects everything being done and there is obviously a lot of confusion on all parts, including receipt of different information from LAFCO. She assured the Board that YVWD wants to work together.

Mr. Jagers added that notes in the file indicate that Mr. Reidman was in discussions for sewer service well prior to the approval of bundled activity in 2008, and the developer at that time had made some comments about sewer-only service. Mr. Markman assured that he did not mean to infer that YVWD instituted the requirement for this development. With that approach, he noted, this property, for which there is no other option for sewer service because the City of Beaumont cannot provide it, and assuming BCVWD had all the infrastructure there, and YVWD was not in there for water service – that bundled service only policy would freeze that development. Markman said he understands the reasons for wanting both services to come from one entity, but such a policy does not necessary apply to all situations.

9. Update: Well 21 Inspection and Findings regarding the Pumping Motor and Appurtenances

Assistant Director of Operations James Bean updated the Board on the Well 21 pumping unit repair and well rehabilitation project. Currently, the pumping unit has been removed and inspected. The 400 hp motor was purchased last year, so it is in good condition. The column pipe was heavily corroded and pitted and requires replacement.

The tube and shaft are not in great condition but are reusable, Bean continued. He is awaiting quotes in order to evaluate costs before moving forward with a recommendation for replacement or reuse. The pumping unit was completely destroyed and must be replaced, he advised.

Mr. Bean said the well itself is in good shape and will likely not need chemical treatment.

When this was brought previously to the Board, staff presented a worst-case scenario, Bean noted, but now it looks like the project may require significantly less and will be well within the expense amount that was discussed.

President Covington asked about any COVID-19 delays in project completion. Mr. Bean said at this point there does not appear to be any delay. The pump company has advised that equipment will be in on a timely basis. With summer coming, staff wants to get this equipment online as quickly as possible, he added.

Mr. Jagers clarified that three quotes were solicited from well vendors. Staff had identified vibration from the unit and is proactively catching these issues before there is catastrophic failure.

10. Review of District Staffing Activities and Cash Flows as related to the ongoing COVID-19 Local State of Emergency

Mr. Jagers advised that the District has five or six positions that are currently funded but unstaffed through attrition and some planned activities. Before staffing decisions are made, staff is striving to get a current picture. The District has needs especially with the AMR/AMI deployment and those may have to be satisfied in the short term with temporary staff, he said.

As previously noted, Jagers continued, staff is sensitive to impacts and cash flow funding impacts are yet to be realized. Any FEMA money that may be available is also uncertain, he added.

Director of Finance and Administration Yolanda Rodriguez presented the results of a recent Raftelis Financial Consultants study for the American Water Works Association, the *Financial Impact of the COVID-19 Crisis on U.S. Drinking Water Utilities*. She compared the study to BCVWD expectations.

She advised that staff is monitoring cash receipts and expecting a decline. With the moratorium on shut offs, the District is not receiving revenue from customers who are unable to pay, she explained. A 4.8 percent increase in indoor water use is also anticipated due to the stay-at-home order, she noted, but Raftelis posited that less outdoor watering will be done by customers trying to lower their bill.

Due to the District's bi-monthly billing, it is difficult for staff to predict scenarios at this point, Rodriguez said. She presented an aging report and current cash flow.

The Board approved waiver of credit card processing fees for payment, Ms. Rodriguez reminded. For March, April and up to this point in May, the District has absorbed \$5,565 in credit card processing fees, she reported.

Ms. Rodriguez presented recommendations for preserving operating cash, including deferring capital projects which are paid via capital replacement funds and prioritize projects that are funded via facilities fees to reduce impact on operating cash. Additional recommendations are to hold 2020 purchases of imported water and eliminating training that is not necessary for safety.

Ms. Rodriguez acknowledged comments from the public opposing the raising of rates. She noted that the budget was in deficit and explained the importance of addressing the District's aging infrastructure.

She assured the Board that the District is in good standing and has three months of budgeted expenses in reserve for operations plus emergency reserves. Service has been uninterrupted, staff is working remotely, Rodriguez said; and although some COVID-19 related expenses such as masks and laptops were incurred, those were not impactful.

General Manager Jagers commented on cash flow. He said staff is examining potable infrastructure projects currently budgeted and looking to defer projects. Other considerations include deferment of the landscape contract. He also advised that once shutoffs are allowed, bills will have accrued and entities in arrears may have the potential to be turned off. He reminded the Board that the District is purely reliant on customer payments for water consumed and not on tax payments.

Ms. Rodriguez reminded the Board that the grant for the AMR/AMI project is moving forward and will be using current staff. She also noted that some positions are being left vacant and some are underfilled. The District is tightening its belt where possible but will not have a more complete cash flow picture until two months from now.

President Covington stated that the report gave a clear vision of current status and acknowledged the unknowns. He said he would like to see another report to the full Board the first meeting of August. Jagers suggested a monthly agenda item in order to keep the Board apprised.

11. Status of Local Emergency regarding the Impact of the Respiratory Illness Pandemic COVID-19 pursuant to Resolution 2020-07

Mr. Jagers advised that staff continually monitors data from the County of Riverside and State of California. The federal, state and county governments are looking for ways to prepare for opening of the economy in a multi-step approach to watch risk, he said. The state promulgated criteria that are challenging for urban counties to meet, and Riverside is looking for a coalition of counties to work on a path forward with the state to reach commonality, Jagers explained.

The County of Riverside Board of Supervisors revoked some of the public health orders including the mandate of wearing face masks and social distancing, which are now strongly recommended but not required, Jagers noted.

The County Tax Assessor reported collection of \$19 billion in taxes in 2019, and this year's collection as of last Tuesday was \$5 billion: \$14 billion less. The economic impact will be felt for quite a while, Jagers said.

This District does not want to be on the leading edge of opening quickly, he advised. The current plan is that the field staff are fully working and are asked to wear masks within six feet and restrictions have been outlined.

More people are out in public, and the health metrics are being monitored for issues related to COVID-19 but, Jagers noted, he does not think the District is anywhere near making the decision to open to the public. He said the County published a readiness and re-opening framework to show the governor how counties cannot meet some of the state's guidelines but show a plan with response activities and effectiveness of contact tracing.

Jagers opined that BCVWD was in front with its response and wants to be behind in exiting the activity. The District cannot close down because there is no other solution for the community water supply. The District must be conservative and ensure continued service, he said. Staff will monitor the health metrics and do what is appropriate depending on a positive or negative effect of people beginning to socialize. He recommended keeping the office closed for the next couple of weeks and relax a bit for engineering staff to come in and work.

President Covington concurred with keeping the office closed for another two weeks and indicated the Board would follow the lead of the general manager. He noted the action by the Riverside County Board of Supervisors rescinding some health orders and asked if it is the District's intention to retain some of those procedures. Mr. Jagers said the face mask requirement has been relaxed if crew members can maintain a target distance of 10 feet. He pointed out that last week, temperatures were 95 degrees and accommodations are being made to avoid heat stress. In proximity or in contact with the public, staff is to wear the mask.

If the metrics in Riverside County show an increased infection rate, the District will be more restrictive, Jagers concluded.

12. Reports For Discussion

a. Ad Hoc Committees:

San Geronio Pass Regional Water Alliance: Director Slawson indicated the group has not met.

2x2 Recycled Water: Mr. Jagers said he spoke to City Manager Todd Parton last week. Parton has been working on the budget and COVID-19 impacts and said he has been remiss in moving it forward. It is in the City's hands, Jagers said.

b. General Manager

Mr. Jagers told the Board that water is being delivered to the Noble Creek Recharge Facility at a lower rate as discussed with the intent to minimize expenditures in the near term.

Staff continues to watch the activities related to water use over the last couple of months as compared to 2018 and 2019. He noted a decrease in production and the potential that customers are having trouble paying their bills, which is not great for cash flow.

Well 29 has been returned to service, Jagers reported. The motor was balanced in the field and the vibration improved. The intent is to extend the service life of the bearings, he noted.

- c. Directors' Reports: None.
- d. Legal Counsel Report: None.

13. Announcements

President Covington advised that the May 18 Personnel Committee has been canceled. He would like to set a meeting for June 1. He will discuss with Director Ramirez.

All the following meetings will be held via teleconference unless otherwise indicated. President Covington read the following announcements:

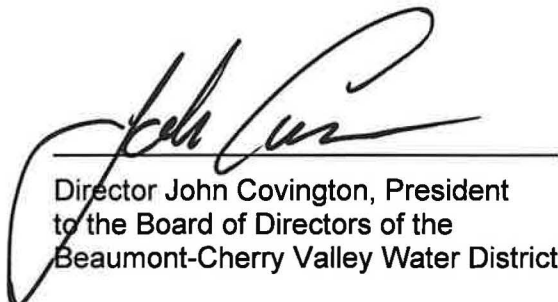
- Personnel Committee Special Meeting: Monday, June 1, 2020 at 5:30 p.m.
- District offices and telephone lines will be closed on Monday, May 25 in observance of Memorial Day
- Engineering Workshop: Thursday, May 28, 2020 at 6:00 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, June 3, 2020 at 10 a.m.
- Finance and Audit Committee Meeting: Thursday, June 4, 2020 at 3:00 p.m.
- Regular Board Meeting: Wednesday, June 10, 2020 at 6:00 p.m.
- Collaborative Agencies Committee Meeting: Wednesday, July 1 at 5:00 p.m. (tentative)

14. Action List for Future Meetings:

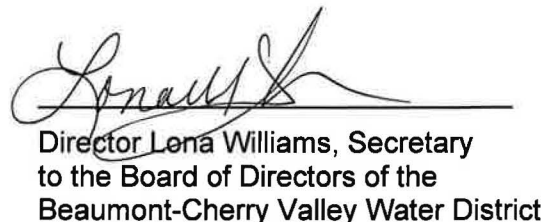
Sites Reservoir Project Report for May 28, 2020 Engineering Workshop

15. Adjournment

President Covington adjourned the meeting at 9:08 p.m.


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

ATTEST:


Director Lena Williams, Secretary
to the Board of Directors of the
Beaumont-Cherry Valley Water District