



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

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
Wednesday, June 14, 2023 at 6:00 p.m.**

*Meeting held in person at 560 Magnolia Ave., Beaumont, CA
pursuant to California Government Code Section 54950 et. seq.*

Call to Order: *President Hoffman opened the meeting at 6:03 p.m.*

Pledge of Allegiance was led by Director Covington .

Invocation was given by President Hoffman.

**Announcement and Verification of Remote Meeting Participation Pursuant to
AB 2449 or GC 54953(b)**

No Board members were attending via teleconference.

Roll Call:

Directors present:	Covington, Hoffman, Ramirez (6:11 p.m.), Slawson
Directors absent:	Williams
Staff present:	General Manager Dan Jagers Director of Finance and Administration Kirene Bargas, PhD Director of Engineering Mark Swanson Director of Operations James Bean Director of Information Technology Robert Rasha Finance Manager William Clayton Senior Management Analyst Sylvia Molina Customer Service Representative I Natalia Murillo Engineering Assistant Evan Ward Administrative Assistant Cenica Smith
Legal Counsel	James Markman

Members of the public who registered attendance: Ron Duncan, Kevin Walton, Larry Smith, and Nyles O'Harra of the San Geronio Pass Water Agency (SGPWA); Alayne Sampson, Chandler Asset Management; Sean McReynolds, Townsend Public Affairs, Inc.; Adam Schmid; Dane Dysthe; Rhonda Strout-Garcia of HR Dynamics; and Evelyn Morentin-Barcena and Demi Hite of Rogers, Anderson, Malody & Scott (RAMS).

Public Comment: None.

1. Adjustments to the Agenda:

At the recommendation of General Manager Jagers, President Hoffman moved Item 12 to be heard directly following the Consent Calendar.

2. Recessed to Closed Session: 6:10 p.m.

Director Ramirez joined the Closed Session at 6:11 p.m.

- a. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Pursuant to California Government Code Section 54956.8
Property: 37.46 acres at southwest corner of Brookside and Highland Springs in Cherry Valley, CA [APNs 408-080-009, 408-080-010, 408-080-011 and 408-080-012]
Agency Negotiator: Dan Jagers, General Manager
Under Negotiation: Price and terms of payment
- b. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Consideration of initiation of litigation pursuant to California Government Code Section 54956.9 paragraph (4) of subdivision (d)
One case
- c. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Pursuant to Government Code Section 54947
Evaluation criteria and goal setting
Title: General Manager

Reconvene in Open Session: 8:39 p.m.

3. Report on Action Taken During Closed Session

President Hoffman advised that no reportable action was taken during Closed Session.

4. Reports / Presentations / Information Items

General Manager Jagers introduced the following reports:

- a. Townsend Public Affairs, Inc. Monthly Update
- b. Chandler Asset Management – Economic Update
- c. Grant Activity Quarterly Update
- d. Year-to-Date Analysis of Electric Cost to Pump Groundwater (*report requested by the Finance and Audit Committee*)
- e. Human Resources

Chandler Asset Management – Economic Update: Ms. Alayne Sampson of Chandler Asset Management gave a brief update on the current banking volatility, the District's holdings, and market conditions. None of the affected banks were in the District's portfolio, she stated. President Hoffman added that the Finance and Audit Committee had noted improvement in returns. He said he was pleased with the Chandler reports and encouraged all Board members to review them.

Grant Activity Quarterly Update: Senior Management Analyst Sylvia Molina presented the Update and provided some detail on the status of the AMR/AMI project and others. Mr. Jagers provided additional information on the B-Line pipeline project and Director Covington asked about the expiration of the agreement with the County. Mr. Jagers indicated that an extension was available.

Year-to-Date Analysis of Electric Cost to Pump Groundwater: General Manager Jagers provided background on the pass-through charge and reviewed the report. Finance Manager Bill Clayton drew attention to the five-year comparison. President Hoffman advised that the Finance and Audit Committee tracks the expense and assures it is built into the budget as costs of production. .

The Board received and filed the above reports by the following roll-call vote:

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

5. Consent Calendar:

Director Covington requested to pull items 3b and 3g for discussion.

Consent Calendar items 3a and 3c through 3f were approved with one motion by the following roll-call vote:

- a. Review of the April 2023 Budget Variance Reports
- b. Review of the April 30, 2023 Cash/Investment Balance Report
- c. Review of Check Register for the Month of May 2023
- d. Review of May 2023 Invoices Pending Approval
- e. Approval of Minutes of the Regular Meeting of April 27, 2023
- f. Approval of Minutes of the Regular Meeting of May 10, 2023
- g. Approval of Minutes of the Regular Meeting of May 25, 2023
- h. Resolution 2023-16: in Opposition to Initiative 21-0042A1

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

Item 12 was taken out of order.

12. 2022 External Audit and Annual Comprehensive Financial Report

General Manager Jagers reported that the Finance and Audit Committee had reviewed the documents. Finance Manager Bill Clayton noted the Annual Comprehensive Financial Report (ACFR) is to be received and filed. It will be submitted for potential award from the Government Finance Officers Association (GFOA).

Ms. Demi Hite of Rogers, Anderson, Malody & Scott (RAMS), the District's auditors, reviewed the independent auditor's report and unmodified opinion (the highest form of assurance). She explained changes in the statement due to implementation of GASB 87, and the fiduciary responsibilities of the Board, management, and auditor.

President Hoffman stated that based on the presentation to the Finance and Audit Committee, he felt the audit was complete, thorough and the District is in full compliance with industry standards.

The Board received and filed the 2022 External Audit and Annual Comprehensive Financial Report by the following roll-call vote:

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

6. Resolution 2023-17: Amending the District Policies and Procedures Manual

Director of Finance and Administration Kirene Bargas, PhD presented the policies and stated they have been reviewed by legal counsel and the MOU group, and have been recommended by the Personnel Committee.

The Board adopted Resolution 2023-17 Amending the District Policies and Procedures Manual and Adopting the following policies:

- 5090 Records Retention
- 6025 Public Records
- 3230 Workers' Compensation
- 3231 Accommodations for Disability

by the following roll-call vote:

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

7. Consideration for Extension of Contract with Wells Fargo for Banking Services for One Year in an amount not to exceed \$25,000

Director of Finance and Administration Kirene Bargas, PhD reminded that staff was directed at the July 13, 2022 Board meeting to extend the Wells Fargo Bank (WFB) service contract for an additional year and issue a Request for Proposals (RFP) for a potential new bank vendor for 2024.

With the failure of Silicon Valley Bank, and volatility in the bank sector, it is not recommended to issue an RFP now, as the situation may impact vendor responses, Dr. Bargas explained. Staff recommends delaying the RFP to 2024. The Wells Fargo agreement would be extended to cover from February 1, 2024 to January 31, 2025. The RFP would be issued six months prior and would come back to the Board, she said. General Manager Jagers added his concerns about regional bank cash flow issues. As a larger entity, WFB is more insulated, he noted.

Director Slawson asked about the following year if banking remains volatile, and noted that an RFP is issued to be responsible with the District's money, and have

good accounting practices. Mr. Jaggars noted the recommendation for change by the California Society of Municipal Finance Officers is not a government rule and staff is comfortable with WFB. The issuance of an RFP will be reevaluated, he added.

President Hoffman invited public comment. There was none.

The Board authorized the General Manager to execute an extension of the existing contract with Wells Fargo Bank for banking services for a 1-year period in an amount not to exceed \$25,000 by the following roll-call vote:

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

8. Review of Consent Calendar Development Process

Director Andy Ramirez said he wanted to present the Board an opportunity to streamline processes and place on the Consent Calendar any items that are of no great significance or that do not require a full presentation. General Manager Jaggars introduced the staff report and requested direction.

President Hoffman noted that District policy affords the President the final decision on agenda items, which provides flexibility.

Director Covington said he embraced the idea and suggested directing staff to streamline as much as possible while staying within the law. The Consent Calendar items seem to be moving in that direction, but there is a limitation on what items can be put on the Consent Calendar, he noted.

Director Slawson said he had seen improvements and things are moving along just fine.

General Manager Jaggars assured that staff would try to streamline more in the future.

9. Award Contract to MCC Equipment Rentals, Inc. for Construction of the 5th Street and Michigan Avenue Replacement Pipeline Projects (P-2750-0097 and P-2750-0092)

General Manager Dan Jaggars pointed out that with a 10 percent contingency of \$109,000 the total would be \$1,180,000.

Director of Engineering Mark Swanson reminded the Board of prior discussion on this item and described the project location. Based on the paving plan released by the City of Beaumont, this area needed to be addressed, he explained. Knowing there were delays in procurement, the Board authorized purchase of materials, he noted. Six bids were received. MCC Equipment Rentals was the lowest apparent bidder and is recommended for award, he stated.

Mr. Swanson provided more detail on the project. The 3,900 feet of pipeline in 5th Street will be replaced and 37 potable services will be realigned, along with relocation of or adding new hydrants. On Michigan, about 985 feet of old line will be replaced.

Swanson noted that the Capital Improvement Plan identifies each project separately for an available budget of just over \$2.1 million, but they have been combined to obtain economy of scale. Staff estimates the project will come in under budget. The City is anticipated to go to bid for their 2024-2025 roadway improvements sometime next month.

Mr. Swanson confirmed for President Hoffman that the District had used this contractor before and has done a good job.

President Hoffman invited public comment. There was none.

The Board authorized the General Manager to execute a contract with MCC Equipment Rentals, Inc., to provide all labor, equipment and testing necessary to complete construction of the 5th Street and Michigan Avenue Replacement Pipeline Projects for a total amount not to exceed \$1,180,000 by the following roll-call vote:

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

10. Request for Will Serve Letter and Approval of Annexation for 79 North Logistics Center (Riverside County Assessor's Parcel Nos. 418-230-002, -003, -004, 418-260-013, -014) in the City of Beaumont

Director of Engineering Mark Swanson reminded the Board that this item was tabled at the May 25, 2022 meeting. Director Covington pointed out that it was tabled at the request of Director Williams, and she is not present. Mr. Jagers reported that the applicant was present at the May 25 meeting but was unable to communicate via the teleconference.

General Manager Jagers said it has been confirmed with the applicant that there is no identified tenant. Recycled water was also addressed, he noted. Mr. Swanson stated it was added to the Conditions of Approval (COAs) that once a tenant is established, if there is water use over the stated amount, the applicant will come back and request the differential amount.

Director Ramirez asked about the uncertainty. Mr. Swanson stated the water use was an educated response or solution related to what is done for warehouse type buildings.

In response to questions from Director Ramirez, property owner Adam Schmitt with Brookfield explained the warehouse development targeting a wide array of potential tenants, and said construction is quite a way away; the project is in the

early stages of entitlement. The goal is to have a 400,000 square-foot building that appeals to a wide range of users, typically e-commerce, logistics, distribution, or other. If there is excessive water use beyond the condition, the developer will come back to the Board, he assured.

Director Ramirez asked if the annexation would require any easements for any potential facilities or infrastructure. Mr. Swanson said if facilities were needed staff would work with the developer to obtain them. At this time, no public facilities are anticipated on their site that would need an easement. Mr. Jagers said it is an area surrounded by BCVWD facilities south of the freeway. If facilities are undersized for fire service, this will be addressed in the COAs.

In response to Directors Ramirez and Covington, Mr. Swanson explained the formula for determining domestic use based on gallons per person per day and number of persons per square foot. Staff re-validated the numbers last week, Jagers advised.

Director Covington pointed out that non-potable use was expected to be greater than domestic. Mr. Swanson said this has been found typical of these types of buildings with parking lots and City landscape requirements.

President Hoffman invited public comment. There was none.

The Board approved the application for water service and Will Serve Letter with conditions as enumerated, and approved the request for annexation of APNs 418-230-002, 418-230-003, 418-230-004, and 418-260-013 and 418-260-014 for the 79 North Logistics Center by the following roll-call vote:

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

11. Discussion of BCVWD's Draft 2023-2024 Annual Water Supply and Demand Assessment

Mr. Jagers stated this report is required annually by the State. Director of Engineering Mark Swanson noted that quite a bit of water had to be pulled from storage last year. This year, there is an ample supply of water coming down to meet supply and replenish the storage account.

Mr. Swanson detailed forecasted demands and supply projections, and reviewed the tables to be provided to the Department of Water Resources. This year, a supply of 31,359 af is expected, he reported.

Mr. Jagers reminded about hydraulic constraints and noted there is a meeting planned with the SGPWA, YVWD and the City of Banning to correlate data.

President Hoffman invited public comment. There was none.

Director Covington noted that the report was based on a fiscal year rather than the water year; that is the state requirement, Mr. Jagers indicated.

Mr. Swanson advised this item will come back for approval next week.

12. 2022 External Audit and Annual Comprehensive Financial Report

This item was heard earlier in the meeting.

13. Review Annual Disclosure (California Government Code Section 66013(d), Fiscal Year 2022 Capacity Charges

Finance Manager Bill Clayton explained the routine report for compliance in reporting of capacity charges (facilities fees) collections and expenditures. Restricted cash / capital commitments tie directly to the financial reports, he noted.

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

General Manager Dan Jagers commented on the continuing wet year. He noted that SGPWA General Manager Lance Eckhart had stated they have access to 27,300 af of Table A State Project Water and are at about 1,000 af delivered. BCVWD is approaching 10,000 af of recharge right now.

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

President Hoffman reviewed the listed events. Directors indicated interest in the following events:

- Beaumont Chamber of Commerce Breakfast on July 14 – Hoffman, Covington, Slawson
- California Special Districts Association Annual Conference August 28 - 31 – Slawson (maybe)
- Riverside County Water Task Force on June 16 – Hoffman
- ACWA Region 10 Program & Tour: Flowing Forward: Water Infrastructure for the 21st Century in Oceanside, Ca. on June 29 - Ramirez
- Building Industry Association 17th Annual Southern California Water Conference in Ontario, Ca. on Aug. 11 – Slawson, Williams
- Urban Water Institute Aug. 23-25 – Covington, Ramirez, Slawson, Williams

16. Reports For Discussion and Possible Action

a. Ad Hoc Committees:

Communications Committee: Director Ramirez reported:

- Facebook reach has increased due to boosting posts
- A tight budget is being monitored

- Calendar of events is being maintained
- Work is being done to promote the ribbon cutting related to the recharge ponds at Grand
- Request to continue meeting on a monthly basis (*agendized for next Board meeting*)

Sites Reservoir Committee: Mr. Jagers reported that an update was given at the last SGPWA meeting and Mr. Eckhart has offered to give a presentation at the workshop next week, or later date.

Water Re-Use 3x2: Director Ram and President Hoffman attended the meeting on June 1. Mr. Jagers reported the committee is waiting on consultant to bring back information resolving their recommendation in a manner than can be digested.

Director Ramirez said there is a lot of work to be done, and it will be figured out. The driving forces are years in the making, Mr. Jagers added.

b. Directors' Reports:

President Hoffman reported on the following:

- Beaumont Chamber of Commerce Breakfast

Director Slawson reported on the following:

- Beaumont Chamber of Commerce Breakfast
- San Gorgonio Pass Water Agency Board meeting

c. Directors' General Comments: None.

d. General Manager's Report:

Mr. Jagers reported:

- Many internal position changes and changes in internal structure

e. Legal Counsel Report: No report.

17. Action List for Future Meetings:

- Update / Presentation on the AMR/AMI project
- Presentation on the San Bernardino Valley Resource Conservation District
- Presentation on solar power opportunities
- Sites Reservoir update
- Maximization of groundwater supplies
- Update on status of Cherry Valley Boulevard road work and provision of service to two properties

18. Announcements

President Hoffman pointed out the announcements:

- Personnel Committee Meeting: Tuesday, June 20 at 5:30 p.m.
- Engineering Workshop: Thursday, June 22 at 6 p.m.
- District offices closed in observance of Independence Day: Tuesday, July 4
- Finance and Audit Committee Meeting: Thursday, July 6 at 3 p.m.
- Regular Board Meeting: Wednesday, July 12 at 6 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, July 26 at 5 p.m.

19. Adjournment

President Hoffman adjourned the meeting at 10:02 p.m.



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

ATTEST:



Director Daniel Slawson, Secretary
to the Board of Directors of the
Beaumont-Cherry Valley Water District