

**RECORD OF THE MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE BEAUMONT CHERRY VALLEY WATER DISTRICT  
July 14, 2010**

**CLOSED SESSION**

President Ball directed the Board into Closed Session at 6:00 p.m.

Closed Session will begin at 6:00 p.m.

- A. A Closed Session will be held pursuant to subdivision (a) of Government Code Section 54956.9 to confer with legal counsel on a pending litigation matter (Daniel Slawson and Arlene Slawson vs. Beaumont Cherry Valley Water District-Riverside County Superior Court, Case No. RIC 533149)**
- B. A Closed Session will be held to confer with legal counsel on one matter of potential litigation pursuant to subdivision (b) of Government Code Section 54956.9 –ONE MATTER – Potential Litigation**
- C. A Closed Session will be held regarding a personnel matter pursuant to Government Code Section 54957- Interim General Manager-Performance Review.**

The Board went into Closed Session at approximately 6:00 p.m. to discuss the matters reflected on tonight's Closed Session Agenda. During the first phase of the Closed Session, the Board conferred with legal counsel pursuant to Subdivision (a) of Government Code Section 54956.9 on the a litigation matter noted in Item A of tonight's Closed Session agenda. No further reportable action was taken on this matter.

The second matter discussed in Closed Session as reflected on tonight's agenda concerned Item B of tonight's Closed Session Agenda. During this second phase of the Closed Session the Board conferred with legal counsel pursuant to Subdivision (b) of Government Code Section 54956.9 and no further reportable action was taken on this matter.

The last matter discussed in Closed Session as reflected on tonight's agenda concerned Item C of tonight's Closed Session Agenda. During this last phase of the Closed Session the Board discussed the ongoing, periodic evaluation of the Interim General Manager. This matter was discussed pursuant to Government Code Section 54957 and no further reportable action was taken on this matter.

**REGULAR SESSION**

Regular Session will begin at 7:00 p.m.

**CALL TO ORDER, PRESIDENT BALL**

President Ball called the meeting to order at 7:00 p.m., 560 Magnolia Avenue, Beaumont, California

**PLEDGE OF ALLEGIANCE, VICE PRESIDENT PARKS**

Vice President Parks led the pledge.

**INVOCATION, PRESIDENT BALL**

President Ball recited the invocation

**ROLL CALL, BLANCA MARIN**

Those responding to roll call were President Ball, Vice President Parks and Directors Halliwill and Ross. Also present at this meeting were Legal Counsel Gil Granito, Interim

General Manager Anthony Lara, Controller Jeannette Olko and Executive Assistant Blanca Marin. Absent to this meeting was Director Woll.

**PUBLIC INPUT**

There was no public input presented at this time.

**ACTION ITEMS**

**1. ADOPTION OF THE AGENDA**

Vice President Parks moved to adopt the agenda as presented. Director Ross seconded. The motion passed with Director Woll absent.

**2. FINANCIAL REPORTS**

**a. Bills for Consideration\*\***

Board Action  
June 2010

The Board will take action on the Bills for Consideration taking into account the recommendations of the Finance and Audit Committee.

Director Ross moved to approve the June 2010 Invoices. Vice President Parks seconded. The motion passed with Director Woll absent.

**b. Invoices Pending Approval\*\***

Board Action  
June 2010

The Board will take action on the invoices for payment taking into account the recommendations of the Finance and Audit Committee.

Director Halliwill noted that the amounts reflected in the memorandum related to the pending invoices was incorrect and requested that Staff correct this amount.

Director Halliwill moved to approve the June 2010 Invoices pending payment. Vice President Parks seconded. The motion passed with Director Woll absent.

**c. Month End Financial Statements\*\***

Board Action  
May 2010

The Board will take action to "accept and file" the Month End Financial Statements presented by staff.

Director Halliwill indicated that after reviewing the totals provided by Staff in the last page of the Month End Report which reflects remaining amounts to be paid on the Capital Improvement Contracts, his totals was different. He requested that Staff review the totals.

He also commented on page 16, noting that the revenues amounts were larger than the expenses.

Director Ross moved to accept and file the May 2010 Month End. Vice President Parks seconded. The motion passed with Director Woll absent.

**3. APPROVAL OF THE MINUTES**

Minutes of the Regular Board Meeting of June 9, 2010\*\*

Director Halliwill requested that page 22 of the agenda his statement under item 2c be modified to read "he noticed the surplus for the importation charge and he is not against the surpluses but it needs to be justified"

Director Parks moved to approve with amendments. Director Ross seconded. The motion passed with Director Woll absent.

4. **APPROVAL OF RESOLUTION 2010-10, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT CHERRY VALLEY WATER DISTRICT AMENDING PART III OF THE DISTRICT'S POLICIES AND PROCEDURES TO INCLUDE A RESERVES POLICY\*\***

President Ball invited Luwana Ryan to address the Board on this item. Ms. Ryan recommended that Director Halliwill be part of the Finance & Audit Committee instead of Director Ross so that Director Halliwill's questions can be answered. Related to this item, Ms. Ryan commented that thanks to the "long time Interim General Manager Anthony Lara" the District is finally making the progress necessary to establish, valid and real reserve funds for this District. This should not be credited to former Board or former general manager "who did not understand why the District needed to have real liquid spendable cash" for reserves, therefore the last one year and one half has been troublesome for the District. Ms. Ryan further read sections of a memorandum written and presented by the former general manager to the board in 2008 explaining his idea of "reserve amounts". She further read from the same memorandum that Cash on Hand was valued at 2.6 million, water held in reserves in the Beaumont Storage Unit was valued at over 6 million and the Reserves for the Water System expressed in Facility Fees per EDU were valued at 50 million. She thanked Staff, as the District has finally come to the point where reserves are now going to be handled as such, protected, funded and used properly.

Controller Olko answered questions from the Board on this item.

Director Halliwill moved to adopt Resolution 2010-10. Vice President Parks seconded. The motion passed with Director Woll absent.

5. **APPROVAL OF RESOLUTION 2010-11, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT CHERRY VALLEY WATER DISTRICT AMENDING PART III OF THE DISTRICT'S POLICIES AND PROCEDURES MANUAL TO INCLUDE AN UNCLAIMED FUNDS/OUTSTANDING CHECKS POLICY\*\*\***

Director Ross requested that a change be made on page 35 of 62, Item D2a, third bullet point be modified to read "any official form of identification, such as..." and also page 36 of 62, Item c, third bullet point deleting "used for" and adding the word "of" instead.

Director Ross moved to approve Resolution 2010-11 as modified. Vice President Parks seconded. The motion passed with Director Woll absent.

6. **REQUEST FROM THE GENERAL MANAGER TO DECLARE RETIRED EQUIPMENT AS "SURPLUS" AND TO ADVERTISE SUCH SURPLUS EQUIPMENT FOR SALE\*\***

Interim General Manager Anthony Lara reported that a notice will be published in the local news paper regarding the sale of the surplus equipment.

Vice President Parks moved to approve the request. Director Halliwill seconded. The motion passed with Director Woll absent.

7. **REVIEW OF THE DISTRICT'S CONFLICT OF INTEREST CODE-APPROVAL OF BIENNIAL NOTICE FOR MULTI-COUNTY AGENCIES\*\***

Interim General Manager Lara reported on this item indicating that due to the current reorganization an amendment is necessary to the current positions listed in the District's Conflict of Interest Code.

Vice President Parks moved to approve the Biennial Notice for Multi-County Agencies. Director Ross seconded. The motion passed unanimously.

**8. VOTING TO ELECT A REPRESENTATIVE TO THE CSDA BOARD OF DIRECTORS IN REGION 6, SEAT B\*\***

Interim General Manager Anthony Lara indicated that after reading the enclosed candidate statements he recommends that the Board votes for Arlene Schafer.

Director Halliwill moved to elect Arlene Schafer as recommended. Vice President Parks seconded. The motion passed with Director Woll absent.

**9. REVIEW AND APPROVAL OF THE PROPOSED CSDA BYLAWS\*\***

Interim General Manager Lara reported that he reviewed the enclosed proposed amendment to the CSDA Bylaws and found nothing out of the ordinary. He further recommended approval.

Director Ross moved to approve. Vice President Parks seconded. The motion passed with Director Woll absent.

**10. REPORTS FOR DISCUSSION AND POSSIBLE ACTION**

**(a) Ad hoc Committees**

No reports were given.

**(b) General Manager**

- Policies and Procedures Manual update- Lara indicated that the District is in the process of reviewing its Policies and Procedures. Board and Staff will be given copies in order to provide comments and suggestions.
- SWP Water Allotment- Lara reported that the allotment has been increased from 40 to 50% and that the City of Banning has decided to forgo purchases of State Project Water until further notice. Any water delivered will be purchased by the District.
- Recycled Water Projects- Lara reported that there are two projects awaiting final payment.
- Recycled Water Planning Grant Application - Lara reported that Staff had received comments on the application from State Board and they requested more information. All the work and the information requested has been completed and will be sent out tomorrow.
- Pardee Homes- Lara reported that at the May Board Meeting a Will Serve Letter request from Pardee Homes was tabled by the Board until the July Board Meeting. The Will Serve letter request was not placed in tonight's agenda because after the May Board Meeting Staff met with Pardee Homes and determined that because of a pre-annexation agreement between the District Pardee Homes and Oak Valley Partners signed in 2008, a Will Serve letter is not necessary in order for Pardee to move forward with their development.

Interim General Manager Lara requested that Legal Counsel Granito answer a question that was made at the last Board Meeting related to water rights. Mr. Granito reported that he spoke to Ms. Magee on the phone and responded to her question and she was satisfied with the answer. Mr. Granito indicated that Ms. Magee wanted to know if the District had any responsibility for pursuing any of her individual property rights even though she was not part of the adjudication. He said that he informed Ms. Magee that the District did not have any responsibility towards her property or any other overlying property owners who were not part of the adjudication. He said that he further informed Ms. Magee that any overlying property owners who were not part of the adjudication are not set to the adjudication decreed.

**(c) Directors**

- Dr. Blair Ball- None
- John Halliwill- Halliwill asked the Board if any Board Members had a specific issue that they would want him to address at the Collaborative Committee Meeting which he will be attending tomorrow night. He further reported that he attended the San Gorgonio Pass Water Agency Meeting and a topic was the new recharge facility and the possibility that the Agency open up the adjudication. He indicated that he received an invitation to attend the Public Utilities meeting and he wanted to know if that was a meeting that the Board would designate someone to go to. President Ball indicated that per District Policy if a Board Member wants to attend a meeting which is not on the approved list then the Board Member would have to obtain approval from the Board to attend.
- Stella Parks- Parks reported that she attended the Engineering Meeting at the San Gorgonio Pass Agency and it was related to the Watermaster.
- Ken Ross- None
- Ryan Woll- Absent

**(d) Legal Counsel**

**11. ANNOUNCEMENTS**

- A) Finance & Audit Committee Meeting, August 5, 2010 at 4:00 p.m.**
- B) Regular Board Meeting August 11, 2010 at 7:00 p.m.**

**ACTION LIST**

NONE

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**12. ADJOURNMENT**

Vice President Parks moved to adjourn. Director Halliwill seconded. The motion passed with Director Woll absent.

*Dr. Blair Ball*

Dr. Blair Ball, President of the  
Board of Directors of the  
Beaumont Cherry Valley Water District

Attest:

*Stella Parks*

Stella Parks, Vice President of the  
Board of Directors of the  
Beaumont Cherry Valley Water District