



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

**MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
Wednesday, May 11, 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 2022-13 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 President Williams.*

*Invocation was given by Director Ramirez.*

**Announcement of Teleconference Participation**

Dr. Kirene Manini, Director of Finance and Administration, 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 Ramirez 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, Ramirez, Slawson, Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Engineering Mark Swanson Director of Finance and Administration Kirene Manini, PhD Finance Manager William Clayton Director of Operations James Bean Human Resources Administrator Sabrina Foley Director of Information Technology Robert Rasha Management Analyst III Sylvia Molina Administrative Assistant Cenica Smith
Legal Counsel	James Markman

Members of the public who registered attendance: Kevin Walton, San Gorgonio Pass Water Agency.

**Public Comment:** None.

Mr. Kevin Walton of the San Gorgonio Pass Water Agency (SGPWA) said he appreciated BCVWD staff assisting with his understanding of the complexity of the issues in the Beaumont-Banning area. He commented on the collaboration between the agencies.

**1. Adjustments to the Agenda:** None.

**2. Consent Calendar:**

*The following Consent Calendar items (2a – 2h) were approved with one motion:*

- a. Review of the March 2022 Budget Variance Reports
- b. Review of the March 31, 2022 Cash/Investment Balance Report
- c. Review of Check Register for the Month of April 2022
- d. Review of April 2022 Invoices Pending Approval
- e. Minutes of the Special Meeting of March 30, 2022
- f. Minutes of the Special Meeting of April 7, 2022
- g. Minutes of the Regular Meeting of April 13, 2022
- h. Resolution 2022-13 Authorizing Public Meetings to be Held via Teleconferencing Pursuant to Government Code Section 54953(e) and Making Findings and Determinations Regarding the Same

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

*Item 2i was pulled for discussion then tabled to the May 26, 2022 meeting:*

- i. Receive and File: Two-year renewal of Lease Agreement with A-1 Properties for Engineering Office located at 851 E. 6th Street, Beaumont

Director Covington questioned provisions in the lease agreement related to tenant maintenance responsibilities. General Manager Jagers will follow up. Legal Counsel Markman noted that the District had installed an air conditioner, and the clause in question could be related.

*Item 2i was tabled by the following roll-call vote:*

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

*Item 2j was pulled for review.*

General Manager Jaggars reminded the Board about the arrearages grant, reviewed the report, and responded to questions from the Board. Management Analyst III Sylvia Molina provided additional detail.

*Item 2j was approved by the following roll-call vote:*

- j. Final Report: Review of Revenues Loss, Accounts Receivable Balances, and Cash Flows as Related to the ongoing COVID-19 Local State of Emergency

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

### **3. Grant Activity Quarterly Update**

General Manager Jaggars presented the quarterly update and advised that additional grants are being pursued that are not reflected on the report.

An application for extension has been made to the Bureau of Reclamation (BOR) on the Automatic Meter Read / Advanced Metering Infrastructure project because although materials have been ordered, they are delayed due to the microchip shortage, Jaggars explained. All radios have been ordered but installation is behind schedule by about 4,500 meters, he advised. The project is approximately 79 percent complete and is primarily constrained by materials acquisition.

The project was estimated at \$5.5 million and to date, \$2,143,738 has been expended and \$1,071,576 has been recovered via the grant. Expenditures include temporary labor costs, Jaggars explained. President Williams asked about the materials. Jaggars explained that the purchase order has been issued to the vendors and they are not on hold – the vendors just cannot obtain the materials, and costs are continuing to increase, but staff believes the budget is all right as there has been efficiency.

Mr. Jaggars pointed out that the project has resulted in a significant reduction in labor for reading meters, from weeks down to a couple of days. Staff has also looked at ways to advise customers of high usages earlier, he added.

President Williams asked if there might be resistance to extension of the grant; Legal Counsel Markman said he would think not and Jaggars pointed out these are activities beyond the control of the District, and good faith has been shown in trying to execute the project.

Director Hoffman indicated he is pleased with the progress and the improved efficiency in meter reading.

In response to Director Covington, Jaggars noted the project completion required by the grant was October 2022. Covington indicated that it was unusual that the

BOR had not yet extended the grant automatically. Jagers assured that the BOR process was being followed.

The JPIA Risk Control Program provided \$10,000 toward a total cost of around \$30,000 for deployment of handheld radios, and the program has been successful, Jagers reported.

President Williams asked if the Lift to Rise program had ended, and Ms. Molina explained that the original program end date of December 2022 was extended to December 2023 due to additional funding. The program is for renters in Riverside County, she explained. Jagers assured that work is being done to assure opportunity for District ratepayers.

**4. Resolution 2022-14: Amending the District's Policies and Procedures Manual to add Policy 5046: Other Post-Employment Benefits Funding, and Resolution 2022-15: Electing to Participate in the California Employers' Retiree Trust Program, Adopting the Agreement to Prefund Other Post-Employment Benefits Through CalPERS, and Execution of Related Documents**

General Manager Jagers reminded the Board about a 2019 presentation by Urban Futures regarding Other Post-Employment Benefits (OPEB) and other CalPERS benefits where action was discussed by the Board. Money was set aside in the rate study for this purpose. Today's discussion is to complete the process of setting up a Section 115 trust to fund the OPEB liability, he stated. This has been previewed by the Finance and Audit Committee.

Finance Manager William Clayton noted that OPEB is separate from CalPERS. He introduced the OPEB funding policy and the CalPERS standard pre-funding agreement.

Clayton provided an overview of the current liability and noted that over the last five years ending December 31, 2021, the liability has increased from approximately \$750,000 to \$2.25 million. The annual contribution to retirees is \$750. The annual cost reflects the amount the District must pay for current employees who are expected to be future retirees receiving that benefit. The District has been contributing only a fifth of the cost over the last five years, he explained.

Urban Futures recommended options to address the liability, because over time, the pay-as-you-go method is not sustainable, Clayton continued. They recommended set aside of \$104,000 annually and it has been separately accounted for since 2019. Director Hoffman emphasized that the funds have been set aside and there is the ability to maneuver the funds as desired.

Mr. Clayton reminded the Board about discussion at the July 14, 2021 meeting after a brief presentation on the benefits of prefunding the OPEB and the recommended trust fund, and an August 2021 presentation by CalPERS on the California Employees Retirement Benefits Trust (CERBT).

Clayton reviewed the Section 115 trust option and noted that the Government Finance Officers Association recommends creation and funding of a trust as a

best practice. Contributions to the trust are discretionary, and are set by policy, Clayton noted.

In response to a question from Director Hoffman, Mr. Clayton explained the \$104,000 annual set-aside as determined by the actuary. President Williams asked about the amount recommended in the rate study; Mr. Jagers explained the \$104,000 was identified in the study by Urban Futures as a component of the rate study funding mechanism. He reminded the Board of their previous inquiry regarding opportunity to limit future OPEB liability. This sets the stage based on what is known today, Jagers concluded.

The goal is to get this done and re-evaluate in 2023 or 2024 as the next rate study is produced, Jagers noted.

Clayton described the benefits and the downsides of the Section 115 trust and detailed the recommended CERBT option. The next steps would be to file the paperwork, execute the standard CalPERS agreement and attendant documents, and contribute \$208,000 to the trust for 2020 and 2021 during the week of May 23 to assure it is counted for the June 30 measurement date for the liability.

Director Williams asked about the timing of the contributions, whether annual or quarterly. Mr. Clayton said this would be determined on a dollar cost averaging basis.

Director Ramirez said he liked the strategy, and this seems like a reasonable option. He asked about up-front payment in full or long-term payments. Mr. Jagers recollected from the Urban Futures presentation that the lump sum could be paid, but it does not necessarily mean paid in full, as the liability is a moving target over time. Mr. Clayton added that the policy states it would be reviewed every year, and there may be a point reached to stop funding. Director Ramirez suggested keeping the information consistent moving forward.

Director Hoffman confirmed this will be an item for consideration in the annual budget. Mr. Jagers pointed out that recommendations will track the rate study. Mr. Clayton confirmed these would be restricted funds.

Director Covington pointed out that the policy reflects the amount determined by the rate study, and if the Board wants to increase it, the policy must be changed. He questioned whether the policy needed to include an amount. Mr. Jagers indicated the policy will be reviewed annually.

*The Board adopted Resolution 2022-14: Amending the District's Policies and Procedures Manual to add Policy 5046: Other Post-Employment Benefits Funding by the following roll-call vote:*

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

*The Board adopted Resolution 2022-15: Electing to Participate in the California Employers' Retiree Trust Program, Adopting the Agreement to Prefund Other Post-Employment Benefits Through CalPERS, and Execution of Related Documents by the following roll-call vote:*

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

**5. Resolution 2022-16: Amending the District's Policies and Procedures Manual**

General Manager Jagers noted policies have been reviewed by the Personnel Committee, and Policy 5100 has also been reviewed by the Ad Hoc Communications Committee. The organization chart has been updated with safety-sensitive personnel.

Human Resources Administrator Sabrina Foley introduced the following policies for consideration and reviewed revisions.

- 3205 – Pay Periods
- 3030 – Gift Acceptance Guidelines
- 3035 – Outside Employment
- 3205 – Substance Abuse
- 3206 – FMCSA Clearinghouse Registration
- 5100 – Press Relations and Social Media (new policy)

Mr. Jagers advised that Policy 5100 had been requested by Director Ramirez and staff worked with CV Strategies, the Information Technology Department and legal counsel to prepare the policy.

Directors commented on the policy detail and acknowledged the work of staff. Director Covington noted it had been a long process through the Personnel Committee and thanked staff.

Mr. Jagers pointed to the Policy Approval Tracking list and explained the prioritization. The goal is to modernize all policies, and to prioritize those that are higher risk. There is still much work to be done, he noted.

President Williams invited public comment. There was none.

*The Board adopted Resolution 2022-16 Amending the District Policies and Procedures Manual by the following roll-call vote:*

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

**6. Approve Expenditures in an Amount Not to Exceed \$841,225 for Procurement of Materials for Upcoming Water Pipeline Replacement Projects**

General Manager Jagers noted this is related to the discussion at the Special Meeting of May 5, 2022 at which the Board authorized the purchase of certain materials and beginning of acquisition. Said purchase is a low-risk activity for the District, he advised. Director of Engineering Mark Swanson explained this request is for procurement of materials for three pipelines located within the City of Beaumont.

Swanson detailed the project information:

- 11th Street Pipeline Replacement: 2,000 linear feet (lf) of materials from approximately Beaumont Avenue to Elm Avenue. The cost is a bit high because of the addition of Ts and crosses in order to position the District for addressing future lines. Cost: \$283,100
- Michigan Avenue Pipeline Replacement: 500 lf of pipeline from 5th to 6th Street. Due to staff-identified issues with this pipe, it was included on the Capital Improvement Plan (CIP) staff would like to complete it prior to the City's repaving. Cost: \$40,800
- 5th Street Pipeline Replacement: From the west end of California to Michigan. The road and the pipeline are in poor shape and staff would like to address it ahead of City paving work, but this project is not identified in the CIP. Contractor bids will be solicited; staff estimates a cost of \$517,000 for materials.

Staff has worked to obtain pricing from the supplier, Swanson explained. The total request for materials acquisition is \$841,225 from capital replacement reserves.

General Manager Jagers added that this action is related to the City's ongoing paving work and the paving moratorium. He advised that the City shows continued road work programming and said that he hoped with the new city management the District may be able to make forward progress.

Jagers also advised that staff has made contact with the County of Riverside regarding their work and there are a couple of activities slated for 2023 and 2024. Staff will review.

As the CIP and Capital Improvement Budget are considered, funds will be reprogrammed to cover these projects, Jagers noted. He pointed out that the migratory equipment used by the City on street repair is creating more leaks and the cost to repair is exorbitant.

Mr. Swanson indicated that materials are estimated to take four to six months for delivery and recommended moving forward as quickly as possible. Jagers added that the pipe will be usable, and the District is moving toward more standard sizing. It is anticipated that all projects can move forward with a CEQA Notice of Exemption, and noted that staff has the capacity to tackle these projects.

President Williams asked about specific timeline for the street work. Swanson explained that the City has released a list, and these are the lines that the District has identified are in conflict with the paving program. In response to a question from President Williams about project funds, Jagers noted that the funds can be reprogrammed from other CIP projects, and the Board has the ability to authorize funding to react to situations. Legal Counsel Markman added that the only categorical money to worry about is AB 1600 funds that are obtained when a condition is placed on a development and collected for infrastructure projects. That money must be allocated to those projects and accounted for every five years, he advised. The Board has the discretion to move money around as it sees fit for capital projects, Markman stated.

Jagers added that the City was working on bid specs, and the District will ask them to delay work on this component until District work can be coordinated with the City and completed. President Williams and Director Slawson said they hoped the City would be receptive to coordination.

Director Hoffman said that if the funding is authorized tonight, the bids for labor and installation should go out soon. Swanson assured that staff is working on the plans and a schedule is needed with costs to bring back to the Board. Jagers indicated that staff is working speedily to respond.

Director Covington recognized the forward thinking and said all understand the impediments that are out there. He commented on storage of the materials. He asked about the City's fiscal year budget, and Swanson noted their projects are programmed within the 2021-22 budget cycle. Covington provided comment on the condition of roads.

As staff identifies further issues with the City's paving program and budget, Covington said, it would be beneficial to send a letter to the interim City Manager to state concerns, make the District's position known, and get it into the record. It would be a waste of the City of Beaumont's money and significant cost to the District if repaving work had to be trenched and repaved again by the District; it is ludicrous to make the citizens of Beaumont pay twice. He advocated for coordination of efforts. Jagers agreed. Hoffman suggested it may be beneficial for a Board member to attend the City Council meeting and make a public comment about the issue.

Jagers assured that the District will communicate with the City, and pointed out a recent City Council agenda item regarding consideration of re-grassing the sports park after the District's drought declaration. A letter will be sent regarding the limitation on watering. Hopefully, with due diligence, common ground will be found to represent constituents and ratepayers, be cost effective and provide the best service to the community, Jagers posited.

*The Board approved expenditures in an amount not to exceed \$841,225 for procurement of materials for upcoming water pipeline replacement projects by the following roll-call vote:*

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



Director Covington reminded about the availability of funding through the bipartisan infrastructure law (Infrastructure Investment and Jobs Act). Jagers advised that there was discussion about having Townsend and Associates participate in some Board meetings to make sure there is direct communication on what they are doing, and on the Board's desires.

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

General Manager Jagers reviewed the listed events. He advised that the events and conferences budget is close to being fully expended, and a budget amendment will be brought to the Board to cover further costs. Directors indicated interest in the following:

- Annual Cherry Festival – June 2-5: Board members suggested it would be beneficial for staff to attend and disseminate drought information. Mr. Jagers detailed action being taken and said the feasibility of a booth at the event would be investigated. Director Ramirez indicated interest in attending.

*Preapproval of this event was tabled to the May 26, 2022 Engineering meeting by the following roll-call vote:*

There was no motion or second	APPROVED 5-0
AYES:	Covington, Hoffman, Ramirez, Slawson, Williams
NOES:	None
ABSTAIN:	None
ABSENT:	None

- Western Riverside Council of Governments General Assembly and Leadership Conference – June 23: Jagers advised that the date conflicts with the June 23 Engineering Workshop. Director Ramirez indicated interest in attending.
- Building Industry Association Southern California Water Conference – Aug. 12: President Williams (tentative), Director Covington (tentative), and Director Slawson indicated interest in attending.
- California Special Districts Association (CSDA) Annual Conference – Aug. 22 - 25: President Williams pointed out this is driving distance and may not be a conflict with the Board meeting. President Williams (tentative), Director Slawson (tentative), Director Covington (tentative), and Director Ramirez (tentative) indicated interest in attending.
- Urban Water Institute Annual Water Conference – Aug. 24 - 26: There is also possible conflict with the Board meeting. President Williams (tentative, may be preferable to attend UWI than the CSDA); Director Ramirez (tentative), Director Covington (tentative), and Director Slawson (tentative).

Director Covington suggested the directors wait to make decisions and consider splitting between the CSDA and UWI. President Williams suggested waiting for more information to determine which would be most beneficial for each director.

*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:*

- *Western Riverside Council of Governments General Assembly and Leadership Conference – June 23*
- *Building Industry Association Southern California Water Conference – Aug. 12*
- *California Special Districts Association (CSDA) Annual Conference – Aug. 22 - 25*
- *Urban Water Institute Annual Water Conference – Aug. 24 - 26*

*by the following roll-call vote:*

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

**8. Continued Review of California Drought Conditions, District Urban Water Management Plan and Water Shortage Contingency Plan, BCVWD Resolution 2022-12 Implementing Water Use Restrictions, and Other Drought Response**

General Manager Jagers advised that the next step is to implement the save water strategy and the District is working with the San Geronio Pass Water Agency to identify and communicate regional messaging that may include partners like San Bernardino Valley Water District to assure consistent messaging. He pointed to informational links on the staff report.

President Williams invited public comment. There was none.

**9. Reports For Discussion**

a. Ad Hoc Committees:

Communications Committee: Vice President Ramirez reported examining the expectations on number of social media followers and said there had been growth in responses on posts. The Committee has also looked at assuring that the President’s wishes for the ad hoc committee are in alignment and many of the items detailed by past President Covington continue to be met.

There is a schedule for op-ed pieces to be presented to the Committee for provision of guidance and review to staff and consultant CV Strategies. He noted success with publication in the Beaumont Record-Gazette, and El Informador. He mentioned the Water Quality Report,

conservation messaging, monitoring of budget, website, and before-and-after photos of field work.

Sites Reservoir Committee: Mr. Jagers advised there is movement forward to the next phase.

Water Re-Use 2x2: Mr. Jagers advised of discussion at last week's City Council meeting to reactivate the 2x2 Committee and potentially add the SGPWA. There are things to resolve, and discussions are ongoing at the Interim City Manager level, he reported.

b. Directors' Reports:

Vice President Ramirez reported attending the following:

- ACWA Smart Energy Storage for Water Districts on April 20, 2022
- Riverside County Water Task Force on April 22, 2022

Director Slawson reported attending the following:

- Riverside County Water Task Force on April 22, 2022
- City of Beaumont City Council meeting
- San Geronio Pass Water Agency meeting

Director Hoffman reported attending the following:

- City of Beaumont City Council meeting

Director Covington reported attending the following:

- City of Beaumont City Council meeting

c. Directors' General Comments: None.

d. General Manager's Report:

Mr. Jagers acknowledged the Directors' reports regarding the Beaumont City Council meeting and advised that the City is working through the process to obtain the National Pollution Discharge Elimination System (NPDES) permit for the recycled water plant. There is no opportunity for indirect potable reuse (recharge of recycled water) in that permit, Jagers said, and provided some detail on the current status of the City's project and discussion at the City Council meeting.

Jagers said he had advised former City Manager Todd Parton that the District would not expend ratepayer funds to do projects without purchase agreements secured for the opportunity to move recycled water. He reviewed the implementation process and reported that the City Council took action on selection of fully advanced treatment.

The MDP Line 16 is moving more slowly than the contractor's schedule showed, but District facilities have not been being broken recently, Jagers reported.

A number of District projects are moving forward, and word is awaited on the application for some grant funding opportunities.

Jaggers pointed out that when hydroelectric generation plants on the State Water Project are tuned off, power costs to deliver imported water supplies this year are probably significantly higher. He said he believes there are strategies to be employed to mitigate, and expects upcoming blackouts or brownouts in late afternoons over the summer.

e. Legal Counsel Report: None.

#### 10. 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

#### 11. Announcements


*President Williams read the following announcements:*

- Personnel Committee Meeting: Tuesday, May 17, 2022 at 5:30 p.m.
- Engineering Workshop: Thursday, May 26, 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.
- Finance and Audit Committee Meeting: Thursday, June 2, 2022 at 3 p.m.
- Regular Board Meeting: Wednesday, June 8, 2022 at 6 p.m.

#### 12. Adjournment

*President Williams adjourned the meeting at 9:17 p.m.*

ATTEST:



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



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