



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

**MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
Monday, December 14, 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 6:07 p.m.*

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

**Invocation:** *Given by Director Williams*

**Oath of Office for Re-elected and Appointed-in-Lieu Directors**

*President Covington administered the Oath of Office for:*

- Director Lona Williams
- Director Andy Ramirez

**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 (6:14 p.m.), 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: Brent Caldwell representing Potrero Logistics Center.

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:** None.

**2. Reorganization of the Board of Directors for Calendar Year 2021**

- Nomination and Election of the President

*Director Hoffman nominated Director Slawson.*

MOVED: Hoffman	SECONDED: None <sup>1</sup>	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson, Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

- Nomination and Election of the Vice President

*President Covington nominated Director Williams.*

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

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<sup>1</sup> There was no second; however, nominations do not require a second.

- Nomination and Election of the District Treasurer

*Director Williams nominated Director Hoffman.*

MOVED: Williams	SECONDED: None <sup>2</sup>	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson, Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

- Nomination and Election of the District Secretary

*Director Williams nominated Director Ramirez.*

MOVED: Williams	SECONDED: None <sup>3</sup>	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson, Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

- Appointment of the Recording Secretary

*President Covington nominated the Director of Finance and Administrative Services, Yolanda Rodriguez*

MOVED: Covington	SECONDED: None <sup>4</sup>	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson, Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

- Appointment of the Personnel Committee:

*President-elect Slawson appointed Covington, Ramirez, and Hoffman (alternate).*

- Appointment of the Finance & Audit Committee:

*President-elect Slawson appointed Hoffman, Covington, and Williams (alternate).*

- Appointment of the Bogart Park Ad Hoc Committee

*President-elect Slawson appointed Hoffman, Williams, and Ramirez (alternate).*

<sup>2</sup> There was no second; however, nominations do not require a second.

<sup>3</sup> There was no second; however, nominations do not require a second.

<sup>4</sup> There was no second; however, nominations do not require a second.

- Appointment of the Ad Hoc Communications Committee

*President-elect Slawson appointed Ramirez, Williams, and Hoffman (alternate).*

- Appointment of the Ad Hoc Committee on Water Re-Use

*President-elect Slawson appointed Hoffman, Covington, and Ramirez (alternate).*

- Appointment to the San Geronio Pass Regional Water Alliance

*President-elect Slawson appointed Slawson and Williams (alternate).*

- Appointment to the Collaborative Agencies Committee

*President-elect Slawson appointed Ramirez and Williams (alternate).*

### 3. Consent Calendar:

*The following Consent Calendar items were approved with one motion:*

- October 2020 Budget Variance Report
- October 2020 Cash/Investment Balance Report
- November 2020 Check Register
- November 2020 Invoices Pending Approval
- Minutes of the Regular Meeting of November 4, 2020
- Minutes of the Regular Meeting of November 19, 2020

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

### 4. Resolution 2020-26: BCVWD Fiscal Year 2021 Operating and 2021-2025 Capital Improvement Budgets

President Covington invited public comment. There was none.

General Manager Dan Jagers reminded the Board about the discussion at the Budget Workshop at the December 4, 2020 meeting.

Director of Finance and Administrative Services Yolanda Rodriguez explained that the proposed budget includes \$24.4 million in revenues and total gross expenses of \$18.7 million. President Covington pointed out the proposed \$9.4 million in 2021 water sales and noted the current environment. Ms. Rodriguez assured that the numbers were projected in the water rate study.

Covington asked about interest income, and Ms. Rodriguez explained that it continues a downward trend, and as cash is used for infrastructure projects, interest will be reduced.

Ms. Rodriguez presented the non-operating figures and reviewed the organizational chart. Mr. Jagers added detail on proposed positions.

In response to President Covington, General Manager Jagers explained that vehicle acquisitions are expected to be a combination of fleet vehicles and heavy equipment, including replacement of an aging backhoe.

Ms. Rodriguez summarized the Operating Budget and explained the ongoing expense of Other Post-Employment Benefits (OPEB) and related consultant recommendations for annual set-aside of \$104,000. She noted a set-aside for Capital Replacement Reserves of \$1.3 million. Mr. Jagers advised this coincides with the rate study findings.

Jagers noted that unused appropriations for activities that did not take place in 2020 will move forward to fulfill some of the projects. Some of the items will be revisited at the Personnel Committee level, he advised.

President Covington noted that the District has been waiving credit card fees, and other charges and pointed out that the Board needs to determine if the charges should be reinstated. He asked if the budget would need to be amended. Ms. Rodriguez recommended any adjustment be considered at mid-year once customer activity has been assessed given the pandemic.

President Covington pointed to an increase of \$4 million for capacity charges (facilities fees) in 2021 and asked about projected growth. General Manager Jagers indicated there are several tracts moving forward resulting in those projections.

Director Hoffman recommended revisiting the reinstatement of fees and charges in March or later in the year. As things improve, he said, the District needs to recover those funds.

President Covington commended staff on the budget and staffing.

*The Board adopted the proposed Resolution 2020-26: Fiscal Year 2021 Operating & 2021-2025 Capital Improvement Budget by the following roll call vote:*

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

**5. Extension of Contract with Wells Fargo for Banking Services for Two Years in an amount not to exceed \$29,180**

President Covington invited public comment. There was none.

Director of Finance and Administrative Services Yolanda Rodriguez advised that the District had conducted a procurement process to select a firm for banking services for the District and on May 8, 2013 the Board approved the services with Wells Fargo Bank (WFB). The Board approved a two-year extension in 2019 and staff recommends another 2-year extension at a cost of \$29,180 for the two years, Rodriguez explained.

Mr. Jagers indicated that the services of Wells Fargo have been satisfactory.

President Covington asked about a one-year extension and whether other institutions were compared. Ms. Rodriguez stated that comparisons are done periodically to assure the costs are within range. President Covington emphasized cost savings tempered with other factors and agreed with a two-year extension.

In response to Director Williams, Ms. Rodriguez explained there is no law that prevents continuing with the same vendor longer than 10 years; the competitive process is a best practice recommended by the California Society of Municipal Financial Officers (CSMFO).

Director Ramirez asked if there were any other banks that came close to the services of WFB. Ms. Rodriguez recounted the prior RFP and indicated that WFB was one of the best as determined. Ramirez suggested a one-year extension.

Director Hoffman supported a two-year extension. He noted that interest income has declined in the last year, but staff has done a good job of obtaining the best return possible.

Director Slawson asked if the contract would go out to bid again after the two-year period. Ms. Rodriguez said it would; due diligence is always practiced.

*The Board authorized the General Manager to execute an extension of the existing contract with Wells Fargo Bank for banking services for a 2-year period in an amount not to exceed \$29,180 by the following roll call vote:*

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

**6. Resolution 2020-27: Acceptance of Easement from SFP-E, LLC, south of 2<sup>nd</sup> Street, west of Highland Springs Avenue in the City of Beaumont**

Senior Engineer Mark Swanson explained that the project was originally proposed with multiple connections into 2<sup>nd</sup> Street, which was unsuitable, as shutting down the street in the event of a leak would be problematic. The curvature of 2<sup>nd</sup> Street requires establishment of an easement because the secondary pipeline sits within private property, Mr. Swanson said, and explained the location.

Mr. Jagers added that the intent is to present the resolution to the Board to memorialize the easement acceptance.



President Covington invited public comment. There was none.

*The Board adopted Resolution 2020-27 approving and authorizing the General Manager to execute the Acceptance of an Easement for public utility purposes located west of Highland Springs Avenue and south of 2<sup>nd</sup> Street on Riverside County Assessor's Parcel No. 419-260-086 in the City of Beaumont, CA by the following roll call vote:*

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

**7. Discussion Regarding Issuance of Grading Water for Upcoming Development Within Fairway Canyon Master Planned Community (Tract 31462 – Phase IVB)**

President Covington invited public comment. There was none.

General Manager Jagers reminded the Board of discussion on this project last fall, and that other uses may take priority over grading water.

Senior Engineer Mark Swanson explained that developer SDC Fairway Canyon LLC (SDC) advised the District that grading was planned to begin in the beginning of the year over a large area. Swanson described the project location and advised that there is still a developer-owned meter on site from prior activities.

Water for Phase IVA was provided, and Phase IVB, a residential area with a park, will now require grading water during the winter-spring period, Swanson explained. Mr. Jagers added that water service to customers and partners in the area and capacity available on any particular production day is the primary concern; development is the first use to be discontinued when there is an issue.

Director Ramirez suggested partnering with SDC to drill another well in the area or provide booster pumps. Mr. Jagers explained that the terrain is considered by the Beaumont Basin Watermaster to be non-water bearing strata, so there are few areas that would be productive for a well site. Additionally, there is a local area overlies with water rights, Jagers advised. There is an area for a potential reservoir or booster site if deemed necessary, he stated.

**8. Revision to Project Scope and Associated Update to “Will Serve Letter” for the Proposed Development of Potrero Logistics Center (APN 424-010-020) to include APN 424-010-009 and 424-010-010, and Resolution 2020-28: Acknowledging the Review, Receipt and Acceptance of the Water Supply Assessment for Potrero Logistics Center**

President Covington invited public comment. Mr. Brent Caldwell representing the developer indicated he was present for questions.

Senior Engineer Mark Swanson provide background on the project. In 2014, ASM Beaumont Investors, LLC received a "Will-Serve Letter" (WSL) for 34 Equivalent Dwelling Units (EDUs) for the project, a 500,000 square foot industrial warehouse facility on APN 421-020-003. The APN has changed, Swanson advised. At the time, the project did not require a Water Supply Assessment (WSA) but with the enlarged scale to 577,920 square feet, the requirement for a WSA is triggered.

In addition, two more parcels are being requested for annexation into the District, Swanson continued. The District's position is that the data has been vetted and now remains the determination of total water demand, he said, estimated to be 15.3 acre-feet per year or 26.44 EDUs, which is lower than the original allocation in the WSL.

Swanson advised that since there is no tenant yet identified for the building, it is possible that the applicant may have to come back with a request for adjustment to the WSL.

President Covington wondered how the water demand was reduced with an increase in the size of the building. Mr. Swanson said he had no detail on how the original calculation was made, but the current use is estimated based on an existing building. He also pointed out that in 2014, the District did not have landscape ordinances in place, which result in significant reduction in outdoor consumption.

President Covington indicated he was not comfortable issuing a WSL without a number on it. General Manager Jagers suggested the WSL be revised to reflect the updated numbers in the WSA. If a tenant is found to be using a greater amount of water, the WSL would come back to the Board, he said.

Director Slawson said he would be more comfortable approving what is stated in the WSA, and said he supported the annexation.

Mr. Caldwell advised that it was not the intent of the developer for an open-ended WSL. He said they are looking for a match to the numbers established in the WSA. He noted that tenants being considered fall within that range.

*The Board approved the following actions for the Potrero Logistics Center (Riverside County Assessor's Parcel Numbers 424-010-009, 424-010-010 and 424-010-020:*

- 1. Approved the request for Revision to Project Scope and associated update to the "Will-Serve Letter" for water service to the proposed development of Potrero Logistics Center (APN 424-010-020) to include APN 424-010-009 and 424-010-010.*
- 2. Approved the Water Supply Assessment for Potrero Logistics Center.*
- 3. Adopted Resolution 2020-28 Acknowledging the Review, Receipt and Acceptance of the Water Supply Assessment for Potrero Logistics Center*

*by the following roll call vote:*



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

**9. Request for Update of “Will Serve Letter” for Previously Approved Project (Riverside County Assessor’s Parcel No. 403-070-004) Located at 39705 Vineland Street in the Community of Cherry Valley**

Senior Engineer Mark Swanson reminded the Board of prior discussion of this project. A WSL was issued to the prior applicant based upon the building of a single-family home. The property was sold, and a new applicant now plans to build a 5,000 square foot metal building for car storage. There will be minor landscaping needs in addition to the building, Swanson explained.

The applicant has indicated that there is no requirement to install a restroom facility with septic tank, Swanson noted. It is important that if a septic tank is required, the District must be made aware as there are facilities located in an easement to the south, he said.

In response to President Covington, Jagers confirmed that service would come off Vineland. Mr. Jagers indicated that a condition in the WSL would clarify the District’s expectations.

Director Hoffman asked if fire sprinklers would be required. Mr. Swanson said if so, that would be conditioned by the Fire Department. In that case, they would need to apply for fire flow and pay a deposit, then the District would do an analysis to determine whether demand could be met, he said. Mr. Jagers noted that fire service supply is a condition from the County and will need to be addressed separately.

*President Covington noted that Director Ramirez has not been acknowledgeable since 8:10 p.m.*

*The Board approved the request for update of Will-Serve Letter for a term of one year for a property located on 39705 Vineland Street, identified as Riverside County Assessor’s Parcel No. (APN) 403-070-004 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: Williams	SECONDED: Slawson	APPROVED 4-0
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	Ramirez	

## **10. Adoption of 2021 Board of Directors Regular Meeting Schedule**

General Manager Dan Jagers pointed out that the Personnel Committee has been recommended to meet monthly due to workload.

Jagers noted that District policy states that regular meetings are held the second Wednesday and fourth Thursday of the month, but adjustment of the schedule is acceptable. He pointed out the November and December schedule and explained proposed accommodations for the December budget cycle.

By consensus, the Board made some alterations to the staff recommended schedule.

President Covington invited public comment. There was none.

*The Board approved the 2021 Board of Directors Regular Meeting Schedule with the following amendments:*

*The second meeting in November will be Nov. 22*

*The second meeting in December will be Dec. 21*

*by the following roll call vote:*

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

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

General Manager Jagers reported on cases and hospitalizations in Riverside County. A target for re-opening the office would be mid-January, after discussion at the first meeting in January, he noted.

## **12. Reports for Discussion**

a. Ad Hoc Committees: None.

b. General Manager

Mr. Jagers reported there is a lot of activity but no rainstorms creating mud and debris flows. There were some Public Safety Power Shutoffs (PSPS) last week, he said, and explained that the Assistant Director of Operations is working diligently to establish communication with Southern California Edison to have real time updates.

There was more water usage than anticipated this year, Jagers continued, which staff believes is related to people staying at home and providing water to the City of Banning.

Mr. Jagers advised that discussion of the ongoing Capacity Charges (facilities fees) study would be before the Board in January. Some adjustments to the master plan are needed, he noted.

Riverside County Flood Control has completed the activities at Noble Creek, south of Bogart Park, Jagers reported. The construction of four bollards should be finished this week or early next week and work is being coordinated with the District. K-rail installation is also continuing, he said.

Director Hoffman advised that he had been approached by a resident with a concern about dirt piled on the west side of their property by Flood Control. Mr. Jagers indicated he will speak to the resident.

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

### 13. Announcements

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

- 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.
- Engineering Workshop: Thursday, Jan. 28, 2021 at 6 p.m.

### 14. 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

### 15. Adjournment

*President Covington adjourned the meeting at 8:41 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