



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

**MINUTES OF REGULAR MEETING – ENGINEERING WORKSHOP
OF THE BOARD OF DIRECTORS
Thursday, March 24, 2022 at 6:00 p.m.**

Meeting held in person and via teleconference pursuant to California Government Code Section 54950 et. seq. and under the provisions of Assembly Bill 361 and BCVWD Resolution 2022-04

Call to Order: President Williams

President Williams began the meeting at 6:03 p.m.

Pledge of Allegiance was led by President Williams.

Invocation was given by Director Hoffman.

Announcement of Teleconference Participation

Director of Finance and Administrative Services Kirene Manini, PhD, advised that this meeting is conducted pursuant to BCVWD Resolution 2022-02.

The teleconference capabilities of this meeting have been identified in the Notice and Agenda. The teleconference locations are not publicly accessible. The public's right to comment and participate in the meeting is being assured via teleconference capabilities and at the BCVWD Administrative Office Board Room.

Directors attended in person at the meeting location and via teleconference.

Roll Call:

Directors present:	Covington, Hoffman, Ramirez, Williams
Directors absent:	Slawson
Staff present:	General Manager Dan Jagers Director of Finance and Administrative Services Kirene Manini, PhD Director of Operations James Bean Director of Engineering Mark Swanson Director of Information Technology Robert Rasha Accounting Technician Erica Gonzales Administrative Assistant Cenica Smith
Legal Counsel	James Markman

Members of the public who registered their attendance: Christina Virgilio, Andrew Greybar, Autumn DeWoody, Scott Hildebrand, Fabian Valdez, Jr., Kevin Lee, Helen Williams, Kevin Walton, Blair Ball, and Chander Letulle of the San Geronio Pass Water Agency.

Public Comment: None.

1. Adjustments to the Agenda: None.

**2. PUBLIC HEARING NO. 3 – U.S. Census 2020 / Redistricting
Resolution 2022-08: Designating New Director Electoral Division Boundaries**

President Williams introduced the proceeding and declared the Public Hearing open at 6:10 p.m.

Dr. Kirene Manini provided the Secretary's Report: The Notice of Public Hearing was published in the Record Gazette on Friday, March 11 and Friday, March 18, 2022, and was posted at the District office and on the District website as of March 10, 2022. As of 6 p.m., zero written comments have been received.

Mr. Fabian Valdez of Redistricting Insights advised that Draft Map 5 is available for Board consideration per direction at the last meeting. Mr. Jagers pointed out the map availability on the website, and Mr. Valdez detailed map areas. Mr. Jagers reminded the Board about previous draft maps and the selection of Map 5 for final discussion. He reviewed the resources available on the District's website for the public.

President Williams called for public comment. There was none.

The public hearing was closed at 6:22 p.m.

Director Covington commented on the work of the consultant and the Board's discussion and consensus on Map 5.

The Board adopted Resolution 2022-08 Designating New Director Electoral Division Boundaries by the following roll-call vote:

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

3. Master Drainage Plan MDP Line 16 Pipeline Relocation Project Update

General Manager Jagers indicated that this work is important given current drought conditions and amid other ongoing projects with the County of Riverside. Director of Engineering Mark Swanson advised that the project is ramping up to begin construction. As a precursor, BCVWD wanted to assure that District facilities

are out of the way of the project. This project involves moving conflicting pipes away from the storm drain project.

A Request for Proposal was issued and contractor Merlin Johnson was engaged in October. Materials have now been delivered and the project is underway, he said. He provided a detailed update and photos of ongoing work. Mr. Jagers added that a lot of work was done and this prepares the project for the success of the MDP Line 16 installation.

Director Covington asked about sizing of the replacement pipelines. Mr. Swanson advised that all pipelines were 6" and substandard, and have been replaced with lines sized as shown in the Master Plan.

Vice President Ramirez said he was pleased this is moving forward and thanked staff.

Director Covington noted this is a joint BCVWD-Riverside County Flood Control and Water Conservation District (Flood Control) project, and asked about notification of residents about the activity, as it is a large pipeline being installed on a somewhat narrow street (Grand Avenue). Mr. Swanson indicated that Flood Control is taking the lead on public outreach to nearby residents impacted by construction or detours. He said he would reach out to Flood Control and confirm their communication. Covington pointed out that pipeline work is usually attributed to BCVWD, and collaboration with residents (or lack thereof) would fall on BCVWD. Jagers added that Flood Control contracts usually include contractor communication to those of interest to identify the project and when it may impact. Additional notification will be added to the District website, he noted.

President Williams invited public comment. There was none.

4. Consideration of 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 reminded the Board about prior discussion of drought conditions and introduced some correspondence from the Department of Water Resources (DWR). Some movement is beginning and there are things to bring to the attention of the Board and to discuss, he advised.

Jagers advised that the water supply in the west is of concern and pointed out issues presented on the news. Based on communications from the DWR, Jagers said, he expects further communication from the Office of the Governor. He read a March 23, 2022 statement from DWR Director Karla Nemeth indicating that "conservation ... continues to be a critical component of response to this drought," and there is "an expectation that agencies are implementing robust conservation efforts with mandatory requirements." Jagers stated that he had not previously seen a letter of this magnitude.

The snowpack is not as robust as had been thought, and is not in great shape moving into the 2022 water year, Jagers cautioned. Last year was a 5 percent State Water Project (SWP) allocation year, and BCVWD pumped 7,733 acre-feet (af) out of its Beaumont Basin storage account, he advised, reducing the District's available water credit. The District was able to buy 508 af, resulting in approximately 32,000 af

remaining in storage as of the end of 2021. Staff is working on additional supply, he assured, but advised the Board that this is now a point where implementation of the District's Urban Water Management Plan (UWMP) Water Shortage Contingency Plan (WSCP) requirements should be considered.

If there has been a 30 percent reduction in normal long-term supply, then the target would potentially be a mandatory 20 percent demand reduction, Jagers stated. He explained drought rate surcharges to encourage limited use to get to the conservation targets, and to recover ongoing operational costs as sales are reduced. Other agencies designate any excess surcharge funds to demand reduction programs, he explained.

Jagers suggested Board discussion and requested direction regarding implementation of drought measures.

Legal Counsel James Markman reminded that during the last drought, the State declared a drought and mandated cutbacks across the board for all retail water agencies. He advised that BCVWD is currently able to make its own decision based on its adjudicated water rights, storage account, and Watermaster rules as to when to use the water it has stored, determine a policy, or use some of the stored water and mandate cutbacks for retail customers. He noted concern that there may come a time when the State takes control again, and the Board will not have the choice to be able to serve the water it has stored. The District also has the right to raise rates to fund its operation, Markman stated, because the operational fixed costs continue; but the District will have to show that there is not sufficient commodity sales to cover fixed costs.

This is happening state-wide, Markman continued, and people are mystified as there is little direction from the State. The letter from DWR advised about use for health and safety needs per capita, which is approximately 55 gallons per day per person, and the State will loan the additional water needed. He said he hoped the State would leave it to the retailers to make decisions.

The drought surcharge of 60 cents per unit is of concern to the staff and might be of concern to the Board due to the impact on ratepayers, Jagers pointed out. Staff reached out to the rate study consultant, Raftelis Financial Services, and have solicited a cost to update the surcharge. Funds are available for updating those activities in the rate model, and to analyze over time what recovery of lost revenue may look like, Jagers noted.

At this time, staff recommends beginning conservation messaging and either mandatory or non-mandatory restrictions on watering and more, Jagers advised. He pointed out that there is a lot of development currently happening, including new houses and landscaping. If the conservation messaging is not started now, a condition may be created where 400 to 500 new house residents are installing landscaping that could adversely affect the current supply. He advised not waiting much longer to take action.

Mr. Swanson directed the Board's attention to California Water Code 10632 considerations in planning for the water supply portfolio. If there are shortages, these are things to consider, he noted. Mr. Jagers advised that during the drought of 2014-2015, the District depleted its water storage account from 32,000 to 25,000 af. Last year, the District extracted more than 7,300 af from its storage account, he reiterated. There is some potential for improvement in long-term supply, he explained, and there

is communication with the members of the Beaumont Basin Watermaster regarding how to better share resources, but now is the time to start talking about and taking some form of action, including serious messaging. With the letters from the DWR, Jagers said he expected that all agencies will be making some movement.

President Williams invited public comment. There was none.

In response to President Williams, Mr. Jagers explained that the drought surcharge is a calculation created by the financial consultant. Williams asked how the charge is applied; Jagers said it is not based on overage of use and explained the trigger for drought surcharges is the declaration of a specific water shortage by the DWR or by the District's Board of Directors. The surcharge rate is additive to the commodity rate per unit of water, and is dependent on the drought stage declared.

Jagers added that the impetus to contact Raftelis is to assure that the amount is appropriate and if the surcharge numbers are accurate. If the calculation leads to an increase in the rate, a Proposition 218 process would be needed; but if it is less, no 218 is required to make that change. If a lower rate is recommended, staff will bring that to the Board, he explained. The purpose of the rate is to recover a certain amount of revenue lost with a reduction in commodity sales due to conservation, in order to maintain the operation of the business. Last time, the District used money from reserves to get through the drought, Jagers noted.

Swanson further explained drought surcharges and pointed to the WSCP.

Jagers reminded the Board of previous discussion of unknowns regarding weather patterns, and noted that the communications coming from the SWP identify that their forecasts do not show a wet year forthcoming.

President Williams asked about the availability of supply for firefighting while also meeting the needs of customers. Mr. Jagers assured that the Beaumont Basin will not run out of water in the near term, but the goal for the Basin's long-term health is to maintain it in a balanced condition. He emphasized the severity of the current drought and indicated that staff's concern is the reduction in the storage account. If nothing is done, and the drought continues, the District will not be in good condition. If something is done to encourage through mandatory requirements, with possible surcharges or other action, the District will be in better condition to weather the drought.

Jagers continued. There is a lot of building and activity occurring, which is high water consumption when establishing landscaping, and those things impact the District. The messaging needs to get out, and will be tailored with the rest of the state. This is why this has been on every agenda, but now the discussion is in earnest.

Counsel Markman clarified his earlier remarks regarding the State mandatory cutbacks, which ignored the money that had been spent by ratepayers for water to be stored in basins for use in times of drought in order to avoid such strict water conservation measures. So far, the State has suggested, but not mandated, cutbacks in service by the districts, and there is not yet an executive order, Markman stated.

In response to President Williams, Jagers explained that without conservation, the non-potable system need is approximately 4 million gallons per day. If that is not available, it is made up with groundwater. Until there is more low-impact landscaping,

the balance will not shift, Jagers stated. He stressed the importance of Sites Reservoir and Bay-Delta Conveyance in the context of the weather patterns.

Vice President Ramirez indicated support for continued conservation messaging and noted he is against a surcharge, due to the recent rate increases. He noted the groundwater recharge projects and stormwater capture.

Director Hoffman expressed concern about the surcharge to encourage voluntary reduction. He suggested customers may be concerned about the surcharge when they feel they are not using as much water, and noted that communication to customers has been done but may need to address why this is happening and why conservation is necessary. He supported action to make progress and suggested a gradual basis rather than a sudden large amount.

Director Covington supported conservation messaging and noted this conversation will continue to be tougher as summer approaches. He said he is pleased with the engagement of Raftelis to review the drought surcharges. In the event of a 10, 20, or 30 percent mandatory reduction there will be need to cover fixed costs, he acknowledged, but said he may not support a surcharge. A more robust and in-depth conversation with all options brought to the table must occur, Covington continued.

Covington pointed to the supplemental water supplies being sought by the San Geronio Pass Water Agency (SGPWA) as a baseline for the conversation. If there is water stored, and it is heading this way, this conversation may be moot, he posited. He recommended a serious look at local water supplies and the efforts of SGPWA before punishing customers with drought surcharges. He supported conservation messaging in the short term while staff compiles options for discussion at a later Board meeting.

Vice President Ramirez stated the District needs to look at its own home first. If a long-term pause on new building projects is needed to assist the ratepayers, that should be done first, he said.

Mr. Jagers advised that the near-term opportunities being pursued by SGPWA are just as affected by the SWP reduction in allocation, and will not produce water if there is no water in the SWP. A 5 percent allocation is nothing, he commented. The impact to the SWP with the back-to-back 5 percent years is where the District will suffer over the long term if this continues, he advised. He stressed that conservation messaging is needed and said has been occurring to some degree. Staff will work with Raftelis to understand what the drought surcharges might look like, he said.

Staff was hoping for a reduction in activity, and had expected recycled water to be available, but that local resource is not yet available, Jagers said.

A lot of water is being pulled out of the District's Beaumont Basin storage account, Jagers reiterated. To continue that for four years will deplete the account to zero if there is no SWP water, so something must be done, he cautioned.

Step 1 is messaging, and beginning discussion of options to avoid having landscape activities occurring that may be affected by cutbacks, Jagers stated. It is a balancing act, he explained, and to date, he said he had not sounded the alarm as there was hope that it would be a better water year than is now indicated by the most recent communications from the DWR.

Time is of the essence for staff, he explained. The Raftelis information will be brought back but the timing is unknown. Conservation messaging will start with emphasis on the seriousness of the California drought and how it impacts the District and local water supplies. At a future meeting, a further set of options will be presented, but at this time, the options are conservation and assuring the storage account is not depleted.

Covington asked what level of reduction is needed to soften the blow to the storage account. Mr. Jagers said he would bring reduction strategies to the next meeting and reminded that the projections are included in the UWMP. Covington pointed out that the Board has the authority to implement a 20 percent reduction without the drought surcharge; although it is in the UWMP, it is not an obligation. Jagers acknowledged, and explained that the Board has the option to cover any financial shortages with use of reserves, but cautioned that without a financial incentive, conservation may not achieve the desired result.

Covington pointed out there is a tiered rate system already in place, and indicated desire for more discussion with realistic options / whole package for the Board.

Jagers stated that staff would begin working with Raftelis.

5. Grading Water for Ongoing Development Within Fairway Canyon Master Planned Community (Tract 31462 – Phase IVB)

Mr. Jagers referenced the drought conversation and noted that there are two development projects underway which staff estimated are using 100 to 140 af of water per year for the grading work. This is a significant quantity of water given the drought, he stated. Conditional letters have been written to the entities, and this has been talked about with the Board, he reminded.

Director of Engineering Swanson noted this is an ongoing grading operation that is considered to be within the remaining phase of the Fairway Canyon development located on the far west side of town. The developer requested water for grading in October 2019 and began operations based on a letter from staff which included certain conditions. The conditions allow curtailment or shut off should there be an emergency or some need or desire to do so based on water supplies or storage, Swanson explained. The developer was required to return annually to discuss which areas were to be graded, Swanson noted.

Swanson pointed to Phase IVB on a map and explained the current status. This year may be a year when there may not be latitude to go beyond the allocated time frame (May 30, 2022) in the current letter. Correspondence from the developer indicates they are tracking to finish by May 30, but there is still a substantial amount of work to be done.

Since 2019, the developer has moved approximately 6.5 to 7 million yards of dirt with 255 af total water used for the operation, Swanson noted. He pointed out that part of the development is ready to begin homebuilding, and will-serve requests will be forthcoming.

Jagers pointed to the WSCP and the ability to curtail water supplies but stated there are things to discuss before making final decisions. Staff believes that with the amount of soil remaining to be moved, the expected total project water consumption could be

another 125 to 150 af, Jagers stated. Year to date, the project has used approximately 20 af, Swanson added.

Jagers pointed out that the discussion is important as conservation messaging begins and the development is still using water.

President Williams asked if an update would be presented closer to the deadline. Jagers said staff's intent is to expire the letter and advise that the project is done, and Swanson indicated it would come back to the Board along with a final tally of consumption.

Director Covington asked how many other grading water projects are ongoing. Swanson briefly explained construction meters with Tri-Pointe (Sundance – Altis), Olivewood, and Tournament Hills (Tri-Pointe). There are several smaller projects, he added. Covington indicated that discussion should include all developments, not just Meritage Homes, to assure all are treated equally. Other plans are in plan check, Swanson advised, but none of this magnitude. It will be difficult to tell customers to conserve water while developments are spreading water on dirt, Covington pointed out.

In response to Director Hoffman, Mr. Jagers noted that one acre-foot is equivalent to annual use of approximately two houses considering today's smaller lot sizes. Hoffman asked Markman about the denial of will-serve letters (WSL) in a declared drought. Markman advised that WSLs could be denied in a reactive situation but there is an existing Resolution 2015-05 which states the circumstances under which WSLs would not be issued.

Vice President Ramirez indicated that he would entertain a closed session recommendation from the General Manager.

6. Review of Water Supply Assessment for Water Service for the Proposed Beaumont Summit Station Specific Plan Project (formerly Sunny-Cal Specific Plan) Located South of Cherry Valley Boulevard, North of Brookside Avenue, and East of Interstate 10

General Manager Jagers acknowledged the attendance of Christina Virgilio, Scott Hildebrand, Andrew Greybar and Autumn DeWoody from Webb and Associates. He provided some background on the project including an Environmental Impact Report (EIR) challenge finding that the property is an overliar of the Beaumont Basin and has established overliar water rights, so they can self-perform from a water supply perspective. The Board previously approved a WSL for 497 homes, but now there is a new concept for the property: warehousing of 2.5 million square feet of industrial and a commercial center.

District staff has looked at the project with Webb and Associates and has concluded that the project has a lower overall water supply requirement than houses, Jagers advised. Swanson pointed out the link to the attachment on the District's website.

Swanson detailed the project and the trigger for the Water Supply Assessment (WSA), and noted that it has its own source of supply. He explained the site plan and stated the project is expected to consume a total potable consumption of 115 af per year.

Non-potable demands total 68 af, he noted. Contrasted with the consumption from homes, this project will consume less water, he reiterated.

The project site has an overlie water right of 1,114.99 af per year, Swanson noted, and the project would consume 183 af of that.

Jaggers assured that staff has reviewed the WSA and based on previous court decisions the work in the WSA has accurately assessed the situation and is fairly straightforward.

Ms. Autumn DeWoody pointed out that development of the site was accounted for in the 2020 UWMP water demand projections in an amount greater than projected for this project.

The intent is to bring back the WSA with a resolution for adoption at the next meeting, Jaggers noted. Swanson noted that the developer will be bringing the EIR to the City of Beaumont and the WSL is a component that must be addressed.

President Williams invited public comment. There was none.

Director Hoffman asked for clarification on the remaining unused water right to be distributed to appropriators of the Beaumont Basin judgment. Mr. Swanson explained the adjudication of the Basin and Mr. Markman added detail.

Director Hoffman asked about compensation to the District for infrastructure or water supply expense. Jaggers said capacity charges (facilities fees) would be paid as with a regular customer. Markman confirmed that the development would be subject to any drought restrictions applied.

Director Covington asked about project location. Swanson noted that the site was annexed into the City and District as a residential project. Part of the EIR will be to satisfy the property conversion, Jaggers added.

Director Hoffman pointed out that there is another warehouse development on the north side, and water has been brought from Calimesa Boulevard up Cherry Valley Boulevard south side of centerline. There is already water to the area, but from a different district, he observed.

Director Covington asked about consideration of a WSL for a property that is currently zoned residential but is proposing a commercial project. Swanson explained that the developer is working through the City to change the land use. Jaggers added that law requires the District to participate in a WSA with a turnaround of 90 days. He reminded that the land has already been through a challenge on water supply.

President Williams noted this is a study based on what is proposed. If the Board approves the WSA, it is merely agreeing with the findings and assessment of the WSA, which has no bearing on the City's approval, she said. Swanson briefly explained the land use process. Jaggers reiterated that staff believes that the WSA accurately represents the proposed project. This project has a component that has historically merited support from the Board, he noted.

Covington noted there is no question about the adequacy of water supply; the question is whether the District can approve a WSA for a project when the land is currently zoned for residential. Markman answered yes; and noted that the land use should be

done as part of the CEQA process before the zone change is considered by the City Council. The process causes the developer to have to get this done first, he explained.

7. Request for Update to *Will Serve Letter* for Proposed Single-Family Residence within Tract No. 19929 (Cherry Valley Estates) for Riverside County Assessor's Parcel No. (APN) 407-300-009 (38510 Pass View Drive), east of Nancy Avenue and north of Orchard Street in the Community of Cherry Valley

Director of Engineering Mark Swanson described the project and location, and status of the development. The project was to be phased, and the capacity charges (facilities fees) were to be paid in phases, he explained. Phase 1 and 2 have paid fees and are moving forward, but the applicant's parcel is located in a phase that District files show has not yet paid fees.

Swanson explained that staff has worked with the developer to come to an understanding of what has / has not been paid, and has provided information and requested same.

This is a single family residential, Swanson continued. Staff has communicated to the applicant that it is the responsibility of the developer to pay those facilities fees and they must be paid for this. Since no fees have been paid for Phase 6, these lots are considered standalone until the developer and District come to agreement as to what had transpired.

Swanson advised that an 8" line was installed in Pass View Drive as part of the tract improvements, so there is no front footage fee tied to it. There is a service connection to the house, but the applicant needs a meter set. This WSL would allow that meter to be set, he advised.

General Manager Jagers provided detail on the project background. He noted that this project began in the 1980s, was annexed into the District, and development was stalled for various reasons. The developer reached a non-standard phased services agreement with the District. Some facilities were built and the District participated including provided facilities fees credit for installation of oversized lines. Those credits were partially consumed by Phases 1 and 2. The history is muddy, but based on accounting and correspondence with the developer, there was an extension of a line to the property installed by the project proponent, and facilities were installed in the streets, which were paved and accepted by the County and the District for installation. However, on Pass View, the pipelines were accepted for activation but the District cannot locate in its records, nor has the developer been able to produce a record that facilities fees have been paid for the service installation. From a phasing perspective, the fees are due now.

The intent is to put forth the request for update of the WSL which will trigger the opportunity for the District to collect the fees due and install the meter, Jagers concluded.

The developer is now selling lots which should allow recovery of development costs, Jagers noted. It is a fractured project, crossing a couple of streams, and it may never be completed, he said. After review and hours of discussion with the developer, the Phasing Agreement is worded in such a way that staff believes they have an opportunity to move forward, it is just a matter of collecting the remainder of the fees to complete. There is a mainline and facilities extension agreement that provided service as they moved across phases and installed the materials.

President Williams invited public comment. There was none.

Director Covington asked if this was a straight update to a WSL. Jagers said in the areas where facilities have been installed, they will be coming back on a one-by-one basis unless the developer pays all the capacity charges (facilities fees). The WSL is required for the District to move forward based on policy, and that is the staff recommendation.

The Board approved the updated Will-Serve Letter for water service for a property located at Riverside County APN 407-300-009 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: Hoffman	SECONDED: Covington	APPROVED 4-0
AYES:	Covington, Hoffman, Ramirez, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Slawson	

8. Award of Contract for Landscape Services to Urban Habitat Landscape Contractors for an amount not to exceed \$67,900.00

Director of Operations James Bean advised that a Request for Proposal (RFP) was issued and staff reached out to local and regional landscape contractors with a cafeteria-style scope of work. Two bids were received, one from the incumbent, Urban Habitat, he noted. At the direction of the Board, staff has strived to improve the District's presence in the community and has worked to minimize maintenance needs, he noted.

Bean explained changes in the scope of work. He noted the increasing difficulty in obtaining assistance from the CalFIRE crews and it is at a point where a landscaping crew must address those areas previously tackled by CalFIRE. He detailed added sites and changes in maintenance frequencies.

Even with changes, the bid from Urban Habitat is the same as the previous contract price, Bean said. He noted the bid seems reasonable and the contractor has been responsive. They are the lowest bidder, and the recommendation is to execute a one-year contract with option of general manager's extension for one year.

President Williams invited public comment. There was none.

The Board authorized the General Manager to execute a one year contract, with an optional General Manager approved extension of one year, for landscape maintenance services in an amount not to exceed \$61,686 together with an approximate contingency of 10 percent for a total amount not to exceed \$67,900 per year, with Urban Habitat Landscape Contractors by the following roll-call vote:

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

The Board recessed at 8:36 p.m. and reconvened at 8:43 p.m.

9. City of Beaumont Street Improvement Project and Discussion of Impact on BCVWD Capital Improvement Plan Projects and Emergency Repairs, and Associated Costs

General Manager Jagers introduced discussion on the City of Beaumont’s Ordinance 1113 encroachment permit requirements, paving moratorium, and paving repair requirements related to how to satisfy concerns.

Jagers advised that the District obtains a blanket encroachment permit from the County of Riverside for Cherry Valley for \$2,000 per year and it covered 23 excavations in 2021 and one so far in 2022. Pavement repairs averaged about \$1,700 per repair including the cost of the encroachment permit.

The City of Beaumont has enacted a fee-based encroachment permit activity as well as significant pavement repair requirements, Jagers explained. To date in 2021 and 2022, the District spent \$48,262.31 in encroachment permit applications and a total of \$267,842 on pavement repairs not including activity since the staff report was produced. Jagers noted that the encroachment permit costs are deposit-based fees, and the District has not yet aggregated costs and requested overage back from the City. Jagers contrasted the costs within the City of Beaumont to amounts spent for repairs in the County of Riverside and City of Calimesa. Much of the added cost is due to the robust pavement repair requirements.

The District has many aging facilities including old poly lines, Jagers continued. The City enacted a sudden, very robust pavement repair program without much communication, and staff was unable to get all of the poly services replaced both from a cost perspective and a coordination perspective, he advised.

At the April 14, 2021 meeting of the Board of Directors, City staff in attendance advised that pavement repair should cost no more than about \$3,000 according to their paving contractor. BCVWD has not experienced that, Jagers stated. Staff has tried to generate cost savings by bundling projects, and it is now at a point to discuss next steps.

Jagers reviewed the 16-step encroachment permit process and City procedures. He calculated two hours of BCVWD staff time on each encroachment permit application, down from eight to 10 hours in the beginning. The District created a standard template letter and created a form with checklist for efficiency, but it is still costing the District time and money to comply, he noted. In contrast, to prepare an annual blanket permit averaged three to four hours, not two hours of staff time on each permit multiplied by 40 permits.

Jagers revisited permit costs and Mr. Bean provided one example of a pavement repair costing \$25,000. At the April 21, 2021 meeting, the Board agreed to work with the City to evaluate the new procedure and the City advised that all agencies would

be held to the pavement repair standard, including themselves; however staff has observed they are not doing so.

The District is experiencing high costs, is not seeing the same standard being applied, but more importantly, this is a significant expense to the ratepayers, Jagers stated. This year, more than \$400,000 was budgeted but that may be exceeded, he said. It is now time to make a first request for refund of unused permit deposits.

Staff believes that over time, this is a very high cost activity that probably is not satisfactory to the ratepayers or the constituents of the City, Jagers posited. Staff would like to re-approach these activities with the City at the staff level or even a 2x2 committee (Board and City Council), and direction is requested from the Board, he said. A third option is to do nothing and accept the costs, the delays to repairs, and the increased staff time to process permits.

Jagers detailed the efforts of staff to streamline the permit process and said he understands the City's interest in documenting the pavement cuts in order to monitor them over time, but the costs and the pavement repair requirements are burdensome at best and do not appear to be applied equally.

President Williams noted the City's denial of a blanket permit and pointed out that there appears to be no reason other than unawareness of the permit. She asked about a response to the request for waiver of fees for non-profits and public utilities. Jagers stated that the last response was that received by the City representatives present at the April 21, 2021 Board meeting.

Williams asked how many more permit applications had been submitted since the staff report; Mr. Bean answered there were at least two.

As a ratepayer, Williams said, this exorbitant amount of paving cost is infuriating. She commented on the City's paving program and stated for City staff seemingly not to want to work with the District on maintaining the funds that they are using to repave the roads yet not holding themselves to the same standard is most frustrating. The District is charging its ratepayers to repave the streets, she posited.

The cost of doing business in the City of Beaumont is not cheap, Jagers said. The most burdensome is the example of a homeowner who wants service from the District and the cost could be \$10,000 to \$20,000 to get a line across the street; that is on top of service fees, he noted.

Williams pointed to the bid sheets from Yucaipa Valley Water District for work within other jurisdictions and questioned why Beaumont is so much more.

Jagers advised that two city councilmembers have advised that when the District is able to demonstrate its costs, they would be amenable to further conversation. Director Hoffman said he felt the best approach would be to work with the City Council, as the District has attempted to work with City staff without success.

Director Covington agreed, and reminded that the City Manager had been at the Board meeting. There is no will on the part of the City staff to correct this issue, he opined. He asked legal counsel Markman about requirements of a special district. Mr. Markman indicated that the City has a lot of authority to set a standard for repairing streets and as long as they are not making money, it is a question of policy. He noted that he has never seen anything like it anywhere else.

Covington asked what other agencies are making intrusions into the streets besides the District. Mr. Bean responded The Gas Company is also being required to do similar patch work, but their leaks are less frequent.

Covington noted there is a City ordinance in place and the only course of action is via the Council.

Vice President Ramirez suggested directing staff to prepare a letter on behalf of the Board, with legal counsel review, asking the Council for reconsideration / modification of their ordinance, and to provide the presentation. The District has been gracious in trying to work with this, but it needs to be taken to the next step. Williams concurred and supported the 2x2 committee. Ramirez indicated the issue should not go to a 2x2 committee without strong enough language.

Staff was directed to prepare the draft letter for Board signatures.

10. Consideration of Vote for Regular Member for the Riverside Local Agency Formation Commission

General Manager Jagers explained the voting system and reminded that the Board had nominated Director Hoffman for the ballot.

President Williams invited public comment. There was none.

The Board ranked the LAFCO candidates in the following order:

1. Hoffman
2. Smith
3. Pastor
4. Skerbelis
5. Williams

by the following roll-call vote:

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

11. Nominations for California Special Districts Association Board of Directors, Southern Network Seat B

General Manager Jagers reminded the Board of prior discussion and explained that the managerial nominee must be the executive officer. Director Covington reminded that Director Slawson had indicated interest.

The Board nominated Director Daniel Slawson to stand for election to the CSDA Board of Directors by the following roll-call vote:

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

12. Reports for Discussion

a. Directors' Reports:

Director Ramirez reported attending the following:

- CSDA Webinar: Board Member & District Liability Issues 3/14/2022

President Williams reported attending the following:

- City of Beaumont City Council meeting on 3/15/2022

b. Director General Comments: None.

c. General Manager's Report

Mr. Jagers reported that water is being delivered to the Noble Creek Recharge Facility. There was a bank failure in one of the ponds and repairs are in process. Water will be turned off on Monday to address the issue.

At its meeting, the City of Beaumont City Council presented a recycled water / reuse strategy with a couple of options and District staff spoke for 15 minutes on the subject. The City announced a preferred strategy and there are details to work out, he noted. They also indicated interest in reestablishing the 2x2 Recycled Water Committee.

d. Legal Counsel Report:

Mr. Markman advised that among the pending lawsuits which were trying to impede the SWP training tools and extension of the project timeline, a case has been won. The trial court issued a good opinion getting all environmental issues out of the way. The contract now is officially extended and has been executed by enough Water Contractors to make it a Go, he said.

13. Announcements

President Williams read the following announcements:

- Beaumont Basin Watermaster Committee: Wednesday, Apr. 6 at 11 a.m.
- Finance and Audit Committee Meeting: Thursday, Apr. 7 at 3 p.m.
- Regular Board Meeting: Wednesday, Apr. 13 at 6 p.m.
- Personnel Committee Meeting: Tuesday, Apr. 19 at 5:30 p.m.
- Engineering Workshop: Thursday, Apr. 28 at 6 p.m.

Mr. Jagers added the Ad Hoc Communications Committee on April 11 at 6 p.m.

14. Recess to Closed Session at 9:29 p.m.

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Initiation of litigation pursuant to Government Code Section 54956.9(d)
Two cases

B. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6
Agency designated representatives: Dan Jagers, General Manager and Kirene Manini, PhD, Director of Finance and Administrative Services
Employee Organization: BCVWD Employee Association and Contract Positions

Reconvened in Open Session at 9:52 p.m.

15. Report on Action Taken During Closed Session

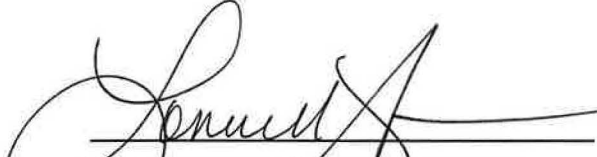
President Williams reported on the closed session items:

A. No reportable action was taken

B. The item was tabled, and a Special Meeting was scheduled for Wednesday, March 30, 2022 at 6 p.m.


16. Adjournment

President Williams adjourned the meeting at 9:52 p.m.



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

ATTEST:



Director David Hoffman, Secretary
to the Board of Directors of the
Beaumont-Cherry Valley Water District