



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, January 10, 2018
7:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 7:01 p.m.

Pledge of Allegiance: President Covington

President Covington led the pledge.

Invocation: Director Hoffman

Director Hoffman gave the invocation.

Roll Call:

Directors present:	President Covington; Directors Diaz, Hoffman, Ramirez
Directors absent:	Director Slawson
Staff present:	General Manager Dan Jagers, Director of Finance and Administrative Services Yolanda Rodriguez, Senior Finance and Administrative Analyst William Clayton
Legal counsel:	James Markman

Public Comment: None.

ACTION ITEMS

1. Adjustments to the Agenda: None.

2. Consent Calendar:

The following Consent Calendar items were approved with one motion:

- a. November 2017 Budget Variance Report
- b. November 30, 2017 Cash/Investment Balance Report
- c. November 2017 Cash Flow Report
- d. December 2017 Check Register
- e. December 2017 Invoices Pending Approval
- f. Minutes of the Regular Meeting of December 13, 2017
- g. Minutes of the Special Meeting of December 13, 2017

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

3. Continued discussion and direction to staff re: potential Memorandum of Understanding with the Beaumont-Cherry Valley Recreation and Park District for continued utilization of District-owned property as Bogart Park

General Manager Jagers noted the attendance of Ms. Kyla Brown, Assistant Director of the Riverside County Regional Park and Open Space District, and Mr. Duane Burk, General Manager of the Beaumont-Cherry Valley Recreation and Park District.

Ms. Brown gave background on the park's 99-year lease, which has 12 years remaining. In 2011, a Strategic Plan identified that Bogart Park no longer met the core mission of the District and recommended looking for another entity with which to partner or to take over the operation of the park. A Comprehensive Plan in 2013 summarized the status of the park and indicated repairs and investment were needed. The District was not in a position to make the needed improvements, and continued to look for a partner. Opportunities were explored with the Beaumont-Cherry Valley Recreation and Park District and there remains interest.

In 2015, a private operator indicated interest in developing a dog training facility while continuing to operate as a public park. This generated controversy with local residents. A study was commissioned to determine what was wanted from Bogart Park and to look for potential partners. A consultant worked with a community task force to develop recommendations to assure the park remains an asset to the community. A Memorandum of Intent was signed with the Beaumont-Cherry Valley Water District agreeing to work together to find a solution.

Ms. Brown reminded the Board that BCV Recreation and Park District General Manager Burk made a presentation regarding interest in potentially taking over the operation. This discussion is hoped to get that ball rolling.

Director Diaz asked how many visitors to the park over the past year. Ms. Brown estimated 10 to 15,000 paid, but many more who do not pay fees. Director Diaz asked about fees and costs. Ms. Brown explained expenses have been minimized, mostly by cutting staff, but the \$130,000 annual budget is a bare bones minimum. Revenue is about \$50,000 from camping and gate fees. The net loss is about \$80,000, which is being subsidized by \$60,000 from local taxes in the Pass region, and the County Parks general fund.

President Covington noted that those were two of the concerns listed by the Task Force. At the January meeting of the Recreation and Park District, several community members expressed the opinion that the tax dollars collected in the Pass area should go directly to Bogart Park.

Director Hoffman noted that he lives near Bogart Park and believes it has a lot to offer and that it can work out financially.

Director Diaz asked about advertising. Ms. Brown explained the District's small advertising budget covers promotion for parks from Blythe to Temecula. There is no specific or direct marketing; it is primarily the website and social media.

There is targeted marketing to groups such as Boy Scouts, equestrians, and cyclists. Resources are limited.

Director Ramirez asked if the County would potentially provide assistance with upgrades or capital improvements to help make the transition work. Ms. Brown indicated there might be potential but funding is limited. There may be some Developer Impact Fees (DIF), but that funding must be used for new facilities, not repairs, maintenance or expansion; therefore would not be pertinent to the failing items within the park. She noted the Water Bond on the ballot this year has some money earmarked for parks, which could potentially be put toward Bogart. However, other County facilities are experiencing the same maintenance issues.

In response to Director Diaz, Ms. Brown noted the Water District owns the majority of the property with improvements such as campgrounds and the main entry kiosk, and the Park District owns the day use area and the Winesap area. There needs to be a partnership and agreement. In 2004, DIF funding had been earmarked to create a plan for Bogart, but the Water District then identified the campground area as a potential recharge basin, so the money was redirected. The County's expectation is for conversation as to how to keep Bogart Park an asset to the community and the interest of the local Park District in assisting with the operation.

In response to Director Ramirez, Ms. Brown indicated the Park has not been self-sustaining for at least 10 years. Ms. Brown suggested sitting down with the potential partners to determine viability. Director Ramirez asked about the \$60,000 revenue received from property taxes, and Ms. Brown indicated the County would re-direct the funds to other facilities in the area.

Director Diaz asked about the role of BCVWD in making a change in operators. Ms. Brown noted two options: sublease with another operator, or BCVWD canceling the County's lease and entering a new lease with a different entity. Director Ramirez indicated there are good intentions but fiscal sustainability of the Park must be examined.

Mr. Burk reminded the Board that at his presentation to them in October 2017, he suggested a partnership. With just 12 years left on the lease, the Recreation and Park District would not be able to obtain grants to fund needed projects. He requested a long-term partnership and noted the BCVRPD Board supports reassignment of the lease to the BCVRPD, however the short term does not currently work financially. He suggested a survey, or a look at the previous master plan. He recommended a joint committee and development of a financial plan, and stressed local control. He asked for a new lease of 99 years and said he believes the Park can become financially viable. The community would like Bogart to stay a park. He noted it is the headworks of the watershed.

President Covington stated he had served on the Advisory Committee. An agreement has been executed to work together and he suggested forming an ad hoc committee to keep the momentum going. Director Ramirez pointed out that the Advisory Committee had previously recommended that the property tax collected in the Pass Area be funneled back to the area. He reiterated that Ms. Brown had stated the tax funding would be directed to other parks. He stressed the importance of collaboration to assure a win-win and not just a handoff.

President Covington appointed Directors Hoffman and Diaz to an ad hoc committee, with Director Ramirez as an alternate. Mr. Burk indicated that at his next Board meeting, an ad hoc committee would also be formed.

4. Consideration of Approval of Request for Extension of Water Service "Will Serve Letter" for three (3) parcels to be created by the proposed subdivision of Assessor's Parcel Number 401-080-022 per Tentative Parcel Map 36704 located on the north side of Lakeview Court and west of Oak Glen Road in the community of Cherry Valley

President Covington confirmed that these parcels already have a Will Serve Letter (WSL) and this is an extension due to the 12-month lifespan. Mr. Jagers explained the subdivision of three parcels and the lengthy process at the County. An updated WSL is needed to finish the process.

Director Diaz asked how much time is requested for the extension. Mr. Jagers explained the applicant is moving forward. The next step would be to purchase the water meters. President Covington noted the "shelf life" of the WSL is 12 months.

Mr. William Lattin, the applicant, asked about obtaining meters and the process was explained.

The Board approved the extension of the Will-Serve Letter for the subdivision of APN 401-080-022 per TTM 36704.

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

5. Consideration of Approval of Request for Extension of Water Service "Will Serve Letter" for three (3) parcels to be created by the proposed subdivision of Assessor's Parcel Number 402-200-005 (10707 Jonathan Avenue) per Tentative Parcel Map 37080

General Manager Jagers noted this is a second parcel owned by Mr. Lattin. Due to the County processes, an extension of his WSL is required. He explained the subdivision. Director Diaz asked about requirements.

The Board approved the extension of the Will-Serve Letter for the subdivision of APN 402-200-005 per TTM 37080.

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

6. Resolution 2018-01: Consideration of Resolution 2018-01 establishing the District's Investment Policy

Director of Finance and Administrative Services Yolanda Rodriguez reminded the Board that this policy came before it in December to satisfy the auditors' requests in 2017. There have been no changes; this is the annual review of the policy. Director Diaz noted this gives a bit more flexibility to assure the best possible return on investments.

Director Ramirez asked about average return. Ms. Rodriguez said the average is 1.32 to 1.72. Annual earnings have increased from \$25,000 to \$200,000. This policy gives staff the guidance to invest. An investment advisor could also look at bonds or CDs to bring back for Board approval.

The Board approved Resolution 2018-01.

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

7. Consideration of Well Rehabilitation and Repair Project for District Wells Nos. 11, 12, 19 and 20

Mr. Jagers explained the annual well maintenance program to ensure quality of supply and serviceable equipment. A significant number of Edgar Canyon wells have been rehabilitated, with four more to be done in 2019. The project was advertised and the most responsive low bid was Legend Pump and Well Service for approximately \$70,000. A contingency of \$17,500 is requested, for a total of \$87,621. Funding will be from the capital facilities budget.

In response to Director Covington, Mr. James Bean, Production Operator, described the status of Wells 11, 19 and 20. Director Ramirez asked about cost to camera the wells; Mr. Jagers estimated \$1,500 each well. Costs are to maintain or replace pumping units, then do the well rehabilitation service. Director Diaz asked about source of water when wells are offline; Mr. Bean explained the backup system.

Director Ramirez asked if water was being lost. Mr. Jagers acknowledged that Edgar Canyon is water that will not have to be replenished in the Beaumont Basin and therefore is less costly to ratepayers. President Covington indicated support for maintenance as Edgar Canyon is high quality water at less cost.

The Board approved the Well Rehabilitation and Repair Project for District Wells Nos. 11, 12, 19 and 20.

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

8. Consideration of Options for individual Director email addresses on the District's server

General Manager Jagers explained staff is working on improving constituent access to Board members. An email option is planned, and Board consensus is requested so email addresses can be added to the website and to directors' business cards. He explained two options and requested direction.

President Covington commented that the issue of Board communication with constituents was spurred by complaints that constituents were unable to communicate with elected officials. The consensus was to establish email accounts for the public to be able to go to the District's website and leave a message. It is the each director's obligation to check the messages. All directors viewed emails and responses; it was not a two-way conversation.

Covington said the emails helped the directors focus on things about which they may not normally have thought. He indicated support for email, and said Option A makes sense since four directors are up for re-election this year. He added that business cards could be made for directors once a selection is made. President Covington also noted the extension of the Public Records Act to personal email, and encouraged directors to use District email. Director Diaz indicated support of Option A.

Director Ramirez asked about the potential to maintain a voice mailbox at the District. He indicated a need to be accessible, but noted potential inefficiency of email. President Covington asked about staff access to director emails; Jagers responded the IT director solely has access. President Covington supported the idea of a voice mail option and Mr. Jagers said it was likely possible.

President Covington directed staff to communicate individually with directors to determine their preferences.

9. Consideration of Approval of Letter of Intent to Execute a Recycled Water Supply Agreement for the City of Beaumont's application for a California Clean Water State Revolving Fund

Mr. Jagers advised that the City of Beaumont requested a Letter of Intent as part of their application process for recycled water. Mr. Jagers indicated that he and legal counsel are comfortable with the letter. President Covington noted that the content of the letter does not bind the District, but indicates intent. Counsel Markman advised this is non-binding.

Director Diaz noted there is misunderstanding in the community and suggested a presentation to help understand the benefit of recycled water. Covington agreed and suggested an Engineering Workshop, to include a representative to address the City's plan.

The Board approved the Letter of Intent.

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

10. Consideration of Authorization of 8th Street Water Service Lateral Replacement Project

General Manager Jagers reminded the Board received a previous estimate for the 8th Street work under the presumption the contractor would put in the services and do the paving. The City received bids ranging from \$383,000 to \$550,000. The District then solicited its own bids to do the work beforehand and found significant potential savings. To meet the City's schedule, the District will supply materials and a contractor will furnish the labor to install. The bid was \$85,422, and with the estimated cost of materials and a contingency of 20 percent, the not-to-exceed amount is \$94,000. If approved, Pacific West Underground Inc. is prepared to begin the work on January 29.

Director Diaz asked if the replaced meters could be part of the radio read system. Mr. Jagers explained the radio read program is mapped and the goal is to close the gaps one meter book at a time across the city.

The Board authorized the General Manager to negotiate the final project scope of services for the proposed 8th Street Water Service Lateral Replacement Project and subsequently execute a Contract with Pacific West Underground Inc. for said work in a not-to-exceed amount of \$94,000.

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

11. Reports For Discussion

a. Ad Hoc Committees:

President Covington reported that the Collaborative Agencies Committee met last week, but attendance was thin. There was good dialog with the Beaumont Police Department. It was reported that vehicle theft was remarkably down. The Beaumont-Cherry Valley Recreation and Park District spoke to the status of Bogart Park.

b. General Manager:

Mr. Jagers touched on review of the substance abuse policy, which will be brought to the Personnel Committee then to the Board. The CIP program is contracted and underway. Work has been done on capacity fees and recycled water is moving forward. The SCADA system update is being deployed.

c. Directors' Reports:

Director Diaz asked if the District's employees are trained to contact the police department if suspicious activity is observed. Mr. Tony Lara indicated that there was a process to report suspicious activity.

d. Legal Counsel Report: None.

12. Announcements

President Covington read the following announcements and encouraged directors to attend the Watermaster meeting on February 7:

- District Offices will be closed Monday, January 15, 2018 in observance of Martin Luther King, Jr. Day.
- Personnel Committee meeting: January 22, 2018 at 5:30 p.m.
- Finance and Audit Committee meeting: February 1, 2018 at 3:00 p.m.
- Engineering Workshop: February 1, 2018 at 7:00 p.m.
- Beaumont Basin Watermaster meeting: February 7, 2018 at 10:00 a.m.
- Regular Board meeting: February 14, 2018 at 7:00 p.m.
- Collaborative Agencies Committee meeting: March 7, 2018 at 5:00 p.m.

13. Action List for Future Meetings

- Proposition 1 Bond Opportunities

President Covington suggested Proposition 1 opportunities be discussed at a separate Engineering Workshop.

14. Recessed to Closed Session: 8:35 p.m.

- a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9

Name of case: San Geronio Pass Water Agency v.
Beaumont Basin Watermaster, Riverside County Superior
Court No. RIC 1716346

- b. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54947
Title: General Manager

Reconvene in Open Session: 9:30 p.m.

Report on Action Taken During Closed Session:

There was no reportable action taken.

15. Adjournment

President Covington adjourned the meeting at 9:30 p.m.

ATTEST:



Director John Covington, President
to the Board of Directors of the
Beaumont-Cherry Valley Water District



Director Claudeen C. Diaz, Secretary
to the Board of Directors of the
Beaumont-Cherry Valley Water District