



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Wednesday, January 09, 2013**

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**Call to Order, President Woll**

President Woll began the meeting at 7:03 p.m.

**Pledge of Allegiance, Director Ross**

Director Ross led the pledge.

**Invocation, Director Guldseth**

Director Guldseth led the invocation.

**Roll Call**

Present at the meeting were President Woll, Directors Ball, Guldseth, Ross, and Slawson. Legal Counsel: James Markman. District staff: General Manager: Eric Fraser, Director of Engineering: Dan Jagers, Director of Finance and Administrative Services: Melissa Bender, and Dawn Jorge, Senior Finance and Administrative Analyst. Public that registered their attendance were: David Castaldo, Jenelle Johnson, John M. Halliwill, Ron Duncan, and Nancy Gall.

**Public Input**

David Castaldo, City of Beaumont Councilman, congratulated the two new directors on their election to office and President Woll for his appointment as President, and he expressed his desire for the City and the District to continue to work together cooperatively. Mr. Castaldo also invited the members of the Board to join selected members of the City Council for a trip to Washington to talk to State officials.

**ACTION ITEMS**

**1. Adoption of the Agenda (pages 1-3)**

General Manager, Eric Fraser, stated that there were no changes to the agenda; however, a presentation for the audit has been prepared should the Board desire to pull the item from the consent calendar.

**2. Consent Calendar:** All matters listed under the Consent Calendar are considered by the Board of Directors to be routine and will be enacted in one motion. There will be no discussion of these items prior to the time the Board considers the motion unless members of the Board, the administrative staff, or the public request specific items to be discussed and/or removed from the Consent Calendar.

- a. November 2012 Budget Variance Report Review\*\* (pages 4-7)
- b. November 30<sup>th</sup>, 2012 Cash/Investment Balance Report\*\* (page 8)
- c. December 2012 Cheque Register Review\*\* (pages 9-17)
- d. December 2012 Invoices Pending Approval\*\* (pages 18-27)
- e. Minutes of the Regular Meeting of December 12<sup>th</sup>, 2012\*\* Minutes of the Special Meeting of December 12<sup>th</sup>, 2012\*\* (page 28)
- f. Minutes of the Regular Meeting of December 12<sup>th</sup>, 2012\*\* (pages 29-32)
- g. Minutes of the Special Meeting of December 20<sup>th</sup>, 2012\*\* (pages 33-34)
- h. Review and Approval of 2011 Audit by Charles Fedak & Co.\*\* (pages 35-77)

- i. Consideration of Pension Reform Act Report (Assembly Bill 340)\*\* (pages 78-81)
- j. Consideration of Reimbursement to Director Ball for Attendance at the City of Beaumont's 100 Year Gala (\$25 Event Fee)
- k. Consideration and Approval of As-Needed Survey Consultant Services\*\* (pages 82-120)

Director Ball motioned to pull item h from the consent calendar; the motion was seconded by Director Guldseth; and it passed 5-0.

**Public Comment on Item:** John Halliwill commented that in addition to his support of pulling item h for discussion, the minutes of the Special Meeting on December 20<sup>th</sup>, 2012 do not reflect all of his comments that were made. Mr. Halliwill also had a question on whether or not health care was a guaranteed benefit to a retiree.

**Public Comment on Item:** Luwana Ryan also supports that item h be pulled for discussion. Ms. Ryan also wanted to make sure that since the contract with the audit firm is now completed, and a request for proposal will be going out, that the new staff gets to carefully review the respondents to ensure that all needs will be met by the new audit team.

Director Ross requested to pull item f from the consent calendar and President Woll requested to pull item i from the consent calendar.

Director Ross motioned to approve the consent calendar, except for items f, h, and i; Director Ball seconded the motion; the motion passed 5-0.

Regarding 2f, Director Ross stated that on page 30, the Appointment of the Recording Secretary, the names Dawn Jorge and Melissa Bender should be added to their respective positions. Motion by Director Guldseth to approve the minutes as amended; it was seconded by Director Ross; and it passed 5-0.

For item 2h, the Director of Finance & Administrative Services, Melissa Bender, presented an overview of the Audit and its related Annual Financial Report. The auditors have rendered an unqualified opinion and have noted that the District has made significant improvement by resolving all of the internal control deficiencies identified in the previous audit Management Letter. After discussion, Director Ross motioned to accept and file the audit of 2011; it was seconded by Director Ball; and passed 5-0.

For item 2i, President Woll inquired about how the Pension Reform Act would affect the current employees and when it would be required to be implemented. After discussion, motion by Director Ross to accept and file the report; it was seconded by Guldseth; and passed 5-0.

### **3. Reorganization of the Board** (Continued from the December 12<sup>th</sup>, 2012 meeting):

- Appointment of the Personnel Committee

President Woll appointed Director Ball and himself to the Personnel Committee.

- Appointment of the Collaborative Agency Representative

President Woll appointed Director Guldseth as the Collaborative Agency Representative.

- Appointment of the San Gorgonio Pass Water Agency Liaison

President Woll appointed Director Ball as the San Gorgonio Pass Water Agency Liaison, with Director Slawson as the alternate.

**4. Consideration of Resolution 2013-01: A Resolution of the Board of Directors of the Beaumont-Cherry Valley Water District Acknowledging the Review, Receipt and Acceptance of the District's Investment Policy\*\* (pages 121-131)**

General Manager Fraser indicated that as required by Government Code, the policy is being presented for annual review and acceptance. Director Ball motioned to approve the resolution; it was seconded by Director Guldseth; and passed 5-0.

**5. Consideration of Request for Use of Property to Construct Commercial Broadcast Tower at the Noble Creek Recharge Facility\*\* (pages 132-133)**

**Public Comment:** Jenelle Johnson commented that she was opposed to the tower and urged the board to deny this request.

General Manager Fraser indicated that he has had no further communication with the interested party. After discussion by the Board, Director Ross motioned to once again deny the request; it was seconded by President Woll; and passed 5-0.

**6. Consideration of the Allocation of Water from the San Geronio Pass Water Agency to the Retail Water Agencies\*\* (pages 134-148)**

General Manager Fraser provided an overview of the Allocation Plan and Agreement. After discussion, Director Ball motioned to approve the document and send it to the Pass Agency; it was seconded by Director Guldseth; and passed 5-0.

**7. Consideration of Approval of Water Supply Assessment and Water Service for Beaumont Distribution Center Development\*\* (pages 149-193)**

**Public Comment:** Judy Bingham urged the Board to table this will serve application until the Urban Water Management Plan has been completed in April 2013.

General Manager Fraser provided an overview of the application. Legal counsel, Mr. Markman, advised the Board that they had a requirement to complete the water supply assessment within 90 days.

For discussion purposes, the approval of the water supply assessment was separated from the annexation and will serve letter request.

After discussion, motion by Director Guldseth to approve the Water Supply Assessment; it was seconded by Director Ball; and it passed 5-0.

After discussion, motion by Director Ross to approve the annexation and the will serve letter; it was seconded by Director Slawson; and it passed 5-0.

**8. Reports For Discussion**

**a. Ad Hoc Committees**

Director Ball serves as the ACWA/JPIA Liaison and advised the Board that the JPIA Board has seats available should anyone be interested.

**b. General Manager**

General Manager Mr. Fraser advised the Board that we are continuing to be very active in Edgar Canyon, by exercising our diversion rights and maintaining our recharge facilities. In addition, we are continuing to work with Flood Control on storm water capture projects that have mutual benefit. Mr. Fraser also stated that work on Phase II of the Noble Creek recharge facility has started.

**c. Directors Reports**

Director Ball attended the Pass Agency meeting on Monday and reported that the Pass Agency is moving forward with their recharge facility. In addition, the Pass

Agency discussed the Delta Plan and the Delta Stewardship Council and their concern that this Council is moving toward becoming more regulatory in nature.

Director Slawson also attended the Pass Agency meeting on Monday and reported that the Delta Stewardship Council may use the lack of updated Urban Management Plans or lack of other data to deny water transfers.

Director Ball also stated that he attended the Beaumont Basin Watermaster meeting today and he reported that he was impressed with the new engineering firm and hydrology subcontractors and the ways things are moving.

d. Legal Counsel Report

Mr. Markman updated the Board on the Santa Maria Groundwater Adjudication case indicating that the motion to reconsider was denied by the Court of Appeals, and it will now be going to the California Supreme Court for hearing.

**9. Announcements**

- District Offices will be closed Monday, January 21<sup>st</sup>, 2013 in observance of Martin Luther King's Birthday
- Beaumont Basin Watermaster, February 6<sup>th</sup>, 2013 at 10:00 a.m.
- Finance & Audit Committee meeting, February 7<sup>th</sup>, 2013 at 3:00 p.m.
- Regular Board meeting, February 13<sup>th</sup>, 2013 at 7:00 p.m.

President Woll made the announcements above.

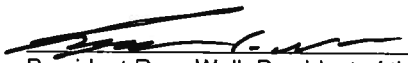
**10. Action List for Future Meetings**

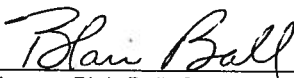
None.

**11. Adjournment**

President Woll adjourned the meeting at 9:15 p.m.

Attest:

  
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President Ryan Woll, President of the  
Board of Directors of the  
Beaumont-Cherry Valley Water District

  
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Director Blair Ball, Secretary to the  
Board of Directors of the  
Beaumont-Cherry Valley Water District

\*\* Information included in the agenda packet