



**BEAUMONT-CHERRY VALLEY WATER DISTRICT**  
560 Magnolia Avenue, Beaumont, CA 92223

**MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
Wednesday, September 8, 2021 at 6:00 p.m.**

***Meeting held via teleconference pursuant to  
California Government Code Section 54950 et. seq. and  
Governor's Executive Orders N-29-20, N-33-20, and N-08-21***

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**Call to Order:** *President Slawson opened the meeting at 6:05 p.m.*

**Pledge of Allegiance:** *Led by Director Hoffman*

**Invocation:** *Given by Director Ramirez*

**Announcement of Teleconference Participation**

Acting Director of Finance and Administrative Services William Clayton clarified that this meeting is conducted in person and via teleconference pursuant to California Government Code Section 54953, and under Executive Orders N-29-20, N-33-20, and N-08-21 of the Governor of California.

The teleconference capabilities of this meeting have been identified in the Notice and Agenda, pursuant to the Brown Act and the Governor's Executive Order. Under the Governor's Executive Order due to the danger of COVID-19, the teleconference locations are not publicly accessible. The public's right to comment and participate in the meeting is being assured via teleconference capabilities.

The Beaumont-Cherry Valley Water District (BCVWD) will use sound discretion and make reasonable efforts to adhere as closely as reasonably possible to the provisions of the Brown Act, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to meetings.

**Roll Call:**

Directors present:	Covington, Hoffman, Ramirez, Slawson, Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Operations James Bean Acting Director of Finance and Administrative Services William Clayton Senior Engineer Mark Swanson Accounting Technician Erica Gonzales
Legal Counsel	James Markman

Members of the public who registered attendance: San Geronio Pass Water Agency Board member Larry Smith, Christopher McCarrey, and Thomas and Norma Medina.

Acting Director of Finance and Administrative Services William Clayton verified that all present members of the Board of Directors have indicated that they are able to hear the other directors clearly. No directors expressed any reason to believe, based on voice recognition or otherwise, that those persons representing themselves to be directors are not truly so.

**Public Comment:**

Ms. Norma Medina reminded the Board about relocating the water meter to the front of her house and asked if that was still the plan. Mr. Jagers assured it is on the District's project list. Mr. Medina reported that the street is torn up. Mr. Jagers stated that Senior Engineer Mark Swanson would reach out to the City Planning Department and the developer of the project coming across the street from their home.

**1. Adjustments to the Agenda:**

President Slawson moved item 10b forward at the request of Director Ramirez.

**2. Consent Calendar:**

Director Hoffman requested to table item 2g of the Consent Calendar as there are members of the public who wish to speak on the item but who could not be at this meeting.

*The following Consent Calendar items were approved with one motion:*

- a. Review of the July 2021 Budget Variance Reports
- b. Review of the July 31, 2021 Cash/Investment Balance Report
- c. Review of Check Register for the Month of August 2021
- d. Review of August 2021 Invoices Pending Approval
- e. Minutes of the Regular Meeting of August 11, 2021
- f. Minutes of the Special Meeting of August 18, 2021

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

**g. Pre-Approved Events and Director Appointments List**

President Slawson noted that this item has been discussed at multiple meetings and the public has had ample opportunity to comment. There was no further discussion.

*Item 2g was approved by the following vote:*

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

*President Slawson addressed Item 10b out of order.*

## **10. Reports for Discussion**

### **b. Directors' Reports**

Director Ramirez reported on the following events:

- 7/6/2021 – California Department of Food and Agriculture virtual event
- 7/12/2021 - ACWA Local Government Commission: Managing California's Groundwater virtual event
- 7/22/2021 - ACWA Water Management Committee: Water Use Efficiency Standards Update

President Slawson reported on the following:

- 8/27/2021 – Riverside County Water Task Force

Director Hoffman proposed a process to track and vet claims for reimbursement or per diem compensation via review by the Finance & Audit Committee, with final determination by the Board. Director Williams noted that the expense reports with backup information are now included in the Finance & Audit Committee agenda packets. She noted this adds a level of transparency.

## **3. Presentation by Chandler Asset Management and Direction to Staff regarding Investment Advisory Service**

General Manager Dan Jaggars noted that Chandler Asset Management (Chandler) has made presentations to the Finance & Audit Committee. Mr. Christopher McCarry, Senior Portfolio Analyst with Chandler provided background on the firm, and its focus on safety and liquidity.

McCarry pointed out other public agency clients and detailed their services. He reviewed the District's current portfolio, pointed out low yields, emphasized risk management, discussed potential strategy, and explained fees.

In response to Director Hoffman, Mr. McCarry clarified some fees and compared to current LAIF charges. Hoffman asked about time commitment. Mr. McCarry said that the usual contracts are three years with optional annual renewal; however, the District may decide to terminate the relationship at any time at their discretion. At no time does Chandler have control or access to assets, he stated.

Director Hoffman pointed out that the Board takes its responsibility for District funds very seriously and wants to do the best, safest, and wisest management. McCarry assured that is the goal of Chandler as a fiduciary, with recommendations made based on the best interests of their clients.

In response to Director Williams, Mr. McCarry assured there are no termination fees and explained that Chandler's revenue is derived from the monthly fees for assets under management. He further detailed typical efforts to customize portfolios and training available to staff.

In response to Director Covington, General Manager Jagers and Acting Director of Finance and Administrative Services Clayton detailed the concepts of how to distribute the District's assets between investments, and near-term strategy. Covington noted that asset management had been discussed at the Finance & Audit Committee and expressed support.

Mr. Jagers noted that a further concept would come back to the Board at a later time.

Director Ramirez asked if the levels of commission are industry standard, and if other agencies had negotiated the fees. Mr. McCarry clarified that Chandler receives no commission for any recommendation; compensation is on a percentage of assets under management of a monthly basis. The fees are pretty standard, and Chandler feels they are competitive for the service provided, he noted.

President Slawson reiterated Director Hoffman's comment about responsibility for the ratepayers' funds. He indicated support for the management idea.

General Manager Jagers indicated that based on the discussion, staff would identify a path forward and bring something formal back to the Board.

Director Covington thanked the Finance and Audit Committee.

**4. Consider an Amendment to Award of Bid for the Purchase of four (4) Fleet Vehicles in an Amount Not to Exceed \$154,778.00 to Include an Additional \$5,790.00 For a Total Amended Not to Exceed Amount of \$160,568.00**

Director of Operations James Bean presented the amendment to the previously approved purchase. He noted it is a strange market and explained that between approval of the purchase and placing the order, the Ford Motor Company had reached the end of its 2021 production due to the shortage of microchips.

The F-450 was ordered, is being built and delivery is expected, but the 2021 models of the two Rangers and the F-150 were unavailable, Bean explained. Although the new pricing for the 2022 models is slightly more, it is within the previously approved amount, but this amendment is brought to the Board for transparency, he said. He detailed the process for obtaining quotes.

Director Hoffman asked about warranties, and Mr. Bean noted the warranty included is the same as previously quoted. Hoffman advised looking at the time period of the warranty rather than the miles.

Director Hoffman asked about the cost and detail of equipping the vehicles. Mr. Bean noted this cost is for radios, toolboxes, and emergency lighting.

In response to President Slawson, Mr. Bean said he would send the email order as soon as approved. He responded to questions from Director Hoffman about previous equipment. Director Hoffman cautioned that the market on trucks is up, and money can be recovered.

In response to Director Covington, Mr. Bean noted that two trucks would be taken out of circulation, but with the AMR / AMI project one would be retained.

Director Hoffman asked if registration fees, and insurance costs are paid on vehicles out of service. Mr. Bean said all are registered, and Director Williams pointed out that all District vehicles are exempt from fees. Mr. Jaggars noted that the insurance policy from ACWA/JPIA covers all vehicles.

*The Board approved an increase in budget allocation of \$5,788.40 to cover the increased prices to purchase three (3) of the fleet vehicles from Fritts Ford in Riverside, Calif. as previously approved on July 22, 2021, and as listed in the 2021 Capital Improvement Budget by the following vote:*

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

#### **5. Consideration of Attendance at Upcoming Events and Authorization of Reimbursement and Per Diem**

General Manager Jaggars introduced this as an informational item, as the Annual List of Pre-Approved Events was approved earlier. Staff and directors commented on some events. Director Covington requested that educational events be emailed to directors.

Director Ramirez indicated interest in two webinars:

- Leading Your Community in an Era of Anxiety on 9/15/21
- Southwest Drought Virtual Forum on 9/21-22 /2021

#### **6. Continued Review of Anticipated California Drought Conditions, District Urban Water Management Plan Drought Restrictions and BCVWD Resolution 2014-05 Regarding Issuance of Will-Serve Letters and Other Drought Response**

General Manager Jaggars pointed to the Urban Water Management Plan and Water Shortage Contingency Plan. He suggested review of the Plans and noted the six levels of concern based on reduction in normal long-term water supplies. He reminded the Board about water banking and current restrictions in supply.

There is some uncertainty this year, he continued, and said the intent is to request additional available water from the San Geronio Pass Water Agency (SGPWA). But in the future, the District may fall into one of the stated shortage levels, he advised. He indicated that there will be further discussion at the Engineering

Workshop and determination of what actions might be taken. This is a significantly critical year from a water supply perspective, he advised.

In response to Director Covington, Mr. Jagers noted it is supposed to be a La Nina year, but with all the fires and changing watershed conditions, the reservoirs may be affected by debris. There are many factors that are not understood and there will probably be adverse conditions, he cautioned. Jagers pointed to recent events and advised that there may be funds taken from reserves to buy additional water. Covington pointed to issues moving the water south via the State Water Project but said if there are opportunities to make water purchases, there should be discussion.

**7. Status of Local Emergency regarding the Impact of the Respiratory Illness Pandemic COVID-19 pursuant to Resolution 2020-07**

General Manager Jagers noted that infections are declining but hospitalizations are up. Staff continues to work within protocols and people are staying safe, he noted. The office remains open four days a week and fully staffed, he said.

**8. Status of Declared Local Emergencies related to Fires**

**a. Impact of the Apple Fire pursuant to Resolution 2020-17**

**b. Impact of the El Dorado Fire pursuant to Resolution 2020-20**

Mr. Jagers reported there is some monsoonal rain being predicted. There may be movement of the soils on the hillsides and there is a bit of concern, which will continue to be monitored, he said.

**9. Beaumont Basin Watermaster: Ruling on Motion by Yucaipa Valley Water District regarding the 2019 Annual Report and Rule 7.3 by Riverside County Superior Court**

District Legal Counsel James Markman explained that the Yucaipa Valley Water District (YVWD) had a concept of how the Beaumont Basin judgment should be implemented that was contrary to what the Watermaster was doing and was intended with the adjudication and judgment. He explained about water transfers from overlies and the deal cut with Oak Valley Partners for YVWD to lease overlying water rights.

Mr. Markman explained similar situations looked at as a conversion provision, not a transfer provision. The judgment is clear that for properties ready to develop, parcel by parcel, there is an allotment of overlying water. When it converts to homes, that amount of water can be used to serve that site, he explained. The Beaumont Basin Watermaster adopted a rule that after five years of not pumping the unused water, that water is assigned to the appropriators in accordance with the proportionate water rights under the judgment. The allocation is very important to Banning and South Mesa which have a storage account based on those allocations.

YVWD argued to eliminate those allocations in favor of transferring the water directly for use in its service area. Those provisions in the judgment were argued over the last four months, he explained. The Court ruled in favor of the provision as a conversion, Markman said, and it appends the water to the parcel.

YVWD can seek a reconsideration, Markman noted, or take a different approach.

In response to President Slawson, Mr. Markman noted there is a 60-day trigger for appeal and Jagers advised that the ruling was made August 31.

## 10. Reports For Discussion

### a. Ad Hoc Committees:

Communications Committee: No report.

Sites Reservoir Committee: No report.

Water Re-Use 2x2: No report.

### b. Directors' Reports: *(This item was addressed earlier in the meeting.)*

### c. Directors' General Comments: None.

### d. General Manager's Report:

Mr. Jagers advised that there has been no recharge. Staff is seeking a cost-effective approach to berm grading at the recharge ponds and may use staff and rented equipment. He further detailed the needed work.

MDP Line 16 is moving forward, he advised.

Director Covington asked about the pipeline relocations. Mr. Jagers said the material is on order and the bidding process has begun. The project is being correlated with MDP Line 16.

The Antonell Court project is underway, he noted, and briefly reiterated the City's request to remove the old pipe.

There may be possibility for some recharge water from some exchange projects of the San Geronio Pass Water Agency, he said. Approaching the end of the year there may be some water put into the ponds.

The MOU with staff is moving forward and the classification and compensation studies are underway. Interviews are being completed for some staff positions, Jagers said.

One 800-hp well motor of the two ordered was received today, he concluded.

President Slawson noted recent news on algae issues.

### e. Legal Counsel Report: None.

#### 11. Action List for Future Meetings:

- Water supply for BCVWD and the region
- Matrix for delivery of recycled water
- Update and legal perspective on the Delta Conveyance Project
- Legal Counsel report on changes in Proposition 218
- Legal update on drought conditions in the west
- Maintenance costs at 800-hp well sites
- Policy on rotation of Board President

#### 12. Announcements

*President Slawson read the following announcements:*

- Personnel Committee Meeting: Monday, Sept. 20, 2021 at 5:30 p.m.
- Engineering Workshop: Thursday, Sept. 23, 2021 at 6 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Oct. 6, 2021 at 10 a.m.
- Finance and Audit Committee Meeting: Thursday, Oct. 7, 2021 at 3 p.m.
- Regular Board Meeting: Wednesday, Oct. 13, 2021 at 6 p.m.
- Collaborative Agencies Meeting: Wednesday, Nov. 3, 2021 at 5:30 p.m.

Mr. Jagers advised that another special meeting will be scheduled.

#### 13. Closed Session

*There was no closed session.*

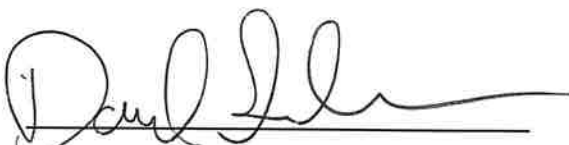
CONFERENCE WITH LEGAL COUNSEL – Existing Litigation  
Significant exposure to litigation  
Pursuant to Government Code Section 54956.9(d)(1)  
San Timoteo Watershed Authority v. City of Banning, et. al., Riverside  
County Superior Court Case No. RIC389197

#### 14. Report on Closed Session

N/A

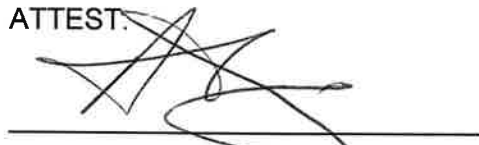
#### 15. Adjournment

*President Slawson adjourned the meeting at 8:17 p.m.*



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

ATTEST:



Director Andy Ramirez, Secretary  
to the Board of Directors of the  
Beaumont-Cherry Valley Water District