



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

**MINUTES OF REGULAR MEETING – ENGINEERING WORKSHOP
OF THE BOARD OF DIRECTORS**

Thursday, January 26, 2023 at 6:00 p.m.

*Meeting held in person at 560 Magnolia Ave., Beaumont, CA
pursuant to California Government Code Section 54950 et. seq.*

Call to Order: *Vice President Covington opened the meeting at 6:18 p.m.*

Pledge of Allegiance was led by Director Slawson.

Invocation was given by Director Slawson.

Announcement of Teleconference Participation

No Board members were attending via teleconference.

Roll Call:

Directors present:	Covington, Slawson, Williams
Directors absent:	Hoffman, Ramirez
Staff present:	General Manager Dan Jagers Director of Finance and Administration Kirene M. Bargas, PhD Director of Engineering Mark Swanson Director of Information Technology Robert Rasha Finance Manager William Clayton Human Resources Administrator Sabrina Foley Administrative Assistant Cenica Smith
Legal Counsel	James Markman

Members of the public who registered their attendance: Nisha Ajmani of CV Strategies; Christopher Perez and Bradley Weaver of Westbound Communications; Jim Zimmerman and David Hendrix of Meritage Homes; Sylvia Kohler, and Danny Kohler.

Public Comment: None.

- 1. Adjustments to the Agenda:** None.
- 2. Authorization of General Manager to enter into a One-Year Term Contract for Social Media and Public Relations Services in an Amount Not-to-Exceed \$100,000**

Director of Finance and Administration Kirene M. Bargas reported that the previous contract had expired at the end of 2022, and staff is currently handling social media posts.

Staff prepared and released a Request for Proposals (RFP) and received three responses, Dr. Bargas continued. She reviewed the technical scoring and analysis resulting in elimination of one vendor and close score between the remaining two: CV Strategies and Westbound Communications. Oral interviews were conducted with both, and a reference check was performed.

BCVWD has worked with CV Strategies since 2019 without issue, Dr. Bargas continued. She pointed out that the ad hoc Communications Committee discussed but did not vote on a recommendation to the Board. Mr. Jagers added that staff believes both consultants could do a good job.

Representatives from Westbound Communications and CV Strategies addressed the Board and responded to questions.

Vice President Covington invited public comment. There was none.

Director Slawson noted that staff accomplished the directive of identifying other companies, with one of which the District already has a working relationship.

Both scored closely, Covington noted. He pointed out this is a \$100,000 contract but did not see hourly rates listed. Dr. Bargas pointed out the cost menu and averaging at \$165 per hour. All agreements are written with a 30-day cancelation clause, she added.

Director Williams said the ad hoc Communications Committee was amenable to continuing with CV Strategies.

Vice President Covington moved to enter a one-year contract with Westbound Communications. The motion died for lack of second.

The Board authorized the General Manager to enter into a contract for Social Media and Public Relations services with CV Strategies for a one-year term (2023 calendar year) in an amount not-to-exceed \$100,000 by the following roll-call vote:

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

3. Approval of Professional Services Agreement for Actuarial Services Related to Other Post-Employment Benefits (OPEB) in Compliance with Governmental Accounting Standards Board Statement No. 75 in an amount not to exceed \$25,225 for three years

Finance Manager William Clayton explained the request and staff's recommendation for a three-year contract at \$25,225 with additional one-year options for extension for a total of \$15,025 for the next two years with Foster & Foster. He explained the

Government Accounting Standards requirement for an actuary to value the District's liability for retiree health benefits every other year.

An RFP was issued, and seven firms responded. A staff team evaluated the proposals utilizing criteria including technical approach and cost, Clayton continued. The recommended firm achieving the highest score is Foster & Foster, he reported. It is also the highest cost firm, he noted, requiring Board approval. Mr. Jagers added that staff has past experience with this firm and the multi-year contract is before the Board for transparency.

Vice President Covington asked about fluctuations in costs. Mr. Clayton explained the varying work requirements year over year.

Director Slawson reminded about a previous presentation regarding funding of OPEB and asked if the trust was fully funded. Mr. Clayton indicated that payments are being made, but there is ongoing liability.

Vice President Covington invited public comment. There was none.

The Board authorized the General Manager to negotiate and execute a professional services agreement with Foster & Foster for actuarial services to value other post-employment benefits (OPEB) in compliance with Governmental Accounting Standards Board Statement No. 75 (GASB 75) for a three-year term commencing with the calendar year ending December 31, 2022, at a total amount not-to-exceed \$25,225, with the option of extending the contract upon future Board approval for two additional years, at a total amount not-to-exceed \$15,025, at the District's sole discretion by the following roll-call vote:

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

4. Update: Sites Reservoir project

General Manager Jagers shared a PowerPoint presentation from the San Geronio Pass Water Agency (SGPWA) by Sites Reservoir Executive Officer Jerry Brown earlier in the week:

- California could lose 10 percent of its water supplies over the next 20 years with the probable reallocation of the Colorado River, State Water Project reliability, and climate change
- Over the last storm events, 300,000 to 400,000-acre feet (af) could have been stored in the Reservoir if it had been available
- Local agencies may have 90,000 af of storage space in the Reservoir
- In addition to current statewide participation, there is a waiting list of 13 agencies and interested parties which have decided they would like to participate but at this time there is no space available for them

- The project had been downsized from 1.8 million af to 1.5 million and some booster stations were eliminated
- The investment allows a share of storage space and local control
- Funding sources include the WIIN Act, WIFIA loan, USDA loan, and investors' share
- The Bureau of Reclamation recently indicated interest in about 225,000 af of storage space
- The environmental planning phase is in the final Environmental Impact Report (EIR / EIS) stage
- Permitting and water rights are expected to be completed in 2025
- Final design is expected in 2025-2026
- Funding could cost BCVWD as much as \$2.9 million per year and could be funded through Developer Capacity Charges (Facilities Fees) and some through rates spread across customers, and increased water sales

Vice President Covington noted it will be a lengthy project and the District is already in for approximately \$1 million. He acknowledged the long-term risk and needed investment in water portfolio. Jagers noted that the Reservoir is part of the Governor's Drought Resiliency plan.

Vice President Covington asked when the next payment would be due for Phase 3. Jagers indicated it is getting close but there is no firm date. The information is filtered down via the SGPWA, he noted.

Vice President Covington invited public comment. There was none.

5. Update: Master Drainage Plan Line 16 Storm Drain Project

Director of Engineering Mark Swanson provided an overview of the project and status of construction. He presented photos of project progress. The storm drain is currently conveying water, but the water cannot yet be put into District facilities, he reported. The flooding situation on Brookside will be significantly reduced, he said.

General Manager Jagers advised that this demonstrates the District's continued activities toward stormwater capture and recharge to provide for water supply for the community, which was enacted in 1886 beginning with the Beaumont Land and Water Company, and has been performed as a water agency for 140 years.

In response to Vice President Covington, Mr. Swanson described actions remaining on the project. He indicated the final payment will be due upon completion. The District will need to construct gates for the spillways, and this project will come back to the Board in the future. Equipment will also be needed to monitor and measure incoming water, he added.

Mr. Jagers added information on further related projects.

Vice President Covington asked about the contractor for the spillways. Mr. Swanson noted it is the same contractor for the pipeline, but different crews hired. Covington noted the pipeline is done but work on District facilities is not. Swanson stated that the schedule had been revised. Mr. Jagers indicated that concrete had been difficult to procure, and the schedule was changed to accommodate. It is also possible the contractor was hoping concrete prices would come down.

Covington observed that quite a bit of water appears to be being captured. He also noted that the paving plan has been submitted to the County.

Vice President Covington invited public comment. There was none.

6. Update: Grand Avenue Pipeline Replacement Project

Director of Engineering Mark Swanson explained that staff learned that there were more affected pipelines than initially identified as part of the project (nine in total; 6,000 linear feet) and decisions were made to protect District facilities and move them out of the way. He explained the work to replace those lines at the end of their service lives or those that would be in direct conflict with the storm drain.

This work gives the people who live on Grand Avenue new lines and addresses the Master Plan for the street, Swanson said. He reviewed the work completed and work remaining.

The pavement plan has been returned by the County and staff will work on a notice inviting bids, Swanson continued. This should come to the Board in February. Flood Control addressed the north side as part of the MDP Line 16 project, and BCVWD will do the vast majority of the south side, he stated.

Vice President Covington recalled that conversation began about this project in 2014 and it is good to have it in the rearview mirror. A lot of the work has been done under the County's direction, he said, and asked how it is faring with the residents on Grand Avenue, as it was a massive disruption. Mr. Jagers advised that former 5th District Supervisor Jeff Hewitt assigned representative Mickey Valdivia who was proactive at the political level to field questions. There were some issues and unhappy residents, but District staff tried to smooth things and worked with Mr. Valdivia to be as proactive as possible, he advised.

Covington noted that many considered it a Water District project, and therefore the District is taking the brunt of the criticism.

Vice President Covington invited public comment. There was none.

7. Discussion and Possible Action Regarding Well Drilling Activities at Assessor's Parcel Number 401-190-002 (9154 Lilac Lane)

Property owner Ms. Sylvia Kohler addressed the Board. She said that after discussion at the previous meeting, she spoke with County Environmental Health and was told there is no preclusion with the proximity of her well to the District's well at 420 feet. When she and her late husband bought the property, the north neighbor had a well and water service at the same time. The neighbor to the south then built a well and also had water service. They had an understanding with the District and are still being allowed to use it, and therefore there is precedent, she posited.

Ms. Kohler said former general manager Chuck Butcher came to her property regarding a main leak, at which time they discussed the neighbor's well, and no problem was mentioned. Vice President Covington noted that would have been decades ago.

Ms. Kohler requested the District provide service, as they do not want to take further action. She said she had provided the title report to staff.

Vice President Covington requested an update from staff and legal counsel.

General Manager Jagers reported that the District's investigation of the property title identified a preclusion from surface and subsurface water rights and the District has been operating in Edgar Canyon since the 1800s. Based on title reports and legal review, the Beaumont Land and Water Company (BLWC) and subsidiaries preserved all surface and subsurface water rights when the land was divided, he explained.

The well construction was noticed, but the property owner (Kohler) did not come to discuss it with the District, Jagers continued. The District did not catch wells installed by other property owners and that will be addressed separately, he said. A letter was sent to Ms. Kohler while her well drilling was in progress. District regulations as posted on the website discuss discontinuation of service. Drilling ceased and the Kohlers came in to talk to the Board. An incomplete title report was provided, and staff shared the full title report which included the schedules of activities precluded.

Legal counsel reviewed the information on water rights, Jagers continued. The County of Riverside was contacted and expressed no issue with the permitting, and pushed the issue to the District as a water right issue, he explained. The County was not responsive to the District, and it appears there was an issue with the permitting work done and approvals. The District will further pursue that with the County to assure they understand the District's water rights.

Review suggests the District, as a subsidiary of the BLWC and Beaumont Irrigation District, indeed has the water rights for this area and those rights should not be utilized by the property owners, Jagers concluded.

Legal Counsel James Markman explained that the issue was examined carefully, and the title report obtained by the District included all the encumbrances and exceptions. Additionally, staff obtained background documents, including actual property deeds back to the 1920s, 30s, and 40s regarding disposition of the water rights. Also examined were the old tract maps, and metes and bounds descriptions that made up the present Kohler property to assure there was not part of the property that may have been left with a water right.

The Kohlers never received a proper title report, Markman continued. The document shared with the District was not a title report, it was a property profile showing the present owner and legal description, but there was no information that would be accepted by a title insurance company.

There were two historical instances where water rights were reserved, Markman explained. Rights were reserved to the BLWC when it subdivided the property. The BLWC did that because it was investing in a retail water system to distribute water to the properties, and did not want competitive pumping by the very people they were serving, and wanted to isolate itself with all the water rights in the area it was developing, which was a typical approach. There is no question the deeds support the complete reservation of water rights to BLWC, Markman stated.

In the mid-1940s, a property was retrieved in a tax sale or lien process by the Beaumont Irrigation District (predecessor of BCVWD) and was reconveyed, and the same water rights were reserved to the Irrigation District, Markman explained.

Mr. Markman indicated that if a different attorney can show that something had been missed, or should be interpreted differently, he would be open-minded, but the legal conclusion is there is no water right in that service area other than BCVWD.

Based on those conclusions, it is the position of staff that BCVWD has the water rights, Mr. Jagers stated. He noted that the Kohlers had identified that they were interested in seeking legal counsel on their behalf. The District has done its due diligence and spent the District's money to ascertain that this position is correct. He recommended the Board continue to support the assertion of the District's water rights and do everything within its means to maintain and exercise those rights.

Mr. Jagers reported that another property owner in the area expressed that certainly all the people up there have some interest in having wells if that is allowable, and others such as orchards have pursued that in the past with the District.

Vice President Covington agreed that the title report shows the first party as the BLWC and how the surface and subsurface rights were retained. He asked Ms. Kohler about the current status of the well drilling. She stated that the well was not completed; that upon receipt of the notice, she instructed the driller to stop.

Ms. Kohler explained that the well driller said there was precedent – that the District had allowed neighbors to have their own water and well but are not allowing the Kohlers to do so. She said she firmly believes that because two neighbors have been allowed, that they also have a right to have a well. She said she was amazed at the threatening letter to have the water turned off at their home. Neighbor Guy Dabney has advised her that the BCVWD Board was aware of his well and has a file that he is willing to share, she said.

Ms. Kohler and Mr. Danny Kohler also complained about late notice of this meeting.

Mr. Jagers reminded that neighboring wells are a condition of those properties, not the Kohlers' and will be pursued separately. He reiterated that when drilling activity was noticed on the Kohler property a notice was sent identifying the right to suspend service.

This has been going on for quite a while, Ms. Kohler stated. She advised that when the property was purchased, there was an irrigation gauge, but it was removed. She confirmed for Vice President Covington that there is a domestic meter, and that water is being used to irrigate the trees. Covington noted that the water rates are the same, the irrigation rate was discontinued in 2010.

Ms. Kohler posited that permission had not been given to remove the irrigation meter. Mr. Jagers indicated that there has been no request to investigate or restore the irrigation meter. Mr. Kohler submitted that the District had said at a previous meeting that they would look into it. Ms. Kohler confirmed they do not want the irrigation meter restored.

Director Slawson requested the Board members direct staff to stick with the law and protect the District's water rights. He also recommended directing staff to investigate neighboring properties and wells to determine if further action is needed to have wells

abandoned. He explained that the irrigation meter was interesting but was nixed as it was determined to be unfair to other customers to be subsidizing irrigation / agriculture. He acknowledged that the Kohlers were unhappy and said he hoped that they do not now seek counsel and spend more money on this situation.

Director Williams noted that neighboring wells will not be discussed, as that is an issue between the District and other homeowner(s). She said she appreciated that it has been brought to the District's attention.

The conversation with Mr. Butcher was decades ago, and things change, Director Williams continued. If the Kohlers had obtained the correct property description, they would have seen the water rights. She agreed with Director Slawson's position for staff to follow the recommendations of Mr. Markman. She acknowledged the Kohlers' frustration but said the Board is trying to do everything legally.

Vice President Covington expressed understanding at the frustration of seeing others with wells. He noted that even in the late 1980s, it was understood that once water service was received from the District a property owner could not drill a well or transfer water from one property to another.

The Kohlers did not have a conversation with the District prior to going to the County, and it may have helped had the conversation that may have happened with previous District staff had been in writing. He agreed with Director Slawson that there are likely wells of which the District is unaware, and he commented on the historical disconnect between the County and other agencies. Covington stated that in his years, he can think of no occasion on which the District has granted a variance to its Rules and Regulations and policies, because if it is done for one person, it would have to be done for others. He agreed with Director Slawson regarding direction to staff to quickly investigate other wells to report back to the Board.

Director Williams requested an update at the next Workshop.

General Manager Jagers reiterated the Board's direction to staff.

- Maintain the District's water rights
- Do not allow the property owner to exercise a surface or subsurface right such as is in accordance with the title report, and work with legal counsel to prepare a letter
- Investigate discrepancies with other properties and treat everyone fairly
- Agendize the review of other properties at a future meeting

Vice President Covington and Mr. Markman confirmed the clear direction to staff.

8. Consideration of BCVWD Rules and Regulations Part 8 - 2 Main Extension Procedures to Include Reimbursement Agreement and Oversizing Agreement Provisions and Potential District Participation in a Community Facilities District

General Manager Jagers explained this is a two-prong discussion:

- Modernization of current District policy, and rules and regulations
- Potential participation in an oversizing agreement per request of a current developer

Director of Engineering Mark Swanson reminded of prior presentation regarding the requirements to build larger infrastructure as development progresses, although a

specific development may not require the larger infrastructure, which may warrant a request for the District to participate in oversizing components to that larger infrastructure so that it matches the Master Plan, and is built only one time.

Mr. Swanson requested further discussion on policy aspects. He explained that in late December, the District was asked if it would be able to participate in oversizing. In this case, related to Meritage Homes on the Fairway Canyon project, there are three pipelines in Oak Valley Parkway that would be extended from approximately the sewer lift station to Tukwet Canyon Parkway (4,200 linear feet). The authorization for use of collected capacity charges (facilities fees) funds to help pay for the oversizing project is a Board decision, he explained.

Mr. Jagers explained that the District collects capacity charges (facilities fees) from developers to provide its contribution to oversizing components. Typically, in recent history, the District has not been asked to participate: developers have bought the oversizing piece of the project and built it, possibly at non-prevailing wage. Once such a project includes funds collected by the District, it must become a prevailing wage project, which increases the cost, he noted.

This discussion is about how to move forward with the modernization of oversizing activity and about this particular project, Jagers stated. Staff expects to work with Legal Counsel Markman to create an attachment for an oversizing component, work with the developer, and bring it back to the Board for approval. The District is beginning to see developers asking for things that they had not previously been asking for, he added. He has received the impression that there has been a decline in values of sales, and developers are now looking for possible cost-sharing components, he advised.

Mr. Swanson advised that District Policies and Procedures Manual Section 8 provides general direction for mainline extension procedures but there is not much detail. He reminded the Board that a redline proposing more elaborate language was presented to the Board in March 2021. He shared a draft flow chart for a developer oversizing agreement, which would be worked into a policy.

Swanson advised that the plans for Oak Valley Parkway are signed and approved, but construction has not started, likely due to costs. He suggested it is time to evaluate the District's participation and determine the budget.

Mr. Swanson pointed to the Fairway Canyon project and contrasted the developer's needs with the District's infrastructure requirements; the District would participate in the differential, i.e., the developer would build the 24" line but would pay for their needed 16" line, with the District paying for the upsized charge. Details would be needed regarding what the District would pay for to be included in the policy.

District staff would like to move the request of Meritage Homes for an oversizing agreement forward based on a prior agreement and legal counsel review, Swanson stated. It involves District funds and would come back to the Board again.

Vice President Covington pointed out that the oversizing agreement is commonly called a reimbursement agreement. He pointed out that funds for the difference between the development's requirements and the District's oversizing needs would be recovered in the future. Jagers noted in some cases those funds have already been collected. In the future, the study of capacity charges (facilities fees) will evaluate the infrastructure remaining to be completed, Swanson added. Current capacity

charges (facilities fees) in the amount of \$10,122 include a transmission pipeline component, Jagers added, and those restricted funds are expended as projects move forward.

Mr. David Hendrix of Meritage Homes noted that they acquired the last developable portions of Fairway Canyon in June 2021 (phases 4B and 4C). Phase 4B had no dependencies on the Oak Valley pipeline improvements, which is the final segmentation – approximately 1 mile. Tri-Point was ahead of Fairway Canyon and is constructing their segment. Analysis indicates there is a significant portion of oversize within all three lines, and Meritage is paying its full amount of fees as discussed, and proposes that District participation in oversizing be evaluated. The challenge in putting the project out to bid is that Oak Valley Parkway is a complicated street with a high-capacity gas line, requiring prevailing wage bid contractor with experience and expertise, and multiple lines in the street requiring clearance / separation. The project has been through multiple plan checks for assurance, he said.

Director Slawson asked about plans, and Mr. Swanson noted that the potable plan and non-potable plan include separations to protect water lines as mandated by the Division of Drinking Water. The developer is ready to move forward with construction, but must consider the proximity of the Brine Line, sewer lines, and a gas line. He said as-builts will be prepared after construction. All plans are approved, Hendrix assured; but the project does not yet have its water services agreement, which is where the issue of the oversizing arose.

Mr. Markman noted that developers build infrastructure and dedicate it to the District in order to avoid some of the public bidding processes that the public agency is required to follow, such as prevailing wage and Public Contract Code. If this is done, it should be the District's contract, he advised, and instead of providing funding the District should just run the process with the developer contributing their share.

Director Slawson pointed to the proposed revision to Section 8 and indicated it seems fine. If the District is requiring something above and beyond the needs of the project, it should be a partner in that, which is to everyone's benefit, he noted, and indicated support for working with the developer and sharing in costs.

Director Slawson asked about offering the option to the developer for performing the work, and Mr. Markman indicated that is a different process. One approach is that everyone who is benefitting by overbuilding in that specified area would have to reimburse the developer who built the infrastructure. Another approach is to apply collected capacity charges to the project up front, but that is District money which then creates process issues.

The District does not want to own the project, Jagers stated, merely to reimburse for costs, allowing the contractor to own the liability. Director Slawson concurred.

Mr. Hendrix indicated that Meritage would contract with a third-party administrator to run the process and be responsible for compliance.

Mr. Swanson suggested more fully understanding the components of the needed infrastructure and working with the developer.

Director Covington redirected discussion to the policy revision, which is to be written non-specific to any one entity and currently does not include provision for a reimbursement agreement. Mr. Jagers noted that it is loosely written but provides for

an agreement to be approved by the Board. Covington indicated support but said he would like executive staff and legal counsel to come up with a revised redline policy based on the proposed section 8-2.2, narrowing it down to a policy that is acceptable, usable, and provides flexibility for the development community.

Mr. Jagers pointed out that the ability for reimbursement agreement already exists in the Rules and Regulations. The process with Meritage Homes parallels where the exercise is headed with a District-wide policy and procedure. Meritage Homes would presumably have a deposit for funding of legal work to craft the agreement, but the tenets would be used as the basis for updating the process, which would come back to the Board. Swanson suggested inclusion of a formula for basis of District participation. Mr. Markman disagreed, saying there will never be a mathematical equation to fit every circumstance. Most oversizing ordinances are very succinct, and not in mathematical form, he said.

Staff will continue to work with legal counsel and the developer.

Vice President Covington invited public comment. There was none.

8:58 p.m. Vice President Covington recessed the meeting for a short break.

9:04 p.m. the Board reconvened after recess

Mr. Jagers continued the presentation. He presented a request from the developer for participation in a Community Facilities District (CFD) fee activity. He explained that in 1993, the District participated in a couple of CFDs. In review of records, it appeared the District began to steer away from CFDs as prior staff had observed that the City was not managing the CFD funds succinctly and believed there was some risk of exposure to criticism.

Jagers explained that typically, bonds are issued, and monies secured to fund construction of the facilities that relate to the particular community, then the homeowners fund it over time via collection of supplemental taxes.

Mr. Jim Zimmerman, consultant for Meritage Homes requested the Board consider participating in a CFD being formed by the City through a joint community facilities agreement (JCFA) to fund the facilities discussed earlier in this item. All administration of bonds and special taxes would be handled by the City, he noted.

The developer has requested BCVWD participate such that in-tract water and off-site water infrastructure is proposed to be funded via the CFD, Jagers clarified. This would include the oversizing discussed earlier and the in-tract facilities that create the distribution system within the streets of the development itself. Mr. Jagers reported that previous boards had been averse to encumbering the homeowners with the development costs of the community, and prior inquiries have not been pursued as requests to the Board, but economic times are changing.

Legal Counsel Jim Markman noted that assessment CFDs have been resisted. It is a philosophical issue, but not unusual, he noted: the homeowner understands they are buying the property at a certain price, but they have the burden of the cost of the infrastructure going forward.

Mr. David Hendrix reiterated that the CFD with the City is for improvements only, as the City of Beaumont policy does not allow inclusion of components of eligible improvements including impact fees. Meritage would construct the improvements

under the purview of a third-party consultant managing the bidding and award process, compliance issues, and the proceeds of the bonds would be utilized to reimburse those costs. They are requesting costs for all eligible improvements: sewer, storm drain, and streets that are controlled by the City, plus the water (in-tract net cost) and oversizing, he noted. "We are not double dipping," he stated.

In response to Counsel Markman, Mr. Hendrix stated that BCVWD would join the CFA via a JCFA which would list the improvements for which the District is responsible such as inspections. Once compliance requirements are met, the bond proceeds would reimburse the costs. Meritage would advance the costs until the improvements are completed.

Mr. Jagers added that in the past, the District has participated related to well construction, tanks, and transmission pipelines, but not for in-tract improvements.

Director Covington said he would need more time to understand and determine whether to support this, and requested it be brought back at a future meeting. Mr. Jagers also pointed out that three Board members are present, and any action would re-establish one precedent or another; this is a significant decision for the Board.

Director Slawson compared the CFD to an assessment district or Mello-Roos, and described his own experience with the monthly assessment continuing. He commented on financing and noted that a homebuyer would understand the costs incurred, so the alternatives are equivalent. He asked about the dedication of infrastructure, and Jagers explained it would be done as usual. He explained it is an attractive financing mechanism because it makes the overall house cost appear lower to the bank that is lending on the house, and the entry level price allows more people to finance.

Mr. Slawson also voiced concern about how much this would cost in District staff time and legal costs which would be spread across all ratepayers, and about oversight by the City.

What is the advantage to the District, Director Covington asked. Mr. Jagers indicated that is a philosophical question.

In response to Director Williams, Mr. Jagers further detailed the CFD mechanism. Mr. Swanson discussed the infrastructure and financing responsibilities of the developer and the District. Director Williams asked about the calculation for reimbursement and the District's responsibility regarding oversizing; Mr. Hendrix noted that has yet to be determined.

This item will be brought back to the Board, and the two issues separated, Jagers stated. Mr. Swanson acknowledged direction on policy regarding the oversizing and staff will bring back plus work with the developer on the agreement. Regarding the CFD, Mr. Jagers suggested working through an example.

In response to Mr. Jagers, Mr. Hendrix explained that as a general rule assessments are under 2 percent of the property value in order to be competitive. The interest rate paid on bonds is lower than the interest rate on a mortgage, he added, so the component that is being financed through the bonds is a benefit to the homeowner.

9. Resolution 2023-__ : Acceptance of an Easement for Public Utility Purposes on behalf of BCVWD for an area located on Tukwet Canyon Parkway (APN 413-790-023)

This item was tabled to the February 8, 2023 meeting by the following roll-call vote:

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

10. Potential Cancellation of March 8, 2023 Regular Meeting and Possible Call of Special Meeting

Director of Finance and Administration Kirene Bargas advised that the Water Education Foundation Lower Colorado River Tour is slated for March 8 – 10. Vice President Covington invited public comment. There was none.

The Board canceled the Regular Meeting of March 8 and called a Special Meeting on March 15, 2023 by the following vote:

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

11. Update Legislative Action and Issues Affecting BCVWD

There was no oral report.

12. Reports for Discussion and Possible Action

a. Directors' Reports:

Director Slawson reported attending the following:

- Beaumont Chamber of Commerce Breakfast on January 13
- San Geronio Pass Water Agency meeting on January 24
- San Geronio Pass Regional Water Alliance on January 25
- CSDA Webinar: Brown Act: Come for the Basics, Stay for the Updates on January 17

Director Williams reported attending the following:

- CSDA Webinar: Brown Act: Come for the Basics, Stay for the Updates on January 17
- CSDA 2023 Annual Employment Law Updates on January 24

b. Directors' General Comments:

President Williams alerted directors about an article on the Colorado River.

c. General Manager's Report:

General Manager Jaggars reported the following:

- The Department of Water Resources increased the State Water Project allocation from 5 percent to 30 percent. The SGPWA has access to the City of Ventura water supply also, altogether possibly totaling 10,190 acre-feet (af) (7,860 af coming to BCVWD). If the allocation is increased to 40 percent, supply could get close to the replenishment order of 11,000 af. Approximately 10,000 af was taken from storage last year, and that needs to stop
- The San Geronio Pass Regional Water Alliance has been a productive meeting including grant opportunities and assistance, assistance with pipeline exposure and joint project to save the road
- The City is looking at some things that may delay the implementation of recycled water by three years or more. The 3x2 Recycled Water committee has asked to meet. The District will continue to advance the project as much as possible
- Paving contractor bids show that prices have substantially increased, and the District will update the City and request consideration of another look at paving requirements
- Staff is working with an entity doing conceptual work for redevelopment of Stewart Park including abandonment of 10th Street. The District has some blanket easements, and the designer has proposed 10' wide easement when the District's preference is 25'. This will also affect the flushing of wells and the re-drill project; it will come to the Board
- Staff is working with SGPWA and the HOAs of Four Seasons and Solera to discuss turf replacement grant opportunities and potential future recycled water supply

d. Legal Counsel Report: None.

13. Action List for Future Meetings

- Update / presentation on the AMR / AMI project
- Presentation on the San Bernardino Valley Resource Conservation District
- Presentation on solar power opportunities
- Water supply for BCVWD and the region
- Matrix for delivery of recycled water

14. Announcements

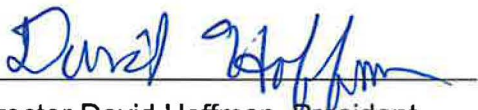
Vice President Covington read the following announcements:


- Beaumont Basin Watermaster Committee: Wednesday, Feb. 1 at 11 a.m.
- Finance and Audit Committee Meeting: Thursday, Feb. 2 at 3 p.m.

- Regular Board Meeting: Wednesday, Feb. 8 at 6 p.m.
- District Offices will be closed on Monday, Feb. 20 in observance of Presidents Day
- Personnel Committee Meeting: Tuesday, Feb. 21 at 5:30 p.m.
- Engineering Workshop: Thursday, Feb. 23 at 6 p.m.
- Collaborative Agencies Committee: Wednesday, Mar. 1 at 5 p.m.

15. Adjournment

Vice President Covington adjourned the meeting at 9:58 p.m.


 Director David Hoffman, President
 to the Board of Directors of the
 Beaumont-Cherry Valley Water District

ATTEST:

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