



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

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
Wednesday, April 13, 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 and in person at 560 Magnolia Ave., Beaumont, CA

Call to Order: *President Williams opened the meeting at 6:05 p.m.*

Pledge of Allegiance was led by Director Covington.

Invocation was given by Director Slawson.

Announcement of Teleconference Participation

Dr. Kirene Manini, Director of Finance and Administrative Services, clarified that this meeting is conducted pursuant to California Government Code Section 54953 and AB 361.

The teleconference capabilities of this meeting have been identified in the Notice and Agenda. Due to the danger of COVID-19, the teleconference locations are not publicly accessible.

Dr. Manini verified that Director Slawson was 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.

Roll Call:

Directors present:	Covington, Hoffman, Slawson, Williams
Directors absent:	Ramirez
Staff present:	General Manager Dan Jagers Director of Engineering Mark Swanson Director of Finance and Administrative Services Kirene Manini, PhD Senior Finance and Administrative Analyst Bill Clayton Director of Operations James Bean Human Resources Coordinator Sabrina Foley Director of Information Technology Robert Rasha Accounting Technician Erica Gonzales Civil Engineering Assistant Evan Ward Administrative Assistant Cenica Smith Administrative Assistant Lynda Kerney
Legal Counsel	James Markman

Members of the public who registered attendance: Cristina Virgilio and Andrew Graybar; Autumn DeWoody, Albert A. Webb Associates; Sean McReynolds and Cori Takkinen, Townsend Public Affairs; Kevin Walton, Larry Smith and Dr. Blair Ball, San Gorgonio Pass Water Agency.

Public Comment:

Mr. Kevin Walton, newly appointed Board member of the San Gorgonio Pass Water Agency (SGPWA), indicated he was impressed with the professionalism of BCVWD and thanked General Manager Dan Jaggars for providing helpful information.

1. Adjustments to the Agenda: None.

2. Consent Calendar:

The following Consent Calendar items were approved with one motion:

- a. Review of the February 2022 Budget Variance Reports
- b. Review of the February 28, 2022 Cash/Investment Balance Report
- c. Review of Check Register for the Month of March 2022
- d. Review of March 2022 Invoices Pending Approval
- e. Minutes of the Special Meeting of March 7, 2022
- f. Minutes of the Regular Meeting of March 9, 2022
- g. Minutes of the Regular Meeting of March 24, 2022
- h. Receive and file: Koff and Associates Classification Study Report 2022
- i. Receive and file: Koff and Associates Total Compensation Study Report 2022
- j. Resolution 2022-09 Authorizing Public Meetings to be Held via Teleconferencing Pursuant to Government Code Section 54953(e) and Making Findings and Determinations Regarding the Same

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

3. Approval of Agreement with Townsend Public Affairs, Inc. for Grant Writing Services in the Amount of \$60,000

Dr. Manini advised that two proposals were received in response to the Request for Proposal. She provided background on the process and described the scoring of proposals and costs. She reviewed the agreement and advised that it has been vetted by legal

General Manager Jaggars reminded that these services were provided by Townsend in the last period, and they were successful in obtaining a grant. He said he expects the District to be actively pursuing available funding opportunities.

President Williams invited public comment. There was none.

Mr. Sean McReynolds of Townsend Public Affairs indicated they are pleased to be considered and to have provided services over the last few years. He noted that the federal earmark process has been reopened and last year a comprehensive application was submitted to lawmakers. A grant application for replacement of two wells was considered and has been resubmitted for consideration. Mr. Jagers clarified that the submittal was made during the RFP process so as not to miss any opportunities.

Director Slawson indicated support. Director Hoffman asked for assurance that a monthly report will be provided, clarified the annual costs of \$60,000, and asked if the commitment is for three years. Mr. Jagers pointed to the termination clause and noted it is a one-year at a time commitment. Dr. Manini described the content of the monthly report.

Director Covington asked if Townsend saw any immediate grant opportunities for special districts. Mr. Reynolds responded that there are several annual programs listed in the proposal. He advised that the monthly report would include an outline of upcoming opportunities, deadlines, and requirements. Ms. Cori Takkinen added specifics and noted there is a lot of work that can begin now to prepare.

Previously, the annual total was \$48,000 per year, Covington noted, and he asked about the increase. Ms. Takkinen explained that there are additional opportunities now available that will also be combined with some advocacy, and those activities justify the cost increase. In response to Covington, Takkinen stated that Townsend has five offices. Local staff is in southern California and there are also offices in Sacramento and Washington, D.C.

The Board approved the Agreement with Townsend Public Affairs, Inc. for Grant Writing Services in the Amount of \$60,000 by the following roll-call vote:

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

4. Resolution 2022-__ : Implementation of Water Shortage Contingency Plan Stage 3 Water Shortage, Adopting Water Use Restrictions to Protect the Water System and the Ratepayers of the District, Implementing Drought Surcharges, and Activating BCVWD Resolution 2014-05 Regarding Issuance of Will-Serve Letters – NOT ADOPTED

General Manager Jagers introduced the item and said that the Governor has made a declaration and ordered the Department of Water Resources (DWR) to take certain actions by May. The District has opportunity for additional actions that must be clearly stated for the Board’s consideration. The State does not necessarily define what individual water districts do. The San Geronio Pass Water Agency (SGPWA) also has meetings to discuss regional messaging in order to leverage everyone’s communication.

Director of Engineering Mark Swanson reviewed California’s snow water content, reservoir levels, and precipitation showing trends below average.

Swanson pointed out a series of Governor's proclamations and executive orders in effect related to encouragement of conservation. SaveOurWater.com, sponsored by the State, has some resources, he explained. It is a good tool to help get messaging out.

The Governor has directed the State Water Resources Control Board (SWRCB) to consider adopting emergency regulations that would enact a series of demand reduction requirements, Swanson stated. This is where the numbers start to move toward a reduction in water use of 20 percent, he stated. It also encourages planning for a dry year in 2023.

The District must submit its annual water supply assessment a month early, by June 1, Swanson said. He explained that potential further restrictions on ornamental turf may be issued on May 25.

Swanson described the District's 2021 supplies and demands and advised the Board that in looking at the District's total supply of 35,963 acre-feet (af) contrasted with the five-year long-term water supply demand of 70,740 af, something must be done to bridge the gap. Mr. Jagers added that there is an additional 1,700 af of available supply via the SGPWA from the Nickel water deal. Simply stated, he said, there is not a five-year storage supply available in continued drought conditions, as it is being consumed. Swanson advised that demands need to go down somehow through conservation.

Swanson reviewed historical State Water Project (SWP) deliveries and noted that the Board has supported purchase of additional water supply when available. Jagers reminded the Board about approximately 3,000 af lost from San Luis Reservoir in approximately 2019. The District's Beaumont Basin account allows for storage of up to 80,000 af, but the water must be available from the reservoirs and brought down, Swanson said. Jagers reminded the Board of a recent transfer of 508 af from available storage from the SGPWA.

Swanson pointed to the Water Shortage Contingency Plan (WSCP), explained the average yield, and the shortage levels. Shortage level 3 describes a reduction in supplies in the 30 percent range and mandatory conservation levels in the 20 percent range, he explained. The tools selected by the Board will get close to achieving the 20 percent reduction in use by enacting a Shortage Level 3, he said, but warned that if things get more severe, and the District did nothing, there could be a Level 5 Shortage.

Jagers reminded the Board of past discussion and the need for concerted response to assure there is not a long-term problem. Water is being removed from storage at a level that is creating a reduction in supply over the long-term average, and although there are positive things on the horizon, they are not certain. As a district, there should be reaction and determination as to what is the best action now, or wait until the Governor acts further, Jagers stated. He said he believes it is time to start forming the solution and working toward action.

In response to Director Covington, Jagers explained that Nickel Water is available this year but has not yet been delivered. He detailed the cost components and noted that SGPWA considers it part of their water supply portfolio. Covington asked if there was opportunity for BCVWD to purchase more Nickel Water. Jagers explained the varying value and cost of the 1,700 af of Nickel Water.

Swanson detailed some demand reduction actions for Board consideration. Jagers pointed out there has been little effort at the State level to deliver the message of the seriousness of the drought. He reiterated that staff believes this is a Level 3 water shortage.

In response to a question from Director Covington, Mr. Jagers estimated that recycled water would provide between 900 and 1,200 af per year. Director Hoffman noted that when recycled water comes online, the City of Beaumont would be the largest customer for that water. Jagers provided further detail on recycled water costs and current status with the City. He also advised that the reissued Chromium 6 requirements have impacts on the District.

Jagers explained the conundrum with delayed conservation awareness messaging via bi-monthly billing.

A 20 percent reduction in demand of the 2021 total production would be equal to 2,829.6 af, Swanson continued. He provided an a la carte menu of demand reduction options but noted that additional analysis would be needed to determine actual reduction amounts and what is achievable. Covington pointed out these are similar to the mandates rolled out in 2013-2014 and echo those from the State. He asked about what worked previously and what was truly effective. He noted the largest target might be landscaping to achieve the greatest reduction and said he is glad to hear that the State is suggesting these elements to achieve a reduction in use of water, while leaving it up to the agencies to enforce as seen fit at the local level.

Jagers advised that in the last drought, demand reduction of 26 percent was achieved, but this is more complex due to the new, post-2015 drought-friendly houses. He compared consumption of new to older homes. Director Covington asked about the percentage of new homes, and Jagers estimated 20 percent of the housing stock. Unfortunately, a lesson learned from the last drought is that savings will not be achieved unless it is made painful, Jagers noted.

Swanson segued into discussion of drought surcharges. The District still has ongoing operations and capital projects, but selling less water results in less income. He explained that this triggers the drought surcharges per the 2019 rate study: a Stage 2 20 percent reduction would trigger a \$0.36 per unit surcharge. Director Covington asked about the formula and questioned the consideration of reduced energy demand in pumping less water. Jagers reminded that energy is a pass-through and assured that Raftelis Financial Consultants is reviewing the surcharges. He suggested updating the costs, a ramp-up process starting low, and implementation of conservation measures.

If the State levies fines on districts for not meeting conservation targets as they did previously, surcharges may need to be increased or the decision might be that it costs less to be fined, Jagers cautioned. Director Hoffman provided water waste examples and said it will need to be determined how customers will be assisted in becoming aware of where improvements can be made. Jagers pointed out that when drought surcharges are enacted, funds can be used for conservation programs.

Swanson pointed out that development conditions require all new homes to have smart controllers.

Mr. Jagers drew attention to Resolution 2014-05 which states that will-serve letters (WSL) shall not be issued when a) a condition of drought is declared by the Governor, b) there is in effect mandatory conservation measures imposed by the State or in accordance with the District's Urban Water Management Plan (UWMP), and c) the quantity of ready to deliver water supplies is less than projected demand for five years. Conditions a and c have been met, and mandatory conservation measures have been requested by the Governor and may come forward on or before May 25, he stated. The Resolution is in effect and is triggered when the conditions are met, he advised.

Jagers pointed out landscaping activities at large new developments and related peaks in demand.

Swanson recommended determination of demand reduction measures for preparation of a resolution.

Legal Counsel Markman provided background on the prior one-size-fits all solution from the State in 2014. Pertinent to Resolution 2014-05, Markman noted this was issued prior to the last drought and said he would not be comfortable advising the board to turn down will-serve requests without analysis of the entire current situation. It will be important to have further discussion on 2014-05 with legal counsel, Covington posited.

Markman noted the restrictions from the State have no consequences behind them. He said if the District follows all the State's mandates, there is no other necessary action. Covington noted there are two years of water supply in storage. Markman said he understands this is dire and the pressure on the Board. He advised that impacts would need to be measured, but sees nothing wrong with implementing the level of conservation as prescribed in District policies.

Slawson said he had hoped to initiate Level 1 or 2 prior to this. All must reduce use, he said, as growth is helpful to the community.

Jagers said that the SGPWA is working with a consultant regarding how the baselines are measured for conservation comparison.

President Williams advocated for more conservation messaging and outreach prior to restrictions.

President Williams invited public comment. There was none.

The Board provided direction to staff and a resolution will be brought back for consideration at the April 28, 2022 meeting.

5. Resolution 2022-011: Acknowledging the Review, Receipt and Approval of the Water Supply Assessment for the Beaumont Summit Station Specific Plan Project, and Update to *Will-Serve Letter* 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 reminded the Board of previous discussion and the requirement for a Water Supply Assessment (WSA). The property is an overlier

in the Beaumont Basin and brings its own water right for the conversion of this property, he said. He briefly reviewed project history and indicated that staff believes the WSA accurately represents the situation and states it in a fair and accurate manner. Mr. Swanson added that the final WSA (more than 1,000 pages), signed and stamped by the Engineer, is available on the District's website as an attachment.

This action is approval of the WSA, Swanson continued. An updated Plan of Service will also be required and will dictate the actual infrastructure. Mr. Jagers explained that the project had been annexed into the District's service area boundary and had approved sets of potable and non-potable water supply. It is expected to see those migrated over to this property in a way that is sensible for this project while providing the District-required facilities.

Albert A. Webb Associates prepared the WSA with staff, stated Ms. Autumn DeWoody. Once approved, the WSA goes to the California Environmental Quality Act (CEQA) lead agency for use in the Environmental Impact Report and becomes part of the independent evaluation of sufficiency of supply, she noted.

President Williams invited public comment. There was none.

Swanson confirmed for Director Covington that no changes were made from the draft WSA since it came before the Board.

The Board adopted Resolution 2022-11 Acknowledging the Review, Receipt and Approval of the Water Supply Assessment for the Beaumont Summit Station Specific Plan Project and approved the request for Will-Serve Letter for water service for a term of one year by the following roll-call vote:

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

6. Requests for Will-Serve Letters for Fairway Canyon Master Plan Development located south of Sorenstam Drive and west of Tukwet Canyon Parkway in the City of Beaumont

Director of Engineering Mark Swanson provided some history on the action of Argent Developers and the following "sister" tracts. He explained the site and noted that the park is not part of any of the approvals at this time.

a. TR 31462-20: Request for "Will Serve Letter" related to the Fairway Canyon Master Plan Development located in the City of Beaumont and further identified as Tract No. 31462-20 (a portion of Planning Area 22)

This tract consists of 67 single-family dwelling units (67 Equivalent Dwelling Units [EDU]) with open space handled under a separate agreement. The applicant is now Meritage Homes. The grading activity was described under Phase IV-B, and the area is prepared and ready to go from an improvement plan perspective.

Director Covington asked if a Will-Serve Letter (WSL) had ever been issued for the greater portion of Fairway Canyon before it was divided. Mr. Swanson explained that staff has been unable to locate a specific WSL that covers all of Fairway Canyon, however, a large area was annexed, and it is believed that the District at some time offered service. Mr. Jagers also pointed out that there are existing agreements that cover four phases of development with the Fairway Canyon Homeowners Association that consider this and went through legal counsel and Board approval in 2005. This is included for consideration and as part of an ongoing agreement, he said.

Director Covington asked if these tracts have already contributed to the infrastructure being installed. Mr. Swanson explained that the developer installed the backbone along Tukwet, and is going through the plan check process for the Oak Valley Parkway easterly extension. They have built a significant amount of infrastructure to support each one of these tracts, he stated.

Director Covington noted the prior discussion about water conservation and Resolution 2014-05 regarding suspension of WSLs under certain conditions. He pointed out the contradiction of asking long-term residents to conserve while issuing WSLs to new housing. He expressed concern about issuing WSLs for large tracts during drought conditions and while considering resolutions to suppress existing residents from using water supplies, and with no inkling as to where the next gallon of water is going to come from with regard to water supplies for the District.

Legal Counsel Markman referred to the provisions of Resolution 2014-05 and noted that the annexation was encouraged and approved. He advised that this is an exception as one of the investment-based opportunities. Also, the developer installed infrastructure which the District will ultimately own, he added.

Director Covington noted that the water conservation resolutions are not yet decided and said it would be more palatable to him to table the WSLs until they are sorted out.

Mr. Swanson advised that in the area currently being graded there are two additional WSLs that are not yet before the Board.

Director Hoffman agreed with Covington and suggested tabling the items.

Jagers advised that tabling these items may generate communication from the developer; Mr. Markman concurred.

Director Slawson reminded that he is against a moratorium on WSLs, but it is not a black-and-white issue. The time to deny WSLs might come, but it is not yet. Things have to get worse, he said. Mr. Markman said he understood the Board's discomfort and advised that a California Water Code Section 350 process may be necessary to instate a moratorium. Mr. Swanson pointed to the WSCP Water Shortage Level 6 in which the Board of Directors would suspend approval of WSLs dependent on conditions.

Swanson advised that the developer indicated that model homes were intended to be constructed in November 2022 and open in January February 2023,

starting with priority TR 31462-20. Markman pointed out that this is not the District's prediction, it is merely what was communicated to staff.

Director Hoffman asked if approved WSLs could be put on hold in the face of worsening drought and more restrictions, or if once passed, they would stay in place. Mr. Markman explained that once passed by the Board, the WSLs are relied on for lenders, subcontractors and more. Hoffman supported tabling the item.

Director Covington reiterated the suggestion to table the item so the Board could have further discussion and direction about where the drought is heading. The remainder of customers would expect the Board to do what it is elected to do, he said. The message to the development community is not that the Board is not approving WSLs; that is not the case, Covington emphasized. More time is needed to analyze the current situation.

In response to President Williams, Markman said that denial of the WSL means the developer would make another request. He pointed out that the Board is not directing staff to prepare for a Water Code 350 process.

President Williams invited public comment. There was none.

President Williams tabled the four WSLs for future discussion:

- a. TR 31462-20: Request for "Will Serve Letter" related to the Fairway Canyon Master Plan Development located in the City of Beaumont and further identified as Tract No. 31462-20 (a portion of Planning Area 22)
- b. TR 31462-23: Request for "Will Serve Letter" related to the Fairway Canyon Master Plan Development located in the City of Beaumont and further identified as Tract No. 31462-23 (a portion of Planning Area 22)
- c. TR 31462-24: Request for "Will Serve Letter" related to the Fairway Canyon Master Plan Development located in the City of Beaumont and further identified as Tract No. 31462-24 (a portion of Planning Area 22)
- d. TR 31462-25: Request for "Will Serve Letter" related to the Fairway Canyon Master Plan Development located in the City of Beaumont and further identified as Tract No. 31462-25 (a portion of Planning Area 22)

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

General Manager Jagers reviewed the listed events. Directors indicated interest in the following:

- CSDA virtual workshop: Overview of Special District Laws May 10-12 – Williams (to be confirmed)
- Beaumont Chamber of Commerce Breakfast May 13 – Slawson (to be confirmed)

8. Reports For Discussion

- a. Ad Hoc Committees:

Communications Committee: President Williams directed attention to the attachments in the agenda packet. The next meeting is May 9 at 6 p.m.

Sites Reservoir Committee: No report.

Water Re-Use 2x2: Mr. Jagers noted that his meeting with Beaumont City Manager Todd Parton was canceled, as Mr. Parton is no longer with the City.

b. Directors' Reports:

President Williams reported attending the following:

- California Special Districts Association 2022 Special District Leadership Academy San Diego on April 3-6, 2022
- Water 101 Workshop: Basics and Beyond on 4/8

Director Covington reported attending the following:

- Water 101 Workshop: Basics and Beyond on 4/8

Director Hoffman reported attending the following:

- San Gorgonio Pass Water Agency Board meeting on 4/11

Director Slawson reported attending the following:

- San Gorgonio Pass Water Agency Board meetings

c. Directors' General Comments: None.

d. General Manager's Report:

Mr. Jagers reported that the City of Beaumont has identified a new paving project that will go out to bid quickly and in advance of the District's ability to address aging pipelines and water service beneath the pavement along 5th Street, and on Michigan.

Jagers said he spoke at the City Council meeting on Tuesday regarding the above issue and the cost of the paving moratorium when the District is unable to react to these City projects. He explained to the Council that it creates a significant hardship, and expressed interest in partnering with the City to move in advance of these projects. He also advised the Council of areas around the city in which different standards are being applied from a repair perspective, particularly on city projects.

Jagers advised that on Friday night, the City Council held a special meeting and moved forward with new management, appointing Elizabeth Gibbs as interim city manager on Monday. He said he hoped for new perspective from the City as the District works with them on recycled water and other large issues.

Jaggers estimated that if recycled water had come online, it could have provided an approximate total of up to 15,000 af to date to minimize Basin activity. There is no better time to continue to press forward, he said, and lamented the lost opportunity.

The Master Drainage Plan Line 16 stormwater project is moving forward, and staff is being very proactive. Installation of the pipeline discussed last week is almost complete. Jaggers reported follow up on a customer complaint regarding a blocked driveway.

Director Covington suggested a letter to the interim city manager requesting identification of the real issues underlying the pavement moratorium.

e. Legal Counsel Report: None.

9. Action List for Future Meetings:

- Water supply for BCVWD and the region
- Matrix for delivery of recycled water
- Legal Counsel report on changes in Proposition 218
- Legal update on drought conditions in the west
- Maintenance costs at 800-hp well sites

10. Announcements

President Williams read the following announcements:

- Personnel Committee Meeting: Tuesday, Apr. 19, 2022 at 5:30 p.m.
- Engineering Workshop: Thursday, Apr. 28, 2022 at 6 p.m.
- Finance and Audit Committee Meeting: Thursday, May 5, 2022 at 3 p.m.
- Regular Board Meeting: Wednesday, May 11, 2022 at 6 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, May 25, 2022 at 5 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Jun. 1, 2022 at 11 a.m.
- Ad Hoc Communications Committee: Monday, May 9 at 6 p.m.
- Engineering Workshop: May 26 at 6 p.m.

11. Recess to Closed Session at 9:15 p.m.

CONFERENCE WITH LEGAL COUNSEL

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of California Government Code Section 54956.9
Concerning the potential curtailing of the provision of District water to construction grading for the Fairway Canyon project
One case

Reconvened in Open Session at 9:43 p.m.


12. Report on Action Taken During Closed Session

President Williams stated that no reportable action was taken.


13. Adjournment

President Williams adjourned the meeting at 9:44 p.m.

ATTEST:



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



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