



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

**MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
Wednesday, August 14, 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 6:05 p.m.*

*Pledge of Allegiance was led by Director Williams .*

*Invocation was given by Director Hoffman.*

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

*No directors were attending via teleconference*

**Roll Call:**

Directors present:	Covington, Hoffman, Williams
Directors absent:	Ramirez, Slawson
Staff present:	General Manager Dan Jagers Director of Engineering Mark Swanson Director of Information Technology Robert Rasha Assistant Director of Finance and Administration Sylvia Molina Human Resources Manager Ren Berioso Finance Manager William Clayton Water Utility Superintendent Julian Herrera Engineering Assistant Evan Ward Engineering Assistant Khalid Sebai Development Services Technician Lilian Tienda Executive Assistant Lynda Kerney
Legal Counsel	James Markman

Members of the public who registered attendance: None.

**Public Comment:** None.

**1. Adjustments to the Agenda**

*General Manager Jagers requested Item 9 be continued to the August 29 meeting.*

**2. Reports / Presentations / Information Items**

Staff responded to director questions about the following items:

- e. 2024 Mid-Year Budget Review: General Manager Jagers and Assistant Director of Finance and Administration Sylvia Molina introduced this new report on budget adjustments / mid-year transfers under the GM's authority.
- g. Quarterly Report: Review of District Contract Expenditures in Fiscal Year 2024 . Jagers confirmed that all listed are currently open contracts. Staff responded to questions regarding the MCC Equipment contract for the Cherry Avenue pipeline, and contractual deadlines due to ARPA funding requirements.

*The Board received and filed the following reports:*

- a. *Chandler Asset Management Quarterly Investment Report*
- b. *Ad hoc Communications Committee Quarterly Report*
- c. *2024 Multi-County Agency Biennial Notice (Conflict of Interest Code)*
- d. *Quarterly Report: Year-To-Date Analysis of Electric Cost to Pump Groundwater*
- e. *2024 Mid-Year Budget Review*
- f. *Grant Activity Quarterly Update*
- g. *Quarterly Report: Review of District Contract Expenditures in Fiscal Year 2024*
- h. *Results of Local Agency Formation Commission (LAFCO) Special District Selection Committee Run-Off Election*
- i. *Townsend Public Affairs, Inc. Monthly Update*

*by the following roll-call vote:*

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

**3. Consent Calendar**

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

- a. *Review of the May 2024 Budget Variance Reports*
- b. *Review of the May 31, 2024 Cash/Investment Balance Report*
- c. *Review of Check Register for the Month of June 2024*
- d. *Review of the June 2024 Budget Variance Reports*
- e. *Review of the June 30, 2024 Cash and Investment Balance Report*
- f. *Review of Check Register for the Month of July 2024*
- g. *Review of July 2024 Invoices Pending Approval*
- h. *Minutes of the Regular Meeting of May 23, 2024*
- i. *Minutes of the Regular Meeting of June 12, 2024*
- j. *Minutes of the Regular Meeting of June 27, 2024*
- k. *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. Resolution 2024-11 Proclaiming the Termination of the Local Emergency Regarding the Apple Fire and the Eldorado Fire*

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

**4. Purchase of One (1) Tow-Behind Air Compressor**

General Manager Jagers explained this item was scheduled for replacement in 2025 but has reached the end of its service life. The item is available through Sourcewell. Director Hoffman asked if emissions compliance had been considered. Water Utility Superintendent Julian Herrera stated the compressor is diesel fuel powered.

*The Board authorized the General Manager to purchase one (1) tow-behind air compressor from Power Plus, a Sourcewell vendor, in an amount not to exceed \$33,410.00 by the following roll-call vote:*

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

**5. Authorization for Negotiations for Contract for Banking Services**

Assistant Director of Finance and Administration Sylvia Molina explained that the District has contracted with Wells Fargo for banking services since 2013. A Request for Proposals was released, and three proposals were received and reviewed by an internal panel. She discussed the responses and the close scores, explaining that the deciding factor was based on the earnings credit offered by Wells Fargo. Staff stated that the Wells Fargo services meet the District needs and responded to questions from the Board.

*The Board authorized the General Manager to negotiate a contract with the proposed selection of Wells Fargo for banking services, or direct staff as desired by the following roll-call vote:*

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

**6. Presentation, Resolution 2024-12 Amending the District's Policies and Procedures Manual**

a.	Policy 5046	Other Post Employee Benefits (OPEB) Funding
b.	Policy 5047	Pension Funding
c.	Policy 3050	Volunteer Workers' Compensation
d.	Policy 3040	Letters of Recommendation
e.	Policy 3105	Personal Leave of Absence
f.	Policy 3140	Respiratory Protection Program

Human Resources Manager Ren Berioso introduced the policy revisions as recommended by the Personnel Committee. He noted they have been reviewed by legal counsel and either the Finance & Audit Committee or Personnel Committee.

Finance Manager Bill Clayton reviewed items a and b:

a. Policy 5046 Other Post Employment Benefits (OPEB) Funding  
Proposed to remove the specific amount, since the contribution specified has been made

b. Policy 5047 Pension Funding  
Proposed changes to remove mention of the initial deposit and reflect the actuarial calculated contributions

Mr. Berioso reviewed items c, d, and e:

c. Policy 3050 Volunteer Workers' Compensation  
A section was added regarding non-retaliation. Redundancy was eliminated. Staff was directed to provide a sample indemnity agreement, which was reviewed by legal counsel. Staff was informed that such agreement was not a complete shield for the District.

Director Hoffman asked if the District had volunteers in the past. Mr. Jagers explained there had been, but not in recent years. He mentioned the possibility of internships.

Director Hoffman described the rates and risk levels of the insurance and emphasized caution. President Covington concurred with limiting exposure.

d. Policy 3040 Letters of Recommendation  
The policy was established to provide for letters, but the current policy is too broad. The new policy provides guidance and aligns with District values.

e. Policy 3105 Personal Leave of Absence  
This was created to address an impactful situation that may not fall under other leaves. Mr. Berioso explained provisions that differ from the version recommended by the Personnel Committee. Covington supported the modifications.

- f. 3140 Respiratory Protection Program  
There are no major changes. Human Resources will oversee the program.

*The Board adopted Resolution 2024-10: Amending the District's Policies and Procedures Manual Parts I and IV revising Policy 5046 Other Post Employee Benefits (OPEB) Funding and Policy 5047 Pension Funding; and replacing Section 18 Volunteer Personnel Workers' Compensation with Policy 3050, Section 16 Letters of Recommendation with Policy 3040, Section 28 Personal Leave of Absence with Policy 3105, and Section 35 Respiratory Protection Program with Policy 3140 by the following roll-call vote:*

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

**7. 2025 Imported Water Order from the San Gorgonio Pass Water Agency**

General Manager Dan Jagers explained the District's water replenishment needs and proposed water banking. He reminded that funds are budgeted for replenishment and supplemental supply is funded by capital reserves. Jagers noted his preference would be to have three years of water supply in storage in case of State Water Project delivery interruption or prolonged drought.

Jagers proposed a baseline order of 11,200 acre-feet at a cost of \$4,468,800 which is a pass-through rate to customers, plus an additional 5,000 acre-feet for banking. He discussed the SGPWA portfolio and available supply.

In response to President Covington, Jagers confirmed the 11,200 is an average need over time, but it has been less in the last two years. Projected replenishment need for this year will actually likely be in the 9,000 to 10,000 af range, leaving 4,000 af for the storage account.

Director Hoffman reminded that stormwater is now also being captured and replenishing the basin via the recharge ponds. The goal is to meter that and obtain credit for it from the Beaumont Basin Watermaster, Jagers explained. He discussed production from Edgar Canyon and State Water Project.

President Covington pointed out the large imported water expenditure and requested commitment to metering of the new stormwater capture facility this season to offset the expense. He noted the importance of obtaining that credit with the Watermaster even if the policies have not yet been completed. Jagers noted there are elements to work through. Covington acknowledged the challenges but said it must be a priority.

The Board authorized the:

1. Order of 16,200 acre-feet water order of imported water from the San Gorgonio Pass Water Agency (SGPWA) for Calendar Year 2025
2. Purchase of up to 11,200 acre-feet of imported water in the amount of \$4,468,800 from the SGPWA for delivery to the Beaumont-Cherry Valley Water District Noble Creek Recharge Facility for Calendar Year 2025
3. General Manager to execute the letter addressed to the San Gorgonio Pass Water Agency regarding the Supplemental Water Order Form for 2025

by the following roll-call vote:

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

## 8. Approval to Proceed with Two-Phase Rate Study Model

Assistant Director of Finance and Administrative Services Sylvia Molina reminded about the agreement with Water Resources Economics (WRE) for the cost-of-service study. She updated the Board on the process and provision of data but noted that there are unknowns that could have significant costs to the District. WRE has recommended splitting the study into two phases: 1) A financial plan for three years, and 2) actual cost of service upon availability of more information.

There would be no fiscal impact, but a lengthening of the time of work. Staff emphasized accuracy over time frame. Mr. Jaggars added there are 11 items, including potential impacts of Per-and polyfluoroalkyl substances (PFAS), recycled water, and future facilities, and emphasized there should be a clear picture of these large numbers.

President Covington concurred that this is the prudent way to move forward. He said he liked the approach and did not want to be caught amid these unfunded mandates. He pointed to Zero Emission Vehicles mandates, Chromium 6 regulations, and more. He noted that the 11 items on the list should go to the top of the list in the quest for grant funding, as the impact on water rates will be burdensome. Ms. Molina assured that Townsend and Associates has been tasked with these priorities.

In response to a question from Director Williams, the Board and staff discussed testing and treatment of State Project Water as related to the costs of PFAS and Chromium 6 regulations. President Covington and Director Williams encouraged the testing of SWP water.

The Board authorized the General Manager to proceed with a two-phase rate study model as recommended by Water Resources Economics, LLC (WRE), which involves:

1. Implementing an initial financial plan to ensure short-term financial stability (two or three years, based on Board direction).
  2. Conducting a comprehensive cost-of-service analysis and rate structure update in the subsequent phase
- by the following roll-call vote:

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

**9. Authorize Additional Funds for Design Engineering and Construction Services for the Replacement of Wells 1A and 2A**

*President Covington tabled this item at the request of staff.*

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

Directors indicated interest in the following events:

DATE	EVENT	COVINGTON	HOFFMAN	RAMIREZ	SLAWSON	WILLIAMS
Aug 14	Riverside County Supervisor Gutierrez State of the 5th District	MAYBE		MAYBE	YES	
Aug 20	Building Industry Association Orange County Housing and Sustainability Conference	NO	NO	YES	NO	NO
Aug 21	ACWA Region 8 event					NO
Aug 21-23	Urban Water Institute annual Conference	NO		YES	YES	YES
Sept 9 - 12	California Special Districts Association (CSDA) Annual Conf	NO	NO		YES	YES
Sept 11,18,25	ACWA Continuing Legal Education Workshops		MAYBE			
Sept 13	Beaumont Chamber Breakfast	NO	YES			YES
Sept 19	Beaumont Chamber State of the City dinner	YES	YES	MAYBE	YES	YES
Sept 25 & 26	CSDA Virtual Workshop: Finance	NO	NO	MAYBE	PROBABLY	PROBABLY
Sept 27	Riverside County Water Task Force		MAYBE		YES	MAYBE
Oct 30	WEF Annual Water Summit			MAYBE	MAYBE	MAYBE

## 11. Reports For Discussion and Possible Action

### a. Ad Hoc Committees:

- i. Communications Committee: No report
- ii. Sites Reservoir: No report
- iii. Bogart Park: A meeting is being considered with the Park District after the election.
- iv. Water Re-Use 3x2: The City is waiting to hear from their consultant.

### b. Directors' Reports:

- i. California Association of Public Information Officials Communications Webinar on July 31, 2024 (Hoffman)
- ii. San Geronio Pass Water Agency Meeting on August 5, 2024 (no report)
- iii. Beaumont Chamber of Commerce Breakfast on August 9, 2024 (Hoffman)
- iv. Building Industry Association Annual Water Conference on August 9, 2024 (Williams)
- v. ACWA: Region 9 Event in Temecula on August 13, 2024 (Williams)
- vi. CSDA Webinar: LAFCO Boundaries on August 13, 2024 (no reports)
- vii. State SGMA subcommittee meeting (Williams)

### c. Directors' General Comments: None.

### d. General Manager's Report:

Mr. Jagers reported:

- Staff is busy with the rate study and budget cycle
- 350 linear feet of pipe has been laid in Elm Avenue
- Elm Avenue project serves as training for the younger field crew members
- Demolition is ongoing and mold has been mitigated at the 12th and Palm building
- ARPA funds for a heli-hydrant project are moving forward at the County; a location has been identified within the District's boundary
- The 2025 Water Year has begun

### e. Legal Counsel Report:

Jim Markman reported that SGMA actions are running headlong into adjudications. RWG is involved in two issues related to who has the decision-making power. Fortunately, the Beaumont Basin is exempt.



## 12. Topic List for Future Meetings:

	Item requested	Date of request	Requester
A	Update / presentation on the AMR / AMI project	12/14/22	
B	Presentation on the San Bernardino Valley Resource Conservation District	7/13/22	
C	Presentation on solar power opportunities	12/14/22	Ramirez
D	Sites Reservoir update	2/23/23	
E	Report on water theft (October 2024)	3/13/24	Hoffman
F	Operations Center update		

## 13. Announcements

*President Covington pointed out the announcements:*

- Personnel Committee meeting: Tuesday, Aug. 20 at 5:30 p.m.
- Engineering Workshop: Thursday, Aug. 29 at 6 p.m. – Note change of date
- District office will be closed on Monday, Sept. 2 in observation of Labor Day
- Special Beaumont Basin Watermaster Committee: Wednesday, Sept.4 at 11 a.m.
- Collaborative Agencies Committee meeting: Wednesday, Sept. 4 at 5 p.m.
- Finance & Audit Committee meeting: Thursday, Sept. 5 at 3 p.m.
- Regular Board meeting: Wednesday, Sept. 11 at 6 p.m. (President Covington will be absent, staff will follow up about cancellation)
- San Gorgonio Pass Regional Water Alliance: Wednesday, Sept. 25 at 5 p.m.

## 14. Recess to Closed Session

*President Covington announced the following item and adjourned the meeting to Closed Session at 8:22 p.m.*

- a. 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
- b. 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

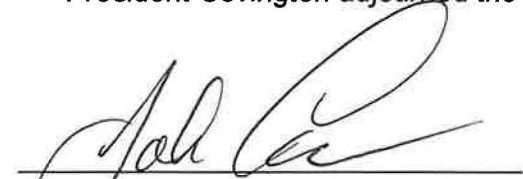
**Reconvened in Open Session at 8:32 p.m.**

**15. Report on Action Taken During Closed Session**

*President Covington announced that no reportable action was taken.*

**16. Adjournment**


*President Covington adjourned the meeting at 8:33 p.m.*



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

ATTEST:



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