



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

**MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
Wednesday, November 8, 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 Director Williams.*

*Invocation was given by President Hoffman.*

**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, Slawson, Williams
Directors absent:	Ramirez
Staff present:	General Manager Dan Jagers Director of Engineering Mark Swanson Director of Information Technology Robert Rasha Director of Operations James Bean Assistant Director of Finance and Administration Sylvia Molina Human Resources Manager Ren Berioso Finance Manager Bill Clayton Senior Management Analyst Lorena Lopez Management Analyst I Erica Gonzales Customer Service Supervisor Sandra Delgadillo Customer Service Representative II Luis Lomeli Executive Assistant Lynda Kerney
Legal Counsel	James Markman

Members of the public who registered attendance: Alayne Sampson of Chandler Asset Management; Larry White, Kevin Walton of the San Geronio Pass Water Agency, and Eric O'Donnell of Townsend Public Affairs.

**Public Comment:** None.

- 1. Adjustments to the Agenda:** General Manager Jagers drew attention to the page numbering of the agenda packet and the budget document.

## 2. Reports / Presentations / Information Items

Director Covington noted that the information in the reports offers a great snapshot, and they are extremely helpful.

*The Board received and filed the following reports:*

- a. *CV Strategies Monthly Report*
- b. *Townsend Public Affairs, Inc. Monthly Update*
- c. *Legislative Action and Issues Report*
- d. *California Water Supply Conditions*
- e. *Chandler Quarterly Investment Report*
- f. *Review of District Contract Expenditures in Fiscal Year 2023*
- g. *Year-to-Date Analysis of Electric Cost to Pump Groundwater*

*by the following roll-call vote:*

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

## 3. Consent Calendar

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

- a. *Review of the September 2023 Budget Variance Reports*
- b. *Review of the September 30, 2023 Cash/Investment Balance Report*
- c. *Review of Check Register for the Month of October 2023*
- d. *Review of October 2023 Invoices Pending Approval*
- e. *Minutes of the Regular Meeting of August 24, 2023*
- f. *Minutes of the Regular Meeting of September 13, 2023*
- g. *Minutes of the Special Meeting of September 26, 2023*
- h. *Status of Declared Local Emergencies Related to Fires*
  - i. *Impact of the Apple Fire pursuant to Resolution 2020-17*
  - ii. *Impact of the El Dorado Fire pursuant to Resolution 2020-20*
- i. *Comment Letter to State Water Resources Control Board*

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

## 4. PUBLIC HEARING Introduce, Waive Reading, and Consider Adoption of Ordinance 2023-01: Providing for Compensation of the Members of the Board of Directors of the Beaumont-Cherry Valley Water District and Superseding Ordinance 2022-01

General Manager Jagers reminded that the Board directed staff to set a public hearing for consideration of per diem adjustment, and explained the procedure. He reviewed examples and noted the effective date of any increase would be April 1, 2024.

President Hoffman opened the public hearing at 6:16 p.m.

*The Board waived the reading of the proposed Ordinance by the following roll-call vote:*

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

Executive Assistant Lynda Kerney reported that the Notice of Public Hearing was published in the Beaumont Record Gazette on October 20 and November 3, 2023, and was posted on the District's website and at the District office. General Manager Jagers added that no written comments had been received.

President Hoffman invited public comment. There was none.

Director Slawson commented on inflation, and reminded that previously, the Board had not provided an increase for 10 years. He suggested it is appropriate to increase the per diem by 2.5 percent or so.

Director Covington provided additional detail on the prior lack of increase, noting that the item had not come to the Board for several years prior to addressing it in 2021. At that time, the Board had the authority to raise the per diem to \$360, but chose not to do so, he noted, and said he was comfortable raising the per diem by 5 percent for the next year.

President Hoffman concurred with Covington, but said he felt more conservative with an increase of \$10 - approximately 3.1 percent, which is in line with staff's 3.7 percent Cost of Living Adjustment (COLA).

Director Covington expressed dissatisfaction with the staff report and some previous staff reports, pointing out the COLA is not tied to the Board's per diem, and that is not the platform that will be followed moving forward. He indicated he was comfortable with the suggestion from President Hoffman and noted that even if the Board raised the per diem by 5 percent, if every Board member exercised the allowable 10 meetings per month, the fiscal impact would be \$29,500, which is a minimal impact on the budget.

Director Williams agreed, noting that at the time of her election to the Board, the per diem had not been raised in a very long time. As a member of the Finance and Audit Committee, she said she is seeing costs for travel increasing and suggested the policy regarding hotel, mileage and expenses needed to be addressed. The per diem should be cost effective and as fair as possible while avoiding the need to catch up later due to lack of increase, and providing for quality candidates to run for the Board, she said. She said she was comfortable leaving

the per diem as is until next year when the policy can be clarified, or would be comfortable at 2.5 percent.

President Hoffman commented that there is a balance with paying enough to attract competent personnel or directors. He acknowledged other directors who had been patient as he has learned, said he is grateful to be able to serve the community, and reminded that service on the Board is a fiscal responsibility.

There is a difference between the per diem and the travel expenses, Hoffman continued. Those things need improvement, but the per diem would be the same. He said he would prefer a round number for bookkeeping purposes and suggested \$295 or up to \$300 while remaining under the 5 percent maximum.

*The Board adopted Ordinance 2023-01: Providing for Compensation of the Members of the Board of Directors of the Beaumont-Cherry Valley Water District and Superseding Ordinance 2022-01 and increased the director per diem compensation by 4 percent (to \$296.40) effective April 1, 2024 by the following roll-call vote:*

MOVED: Covington	SECONDED: Slawson	APPROVED 3-1
AYES:	Covington, Hoffman, Slawson	
NOES:	Williams	
ABSTAIN:	None	
ABSENT:	Ramirez	

President Hoffman closed the public hearing at 6:32 p.m.

## **5. 2023 Budget Transfer for Trainings, Education, Meetings and Travel**

General Manager Jagers reminded that the GM has the authority to make budget transfers up to \$50,000, but since this transfer is related to Board activity it is brought to the Board for review and for transparency. The Board is requested to ratify the transfer of \$8,000 from the Elections line item to fund additional expenses related to trainings, education, and travel.

Mr. Jagers advised that a Board member has requested Board consideration for participation in the Water Education for Latino Leaders (WELL) program. Program ongoing costs would then be budgeted, he explained. The registration fee for water district personnel is \$4,000 which would probably hit the 2023 budget cycle, and the rest would be budgeted in 2024. Those adjustments might be made to the draft budget before the December 13 budget adoption, he explained.

Jagers pointed out additional activities under the Trainings, Education, Meetings and Travel line item. With the budget based on a realistic view of the Board's activities without being overly conservative, (it had been requested in the past not to budget the maximum of 10 meetings per month x 5 directors), it is expected this could happen, he explained. The budget will continue to be adapted.

President Hoffman invited public comment. There was none.

*The Board approved a budget transfer of \$8,000 for additional expenses related to Trainings, Education, Meetings and Travel (GL 01-10-110-500175) from Election Expenses (GL 01-10-110-550012) by the following roll-call vote:*

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

#### **6. Presentation of Draft Fiscal Year 2024 Operating Budget & 2024-2028 Capital Improvement Budget**

Assistant Director of Finance and Administration Sylvia Molina presented the draft budget document. She noted that for the next presentation, the per diem rate would be changed and potentially the training budget. The Notice of Completion for the Appletree Lane project will also be added to Accomplishments, she noted.

Ms. Molina acknowledged the work of all staff in the budget process. She highlighted sections of the budget document and explained there is an increase of \$875,600, which will change slightly with information from this meeting.

In response to Director Covington, Ms. Molina indicated this is a balanced budget and the \$875,600 will be put into reserves. Mr. Jagers reminded about the rate study and the funds designated for capital replacement activities. The amount is lower than would have been anticipated given the increased paving repair costs, inflationary costs, and other items. The District is positive, but is not where it was expected to be when the rates were adopted, he explained.

Ms. Molina explained changes to the organizational chart and positions. Mr. Jagers added that the information was reviewed in depth and many questions answered at the committee level.

Ms. Molina provided a brief description of other content of the budget document including awards and water rates. Mr. Jagers advised that the current rate study expires at the end of 2024. Director Covington confirmed that a rate study must be completed in 2024, and Ms. Molina noted that a draft RFP is being finalized. Mr. Jagers explained his expectation of a needed increase in rates, and Ms. Molina added that an agreement with CV Strategies has been approved for water rate education and outreach next year.

Mr. Molina reviewed revenue projections. Gross revenue is projected to be lower than expected in 2023 and has been taken into consideration for next year, she explained. She noted there has been growth in number of water services and production was considered when budgeting an increase in sales. Director Covington noted that if the revenue target is not hit, the budget may still even out at the end of the year. Ms. Molina also pointed to increased investment income but noted it has been budgeted realistically. Mr. Jagers added detail on production and expressed confidence in the budget numbers.

Director Covington noted that it is less expensive to pump water from Edgar Canyon than Beaumont Basin and said he was hoping that production from Edgar could increase.

Director Covington asked about the designation of interest earned. Ms. Molina described the year-end process and remaining revenues after expenses allocated to reserves. Jagers added detail on leveraging the earnings of restricted funds.

Ms. Molina pointed to the proposed department budgets and differences, highlighting the water supply purchase expense. Mr. Jagers provided detail on production and the imported water order. He noted that reserve funds plus pass-through money collected in 2021 and 2022 would be used to purchase the extra water budgeted in 2023. He discussed replenishment efforts.

Director Covington asked about the increase in the number of meetings budgeted. Ms. Molina noted greater attendance at conferences and the needed adjustments, along with the typical attendance at meetings, required trainings, and webinars.

Mr. Jagers offered detail on election expenses. Director Covington noted there are two divisions up for election in 2024, the majority of the expense of which will be carried into the 2025 fiscal year. Ms. Molina explained that the budget number is based on past costs as it is not possible to get an estimate from the Registrar of Voters.

Ms. Molina continued the budget presentation, outlining department expenses.

In response to Director Covington, Mr. Jagers described the funding for capital improvements. Mr. Clayton provided further detail on GASB requirements.

Mr. Jagers drew attention to the discussion of a program to address AB 1668 and SB 606 and related costs, which has been included in the budget but will not move forward without coming before the Board.

Ms. Molina discussed personnel items including cash out of vacation.

Director Covington asked about the increase in the cost of electricity. Mr. Jagers reminded that electric costs are a pass-through to create a net zero activity. He explained the related variables and said staff is doing an analysis. Covington acknowledged the difficulty in analysis.

Mr. Jagers suggested it may be advantageous to order several approved trucks before the end of the year. Director Covington asked if the regulations would extend to heavy equipment in 2024. Jagers provided more insight on the legislation and noted some potential drawbacks. Covington suggested it would be difficult to source the trucks. President Hoffman indicated support for the purchase and noted that inventory is available this year, and prices have stabilized. He cautioned to be aware of current trends toward electric vehicles and emissions requirements, and noted that grant funding may be available.

The budget will come to the Board for approval at the December 13 meeting, Ms. Molina noted. Director Slawson noted he will not be present for the November 16 meeting.

Director Covington and Director Williams expressed satisfaction with the budget presentation and information presented and acknowledged the collaborative work of staff.

President Hoffman noted the efforts of the Finance and Audit Committee in tracking the expenditures to budget throughout the year. He said he had observed this year that budget projections were fairly accurate. Some adjustments were made, which is to be expected, he noted. He said overall the plan is representative of the path the District has tried to follow, and he is pleased with the accomplishments in financial position.

President Hoffman invited public comment. There was none.

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

Directors indicated interest in the following events:

- Public Policy Institute of California 2023 Annual Water Conference on Nov. 14 (Slawson and Williams – if online)
- Beaumont Chamber of Commerce Breakfast on Dec. 8 (Hoffman, Slawson, Williams)

Director Covington noted that the concept is that events should be somewhat water-related, and there must be bookends. Mr. Jagers reminded that the List of Preapproved Events would be presented for annual review in December. Covington advised that he had canceled his registration for the ACWA Fall Conference.

President Hoffman invited public comment. There was none.

## **8. Reports For Discussion and Possible Action**

### **a. Ad Hoc Committees:**

Communications Committee: No report

Sites Reservoir Committee: Mr. Jagers reported that a staff level report will be expected in order to produce a report to the Board.

Water Re-Use 3x2: Mr. Jagers reminded of the board's direction to set a Committee meeting. The City Manager indicated desire to meet at staff level again, and a meeting date is in process. The objective is to have a meeting at the elected level and assure all are on the same page.

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

Directors provided reports on the following meetings and events:

- Beaumont Chamber of Commerce Breakfast on October 13, 2023 (reported on at last meeting)
- OC Water Summit on October 13, 2023 (reported on at last meeting)

- CSDA 2023 Special District Leadership Academy on October 22-25, 2023 (reported on at last meeting)
  - Water Education Foundation Annual Water Summit CSDA on October 25, 2023 (reported on at last meeting)
  - Collaborative Agencies Committee Meeting on November 1, 2023 (Ramirez)
  - San Geronio Pass Water Agency on November 6 (Slawson)
  - Tour of District residences (Covington)
- c. Directors' General Comments: None
- d. General Manager's Report:
- Mr. Jagers reported:
- Meeting tomorrow with Senator Rosilicie Ochoa-Bogh regarding potential grant opportunities
  - Pipeline installation project along 5th Street is nearing completion
  - Recharge is continuing at 45 cfs
  - Preconstruction meeting for the drilling of Wells 1A and 2A was held and project is moving forward to begin construction in January, weather and schedule permitting
  - Drafts prepared for the Noble pipeline project
  - Large amount of legislation in California to address and which create a burden at the end of the year
  - The new budget process is working well
- e. Legal Counsel Report: No report.

## 9. 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
- Policy 5095 – District Residences and Facility Emergency Policy
- Revision of policies related to expenses and travel

## 10. Announcements

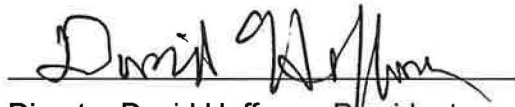
*President Hoffman pointed out the announcements:*

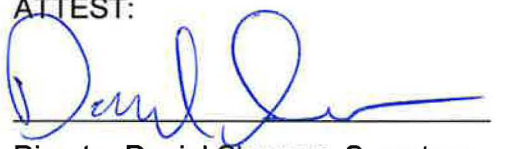
- District offices closed Thursday, Nov. 9 in observance of Veterans Day
- Engineering Workshop: Thursday, Nov. 16 at 6 p.m. (early due to Thanksgiving holiday)
- Personnel Committee Meeting: Tuesday, Nov. 21 at 5:30 p.m.
- District offices closed Thursday, Nov. 23 in observance of Thanksgiving Day
- Finance & Audit Committee meeting: Thursday, Dec. 7 at 3:00 p.m.
- Regular Board Meeting: Wednesday, Dec. 13 at 6 p.m.
- District offices closed Monday, Dec. 25 in observance of Christmas Day

- District offices closed Monday, Jan. 1 in observance of New Year's Day

## 11. Adjournment

*President Hoffman adjourned the meeting at 8:15 p.m.*

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

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