



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

**MINUTES OF REGULAR MEETING – ENGINEERING WORKSHOP
OF THE BOARD OF DIRECTORS
Thursday, May 26, 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

Call to Order: President Williams

President Williams began the meeting at 6:09 p.m.

Pledge of Allegiance was led by Director Covington.

Invocation was given by Director Hoffman.

Announcement of Teleconference Participation

General Manager Dan Jagers advised that this meeting is conducted pursuant to BCVWD Resolution.

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, Slawson, Williams
Directors absent:	Ramirez
Staff present:	General Manager Dan Jagers Director of Engineering Mark Swanson Director of Information Technology Robert Rasha Civil Engineering Assistant Evan Ward Administrative Assistant Cenica Smith
Legal Counsel	James Markman

Members of the public who registered their attendance: Dr. Blair Ball, Kevin Walton of the San Geronio Pass Water Agency (SGPWA), Nisha Wade of CV Strategies, and David Hendryx of David Hendryx Consulting for Fairway Canyon.

Public Comment:

David Hendryx, Project Manager for Meritage Homes of the Fairway Canyon community introduced himself and indicated interest in the Will-Serve Letters (WSLs) that were continued from the last meeting. Mr. Jaggars noted that a letter was received on this subject, and it is available for distribution and to the public.

Kevin Walton of the San Geronio Pass Water Agency (SGPWA) noted that he and BCVWD Board members attended the Bay-Delta Tour and explained they provided an unprepared yet strong presence to represent the interests of southern California. It became evident that there was an, at times, adversarial position of those in northern California; not supportive of the interests of these agencies, and that things in northern California take precedence. He posited that the Pass agencies need to stand unified and represent their interests to be stronger and push the agenda more effectively. He said he hoped for a continued great relationship between SGPWA and BCVWD and to elicit others to join the cause.

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

2. **Status of Recently Completed and Ongoing District Capital Improvement Projects**

General Manager Jaggars reviewed the status of projects to demonstrate that there are things moving forward in the post-COVID environment. He shared a draft report of revenue loss and cash flows, and pointed out the restricted cash and investments of \$40 million in capital commitments, and noted the District has \$27,845,000 in capital replacement reserves.

Jaggars described the reserve funds and advised that the funding will be spent on projects. He briefly reviewed some of the larger projects including the Sites Reservoir, new wells, recycled water components, hexavalent chromium treatment if needed, Noble Creek Recharge Facility Phase II, Master Drainage Plan Line 16, and answered questions from the Board. These are all funded by developer deposits collected, he noted, and added that grant funding is being sought. The projects were also considered in the 2019 rate study.

Well 1 design is complete, and a request has been submitted to Senator Feinstein's office for a funding earmark. The AMR / AMI is 75 percent implemented. He also discussed pumping plants, two booster stations, Grand Avenue projects, and the Engineering and Operations Center.

Jaggars reminded the Board that the 2019 rate study included CIP project funding at only 75 percent; the Board directed staff to find grant funding and ways to make things less expensive for the ratepayers. Jaggars further reviewed some projects under \$1 million.

There is \$36 million in expenditures, all of which is moving forward, plus \$10.7 million in process. This is representative of the overview of current activity, Jaggars stated, not including developer activities such as plan check, construction and engineering, and inspection, all of which is done in house.

The Board recessed at 6:32 p.m. and reconvened at 6:35 p.m.

Director of Engineering Mark Swanson reviewed facilities to be installed for the Tournament Hills project that are currently in design. Mr. Jagers said the project list demonstrates what is happening in the background at BCVWD and advised that 51,000 feet of pipeline in capital backbone infrastructure is either in design or has been completed in the last four years with an estimated value of \$15 million.

Jagers explained the process for development and Director Covington asked about contracting out the development work to allow staff to concentrate on District facilities. Jagers explained the training program for graduate engineers, and said it is now at the point where a consultant could be well managed. Jagers noted that there was no slowdown during the COVID pandemic. He said that a robust engineering staff is desired to move things along. These activities build that next generation solidly.

Covington asked about the average wait for a developer to get plans through plan check; Mr. Swanson said four to six weeks, or shorter depending on the stage of the plans. Jagers assured that staff is proactive in working through things to streamline submittals. Jagers continued detailing the process.

In response to Director Covington, Jagers advised that the pipeline relocation for Elm Street is continuing to be pushed forward.

President Williams asked about the status of the grant extension for the AMR / AMI project. Mr. Jagers reported that nothing has been heard but no issues are expected.

Director Covington pointed to the Engineering and Operations Center project and asked if a deeper dive would be done at a later time, noting that plan start is in 2022 for \$1.7 million. Jagers reminded that this was proposed during the rate study as seed money to begin with finding land and beginning to plan site layout. Some work has been done and it needs to be revisited, he noted; there will be no construction in 2022.

Director Hoffman asked about the amount of space at the current Engineering office. Mr. Swanson noted there is currently sufficient room.

President Williams invited public comment. There was none.

3. BCVWD's 2022-2023 Annual Water Supply and Demand Assessment

General Manager Jagers advised the Board that the State Water Resources Control Board moved forward the submittal date for this report to early June. Director of Engineering Mark Swanson noted this is a new annual requirement for a report to be adopted by Resolution. Staff is collaborating with other local agencies to show that the region as a whole is working together, Swanson advised. He explained the data required for said report.

The District's total potable water demand is 11,944 acre-feet (af) of water, Swanson explained, and the non-potable demand totals 2,119 af.

Swanson explained the calculations for aggregated water supply and the current dependence on water in storage. Without storage, the District would fall into a water

shortage Level 3, he explained. He reviewed the demand reduction actions to reduce the shortage and concluded that said actions will result in a 30 to 31 percent reduction, the largest contributor to which is landscaping. Director Hoffman asked if consumption numbers were available for each school, park, etc. The District has all the meter readings, Swanson replied.

Mr. Jagers noted that it had been discussed to identify high users and to message. Director Hoffman provided an example of water waste and wondered how usage and efficiency would be supervised. Mr. Jagers noted that the SGPWA has hired consultant CV Strategies for public outreach, and regional messaging is being done.

Mr. Swanson pointed to the importance of recycled water and Mr. Jagers explained actions needed to obtain it, including a purchase agreement with the City of Beaumont.

Jagers said he believes that staff has found a reasonable approach to do conjunctive use, finding conservation savings, and incorporating reasonable activities. This is the best modeling that could be done to find a reasonable center, and meet the State's requirements, he added. In response to a question from Director Covington, Swanson explained the process for approval of a resolution and submittal of the data to the State's website.

General Manager Jagers reviewed the current water supply conditions and reiterated that this is the first year for this report. Everyone is trying to understand how to implement the regulations, he added.

Director Hoffman asked about water storage requirements of the Beaumont Basin Watermaster. Swanson explained that there is not a specific amount of water required to retain in storage in the Basin, but the District has an account ceiling for available storage and what is taken out must be replenished. Swanson estimated that current reserve in the Basin without conservation equals approximately three years of supply. The more conservation, the longer the supply will last. Jagers cautioned that in continued 5 percent State Water Project (SWP) years, the zero balance will be hit, and the Watermaster rules allow assessments for going negative.

Director Hoffman asked about water from Edgar Canyon. Jagers explained that water pumped does not have to be replenished, but in a drought with fires, Edgar Canyon has not been doing as well as it had historically.

President Williams invited public comment. There was none.

4. California State Water Resources Control Board Meeting Agenda Item 3, "Consideration of a Proposed Resolution Regarding a Drought-Related Emergency Regulation for Water Conservation"

General Manager Jagers summarized the action taken by the State Water Resources Control Board (SWRCB) on Tuesday, May 24, 2022 and noted there is flexibility for agencies to determine activities. The BCVWD Board has adopted Resolution 2022-12 that is at least as stringent and is appropriate for the District given the uncertainty of water supply, Jagers reminded. He recommended starting with a strong approach that asks the community to do their part in a reasonable manner that preserves the long-term supply without overly penalizing, and watching results over the next month or two.

Staff is working with Raftelis Financial Consultants to understand any drought surcharges that may be desired, Jagers continued.

In response to Director Covington, Jagers confirmed that the May 24 adopted regulations are in addition to those adopted by the SWRCB in January. This regulation is not the entire package of regulations, Covington pointed out.

Jagers reviewed current water supply conditions, emergency proclamations by the Governor, and drought regulations adopted by the SWRCB. He reminded the Board about the measures adopted via Resolution 2022-12 and said they are at least as stringent as the SWRCB regulations and can get the District to the conservation target listed in the Water Shortage Contingency Plan (WSCP).

Jagers listed additional actions taken by the District to assure water supply such as recharge and partnership with the SGPWA. He discussed the irrigation restrictions and effects on homeowners' associations (HOA).

Jagers further detailed the SWRCB Emergency Water Conservation Resolution, which mandates urban water suppliers to enact a Water Shortage Level 2. BCVWD has implemented a "soft" level 3, but there is more that can be implemented, he said. New residential connection moratoriums are not required, he noted. Covington clarified that there is room for agencies to enact a moratorium if it is in their best interest. He also pointed out that the regulations apply only to urban water suppliers.

The regulations prohibit the use of potable water for irrigation of non-functional turf at commercial, industrial, and institutional sites, Jagers stated. Swanson noted that this is not addressed in Resolution 2022-12. Jagers proposed amending Resolution 2022-12 to include the regulation and beginning messaging to the affected HOAs. The Board commented on trees and drought-tolerant grass.

The fine for an infraction is up to \$500, Jagers read. He recapped the actions needed and pointed to the plight of other agencies. The ability of BCVWD to suffer drought will be more impacted as the Basin is drafted more frequently, he stated.

Swanson re-introduced Resolution 2022-12 and Attachment A: Water Shortage Level 3. Jagers advised that the Board has additional tools in the WSCP toolbox related to the Water Shortage Level 3.

Swanson reviewed Attachment A and noted that ornamental turf would be updated to non-functional turf. He discussed draining and filling of swimming pools. He suggested setting a limit for providing grading or construction meters: an area (development) equal to or greater than 5 acres would require additional water use information, would come before the Board for discussion, and water use would be reviewed weekly to understand consumption. Mr. Jagers asked the Board to provide clear direction.

Director Covington asked how current grading operations would be addressed. Swanson advised there is only one in progress which expires at the end of May and grading will cease. Covington pointed out that construction using water without authorization is basically stealing water. He said it is difficult to tell ratepayers to conserve while at the same time providing construction water to the next development, and for the District to balance the satisfaction of ratepayers without shutting down developers.

It is unlikely to rain until later in the year, Covington noted. Based on action at the State level, Covington continued, he said he sees this resolution being amended a few times. Amendments now will be based on current information, he said, and will be subject to change.

Mr. Jagers reminded that there are 12 to 14 Will Serve Letter (WSL) requests being held until the State's action; all will want to come to the Board. Covington noted that those intending to start construction right away put both the District and the developer in a bad spot. Swanson updated on current requests. A WSL is a commitment to serve the development domestic water, Covington noted, but the District is not making a commitment to supply construction water for those tracts; in the middle of a drought, a WSL may be granted to allow the developer to continue moving through the process, but not supply construction water until the State makes any determinations.

Under these types of circumstances, would a developer be allowed to bring in water from outside sources, Covington asked. Swanson said he knew of no restriction. Grading water is shut down at a Shortage Level 5, he added. Covington pointed to Resolution 2014-05 which includes some restrictions on issuance of WSLs.

President Williams pointed out that the Water Supply and Demand Assessment discussed earlier shows that water is not available, yet the WSLs indicate water is available. She said she is being asked why residents need to cut back on water when houses are still being built. Mr. Swanson explained the variables in the Assessment. Williams asked if the supply of water was for the current residents using the service, and Legal Counsel Markman explained the Assessment is a summary of the District's Urban Water Management Plan (UWMP) which has identified sources of water including storage and includes expected growth. The UWMP would not support a moratorium, he opined. Swanson added that the Assessment calculations do include a growth factor. Markman noted that the State is also pushing for additional dwelling units and Jagers assured that the estimated growth indicated in the UWMP is realistic.

Mr. Swanson advised that more demand reduction measures will be mandated by the State, and reminded about the upcoming 55-gallon per capita per day maximum and the potential for all to be going to water budgets. The newer homes will help reduce that number as those in less efficient homes continue to do a lot to toe the line.

President Williams suggested adding language to the Attachment indicating that restrictions are subject to change based on further mandates by the State. Swanson assured that is implicit in the resolution language. Jagers noted that all grading letters include conditions. He reiterated that the State messaging has been unclear and reminded that all are struggling and will continue to struggle with this.

Director Slawson said he did not like the fact that the State is making these regulations. He said he did not see a problem with issuing WSLs in Stage 3; it is in Water Shortage Level 6 that WSLs are stopped.

Mr. Swanson pointed to the penalties, fees, and remedies currently in Attachment A and noted the possibility of fines for the irrigation of non-functional turf. Jagers suggested addressing it during presentation of the amendments at the June 8, 2022 meeting.

Public Comment: David Hendryx, representative for Meritage Homes, addressed the Board and referred to the Will-Serve Letters for Fairway Canyon which were tabled at

the April 13, 2022 Board meeting. He noted a late start to the project's grading, and the curtailed activity when Well 29 went down, and advised that a request will be coming to the Board for an extension for grading water. He advised the Board that Fairway Canyon approvals are underway with the City and asked that all six requested WSLs come to the Board for approval at the next meeting. Maps cannot be recorded without the WSL, he advised. It is a major burden to have to stop the job, he stated.

Mr. Jagers stated that amendments to the regulations will come back to the Board at the next meeting.

President Williams invited public comment. There was no additional comment.

5. 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

Mr. Jagers introduced the report. There were no questions.

President Williams invited public comment. There was none.

Director Slawson left the meeting.

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

General Manager Jagers pointed out areas of concern and explained the revisions. Staff believes the work meets the spirit of the prior discussion and recommends receive and file.

Director Covington noted that the landlord is taking full advantage of the rent escalator and CPI of 8 percent, as there is a significant change in the monthly rent. Mr. Jagers assured that based on calculations, it is within the terms of the original agreement. Covington said he believed the CPI would be just as high next year and asked about the terms; Jagers noted it is the same language as was in the original lease. Mr. Markman added that the CPI is automatic every 12 months and there is no limit on the CPI.

Director Covington asked if there were any vacant buildings. Swanson noted the City lacks this type of commercial space.

Covington noted that the CPI information is not in the packet and suggested limiting the amount of the escalator. President Williams indicated that she would not have signed a CPI increase in the 13th month; a two-year lease should not have an increase.

President Williams invited public comment. There was none.

The Board received and filed the two-year renewal of Lease Agreement with A-1 Properties for Engineering Office located at 851 E. 6th Street, Beaumont Office by the following roll-call vote:

MOVED: Williams	SECONDED: Hoffman	APPROVED 3-0
AYES:	Covington, Hoffman, Williams	
NOES:	Ramirez, Slawson	
ABSTAIN:	None	
ABSENT:	None	

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

General Manager Jagers reviewed the list of events. President Williams asked about the events budget and Mr. Jagers advised that the line item is going to run out of money and the Board will need to amend the budget. Director Covington suggested continuing this item with discussion of the budget.

Director Hoffman advised that the Cherry Festival was seeking parade entrants. Jagers noted that participation would include disseminating drought information at a booth at the event.

President Williams tabled the item.

8. Reports for Discussion

a. Directors' Reports:

Director Covington reported attending the following:

- Beaumont Chamber of Commerce Breakfast on May 13, 2022
- Bay-Delta Water Tour May 18-20, 2022

President Williams reported attending the following:

- Bay-Delta Water Tour May 18-20, 2022

b. Director General Comments: None.

c. General Manager's Report

- The District will be represented at the Cherry Festival June 4 and 5, in partnership with the San Geronio Pass Water Agency and the Inland Empire Resource Conservation District. Board members are encouraged to participate.
- Staff coordinated a grant request for County of Riverside American Recovery Plan Act funds. Supervisor Jeff Hewitt presented, and the Board of Supervisors approved the request for a combination for water supply and fire suppression activity which will help drought-proof and fireproof the region. It included part of the Noble Tank and Pipeline project for \$1.28 million for the transmission main and the Edgar Canyon B pipeline for a total County contribution of \$1.3 million. Next, the County will coordinate review once an agreement is ready. The target date to bring to the Board is July 13.

- The draft Non-Potable Water Master Plan will be brought to the Board on June 8. The Recycled Water 2x2 Committee appears to be ramping up again.
- The Merlin property annexation is moving forward. The City of Calimesa Planning Commission approved it to move forward with de-annexation from BCVWD and annexation to Yucaipa Valley Water District. Jagers spoke in opposition at that meeting and at the Riverside County Local Agency Formation Commission (LAFCO).
- Completed facilities maintenance includes Well 26 site improvements, Well 1 building fascia, Highland Springs booster station roof, various painting at well sites, District residences roofs, and more. Coming later to the Board will be roof replacements at other well sites.

d. Legal Counsel Report: None.

9. Announcements


President Williams read the following announcements:


- District offices will be closed Monday, May 30, 2022 in observance of Memorial Day
- 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.
- Ad Hoc Communications Committee: Monday, June 13 at 6 p.m.
- Personnel Committee Meeting: Tuesday, June 21 at 5:30 p.m.
- Engineering Workshop: Thursday, June 23 at 6 p.m.

10. Adjournment

President Williams adjourned the meeting at 10:01 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