



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

**MINUTES OF SPECIAL MEETING – ENGINEERING WORKSHOP
OF THE BOARD OF DIRECTORS
Thursday, August 29, 2024 at 6:00 p.m.**

*Meeting held 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 Slawson.
Invocation was given by Director Williams.*

Announcement and Verification of Remote Meeting Participation
No directors were attending via teleconference.

Roll Call:

Directors present:	Covington, Hoffman, Ramirez (6:24 p.m.), Slawson, Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Information Technology Robert Rasha Director of Engineering Mark Swanson Engineering Assistant Evan Ward Engineering Assistant Khalid Sebai Development Services Technician Lilian Tienda Water Utility Superintendent Julian Herrera Executive Assistant Lynda Kerney
Legal Counsel	Jim Markman

Members of the public who registered their attendance: Jim Zimmerman, David Hendryx, and City of Beaumont Public Works Director Robert Vestal.

Public Comment: None.

- 1. Adjustments to the Agenda:** None.
- 2. 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**

General Manager Dan Jagers reminded the Board of a previous presentation from the developer and the request for an example of the proposed agreement. Meritage Homes provided an example from Eastern Municipal Water District (EMWD) and the elements are highlighted in the staff report. The agreement vehicle seems straightforward and provides the detail needed for BCVWD to be able to do something

similar should the Board desire, he explained. Legal Counsel has reviewed the sample agreement.

Director of Engineering Mark Swanson explained the JCFA concept, provided detail on the Fairway Canyon Phase IV-B and IV-C developments and reviewed the backbone infrastructure components to be included in the CFD:

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)	1,010 LF of 12-in. Pipeline (2400 PZ)

The developer’s installation would have to be inspected and accepted by the District, Swanson stated. Oak Valley Parkway is required to be constructed in order for the homes in Phase IV-C to be occupied.

President Covington indicated he was satisfied with the much of the content of the EMWD sample agreement. In response to President Covington, Legal Counsel Markman explained this type of agreement has no exposure to the District and is just a way of financing part of the infrastructure.

Jaggers added that there will be a contribution from the District toward the cost of the infrastructure oversizing component based on that agreement.

6:24 p.m. Director Ramirez joined the meeting in the Board Room.

Staff responded to Board questions about funding. Developer representative David Hendryx explained there are two separate agreements and the District’s participation would be only in construction of infrastructure that is not part of the CFD. “There is no double dipping,” he said. It is expected this agreement will come to the Board in September.

Hendryx advised that the City had formed Community Facilities District 2023-01, and CFD 2024-01 was in progress for administering the bonds. He stated there is no economic risk to the District. In response to Director Hoffman, he assured that the developer’s subcontractor would bid the project, and Meritage would pay the entire amount; BCVWD is not out of pocket.

Director Hoffman discussed the sale of bonds and Mr. Hendryx assured that Meritage Homes is responsible, and it would be highly unlikely there would be any cessation in construction. Meritage would be paying a little over \$10 million in capacity charges to the District, and the District would reimburse approximately 20 to 30 percent for the oversizing component, he stated.

Hendryx continued. He explained the benefit of the CFD in lowering the initial home cost by funding the CFD through property tax collection vs. paying it through the

mortgage. Hendryx responded to further questions from Director Hoffman regarding the sales and interest rates of bonds, and path of funding.

Director Williams asked about the City's formation of the CFDs, and Mr. Hendryx explained that Meritage had indicated they were seeking but did not yet have BCVWD's concurrence on the JCFA. Overages would be the responsibility of Meritage, he assured.

The Board approved the request from Meritage Homes and directed staff to work with the General Manager and Legal Counsel to proceed with the development of a Joint Community Facilities Agreement with the City of Beaumont for water facilities located within Oak Valley Parkway, and within the Fairway Canyon development Phases IVB and IVC by the following roll-call vote:

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

3. **Cooperative Agreement Between the City of Beaumont and the Beaumont-Cherry Valley Water District**
 - a. **Adopt Resolution 2024-13 Establishing the District's Responsibility for Repair of Soil Subsidence over District-Owned Facilities**
 - b. **Consider a Cooperative Agreement Regarding Right-of-Way Encroachments and Pavement Restoration**

General Manager Jaggars introduced the proposed resolution which identified the District will be responsible for the trenches and backfill in perpetuity per the requirements of the law, along with some offramps if other parties are responsible.

Jaggars explained the second item, an agreement with the City which addresses value-driven, reasonable trench repair of the District's penetrations into the streets. This represents a significant reduction in cost and returns to a more industry standard. This is expected to go to the City Council for approval next week, he advised.

Jaggars noted that District and City staff have worked diligently to craft the agreement, and it is offered as a vehicle to provide the agencies' common constituents with reasonable repairs at low cost. He described agreement components: The agreement has a one-year trial period. The parties have agreed to create a letter of notification to have a tracking system to memorialize actions and repair work. The annual fee the District will pay the City for the agreement will be \$3,660 annually, as the City has suspended inspection and other fees for the encroachments. Legal Counsel has reviewed the agreement. The financial implications should be less burdensome to the District and its ratepayers, and it will continue to foster the improved infrastructure management that has been ongoing in recent years.

Mr. Swanson added that District work had been somewhat hamstrung due to the City's paving moratorium, and this allows projects to move forward and for District staff to

work with Public Works staff to identify and coordinate projects. Staff is trying to meet monthly for these discussions, Jagers noted.

President Covington asked if the agreement covered only the moratorium areas. Mr. Markman indicated it is a blanket, city-wide coverage. Covington encouraged the monthly meetings and said he hoped the City Council would view it in the same light.

Directors Ramirez and Slawson concurred with President Covington and said he looked forward to seeing more collaboration.

Director Slawson thanked Robert Vestal, City of Beaumont Public Works Director, and City Manager Elizabeth Gibbs.

Director Williams pointed out there is no time frame on the warranty work and asked about notification procedures. Jagers noted that if there is trench failure within the District's facility, it will be repaired. The District must respond to a condition of liability of subsidence to avoid increased legal exposure. It does not put any undue burden on the District and is consistent with State law. If there was failure in the work noticed, typically phone calls are made within a day or two to advise and all agencies just respond as good partners and do the appropriate work on a case-by-case basis.

Director Williams said she was pleased to see this coming forward and asked about the term of the agreement. Jagers pointed to the one-year trial and said it then likely resets and works its way forward into perpetuity unless a party wants to discontinue.

The Board adopted Resolution 2024-18 Establishing the District's Responsibility for Repair of Soil Subsidence over District-Owned Facilities, and approved the Cooperative Agreement between the City of Beaumont and the Beaumont-Cherry Valley Water District, and authorized the General Manager to finalize negotiations with the City and to execute the Agreement including any de minimis or non-substantive changes on behalf of the District by the following roll-call vote:

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

4. Reports for Discussion and Possible Action

a. Directors' Reports:

The following reports were provided:

- i. State of the 5th District event on August 14, 2024 (Slawson)
- ii. San Gorgonio Pass Water Agency Meeting on August 19, 2024 (Slawson)
- iii. Building Industry Association of Orange County Conference on August 20, 2024 (Ramirez)
- iv. Urban Water Institute Annual Water Conference on August 21-23, 2024 (Ramirez, Slawson, Williams)

- v. Building Industry Association Southern California Water Conference (Slawson)

b. Directors' General Comments: None.

c. General Manager's Report:

In addition to the written report, Mr. Jagers reported:

- Update on the Elm Avenue pipeline
- Cherry Avenue / International Park Road pipeline materials are being received; work should start in a couple of weeks
- Wells 1A and 2A were delayed at least one month due to seeking the most cost effective solution to get through to the point of discharge south of Stewart Park, in order to minimize impact to the park
- B Line pipeline was advertised
- Update on 12th and Palm Field Office rehabilitation / restoration
- Field crews have expressed interest in tackling more construction projects

d. Legal Counsel Report: None.

5. 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		

6. Announcements

President Covington called attention to the following announcements:

- District offices will be closed Monday, Sept. 2 in observance 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.
- Regular Board meeting: Wednesday, Sept. 11 at 6 p.m. - Canceled
- Personnel Committee meeting: Tuesday, Sept. 17 at 5:30 p.m.
- Special Board Meeting: Wednesday, Sept. 18 at 6 p.m.
- San Gorgonio Pass Regional Water Alliance: Wednesday, Sept. 25 at 5 p.m.
- Engineering Workshop: Thursday, Sept. 26 at 6 p.m.
- Finance & Audit Committee meeting: Thursday, Oct. 3 at 3 p.m.

7. Recess to Closed Session: 7:30 p.m.

President Covington announced the Closed Session item.

- 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

Reconvene in Open Session: 7:34 p.m.

8. Report on Action Taken During Closed Session

President Covington stated there was no reportable action taken.


9. Adjournment

President Covington adjourned the meeting at 7:34 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