



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

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
Wednesday, June 12, 2024 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 Covington opened the meeting at 6:04 p.m.*

Pledge of Allegiance was led by Director Williams.

Invocation was given by Director Slawson.

**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 (6:39 p.m.), Slawson, Williams
Directors absent:	Ramirez
Staff present:	General Manager Dan Jagers Director of Engineering Mark Swanson Director of Operations James Bean Director of Information Technology Robert Rasha Finance Manager Bill Clayton Civil Engineering Assistant Khalid Sebai Development Services Technician Lilian Tienda Administrative Assistant Cenica Smith
Legal Counsel	James Markman

Members of the public who registered attendance: Kevin Walton and Larry Smith of the San Gorgonio Pass Water Agency; James McKarmen, Jim Zimmerman, and David Hendryx

Public Comment: None.

1. Adjustments to the Agenda: None.

2. Reports / Presentations / Information Items

President Covington noted that the Grant Activity Report is helpful but does not show activity behind the scenes. It is difficult to believe BCVWD would not be able to apply for available federal funds. General Manager Jagers noted there has been activity. More will be reported at a future Board meeting.

The Board received and filed the following reports:

- a. Townsend Public Affairs, Inc. Monthly Update
- b. Update: BCVWD 2025 Operational Budget Timeline
- c. Grant Activity Quarterly Update

by the following roll-call vote:

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

3. Consent Calendar

President Covington pulled Item 3g for discussion and asked about the continuation of the Declared Local Emergency. Mr. Jagers recommended renewal for at least one more time as the typhoon had caused some runoff damage. Before closing it out, expenditures on emergency repairs related to runoff from the mountains (damage to access roads) should be quantified and reported back to the Board. President Covington acknowledged there still may be a threat from the Apple Fire burn scar during monsoons and atmospheric rivers.

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

- a. Review of the April 2024 Budget Variance Reports
- b. Review of the April 30, 2024 Cash/Investment Balance Report
- c. Review of Check Register for the Month of May 2024
- d. Review of May 2024 Invoices Pending Approval
- e. Minutes of the Regular Meeting of April 25, 2024
- f. Minutes of the Special Meeting of May 16, 2024
- g. 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

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

4. Presentation, Discussion, and Consideration of Preparation of a Joint Communities Facilities Agreement for the Proposed Tract 31462 Phases IVB and IVC (Fairway Canyon Development) located West of Tukwet Canyon Parkway and North of Oak Valley Parkway

Director of Engineering Mark Swanson reminded about past discussion of this item including a presentation by the developer. At the April 25, 2024 meeting, the Board considered participation with the City in this funding mechanism to allow improvements

to be funded through property taxes, but after some discussion, the item was tabled. He listed the infrastructure to be included:

Phase	Improvement	Note
IVB	Oak Valley Pkwy (Potable)	4,170 LF of 18-in. Pipeline (2650 PZ) 4,150 LF of 24-in. Pipeline (2520 PZ)
	Oak Valley Pkwy (Non-Potable)	4,120 LF of 18-in. Pipeline (2600 PZ)
	Sorenstam Drive Potable Infrastructure	3,190 LF of 12-in. Pipeline (2520 PZ)
IVC	Oak Valley Pkwy (Non-Potable)	6,050 LF of 12-in. Pipeline (2400 PZ)

Participation in the JCFD is a policy determination for the Board, Mr. Swanson noted. Mr. Jagers noted that something similar was done 20 years ago and there are pros and cons to this. He noted that the District would enjoy having the improvements made to the system.

Director Williams asked for clarification that the District had participated 20 years ago in a CFD, and the related policy. Mr. Jagers explained the District had participated with the City in funding for master planned facilities in the early 2000s, and the City is doing the CFD funding differently than in the past, including more consistent financial control. Director Williams asked about oversight.

President Covington indicated this is not something that had been done in his tenure on the Board and he is unfamiliar with it. There is a sense of reluctance, likely due to the fact this is the first, but there were good questions and answers at the previous meetings. He noted that the Board would need to see the item from the perspective of the District and legal counsel. The Board needs to make sure they are comfortable with this and does not end up with the project falling apart as it is somewhat of a partnership with another public agency, he said.

President Covington said he wanted to understand the District's fiscal liabilities if the CFD fails, and what the benefit to the District might be. He requested staff

Meritage Homes Project Manager David Hendryx clarified that the proposal is a standalone CFD between the City of Beaumont and Meritage Homes, with the City as the lead agency. The District participates through a Joint Community Facilities Agreement (JCFA) which details the bond program and compliance that the improvements are eligible for reimbursement. There is no change to the District's procedures of installation, inspection and acceptance which will happen irrespective of the facilities becoming reimbursable through the bond process. The District has ownership of the improvements. Regarding added liability to the District: there are Meritage's bonds, which would not be released by the District until fully satisfied with the master infrastructure constructed and functioning. Full capacity charges (facilities fees) would be paid (not to be financed through the CFD), Hendryx assured.

For the infrastructure listed in the table above, total costs are between \$18 and \$19 million, Hendryx continued. The Sorenstam line has been constructed. The others are

the last of the master improvements within the pressure zones that make Fairway Canyon fully functional for all the developers, not just Meritage – it is the last section that goes in.

In response to President Covington, Mr. Hendryx assured that the District will not be signatory to any agreement with any other public agencies – once entered the JCFA, District would follow its standard practice of accepting the improvements, released the bonds, then would sign a certification that the developer has met its obligations under the Water Services Agreement and the bonds and are functioning as intended. At that point, the improvements would be eligible for reimbursement.

Hendryx explained the role of a third-party bond administrator and sale of tranches of bonds as improvements are completed and accepted by the District. There is no other risk to the District, and no additional liability, he stated. Bond counsel is directing the City in formation and bond issuance, and a compliance agent will be responsible for reimbursement requests and verifications.

Meritage did not want to be part of the City's CFD 93-1 and purposefully de-annexed areas IV-B and IV-C from it, Hendryx continued. He enumerated the other improvements that are in addition to the potable water and noted that the next component will be Oak Valley Parkway, which it is hoped can be brought back to the Board in July with the Water Services Agreement. All Will-Serve Letters and meters are subject to getting those improvements completed.

Director Williams asked for clarification of the partnership with the City as lead agency. Mr. Hendryx stated it is not a partnership; it is a specific CFD which will appear on the property tax bill, but the District is not identified. The JCFA is to form the CFD and allow the administrator to enter those improvements for reimbursement. The District will not interact with the City, the District will interact with the CFD for which the City is the lead agency. Director Williams pointed out this is indeed a joint agreement made with the City.

6:39 p.m. Director Hoffman joined the meeting.

The request is to proceed with the development of a JCFA, but there has been nothing submitted to legal counsel that is related to the actual form of activity, Jagers advised. He noted that District legal counsel has been consulted and he recalled prior discussion related to house prices and bond costs. He stated that his position is neutral on this item.

Legal Counsel Markman indicated it is clear where the savings are on the price of the house, but developers create these CFDs as a method of using public financing at interest-free loan rates to build infrastructure. It does not change much about how the infrastructure is built, but a part of every house is then financed via Mello-Roos. He reminded about prior publicity, good or bad, related to Mello-Roos, which is a property tax add-on to cover the cost of the infrastructure. All of this is completely disclosed in the papers issued by the Real Estate Commissioner, although a second- or third-time owner should read all documents. The first buyer is getting a discount based upon the interest savings on the cost of building the infrastructure. He described issues adding to the negative reputation of Mello-Roos districts, noting that some cities have avoided them.

Mr. Hendryx added that not only is there a reduction in purchase price, but there is also a reduction in down payment, broadening the number of people who can qualify. President Covington indicated understanding of the home price effects but said it had not yet been addressed as to pros and cons, risks and benefits, and how this arrangement would affect the District.

Mr. Hendryx continued the presentation with a project status update. There is approximately \$9 million in costs that would be subject to reimbursements should all of them be chosen as eligible. The first CFD for area IV-B has already been formed, replacing CFD 93-1 which had been canceled and does not appear anywhere in documentation for the homebuyer. The developer would install, pay for, and invest the cash in the improvements, and await reimbursement following completion. The City would then send a request to the District to acknowledge the improvements had been accepted. A compliance agent would do additional checking and authorize funds disbursement.

The bonds would have a 30-year term. As interest rates go down, there is ability to refinance to lower the bond rate (this is commonplace). Secondary owners would then benefit from that reduction in tax collection, Hendryx noted. President Covington asked who makes the decision about bond refinancing. Mr. Hendryx said it is an economic calculation and when certain criteria are met for significant savings would trigger that. Mr. Markman addressed some prior refinancing related problems in the City of Beaumont.

Mr. Hendryx offered assurances. President Covington asked about the City's role in any refinancing. Hendryx indicated there would be a recommendation from bond counsel, and Markman added refinance decisions would go to the City Council.

In response to Director Williams, Mr. Markman indicated that in the event of a refinance, the bonds would be substituted with other bonds that have a lower cost to carry, and that is the advantage to the homeowners, as the interest rates could be dropped, and the next purchaser gets a better deal. However, the life of the bond can be extended over a longer period of time, and some feel the tax burden would never go away, Markman said. Every time the bonds are turned over and extended, the bond counsel, disclosure counsel, and others all get paid again. City professionals should be watching and obtaining good legal advice to stay away from conflicts of interest, Markman stated.

The bond proceeds would have been disbursed to Meritage, so Meritage would have no influence in the refinance, Hendryx added.

Jim Zimmerman of Meritage Homes clarified that the Mello-Roos Act requires there to be a savings in debt service in order to refinance bonds. Bond maturity cannot be extended without a vote of the property owners. The only way it can be extended is if only a portion of the bonds have been issued and new money bonds are being issued.

Director Williams asked who chooses the facilitator or bond counsel overseeing the CFD and if the District had any ability for input. It is a City decision, Markman explained.

Mr. Hendryx continued. The JCFA would be delivered to the District's bond counsel to review and would be negotiated between the parties. The agreements are pretty

standard, he noted. Meritage is fronting all up-front costs to form the CFD including a deposit with the City. Meritage does not get reimbursed until the bonds are sold. There is a resolution of intention, followed by a resolution of formation on which the City will vote. Later, there will be an authorization to sell bonds.

Mr. Swanson noted that a deposit from the developer would be required to cover District staff time, review of agreements and other costs.

Mr. Hendryx noted that the goal was to provide decision-quality information and answer all questions to be able to make a decision and start the process of JCFA review.

Director Hoffman recapped the benefit to the homebuyer and asked about the dollar investment per house that the District would have in addition to the home price. Mr. Zimmerman said that with a \$400,000 house, the financing would represent anywhere from \$20,000 to \$25,000 per home in the bond financing, representing an adjustment in price trickling through to the down payment and monthly payments.

What benefits will the District see through pursuing this joint activity, Hoffman asked. Mr. Hendryx answered "it's not possible;" Meritage is paying the full facilities fees and not asking for any credits for the larger infrastructure it is constructing to benefit the District, so to the extent the improvements would not be financed through the JCFA, Meritage may want to open a dialogue in regard to having some type of credit offset to the facilities fees. Meritage understood that these facilities are in the master plan, and it is their responsibility to build them.

Hendryx confirmed for Director Hoffman that the District will have no financial risk for involvement in the JCFA.

Director Hoffman expressed mixed feelings based on his knowledge of past situations.

Director Slawson said that in his engineering practice, assessment districts and CFDs appear to be commonplace. It seems there is no risk to the District, but there will probably be some staff time involved and staff will have to work with developers on CFDs in future. More affordable homes mean more homebuyers and more District customers, he noted.

Director Williams said she would like to see something from staff and legal that shows risks, pros, and cons for the District in order to make an informed decision. She said she favored the lower house prices but said she is familiar with the history of past situations in Beaumont.

Mr. Hendryx assured that Meritage is prepared to work with District staff in preparing the pros and cons and bringing that back to the Board.

Mr. Jagers provided some background on past situations and noted that the District's way of doing business today is significantly different. Regardless of the City and other entities, there is a true record and accountability, he stated. He said he is not a proponent of increased taxes, but there are elements of District facilities to consider which complete facilities around the City that had been in progress for 20 years.

President Covington requested detailed review of the proposal by staff and legal counsel, and an opinion and recommendation or options.

President Covington noted this is uncharted territory for this Board. He referred to past politics and ugliness related to a CFD, noting that none want to be involved in or associated with anything like that, which is one of the biggest impediments to this process so far. He noted the Board is performing its due diligence, as it is elected to do, and advised caution in moving forward. He pointed out the need for more information and professional expertise and guidance to assist the Board in forming an opinion. The action requested at this meeting is unclear, he added.

In response to Director Williams, Mr. Jagers suggested obtaining a version of a draft agreement to review.

Mr. Jagers explained that from a facilities perspective, District staff would prefer that infrastructure of the master plan be constructed sooner rather than later. He requested the developer provide more detail on the elements of the deal, how it is structured, and how it would marry with the rest of the CFD. Mr. Hendryx indicated he would supply it tomorrow. Staff will provide the draft agreement to legal counsel to start the process.

Legal Counsel Markman noted that it is not the opinion of his firm to recommend against this methodology. He acknowledged what happened in the past and stated that many his firm has addressed in the last 20 to 30 years have not gone wrong. He will review this with a colleague to get the full answer.

President Covington continued this item to a future meeting.

5. Review Annual Disclosure (California Government Code Section 66013(d)), Fiscal Year 2023 Capacity Charges

Finance Manager Bill Clayton explained the routine report for compliance in reporting of capacity charges (facilities fees) collections and expenditures. Mr. Clayton and Legal Counsel Markman responded to President Covington about reporting requirements.

In response to Director Slawson, General Manager Jagers identified funds spent in relation to the MDP Line 16 storm drain project.

The Board received and filed the annual disclosure by the following roll-call vote:

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

6. BCVWD Rate Action in Review 2019-2020

Mr. Jagers noted that the current rates do not advance after the end of this year. In consideration are impacts of regulatory burdens such as Chromium 6, Making Conservation a California Way of Life, and zero emission vehicles. These

unfunded mandates will have unintended consequences. The Board requested a recap of prior action, he reminded. The District has always operated from a low staffing condition and is low in comparison of number of employees to number of connections. The District is modernizing in response to the incredible growth in Beaumont, but rates are low compared to others and there is a lot to address moving forward. The Board will be asked to make decisions about the health of the agency and at the same time the health of the ratepayer, he stated.

President Covington noted he had requested this background information and stated he wanted ratepayers to be as informed as the Board. He drew attention to inflation and the prior rate adjustment during COVID. The next rate increase will not be pleasant, he warned.

Finance Manager Bill Clayton presented an overview of the 2019-2020 rate setting process including considerations and Board key points, actions, and direction to staff. Mr. Jagers added that rates had not been adjusted for years, but rate studies must be current to accommodate adjustments in pass-through charges. A study must be done even if there is no change, he noted.

President Covington commented on revenue needs and fixed costs. Mr. Clayton listed upcoming challenges in 2024 rate setting, and Mr. Jagers added that agencies are experiencing recruitment challenges. President Covington directed staff to make a concerted effort to seek grant funding for the large projects coming forward.

President Covington invited public comment. There was none.

7. Approval of Expenditures for Procurement of Materials and District Staff Labor for District Facility Relocation Activities on Massachusetts Avenue

Director of Engineering Mark Swanson reminded that this had been tabled at a prior meeting. He noted the approach has changed. In April, District staff was notified by the City and began evaluating a sidewalk project. Mr. Swanson attended a preconstruction meeting on May 30 which included a facilitator from the County who is administering the grant funds.

At the last Board meeting, staff reported the impacts on District facilities with various meters identified to be relocated at a cost of about \$168,000.

Based on discussion at the last Board meeting, Mr. Swanson presented a selection of options for consideration without relocation of the meters. The District would supply eight concrete meter boxes with steel lids (\$2,225) and the City's contractor would perform the work. President Covington noted that Board approval was not necessary for this donation to the City.

Mr. Swanson continued, explaining optional items at a total cost of \$82,010. General Manager Jagers reminded that prior discussion had identified that this project was driven by City grant expenditures creating a condition of the District having to spend ratepayer funds to support their grant-funded expenditures. Staff was tasked to find a cost-effective approach, as more will be forthcoming and must be funded by rates. This is the compromise to support the City project, not to put in additional facilities and fix other problems, Jagers stated.

President Covington reviewed in detail the items presented and Mr. Swanson responded to questions.

Based on the work being done only in the area of the sidewalk and not within the street, Director Slawson supported the easiest, most economical solution. Director Williams emphasized not setting a precedent; performing “one and done.”

The Board concurred on supplying eight meter boxes.

8. Request for Will-Serve Letter for Proposed Vineyard Located at Assessor’s Parcel Number 401-020-009 located west of Oak Glen Road in the Community of Cherry Valley

Mr. Swanson reminded the Board of their decline of authorization to drill a well at this property on Oak Glen Road. After discussion of water needs (1 EDU), the property owner was presented with costs to provide service. There is a small vineyard operation but no habitable structures. Because the property is not within the District’s service area, this is a recommendation for temporary will-serve and temporary connection for one year, followed by annexation to a permanent service. Usage would be monitored to assure it does not exceed the allocation.

The property owner was advised that if they were to add a future venue the area does not have existing infrastructure and they would need to construct it, Swanson explained. For the current needs, a line could provide low pressure service. The owner must verify any fire needs.

Mr. Jagers added that this was the entity that was stopped from drilling a well. They presented a case to the Board and have asked for consideration. This is unusual, but the owner worked with the District when it was identified that they did not have a subsurface water right. He contrasted this instance with two temporary services on Cherry Valley Boulevard.

President Covington noted there is no policy covering this. He emphasized the importance of formalizing with a letter the property owner’s temporary status, timelines, obligations and conditions.

In response to Director Slawson, Director of Operations James Bean stated the line in Oak Glen Road is a 10-inch pipeline.

The Board approved temporary Will-Serve Letter for the proposed vineyard to be located on Riverside County APN 401-020-009 within the community of Cherry Valley subject to payment of all deposits and fees to the District and the delineated conditions by the following roll-call vote:

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

9. Resolution 2024-08 Adopting Regulations Regarding the Payment of the Cost of the Candidate’s Statement for the November 2024 Consolidated Election

General Manager Jagers presented the item.

The Board approved adopted Resolution 2024-08, adopting regulations regarding the payment of the cost of the Candidate’s Statement for the November 5, 2024 Consolidated Election by the following roll-call vote:

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

10. Approval of the Notice of Election of 2024 for submission to the Registrars of Voters of the County of San Bernardino and the County of Riverside regarding the November 5, 2024 Consolidated Election

General Manager Jagers presented the item, noting a possible fiscal impact in FY 2024 and/or 2025 between \$10,000 and \$150,000 for election costs.

The Board approved the Notices of Election of 2024 for submission to the Registrars of Voters of the Counties of Riverside and San Bernardino regarding the November 5, 2024 Consolidated Election and directed the Recording Secretary to do all things necessary to facilitate the election by the following roll-call vote:

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

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

Directors indicated interest in the following events:

- Beaumont Chamber of Commerce Breakfast on July 12 – Slawson, Hoffman, Williams
- Building Industry Association Southern California Water Conference – Williams, Slawson
- ACWA Region 9 event on Aug. 13 – Williams, Slawson
- California Special Districts Association (CSDA) Annual Conference Sept. 9 – 12 – Covington (maybe), Williams (maybe)

- CSDA Virtual Workshop on Sept. 25 and 26 - Slawson (maybe), Williams (maybe)

12. Discussion: State Water Resources Control Board Rulemaking on Chromium 6 Maximum Contaminant Level and BCVWD Response

General Manager Jagers provided an update on District steps toward compliance:

- Well sampling has been done
- Three wells are affected by Chromium 6 [CR(VI)]
- New well locations are being targeted in areas to avoid CR(VI) influence
- Proposed strategies for well relocation to the Recharge Facility will be coming forward
- CR(VI) affected water may be put into the non-potable system
- Once the set of regulations is codified, there will be two years to implement

13. Discussion: District Operations Center

General Manager Jagers advised that there is an immediate need, and temporary facilities for Operations staff are being diligently sought. He listed several possibilities under consideration and outcomes. A more formal discussion will be brought back at the June 27 Engineering Workshop.

President Covington acknowledged that inventory is limited.

14. Reports For Discussion and Possible Action

a. Ad Hoc Committees:

Communications Committee: A meeting is scheduled for July 8 at 6 p.m., Director Williams reported.

Sites Reservoir: Mr. Jagers reported continued work with the San Geronio Pass Water Agency and noted that the ad hoc committee would meet once a few things are resolved.

Bogart Park: President Covington, Director Hoofman and staff attended a June 10 meeting and discussed the 1931 lease and amendments, lease by Beaumont-Cherry Valley Recreation and Park District, facilities built on BCVWD property. The Committee asked staff to look into assuring that if any facilities are built on BCVWD property by BCVRPD that they comply with the lease and any required permits. Another meeting will be called based on staff's findings.

Water Re-Use 3x2: Jagers and Swanson met with City of Beaumont staff, Lance Eckhart, and the City's consultants and discussed plans and activities. The draft Recycled Water Master Plan was presented along with the element from TR Holliman with connection to all published data. District insight was provided to the new consultant. Continuity and connectivity on

the path forward was emphasized. Jagers said he thought the meeting was productive.

b. Directors' Reports:

- San Geronio Pass Water Agency Meeting on June 3, 2024 (Slawson)
- CSDA: Overview of Special District Laws Virtual Workshop on June 5-6, 2024 (Williams – did not attend)

c. Directors' General Comments:

- Director Williams will attend an ACWA Groundwater Committee meeting tomorrow.

d. General Manager's Report:

Mr. Jagers reported:

- Ponds are being drained for maintenance to increase recharge capabilities
- Modifications to the overflows are being considered to facilitate quicker draining
- Well 21 was reinstalled after rehab and is pumping in the range expected
- Edgar Canyon Well 19 was rehabbed and is up and running

e. Legal Counsel Report: No report.

15. 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
- Revision of policies related to expenses and travel
- Operations Center

16. Announcements

President Covington pointed out the announcements:

- Personnel Committee meeting: Tuesday, June 18 at 5:30 p.m.
- Engineering Workshop: Thursday, June 27 at 6 p.m.
- Finance & Audit Committee meeting: Wednesday, July 3 at 3 p.m. (Note date change due to holiday)
- Collaborative Agencies Committee meeting: Wednesday, July 3 at 5 p.m.
- District office will be closed on Thursday, July 4 in observation of Independence Day
- Special Beaumont Basin Watermaster Committee: Wednesday, July 10 at 11 a.m.

- Regular Board meeting: Wednesday, July 10 at 6 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, July 24 at 5 p.m.

17. Recess to Closed Session

President Covington announced the following item and adjourned the meeting to Closed Session at 9:18 p.m.

- CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to California Government Code Section 54956.8
Property: APNs 408-080-009, 408-080-010, 408-080,011, 480-080-012
Agency Negotiator: Dan Jagers, General Manager
Under Negotiation: Price and terms of payment
- CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Paragraph (2) of subdivision (C) of Government Code § 54956.9
One case concerning claim of Draper 26, LLC for reimbursement of costs of water infrastructure

Reconvened in Open Session at 9:30 p.m.

18. Report on Action Taken During Closed Session


President Covington announced the following:

Item 17 a – No reportable action was taken

Item 17b – The Board denied the claim of Draper 26, LLC for reimbursement of costs of water infrastructure

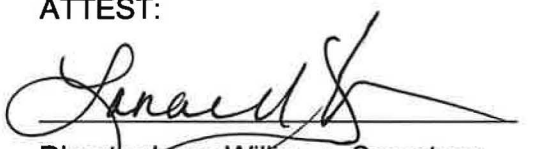
19. Adjournment

President Covington adjourned the meeting at 9:32 p.m.



Director John Covington, President
to the Board of Directors of the
Beaumont-Cherry Valley Water District

ATTEST:



Director Lona Williams, Secretary
to the Board of Directors of the
Beaumont-Cherry Valley Water District