



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

**MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
Thursday, December 3, 2020 at 6:00 p.m.**

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

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**Call to Order:** *President Covington began the meeting at 6:03 p.m.*

**Pledge of Allegiance:** *Led by Director Ramirez*

**Invocation:** *Given by Director Hoffman*

**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 Orders 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, 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, and Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Finance and Administrative Services Yolanda Rodriguez Senior Engineer Mark Swanson Senior Finance and Administrative Analyst William Clayton Assistant Director of Operations James Bean Senior Accountant Sylvia Molina

	Human Resources Coordinator Sabrina Foley Administrative Assistant Brandy Llanes
Legal Counsel	James Markman

Members of the public who registered 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:**

Director Ramirez requested a change in designation of "per diem fees." President Covington acknowledged.

Director of Finance and Administrative Services Yolanda Rodriguez pointed out a correction to figures on the Financial Summary: Revenue Projections from Grant Revenue should be \$35,950; and Proposed Revenue for Development and Installation Charges should be \$660,000.

**2. Equitable Compensation to Elected Members of the Board of Directors**

**a. Health and other benefits**

Resolution 2020-25: Fixing the Employer's Contribution Under the Public Employees Medical and Hospital Care Act (PEMHCA) with Respect to Non-CalPERS Elected Directors

President Covington invited public comment. There was none. Human Resources Coordinator Sabrina Foley gave background on the item and related policy and advised that current Resolution 99-8 is no longer in compliance with the existing PEMHCA minimum that an employer must contribute to a health plan through the California Public Employees Retirement System (CalPERS). Additionally, 99-8 does not define what other benefits may be offered to directors, she noted.

The objective of offering benefits to the Board of Directors is based on data for the region and is recommended in order to attract and maintain quality candidates and to compensate elected members for their time and effort in service to the District, Foley explained. Foley detailed the PEMHCA minimum and eligibility for the CalPERS health plans.

Ms. Foley pointed to the Director Health Benefits and Per Diem Comparison and noted that on average, the director compensation offered by comparable agencies is approximately \$156.35 per diem and 82 percent offer some form of health insurance benefits to their directors. The average value of compensation and benefits offered to directors by comparable agencies is approximately \$2,000 per month, she continued, with BCVWD at the lowest end of total value of compensation and benefits.

Staff is proposing a new resolution that would permit directors to enroll in additional benefits at their own cost such as the 457 plan, dental and vision, additional life and ancillary insurance, and flexible spending account, Foley said. None of these have administrative fees so they would be at no cost to the ratepayers, she noted.

Mr. Jagers told the Board that the Personnel Committee has worked on this item and the staff report provides a casting forward. President Covington pointed to the fiscal impact and Ms. Foley confirmed the calculations were based on the assumption of all five directors enrolling a spouse and dependent children, although it is not likely such will be the case.

In response to President Covington, Ms. Foley assured that it is not mandatory to accept the health insurance. President Covington also pointed out that acceptance of the per diem is not mandatory.

Director Ramirez said it is a good option to provide for any potential needs of the Board and to be equitable. In response to Director Hoffman, Ms. Foley explained the PEMHCA minimum and the current offerings with a total monthly value of \$602.52. An option would be for the District to pay 100 percent of the premium for the employee and family, for a total monthly value of \$2,773.21, she stated. The survey of comparable agencies showed overall compensation being offered to directors is a little over \$2,000 per month, she explained.

Director Slawson thanked the staff and Personnel Committee and said he is looking forward to the Board being compensated correctly.

General Manager Jagers clarified that the content of the proposed Resolution is the same benefit provided to employees.

*The Board adopted Resolution 2020-25 Fixing the Employer's Contribution Under the Public Employees Medical and Hospital Care Act (PEMHCA) with Respect to Non-CalPERS Elected Directors, and Review of Director Benefits by the following roll call vote:*

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

b. Director per diem

President Covington invited public comment. There was none.

Human Resources Coordinator Sabrina Foley reminded the Board that District policy requires annual review of the per diem. Current compensation is set at \$200 per Ordinance 2007-01 and has not been increased since 2007, she noted.

Last year, the Board considered raising the per diem to \$260, but at its meeting on May 28, 2020 the Board declined to make the increase, Foley recalled. The per diem could be increased up to \$330, she indicated.

Foley explained that the fiscal impact will vary and pointed to the options and fiscal impact in the staff report.

President Covington acknowledged the policy and said it has been a long time since the per diem was increased. He noted that it had only been before the Board five times in 10 years. He indicated he is on the fence as far as amount, if any, for an increase and pointed to the data on average compensation shows BCVWD over the average. He noted an increase should be at least the cost of living and should be revisited annually. He also questioned that for a raise of 1.4 percent, whether the use of staff and legal counsel time would be worth it.

Director Williams said she is open to a change now since things seem to be opening up and people are back to work, despite the spike in COVID cases, which influenced the prior decision to forgo the raise.

Director Ramirez concurred with Williams and said the board did the right thing in holding off when there was uncertainty. He agreed that people are back to work and pointed out that the District's financials are healthy.

Director Hoffman stated he is in favor of staying at the current per diem. He noted that the benefits will be an additional burden and the current compensation is similar to other Districts based on the research.

Director Slawson said he is comfortable staying with the current per diem. If there is an increase, he noted, it should be closer to the \$260, if at all. Slawson opined that the Board just voted on something the directors had not had before, that other districts had, and said he believes things are level now.

Director Ramirez acknowledged Slawson's remarks and said if an increase is considered he would support the \$260.

*The Board directed staff to notice a public hearing increasing the director compensation to \$260 per diem by ordinance which will be considered after the public hearing by the following roll-call vote:*

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

### **3. Draft BCVWD Fiscal Year 2021 Operating and Capital Improvement Budget Finances**

#### **a. Preliminary revenue and expense estimates**

Director of Finance and Administrative Services Yolanda Rodriguez advised this is a workshop to answer questions from the Board and the public and to obtain Board input on the budget. Staff approached revenues and expenses very conservatively, she noted.

Ms. Rodriguez presented the District overview including 19,659 connections, City of Beaumont 2019 population of 51,475 and per capita income of \$42,420. She detailed accomplishments of 2020. The adopted gross budget for 2020 included

revenues of \$18,282,727, and projected revenues are \$20,338,378, she explained. For 2021, staff proposes \$24,466,537.

Projected expenses for 2020 are \$16,043,100 but realistically it looks more like \$18,773,017, Rodriguez said. She reminded the Board about the 2020 mid-year adjustment for \$1.2 million in additional water purchase.

Ms. Rodriguez presented the net budget proposing an increase of \$1,482,443 for 2021. Normally, this is transferred at year-end to the capital replacement fund, she noted. General Manager Jagers pointed out that the depreciation figure at \$2,850,000 is the number that was calculated actuarially to set aside for capital reserve replacement projects. He reminded the Board of the explanation by the rate consultant who indicated this was funding capital replacements.

The total 2021 proposed revenue budget is \$24,466,537, Rodriguez explained. This includes operating revenue of \$16,088,623 and non-operating revenue of \$8,377,914, she said. Rodriguez detailed the revenue projections and reminded the Board of the correct 2020 grant revenue figure at \$35,950.

President Covington asked for detail on capacity charges (facilities fees) revenue. General Manager Jagers explained it is a projection of the approximately 697 homes that are currently plan-checked and approved and developers have indicated they will try to build next year. In response to inquiry by President Covington regarding the status of the Raftelis study on capacity charges, Mr. Jagers advised that staff is working on adjustments to the master plan and said he hoped it would come to the Board in spring of 2021. Covington said he had hoped the updated charges could be applied to development currently in progress which have not yet paid the fees.

Ms. Rodriguez explained the proposed operating expenses with an increase of \$588,321 over the previous year. General Manager Jagers explained that 2020 election expenses are billed in 2021, and the Riverside County Registrar of Voters has estimated a cost of \$130,000 which is much higher than in prior years due to COVID-19 processes. Ms. Rodriguez added that the County will be applying for federal COVID-19 funds. President Covington requested detail for the Board when the billing is received.

In response to President Covington, Mr. Jagers detailed staffing of the Engineering Department and noted that positions went unfilled in 2020 due to COVID-19. President Covington requested additional detail for the budget approval meeting. Director Ramirez suggested Personnel Committee review of department staffing and encouraged continued use of consultants. President Covington agreed it may be helpful to have Personnel Committee input and understanding at the October meeting to allow the Board more time to understand the staffing requests and needs. General Manager Jagers assured the Board that succession planning was part of staffing consideration.

Ms. Rodriguez pointed out that the District takes a conservative approach and noted that the District leans on part time or temporary staff as much as possible. In 2021, two full time positions were cut, and two full time positions were added in Operations. Other new positions are all part time, she added, to reduce the burden of overhead. Director Ramirez recommended building up the base of consultants to prepare for needs.

Mr. Jagers reminded the Board about the 2020 budget adjustment for imported water. President Covington encouraged budgeting for available water in 2021 instead of having to do a budget amendment. Mr. Jagers offered background on the water orders and suggested a workshop.

Ms. Rodriguez detailed the current pension and Other Post-Employment Benefits (OPEB) and reminded the Board about the recommendations of the consultant. She recommended development of a policy in the future to address a trust for these liabilities. The current annual retirement payment is \$467,210 and OPEB is \$28,440, she advised.

Ms. Rodriguez presented the organizational chart and answered questions from the Board regarding funded and underfilled positions.

Ms. Rodriguez reviewed the 5-Year Capital Improvement Budget 2021-2025 and presented 2021 goals.

Director Slawson commended the Finance Department. Ms. Rodriguez advised that the final budget would come to the Board for adoption at the December 14 meeting.

b. CV Strategies 2020 Activities and Associated Expenses and Projected 2021 Budget line item

President Covington invited public comment. There was none.

Mr. Jagers gave background on the work of CV Strategies and advised that the contract amount is included in the budget. Director Williams indicated that the Communications Committee has developed a focus for outreach and recommended moving forward.

Director Ramirez added that communication to ratepayers has been enhanced. Director Hoffman concurred and suggested re-evaluating after another year.

Director Slawson reported that an ACWA session noted that public relations and outreach is becoming more important and recommended moving forward based on hearing the Communications Committee's praise of CV Strategies. President Covington concurred.

*The Board authorized the General Manager to extend a contract for public relations and community outreach consulting services with CV Strategies for a one-year term (2021 calendar year) in an amount not-to-exceed \$99,330 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.	

c. Townsend Public Affairs, Inc. 2020 Activities and Associated Expenses and Projected 2021 Budget line item



General Manager Jagers reminded the Board about the success in obtaining a \$1.5 million grant and the application for others. He noted there is still value in participation and recommended another year of services.

President Covington invited public comment. There was none.

*The Board authorized the General Manager to extend a contract for grant writing consulting services with Townsend Public Affairs for a one-year term in an amount not-to-exceed \$48,000 by the following roll-call vote:*

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

d. Human Resources consulting

Mr. Jagers detailed the use of HR Dynamics and indicated there is funding included in the budget for on-call consulting totaling \$29,000 per year. He noted that the planned coaching and training sessions were not held due to COVID-19 this year and recommended pushing the program to 2021.

In response to Director Ramirez, Ms. Rodriguez reported that the budget for 2020 was \$19,000. She explained the budget was increased due to inclusion of leadership coaching and executive coaching. With the hiring of a Human Resources Coordinator, Director Ramirez opined, there should be reduced need for services. He recommended allocating funds needed for the training within a \$20,000 budget. Ms. Rodriguez noted that the cost of leadership coaching was \$17,500. Ramirez suggested looking elsewhere for the coaching as this appears costly. Mr. Jagers recommended that the training remain in the budget whether performed by HR Dynamics or another option.

The Board directed staff to bring back alternatives at the next meeting. Director Ramirez indicated he would like to see an alternative program for substantially less than the \$17,000 for coaching, in order to keep HR Dynamics at \$20,000 and focused on supporting the HR Coordinator.

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

Mr. Jagers gave an update on potential lock down in Riverside County and said more significant closures may come. President Covington indicated it will be similar to the situation in April 2020 and advised that Cal OSHA has promulgated new guidelines.

**5. 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**

General Manager Jagers indicated the Board is fairly up to date on this item and noted that the wind blew a lot of ash from the hillsides today.

## **6. Reports For Discussion**

### **a. Ad Hoc Committees:**

Director Ramirez reported that the Committee exhausted its 2020 funds. He pointed to social media exposure, coverage in the Record-Gazette, and other areas of positive publicity has all been part of the work of the Committee and staff. Other media sources are now interested in what the District is doing, he stated.

### **b. General Manager**

Mr. Jagers reported that deliveries of State Water Project water are complete. He advised that the District is in the middle of a public safety power shutoff (PSPS) that could last until Saturday. Staff is assuring the water supply for the community and reached out to Banning to alert them that if the power is out, the grading operations should shut down, as those wells may go offline.

Staff is monitoring water levels, is running the system when power is on, and Jagers said he is optimistic that the supply will last until Saturday even with continued power outages.

### **c. Directors' Reports:**

President Covington reported on the Association of California Water Agencies conference.

### **d. Legal Counsel Report: Mr. Markman advised that he will report at the next meeting on the lawsuits related to the Delta Conveyance Project.**

## **7. Announcements**

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

- Engineering Workshop: Monday, Dec. 14, 2020 at 6 p.m. *(Note date change due to holiday)*
- District Offices will be closed on Thursday, Dec. 24 in observance of Christmas Day
- District Offices will be closed on Thursday, Dec. 31 in observance of New Year's Day
- Collaborative Agencies Committee Meeting – Wednesday, Jan. 6, 2021 at 5 p.m. *(in-person meeting at Beaumont Library; also available via Zoom)*
- Finance and Audit Committee Meeting: Thursday, Jan. 7, 2021 at 3 p.m.
- Regular Board Meeting: Wednesday, Jan. 13, 2021 at 6 p.m. President Covington noted that new officers will be elected, and committee assignments will be made.



## 8. Action List 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

## 9. Adjournment

*President Covington adjourned the meeting at 9:00 p.m.*



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

ATTEST:



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

