



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

**MINUTES OF REGULAR MEETING – ENGINEERING WORKSHOP
OF THE BOARD OF DIRECTORS
Thursday, November 19, 2020 at 6:00 p.m.**

***Meeting held via teleconference and video teleconference pursuant
to California Government Code Section 54950 et. seq. and
California Governor's Executive Orders N-29-20 and N-33-20***

Call to Order: President Covington

President Covington began the meeting at 6:06 p.m.

Pledge of Allegiance was led by Director Hoffman.

Invocation was given by President Covington.

Announcement of Teleconference Participation

Director of Finance and Administrative Services 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.

Roll Call:

Directors present:	Covington, Hoffman, Ramirez, Slawson, Williams
Directors absent:	None.
Staff present:	General Manager Dan Jagers Director of Finance and Administrative Services and Recording Secretary Yolanda Rodriguez Senior Engineer Mark Swanson Assistant Director of Operations James Bean

	Field Superintendent Knute Dahlstrom Administrative Assistant Brandy Llanes
Legal Counsel	James Markman

Members of the public who registered their attendance: None.

Director of Finance and Administrative Services 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:

General Manager Jagers advised that Item 5 is identified as Item 4. He noted that some of the pages of Item 8 were inadvertently left out of the packet. This has been corrected on the website.

2. Consent Calendar:

President Covington requested a summation of Item 2e. Sphere of Influence Adjustment. Mr. Jagers explained this is to resolve overlapping boundaries between BCVWD and Eastern Municipal Water District. Director Ramirez asked if any concessions had been required of BCVWD; Mr. Jagers stated nothing was given up by BCVWD.

The following Consent Calendar items were approved with one motion:

- a. September 2020 Budget Variance Report
- b. September 2020 Cash/Investment Balance Report
- c. October 2020 Check Register
- d. October 2020 Invoices Pending Approval
- e. Riverside Local Agency Formation Commission Sphere of Influence Adjustment (LAFCO No. 2020-07-5)

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

3. Extension of Audit Firm Contract for Professional Auditing Services for Two Years in an amount not to exceed \$47,110

President Covington invited public comment. There was none.

Director of Finance and Administrative Services Yolanda Rodriguez explained the extension of the contract with the District's current auditors. At its meeting of November 8, 2017, the Board authorized a three-year contract with Rogers Anderson Malody and Scott (RAMS) with an option to extend for two additional one-year periods.

The performance of the auditor has been satisfactory over the last three years and staff requests an extension, Rodriguez explained. She pointed out that the recommendation of the Government Finance Officers Association (GFOA) indicates that best practices are to enter into multiyear agreements of at least five years in duration" and that "such agreements allow for greater continuity and help to minimize the potential for disruption in connection with the independent audit."

RAMS has worked with BCVWD for three years and is now familiar with the District, she said, and advised that the fiscal impact for 2020 will be \$23,265 and \$23,845 for 2021.

President Covington noted the five-year recommendation and stated this request is consistent with what the Board approved in 2017.

General Manager Jagers noted that RAMS performed a smooth audit even in the middle of a COVID-19 pandemic with most work done remotely. It makes even more sense to extend the contract given the system that worked last year.

Director Williams acknowledged the five-year recommendation. Director Ramirez expressed support.

Director Hoffman pointed to the anticipated 165 total hours to complete the audit and asked about staff hours. Ms. Rodriguez noted that staff begins preparing for the audit in December and estimated that a minimum of three weekends are devoted to this effort by the Finance team. Director Hoffman asked about the difficulty in preparing information without face-to-face contact. Mr. Rodriguez said it was different but done very smoothly with the guidance of RAMS. Hoffman indicated he was pleased with RAMS' work and said this is moving in a good direction.

The Board authorized the General Manager to execute an extension of the existing contract with Rogers, Anderson, Malody & Scott, LLP (RAMS), a California-based company, for professional external financial statement audit services for a 2-year period in an amount not to exceed \$47,110 by the following roll call vote:

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

4. Request for "Will Serve Letter" for Riverside County Assessor's Parcel No. (APN) 402-110-018 located on the northeast corner of High Street and Jonathan Avenue in the Community of Cherry Valley

President Covington invited public comment. Mr. Adrian Horta introduced himself as the new project owner. He said he had been advised that he needed to pay double frontage fees as this is a corner lot; and that he must bring water to the property from a line across from High Street (water meters must be in front of the house). However, he continued, there is a pipeline at the west edge of the property on Jonathan. Mr. Horta requested to access water from Jonathan which he said would avoid cutting the roadway and increase costs, disturb traffic, and create an eyesore.

Senior Engineer Mark Swanson explained the pipeline locations and noted that the line shown on Jonathan serves a fire hydrant and the line in High Street has service lines. He explained the project is for a single-family residence with garage and has 562 feet of frontage. District policy states that front footage fees apply when there are existing facilities located within the frontage of a property, Swanson explained. For residential development, the unit cost per lineal foot is approximately \$28.50 in front footage fees, Swanson advised. The pipeline in Jonathan is slated to be upsized in the future, he noted.

Mr. Swanson said he and the General Manager would discuss the possibility of a variance for a service line from Jonathan, but the District is trying to get away from running pipes through alleys and yards. This project will also have fire flow requirements, he added, and any upgrades needed to the fire hydrant would be the responsibility of the applicant.

General Manager Jagers added detail on pipelines and recommended an on-site meeting with the applicant and Field Superintendent before making determinations.

President Covington asked questions about line locations and clarified the applicant's request. Mr. Horta posited that service lines to previous residences were located on Jonathan. Covington said he tended to agree with Mr. Horta regarding service from Jonathan which would be less intrusive and would not impact any future upgrades. He expressed understanding regarding the applicant's position on the front footage fees; but these are existing regulations, and the Board does not grant variances.

The action before the Board is the approval of the "Will-Serve Letter" (WSL) and any details that would sway from the regulations would have to come back before the Board as a separate item, Covington noted. Mr. Jagers acknowledged the applicant's request and noted that the preference of staff would be to avoid a service line coming from the AC line if possible.

Director Ramirez indicated support for moving forward with the WSL given that staff will be meeting with the applicant. He encouraged staff to be as accommodating as possible within means. Director Hoffman concurred.

President Covington confirmed for Director Slawson that the frontage fees are set, and any savings would be in construction costs. Covington stated he hoped that an amenable solution could be found for Mr. Horta.

*The Board approved the request for water service "Will Serve Letter" for a property located at **Riverside County Assessor's Parcel No. (APN) 402-110-018** within the community of Cherry Valley, subject to payment of all fees to the District and securing all approvals from the County of Riverside by the following roll call vote:*

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

5. Status of Automatic Meter Read / Advanced Metering Infrastructure Deployment Project

Director of Finance and Administrative Services Yolanda Rodriguez presented background on the grant award of \$1.5 million and explained the project to replace all the District's 19,000-plus water meters with current technology. She explained some challenges that delayed the project.

Ms. Rodriguez presented the current status of meters upgraded to be AMI compatible. As of September 30, 2020, 32 percent of the District's meters have been converted. A first quarter report, along with expenses of \$35,905 have been submitted to the Bureau of Reclamation for reimbursement, she reported.

Quarterly reports will be provided to the Board, Rodriguez advised. Staff is preparing a letter of notification to be sent to areas where meters are to be upgraded in order to alert customers of a potential interruption in service, she noted. The Information Technology office is also looking into the potential for installation of repeaters in order to save staff time and fuel. Staff continues to look for opportunities for funding of the remaining \$2 million to complete the project.

General Manager Jagers pointed out that a reassessment of costs resulted in savings and a grant application has been submitted for additional funds.

In response to President Covington, Mr. Jagers stated that the development community began deploying the technology in 2015. The District's project was begun in earnest in 2017 or 2018 via IT Manager Robert Rasha, as identified in the Capital Improvement Plan. Mr. Jagers answered questions about the vendor and products.

President Covington recalled that the grant consultant was to provide the reporting to the granting agency. Ms. Rodriguez explained that the consultant works with staff to assure proper reporting.

Director Ramirez asked about meter warranties. Mr. Jagers indicated the battery life is guaranteed for 10 years. Ramirez encouraged further pursuit of funding.

6. Discussion of San Geronio Pass Water Agency November 9, 2020 Engineering Workshop Items 3, 4 and 5

- a. Item 3 – Tax Revenue Presentation
- b. Item 4 – Discussion on Amended and Restated Delta Conveyance Design and Construction Joint Powers Authority Agreement
- c. Item 5 – Discussion of Continued Participation in the Delta Conveyance Project

President Covington introduced Mr. Lance Eckhart, General Manager of the San Geronio Pass Water Agency (SGPWA).

Mr. Eckhart advised that the SGPWA is analyzing finances and future water supply needs considering commercial and residential development. He noted that the presentations included in the Board packet present a good idea of what will happen over the next five years with supporting data. This model will be included in a 25-year financial model to be produced by Raffetis, he explained. He assured that the process

will be open and transparent as there are resource management decisions to be made and it is better if all are working from the same sheet of music.

Mr. Eckhart noted that on Monday, the SGPWA Board voted unanimously to participate in the Delta Conveyance Project. He reviewed some history and current situation of the Bay-Delta.

General Manager Jagers indicated he was pleased with the direction taken by the SGPWA Board. President Covington agreed with Eckhart that this was a historic vote for the region and noted the understanding of the need and value of the Delta project.

In response to President Covington, Mr. Eckhart explained that the Delta Conveyance Project and Sites Reservoir work well together and explained the route. Mr. Jagers added that without the conveyance, an amount of the Sites water would be lost via carriage.

Mr. Jagers reminded the Board of the District's studies of tax-based funding strategies and the production of the white papers. He noted that the SGPWA's work on understanding what the taxes are bringing, the existing and new growth and valuation. He pointed to the tax study which shows increased property tax valuation and population growth. He said he is encouraged by the work he has seen in the last four months to put real solutions in place.

President Covington added that tough decisions are being made at the SGPWA meeting and there are a lot of unknowns. He said he appreciated the efforts at the regional level. Covington also pointed out that there was a majority change on the SGPWA Board of Directors effective in December.

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

Mr. Jagers acknowledged the interest of the Board in providing customer service to the ratepayers and assured that a plan is in the works.

Jagers provided a look at the current COVID-19 situation including a large increase in cases across the nation. California has issued a limited stay-at-home order to minimize personal contact effective November 19, he stated, for all Tier 1 counties including Riverside, he noted. The County current case rate per 100,000 is 22.4, he noted. He shared some concerns: it is on the rise and the District had an employee who had exposure and is currently out. He recommended delay of the opening.

President Covington invited public comment. There was none.

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

Director of Finance and Administrative Services Rodriguez reviewed the report. The revenue loss from uncollected fees continues to rise, she noted. She advised that she would be bringing to the Board the Late Notification Fee and the Credit Card Fee to the Board for discussion at the Budget Workshop for consideration in 2021.

Staff is hanging door tags and sending letters and emails in attempt to get customers on a payment plan, Rodriguez advised. As of October 29, there are 51 accounts on payment plans for a total of \$77,045. There are 424 non-paying customers who would have been shut off, she noted.

This year, there is a total amount due outstanding of \$2.2 million, as compared to \$1,6 million at this time last year, representing about 1,000 more customers with balances than in 2019, Rodriguez noted.

Ms. Rodriguez referred to the Statement of Cash Flows and pointed out that receipts from customers total \$11.2 million as of October 29, 2020 as compared to October 31, 2019 at \$9.6 million. Cash and investments total \$65 million, she advised, and noted the District is still in a good position despite some revenue loss.

President Covington said he monitors investments and asked about reconciliation; Ms. Rodriguez said she could provide preliminary numbers. Mr. Jagers noted that the LAIF report shows low yield.

9. Plan for Safe Re-Opening of the BCVWD Lobby to the Public amid the Respiratory Illness Pandemic COVID-19

General Manager Jagers advised there is a robust plan, but referenced his earlier report on the case numbers. Factors in the District's plan include safety of the public, safety of the employees, requirements of the Families First Coronavirus Response Act, sanitation of the lobby, availability of service in Spanish, communication with the public regarding hours and holiday schedules and more, he explained.

Policy guidance is for the Board to determine, Jagers said, and recommended waiting until the beginning of the year. He noted that when the staff report was written the numbers were not where they are today and there are more requirements at the state level. He assured that the District is working to follow CDC guidelines and staffing practices.

President Covington asked the directors for comment on opening after January 1, 2021. Director Slawson said he likes the plan and had been looking forward to implementing it soon until recent events happened, and the new stay-at-home order was issued. He suggested holding off, as it is in the best interests of the District to stay safe and see what other agencies are doing and revisit in January.

Director Williams concurred. Director Hoffman added that a different perspective has been gained since the time the District thought a new building facility may be needed.

Director Ramirez indicated frustration but concurred with the other directors.

President Covington concurred and indicated that to some degree, bringing back employees puts the District in a position of liability. He suggested reviewing after the first of the year. Mr. Jagers said he would give an update in mid-December and target mid-January for re-opening based on current information.

10. Status of Declared Local Emergencies related to Fires

- a. Impact of the Apple Fire pursuant to Resolution 2020-17
- b. Impact of the El Dorado Fire pursuant to Resolution 2020-20

Mr. Jagers advised that there were no issues during the last rainstorm. Staff is staying tuned in to the Riverside County Emergency Management Department (EMD), he said. The plan will be adjusted as needed through the winter, Jagers noted.

President Covington asked for an update from Assistant Director of Operations James Bean. Mr. Bean summarized a call with the EMD. Discussed were weather predictions updates on what others are doing such as providing sandbags, activities to mitigate risk, and working together.

Bean provided detail on the weather predictions and said that preparation work is ongoing. Jagers added that Riverside County Flood Control has five bollard lines to install near the Bogart Park entrance and he detailed some completed work.

President Covington said he was impressed with the attention given to Cherry Valley from the County during the last rainstorm, and the dedication of the County staff.

11. Legislative Update

President Covington acknowledged the report.

12. General Manager's Report

Mr. Jagers reported that it has been a busy month and development is keeping staff busy.

Recharge of imported water at the Noble Creek facility was completed on November 16, and deliveries are complete for the year. The District did not receive quite as much water as was requested, but it was more than anticipated from the baseline order, Jagers stated. Money will be taken from reserves to pay for the supply, he explained.

The State Water Project will be shut off until the end of the year, Jagers advised, and in January 2021 for maintenance.

He commended staff for their efforts during this busy year.

13. Topics for Future Meetings:

- Water supply for BCVWD and the region
- Reinstatement of fees waived due to COVID-19
- Matrix for delivery of recycled water
- Update on the Delta Conveyance Project

14. Announcements

Pursuant to Governor's Executive Order N-33-20, all BCVWD Board and Committee meetings will be held via teleconference and/or video teleconference until further

notice or unless otherwise indicated below. President Covington read the following announcements:

- Personnel Committee Meeting: Monday, Nov. 23, 2020 at 5:30 p.m.
- District Offices will be closed on Thursday, Nov. 25, 2020 in observance of Thanksgiving Day
- Association of California Water Agencies Virtual Fall Conference: Dec. 2-3, 2020
- Beaumont Basin Watermaster Committee Meeting: Wednesday, Dec. 2, 2020 at 10 a.m.
- Finance and Audit Committee Meeting: Thursday, Dec. 3, 2020 at 3:00 p.m.
- Regular Board Meeting (Budget Workshop): Thursday, Dec. 3, 2020 at 6:00 p.m. *(Note date change due to holiday schedule)*
- Engineering Workshop: Monday, Dec. 14, 2020 at 6:00 p.m. *(Note date change due to holiday schedule)*


15. Adjournment

President Covington adjourned the meeting at 8:10 p.m.



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

ATTEST:



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