



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

**MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
Wednesday, August 11, 2021 at 6:00 p.m.**

***Meeting held via teleconference pursuant to  
California Government Code Section 54950 et. seq. and  
Governor's Executive Orders N-29-20, N-33-20, and N-08-21***

---

**Call to Order:** *President Slawson opened the meeting at 6:06 p.m.*

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

**Invocation:** *Given by Director Ramirez*

**Announcement of Teleconference Participation**

Acting Director of Finance and Administrative Services William Clayton clarified that this meeting is conducted in person and via teleconference pursuant to California Government Code Section 54953, and under Executive Orders N-29-20, N-33-20 and N-08-21 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, Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Operations James Bean Acting Director of Finance and Administrative Services William Clayton Senior Engineer Mark Swanson Human Resources Coordinator Sabrina Foley Production Maintenance II Dustin Smith Accounting Technician Erica Gonzales
Legal Counsel	James Markman

Members of the public who registered attendance: San Geronimo Pass Water Agency Board member Blair Ball, City of Beaumont Councilmember Llyod White, Matt Goss of CalPERS and Meagan Glauser.

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. 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. Consent Calendar:**

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

- a. Review of the June 2021 Budget Variance Reports
- b. Review of the June 30, 2021 Cash/Investment Balance Report
- c. Review of Check Register for the Month of July 2021
- d. Review of July 2021 Invoices Pending Approval
- e. Minutes of the Regular Meeting of July 14, 2021
- f. Minutes of the Regular Meeting of July 22, 2021
- g. Presidential appointment to the Finance & Audit Committee

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

**3. Presentation by CalPERS representative on Other Post-Employment Benefits**

Acting Director of Finance and Administrative Services William Clayton provided background and introduced Mr. Matt Goss, Program Manager, Customer Outreach and Support at CalPERS to recap and further detail information provided at the July 14, 2021 meeting. Mr. Clayton reminded the Board that with the 2019 Rate Study, the District was able to provide for collection of funds to be set aside for unfunded pension and OPEB liabilities, which continue to grow. Staff recommends establishing an IRS Section 115 Trust fund for each type of liabilities to target those obligations, Clayton stated.

Mr. Goss described prefunding tools available to manage costs and increase investment income. He recommended two actions: Make additional discretionary payments of unfunded accrued pension liability to CalPERS and establish a Section 115 pension trust fund to stabilize future ability to pay pension costs.

Mr. Goss detailed the District's current situation and explained that using the recommended programs could save the District money over time.

Director Hoffman requested staff prepare a report on current obligations, how much has been contributed, and current balances. He said he supported using the 115 program but wants to digest the numbers, and evaluate how and where to generate funds to make the contributions. He suggested starting via the Finance and Audit Committee.

Director Ramirez concurred with Hoffman and indicated the program has merit. Director Williams asked if there was a penalty if funds needed to be liquidated. Mr. Goss explained there are no fees other than the total participation costs. He noted the IRS Section 115 indicates the District is not taxed.

President Slawson noted consensus for support of the 115 Trust and referred the item to the Finance and Audit Committee.

#### **4. Acknowledge Receipt of Certification as a Great Place to Work**

Human Resources Coordinator Sabrina Foley reminded the Board about the annual Engagement Survey and the option to work with an international organization, Great Place to Work. She explained that as a result of the survey completed in July, the District received the Great Place to Work certification.

General Manager Jagers commented on efforts to improve and become better employers and partners with the employees.

Director Williams commented that 79 percent satisfaction is impressive.

#### **5. Consideration of BCVWD 2022 Imported Water Order Quantity from the San Geronio Pass Water Agency**

General Manager Jagers noted that the state is in significant drought and the San Geronio Pass Water Agency (SGPWA) is doing good work to identify near-term and long-term water supplies for the region. He advised that the District is netting a negative into its water storage account in the Beaumont Basin for calendar year 2021.

Jagers advised that there may be discussion in October to finish the imported water deliveries for this year, as there is some more water to come, but the Department of Water Resources (DWR) is trying to assure environmental concerns are addressed. BCVWD will be extracting from its storage account, Jagers indicated, and said hopefully it will rain the in 2021-22 hydrologic year.

Mr. Jagers reported that SGPWA General Manager Lance Eckhart advised that higher highs and lower lows of water supply are to be expected.

The annual water order is usually submitted by September 1, Jagers said. The District usually will order the amount needed plus some extra, and staff is working on those projections. Jagers estimated an order of approximately 10,000 acre-feet (af) with probably a little more due to COVID-19 times. There will be a more detailed presentation in late August, he explained.

President Slawson noted the figures are similar to what was ordered last year. Mr. Jagers agreed it is consistent but said use is trending upward due to

building of additional houses, and increased use in very dry years. The order will be adjusted to mitigate what is used based on trends.

Director Covington noted the report shows enough supply to last through 2022. Mr. Jagers advised that was a conservative statement at this time and indicated potential change with some calculations by the Beaumont Basin Watermaster. He said it is possible the District has 3.5 to four years of supply in storage, but if drought restrictions are enacted early enough, that may be extended to five years.

Jagers pointed out that the Governor has requested a voluntary reduction in use of 15 percent and said he expects more concerned statements about the drought in the southwest at the end of the year. He noted that the District's Urban Water Management Plan and Water Shortage Contingency Plan will be considered at the August 26 Board meeting.

In response to President Slawson, Jagers reminded that the District has traditionally been ordering water needed for replenishment and additional desired if it is cost-effective, totaling approximately 12,000 to 15,000 af. He noted that Mr. Eckhart understands the District's needs.

President Slawson invited public comment. There was none.

#### **6. Amendment of the Pass-Through Southern California Edison Power Charge Component to Reflect the 2021 Actual Cost of Power**

General Manager Jagers noted that adjustments to the pass-through rates were delayed due to restrictions in costs and concern about COVID-19. Staff has done a strong analysis of Southern California Edison (SCE) rate increases and net effect. Through last year with the SCE rate increases, the District is in arrears, he noted. The plan is to track this over time and use smoothing with the net effect being to charge 10 cents more per unit of sale for electricity than the current 32 cents to get to today's recovery.

Mr. Clayton shared a handout and pointed to two power rate increases since the rate study. He said the District is not looking to collect the 5 cents under collected for 2020. Government Code sec 53756 allows automatic adjustment to pass-through rates with 30-day notice to customers, he explained. The effective date for the adjustment would be October 1, 2021. A separate mailer would be sent to notify customers.

Based on estimated consumption for the remainder of 2021, Clayton continued, without the adjustment, the District would experience an arrearage of \$49,000 per month. He detailed examples of changes in bi-monthly water bills. Mr. Jagers advised that staff is tracking the costs and it is likely these adjustments will come before the Board annually with the cost to customers smoothed as much as possible.

President Slawson asked about losses due to the under collection. Mr. Jagers noted that pass-through rates were cast on 2019 SCE numbers and noted Director Covington's comments at that time. Jagers advised that the losses would not be captured with this increase.

Director Hoffman and President Slawson asked about requirements for dissemination of the required notices. Mr. Jagers assured that notices would be disseminated in accordance with the law. Legal Counsel Jim Markman provided advice. President Slawson directed staff to increase efficiency in future mailings.

*The Board amended the pass-through Southern California Edison Power Charge to \$0.42 per hundred cubic feet to reflect the true cost of electricity to pump and deliver water to the consumer and directed the General Manager to distribute the required 30-day notice to all District customers by the following roll-call vote:*

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

## **7. Adopt Annual List of BCVWD Pre-Approved Events and Director Appointments**

General Manager Dan Jagers reminded the Board of prior discussions on this item and noted that policy amendments are ongoing. He advised that this action would affect Item 8.

Jagers noted the staff recommendations and the importance of clear and concise policies to guide Finance and Administrative staff. He also pointed out that President Slawson had previously commented on the process for identifying abuse and warned that clearly defined limits are needed. A report by Board members of their activities on a monthly basis would be helpful in meeting some of the requirements, he said.

President Slawson indicated he had done some research since the last meeting and realized there are no checks and balances, and understands that the Board is accountable to the ratepayers.

President Slawson invited public comment.

Councilman Lloyd White cautioned care in setting policies. He noted President Slawson's comment about accountability and re-election. He advised that the citizens need accountability and transparency, and staff needs ability for control. He said he liked the suggestion to provide a report of who has attended what meetings. He encouraged a policy that limited attendance, using the example of five directors attending a Chamber breakfast.

White emphasized that setting the right policies and procedures will attract the right candidates for the Board, not those who are looking for a way to supplement their retirement. The original list of meetings looked good, he opined. With continued control, and transparency in who is attending meetings, the voters will have an option instead of filing Public Records Act requests, he said.

Dr. Blair Ball read from current policy, which states that the BCVWD "takes its stewardship over the use of limited public resources seriously. Public resources should only be used when there is a substantial benefit to the District." He noted that the proposed List shows a 50 percent increase in meetings to be preapproved. He suggested there are members on this Board who are here for the benefit of public money.

Do not have 26 preapproved meetings on the list, Dr. Ball suggested, as the members of the Board need to police one another. The suggested list offers the opportunity for some Board members to skirt around so they do not have to come to the Board to request attendance at events that have little substantial benefit to the District.

The people suffer when money is moved out for attendance at meetings and expenses of that nature, Ball continued. He commended Director Hoffman for questioning mailing expenses earlier and he pointed out cumulative costs of attendance at events.

In the name of good government, Ball recommended the Board include just three or so preapproved events. He reminded the Board of Director Hoffman's comment at a previous meeting: If he is going to attend a meeting, he will come to the Board and ask. He suggested elimination of a few select meetings from the proposed List.

General Manager Jagers pointed to the comparison of the List contents. He reiterated that it is the responsibility of the Board to set policy, and requested guidance for staff so as not to be second-guessing the Board's intent.

Director Ramirez asked if the state limits the number of meetings to 10 per month. Mr. Jagers stated yes, the policy parallels state law.

General Manager Jagers responded in detail to questions from Director Ramirez regarding relationships with other agencies.

Director Williams noted that when this subject was initially broached, the question was not regarding compensation. It was about rules or policy regarding a Board member representing the agency at meetings they wish to attend in order to get a finger on the pulse of business and community and to allow Board members to be more well known in the community so that people know who they can come to besides the Board's two meetings a month. Common sense should come into play, she stated.

Williams acknowledged the public comments and noted the intentions may be being misinterpreted. When directors are out in the community, they are always representing the Board, but that does not mean it is always to apply for per diem, she said. President Slawson assured Director Williams that she can represent her division anywhere.

General Manager Jagers offered context for classification of meetings. Director Williams noted that there was more context apparent at the ad hoc Communications Committee meeting and described the intent. She said she was off put by the insinuation about attendance for compensation.



Director Hoffman said that over his six to seven years on the Board he has attended a few other agency meetings where items discussed were appropriate to the District. Aside from those meetings, and those to which he was assigned, he said he did not feel neglectful of his responsibilities as a member of the Board in not attending many of those meetings now on the proposed List. He said he feels an obligation to work on the conservative side to prevent potential future abuse of privileges. He said he found it easy to obtain approval for attendance at meetings not on the list and stated that is the way it should continue.

Director Covington acknowledged all comments. He stated that concern in July was to assure no creation of a runaway train. He said all directors have been very respectful and he does not know anyone who has the time to attend 10 meetings per month. At the same time, this Board may be replaced by others in the future, and this may become a runaway freight train, Covington posited, and said he does not want to leave that in case he is not re-elected. The Board must be financially cognizant when setting policies, he stated.

Covington agreed with Director Williams that there does not appear to be any malice or personal gain intent here. He explained connections and regional issues between the listed agencies. He said he supported allowing the directors to attend other city or agency meetings that are specifically relative to the operations or impacts of BCVWD. He suggested some amendments to the proposed List.

Director Ramirez emphasized the benefits of workshops, education, and training for directors to be able to make the best decisions, and said the proposed List does allow for that. If there are items of relevance to BCVWD on agendas of other agencies, directors should have the freedom to attend, he posited. He agreed with Director Williams that the intent is not to request compensation for inappropriate events. He indicated he had not seen or heard of any abuse of the policies.

President Slawson indicated agreement with just about every one of Covington's suggestions. He noted the understanding that the List would make the job of staff easier, and other districts do the same thing. As far as the Board being an attractive job for people, he noted the need for balance between the compensation and an adverse effect if pay is not enough. If under-compensated, the only electeds will be the elite or accomplished. Others say a better representation of the community is needed, Slawson concluded.

President Slawson recommended the wording include the requirements that a meeting must be District-related. Director Covington noted need for a caveat that certain meetings must be related to BCVWD interests and operations.

Director Covington referred to the staff recommendations on process and indicated that director expense reports are already included in the reports to the Finance and Audit Committee. He supported the inclusion of an annual report to the Board to satisfy Government Code Section 53065.5. He did not support the posting of expense reports to the District's website.

Mr. Jagers explained the intent of including Upcoming Events on the Board agenda is to provide the directors with more complete information.

By consensus, the Board directed staff to make the changes as discussed and place the item on the Consent Calendar of the next Board agenda.

Legal Counsel Markman commended the Board on the thorough discussion.

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

*The Board pre-approved attendance of all directors at the following events for purpose of per diem and reimbursement of associated reasonable and necessary expenses per District policy:*

- *Beaumont Chamber of Commerce State of the City Luncheon on 8/25/2021*
- *Water Education Foundation Bay-Delta Virtual Tour on 9/9/2021*
- *Association of California Water Agencies Fall Conference – Nov. 30 through Dec. 3, 2021*
- *California Special Districts Association webinar: General Manager Evaluations on 11/10/2021*
- *California Special Districts Association webinar: The Great Board Chair on 12/7/2021*

*by the following roll-call vote:*

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

**9. 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 advised that the southwest is in terrible shape noting that boat ramps are closed, and Oroville Dam generator is not functioning. He indicated that staff would reach out to community partners such as the City of Beaumont and local HOAs regarding watering schedules and adhering to the Governor's recommendation for conservation.

Jagers noted that there are no current restrictions on the area but said he expects that after a certain point in time drought will be declared as a reality and tough decisions will need to be made.

Mr. Jagers advised that BCVWD is pumping from its storage account; so far approximately 1,750 af. He warned the Board not to be surprised and noted that decisions will need to be made in the fall as it is determined what is happening across California. The post-election reality may be grim, he stated.

Mr. Markman added that dour articles abound. He noted that the DWR is purporting to cut off users north of Oroville who have pre-1914 appropriative rights as there is not enough water in the Delta to stave off saltwater intrusion. He said he has never seen it like this. If this persists next year, there will be tough



decisions. He reminded that previously, all users were required to cut back regardless of water in storage. This is unknown territory, Jagers opined.

Director Covington asked why houses are still being built in California. Mr. Markman replied that even without water, the state prioritizes solving the housing and homeless problem. Director Covington noted that this was also the case in the prior drought.

In response to President Slawson, Mr. Markman explained the state is using its emergency powers to prevent the saltwater intrusion, as it would be permanent pollution. The water must be kept flowing, and there are lawsuits, he explained.

**10. Quarterly Review of Revenues Loss, Accounts Receivable Balances, and Cash Flows as related to the ongoing COVID-19 Local State of Emergency**

Acting Director of Finance and Administrative Services William Clayton reviewed the report. He noted that total revenue loss for non-payment customers as of June 30, 2021 is \$263,950. Mr. Jagers advised that staff continues to watch this closely. The District is seeking relief federal and state funds, he said.

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

General Manager Jagers advised that cumulative cases in Riverside County are growing, and hospitalization rates are increasing. The figures are now back to where they were in October, he noted. He expressed concern about staff protection and said the goal is to keep the doors open but to thin the office staff. He indicated he would like the ability to reduce staff to the 50 percent level for a while if needed without coming back for Board approval.

A live presence will remain in the office, he said, but he is concerned about school starting and will use discretion and make an organizational decision if needed.

Director Covington asked about the trigger point. Mr. Jagers indicated it is related to school starting and decisions may be made tomorrow based on observations and caution. He said he would like to see the numbers flatten. In response to President Slawson, Jagers explained it is about reducing the density in the office.

President Slawson stated that the General Manager must manage the District and the employees right now, and will do the best job possible.

**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 advised of monsoonal events and relationship to the burn scar. Staff has done what needs to be done and Flood Control did implement activities, Jagers advised.

**13. Reports For Discussion**

a. Ad Hoc Committees:

Communications Committee: Director Ramirez reported more traction is being made in social media. Some basic giveaways are being implemented to increase engagement, he noted. An article was included in the Record-Gazette and in El Informador. He commended Vice President Williams for promoting outreach to bilingual customers.

The next newsletter is under development, he said. The Committee is staying on top of the approved budget and has worked hard to keep expenses low, Ramirez continued.

Director Williams thanked Director Ramirez and said the collaborative experience has been rewarding. She acknowledged the budget savings.

Sites Reservoir Committee: No report.

Water Re-Use 2x2: Mr. Jagers noted conversations with City Manager Todd Parton. The City is ready to move forward but does not have its current NPDES permit. Parton would like to move the agreement forward for finalization. The next step will be focused on reengaging the ad hoc committee.

b. Directors' Reports:

Director Ramirez reported on the following activities:

- 7/20/2021 Institute for Local Government webinar on Redistricting
- 7/29/2021 ACWA webinar: How Today's Drought Conditions Affect Southern California
- 6/23/21, 7/20/21 – ACWA webinar series "Connecting California"

c. Directors' General Comments:

Director Hoffman reported that a comment on NextDoor app regarding a water bill doubling resulted in 68 additional responses. He warned about customers not understanding their charges and not being satisfied with response to inquiries. He said he would like to learn more about how meters are read and relationship to the bill.

d. General Manager's Report:

Mr. Jagers said comments on the Noble Tank project are being addressed. A final draft of the well drilling projects for 1A and 2A are moving forward. An RFP will be sent for on-call construction inspection activities will be released, he said. He said he expects water deliveries to start up again but expressed concern that there may be some curtailment. Hopefully, drought will be discussed at a state level, he said. It is hot and dry this year and people are using more utilities, he stated.

e. Legal Counsel Report: None.

**14. Action List for Future Meetings:**

- Water supply for BCVWD and the region
- Matrix for delivery of recycled water
- Update and legal perspective on the Delta Conveyance Project
- 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
- Policy on rotation of Board President

**15. Announcements**

*Vice President Williams read the following announcements:*

- Personnel Committee Meeting: Monday, Aug. 16, 2021 at 5:30 p.m.
- Engineering Workshop: Thursday, Aug. 26, 2021 at 6 p.m.
- Collaborative Agencies Meeting: Wednesday, Sept. 1, 2021 at 5:30 p.m.
- Finance and Audit Committee Meeting: Thursday, Sept. 2, 2021 at 3 p.m.
- District offices will be closed Monday, Sept. 6 in observance of Labor Day
- Regular Board Meeting: Wednesday, Sept. 8, 2021 at 6 p.m.

**16. Convened in Closed Session: 9:20 p.m.**

CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6

Agency designated representative: Dan Jaggars, General Manager

Employee Organization: BCVWD Employee Association

Reconvened in Open Session: 10:16 p.m.

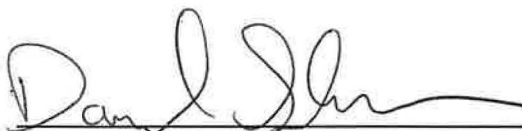
**17. Report on Closed Session**

President Slawson announced there was no reportable action taken.

**18. Adjournment**

*President Slawson adjourned the meeting at 10:16 p.m.*

ATTEST:



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



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