



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

**MINUTES OF REGULAR MEETING – ENGINEERING WORKSHOP
OF THE BOARD OF DIRECTORS
Thursday, June 23, 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 2022-17

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 President Williams.

Announcement of Teleconference Participation

Dr. Kirene Manini 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.

Roll Call:

Directors present:	Covington, Hoffman, Slawson, Williams
Directors absent:	Ramirez
Staff present:	General Manager Dan Jagers Director of Finance and Administration Kirene Manini, PhD Director of Engineering Mark Swanson Director of Information Technology Robert Rasha Human Resources Administrator Sabrina Foley Civil Engineering Assistant Daniel Baguyo Civil Engineering Assistant Evan Ward Administrative Assistant Cenica Smith Administrative Assistant Lynda Kerney
Legal Counsel	James Markman

Members of the public who registered their attendance: Dr. Blair Ball and Larry Smith of the San Gorgonio Pass Water Agency, Eric Zarr, Pat King, Merle Chapman, Brain Stoll, and Dean Lithgow.

Public Comment:

There was no public comment.

1. Adjustments to the Agenda:

President Williams indicated that Item 14 would be taken after Item 6.

2. Authorize the General Manager to Enter into an Agreement with The Mejorando Group for a Workforce and Succession Planning Project in an amount not to exceed \$91,195

Human Resources Administrator Sabrina Foley reminded the Board about direction to investigate conducting a Workforce and Succession Planning project in fiscal year 2022. She explained the project purpose and details, pointing out that Beaumont has been one of the top five fastest growing cities in the United States over the past five years. Along with the continuing emergencies of drought, pandemic, and water restrictions, the needs of staff and skills required to meet the challenges continue to increase, she stated.

An estimated 15 percent of the District's current workforce will be eligible to retire within the next five years, and 25 percent in the next 10 years, Foley noted.

The overall goal is to assure the continuity of essential services and continue to attract and retain the best talent to reach the District's strategic goals and maintain operational plans, Foley continued.

Foley advised of the Request for Proposals process and three proposals received. She detailed the evaluation process and advised that the selection committee recommends the Mejorando Group from Glendale, Arizona as the most responsive proposal. She introduced Mr. Patrick Ybarra, the proposed project manager.

The fiscal impact is within the FY 2022 estimated operating budget, Foley stated. Completion of the project is estimated for December 2022. There will be staff time and long term considerations resulting from the project, she advised.

General Manager Jaggars commented on the other proposals.

Director Slawson acknowledged the importance of the project and said it seems the proposer is responsible.

Director Hoffman stated he had mixed feelings in light of the current economic situation and water supply concerns, labor force he said he believed costs will be increasing over budget and there are many changing variables. He recommended tabling the item for three months then bringing it back for discussion.

Director Covington said it would be beneficial to the Board and public to see all the proposals. It is difficult for the Board to decide when the other proposals are not

available. He noted that the cost is greater than he anticipated. He requested assurance that the proposal will attain the milestones and provide the deliverables within the Scope of Work (SOW), and pointed out that the District does not have a strategic plan. Covington agreed that the right employees are needed to fill positions. He pointed out that Director Ramirez has been a staunch supporter of limiting hiring fully burdened staff. He emphasized the need to identify opportunities for hiring of contractors rather than (full time equivalent) staff but acknowledged the workload mostly driven by development.

Director Covington noted the development of a strategic plan to address gaps in the SOW is not in the deliverables and stated that the strategic plan will be key to the final report. He requested a monthly report out to the Personnel Committee. He said he looked forward to seeing a plan that would allow the Board to understand the true staffing level needs. He agreed with Director Hoffman’s concerns about the economy and potential recession, but said the goal is to complete the study by the end of the year, and most importantly the report must start as soon as possible as the Board will need information regarding any changes to full time employees prior to approval of the budget in December.

President Williams also said she would have liked to see the other proposals. She said the study is needed. Covington confirmed this came from the Personnel Committee and discussions about staffing levels; and requested the study be included in the 2022 budget. President Williams noted that the total cost is under the amount budgeted and supported moving forward, while acknowledging Director Hoffman’s concerns about spending.

Mr. Ybarra said he appreciated the opportunity and will follow up on directors’ comments. He briefed the Board on the purposes of the project and noted that it includes operationalization of the plan.

The Board authorized the General Manager to execute an agreement with The Mejorando Group for a Workforce and Succession Planning Project in an amount not to exceed \$91,195 by the following roll-call vote:

MOVED: Slawson	SECONDED: Covington	APPROVED 3-1
AYES:	Covington, Slawson, Williams	
NOES:	Hoffman	
ABSTAIN:	None	
ABSENT:	Ramirez	

3. Resolution 2022-20: Adopting Regulations Regarding the Payment of the Cost of the Candidate’s Statement for the November 8, 2022 Consolidated Election

Administrative Assistant Lynda Kerney explained the requirements of the County Registrar of Voters and the \$700 cost of the candidate’s statement.

Legal Counsel Markman confirmed that the candidates are not required to submit a statement.

In response to Director Covington, Mr. Markman noted that the District may not pay for the statements of incumbents and not the challengers.

Director Hoffman asked about splitting the cost. Mr. Markman indicated that the law does not give choices about partial payment. He advised either paying or not.

President Williams and Director Slawson supported candidates paying for their own statements.

The Board adopted Resolution 2022-20, adopting regulations regarding the payment of the cost of the Candidate's Statement for the November 8, 2022 Consolidated Election by the following roll-call vote:

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

4. Approval of the Notice of Election of 2022 for submission to the Registrars of Voters of the County of San Bernardino and the County of Riverside regarding the November 8, 2022 Consolidated Election

Director of Finance and Administration Kirene Manini advised of the notice requirements. Administrative Assistant Lynda Kerney introduced the Notice form and advised that the Notice of Election will be published by the Registrar of Voters, and staff will post at the office. She explained that the fiscal impact of the election is estimated between \$10,000 and \$100,000, as expenses will depend on many variables.

The Board approved the Notices of Election of 2022 for submission to the Registrars of Voters of the County of Riverside and San Bernardino regarding the November 8, 2022 Consolidated Election and directed the Recording Secretary to do all things necessary to facilitate the election by the following roll-call vote:

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

5. California Special Districts Association (CSDA) 2022 Board Elections: Vote to Elect a Representative to the CSDA Board of Directors Southern Network for Seat B

Dr. Manini introduced the item. Administrative Assistant Lynda Kerney explained the election process.

The Board approved a vote for Beverli Marshall to the California Special District Association Board of Directors in the Southern Network for Seat B by the following vote:

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

6. Resolution 2022-21: Adoption of BCVWD’s 2022-2023 Annual Water Supply and Demand Assessment

General Manager Jagers reminded the Board of prior discussion of this item and explained this is the final report of numbers provided to the State Water Resources Control Board.

Director of Engineering Mark Swanson reviewed the report, and reminded the Board about the declared Stage 3 Water Shortage. He highlighted the estimated unconstrained available supplies and demand and advised that there should be a balance of conservation activities and supply from the District’s Beaumont Basin storage account.

Director Covington asked if the increased demand estimates include projected new housing growth; Mr. Swanson confirmed.

Swanson reviewed the numbers with application of conservation and conjunctive use.

Mr. Jagers clarified the issue of charging the non-potable system with potable water and the State’s reporting requirements.

In response to Director Slawson, Mr. Swanson clarified that there has been no change in the numbers since the draft was presented. This report is required every year. Jagers noted that water is being taken from storage to level the wet years with the dry years, and expressed concern about continued drought. Slawson asked if the supply numbers were conservative, given the potential unavailability of Table A water. Swanson pointed to Nickel water reliability and assured that Table A has been accounted for.

Director Hoffman acknowledged the public present and explained that the City is upgrading the wastewater treatment plant, and the District is hoping to receive recycled water in the near future. He encouraged the public to support the efforts of the City to ultimately increase the water supply.

In response to Director Covington, Mr. Swanson detailed the Potable and Non-Potable Water Shortage Assessment. Covington acknowledged the estimated shortage of 3,859 acre-feet, enough water for 10,000 homes. It is critical that messaging gets delivered and utilized, as the District will be in bad shape in 12 months if there is not some major conservation. Jagers noted that the District is managing its storage account responsibly to avoid a Stage 4 or 5 water shortage.

Jaggers stressed the importance of working with community partners to achieve a goal best for the region while ensuring there are supplies for the future.

Covington emphasized the importance of conservation messaging and the Board's action to store water in wet years. Mr. Jaggers explained the rate smoothing technique to balance the pass-through charges.

President Williams thanked staff for the information and transparency. She said she hoped the conservation messaging was going to be received well by the public.

President Williams invited public comment. There was none.

The Board adopted Resolution 2022-21: BCVWD's 2022-2023 Annual Water Supply and Demand Assessment by the following roll-call vote:

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

President Williams called Item 14 out of order.

14. Continued Review of California Drought Conditions, District Urban Water Management Plan and Water Shortage Contingency Plan, BCVWD Resolution 2022-12 (as amended) Implementing Water Use Restrictions, and Other Drought Response

Things are looking dire with the snowpack, Mr. Jaggers cautioned, and explained the hydrology normally filling the state's reservoirs. There are state-level projects (Bay-Delta, Sites Reservoir) that would help with water supply problems if they could get done; but they meet with some resistance, Jaggers explained. He encouraged support of such projects and said more needs to be done to be proactive for the region.

Jaggers indicated that the District would like to partner with owners of large turf areas for turf replacement with drought-tolerant landscaping. He reported on a meeting with the Solera homeowners association (HOA) which included Lance Eckhart from the San Geronio Pass Water Agency (SGPWA) and Elizabeth Gibbs from the City of Beaumont.

The SGPWA has taken action on drought messaging and public outreach in the community and is meeting with retail water agency partners, Jaggers stated.

Jaggers reminded that there have been two consecutive years of 5 percent State Water Project (SWP) allocations. The Water Shortage Contingency Plan includes actions when drought is predicted and water supply percentages are changed based on the predictions, he explained. This is a significant drought, and although it is hoped for wet weather in the fall and winter, this will be known in the fall and recommendations will be made to the Board on whether more action is needed and if the efforts have been successful.

It must be communicated to the public that conservation efforts must be done now, Jagers continued.

President Williams invited public comment.

Mr. Merle Chapman indicated that he was one of the first residents of Solera to recognize the drought, and this will be a long-term one. He explained that a large commercial / industrial complex can survive deferred maintenance on landscaping as they are not in the business of selling their property; whereas all 1,400 homeowners at Solera are affected. Brown grass appears to be deferred maintenance, which causes prices to go down, he stated, and estimated a loss in valuation of \$100,000 per home over a 10-year period. Solera is taking steps to alleviate irrigation, he said. He emphasized the importance of working with the residents over time.

Director Covington acknowledged Mr. Chapman's point and said the concern is likely shared by every customer.

Ms. Pat King, HOA board member at Solera acknowledged the work of BCVWD and SGPWA as a best kept secret. She pointed out that Solera has a 26-acre green belt that was billed as a community park, but in fact belonged to the City of Beaumont; the City did not want to water it, so sold it to the community for \$1. Irrigation costs were more than \$60,000 last year, she advised. The landscaper has developed a plan, but the community does not want the grass to die as it is implemented, she said, and requested special attention. The green belt is used for recreation and is of great value to the homes, she explained.

Mr. Eric Zarr, general manager of the Four Seasons at Beaumont reported on the community's landscaping and noted that in response to the District's new regulations had drained all decorative fountains and ponds and is working to educate the homeowners about the drought. He requested that the Board direct staff to continue to work with the HOA, as it desires to reduce the amount of water used to an acceptable level and assure that landscaping does not die.

Mr. Danny Smith, director of water management with Park West Landscape explained that it is his responsibility to work with more than 400 communities in California toward sustainable water management. He said he understood the impetus for the water restrictions originating from the State plus the District's level 2 addition and requested the Board entertain a plan for volume reduction through a variance based on desired reduction. He explained prior efforts through water conservation planning, and detailed the current irrigation methods at the Four Seasons and Solera developments and contrasted them with the regulations.

Director Hoffman asked about irrigation effectiveness, and Mr. Smith elaborated. The best time to irrigate is 10 p.m. to 6 a.m., he noted. With water restrictions, irrigation must be more creative. They will still try to amplify as much water as possible through the system in the given period of time, but that is more dangerous given pipe velocity and hydraulic issues, he explained. The older systems experience equipment failures, he noted. With a target volumetric reduction, the community can provide effective watering without overburdening the system and causing more water waste, he explained. He asked how close a level 4 water shortage is, and assured that the community was looking to reduce the overall water footprint including installation of drip systems.

Mr. Jagers acknowledged the plan of Solera, noted that there was a lot of interest from the HOAs, and encouraged seeking grant funding and partnering to achieve the projects more quickly. There is real interest in the communities in finding solutions to overall water demands, he reported, and partnering to get to a lower water footprint. Working with the large water users, once demonstrated, may promote conservation interest throughout the communities. The State requires public outreach, and the District is working proactively to achieve those opportunities, he said.

In response to Director Hoffman, Jagers indicated that staff had reached out to the grant writing consultant for potential opportunities.

Director Slawson asked about detailed requirements on irrigation, and Mr. Jagers explained that it would be good to work with partners and understand their approaches including volumetric reductions. He deterred a one-size-fits-all approach. The District can work with the communities and either amend the resolution or make case-by-case exceptions. Initially, the idea would be to protect investments in landscaping at some version of barely alive in order to avoid secondary burden on the ratepayers, but at the same time reach conservation goals. Slawson offered support, acknowledged that staff is working on the issue, and said the effort should move forward.

Jagers said he leaned toward working on a case-by-case basis. He said partner with the large water users first, but each homeowner should have an opportunity.

Director Covington said he was impressed to see the HOAs working on ways to conserve water and agreed with the work with large water users. President Williams supported the potential for variance.

Directors thanked the representatives for attending.

Mr. Jagers recommended discussion with the communities soon and finding solutions.

Director Slawson asked about irrigation at schools and parks at night, and Mr. Jagers noted that he had supplied the resolution to the City. The District is working hard to message, but an instant response was not expected, Jagers advised. He reminded that the State was late in its drought response.

By consensus, the Board directed staff to bring back the drought resolution and the Water Shortage Contingency Plan for discussion and possible modification. President Williams suggested concurrently meeting with Park West on ideas on how to amend it to cover all issues.

Ms. King suggested involving all the HOAs and educating the people about the efforts. President Williams expressed appreciation for the solutions offered.

7. Approve Additional Spending in the Amount of \$1,955 for the 2021 Audit Services Contract with Rogers, Anderson, Malody & Scott

Director of Finance and Administration Kirene Manini, PhD, reminded that the audit report was presented at the last Board meeting. The additional \$1,955 requested for approval was incurred due to services to determine financial reporting needs for inventory related to the District's accounting software, Springbrook. General Manager Jagers commented on the need for transparency. Dr. Manini added that a staff

member will attend the annual Springbrook user conference and will discuss the inventory item.

The Board approved additional spending of \$1,955 for a not to exceed amount of \$25,800 for 2021 Audit Services by the following roll-call vote:

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

8. Review Annual Disclosure (California Government Code Section 66013(d)), Fiscal Year 2021 Capacity Charges

Dr. Manini introduced the record of accounting for capacity charges.

The Board received and filed the Annual Disclosure Fiscal Year 2021 Capacity Charges by the following roll-call vote:

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

9. Selection of Consultant for the Design and Engineering Services for the 2022/2023 Water Storage Tank Recoating, Painting, and Rehabilitation Projects

General Manager Jagers advised the Board that two submissions were received in response to the Request for Proposal. The project is for exterior coating of four reservoirs, and interior coating and structural repairs for the Lower Edgar reservoir. It is hoped to have the work complete for repairs to be made in the fall when demands are at a minimum. Staff recommends award of the contract in the amount of \$198,000 to Harper and Associates, he stated.

Director of Engineering Mark Swanson indicated that all projects are in the Capital Improvement Program, and capital replacement reserve funds have been budgeted. He further detailed the budget components: Cherry Reservoir at \$500,000, and Vineland at \$250,000.

President Williams invited public comment and answered a question about the order of agenda items.

The Board authorized the General Manager to negotiate the final project engineering scope of services and subsequent execution of a Professional Services Agreement with Harper & Associates Engineering, Inc., for design and engineering services for the 2022/2023 Water Storage Tank Recoating, Painting, and Rehabilitation Projects in a not to exceed (rounded) amount of \$198,000 (Base Bid

amount of \$164,310 for services and 20% contingency of \$32,862) by the following roll-call vote:

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

10. Review, Discussion and Board Direction Regarding Existing District Water Supply Commitments, Obligations, and Limitations Required by an Existing Agreement Between the District and Private Parties Identified in the Hannon Agreement

General Manager Jagers advised the Board of agreements dated 1908 and 1909 with property owners Jeremiah and Elizabeth Hannon. The District exercised the agreement with the Hannon and their successors / assignees to deliver an amount of water based on a measurement in Edgar Creek in a seven- to ten-day delivery window. There are two meter locations: Point A, which is no longer in use, and Point B, which has two separate meters and is located near the intersection of Vineland Avenue and Taylor Drive. Staff turns on Meter 001 and runs it for 24 hours every 10 days. Staff has locked off Meter 002, but locks are being cut off and the meter gets turned back on, Jagers explained.

A letter issued by landowners identifies that there is water available via the agreement with BCVWD, Jagers continued. Discussion with legal counsel, and correspondence has occurred.

The District is concerned about the operation of a private water system, Jagers explained. Parcel owners are seeking will-serve letters (WSL) from the District. However, the District has only a certain obligation based on the agreement, and has been fulfilling it in good faith via delivering a quantity of one to five miner's inches of water to the meter at Point B. There is no obligation to provide pressurized flow. Fire sprinkler requirements are another concern, he added.

Staff is uncertain of the status of the Hannon Mutual Water Company (HMWC), Jagers continued. One entity, Mr. Anwar Markos, holds both meters at the Point B location, he noted. There is a request for water service outside of the original Hannon property parcels, and that entity believes there is a water right because the property is in the region, Jagers noted. He explained that the District is being approached for WSLs by properties that are not within service area boundaries. The District is not a party to this service, as those parcels would be gaining water supply through the entity receiving the water per the agreement.

Jagers provided some early history. The predecessor of the BCVWD, the Beaumont Land and Water Company (BLWC), then the Beaumont Irrigation District (BID), entered the agreements. The BLWC conveyed its rights to the BID in 1920, including the interest in the agreements.

Jagers identified the Hannon parcel locations on Township 2S / Range 1West. The Little San Gorgonio Creek ran through the land when the agreements were executed,

and the agreements allowed BLWC the right to develop water from Edgar Canyon with delivery of an agreed flow of water free of charge to the Hannon property.

Jaggers said the District has been meeting the obligation of delivery but there may be additional waters that can be provided to the entities with the opportunity to receive; those items are not disputed. The dispute is about the nature of delivery and the obligation of BCVWD under the agreements, Jaggers said. He detailed the calculation of the flow and the points at which the water delivery was to occur. The 1909 agreement established the second delivery point (Point B), Jaggers noted. Point A has since been developed, and other water service agreements signed, so water is no longer being delivered there.

This is before the Board to provide direction, Jaggers stated. The District does not want to discontinue service to one or more entities, but it is beyond the obligations of the agreements to deliver on a continuous basis. He reiterated the concern about delivering water to a private water system that may or may not be regulated, registered, or recognized by the State. From a health and safety perspective, staff would like to assure some protection. Action must be taken while considering the community but adhering to the conditions of the agreements, Jaggers stated.

Jaggers advised the Board about the two requests for WSLs received. Other than the water delivery, the District has no further responsibility to provide water service, he explained.

The Uribe WSL request is for a parcel outside the Hannon property boundaries (APN 407-140-010), and this may indicate that water might be being delivered to other properties outside the agreement area via the private system.

Legal Counsel James Markman advised that people are being misled about the District and the Board being responsible to provide free water. The total obligation taken on by the District was to the people in the agreement and their successors in interest for a percentage of water measured from Edgar Creek. No other agreement has been produced, he stated. The District is still delivering water 110 years later per the agreement, but does not know who is receiving the water at that turnout, or where it goes from there.

Title work is needed to prove to whom those water rights succeeded, Markman continued. After that, the District has no obligation regarding to whom the water is distributed or for what use. People are being told that they can build a house and BCVWD must supply free water, and this must be straightened out, he cautioned. He also noted that a party had sold a portion of the water to another entity, but the District is not a party to that action.

Markman explained that the District has no information on how water delivered may be being served, whether by a mutual water company without a franchise, or a small public utility not registered with the Public Utilities Commission, or one individual. He said the District must address this now since people are asking for WSLs.

The District Engineer has requested additional documents from Mr. Uribe as the agreements do not indicate any additional obligations, Jaggers advised. Staff has spent time trying to resolve including calculating diversions from Edgar Canyon and has determined that the obligations are being met.

The second requested WSL is for the Aguayo property (APN 407-150-026), which lies within the Hannon agreement parcels, Jagers continued. Those applicants have been working to obtain additional documentation. A letter from Mr. Markos (the holder of both meters) asserts that the parcel has water rights per the 1908-1909 agreement, plus a 1924 agreement which the District does not have, he advised.

The District does not intend to operate outside the service area boundary for properties that have not annexed, and intends to deliver only to the obligation of the 1908-1909 agreement, Jagers stated. Staff believes there are areas being served outside of the listed agreement parcels and that there is a private delivery system that may or may not have jurisdictional oversight. The property owners have the option to approach the District to extend facilities and annex into the service area boundary to gain service, Jagers explained.

BCVWD is not required to provide fire flows or pressurized flow to any of the locations, Jagers stated. There is concern that the local area parcel owners may not realize that the water is being delivered by BCVWD to a point and is not responsible for the distribution system. He noted concerns about cross connection, stagnant tanks, protections for constituents, and that BCVWD has no oversight of the area.

Next steps are to memorialize BCVWD's position, but staff is open to receiving more information and continuing to provide dialogue as necessary although District records do not show additional bifurcation of water right further obligating the District. There is need to identify BCVWD concerns to the parcel owners regarding potential for interruptible water supply, and fire service – hydrants and sprinklers. If there is a private water system operating, the District may want to send letters to jurisdictional agencies to assure that it is accurate, legally run, and in compliance to assure there is no exposure for BCVWD for delivery to those points.

Jagers recommended sending letters to those whom it is believed are receiving water memorializing the District's position and obligations, and advising of concerns.

President Williams invited public comment.

Mr. Dean Lithgow asked if all homes in Section 29 are getting water from the Hannon agreement. Jagers reiterated that the District believes water is being provided by a private entity. Lithgow said he knew of properties getting water that were outside of the identified Hannon properties and asked how to determine who is receiving water. The owner of the two meters is not serving the entire area, he said. Jagers said that the intent is to move forward in finding a solution to correct the continuing problem. Mr. Lithgow asserted that it sounds like the property owners are being penalized for trying to do the right thing: all the people who have been getting the water free for years will not say anything.

Jagers pointed to the storage tanks near the meter location and reiterated that the District is finding that the second meter is having the lock cut off. It is only the District's responsibility to deliver water to the meter, he said. Lithgow pointed to another recently built house receiving a WSL and passing for fire flow; Jagers said service was not being provided by BCVWD.

Mr. Swanson noted there was 2019 correspondence for the property indicating the District does not serve that area and that the Hannon agreement does not cover that area. Markman posited that there is an active water distributor who is either an active

mutual water company or a public utility and whether there was representation of free water to property owner is the question.

Issues need to be resolved to a point to assure service is maintained, Jaggars stated. Markman suggested that those reliant on that water source may be required to bring the system into compliance. Jaggars said the District is not necessarily disputing that there is a water right for parcels within the Hannon boundaries, but the District is not a party to the delivery of that water other than the certain volumetric amount.

To determine who is affected, Jaggars recommended shutting off the water supply with staff present at the meter, and educating those parties. It may be the obligation of the person selling the properties and representing a certain water right to make sure that the water supply is being legally and rightfully delivered to properties that are truly benefiting from the agreement. BCVWD's concern is the inaccurate representation that the District is providing that service.

Markman said that there is no evidence of a legal entity distributing the water. If the District finds this is the case, staff can consult and counsel them, but is not serving water there. Jaggars reiterated that there is a method to obtain service from the District. He noted that in 2014 or 2015 he spoke to property owners above the boundaries of the Hannon agreement about a mainline extension from Vineland / Taylor down to Union to provide service. Staff has continued to be fair and consistent in explanation but continues to meet with disagreement as to the content of the agreement, he noted.

Jaggars confirmed for Lithgow that the District did not know how 20 to 30 homes in the lower section were receiving water. Swanson posited that it would be the Hannon Mutual Water Company or its subsidiary. Jaggars noted that properties on the west side have water rights assigned under the Beaumont Basin groundwater adjudication and are being serviced from private wells. Lithgow asked who owns the Hannon agreement and Markman responded that is a great question; Jaggars and Markman noted that the meters are in Mr. Markos' name; he owns the property to which the water is being delivered, and is the likely successor-in-interest.

Mr. Brian Stoll said he contacted the District last year about this issue. He pointed to an easement required by the County to be shown on his site plans. He said he had asked if he could get water service from the District and was told that there is no supply line running down Union. By cutting off the private water line, his water would be cut off and the District cannot supply water, he pointed out. Mr. Jaggars explained the water system in the area, acknowledged Mr. Stoll's concerns, and said staff would contact him the following Monday. In response to a question from Director Slawson, Mr. Stoll indicated that he paid no water bill to anyone.

Mr. Guillermo addressed the Board. In response to his question, Mr. Jaggars advised that water delivered to the Markos meters should land within the properties that were originally within the Hannon boundaries. Mr. Guillermo asked why the District could not provide proof, and Mr. Jaggars explained that the District is providing water only to a point and it appears that Mr. Markos may be the service provider. There are many who live off that water, Guillermo advised. He told the Board that the water being delivered to the Markos meter is not being distributed within the Hannon property, it is being diverted to a pond outside of the area. He explained that he is \$400,000 invested in his property and is close to building a dream home. If they cannot get the WSL or some type of proof for the County, they will go after Markos.

Mr. Markman said it is becoming clear that the owner of the point of delivery receiving the water from BCVWD is getting the water, originally, for the benefit of properties within a certain described zone. Now being heard is that some of the water is going into the zone, but some is going into a pond that is not in the zone, and others are being told that they may have a right to some of the water Markos receives, but the District has no idea if there is any agreement and how the subdivision of that water would occur to service that one benefitted parcel.

Records dating back 80 years will need to be examined, Markman continued, to determine the ground rules. He said he is sympathetic to Mr. Guillermo's plight in being told that he would get free water from BCVWD, but that is just not true. There is a certain amount of water that goes into the neighborhood, to the meter owner, who should be using it in that benefitted zone, but the rules by which he is operating are unknown. If building a house, there should be concern that water supply can provide fire protection, and will have attention paid to assure it is clean, healthy water, but the District does not have that knowledge.

Mr. Guillermo stated that the water delivered comes from BCVWD and it did not occur to him not to trust the water. He indicated that he would assist the District in its investigation, but pointed out that BCVWD will still not give him the WSL. He posited that the District has said they will not service his house anyway. Director Slawson explained there is a process that must be observed for service to happen. Guillermo said he was quoted up to \$100,000 to get service. Jaggars further explained the process to obtain water service. Director Slawson suggested joining with neighbors to create an assessment district to share costs.

Guillermo indicated that he is a contractor and had made repairs to pipes on properties in the area, deeming it "spaghetti."

Staff understands Guillermo's condition, Jaggars noted, but the District has only its obligation. He said he would be pleased to partner with him to achieve resolution.

Jaggars recommended to the Board discontinuation of service to the meter to determine who is connected, then working toward a solution in the short term, with a plan and an end date. The District will contact the Division of Drinking Water and identify the area as potentially problematic to get them involved, Jaggars noted.

President Williams directed staff to have Mr. Markos provide the amended 1924 agreement. Williams asked about provision of the monthly notice in writing for delivery of the water; Jaggars indicated the agreement stipulates that if said monthly notice is not given, delivery shall be the same as the previous month. He explained the practice taking place since before 1998. Staff goes out every 10 days and turns on the meter for 24 hours, and provides a slip to the office tallying each delivery. This is the water owed to the owner; the District owns the rest of the water in the creek, Markman added. The Point A delivery point (on Brookside) is no longer at issue as a developer purchased all the land and it is now part of Solera, Jaggars stated. Williams asked about the status of the Hannon Domestic Water Company, and Markman advised that is not yet known. Staff has concluded that the problem is likely larger than meeting of an obligation, Jaggars cautioned.

Director Covington recalled mentions of the HMWC over 35 years' time, and that there was no governing board. It would have issued shares that would be part of the escrow documents upon land purchase. It would have been governed by Riverside County Environmental Health, he noted and suggested a fact check with the County.

Covington said he heard that repairs of water lines and pumps were shared by the recipients of the water. The group may not need a mutual water company, as potable water is being received from the District, Covington said. Markman said that depends on how many connections are being shared: if it gets to six, it is a public utility.

Covington agreed with the statement of legal counsel regarding the District's obligation to deliver water, and beyond that, the HMWC picks up responsibility to distribute through a domestic water supply permit issued by Riverside County. If that does not exist, this is a group of landowners moving water around, he said.

If the District is turning off the meter per the agreement and someone is coming behind and turning it back on, they are surely stealing water from the District, Covington stated. He recommended that District staff follow protocol and treat the connection like any other lock off. If water theft continues, the next step is to sever the service, he noted. The District cannot subsidize others and allow theft of water, he said, pointing to current conservation measures.

Director Slawson advised that Mr. Markos is marketing properties with free water.

Covington posited that District staff has gone beyond any obligation owed, and is doing the best possible to untangle the issue. Typically, the District charges for these services on a deposit basis to cover staff's time, he pointed out. There are no charges here, and the District is willing to help these landowners, but must be careful not to overstep obligations, he noted.

Jaggers recommended preparation of a letter to post on property doors next week, and contacting Environmental Health. The next step is to lock off the service, and if issues continue, pull the meter and ultimately, sever it at the main.

11. 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. 31462-16 (a portion of Planning Area 18)

Mr. Swanson reminded the Board that the prior WSLs were approved. He described the location and noted that the projects are currently in plan check. The plan is for 111 single family homes. Common areas with non-potable components will be addressed via the infrastructure plan as it ties in with the Tukwet Golf Course, he explained. Jaggers added that this item and items 12 and 13 are in the same general area that had just been graded with the grading water letter extension. This is part of an ongoing master planned community, he noted.

Mr. Dave Hendryx of Meritage Homes commended staff for their work and the service provided to the community. He explained that the project is providing master infrastructure in Oak Valley Parkway as part of the overall development, and noted its status in plan check.

In response to Director Covington, Mr. Swanson said that staff believes there is an overlying WSL for the map of Fairway Canyon (Oak Valley Specific Plan). It had to go through LAFCO, but the District does not have the history of that action or the specific letter indicating that there will be service to the 3,300 homes. Jaggers assured that there is enough demonstrated history to show that there was a plan to serve.

Covington asked if this WSL and the next one on the agenda were in conflict with Resolution 2014-05. Jaggars reviewed the resolution and triggering events related to drought restrictions and advised that the project falls into an exception as it has a previously issued WSL and has paid fees to the District.

The Board approved the request for “Will Serve Letter” for domestic water service for Tract 31462-16, a single-family residential tract project for 111 dwelling units, (a portion of Assessor’s Parcel Number 413-790-042) located south of Sorenstam Drive and west of Tukwet Canyon Parkway in the City of Beaumont 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	

12. 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. 31462-26 (a portion of Planning Area 18)

Director of Engineering Mark Swanson explained this project consists of 77 dwelling units and the non-potable irrigation component will be handled through the infrastructure plan as it ties in with the Tukwet Golf Course. It is adjacent to the tract that was just approved.

The Board approved the request for “Will Serve Letter” for domestic water service for Tract 31462-26, a single-family residential tract project for 77 dwelling units (a portion of Assessor’s Parcel Number 413-790-042) located north of Sorenstam Drive and west of Tukwet Canyon Parkway in the City of Beaumont 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	

13. Request for *Emergency Potable Water Service Connection* for Existing Tukwet Golf Club Facility Located at Riverside County Assessor’s Parcel No. 400-020-007 and Further Identified as 36211 Champions Drive in the City of Beaumont

Director John Covington recused himself from this item.

Mr. Swanson explained that the general manager of the Morongo Golf Club at Tukwet Canyon (the “Club”) requested an emergency potable water connection for use with

certain emergency activities. The golf course has wells and has water rights through the adjudication and is able to serve its own needs, he noted. In August of 2021, one of the Club's wells went down and the District provided emergency service.

The Club is seeking a tie in to the existing 18-inch BCVWD line with a normal backflow system. They have identified a need for certain amounts and there are some concerns with meeting needs, for example the District will not serve water for irrigation in the middle of summer, Swanson explained. He pointed to the conditions in the agreement.

The Club is within the District's service boundary, annexed as part of the Oak Valley Specific Plan, Swanson noted. Upon approval of the Board, staff will work with legal counsel to develop an agreement.

Mr. Jagers detailed the prior temporary emergency service provided and advised that a construction connection was appropriate. The Club has constructed a reasonable approach to a permanent emergency facility, he noted, and will meet District standards and specifications. Conditions will assure that the domestic water supply to service homes is not affected. It will be activated only in an emergency and would be an interruptible service.

No capacity or facilities would be added, so a capacity charge would not be warranted, Jagers continued.

Mr. Mike Paluck of the Club detailed the prior emergency need, the Club's facilities, and current request. He explained that water delivered by BCVWD would not exceed 1,000 gallons per minute and could be transferred from the Beaumont Basin Watermaster account back to BCVWD's storage account. Average domestic use is 20,000 gallons per day (gpd), and average irrigation use for April to September is 1.6 million gpd. He reiterated that the BCVWD water is not supplemental, it is only for backup on an emergency basis. Mr. Jagers clarified that the caveats and expectations would be addressed in the agreement.

President Williams asked about the existing pipelines. Mr. Swanson clarified the point of delivery and connection to the Club's system.

Director Hoffman indicated support as long as the water is used in the case of an emergency and not for irrigation, and the expense is borne by the Club. Jagers noted that there may be potential for serving irrigation, it is not limited only to domestic service, but the Club has the potential to restore that water to BCVWD through their overlying water right in the Beaumont Basin so there is no cost. Any transfer of the overlier right would be documented and presented to the Watermaster to balance the account, Jagers assured.

The Board approved the request for Emergency Potable Water Service Connection for the Morongo Golf Club at Tukwet Canyon, an existing property located at Riverside County Assessor's Parcel No. (APN) 400-020-007 within the City of Beaumont, subject to payment of all fees to the District and securing all approvals from the County of Riverside, approved associated conditions, and directed legal counsel to prepare an agreement by the following roll-call vote:

MOVED: Hoffman	SECONDED: Slawson	APPROVED 3-0-1
AYES:	Hoffman, Slawson, Williams	
NOES:	None	
ABSTAIN:	Covington (recused)	
ABSENT:	Ramirez	

14. Item 14 was taken earlier in the agenda.

15. Approve Expenditures in an Amount Not to Exceed \$185,300 for Procurement of Materials for Upcoming 2017 Water Pipeline Replacement Project – Pipeline 2 (P-3620-0015)

Director of Engineering Mark Swanson explained this is for approval for up-front purchase of materials. The project is located on Appletree Lane off Oak Glen Road in Cherry Valley. It is a very old pipeline in need of replacement as leaks are repaired regularly.

There were three 2017 pipelines, Swanson continued. The Birdsall property is close to beginning construction, this is the second, and the third is on 6th Street in Beaumont and will be delayed due to the City’s paving project and moratorium.

Three bids were received, Swanson advised. The total includes a contingency cost due to the recent fluctuations in materials costs. The Board approved budget was approximately \$669,500 including design costs. The budget remaining is estimated to be \$614,000. After the materials costs, the remaining amount would be for installation.

General Manager Jagers reminded the Board of their direction to pre-purchase materials and noted that staff is obtaining quotes from suppliers. Upon approval, staff will call in the order, Swanson added, as staff has been cautioned that if orders are not made by mid-June, it could be February before delivery of materials.

The Board approved expenditures in an amount not to exceed \$185,300 for procurement of materials for the upcoming 2017 Water Pipeline Replacement Project – Pipeline 2 (P-3620-0015) – Appletree Lane, B Line to Oak Glen Road by the following roll-call vote:

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

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

General Manager Jagers noted the increase in COVID cases with minor symptoms. There is still no increase in cases or transmission among staff and policies seem to be working.

17. Status of Declared Local Emergencies related to Fires
a. Impact of the Apple Fire pursuant to Resolution 2020-17
b. Impact of the Eldorado Fire pursuant to Resolution 2020-20

General Manager Jagers advised there is nothing to report.

18. Update: Legislative Action and Issues Affecting BCVWD

General Manager Jagers pointed out the written report.

Director of Engineering Mark Swanson indicated need to understand AB 2142 regarding the turf replacement initiative. He also drew attention to AB 1851 which is the application of prevailing wage for truck drivers hauling materials, which can escalate costs. Director Covington pointed out that prevailing wage is specific, and this could be the beginning of the opening of a Pandora's Box.

Director Hoffman noted there is pending legislation related to employer responsibility for training for heat control conditions and providing proper environment for protecting employees from potential heat problems. Swanson said he would advise the Director of Operations.

Director Covington opined that AB 1931 would be good; it would establish federal funding for replacement of lead service lines on the customer's side. In some cases, there has been push for public agencies to provide that without funding.

19. Reports for Discussion

a. Directors' Reports:

Director Slawson reported attending the following:

- San Geronio Pass Water Agency meeting on June 13
- Riverside County Water Task Force on June 17

Director Hoffman reported attending the following:

- Riverside County Water Task Force on June 17

b. Director General Comments: None.

c. General Manager's Report

- A two-hour meeting was held last week with homeowners associations. Additional talks have been requested. Public outreach will continue.
- Master Drainage Plan Line 16 continues to move forward and works well with the District's Grand Avenue projects.
- Finance, Engineering, and IT staff are very busy as demonstrated by the items moving forward.

- Jagers met with Mr. Mickey Valdivia who identified that the draft agreement for the \$2.58 million in grant monies for the Noble Tank pipeline and B Line replacement should be forthcoming to the Board for approval.
- There has been good dialogue with Mr. Lance Eckhart of the SGPWA.

d. Legal Counsel Report: None.

20. Action List for Future Meetings

- Amendment of Resolution 2022-12

21. Announcements


President Williams read the following announcements:

- Finance and Audit Committee Meeting: Thursday, July 7, 2022 at 3 p.m.
- Regular Board Meeting: Wednesday, July 13, 2022 at 6 p.m.
- Personnel Committee Meeting: Tuesday, July 19 at 5:30 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, July 27 at 5 p.m.
- Engineering Workshop: Thursday, July 28 at 6 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Aug. 3 at 11 a.m.
- The August 25 Engineering Workshop has been postponed to August 31.

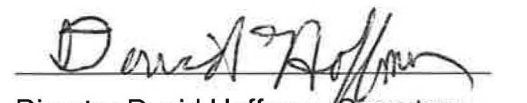
22. Adjournment

President Williams adjourned the meeting at 10:39 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