



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

**MINUTES OF SPECIAL MEETING – ENGINEERING WORKSHOP  
OF THE BOARD OF DIRECTORS**  
**Tuesday, September 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.*

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

*Pledge of Allegiance was led by Director Slawson.*

*Invocation was given by Director Ramirez.*

**Announcement and Verification of Remote Meeting Participation**  
*No Board members were attending via teleconference.*

**Roll Call:**

Directors present:	Hoffman, Ramirez, Slawson, Williams
Directors absent:	Covington
Staff present:	General Manager Dan Jagers Assistant Director of Finance and Administration Sylvia Molina Director of Engineering Mark Swanson Director of Operations James Bean Director of Information Technology Robert Rasha Civil Engineering Assistant Evan Ward Field Superintendent Julian Herrera Senior Water Utility Worker Andrew Becerra Executive Assistant Lynda Kerney Civil Engineering Assistant Inmar Shihab
Legal Counsel	James Markman (7:10 p.m.)

Members of the public who registered their attendance: John Yeager, O'Neil LLP; Peter Pillar, Development Planning and Financing Group; Kyle Dorand, Jared Reimer, David Golkar, Mike Canfield, Phil Cyburt, Mike Masterson, Tom Mihara, Manny Gonzalez, and Robert Chute

**Public Comment:** None.

**1. Adjustments to the Agenda**

Mr. Jaggars noted a handout for the Item 3 Legacy Highlands (revised resolution), and said there will be a presentation regarding the Beaumont Pointe project. Legal Counsel Markman will be joining the meeting late.

**2. Presentation and Discussion of Communities Facilities District as a Part of Plan of Service for the Proposed Beaumont Pointe Commercial and Industrial Project (formerly Jack Rabbit Trail) located south of State Highway 60 and west of Potrero Boulevard**

General Manager Jaggars reminded about previous Board discussion of the Jack Rabbit Trail project (now the Beaumont Pointe project) and its Water Service Agreement (WSA), and noted that historically, the Board has been hesitant to move forward with Community Facilities Agreements that fund construction. Staff has worked with the project developer to find a solution for the District to own and maintain the facilities needed without burden to the ratepayers with maintenance of oversize facilities or future maintenance costs, he explained.

Director of Engineering Mark Swanson noted that the Jack Rabbit Trail project had previously been slated for 2,000 homes, but with zoning changes by the City of Beaumont, is now 5 million square feet of industrial with a commercial element on 30 acres. The water demands are drastically different, but a larger fire flow demand requires larger facilities to provide fire suppression.

The Will-Serve Letter extension was approved by the Board in August. A second amendment to the WSA will come to the Board in the near future, Swanson continued. Staff has worked through a Plan of Service (POS) with the developer's consultant which includes required facilities for operations and maintenance over time, and how the District might handle the 4th Street dead end and extension of facilities further out, only supplying this project.

The developer is looking at a Community Facilities District (CFD) to fund operations and maintenance over time via property taxes, Swanson explained. This needs to be addressed before the POS can be approved, he stated. Should the Board agree that this works, it will require time with legal counsel, staff, and further discussion to establish the CFD. Mr. Jaggars added that the CFD was proposed when the WSA was considered, and the Board directed staff to see if there were a solution with which legal counsel would be comfortable with the development paying for its own facilities but providing the opportunity for cost recovery over time to ensure the ratepayers of the District are not unduly burdened.

Pace Project Manager, Thomas Mihara, reviewed the project water demands, reduced by the redevelopment from homes to light industrial warehouses to 204.21 EDUs of indoor potable and 156.04 EDUs of non-potable. Fire flow requirements are 4,000 gallons per minute for a four-hour duration, he continued. To service both the domestic indoor and fire flow uses presents a challenge of having large diameter infrastructure for capacity, at the western edge of the District's pressure zone, and also poses a water quality perspective, he noted.

The developer will use the District's standards for pipe sizes, extending the 8-inch potable line and the 8-inch non-potable line under 4th Street from the Beaumont Crossroads development, Mihara continued. The project will have open area and conservation area around the perimeter, necessitating the non-potable line extension to the western edge.

Mihara described the fire flow plans and the District's system. President Hoffman noted the location of the Hannon Tank and asked about the transmission from the tank throughout the system. Mr. Swanson detailed the available pipelines and needed extension, and points of connection. Mr. Mihara responded to questions from Director Williams and President Hoffman regarding the proposed infrastructure.

Director Ramirez suggested this may be an opportunity to look further out to determine whether another well site would be needed in the future to serve the area. Mr. Swanson noted there are several well sites contributing to the system, and some are proposed to the east and potentially to the south. Mr. Jagers said that discussions with the developer included the potential for a non-potable well at the edge of the commercial development, as the area has high iron and manganese due to the influence of discharge from the City of Beaumont Wastewater Treatment Plant. Director Ramirez asked if a non-potable well on the site could meet the current and future irrigation needs of the project, and Mr. Jagers said he suspected it would, estimating flow rates could be 700 gallons per minute. Director Slawson asked if a well on the site would benefit the non-potable system. Jagers recalled discussion about the potential for a low volume well of 200 to 600 gpm, but said he did not remember if it was included in the WSL conditions of approval for this project. He pointed out that iron and manganese stain concrete, and such water is not typically utilized above a certain level as it can discolor sidewalks and other areas. Director Ramirez asked for more detail on the contaminant levels, and Jagers stated it is significantly over the secondary mcl. He recalled a project well site conversion that had to be taken out of service due to complaints from adversely affected commercial and residential entities. Iron and manganese treatment facilities are complex and cost in the millions, he noted.

Director Slawson noted that more non-potable may not be needed, as there is oversupply expected in the winter season, but pointed out that the District may be locking itself out of a future well site. Mr. Jagers advised that the SGPWA is working to assist with reducing large landscape areas, and pointed to legislation requiring further conservation. He assured that the site would be small and a construction easement would be needed to do work in the future. The District is working with others to achieve that in this area, he advised.

The entire property is 622 acres, Mr. Mihara said, and remaining lands will be donated to the Western Riverside County Regional Conservation Authority (RCA). Landscaping around the development and a small amount of slope maintenance are anticipated, he said. Director Ramirez asked if the donation agreement was in-place; and Mr. Mihara stated agreements are approved and in-place. The project is expected to go to the Planning Commission at the end of October, then to City Council, he added. The surrounding land has major environmental issues, and this is likely the last development that could go west before getting into some major hillsides and Riverside County Multi-Species Habitat Conservation Plan (MSHCP) issues, he stated.

Director Ramirez pointed to the surrounding hillsides and asked about stormwater diversion and retention. Mr. Mihara said all historic stormwater flows will go into the same channel along the freeway, and that coming from the site will go to retention basins maintained by the developer.

Mr. Mihara discussed the phased development.

Director Ramirez asked about the latest on the annexation process with the Riverside Local Agency Formation Commission (LAFCO). Mr. Swanson explained the items

needed to proceed, with the POS being critical and needing to contain the operations and maintenance funding component. Should the CFD be approved by the Board, the POS would be approved and would complete the District's portion of the LAFCO application package. Mr. Mihara added that the project will be annexing into the City of Beaumont as well.

Director Ramirez asked if any challenges from nearby districts might be expected. Mr. Swanson noted the area is within BCVWD's sphere of influence and none are expected. Mr. Jagers added that this project area has been identified for more than 20 years in the BCVWD Urban Water Management Plan.

Mr. Jagers discussed the revisions to the City's General Plan, centralizing high volume truck traffic to the southwest and minimizing impacts to the residential areas.

In response to a question from Director Ramirez, Mr. Mihara explained that the retention basin will also be funded through the CFD along with the line extensions. He assured that the basins have been sized to potentially mitigate stormwater flows from the hills. Director Ramirez noted that his experience in other jurisdictions exemplified the need to size the basins correctly to avoid overflows. Later in the meeting, Director Ramirez again asked for clarification about operations and maintenance of storm drainage to be placed on the developer; and the CFD being for only the water infrastructure. Mr. Yeager and Mr. Jagers stated the CFD under discussion is for the water system only, and the basins would not be maintained by the District. Mr. Phil Cyburt explained that the CC&Rs require the tenants to maintain the basins.

John Yeager of O'Neil LLP, the applicant's attorney / advisor emphasized that the project is not proposing a facilities CFD. The proposed CFD will not issue debt, it will collect a charge on a property tax bill on the Beaumont Pointe property only, to pay for maintenance and operation, and replacement of the potable and non-potable water system. The developer will install the system and turn it over to the District, he explained, and it is proposed that the District establish a CFD to charge that property to maintain the system.

Director Ramirez asked about other options. Mr. Yeager indicated the District could seek a contract, but the tax is enforceable against the property. It is a much more stable and secure device for accomplishing the District's goal of not charging the ratepayers for the costs and ensuring the property itself is benefiting from it. He said he could not think of another way to accomplish it. The District will be doing the actual maintenance on the system with funding provided by the special tax via the CFD.

Mr. Yeager described the structure of the CFD to cover 100 percent of the costs of operations and maintenance. Pursuant to the service agreement, the District would not provide water service to the project until the CFD is formed. The tax goes on in perpetuity without sunset date, he stated. In response to a question from Director Ramirez, Mr. Yeager noted that there is no sunset date requirement for this CFD, but bonds are usually limited to 40 years.

President Hoffman clarified that the tax funds would be collected by the County and placed in a discrete account available to the District for needs of service, and there will be funds that can be accessed. He asked if there would be potential for investment of those funds; Mr. Yeager said there was; it is the District's money.

Director Ramirez asked about the amount to be set aside for capital replacement. A maximum special tax will be set by the District at an amount with which the District

feels comfortable and sufficient to cover the expected operations and maintenance costs, and replacement cost.

President Hoffman asked how the property owner could be assured that the District will spend the funds on the necessary repair and maintenance. Mr. Yeager said he hoped it would be in a separate account, and that assurance would be up to the District. It must be structured for future Boards to understand, Hoffman noted.

This is a unique solution to protect the District and the ratepayers from encumbering burdens financially that are not related to the District's water system, Jagers noted. Mr. Mihara discussed maintenance, administration, and amortization of replacement costs.

At build-out in 2027, the CFD would generate \$508,000 per year for replacement funds, Mr. Yeager said, with an escalator of 3 percent every year.

*7:10 p.m. Legal Counsel Markman joined the meeting via teleconference.*

Mr. Jagers recapped the CFD concept and emphasized accurate accounting and transparency. He noted that the documentation submitted was thorough and provided a reasonable opportunity for the District to have the proper funds.

Mr. Yeager shared next steps and noted this is the beginning. Formation of the CFD would come back to the Board, he advised. The POS has not been approved, Mr. Swanson reiterated; this is the precursor to Step 1. To move forward the concept of the CFD would allow the POS to proceed, as it provides a nexus as to how the facilities will be operated and maintained over time.

Mr. Jagers outlined the phased development approach and advised that District staff has examined the CFD in depth. Staff understands that the Board is not interested in CFDs that pay for facilities that burden ratepayers into the future, but something that provides for the maintenance of facilities over time sounds like a reasonable vehicle to support and protect the development, and to protect the District's ratepayers, he noted. The formulated approach presented by the developer has been reviewed by staff and legal counsel and staff is comfortable with the concept and general activity, he assured.

Director Slawson posited that the concept is logical and good, and could be a blueprint for other developments in the future.

Legal Counsel Markman added that maintenance CFDs are often established by cities to avoid placing the costs of new police, fire or other onto the backs of present taxpayers. It is unusual for such a CFD to be requested by a developer, he noted, and it is a good idea if it is important to the Board not to put the maintenance and replacement costs of these facilities on the present rate base.

Director Ramirez stated that the District appears to be in good shape as long as it is not maintaining the retention basins.

Jagers asked if the Board felt the CFD seemed reasonable and said the purpose of this discussion is to assure the Board, Legal Counsel, and staff are comfortable moving forward with this approach and if so, the development of the CFD will be finalized after the Board's agreement on the outlined next steps.



The directors indicated support verbally and via gesture.

President Hoffman invited public comment. There was none.

**3. Resolution 2023-27: Acknowledging the Review, Receipt and Approval of the Water Supply Assessment for the Legacy Highlands Industrial Specific Plan Project and Update to the *Will-Serve Letter* for the Project Located South of Interstate 60 and East of Potrero Boulevard**

Director of Engineering Mark Swanson pointed out the amended exhibit available online and assured all had a current copy.

The Legacy Highlands project has been around for years and has changed, Swanson explained. In 2020, a Water Supply Assessment (WSA) and Will-Serve Letter were approved by the Board for what was a fairly large residential community with a commercial / industrial component and estimated water demand of 2,984 EDUs.

The City has since updated its General Plan and the site is no longer designated residential, Swanson continued. The developer returned in 2022 with an updated WSA and re-envisioned project, now 20 million square feet of commercial and industrial, he explained. The estimated water demands have been reduced to 889 EDUs for potable and non-potable, he stated. Although these large projects do not use a lot of water, they require a lot of water in case of fire, he noted.

There is potential for a CFD similar to Beaumont Pointe as the project is located at the southern end of the District with no development to the south or west, Swanson noted, but the planning is not yet at that level. Mr. Jagers added that the project is within a looped area where some facilities have already been built, and the previous development had included some facilities. The WSA addresses changed circumstances, including facilities needs and water supply, Swanson explained. Mr. Jagers assured that staff has thoroughly reviewed the WSA and staff believes it reasonably presents the project as proposed and accurately casts the water demands, he noted.

The WSL has also been adjusted to represent the new project, Swanson continued. This project would also require annexation, and the POS including facilities and funding will be addressed in the future, he advised.

Mr. David Golkar provided information on the project's history and change to all industrial, and gave assurance as to the accuracy of the WSA, reporting on the conservative side.

Director Slawson said he favored approval as the project uses less water. He asked about a well related to the previous development and facilities needed. Mr. Jagers recalled that there were some wells used for development of adjacent properties and noted that the previous development had to significantly reduce its water demands. As staff prepares the POS, staff will work with Mr. Golkar's group to determine needed facilities and water supply, he explained.

President Hoffman noted that the water demand for the prior development had been approved, and demand for this project has lessened considerably. There is still a lot of work to do, he acknowledged.

President Hoffman invited public comment. There was none.

*The Board took the following action:*

- 1. Adopted Resolution 2023-27, Acknowledging the Review, Receipt and Approval of the Water Supply Assessment for the Legacy Highlands Industrial Specific Plan Project as modified by minor revision in the handout*
- 2. Approved the request for update to the Will-Serve Letter for water service to the proposed development of the Legacy Highlands Industrial Specific Plan Project*
- 3. Approved the request for annexation of the Legacy Highlands Industrial Specific Plan Project into District Service Boundary*

*by following roll-call vote:*

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

**4. Request for Will Serve Letter and Approval of Annexation for Beaumont Cross-Dock Building (Riverside County Assessor's Parcel No. 417-020-070) in the City of Beaumont**

Director of Engineering Mark Swanson presented the project, located on the former Dowling Orchard property, noting the Board has previously discussed the project. Estimated water consumption is 10 EDUs for domestic, and 10 EDUs for irrigation. The Board had noted concern about the proposed well site, he reminded.

Staff worked with the developer who has indicated to staff they would be able to convey land to the District for a future well site. President Hoffman asked if 1/3 acre would be adequate for the District's needs. Mr. Swanson said it would and explained potential facilities. Mr. Jagers pointed out that staff is being consistent in requests of developers.

The project will require annexation, Swanson continued, and if the WSL is approved, staff will begin working with the developer on a Plan of Service (POS) which will further identify the well site and facilities.

President Hoffman invited public comment. There was none.

Director Williams asked if work had already begun on the site, noting the fruit stand was gone. Jagers stated the orchard has been demolished. This project originally came forward during the time of drought restrictions and was stalled, he noted. Mr. Swanson added that the fire department had used the building for training, and it was requested that it be demolished. A meter had been requested for dust control and was later removed.

*The Board approved the application for Water Service and furnishing of a Will Serve Letter with conditions as enumerated, and approved the request for Annexation of APN 417-020-070 to the District subject to payment of all fees to the District and securing all approvals from the City/County, for the Beaumont Cross-Dock Building, a 600,000 square-*

foot (sf) warehouse building located at the northeast corner of Prosperity Way and Distribution Way in the City of Beaumont (Riverside County Assessor's Parcel No. [APN] 417-020-070 by the following roll-call vote:

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

**5. Request for Will Serve Letter for RV Storage Facility, Riverside County Assessor's Parcel No. 403-220-014 (Corner of Beaumont Avenue and Cherry Valley Boulevard, in the Community of Cherry Valley)**

Director of Engineering Mark Swanson described the development of the 6.4-acre parcel for an RV storage area with shade covering similar to the one on 1st Street. No potable demand but irrigation service (off the potable line in Beaumont Avenue) and fire service are expected, with a demand of 1 EDU, he noted. The District does not have plans in this area for future recycled water facilities, as it is not within the City of Beaumont, Jagers added.

President Hoffman asked if the covers would incorporate sprinklers; Mr. Swanson said no, but there would be an on-site hydrant. This developer also owns another RV storage in the area, Mr. Jagers noted.

President Hoffman invited public comment. There was none.

*The Board approved the request for water service and Will-Serve Letter with conditions as enumerated for a property located at the corner of Beaumont Avenue and Cherry Valley Boulevard, identified as Riverside County Assessor's Parcel No. (APN) 403-220-014, within the community of Cherry Valley, subject to payment of all fees to the District and securing all approvals from the City of Beaumont by following roll-call vote:*

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

**6. Amendment to Approved Expenditure for the for the Necessary Repair of District Owned D5 Caterpillar Dozer for an Additional Amount Not to Exceed \$5,000 for a Total Amended Not to Exceed Amount of \$45,000**

Director of Operations James Bean explained that the previously approved amount of \$40,000 was based on an original estimate for the replacement of the dozer tracks and appurtenances. Once the work began, other areas of concern were identified for repair and staff believes it appropriate to address those items at the same time. The



cost came out above the previously approved amount, and staff requested an amendment to \$45,000 for the work.

General Manager Jagers added that although these additional maintenance activities could have been considered a separate job, it is returning to the Board in the spirit of full transparency.

*The Board approved an amendment in budget allocation of \$5,000 to cover the increased cost of repairs to the District's D5 Caterpillar Dozer for a Total Amended Not to Exceed Amount of \$45,000 by the following roll-call vote:*

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

## **7. Reports for Discussion and Possible Action**

### **a. Directors' Reports:**

- Director Ramirez reported on the ACWA Water Use Efficiency Subcommittee on September 13
- Director Ramirez reported on Collaborative Agencies Meeting on September 6, 2023
- Directors Slawson and Williams and President Hoffman reported on the Riverside County Water Task Force on September 15, 2023
- Director Ramirez reported viewing a video replay of the Riverside County Water Task Force on September 15, 2023
- Director Ramirez reported on the ACWA Water Legal Education Workshop on September 20, 2023
- Director Williams reported on a District facilities tour with the General Manager
- Director Slawson reported on the San Geronio Pass Water Agency (SGPWA) meeting on September 18, 2023

### **b. Directors' General Comments:**

Director Williams reported meeting with SGPWA Director Chander Letulle regarding participation in ACWA to benefit the region. She indicated interest in the Federal Affairs Committee, Groundwater Committee, and State Legislative Committee. Board members expressed support; President Hoffman will sign the application.

### **c. General Manager's Report:**

Mr. Jagers reported:

- Highlights of the new, written report included in the agenda packet
- AB 1668 and SB 606 Making Conservation a Way of Life
  - State is mandating more development along with conservation at the same time will lead to a 4-tier water rate
  - Residents in older homes will be penalized, as newer houses are hyper-efficient
  - All districts are concerned; this may not be achievable
  - Must develop an approach to an overall goal
- American Society of Civil Engineers award on Saturday, Sept. 30

d. Legal Counsel Report:

Mr. Markman reminded that 2/3 of the water being taken from the springs in San Bernardino County by Blue Triton (formerly Nestle / Arrowhead) for 100 years is supposedly groundwater outside the jurisdiction of the State Board. An 80-page opinion from the State Board indicates Blue Triton is tapping underground stream water which is illegal. They can no longer take it, and must seek a license from the State Board. This is a change in how the water is viewed and has many shaken. He recommended reading the opinion.

## 8. 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

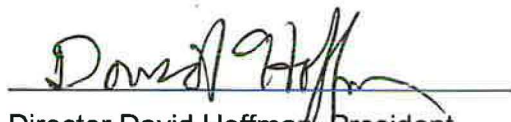
## 9. Announcements

*President Hoffman called attention to the following announcements:*

- San Geronio Pass Regional Water Alliance: Wednesday, Sept. 27 at 5 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Oct. 4 at 11 a.m.
- Finance & Audit Committee meeting: Thursday, Oct. 5 at 3 p.m.
- Regular Board Meeting: Wednesday, Oct. 11 at 6 p.m.
- Personnel Committee Meeting: Tuesday, Oct. 17 at 5:30 p.m.
- Finance & Audit Committee special meeting: Thursday, Oct. 19 at 3 p.m.
- Engineering Workshop: Thursday, Oct. 26 at 6 p.m.

## 10. Adjournment

*President Hoffman adjourned the meeting at 8:30 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