



**BEAUMONT-CHERRY VALLEY WATER DISTRICT  
MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
560 Magnolia Avenue, Beaumont, CA 92223  
Wednesday, May 9, 2018 at 7:00 p.m.**

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**Call to Order: President Covington**

*President Covington began the meeting at 7:02 p.m.*

**Pledge of Allegiance: Director Slawson**

*Director Slawson led the pledge.*

**Invocation: Director Hoffman**

*Director Hoffman gave the invocation.*

**Roll Call:**

Directors present:	President Covington Directors Diaz, Hoffman, Ramirez, Slawson
Directors absent:	None.
Staff present:	General Manager Dan Jaggars, Director of Finance and Administration Yolanda Rodriguez, Senior Finance and Administrative Analyst William Clayton; Staff: James Bean, Tony Lara, Lynda Kerney
Legal counsel:	James Markman

Members of the public who registered their attendance: Fran Flanders, Patsy Reeley, Barbara Brown, Michele Staples.

**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. March 2018 Budget Variance Report
- b. March 31, 2018 Cash/Investment Balance Report
- c. March 2018 Cash Flow Report
- d. April 2018 Check Register
- e. April 2018 Invoices Pending Approval
- f. Minutes of the Regular Meeting of April 11, 2018

MOVED: Diaz	SECONDED: Hoffman	APPROVED 5-0
AYES:	Covington, Diaz, Hoffman, Ramirez, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

**3. Report on City of Beaumont Wastewater Treatment Plant Expansion status and Recycled Water Supply – Todd Parton, Beaumont City Manager**

General Manager Jagers introduced Todd Parton, City of Beaumont City Manager.

CM Parton called the Board's attention to a handout of a PowerPoint presentation. He explained current capacity is 4 million gallons per day (mgd), and by 2024, the plant could be at its maximum capacity. There is a tight time schedule for design, rate study, financing, bids, and construction. Currently can treat up to 4.3 mgd, but this would require a permit adjustment. This is in anticipation of delivering Title 22 water. He noted that the 4.3 mgd capacity can be met even if the plant is under construction.

The expansion of the plant will increase capacity of 6 mgd, which will be sufficient until 2037, Parton said. Ultimately, the city will need 8 mgd at full build out. To be able to address the maximum benefit conditions of the basin management plan, membrane treatment must be done, along with desalting. The City is negotiating purchase of capacity on the Inland Empire Brine Line to the Orange County Sanitation District, and is in the process of establishing connection segments over 23 miles.

Mr. Parton continued, detailing the site plans. He noted that the existing UV systems are currently adequate for the expansion plan but require some upgrades to deliver Title 22 water. This is part of the first phase of the plan.

An engineer's estimate of costs is being prepared, Parton said. The original estimate was \$111 million including hard and soft costs and contingency. A construction manager is reviewing the plans and seeking value.

He explained the timeline for the project, starting with the Brine Line. Bids are due in July, and the City is beginning a Prop 218 process to increase rates to fund the project along with Developer Impact Fee funds, \$10 million in cash, and borrowing. Funding is expected by September. Director Ramirez asked about the Proposition 218 rate studies. Parton replied that the proposed increase contemplates the operational needs, capital replacement reserve and debt service. The sewer bill for the average home would increase by about \$4 per month for the first year. The five-year adjustment increment is 7% per year, totaling about \$12 per month.

Director Hoffman noted the building of additional homes and asked how many years it would take to pay for the project. Parton answered it is a 30-year program at a 5% interest rate. Existing ratepayers account for about 53 % of the cost, development is factored in. Regardless of new development demands, there are environmental and update needs for the plant that are required, which

comprise \$5 to \$6 million. Impact fees were increased, and additional customers were factored in.

Hoffman asked if there would be capacity for the total number of dwelling units at build out. Parton noted that another 2 mgd would need to be added later.

Director Slawson asked for clarification on the Prop 218 vote; it is a 50% plus one. Director Diaz asked about future repairs; Parton said depreciation is accommodated. Director Ramirez asked about the use of the Title 22 water. Parton explained the reuse water could be used for irrigation and to supplement and increase conjunctive use. Ramirez noted that costs for recycled water would be paid not only by the new residences but by all as it will have a benefit to all in the future; Parton agreed and noted the goal is to create sustainability and to lessen the burden for everyone.

Councilman Lloyd White asked City Manager Parton to address the monthly rate increase and the Highland Springs Village issues. Parton noted that currently the bills are bi-monthly, resulting in a \$24 increase each bi-monthly bill. Currently, a ratepayer on the system but outside the city is charged an additional \$4 to \$5 premium. After the Prop. 218 increase, the premium will no longer be applied.

President Covington asked about the two phases of the Brine Line connection. Parton indicated that it seems to make more sense to bid them as two separate projects, as two contractors can be working at the same time. It is hoped to be online by 2020, including recycled water.

Mr. Jagers added that it is great to see the City moving forward and the District is looking forward to partnering on the recycled water. The District has much work to do, including a \$200,000 to \$500,000 project converting systems to recycled water. It is important to understand each other and come together to be successful.

President Covington thanked CM Parton and Councilmember White.

**4. Consideration of Request for an Amendment of Will Serve Letter for the Sundance Specific Plan including Tentative Tract Maps 37426, 37427, and 37428: Pardee Homes Sundance Specific Plan Amendment No. 3**

General Manager Jagers explained the request for water service to amend the existing will serve letter and provide a new Will Serve Letter (WSL) for the Chavez school site. A WSL was issued in 2014 for a number of dwelling units and updates have been approved with changes in the plans. Pardee has requested to modify two planning areas and add the conversion of a closed school site (Planning Area 54).

President Covington requested that staff address each Planning Area individually. Mr. Jagers explained Planning Area 47 (Tract 31469-5) for 97 dwelling units has been reconfigured to meet market demands, using smaller lot sizes and adding 41 dwelling units (DUs). Pardee has argued that smaller lot sizes with larger houses reduces demand. Staff responded and Pardee noted that ¼ of the hoes have been converted to an active adult designation which reduces demand. Pardee would like to be able to re-lot the area. Because

the Board had previously approved the WSL, this is a change to what was approved.

President Covington offered Pardee representative Jeff Chambers an opportunity to speak; he responded that he would comment after the staff presentation.

Director Slawson questioned the EDUs attributed to active adult living. Mr. Jagers indicated that Pardee has submitted documentation for staff to consider a ten percent reduction in use. Director Hoffman asked if smaller lot sizes would impact the amount of water for in landscaping and outdoor use. Mr. Jagers noted the landscape laws are pointing toward less use but the results of the landscape ordinance is still being analyzed.

General Manager Jagers suggested looking at the development holistically to understand the changes in use. President Covington noted that, looking at the calculations, he is not convinced that increasing DUs results in less water use but he said he has noticed more efficient landscaping in new developments. He noted that it was previously estimated that 70 percent of water use was outdoors, now it is probably more 50-50 or 60-40. He said he is not convinced and would require more information to approve 41 additional DUs.

Mr. Chambers of Pardee presented a map of the development. He noted that a section originally included in the project will not be developed, resulting in approximately 4,300 DUs. He pointed out that looking at just one isolated planning area; it was not representative of the overall project and any offsets. Pardee is requesting approval of three planning areas looking at the overall project and what Pardee has done over the past years. Pardee believes that older homes consume much more water than the newer in the development. At build-out, will be approximately 500 AF less than what was originally projected for the project as a whole.

Chambers continued, explaining the Specific Plan changes and Pardee's analysis of reduction in water use. He pointed out that the Beaumont Unified School District has abandoned the junior high school site within the development and is considering location in Banning. He believes it has been adequately demonstrated that there is no net increase in water use and there are additional factors that support approval such as funding for the Sites Reservoir, the California Water Fix moving forward, the City's progress toward Title 22 water, and there is no situation that would warrant a moratorium on water. He said he believes there is water available and the overall project is using less water than anticipated; the overall impact to the water supply system is insignificant.

President Covington indicated he was looking at the projects independently. He feels the information presented in the staff report is not sufficient, and he would like to see on paper the information just shared by Mr. Chambers. He understands the replacement of the junior high school is a net reduction, but would like more information on the other two planning areas. Director Ramirez noted there is no hard analysis of the stats wondered if there is something hindering getting accurate information. President Covington said he would like to see something that ties together that there is a net savings. Director Slawson noted that it appears to him there is a net reduction. He asked for clarification on Planning Area 48. Mr. Chambers replied that although 48 is part of the

original specific plan, Pardee will not be buying that property and therefore it will not be using any water.

General Manager Jagers continued with Planning Area 54, the Chavez School site. President Covington noted that the EDUs assigned to the school have since been traded off to other school sites. Mr. Chambers explained that the City of Beaumont approved the Specific Plan Amendment, which now includes this site. Pardee signed an exchange agreement with the Beaumont Unified School District for Planning Area 41 swapped for the smaller site plus school fee credits. Pardee would like to build 31 homes, which use less water than a school site. Director Ramirez pointed out that there would be less landscaping on homes than a school.

President Covington reiterated that he would be more comfortable if all the data was detailed and tied together in one report. He suggested tabling the item. Director Diaz noted there is a lot of data and said she would like to have seen the report simplify the information and tie it back to the request.

Counsel Markman pointed out there are many representations made by Pardee but there is nothing that ties down the facts. He suggested conditions be included in the new WSL that lock down the representations. President Covington suggested staff work together with Pardee.

*The Board voted to table the request by Pardee Homes for Amendment of the Will Serve Letter for the Sundance Specific Plan to a future meeting.*

MOVED: Covington	SECONDED: Hoffman	APPROVED 3-2
AYES:	Covington, Diaz, Hoffman	
NOES:	Slawson	
ABSTAIN:	Ramirez	
ABSENT:	None.	

**5. Consideration of Request for Extension of Water Service “Will-Serve Letter” for Previously-Approved Development: Tract 32850, a proposed 30-acre single-family residential development located at Assessor’s Parcel No. 421-110-014 in the City of Beaumont**

Mr. Jagers advised this is the fifth extension of this WSL since the 2006 original letter. The developer is not present, but has requested an extension citing that the local market for this 95-home development has been slow. An agreement with a builder has been submitted to address staff concerns.

Three options have been presented to the Board for consideration, including a recommendation that this would be the final extension of this WSL, however the developer could make another request.

In response to Director Ramirez, General Manager Jagers explained that the developer covers all costs of staff work through a deposit.

*The Board approved the request for extension of Water Service for Tract 32850, a proposed 30-acre single-family residential development located at Assessor’s Parcel No. 421-110-014 in the City of Beaumont by the following vote:*

MOVED: Ramirez	SECONDED: Slawson	APPROVED 5-0
AYES:	Covington, Diaz, Hoffman, Ramirez, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

**6. Consideration of Request for Extension of Water Service “Will Serve Letter” for the Desert Pass development located at Assessor’s Parcel No. 414-142-038 (1109 Elm Street) per Tract No. 33680**

General Manager Jagers explained this development had been dormant until a request for extension last year. This will be the second extension before it expires so the developer can move forward with funding and building status.

Director Ramirez asked if staff had any concerns. Mr. Jagers noted the plans will need to be updated but no significant changes are anticipated. From a water supply perspective, staff is working diligently to confirm water supply.

*The Board approved the extension of Water Service “Will Serve Letter” for the Desert Pass development located at Assessor’s Parcel No. 414-142-038 (1109 Elm Street) per Tract No. 33680 by the following vote:*

MOVED: Ramirez	SECONDED: Diaz	APPROVED 5-0
AYES:	Covington, Diaz, Hoffman, Ramirez, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	None.	

**7. Consideration of Proposed Amendment to District Policies and Procedures Manual, Part II, Section 5A: Regular Meetings to add one monthly Board of Directors Regular Meeting and / or change Regular Meeting Time**

President Covington noted that this addresses the Engineering Workshops. General Manager Jagers explained that the Board requested to move the meeting time from 7 p.m. to 6 p.m., and indicated an interest in adding one additional meeting known as the Engineering Workshop to have two meetings per month. There are costs associated which are detailed in the staff report.

President Covington expressed the will of the Board to start meetings at 6 p.m. and that an Engineering Workshop would be suitable on a monthly basis. This provides an opportunity to better inform the Board and shorten the meetings.

Discussion ensued regarding the additional regular meeting date.

*The Board directed staff to compose a resolution amending the District Policies and Procedures Manual, Part II, Section 5A: Regular Meetings to add one monthly Board of Directors Regular Meeting on the 4<sup>th</sup> Thursday (to be known as the Engineering Workshop) and change regular meeting times to 6:00 p.m.*

## **8. Consideration of Potential Security Strategies for the Noble Creek Recharge Facility Phase I**

Mr. Jagers introduced the continuing discussion about security. He reminded the Board about the existing situation and reviewed the discussion from the Engineering Workshop. The board directed staff to firm up the cost for a chain link option and to provide photos of the facility.

Staff sent out typical standard public works chain link specifications and received response from one vendor, which paralleled the staff estimate of \$140,000 for 3,000 feet of fence with three strands of barbed wire at the top.

Mr. Jagers reviewed prior discussion, which suggested removal of some of the facilities that may attract undesirable activity. Director Hoffman noted the tables are in good condition and may be able to be used by another entity. Mr. Jagers shared photos of the area and described its layout and uses.

President Covington reiterated that the Board agrees that better security is necessary. At the Engineering Workshop, there was consensus on chain link, but it was noted that could be climbed over so it was requested that bids include angled barbed wire to prevent climbing. He noted the staff report includes permanent prohibition of public access, and suggested discussion.

President Covington suggested fencing, and allowing daytime public access. If this is the will of the Board, and it turns out to be no better than before, it will be obvious that it must be locked. He indicated apprehension of denying use based on poor behavior by a few.

President Covington invited Patsy Reeley for public comment. Ms. Reeley said it is a shame to fence it in. If the picnic area is causing the problem, then get rid of it. She would hate to see a chain link fence.

Director Ramirez concurred with Ms. Reeley, and said he is torn although he understands the safety concerns. If the Board decides to move forward, it may make sense to consider a better-looking fence. He suggested having the gates open during the day as a test.

Director Diaz asked if it would be possible to locate the fence to secure only the pond area. Mr. Jagers noted from the aspect of security the Board must define limiting access due to safety or because it attracts overnight visitors. Diaz noted safety concerns, and Covington responded that the picnic area is the problem, but he is in favor of securing the entire facility.

Director Hoffman noted there is adequate access for equipment, and there are walkways and steps along Beaumont Avenue that would require gates. He pointed out alternative fencing of a powder-coated wire, which is more attractive. He noted that he is leaning toward securing the facility but continuing to allow daytime access. He noted the barbecues are probably not used.

Director Ramirez agreed. The District pays attention to its well sites to assure attractive landscape, and believes that the District should continue to take care of its property. He would like to see the alternative fencing. Director Slawson concurred that this need is unfortunate, but he believes it should be closed down



entirely. He would like to see the other fencing option for both strength / maintenance issues and aesthetics.

President Covington requested staff investigate the wire fence and bring samples and photos. He polled the Board members informally about complete closure of the facility: In favor were Directors Slawson and Diaz. President Covington suggested a trial run of keeping the site open during the daytime. If it does not work out, it should be closed. At the end of the day, he said, the District is not in the park business.

Mr. Jagers advised that staff would have preliminary costs for discussion at the June Engineering Workshop.

#### **9. Update on Status of Well 29 and Well 3 Repair Activities**

General Manager Jagers updated the Board on the repairs. A new starter has been installed at Well 3 and issues are being worked out. It has been flushed and is moving toward being back online.

Well 29, he explained, needs a replacement pump. Staff is considering reducing the flow of the pump from 4,000 to 3,500 gpm. Staff has discussed all work with the contractor and parts have been ordered. The last issue to resolve is the bowl. If there is an emergency, a temporary pump can be added.

President Covington asked about brushing; Mr. Jagers indicated it is in progress. Repairs are moving as quickly as possible to return the well to service.

#### **10. Reports For Discussion**

##### **a. Ad Hoc Committees:**

Bogart Park Ad Hoc Committee: Director Hoffman reported that he and Director Diaz attended the committee meeting. There is a lack of clarity on the park boundaries and who has title to some of the property. Mr. Jagers noted that there is a discrepancy in acreage and the County is looking at it. Director Hoffman said the committee will move forward trying to create a position for the Parks and Recreation District to take over the park, and get needed financing and any available grants. The goal is to keep the park open and functional.

Director Slawson said he attended the San Geronio Pass Water Agency meeting where GM Jagers presented the different cities and districts with their own spreadsheets. They were impressed and thanked Mr. Jagers for his work.

President Covington reported that at the Collaborative Agencies Committee the City of Beaumont reported that the Oak Valley Parkway lights at the I-10 are in progress. Parks and Recreation also reported out on Bogart Park.



b. General Manager:

Mr. Jagers reported that on Monday, the SGPWA authorized the GM to move forward with a 1-year deal to purchase 4,500 AF of water from the City of Ventura and Casitas MWD. The term requires pay back over a ten-year period at a cost of \$1.5 million to Ventura for 3,000 AF, and \$730,000 to Casitas for 1,500 AF which works out to a total of \$826 per AF. Since it is part of the State Water Project, SGPWA suggests it can be paid from the debt service fund generated from new development tax base. Over 20 years, it is about 250 houses of water supply.

Significantly, the Santa Clara Water District voted to participate in the California Water Fix. Additionally, the Sites Reservoir was recommended by the California Water Commission to be eligible for a \$1.2 billion contribution from Prop. 1 funds.

Mr. Jagers updated on RFPs for grant writing, consideration of an investment advisor, and April recharge and delivery. He advised that wells 11 and 20 have been returned to service, school lead testing reports show non-detectable levels, and 123 Trichloropropane was also below detectable limits.

The District's IT Manager worked with the vendor and was able to upgrade accounting software in-house and save \$35,000.

b. Directors' Reports: None.

c. Legal Counsel Report: None.

## 11. Announcements

*President Covington read the following announcements:*

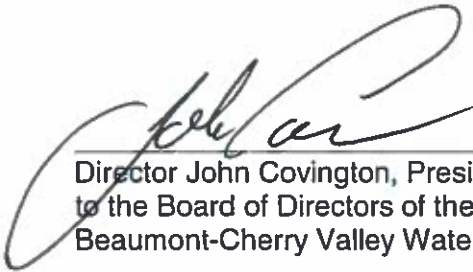
- Personnel Committee meeting: May 21, 2018 at 5:30 p.m. *President Covington noted he has a scheduling conflict on this date and requested to reschedule the meeting.*
- District Offices will be closed Monday, May 28, 2018 in observance of Memorial Day.
- Beaumont Basin Watermaster meeting: June 6, 2018 at 10:00 a.m.
- Finance and Audit Committee meeting: June 7, 2018 at 3:00 p.m.
- Engineering Workshop: May 31, 2018 at 6:00 p.m. *(by consensus, date and time changed from June 7 at 7 p.m.)*
- Regular Board meeting: June 13, 2018 at 7:00 p.m.
- Personnel Committee meeting: July 23, 2018 at 5:30 p.m.
- Collaborative Agencies Committee meeting: September 5, 2018 at 5:00 p.m. *(Location: Beaumont-Cherry Valley Recreation and Park District office)*

## 12. Action List for Future Meetings

- Proposition 1 Bond Opportunities
- Noble Creek Recharge Facility fencing options
- Pardee Homes request for an Amendment of Will Serve Letter for the Sundance Specific Plan (tabled)


### 13. Adjournment

*President Covington adjourned the meeting at 9:28 p.m.*



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

ATTEST:



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