



**BEAUMONT-CHERRY VALLEY WATER DISTRICT
MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
560 Magnolia Avenue, Beaumont, CA 92223
Wednesday, December 12, 2018 at 6:00 p.m.**

Call to Order: President Covington

President Covington began the meeting at 6:05 p.m.

Pledge of Allegiance: President Covington

President Covington led the pledge.

Invocation: Director Williams

Director Williams gave the invocation.

Roll Call:

Directors present:	President Covington Directors Hoffman, Slawson, Williams
Directors absent:	Director Ramirez
Staff present:	General Manager Dan Jagers, Director of Finance and Administrative Services Yolanda Rodriguez, Senior Engineer Mark Swanson; Senior Finance and Administrative Analyst Bill Clayton, Senior Accountant Sylvia Molina, Assistant Director of Operations James Bean, Administrative Assistant Lynda Kerney
Legal counsel:	James Markman

Members of the public who registered their attendance: Fran Flanders, Tara Bravo, Bill Lattin, Bruce McDonald.

Oath of Office:

The Oath of Office was administered to Directors Covington, Hoffman, Slawson, and Williams.

Public Comment: None.

ACTION ITEMS

1. Adjustments to the Agenda:

General Manager Jagers noted there is a revised staff report for item 5 and pointed out an error on page 142.

2. Reorganization of the Board of Directors

- Nomination and Election of the President

Director Hoffman nominated President Covington for a second term.

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

- Nomination and Election of the Vice President

President Covington nominated Director Slawson.

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

- Nomination and Election of the District Treasurer

Director Slawson nominated Director Hoffman for a second term.

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

- Nomination and Election of the District Secretary

President Covington nominated Director Ramirez.

MOVED: Covington	¹	APPROVED 4-0
AYES:	Covington, Hoffman, Slawson. Williams	
NOES:	None.	
ABSTAIN:	None.	
ABSENT:	Ramirez	

- Appointment of the Personnel Committee:

President Covington appointed Covington, Ramirez and Hoffman (alternate).

¹ There was no second; however, nominations do not require a second.

- Appointment of the Finance & Audit Committee:
President Covington appointed Hoffman, Slawson and Williams (alternate).
- Appointment of the Bogart Park Ad Hoc Committee
President Covington noted that the Riverside County Board of Supervisors approved the lease transfer to the Beaumont-Cherry Valley Recreation and Park District yesterday. He said he would like to keep the Committee active until such time as it is no longer needed. He appointed Ramirez, Hoffman and Covington (alternate).
- Appointment of the Ad Hoc Committee on Water Re-Use
President Covington appointed Hoffman, Slawson and Ramirez (alternate).
- Appointment of the Recording Secretary
President Covington appointed the Director of Finance and Administration, Yolanda Rodriguez.

3. Consent Calendar:

The following Consent Calendar items were approved with one motion:

- October 2018 Budget Variance Report
- October 31, 2018 Cash/Investment Balance Report
- November 2018 Check Register
- November 2018 Invoices Pending Approval
- Minutes of the Regular Meeting of November 14, 2018

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

4. Review and Consider Annual Meeting Calendar

General Manager Jagers introduced the calendars and explained holiday scheduling options.

The Board adopted the 2019 Annual Meeting Calendar (proposed Calendar "B") by the following vote:

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

5. Review and Consideration of the BCVWD Fiscal Year 2019 Operating and Capital Improvement Budget

General Manager Jagers reminded the Board that the Budget was reviewed in a detailed presentation at a workshop last Thursday. As a result of comments at the workshop, minor revisions have been made:

1. Engineering Department: One position represented as full time is actually a part time status; it is not proposed to make it a full time position.
2. Graphs were clarified to show budgeted full time and part time positions
3. An explanation of the Finance and Administration Department was revised

Director of Finance and Administrative Services Yolanda Rodriguez drew attention to page 1 of the budget document and noted that the District's largest operating expense for water supply is 18.6 percent (previously listed at 18.0 percent).

On page 16, Ms. Rodriguez noted the bottom line budget number in the Engineering Department has decreased to \$569,722 due to the part time position instead of a full time. On page 18, she continued, the budget line was changed to \$15,338,271.

Ms. Rodriguez drew attention to page 26 where the salary and benefits section has been revised for clarity of number of positions. Page 32 shows the Customer Service Rep III has changed to a part time position. Page 33 reflects a reduction in hours which changed the budget to \$569,722 total due to the labor costs.

On page 33, the CIP related labor costs were revised to reflect the number of hours staff works on capital projects. Reimbursable hours are tracked and estimated for 2019.

On page 37, the tables are revised for clarity showing total full time and part time positions. On page 56, the total expenses were reduced due to the labor cost changes. Page 59 shows the bottom line of \$15,338,271 in expenses, a reduction of \$106,926.

President Covington noted there was much discussion at the workshop and this document provides more clarity.

The Board adopted the Fiscal Year 2019 Operating and Capital Improvement Budgets by the following vote:

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

6. Review of Proposals and Consideration of Authorization of General Manager to enter into a Contract for Public Relations and Community Outreach Consulting Services

Mr. Jagers reminded the Board of previous discussion on this activity. The direction of the Board was to solicit proposals for public relations and community

outreach consulting services. Staff had brought to the Board a draft scope of work and subsequently sent out a Request For Proposals.

Staff reviewed and vetted the proposals including checking references, Jagers said.

Director of Finance and Administrative Services Yolanda Rodriguez explained that seven proposals were received and scored. The top three were CV Strategies, City Works and Allegra Consulting. Costs were considered separately. Ms. Rodriguez explained that CV Strategies was selected based on experience, proximity, and references. Although not the lowest cost bidder, the number of hours recommended is fewer and their experience is a value to the District.

President Covington asked if the bids were based on the statement of work; Ms. Rodriguez said it was, and she explained the hourly rate.

Mr. Jagers added that with the San Geronio Pass Water Agency (SGPWA) raising rates, the District faces a challenge with which assistance will be needed in communicating a message to the community.

Director Williams asked whether the low number of hours included in the base bid was due to the experience of the bidder. Ms. Rodriguez said it was; for example, templates have already been developed by CV Strategies whereas other bidders do not have the experience, particularly with Proposition 218.

Director Hoffman said that as a ratepayer, he was hesitant about the large expense and questioned the return on investment. President Covington noted that when the SGPWA raises rates, it is a pass-through, which necessitates an increase for the BCVWD. He said it would be prudent to look at regional water costs and how those costs will be managed, including a likely rate increase. To be transparent with the public, he said, a consultant would be needed to get that message out.

Director Slawson commented on the not-to-exceed amount of \$100,000 and the one-year contract term.

Mr. Jagers added that recycled water implementation will require additional communication.

Ms. Tara Bravo of CV Strategies addressed the Board. She clarified that hours are fewer in comparison due to experience with the Prop 218 process and a more focused approach.

The Board approved the execution of a one-year contract with CV Strategies for public relations and community outreach consulting services in an amount not to exceed \$100,000 by the following vote:

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

7. Consideration of Change of Service Request for 1010 W. Fourth Street, Parcels 3 and 4 of Parcel Map 34209 of Crossroads Development

Mr. Jagers explained the location and background of the project. Water lines to service the development have been installed and fees for a certain amount of Equivalent Dwelling Units (EDUs) were paid. The plans have been revised and the current project under construction is an Amazon distribution center. This has come to the Board because it is a significantly different use than the original plan similar to the CJ Foods activity approved earlier this year, Jagers said.

Mr. Jagers explained that the building footprint remains the same but there are now four floors equating to 1.3 million square feet. In response to GM Jagers, developer Mr. Bruce McDonald advised that total employment at the site has grown to approximately 5,000. Mr. Jagers noted that there is much improvement taking place along Fourth Street in conjunction with this and another project.

President Covington asked about the issue with the existing water mains. Mr. Jagers stated that a north-south potable water line and a recycled water line had been installed in an existing street. That street has been vacated by the City of Beaumont with a utility easement in place. The lines have not been accepted by the District for dedication at this point but would ultimately be conveyed to the District. The project revision includes a potable water line depth of around 8 feet for approximately 350 feet, and a non-potable water line depth of 12 feet. The developer is willing to make a deposit to cover the cost of additional maintenance activities required at that depth. For example, the District would have to bring in excavators to perform deep maintenance work. Specific numbers have not yet been determined.

Mr. Jagers stated that since there are no services off the line, staff is willing to consider an agreement with the developer: the District would offer a change of use letter outlining the differences and total EDUs of supply, accept the deposit for the increased maintenance and move forward.

GM Jagers pointed out a revision to Table 2 (page 145) in the staff report showing Parcel 2: the figure 1,090.94 should be 14,395.60 total water supply. President Covington clarified 85.66 EDUs as the new projection.

Director Hoffman asked about water supply for fire flow. GM Jagers assured that fire flow requirements had not changed from the original development.

Director Slawson asked if there were other areas where the District's pipes were so deep they could not be reached with District equipment. Mr. Jagers pointed out that lines running under storm drains or sewers present a similar situation.

The Board approved the Change of Service for 1010 W. Fourth Street, Parcels 3 and 4 of Parcel Map 34209 of Crossroads Development including an additional demand of 85.66 EDUs and a proposal to collect fees for the grading change, by the following vote:

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

8. Consideration of Resolution 2018-14: Approving, Authorizing and Directing a Grant of Interest in Real Property located in Edgar Canyon to Southern California Edison Company

General Manager Jagers explained that SCE has an existing pole and easement on District property, which requires additional anchor wires. SCE would like an easement to place the anchor wires. Staff sees no impact to existing or future District facilities and recommends the grant of easement.

General Manager Jagers clarified the 4 ft. x 10 ft. area (40 sq. ft.) in response to President Covington. Director Hoffman clarified the location. Director Slawson indicated support.

The Board approved Resolution 2018-14: Approving, Authorizing and Directing a Grant of Interest in Real Property located in Edgar Canyon within the northeast quarter of Section 22, Township 2 south, Range 1 west to Southern California Edison Company, by the following vote:

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

9. Consideration of Resolution 2018-15: Acceptance of Easement for Public Utility Purposes on behalf of BCVWD for a sub area of the Cherry Avenue Drainage Channel Parcel, a parcel that extends parallel to Cherry Avenue, west of Anna Hause Elementary School

General Manager Jagers indicated this is a housekeeping activity for the District. This land was never properly conveyed to the District. Pardee Homes owns the parcel upon which the Cherry Avenue drainage channel is located. Within the parcel are the domestic water connection extending from Well 26 to the line located in Cherry Avenue, and the District's non-potable line. Pardee Homes is now ready to convey the Cherry Avenue channel to the City of Beaumont, and BCVWD desires an easement prior to that conveyance, Jagers explained.

This document, Jagers continued, grants an easement allowing the District access to the facilities that cross the drainage channel.

The Board approved Resolution 2018-15: Approving, Authorizing and Directing Acceptance of Interest in Real Property: Easement for Public Utility Purposes on behalf of BCVWD for a sub area of the Cherry Avenue Drainage Channel Parcel,

(Parcel 139 of Parcel Map 31468-3) a parcel that extends parallel to Cherry Avenue, west of Anna Hause Elementary School, by the following vote:

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

10. Consideration of Approval of Request for Extension for 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

General Manager Jagers noted that property owner Mr. Bill Lattin is present for both items 10 and 11. Jagers explained that progress on the development is slow, and the extension is timely.

The Board approved the extension of the 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, by the following vote:

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

11. 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

Mr. Jagers explained the parcel subdivision and noted there is an existing house.

The Board approved a one-year extension of the 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, by the following vote:

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

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12. Consideration of Request for Update of Will Serve Letter (APN 417-220-009), Request for Annexation and New Will Serve Letter (APN 417-220-042), and Annexation of the Remainder of Parcels included in Parcel Map 26348, for a Proposed Office and Warehouse Commercial Development in the City of Beaumont

President Covington introduced the item and noted this is an update of an existing Will Serve Letter, plus a new Will Serve Letter.

General Manager Jagers explained this originally came before the Board on March 8, 2017. The developer had proposed a small warehouse and one office. He reminded the Board that this parcel was swapped by the City for a parcel, which is now the site of the Beaumont Sports Park. The parcel map created by the City is not within the BCVWD service area boundary and requires annexation through the Local Agency Formation Commission.

A number of undeveloped parcels will need service in order to be developed. Jagers explained the current land uses and needs for water service. At the last Board meeting, the Board discussed the situation but ultimately the motion approved by the Board accepted only the service and annexation to Parcel 9. The developer subsequently contacted the other property owners, and all want to rectify this condition.

Staff believes this action is necessary. The developer will be required to address any necessary California Environmental Quality Act (CEQA) action. District Legal Counsel has advised it will require a mitigated negative declaration.

President Covington asked whether the remainder parcels not currently served would later need to obtain separate will serve letters. Mr. Jagers detailed the intent is to clean up the annexation and if any further development happens, for them to come in separately. This action approves a Will Serve update only to Parcel 9 and Parcel 1, and annexation of the rest. In response to Director Hoffman, Counsel Markman clarified the needed LAFCO action.

President Covington asked about the previous annexation, or lack thereof. Mr. Jagers posited that the parcels in question appear to have received service from the District during a change in staff at the District under assumption that there had been an annexation in conjunction with the Parcel Map done by the City.

The Board approved the Update of Will Serve Letter (APN 417-220-009), Request for Annexation and New Will Serve Letter (APN 417-220-042), and Annexation of the Remainder of Parcels (Parcels 2, 3, 4, 5, 6, 7, 8, 10, and 11) included in Parcel Map 26348, for a Proposed Office and Warehouse Commercial Development in the City of Beaumont, by the following vote:

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

13. Reports For Discussion

a. Ad Hoc Committees:

Ad Hoc Committee on Water Re-Use: Director Slawson reported that the staff is developing memorandums of understanding and all are getting along well. All goals are set with the same finality, he said.

Bogart Park Ad Hoc Committee: Director Hoffman reported that the Bogart Park lease has been successfully transitioned to the Beaumont-Cherry Valley Recreation and Park District. He hopes to plan a transition event to make the community aware, and congratulated the BCVRPD.

b. General Manager:

Mr. Jagers added that the BCVRPD willingness to step up and maintain the asset is worthwhile and the lease transition is important to the BCVWD. With the Recreation and Park District maintaining the land and keeping it free of growth, partnering provides an opportunity to minimize exposure to wildfire.

Jagers noted that discussions with the SGPWA regarding rates are ongoing. There was a workshop on Monday, which included a discussion on how to smooth the rates.

Recycled water activities are moving forward, he reported. The Noble Creek operation is also moving forward. The San Bernardino Municipal Water District has discontinued its use of chemical for the winter, resulting in some algae growth in the BCVWD ponds. He detailed some water deliveries.

Much work has been done on Edgar Canyon wells and staff is looking for ways to modify operations to provide increased opportunity for supply, as water from Edgar Canyon does not need to be replenished.

GM Jagers reported that 1,090 acre-feet was recharged at the Noble Creek facilities. Banning has received all of the water it ordered this year. A total of 11,473 acre-feet had been produced as of the end of November: 10,793 acre-feet on behalf of BCVWD and 500 for the City of Banning. About 12,000 acre-feet will be in the ground this year, and given a replenishment need of 8,700, the District is adding to its storage account this year.

Monthly production in November from the Beaumont Basin was 1,012 acre-feet, and from Edgar Canyon it was 145. Jagers indicated he would like to eventually be producing 2,200 acre feet from the Canyon.

Well 22 has been reinstalled but not yet restarted. Piping is completed and samples are being taken, Jagers said.

Finance has been busy, he reported, and thanked staff for their work.

c. Directors' Reports:

Director Williams reported that she attended the Association of California Water Agencies conference and shared some information. She also attended the SGPWA meeting and expressed concern over the doubling rates.

Director Hoffman complimented staff on the 2018 budget – at the end of the year, the budget was fairly accurate. In 2019, he expects to be on the same path. He mentioned a substantial increase in investment income.

Director Hoffman encouraged moving forward on the security measures at the Noble creek facility and noted that during the last rain, runoff on Beaumont Avenue was closed off from the ponds.

Director Hoffman attended the SGPWA meeting and noted that despite differing opinions, he observed a spirit of harmony among the managers and is optimistic about progress. He asked about the cost of Nickel Water and Mr. Jagers detailed various costs.

Director Hoffman also attended the Riverside County Board of Supervisors meeting hoping to observe the Bogart Park lease item. He noted the phenomenal sound system at the County Board chamber.

d. Legal Counsel Report: None.

14. Announcements

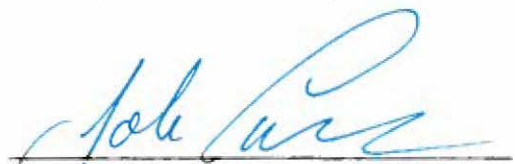
President Covington read the following announcements:

- District Offices will be closed on Tuesday, December 25 in observance of Christmas Day
- District Offices will be closed on Tuesday, January 1, 2019 in observance of New Year's Day
- Collaborative Agencies Committee meeting: January 2, 2019 at 5:00 p.m. (Location: Beaumont-Cherry Valley Recreation and Park District – Noble Creek Community Center, 390 W. Oak Valley Pkwy)
- Finance and Audit Committee meeting: January 3, 2019 at 3:00 p.m.
- Regular Board meeting: January 9, 2019 at 6:00 p.m.
- Engineering Workshop: January 24, 2019 at 6:00 p.m.
- Personnel Committee meeting: January 28, 2019 at 5:30 p.m.
- Bogart Park Ad Hoc Committee (Pending): February 4, 2019 at 5:45 p.m.
- Beaumont Basin Watermaster meeting: February 6, 2019 at 10:00 a.m.

15. Action List for Future Meetings


- Proposition 1 Bond Opportunities
- Proposition 68
- Water supply for BCVWD and the region

16. Adjournment: 7:53 p.m.



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

ATTEST:



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

