



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
AGENDA
MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, September 9th, 2015
Regular Session 7:00 p.m.**

Call to Order, Vice President Cottrell

Vice President Cottrell began the meeting at 7:01 p.m.

Pledge of Allegiance, Director Hoffman

Director Hoffman led the pledge.

Invocation, Director Covington

Director Covington led the invocation.

Roll Call

Present at the meeting were Directors Cottrell, Slawson, Covington and Hoffman, Legal Counsel: James Markman. District Staff: General Manager: Eric Fraser, Director of Engineering: Dan Jagers, Director of Operations: Anthony Lara, Information Systems Manager: Robert Rasha, and Director of Finance and Administrative Services: Yolanda Rodriguez.

Public who registered their attendance were David Fenn, Patsy Reeley, Barbara W. Brown, Fran Flanders, Bill Dickson, and Ken Falls.

Public Comment

Mr. David Fenn introduced himself to the Board as the new Director At Large for the San Geronio Pass Water Agency.

ACTION ITEMS

1. Adjustments to the Agenda

General Manager Fraser advised the Board that there were no changes to the Agenda.

- 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. June 2015 Budget Variance Report Review** (pages 4-8)
- b. July 2015 Budget Variance Report Review** (pages 9-13)
- c. June 30th, 2015 Cash/Investment Balance Report** (page 14)
- d. July 31st, 2015 Cash/Investment Balance Report** (page 15)

- e. July 2015 Check Register Review** (pages 16-38)
- f. August 2015 Check Register Review** (pages 39-57)
- g. July 2015 Invoices Pending Approval** (pages 58-60)
- h. August 2015 Invoices Pending Approval** (pages 61-62)
- i. Minutes of the Regular Meeting July 8th, 2015** (pages 63-68)
- j. Minutes of the Special Meeting July 15th, 2015** (pages 69-70)

Director Slawson motioned to approve all items on the Consent Calendar. The motion was seconded by Director Hoffman and passed 4-0.

- 3. Acceptance of the resignation of Director Kenneth Ross from the Board of Directors of the Beaumont-Cherry Valley Water District effective July 24, 2015 and determine whether to fill the vacancy by "Appointment" or by calling for an "Election" as provided in Government Code Section 1780** (pages 71-74)**

Legal Counsel Markman explained the District's timeline, according to Government Code 1780, to appoint or elect a new Board member. He shared that since today was the first time the Board was meeting since Director Ross' resignation and it was the first time the Board was notified, the District has sixty days from today to elect or appoint a candidate.

After discussion, Director Hoffman recommended the Board appoint a candidate to avoid burdening the District with an election cost. Director Slawson also recommended to appoint a candidate versus an election to save tax payer's money. Director Hoffman motioned to fill the vacancy by appointment. The motion was seconded by Director Cottrell and passed 4-0.

- 4. Consideration of the ACWA Committee Appointment Nominations for the 2016-2017 Term** (pages 75-116)**

After discussion of the terms and responsibilities of being a committee member to the Association of California Water Agencies, Slawson shared he would like the Board of Directors to be more involved in water related committees. Director Cottrell suggested more advanced notice be given to the Board in the future to help Board members determine whether they can join or not. General Manager Fraser shared the notice is an annual notice and the information is given to the Board at the Regular Board Meetings as soon as the District receives it, but in the future the District will notify the Board in advance or receiving the notice from ACWA. Director Cottrell announced there were no Board members who were interested in participating in the nominations this year.

- 5. Final Report for Costs Associated with Repair Work for District Well 6 and 14** (pages 117-118)**

Director of Engineering Jagers gave an overview of the total cost associated with the repair work of well #6 and #14 to be \$111,402.49. He explained that at the Regular Board Meeting on March 8, 2015, the Board approved the base bid well repair of well #6 and #14 for a total of \$103,900. Director of Engineering Jagers explained the additional repairs needed, which were dependent on the condition of the pump assembly.

After discussion, Director Slawson motioned to accept and file the final report of costs associated with repair work performed on District Well #6 and #14 in the amount not to exceed \$111,402.49. The motion was seconded by Director Hoffman and passed 4-0.

6. Consideration of Request for Extension of "Will Serve Letter" for Ongoing Development within Pardee Homes– Sundance Master Planned Community (Tentative Tract Maps 31469 and 31470)(pages 119-125)**

General Manager Fraser gave an overview of the request for an extension of the "Will Serve Letter" for ongoing development within Pardee Homes– Sundance Master Planned Community. He explained the "Will Serve Letter" is for a period of one year per District policy, therefore, Pardee Homes is requesting an extension of the "Will Serve Letter" to continue the ongoing development.

After discussion, Director Covington motioned to approve the extension of the "Will Serve Letter". The motion was seconded by Director Slawson and pass 4-0.

7. Consider Implementation of AMR Read Technology(pages 126-131)**

Information Systems Manager Rasha gave an overview of the process taken by the District to test, select, and recommend the Automated Meter Reading (AMR) technology. He explained after a full evaluation of the of the different AMR Technology vendors, the staff recommends Itron to be the best fit for the District. Itron had the lowest initial commitment cost, performed very well and has a very good track record with other Districts. He also explained this would be done in phases; installing the AMR technology in new construction and hard to reach meters first, then moving forward to other parts of the District service area as part of our meter replacement program.

General Manager Fraser shared some of the benefits of an automated meter reading technology: as the District's development continues to grow, it allows the shifting of staff to work on capital improvements such as pipeline replacement projects, he added the Itron technology has been around for a long time, it is a proven technology, it is used by secured agencies, and it offers flexibility with the radio system.

After discussion, Director Cottrell motioned to approve for the implementation of the plan to deploy Automated Meter Readings equipment and move forward with Phase I of the project, with the caveat of giving the Board a status performance report after 90 days of deployment. The motion was seconded by Director Covington and passed 4-0.

8. Update on State Water Conservation Efforts: Oral Report

Director of Operations Lara gave an update on the District's water reduction efforts: in the month of June, the District had a 26% reduction; July was at a 28% reduction; August was at a 22% reduction; and for the month of September, the District was at 22% reduction to date, these are compared to 2013. Because we did not meet the conservation standards of 36%, we received an Information Order from the State Water Resources Control Board (SWRCB). The Information Order requested information pertaining to conservation programs, enforcement efforts, water consumption, etc.

Director of Operations Lara also shared that although as a District we haven't been able to meet the 36% reduction, California as a whole had a 31% reduction. This was more than the 25% statewide reduction mandated by Governor Brown. Director of Operations Lara shared that the District will continue working on educating the public and on enforcement efforts. He also

shared that the District started using non-potable water in the non-potable water system to meet the demands which potable water was previously being used.

General Manager Fraser also shared that in the response letter he drafted to the State Water Resources Control Board, he expressed concerns about the blanket approach being used by the SWRCB.

9. Update & Discussion of the San Geronio Pass Water Agency Water Issues

General Manager Fraser shared his concerns with information given by the San Geronio Pass Water Agency (SGPWA) in regards to amending the number of board members from 7-5, he pointed out that SGPWA provided an Assembly Bill number that does not appear to be correct.

General Manager Fraser also reported on concerns regarding over charges from the SGPWA, to its customers and our District. He shared a case in which San Diego County Water Authority (SDCWA) sued Metropolitan Water District (MWD) for overcharges. In a ruling in August 28, 2015, MWD was ordered to pay SDCWA \$188 million, plus interest for charges that exceeded the cost to provide service. General Manager Fraser shared that one of the key issues was that agencies cannot charge more than the cost commensurate to provide services under the California Constitution. He also shared that in reviewing charges from SGPWA, he noticed that the State pays back to the SGPWA the difference between the estimated cost and actual cost, so the State is complying with Prop 26, but SGPWA is not passing on the difference it receives from the state to its customers. He further asked the Board if they were in consensus of him drafting a refund request letter for overcharges.

General Manager Jeffrey Davis, from San Geronio Pass Water Agency gave an explanation of the rates being charged to BCVWD. He also explained the refund by the State, which is a credit that is reconciled at the end of the year as a prior year adjustment.

Legal Counsel Markman requested a copy of a report from the SGPWA, which demonstrates the tracking of the adjustments/credits and the basis of why the State issues a credit. Director Covington was in agreement with General Manager Fraser that it would be good practice for transparency purpose for SGPWA to respond with a spreadsheets demonstrating the credits and adjustments from the State. Director Cottrell also agreed and asked the SGPWA General Manager Davis to provide the BCVWD a report explaining the credits and adjustments from the State. Director Cottrell said the Board was in consensus in having General Manager Fraser draft a letter requesting the information from the SGPWA.

SGPWA Board members Vice President Dickson and Director Fenn shared their desire for Board members of the BCVWD and SGPWA to have more dialogue.

10. Reports For Discussion

a. Ad Hoc Committees

Director Cottrell announced he will be assuming the vacant role in the Finance and Audit Committee.

b. General Manager

No reports were made.

c. Directors Reports

Director Hoffman requested to keep the Grand Ave. Storm Drain Project Report on the agenda as follow-up. He also shared he was pleased with the clean-up job at the Noble Creek Recharge Facility.

Director Covington requested a discussion of potential Proposition 1 Bond opportunities, the impacts from the Sustainable Groundwater Management Act to the District and the plans for replacing the brown turf with gravel at District facilities.

Director Slawson shared his concerns regarding vandalism at the Recharge Facility Pond and reports of members of the public camping in the barbecue area and if there was any legal liabilities on the District. General Manager Fraser informed the Board that the District will work towards limiting access for vehicles outside of normal hours. He also shared we have policy on the hours of accessibility and there is signage posted. He also shared we are covered by our insurance.

d. Legal Counsel Report

Legal Counsel Markman gave an update on the San Juan Capistrano case; San Juan Capistrano was ordered to refund customers for excessive water rates. The courts found they cannot charge more than the cost to provide service, which they were not doing under their current tier system, which included punitive tiers.

11. Announcements

- Board Workshop/Joint Meeting with Yucaipa Regional Water Reclamation Facility, September 14th, 2015 at 4:00 p.m.
- Finance & Audit Committee meeting, October 1st, 2015 at 3:00 p.m.
- Watermaster meeting, October 7th, 2015 at 10:00 a.m.
- Regular Board Meeting, October 14th, 2015 at 7:00 p.m.

Director Cottrell made the announcements above.

12. Action List for Future Meetings

- Solar System Update

Director Cottrell made the announcements above.

13. Recess To Closed Session

- (a) Conference with Legal Counsel – Anticipated Litigation pursuant to Government Code 54956.9 (d) (4) – 1 Case BCVWD vs. San Geronio Pass Water Agency.

Director Cottrell recessed the meeting to closed session at 8:25 p.m. There was no reportable action.

14. Adjournment

Director Cottrell adjourned the meeting at 9:10 p.m.

Attest:



Director Jeffrey Cottrell, Vice President
to the Board of Directors of the
Beaumont-Cherry Valley Water District



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

** Information included in the agenda packet