



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

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
Wednesday, June 9, 2021 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***

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

Pledge of Allegiance: *Led by Director Covington*

Invocation: *Given by President Slawson*

Announcement of Teleconference Participation

Acting Director of Finance and Administrative Services William Clayton 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 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
Directors absent:	Williams
Staff present:	General Manager Dan Jagers Senior Engineer Mark Swanson Assistant Director of Operations James Bean Acting Director of Finance and Administrative Services William Clayton Administrative Assistant Erica Gonzales
Legal Counsel	James Markman

Members of the public who registered attendance: San Geronio Pass Water Agency Board members Larry Smith and Blair Ball, Mike Canfield representing Beaumont Pointe, and Brianna Schultz and Evelyn Morentia from Rogers, Anderson, Malody and Scott.

Acting Director of Finance and Administrative Services William Clayton verified that all present 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:

Upon recommendation of the General Manager:

*The Board made a finding of immediate need to add an emergency item: **Ratification of the General Manager's Declaration of a District Emergency regarding Necessary Immediate Repairs to Well 29** to the agenda of June 9, 2021 as item 3a in order to take action as recommended by the General Manager on Tuesday, June 8, 2021 by the following vote:*

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

2. Consent Calendar:

The following Consent Calendar items were approved with one motion:

- a. Review of the April 2021 Budget Variance Reports
- b. Review of the April 30, 2021 Cash/Investment Balance Report
- c. Review of Check Register for the Month of May 2021
- d. Review of May 2021 Invoices Pending Approval
- e. Minutes of the Regular Meeting of May 12, 2021

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

3. 2020 External Audit and Annual Comprehensive Financial Report

General Manager Dan Jagers explained that this document was presented at a special meeting and a regular meeting of the Finance and Audit Committee. Finance and Audit Committee Chairperson Hoffman indicated he had no

comments to add and complimented staff and the auditors. Committee member Covington reported there were no major irregularities.

Acting Director of Finance and Administrative Services William Clayton introduced the representatives from auditors Rogers, Anderson, Malody and Scott (RAMS), who presented the report. Ms. Brianna Schultz, audit manager, described the responsibilities of management and auditors. She advised of the unmodified opinion on the District's financial statements, the highest level of assurance that an audit firm can provide.

Mr. Jaggars thanked RAMS. Mr. Clayton explained a change of name of the report and provided highlights of the Annual Comprehensive Financial Report.

As of December 31, 2020 and compared to December 31, 2019:

- There were 19,690 connections, an increase of 341 over 2019
- Water production was 13,818 acre-feet, 10,577 of which was imported
- Total assets were \$185.4 million, an increase of \$5 million from 2019
- Total liabilities were \$9.9 million, an increase of \$1.1 million from 2019
- Total net position was \$176.4 million, an increase of \$4.2 million

Mr. Clayton explained increases in liabilities including Other Post-Employment Benefits (OPEB) and changes in net position. He reminded the Board about staffing shortages and noted that staff is pleased with the reports.

General Manager Jaggars pointed out that despite staffing challenges, the report was completed timely and will be submitted for potential award consideration.

President Slawson invited public comment. There was none.

The Board received and filed the independent auditors' unmodified (clean) opinion on the Beaumont-Cherry Valley Water District's financial statements for the year ended December 31, 2020, included in the December 31, 2020 Annual Comprehensive Financial Report by the following roll-call vote:

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

3a. Emergency Item: Ratification of the General Manager's Declaration of a District Emergency regarding Necessary Immediate Repairs to Well 29

General Manager Jaggars advised that information on this item was located on the District website. He explained the problem with the Well 29 motor and described the potential emergency situation and advised that he had discussed it with President Slawson.

Well 29 is an 800 hp pumping unit with a motor for which it takes 12 weeks to obtain a replacement, Jaggars advised. The motor is damaged and not rebuildable due to length of repair time and cost of \$112,000. Jaggars explained

the recommended interim service and repair strategy. The cost of a replacement motor has increased by 3.45 percent since the last motor purchase, and there will be a 6 percent price increase after June 15, he advised. This pumping unit is the primary supplier for the lower three zones, Jagers explained, and moving into summer, staff wants to assure there are no issues. Staff devised an interim solution in the case of delays in obtaining equipment and protect the District from exposure due to failures on any other pumping units, he stated.

Staff proposed changing the horsepower of the motor on Well 29 from 800 to 600, and purchase and interim installation of a new, in-stock 600 hp motor from Legend Pump & Well Service (Legend) then retaining it for future use; returning the pump to its original configuration when the 800 hp motor is received.

President Slawson asked about the delivery time for the 600 hp motor. Jagers advised it is in stock with Legend and located in Colton.

Jagers detailed the plan and recommended purchase of the 800 hp pump the following day and detailed estimated costs of the project including 10 percent contingency totaling up to \$197,841.60.

General Manager Jagers responded to questions from the Board members. Director Hoffman asked about life expectancy of the District's 800 hp motors. Jagers explained typical motor failures and indicated that the District would continue with its existing facilities, as the cost of new facilities would be in the range of \$4 to \$5 million. Risk can be mitigated by having spare parts and building redundancy he advised, and this is being achieved.

Director Covington acknowledged that the 800 hp sites have been a problem and requested history of maintenance and large costs incurred at those sites. Covington indicated that a warranty on the 600-hp motor from Legend would be beneficial. He noted that with current orders, the District will end up with two new 800-hp motors and two 600-hp sitting on the shelf. Jagers reminded that one of the 600-hp motors has broken rotor bars. Covington noted that staff has a good understanding of the system's risks and said he supported the identification of the critical components of the system and assuring there are spare critical parts on the shelf. He noted the rising cost of parts and acknowledged the necessity.

Covington encouraged looking at an interconnection with the City of Banning. Jagers indicated there will be an opportunity for this as Banning develops its system.

Director Hoffman pointed out the pumps are run at times when electricity is cheaper and asked if the 800 hp motors are working at capacity. Jagers explained the pumping loads, typical practices and run times of up to 19 hours per day. Hoffman also asked about the status of the 800-hp motor; Jagers explained its condition and inventory of spares.

Jagers advised that staff may later recommend purchase of an additional 800-hp motor. In response to Covington, Jagers advised that the previously Board-approved 800-hp motor for Well 25 was ordered and is seven weeks from delivery. Covington requested a report on critical resources and recommended purchases.

Jaggers advised that this is the safest solution for the District at this time.

President Slawson invited public comment. There was none.

The Board ratified the General Manager's Declaration of a District Emergency to address the emergency situation regarding necessary immediate repairs to Well 29 declared in on Tuesday, June 8, 2021 by the following roll-call vote:

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

4. Review Annual Disclosure (California Government Code Section 66013(d)), Fiscal Year 2020 Capacity Charges

Acting Director of Finance and Administrative Services William Clayton explained the requirements and presented the report of capacity charges (facilities fees).

Director Covington commented on the amount of commitments of the District over the year and implored staff to pursue grant funding. Jaggers added that there will be a push forward on projects.

President Slawson invited public comment. There was none.

The Board received and filed the Annual Disclosure (California Government Code Section 66013(d)), Fiscal Year 2020 Capacity Charges report by the following roll-call vote:

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

5. Resolution 2021-10: Approval of Water Supply Assessment for Water Service for the Proposed Beaumont Pointe Commercial and Industrial Project (formerly Jack Rabbit Trail) located south of State Highway 60 and west of Potrero Boulevard

Senior Engineer Mark Swanson reminded the Board about discussion of this item at the April 22, 2021 Engineering Workshop. He described the commercial / industrial development which was formerly slated to be 2,000 single family homes. He directed attention to the Water Supply Assessment (WSA) and pointed out that this project will not consume as much water as a residential project: approximately 360 Equivalent Dwelling Units (EDUs).

Directors indicated they recalled the prior presentations. Director Covington asked if the updated Urban Water Management Plan would reflect this change in use. General Manager Jagers confirmed it would.

President Slawson invited public comment. There was none.

The Board acknowledged the review, receipt and acceptance of the Water Supply Assessment and adopted Resolution 2021-10 Approving the Water Supply Assessment for the Beaumont Pointe Project by the following vote:

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

6. Request for *Will-Serve Letter* for the Beaumont Pointe (formerly Jack Rabbit Trail) Project located south of State Highway 60 and west of Potrero Boulevard

Senior Engineer Mark Swanson explained this is the Will-Serve Letter (WSL) for 360 EDUs for the project to allow the developer to move forward with the City of Beaumont and the Local Agency Formation Commission (LAFCO). Currently, there is no tenant for the building, but if a greater water use is identified, the developer would need to come back and request more water, Swanson added. The WSL expires after 12 months, he stated.

Mr. Jagers explained this is a boundary development and will require some conditions to address fire flows and service conditions, such as potentially large lines that serve only this property.

Director Covington pointed out that this project is not within the BCVWD Sphere of Influence (SOI) and must still go through the LAFCO process. He asked if the issuance of a WSL was premature. Jagers clarified that the project is within the SOI, but not within the service area boundary. Swanson noted that items needed for the water component of the LAFCO application are the WSA, WSL and Plan of Service. District Counsel James Markman advised that the District is being treated as the water supplier just by doing the WSA. The District can be comfortable if the project is within the SOI and there is a condition in the WSL that the project will have to annex prior to connection, Markman opined.

Director Hoffman noted that fire flow requirements will not be known until the application goes to the County fire department. Mr. Swanson gave an overview of the fire flow standards.

President Slawson invited public comment. There was none.

The Board approved the request for Will-Serve Letter for the Beaumont Pointe Project located south of State Highway 60 and west of Potrero Boulevard consisting of the following Riverside County Assessor's Parcel Numbers:

Beaumont Pointe Assessor Parcel Numbers

Parcel No.	APN No.	Parcel No.	APN No.	Parcel No.	APN No.
1	422-060-002	5	422-060-005	9	422-060-009
2	422-060-010	6	422-060-016	10	422-060-017
3	422-060-018	7	422-060-021	11	422-060-022
4	422-170-005	8	422-170-008		

by the following vote:

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

7. Request for Update to Will-Serve Letter for Proposed Single-Family Residence for Riverside County Assessor's Parcel No. (APN) 402-190-007 (40090 Lincoln Street), east of Cherry Avenue and west of Jonathan Avenue in the Community of Cherry Valley

Senior Engineer Mark Swanson explained that this property had a prior project with WSL under a different owner which expired in 2017. The new applicant is proposing a different project and requests an extension.

The new project is a 3,130 square foot single family residence with garage and long driveway, Swanson noted.

President Slawson invited public comment. There was none.

The Board approved the request for water service Will-Serve Letter for a property located at 40090 Lincoln Street, identified as Riverside County Assessor's Parcel No. (APN) 402-190-007 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 vote:

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

8. Consideration of Attendance at Upcoming Events and Authorization of Reimbursement and Per Diem

General Manager Dan Jagers pointed out District policies and noted the requests from Board members to attend the following events:

- Building Industry Association 2021 Southern California Water Conference on Friday, August 13 from 8 a.m. to 1 p.m. at the Doubletree Hotel, Ontario
- Tri-State Seminar: August 9 – 12 at the South Point Hotel, Las Vegas

President Slawson indicated interest in the BIA event and noted that the Tri-State seminar was quite intensive.

Director Covington opined that the BIA Southern California Water Conference is a must if possible and pointed to some high-level discussions that will affect all water agencies in California. He noted that the General Manager of the San Geronio Pass Water Agency is registered to attend.

Mr. Jagers advised the Board that a Board member has requested that review of the related Training, Education, and Conferences policy be agendaized for discussion.

Director Ramirez indicated interest in Tri-State. He noted that all major water districts from California, Nevada and Arizona attend and there is pertinent information in the seminars. He opined that this would allow Board members to stay current with information.

President Slawson pointed out that the BIA event is scheduled the day after the Tri-State conference.

The Board approved the following event attendance for all directors:

- *Building Industry Association 2021 Southern California Water Conference*
- *Tri-State Seminar 2021*

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

9. Discussion of Return to In Person / Zoom Board Meetings

General Manager Jagers updated the Board of the installation of computers and wiring in the Board Room. The target date for readiness is the Engineering Workshop in June, however with the ongoing activities related to COVID-19 and more stringent requirements from Cal OSHA, some unique challenges are present, Jagers explained.

Jagers noted that the District office will be back to 100 percent in-person staffing as of June 15.

President Slawson asked about the City of Beaumont's operations. Mr. Jagers advised the City has a hybrid situation which is more restrictive and awkward. Slawson suggested waiting a while to see how things pan out. Director Ramirez concurred and opined that the Board's Zoom calls have been very efficient and

allow for keeping within health guidelines. A hybrid approach may be considered in the future, he suggested.

Director Hoffman suggested looking at July for in-person meetings. Mr. Jagers will agendize this discussion again in July.

Counsel Markman pointed out that the Brown Act requirements have not been changed back to the original requirements, but someday it will revert to being unable to conduct Zoom meetings.

10. Continued Review of Anticipated California Drought Conditions, District Urban Water Management Plan Drought Restrictions and BCVWD Resolution 2014-05 Regarding Issuance of Will-Serve Letters and Other Drought Response

General Manager Jagers shared a Notice to Public Drinking Water Systems from the California Water Boards warning of "Ongoing Dry conditions in California – Prepare for Drought Impacts Statewide" dated June 8, 2021. There is no water coming out of the mountains in northern California, he noted, and pointed to the actions laid out in the Notice:

- Monitor the depth-to-groundwater level in wells
- Record capacities
- Monitor water levels in the system

Jagers detailed the components of the Notice "Create a contingency plan" and said that the District has worked on some of the actions but has more work to do. The Notice advises the District to "Create awareness that voluntary conservation is critical," Jagers said, and staff is working on related content for the website. This continues to develop, he noted.

Counsel Markman noted that if the State institutes regulations, the District may not be able to use all the water it has banked for drought-proofing, or it may just require people to cut back. Last time, Markman recalled, the state required people to cut back by a good percentage. It put everyone in the same bag and was considered by some to be unconstitutional, he noted.

Director Covington said he learned, on a conference call with the Governor's office, that the broad-brush approach taken under the 2012-2016 drought backfired, and the next actions will be built on lessons learned. Currently, of 58 counties in California, 41 have been declared under drought, and they are looking at it county by county, or region by region, Covington stated. They also recognize the agencies that are water banking, he noted.

Markman emphasized that this is a 5 percent year for the State Water Project, which is pretty rough.

President Slawson invited public comment. There was none.

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

General Manager Jagers reported that staff has been returning to the office. On June 6, 2021 the Cal OSHA Board approved revised emergency temporary

standards for COVID-19 prevention, he advised. It creates expense and has a lack of clarity, he noted. If approved, the standards would become effective on June 15.

The District has ordered N-95 masks in preparation for offering them as required, Jagers said.

Counsel Markman advised that Richards, Watson & Gershon believes the District can ask employees if they are vaccinated and have different rules for the workplace. The District can require employees to be vaccinated unless they have a health reason or religious belief, he said.

Riverside County numbers are trending downward, Jagers noted. Director Covington asked what percentage of District employees are known to be vaccinated. Jagers estimated between 50 and 65 percent, but pointed out that others may have antibodies.

12. 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 indicated there is wood debris remaining to be cleared by the Forest Service.

13. Reports For Discussion

a. Ad Hoc Committees:

Communications Committee: Director Ramirez reported that community outreach is moving forward, and print and social media content has been produced. CV Strategies will become more involved with writing pieces. The ability for all directors to participate was discussed, he said, and the Committee believes it will be good to look at a hybrid approach where directors could provide quotes for op-eds and other media.

Director Ramirez stated that the Committee believes it may also be good to consider having a Board member chosen as a secondary spokesperson in addition to the Board President to allow the ability to get things out to the community quickly. President Slawson asked what that position would be called and asked for detail. Ramirez explained it would be an extension of what is currently being done with communications through social media. A director chosen every six months would be like a spokesperson for the Communications Committee and the point person for articles sent out. The Communications Committee has agreed on this point, and seeks Board approval, Ramirez noted.

Counsel Markman advised that the Board cannot take action at this meeting. He suggested formulating the item more clearly and placing it on the next agenda.

Director Ramirez noted that the Communications Committee desires to be more available to other city events that provide an opportunity for outreach. This resulted in suggestion for more policy flexibility to attend events such as the Chamber of Commerce meetings, and enabling directors to claim per diem compensation without having to agendaize meetings for pre-authorization. A policy revision will be agendaized for a future meeting.

Sites Reservoir Committee: Director Covington reported that the meeting scheduled for June 8 was canceled.

b. General Manager:

Mr. Jagers advised that proposals have been received for the 2021 pipeline projects and the Antonelle Pipeline Project is out to bid. Also moving forward are other capital projects, the Urban Water Management Plan, and completion of the audit.

No water is being delivered at the Noble Creek Recharge Facility due to maintenance activities and drought, he said.

c. Directors' Reports:

President Slawson reported that he attended the San Geronio Pass Regional Water Alliance. A drought update was given by SGPWA General Manager Lance Eckhart and Stan Houghton from High Valleys Water District was elected co-chair.

Director Ramirez reported that he attended the International City and County Managers Association webinar regarding the American Rescue Plan. There is a possibility that rescue fund monies may be available for IT infrastructure and other pertinent items through the state and cities, he noted.

d. Legal Counsel Report: None.

14. Announcements

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

- Personnel Committee Meeting: Monday, Jun. 21, 2021 at 5:30 p.m.
- Engineering Workshop: Thursday, Jun. 24, 2021 at 6 p.m.
- Finance and Audit Committee Meeting: Thursday, Jul. 1, 2021 at 3 p.m.
- District Offices will be closed Monday, Jul. 5, 2021 in observance of Independence Day
- Collaborative Agencies Committee: Wednesday, Jul. 7, 2021 at 5 p.m.

15. Action List for Future Meetings:

- Water supply for BCVWD and the region
- Matrix for delivery of recycled water

- Update on the Delta Conveyance Project
- Legal perspective on the Delta Conveyance
- Legal Counsel report on changes in Proposition 218
- Legal update on drought conditions in the west
- Maintenance costs at 800-hp well sites
- Report on Inventory / critical resources of well parts (July 22)
- Policy revision: Pre-authorization for events attendance
- Appointment of District spokesperson

8:48 p.m. – Director Covington recused himself from the Closed Session Item 16a and exited the conference call.

16. Convened in Closed Session: 8:49 p.m.

- CONFERENCE WITH LEGAL COUNSEL – Existing Litigation
Significant exposure to litigation
Pursuant to Government Code Section 54956.9(d)(1)
San Timoteo Watershed Authority v. City of Banning, et. al., Riverside County Superior Court Case No. RIC389197
- PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54947
Title: General Manager

Reconvened in Open Session: 9:51 p.m.

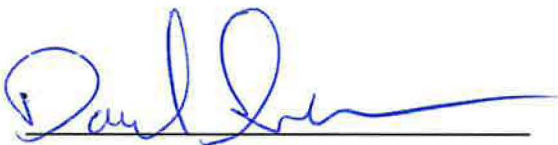
17. Report on Closed Session

16a. President Slawson announced there was no reportable action taken.

16b. President Slawson reported that the Board of Directors desires to pursue potential reorganization of administrative staff for better efficiency in the District for future meetings.

18. Adjournment

President Slawson adjourned the meeting at 9:53 p.m.



Director Daniel Slawson, President
to the Board of Directors of the
Beaumont-Cherry Valley Water District

ATTEST:



Director Andy Ramirez, Secretary
to the Board of Directors of the
Beaumont-Cherry Valley Water District