



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Thursday, June 28, 2018 at 6:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 6:07 p.m.

Roll Call:

Directors present:	President Covington Directors Hoffman, Slawson
Directors absent:	Diaz, Ramirez
Staff present:	General Manager Dan Jagers, Director of Finance and Administrative Services Yolanda Rodriguez, Senior Finance and Administrative Analyst William Clayton; Assistant Director of Operations James Bean, Senior Engineer Mark Swanson, Administrative Assistant Erica Gonzales

Members of the public who registered their attendance: Fran Flanders, and Dr. Blair Ball.

Public Comment: None.

ACTION ITEMS

1. Presentation to BCVWD Retiree Anthony Lara for 28 years of service

General Manager Jagers introduced Tony Lara, BCVWD's longest employee, who is retiring after 28 years with the District. President Covington, Director Slawson and Director Hoffman acknowledged Mr. Lara's contributions. Mr. Lara was presented with a plaque.

2. Consideration of Approval of the Notices of Election of 2018 for submission to the Registrars of Voters of the County of San Bernardino and the County of Riverside regarding the November 6, 2018 Consolidated Election

Director of Finance and Administration Yolanda Rodriguez explained the notices are submitted to facilitate the election. President Covington noted that Ms. Rodriguez had sent to the Board members the election calendar. Ms. Rodriguez added that July 16 is the official date to release documents to candidates.

The Board approved the Notices of Election for the November 6, 2018 Election and directed the Recording secretary to do all things necessary to facilitate the election by the following vote:

MOVED: Slawson	SECONDED: Hoffman	APPROVED 3-0
AYES:	Covington, Hoffman, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	Diaz, Ramirez	

3. Consideration of Resolution 2018-09: Adopting Regulations Regarding the Payment of the Cost of the Candidate's Statement for the November 2018 Consolidated Election

Director of Finance and Administration Yolanda Rodriguez explained that this resolution states the cost of the candidate's statement will be paid by each candidate. The County of Riverside estimates the cost at \$550; the County of San Bernardino has not yet provided an estimated cost. Mr. Jagers clarified that this is in accordance with District policy.

Director Hoffman noted this is a big expense for any candidate who runs for office. If the District can assist in this way, he indicated he would be in favor. President Covington clarified that the Resolution indicates the candidate's statements would be paid by the candidates themselves, not the District. For the District to bear the cost of the candidate's statements would be an undue burden, he noted. In addition, filing of a candidate's statement is optional.

The Board adopted Resolution 2018-09 by the following vote:

MOVED: Hoffman	SECONDED: Slawson	APPROVED 3-0
AYES:	Covington, Hoffman, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	Diaz, Ramirez	

4. California Special Districts Association (CSDA) 2018 Board Elections: Vote To Elect A Representative to the California Special District Association Board of Directors in the Southern Network for Seat A

Director of Finance and Administration Yolanda Rodriguez explained that the CSDA has requested a vote. She reminded the Board that on April 11, 2018, the Board adopted a Resolution of support for the nomination of Ms. Jo MacKenzie.

The Board approved a vote for Jo MacKenzie to the California Special District Association Board of Directors in the Southern Network for Seat A by the following vote:

MOVED: Slawson	SECONDED: Hoffman	APPROVED 3-0
AYES:	Covington, Hoffman, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	Diaz, Ramirez	

5. Schedule a Special Meeting for a District Facilities Tour

General Manager Jagers indicated the Board had requested an opportunity to tour District facilities.

President Covington suggested tabling the item due to the absence of Directors Diaz and Ramirez.

The Board voted to table the Tour scheduling until the July 11, 2018 meeting:

MOVED: Covington	SECONDED: Hoffman	APPROVED 3-0
AYES:	Covington, Hoffman, Slawson	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	Diaz, Ramirez	

6. Discussion Regarding Addition of District Administrative Facilities at the 560 Magnolia Avenue, Beaumont campus

General Manager Jagers explained the District has reached the capacity of the District business office. There are some longer-term activities to plan: there is no permanent operations facility, engineering staff is increasing, and business personnel staff additions have created a condition where the seating capacity is limited by the building. He explained options being considered:

- A portable trailer in the administration building parking lot (not a long term solution)
- A portable office in the District-owned lot adjacent, to move the engineering department
- Rental of an off-site facility

Mr. Jagers noted the cost spreadsheet. He advised the Board that a space planner had visited on Monday and in a preliminary review of the office area, identified there are 13 workspaces, and offered ideas. Based on preliminary measurements, a remodel could provide better workflow, more serviceable office area, and create an additional three spaces. In addition, there is opportunity to double staff members in an office. This will be resolved over the next few weeks, including short-term solutions such as temporarily doubling up of staff in an office or two to gain space.

Another option is remodeling of the office. Mr. Jagers noted that although an attractive space, the functionality is limited; for example, the storage compartments above the desks will not accept a three-ring binder.

Senior Engineer Mark Swanson explained the alternatives:

- A. Lease of a modular building in the parking lot to seat two or three people.
- B. Lease of a modular building for placement on the adjacent District property to house four to six people in cubes.
- C. Purchase of a modular building
- D. Lease of nearby office space. Mr. Swanson explained he has identified a nearby space of 1,300 to 1,400 square feet. The District would need to make

some improvements and determine if members of the public would be served at the location, and security needs.

These are three- to four-year solutions; by year three, the District would need to look for a more long-term plan.

Director Hoffman suggested investigating a lease with option to buy for the modular building, to determine how it may work before purchase.

Mr. Swanson presented some preliminary cost estimates of each option. Director Hoffman asked about the modular option including a conference space, and if conference space was needed. Mr. Jagers noted that the District is currently providing plan check service in house and a conference space would provide workspace for that activity. In response to President Covington, Mr. Jagers explained additional staffing needs.

President Covington suggested eliminating the option of an older used modular, instead considering a more recent model. Mr. Jagers indicated staff would investigate. President Covington also asked about new construction. Mr. Jagers estimated an 1,800 square foot commercial building would likely cost \$450,000 to \$500,000 to build. Staff could also look at more permanent style modular buildings.

Mr. Swanson indicated that when considering a more permanent solution, additional future planning would need to take place. President Covington pointed out that field staff is currently housed in a modular at the 12th and Palm facility, and perhaps the District should look at its other properties. Mr. Jagers detailed some District-owned properties and noted that staff has considered two lots for sale, and there may be partnership opportunities in the future. For a new facility, the property would need to be about three to five acres, mostly for equipment and materials storage.

Director Hoffman suggested moving forward with a small-scale option such as purchase option B or C, which will retain value without a large investment. Mr. Jagers added that a modular could be re-used during any future construction activities. Director Slawson expressed support, but requested more information.

President Covington directed staff to eliminate Option A, eliminate the option of an older used model, unless a newer used model can be identified, and indicated that leasing off site space seemed expensive and it may be better to invest in something as opposed to renting or leasing.

President Covington invited SGPWA Director Blair Ball to comment. Dr. Ball indicated there is room at the Pass Agency to share space as a short-term solution. President Covington suggested General Manager Jagers speak with SGPWA GM Jeff Davis regarding this option and report back.

7. San Gorgonio Pass Water Agency/San Bernardino Valley Municipal Water District Sales / Surplus Agreement

Mr. Jagers noted this has been previously discussed in white papers. An agreement has been crafted between the SGPWA and the SBMWD which sets forth an opportunity and the first right of refusal for the SGPWA to purchase up to 5,000 acre-feet of water from the SBVMWD. It requires the SBVMWD to declare a

surplus under Ordinance 79 based on several factors. Because of the recent drought, it is anticipated this water will not be available for purchase in the next few years unless there are some wet years; but it establishes a cost and sets terms for the purchase. Additionally, Yucaipa Valley Water District and South Mesa Water Company have a first right of refusal to purchase up to 50 percent of the water made available.

General Manager Jagers outlined some of the water purchase costs. He noted that this appears to put the SGPWA ahead of the Metropolitan Water District for opportunity to purchase, which helps the local communities first. In the SGPWA 2015 Urban Water Management Plan, they anticipated this deal would bring an average flow to the area of up to 2,000 acre-feet.

8. Review of Potential Lease agreement with SMSA Limited Partnership, dba Verizon Wireless for a cellular tower located on District property at the Lower Edgar Canyon Tank, APN 401-160-161 in the community of Cherry Valley

General Manager Jagers explained that staff is continuing to develop this lease agreement; it is currently under review by District legal counsel. A final document will be brought back for review by the Board. Staff has looked at the plans and viewed the site. Some work will be needed to resolve issues such as location of Verizon's electrical and fiber conduit, and how it may conflict with the District's future facilities.

Assistant Director of Operations James Bean explained the tower location and route for the electrical and noted some potential for erosion and possible need for Verizon to improve the dirt road. There is no conflict with the tank or other existing facilities. Some design change will be needed to avoid conflict with the District's underground utilities.

President Covington asked about direction at the February Engineering Workshop where the lease was previously discussed. Mr. Jagers responded that the lease represents about \$19,000 to \$20,000 per year and that staff believes the Board found it favorable to develop the lease program. Mr. Bean added that there may be opportunity on the tower for future District use. Mr. Jagers pointed out the District could benefit from improved cellular and radio coverage.

Director Hoffman indicated he has experience with a Verizon site on his own property and pointed out that his lease failed to provide for an increase for additional carriers on the tower. He noted that Verizon maintains the facility and everything is permitted and inspected.

President Covington suggested speaking to Beaumont-Cherry Valley Recreation and Park District General Manager Duane Burk, and requesting a copy of their lease, as the BCVRPD has had a tower for about a year. Mr. Jagers said staff has also obtained cell tower leases from other water districts, and the District's legal counsel has also written a number of these leases. In response to President Covington, Director Hoffman noted that his lease is 20 years.

9. Review of Current State and Local Legislative Reports regarding Water and Water Usage law and restrictions

Mr. Swanson distributed a handout. He drew attention to the federal Valley Water Shortage and Restoration Act and summarized the bill, which pertains to the Sites Reservoir project, which is important to the District. On the state side, he explained AB 1668 and SB 606, which were recently signed by Governor Brown. Mr. Swanson indicated he is also tracking AB 1667, which is almost identical.

Senior Engineer Swanson also pointed out SB 998, which pertains to the discontinuation of residential water service for urban, and community water systems. It says that water is a fundamental need regardless of ability to pay. If a customer is unable to pay, the District must go through extra steps and a period of 60 days before a disconnect or shut off can be done. It is extensive. Mr. Jagers added that BCVWD bills every other month, and the shut off period averages 50 to 51 days. From an operational point, this is something that can be accommodated if necessary.

President Covington asked staff to continue to provide the Legislative Updates at the monthly Workshops and suggested posting it to the District's website so customers can be informed.

Mr. Swanson updated the Board on the Water Tax, which would equate to about \$1 per month for most users. The funding is intended to help disadvantaged communities who cannot afford or obtain necessary services. Proposition 68 also included some funding for those uses. President Covington noted that the Water Tax had died in the budget trailer, but there may be other efforts to renew it.

Mr. Swanson also noted the potential division of water rights across the state if the Proposition to divide California in three passes in the election.

10. Update: Sites Reservoir Project

Mr. Jagers reported there are new costs for design between \$600 to \$800 per acre-foot, which would not be part of a bond financing program, but would be paid up front. He noted that at the SGPWA's Budget and Finance meeting this week that the current information from the state is those payments would not be required until the early 2020s. There will be other funding mechanisms in the interim to take care of the gap period.

This is a cost for which the District has collected funding on new source water supply for long term supply from developers, so the District has the funds for its 4,000 acre-feet, however he expressed concern that the SGPWA has a 10,000 acre-foot commitment which could result in the \$6 to \$9 million cost to them with no clear strategy identified to fund. SGPWA may be moving forward with a capacity fee to work in conjunction with its new rate study. Mr. Jagers indicated there is a deficit period between now and when big developments may happen. This will be a topic of continuing discussion, as it will be a tremendous expenditure and may incur a rate burden or capacity fee at some point in time.

11. Update: Status of District Wells, Capital Improvements, and Engineering Projects

General Manager Jagers explained three tables listing the District's activities.

President Covington acknowledged that Well 29 is complete and noted that Well 26 is not yet back online. Mr. Jagers added that staff reduced the capacity of Well 29 since sand was found in the column and bowls, and 4,000 gpm was not necessary.

Mr. Bean advised that Wells 12 and 26 would soon be back online. Well 22 has had similar issues and likely the pump is bad. An RFP has been posted for repair and will come to the Board for approval. President Covington queried if the District would move to a proactive rather than a reactive status on similar issues. Mr. Jagers assured such is the case.

Mr. Bean continued that Well 3 has not lost production but there is a noise and he believes a bearing may be the cause. This will be addressed after Well 22.

President Covington asked about the recycled water master plan, which was budgeted for \$25,000 in the CIP, but \$80,000 has been spent. Mr. Jagers noted there are two projects and some preliminary work on the master plan, including staff meeting with the Regional Board, which have been billed against that number. These are paid by facility fees.

He advised the Board that these numbers will be updated for a more accurate number and there will be a significant cost with converting the non-potable system to recycled water. The recycled water system master plan is about 90 percent complete. The City Manager has reached out to the District to begin meetings about recycled water.

12. Update: Status of Potential Security Strategies for the Noble Creek Recharge Facility Phase I

Mr. Jagers reported that staff is finalizing the RFP for the Board's two options, but staff had to prioritize the well issues. Staff is also working on RFPs for a grant writer and for landscape maintenance. In addition, an informal query was made for human resources assistance and that is in process.

President Covington asked about what actions have so far been taken at Noble Creek. Mr. Jagers said all facilities have been pulled and placed in storage, and staff intends to place signage regarding the project so the public is advised. Mr. Bean advised that although regular walkers are using the facility, there is not the type of activity that had been seen previously; but that may be because school is out for the summer.

13. General Manager's Report

Mr. Jagers noted that 1,123 acre-feet was recharged in May for BCVWD, and 58 acre-feet for Banning. A total of 4,571 acre-feet has been recharged at the BCVWD facility.

General Manager Jagers advised that staff is working on an annual report to show the Board the recharge activity moving forward, plus another report on production from the Edgar Canyon Basin and Beaumont Basin.

Director Hoffman asked about the repair done at Orchard east of Beaumont Avenue. Mr. Jagers explained that a pothole developed and there was a claim

made for damage including flattened tires and bent rim. Staff followed up with some work to solidify compaction.

Director Hoffman asked about the enlargement of the Noble Creek turnout. Mr. Jagers advised the letter signed by the Board was delivered to the SGPWA last Friday with schedules developed. There has not yet been a response.

Director Hoffman drew attention to a contractor working near a drain between Noble Creek phase 1 and phase 2. Mr. Jagers said he presumes it may be a subcontractor for Flood Control doing maintenance in the channel. Mr. Bean concurred.

14. Topics for Future Meetings

To be determined.

15. Adjournment

President Covington adjourned the meeting at 7:46 p.m.

ATTEST:

DRAFT UNTIL APPROVED



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

DRAFT UNTIL APPROVED



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