



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

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
Wednesday, August 9, 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: *President Hoffman opened the meeting at 6:05 p.m.*

Pledge of Allegiance was led by President Hoffman.

Invocation was given by Director Covington.

**Announcement and Verification of Remote Meeting Participation Pursuant to
AB 2449 or GC 54953(b)**

No Board members were attending via teleconference.

Roll Call:

Directors present:	Covington, Hoffman, Ramirez (6:22 p.m.), Slawson, Williams (6:19 p.m.)
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Engineering Mark Swanson Director of Operations James Bean Finance Manager William Clayton Assistant Director of Finance and Administration Sylvia Molina Management Analyst I Erica Gonzales Civil Engineering Assistant Inmar Shihab Engineering Assistant Evan Ward Water Utility Worker I Joshua Rogers Executive Assistant Lynda Kerney Administrative Assistant Cenica Smith
Legal Counsel	James Markman

Members of the public who registered attendance: Larry Smith, Ron Duncan, and Kevin Walton of the San Geronio Pass Water Agency (SGPWA).

Public Comment: Kevin Walton of the San Geronio Pass Water Agency introduced himself.

1. Adjustments to the Agenda

On behalf of Director Ramirez, Mr. Jagers requested that items 6, 7, and 8 be delayed until Director Ramirez's arrival.

Mr. Jagers pointed out replacement pages 114-115 in Item 5 for the proposed Pension Funding policy.

2. Reports / Presentations / Information Items

Director Covington indicated the CV Strategies Report was impressive.

Director Covington requested discussion on the following items c and d:

c. 2023 Mid-Year Budget review

Assistant Director of Finance and Administration Sylvia Molina explained the mid-year overview purpose and process, and advised that this report had been presented to the Finance and Audit Committee at its August 3, 2023 meeting.

Director Williams joined the meeting at 6:19 p.m. and Director Ramirez joined at 6:22 p.m.

d. Update: Revenues and Expenses related to District Residences

Staff responded to questions from Director Covington regarding listed expenses including septic system repair, fencing, landscaping materials, and roofing. These figures are cumulative, Mr. Clayton pointed out.

Ms. Molina confirmed for Director Covington that the running budget for maintenance of the four District residences was \$41,000. Director Covington noted that the policy indicated the figures are to be revisited annually. Mr. Jagers assured that the maintenance fees were adjusted per policy using the Consumer Price Index to the 3 percent cap. Director Covington concurred that Policy 5095 should be reviewed by the Personnel Committee.

The Board received and filed the following reports:

- a. Townsend Public Affairs, Inc. Monthly Update*
 - b. CV Strategies Quarterly Report*
 - c. 2023 Mid-Year Budget Review*
 - d. Update: Revenues and Expenses Related to District Residences*
- by the following roll-call vote:*

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

3. Consent Calendar:

Consent Calendar items 3a through 3e were approved with one motion by the following roll-call vote:

- a. Review of the June 2023 Budget Variance Reports
- b. Review of the June 30, 2023 Cash/Investment Balance Report
- c. Review of Check Register for the Month of July 2023
- d. Review of July 2023 Invoices Pending Approval
- e. Approval of Minutes of the Regular Meeting of July 12, 2023
- f. Approval of Notice of Intent and Set 45-day Comment Period for Proposed Changes to District's Conflict of Interest Code

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

4. Authorize the General Manager to Expend Funds in an Amount Not to Exceed \$40,000 for the Necessary Repair of District Owned D5 Caterpillar Dozer

Director of Operations James Bean explained the sole source request for necessary repairs of the heavy equipment based on the District's Purchasing Policy. He noted that the tracks are original equipment on the 2006 dozer and have reached the end of service life, and this was budgeted in 2023 in anticipation of this work.

The replacement of the tracks includes miscellaneous parts, Mr. Bean continued. The vendor, Quinn Company, is the local southern California Caterpillar dealership and parts retailer, he noted. Staff prefers to use factory parts for routine maintenance on heavy equipment and Caterpillar representatives to perform the work, he added. There is a savings if staff transports the dozer to the Quinn location in Riverside. Another vendor, Ron's Caterpillar Doctor, was identified, but a quote was not solicited as Ron's is not a Cat-certified retailer. Quinn is a Sourcewell contracted entity for Caterpillar, he noted.

Director Ramirez acknowledged the action was within policy.

Director Williams asked about the 8 percent contingency, and Mr. Bean pointed out there is a 25 percent government entity discount, and the contingency was calculated to round off the numbers.

Director Slawson requested further detail on Ron's Caterpillar Doctor. Mr. Bean said staff had contacted the vendor, which is primarily a truck repair shop that does work on Cat equipment. Sourcewell advised that Quinn is the contracted retailer for Caterpillar. Director Ramirez pointed out that Quinn is the exclusive vendor, and the equipment is readily available, where otherwise there may be a wait for parts.

President Hoffman noted that the machines cost more than \$400,000 and his experience has been to try to use the best parts and have work done properly and completely; and this is the approach on this action.

President Hoffman invited public comment. There was none.

The Board authorized the General Manager to expend funds in an amount not to exceed \$40,000 for the necessary replacement of dozer tracks for the District owned D5 Caterpillar Dozer as identified and funded in the District's 2023 Operating Budget by the following roll-call vote:

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

5. Establishment of a Pension Trust Fund and Related Policy

Assistant Director of Finance and Administration Sylvia Molina drew attention to the handout to replace the proposed policy document in the agenda packet. She noted that the Finance and Audit Committee had reviewed the item in detail and had requested clarification that, if the Trust is approved, the annual budget would identify the deposit amounts for the Trust each year, even if the amount was zero.

Ms. Molina reminded the Board of the presentation by Urban Futures, Inc. regarding the Other Post Employment Benefits (OPEB) and unfunded pension liabilities. She explained in detail the calculations of pension amounts and the needs which fluctuate each year.

In 2022, the Board adopted one section of the CalPERS 115 Trust for the District's OPEB liabilities (California Employers Retiree Benefit Trust [CERBT]), and payments have been made into it, Molina noted. This is policy for another Section 115 trust for unfunded pension liabilities, she said.

General Manager Jagers noted this is to solidify the District's ongoing strategy to limit liability and exposure over time by paying as it goes so that future ratepayers do not pay for today's costs.

Director Ramirez indicated this is a good move forward. Director Williams noted that the Finance and Audit Committee discussed the item and felt that going with Strategy 2 would be the best, most conservative way forward, and this is a very good plan for the District to show the funds specifically set aside and to maintain transparency.

Director Williams and Director Slawson acknowledged the work of the Finance Department team. It is good fiscal responsibility, Slawson noted.

In response to Director Covington, Mr. Jagers requested the Board determine whether to move this forward for final consideration with California Employers'

Pension Prefunding Trust (CEPPT) Strategy 2. Mr. Clayton added that two resolutions would come to the Board at a future meeting.

President Hoffman acknowledged this is a complex program, but this is a conservative approach, and there are funds dedicated for these needs. The District is in a good position and the amount dedicated is enough for this point in time, he stated, and recommended staff move forward to complete the proposal and bring it back to the Board for final discussion and approval.

Director Williams requested the directors review the redline sections that were added by the Finance and Audit Committee.

6. Review the Annual List of Preapproved Events and Director Appointments
(tabled from the 7/27/2023 meeting)

General Manager Jagers reminded the Board that the List of Preapproved Events (List) is considered annually in December. He pointed out that events on the Association of California Water Agencies (ACWA) website showing a water drop icon are those that are sponsored by the organization, and the calendar also lists events that are sponsored by other entities. Staff interprets the List as the water drop items are those which are preapproved, and the others are taken on a case-by-case basis, he noted.

Staff would like to receive clarity on the Board's desire and obtain direction to reinforce opportunities for training and avoid need for interpretation, Jagers explained.

Director Ramirez noted that a stated benefit of ACWA is to provide comprehensive leadership, advocacy, and resources for California public water agencies to ensure a high quality and reliable water supply. ACWA facilitates and/or promotes various webinars that are directly paid by ACWA or are a strong resource for education, and the spirit of the preapproved education and meetings was derived from webinars placed onto the ACWA website and all events within the ACWA website. He requested the Board extend the preapproval to all webinars stated on the ACWA website.

Director Williams stated that in order to keep the budget in line and in the spirit of being fiscally responsible, events should be kept to those preapproved as ACWA-sponsored events (water drop only) and anything else on the website should be brought before the Board for preapproval prior to attendance and request for per diem.

Director Slawson indicated that it is currently clear and has been working well for most, and should be kept the same. It is important to continue education and to strive to be better directors. Sometimes these meetings may not be pertinent to the District, but sometimes they might be, he said, and agreed with Director Williams.

Director Covington reminded that the Water Code provides for up to 10 meetings per month, and that is what should be budgeted. He noted that it took several months to create this list to ensure that these meetings for which the directors claim a stipend are water-related and/or have something on the agenda related to or of

interest to BCVWD. He said he believed the List has been working well and acknowledged the classes sponsored by ACWA which are denoted by the water drop. He said he supported the addition to Table A as long as the classes have some level of relevance to the water industry. There is no abuse of this policy by any director. Prior to this list, BCVWD directors did not strive to self-educate as the expenditures were frowned upon, and development of the policy and the list was due to the desire to be more educated, he reminded. Tonight, the objective is to clear up the gray area, Covington concluded.

Director Slawson clarified that he agreed with Director Williams on everything except the need for preapproval. He said he did not want to further complicate the List.

President Hoffman said it seems fairly simple to get preapproval for items that are not on the List and are appropriate for water. He agreed with Director Covington that everyone should be able to participate in an item that is water related to gain knowledge and understanding. If it is an item that is not preapproved, it should be approved each time so that each director can participate, he said.

Director Williams acknowledged the work in creating the List and said that the education was very beneficial as she does not work in the industry. At the same time, she continued, another purpose is if there is something that is not on the list that someone else found that may be beneficial (ACWA or other), and they can bring it forward for preapproval, then other directors may find that useful and have that opportunity.

Director Ramirez clarified that all of the listings on the ACWA website are water related whether ACWA-sponsored or not. He said he appreciated the efforts to be fiscally responsible and requested support for the addition to the List.

General Manager Jagers requested clarity to allow staff to interpret policy.

Director Covington noted that the same problem could arise with events of the California Special Districts Association. In response to a question from Director Covington, Mr. Jagers indicated there are additional related policies not presented in the Board agenda packet. Director Covington said the addition to the Table was not a policy issue and pointed out that coming to the Board for preapproval creates more work.

Director Slawson stated that the List is more of a guideline; that directors can submit a request for per diem for anything and will get paid, but will have to answer to the constituents. The List represents what the Board would like directors to go to as preapproved, but directors can go to any ACWA activities with a little extra exercise to approve it. He said he did not see that much of a problem with it as most directors will obtain approval and attendance at an event not preapproved is a rare circumstance. He stated that the List should be kept as-is; the Board had worked a long time on it.

Director Ramirez acknowledged that all concerns are being addressed and reiterated that all of the listings on the ACWA website are water related. It would be more efficient to use the List as a resource, he stated, and recommended that everything listed in Table A be brought to the Board for preapproval each month to see if the Board is fully conscious of topics and trainings available for each line

item. He noted that these events are within the allowable 10 meetings per month and are in keeping with being responsible with the District's finances. He also pointed out that many times, the Chamber of Commerce events are not water-related, but they are attended to show partnership and get into the community.

Director Williams reminded that the items on the List were voted on at the December 14, 2022 meeting, and she recalled discussion noting that preapproval would only include the ACWA events with the water drop, and that other things would be brought forward. Staff brings forward the calendar monthly, and there is a vote, she noted.

Director Covington suggested adding the word "sponsored" to the Table with ACWA. Mr. Jagers suggested that to include all the events as requested, the Table would state "ACWA sponsored, ACWA promoted" events.

The Board preapproved all water-related webinars, trainings, and workshops on the ACWA and ACWA/JPIA websites by the following roll-call vote:

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

7. Request from Ad Hoc Communications Committee re: meeting frequency

General Manager Dan Jagers acknowledged prior direction from President Hoffman to meet every other month. Director Ramirez said he supported not having a meeting when unneeded, but explained that meetings have been beneficial and a substantial amount of work is being done. He requested the freedom to meet as needed, noting that monthly meetings are currently working.

Following directors' comments, President Hoffman indicated that it is appropriate to continue on the current schedule with meetings scheduled in October and December. If there is a request for an additional meeting with an explanation, he said he would consider it.

8. Update: Streamlining of the Board Meeting Agenda

General Manager Dan Jagers indicated that staff has worked toward streamlining the meetings and reminded of prior discussion and provided some examples.

Director Ramirez acknowledged the Consent Calendar and the ability to pull an item for discussion. He noted opportunity to streamline items that do not need to be a full presentation and discussion and recommended offering the freedom for those items to be placed on the Consent Calendar, enabling staff to be efficient with time and the Board to better dedicate discussion to big topic items. Director Slawson concurred.

Director Williams indicated support for a written General Manager's Report.

Director Covington said he agreed with most comments and indicated support for moving routine items to the Consent Calendar such as written reports from Legal Counsel, ad hoc committee reports from directors, status updates on the fire emergency, and the required reports from director per diem which bog down the meeting. He noted that later items in the agenda can be heard as late as 9:30 p.m. and could be moved to Consent in written form. He supported shortening meetings but advised that items on the Consent Calendar should not be those that should have discussion.

President Hoffman said he had learned much from the reports offered by the directors and said he appreciated the dedication to knowledge and responsibilities.

General Manager Jagers assured that staff is working toward a better agenda with quick and concise delivery of staff reports. He noted that there was a lot of work within the District in the 2000s that was not memorialized in the record and an effort is being made toward a conservative approach but more substantive staff report.

9. Ratification of the General Manager's Declaration of a District Emergency regarding Necessary Immediate Repairs to Well 11 and Well 19

General Manager Dan Jagers advised that he consulted last week with President Hoffman about the declaration of emergency related to two small wells in the upper San Geronio watershed (Edgar Canyon) which went down. He provided detail on the wells and issues and advised of the potential for loss of service due to Southern California Edison Public Safety Power Shutoffs (PSPS) and lack of redundancy. He also noted increased production and the fact that drawing from these wells reduces the need for costly recharge to the Beaumont Basin. He recommended addressing these quickly to assure redundancy.

The wells were pulled on Friday, Mr. Jagers continued. He described the issues and noted that repair is underway.

Director Williams asked about the PSPS and Jagers explained the practice of power shutoffs (de-energizing of power lines) in fire risk areas by the utility company during wind events to reduce the risk of powerline induced fires. During these shutoffs, wells are down, and production capability is lowered and cannot recover. Reservoirs are kept filled in anticipation of PSPS, he noted. Notification depends on weather events. Director Covington noted that notice can be just a few hours, and emphasized the value of having standby generators.

Estimated repair costs for the Well 11 pumping unit will be \$8,000, and \$15,000 for the replacement of the Well 19 pumping bowl, Jagers reported. The ancillary benefit for not buying imported water from the SGPWA is expected to be \$15,000 to \$20,000 over a 30-day period including energy costs.

The wells had been recently serviced and are otherwise in good shape, so no additional work is recommended at this time, Jagers noted.

Mr. Bean added that during the time of the declared emergency, a third well in the area failed, but was repaired by staff and is back online.

Upon completion of the repairs, staff will bring to the Board a final report clarifying total expenditures, Jagers added.

The Board ratified the General Manager's Declaration of a District Emergency to address the emergency regarding necessary immediate repairs to Well 11 and Well 19 on Wednesday, August 2, 2023 by the following roll-call vote:

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

10. Pennsylvania Avenue District Facilities Relocation Project Update and Funding

Mr. Jagers advised there is no written staff report for this item. Director of Engineering Mark Swanson reminded the Board of a report in November regarding the City's plan to widen Pennsylvania Avenue, and needed District facilities relocation. He presented a PowerPoint and updated the Board on the widening project status.

The railroad will be shut down from Sept. 11 to 16, Swanson advised. The District will work with the contractor and will extend out of the way an Air Vac and blowoff from the 24-inch line running through the project area, he said. Swanson detailed the planned work.

The Board amended the previously approved budget for the Pennsylvania Avenue widening work in the amount of \$5,000 for a total approved amount of \$35,000 by the following roll-call vote:

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

11. Consideration of Attendance at Upcoming Events and Authorization of Reimbursement and Per Diem

General Manager Jagers reminded the Board about the Sept. 7 Ribbon Cutting event with the Riverside County Flood Control District for the Master Drainage Plan (MDP) Line 16 stormwater project. The project has also received an award from the American Society of Civil Engineers, he noted, and advised of an awards event on August 17.

Directors indicated interest in the following events:

- Beaumont Chamber of Commerce Breakfast on Sept. 8 – Hoffman, Covington, Slawson, Williams
- Riverside County Water Task Force Sept. 15 – Ramirez (tentative), Slawson, Hoffman, Williams
- Beaumont Chamber of Commerce State of the City on Sept. 28 – Hoffman, Covington, Slawson, Williams (Engineering Workshop to be rescheduled)
- American Society of Civil Engineers awards event on August 17 – Williams, Slawson, Hoffman, Ramirez (tentative)

The Board pre-approved attendance of all directors at the following events for purposes of per diem and reimbursement of associated reasonable and necessary expenses per District policy:

- MDP Line 16 Ribbon Cutting event on Sept. 7
- by the following roll-call vote:*

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

The Board pre-approved attendance of all directors at the following events for purposes of per diem and reimbursement of associated reasonable and necessary expenses per District policy:

- Beaumont Chamber of Commerce State of the City dinner on Sept. 28
- by the following roll-call vote:*

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

The Board pre-approved attendance of all directors at the following events for purposes of per diem and reimbursement of associated reasonable and necessary expenses per District policy:

- American Society of Civil Engineers awards event on August 17
- by the following roll-call vote:*

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

12. 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**

General Manager Dan Jagers advised of some residual work remaining to be done.

13. Reports For Discussion and Possible Action

- a. Ad Hoc Committees:

Communications Committee: Director Ramirez reported:

- Press releases were prepared
- Referred to the written report

Sites Reservoir Committee: Mr. Jagers recommended scheduling a meeting with the SGPWA and the Committee to understand the current landscape of the Sites project, which is moving forward reasonably well.

Water Re-Use 3x2: Mr. Jagers reported that staff met recently with the SGPWA and the City to discuss next steps including a draft of a purchase agreement, and approaches to moving the project forward. The next meeting will be in a couple of weeks. The City Council is going to move forward with an adaptive management plan award next week including a change of use permit to remove the water from San Timoteo Creek.

- b. Directors' Reports:

Director Slawson reported on the following:

- San Geronio Pass Water Agency meetings

- c. Directors' General Comments: None.

- d. General Manager's Report:

Mr. Jagers reported:

- Water production is down 1,300 af this year so far
 - Greater opportunity to refill the storage account in the Beaumont Basin
 - Results in a reduction in revenue
- SGPWA has estimated that through the end of July, approximately 11,820 af have been imported to the region for recharge
 - Most of that was added to the BCVWD storage account for replenishment
- District-related SWAG has been distributed to local schools
- Appletree Lane paving is pretty well finished and was generally well-received
 - It was good that the Board authorized a 2-inch thick layer

- Met this morning with Beaumont City Manager and Utilities Manager and talked about recycled water, and a strategy for ongoing paving repair activities
- RFPs for booster design are going out
- Staff is working on the CIP projects

e. Legal Counsel Report: No report.

14. Topic 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
- Sites Reservoir update
- Maximization of groundwater supplies

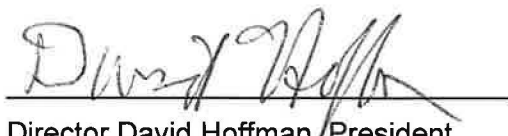
15. Announcements

President Hoffman pointed out the announcements:

- Personnel Committee Meeting: Tuesday, Aug. 15 at 5:30 p.m.
- Engineering Workshop: Thursday, Aug. 24 at 6 p.m.
- District offices closed Monday, Sept. 4 in observance of Labor Day
- MDP Line 16 Ribbon Cutting Ceremony: Thursday, Sept. 7 at 1:00 p.m. (By invitation only)
- Finance & Audit Committee meeting: Thursday, Sept. 7 at 3 p.m.
- Regular Board Meeting: Wednesday, Sept. 13 at 6 p.m.

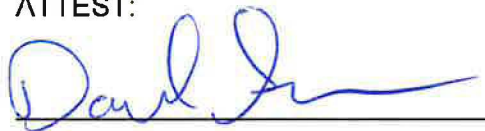
16. Adjournment

President Hoffman adjourned the meeting at 8:27 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