



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

**MINUTES OF REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
Wednesday, November 13, 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 6:07 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 Customer Service Supervisor Sandra Delgadillo Finance Manager William Clayton Management Analyst II Erica Gonzales Management Analyst II Melissa Elizondo Management Analyst I Edith Garcia Water Utility Superintendent Julian Herrera Engineering Assistant Evan Ward Engineering Assistant Khalid Sebai Executive Assistant Lynda Kerney
Legal Counsel	James Markman

Members of the public who registered attendance: Dr. Blair Ball, and Norma Medina.

**Public Comment:**

General Manager Dan Jagers announced that Engineering Assistant Evan Ward had passed his professional engineering exam.

Ms. Norma Medina thanked the Board for the District's work on the new pipeline along Elm Avenue.

1. **Adjustments to the Agenda:** None.
2. **Reports / Presentations / Information Items**

Director Lona Williams pointed out that the Communications Committee has assured that the communication costs are under budget.

*The Board received and filed the following reports:*

- a. *Townsend Public Affairs, Inc. Monthly Update*
- b. *Quarterly Report: Ad Hoc Communications Committee*
- c. *Quarterly Report: Year-To-Date Analysis of Electric Cost to Pump Groundwater*
- d. *Chandler Asset Management Quarterly Investment Report*
- e. *Quarterly Report: Grant Activity Update*
- f. *Quarterly Report: Review of District Contract Expenditures in Fiscal Year 2024*
- g. *California Water Supply Conditions and Water Issues*
- h. *Legislative Action and Issues Update*

*by the following roll-call vote:*

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

3. **Consent Calendar**

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

- a. *Review of the September 2024 Budget Variance Reports (pages 107 - 118)*
- b. *Review of the September 30, 2024 Cash/Investment Balance Report (pages 119 - 145)*
- c. *Review of Check Register for the Month of October 2024 (pages 146 - 163)*
- d. *Review of October 2024 Invoices Pending Approval (pages 164 - 166)*
- e. *Minutes of the Regular Meeting of August 14, 2024 (pages 167 - 176)*
- f. *Minutes of the Special Meeting of August 29, 2024 (pages 177 - 182)*
- g. *Minutes of the Special Meeting of September 18, 2024 (pages 183 - 189)*
- h. *Minutes of the Regular Meeting of September 26, 2024 (pages 190 - 192)*

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

**4. Resolution 2024-19: Authorizing an Amendment to the BCVWD Fiscal Year 2024 Operating Budget for 01-30-310-550054 Property, Auto, General Insurance**

Finance Manager William Clayton explained that budget modifications over \$50,000 must be approved by the Board. The FY 2024 adopted budget was \$170,000 and expenses as of August 31 total \$166,322.96, leaving a balance of only \$3,677.04. Staff estimates an additional \$79,900 will be needed to cover insurance expenses for the remainder of the year.

Director Williams noted this was discussed and recommended by the Finance and Audit Committee. Director Hoffman noted this should come as no surprise, with the common increases in insurance costs over the year.

General Manager Jagers assured that staff is always monitoring to better insurance coverage and rates.

*The Board adopted Resolution 2024-19 authorizing a mid-year amendment to the Fiscal Year 2024 Operating Budget for unanticipated additional property insurance and general and automobile liability insurance costs in an amount not to exceed \$80,000 by the following roll-call vote:*

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

**5. Presentation of Fiscal Year 2025 Operating Budget and 2025-2029 Capital Improvement Budget - Draft**

Assistant Director of Finance and Administration Sylvia Molina presented details of the proposed budget, noting the following:

1. Overview:
  - o Streamlined Format: The 2025 budget document has been reformatted for clarity and accessibility.
  - o Staffing: No changes in staffing levels; maintaining 48.5 full-time equivalents.
  - o Compensation Adjustments: A 2.5% cost-of-living adjustment (COLA) was applied, with some roles adjusted to align with the market median. Increases varied by role, with some seeing as much as a 16% adjustment.
2. District Achievements:
  - o Highlighted multiple awards received for budget excellence, investment policies, and IT practices.
3. Financial Summary:
  - o Projected a balanced budget with \$307,700 in net positive revenues.
  - o Main expense drivers include salaries and benefits, electricity, and property and auto insurance costs.

4. Capital Improvement Budget (2025-2029):
  - Focused on \$45.8 million in projects, with \$28.6 million carried over from 2024.
  - Acknowledged challenges with project prioritization to manage costs and funding needs effectively.
5. Transparency Initiatives:
  - Enhanced multi-year financial reporting and itemized breakdowns for historical context.
  - Incorporated departmental details, including significant changes and justifications.

General Manager Dan Jagers added some detail to the discussion:

1. Operational Challenges:
  - Emphasized the importance of competitive salaries for employee retention and market alignment.
  - Noted California's legislative mandates as a significant cost driver.
2. Project Prioritization:
  - Stressed judicious expenditure to maintain ratepayer affordability.
  - Highlighted ongoing efforts to pursue grant funding for key projects.
3. Budget Evolution:
  - Discussed a phased approach to addressing upcoming unfunded state mandates, with impacts expected in future budgets (2026 onward).

The Board members commented on the budget document and emphasized the following:

President John Covington:

- Raised concerns about escalating costs and the potential impact on ratepayers.
- Suggested exploring innovative revenue-generating investments beyond traditional avenues.

Director Lona Williams:

- Praised the streamlined budget format and the emphasis on staff accomplishments.
- Recommended showcasing achievements prominently to highlight the District's excellence.

Director David Hoffman:

- Commended staff for their accurate budget forecasting and efficient adjustments.
- Emphasized the importance of monitoring the transition to third-party credit card processing services to ensure compliance and efficiency.

Mr. Jagers further advised the Board about impacts of State unfunded mandates:

1. Operational and Financial Pressures:
  - Jagers highlighted that unfunded mandates from the state of California are a significant challenge, particularly those tied to environmental regulations and water quality standards (e.g., chromium-6 treatment).

- These mandates increase operational costs significantly, placing additional burdens on the District's budget and requiring long-term strategic planning to meet compliance requirements.
2. Phased Planning Approach:
    - The District is adopting a cautious and phased strategy:
      - The 2025 budget reflects a balanced approach without accounting for the full financial impact of these mandates.
      - Projections suggest that these costs will escalate starting in 2026, requiring rate increases and other adjustments.
    - Jagers supported a "3-2 approach" for the water rate study, which allows flexibility to reassess funding needs in two years based on clearer insights into the mandates' implementation timelines and costs.
  3. Prioritization of Projects:
    - He acknowledged the need to delay or stagger lower-priority projects to allocate resources toward meeting state-imposed requirements.
    - This approach ensures that the District remains compliant while minimizing immediate impacts on ratepayers.
  4. Creative Cost-Management Solutions:
    - Jagers cited recent cost-saving measures, such as using internal teams for facility renovations and project management, to stretch resources.
    - He emphasized that continued innovation and efficiency are essential to balance rising costs with affordability for residents.
  5. Outlook and Challenges:
    - Jagers stressed that while grants and external funding opportunities are being pursued to offset costs, unfunded mandates remain a looming financial burden.
    - He warned that these requirements could lead to noticeable increases in rates, especially in combination with other cost pressures like inflation and legislative changes.

President Covington expressed concern over the growing financial burden unfunded mandates impose on ratepayers, describing the situation as a "worst-case scenario." He noted that mandates often require the District to absorb costs without corresponding support or funding from the state, directly impacting residents' water bills. He said he foresees a scenario in which water rates will rise significantly in the coming years, driven by:

- Compliance costs for state mandates.
- Reduced water sales due to conservation requirements ("Making Conservation a California Way of Life").
- The need to maintain fixed infrastructure costs despite declining water consumption.

President Covington speculated that in five years, the District might look back and see a drastic shift in rate structures due to these factors. He urged the District to explore non-traditional revenue sources, potentially including investments in real estate or agriculture, and creative financial strategies to generate steady income outside of water sales. While acknowledging the unconventional nature of these ideas, he emphasized the importance of proactive planning to safeguard the District's financial health.

President Covington called for transparency and engagement with the public to help them understand the drivers behind potential rate increases. He also emphasized the need for the District’s financial team to "think outside the box" to address challenges before they escalate further.

**6. Two-year Lease Agreement Renewal with A-1 Properties for Engineering Office located at 851 E. 6th Street, Beaumont**

Ms. Molina advised the Board that following a six-month extension, A-1 Properties had required a two-year lease to continue use of the office space for Engineering. The property continues to meet the needs of the District, and no alternatives had been found. Mr. Jaggars added that he believes that another temporary solution or ultimately a permanent site is at least two years away.

*The Board received and filed the two-year lease agreement renewal for 851 E. 6th Street, Suite A-3, Beaumont, CA for the BCVWD Engineering Office 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. Technical Memorandum for Stewart Park located on Riverside County Assessor’s Parcel Nos. 415-243-002, 415-273-002, and 415-323-002**

Director of Engineering Mark Swanson described the historic water consumption of Stewart Park, and it has been determined that the proposed park usage will be less than in the past by approximately 7,000 gallons per day; therefore, this falls under the Continuation of Service.

There are currently five meters at Stewart Park, Swanson continued. Two along 10th Street will be abandoned and credit given, and two new ones added. The Technical Memorandum is documentation for memorializing the record. It has been circulated internally and to the City of Beaumont, and the City understands the limitations.

The easement for the existing 10-inch steel water line will be preserved where it is (25-ft wide) and the District retains blanket easements across Stewart Park as the successor to the Beaumont Land and Water Company. The City is processing a map to marry up all the park parcels, Swanson advised. In response to President Covington, Mr. Swanson indicated that the planned playground will be within the easement but there will be no structures over it.

Director Williams asked how far back research is done to determine historical usage. Mr. Jaggars indicated that would be a good topic for future discussion. He added that this action is providing a clear tracking mechanism.

The Board received and filed the Technical Memorandum for the Stewart Park project site proposed improvements 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. Technical Memorandum for Glen View High School located on Riverside County Assessor’s Parcel No. 415-283-002**

Mr. Swanson introduced the Memorandum for the school located between Chestnut / Michigan / 9th / 10th Streets. It was difficult to research the history of water use on this parcel, but staff was able to determine it had been a park in the early 1970s. Extrapolating data, staff determined historic water consumption. Now that the use is a school, it is using more indoor water than outdoor.

The school district is replacing existing portables by adding a building to the northwest corner of the westside of the site and requires water service; a new meter for which the school district will have to pay. It looks like about a 2,000 gallon-per-day reduction in historical consumption, Swanson stated.

Mr. Jagers added that this is to memorialize the action and be transparent, so as not to inadvertently apply capacity charges (facilities fees).

*The Board received and filed the Technical Memorandum for the Glen View High School Project site proposed improvements 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. Consideration of Attendance at Upcoming Events and Authorization of Reimbursement and Per Diem**

Directors indicated interest in the following events:

DAY	EVENT	COVIN GTON	HOFF MAN	RAM IREZ	SLAW SON	WILL IAMS
3-Dec	ACWA Fall Conference (Palm Desert)	NO		MAYBE	YES	YES
4-Dec	CSDA Virtual Workshop: Board's Role in HR			NO	NO	NO
5-Dec	Riv Co Economic Forum	NO	NO	MAYBE		NO
12-Dec	Pass Econ Dev Alliance CM's Forum	YES	NO	YES		YES
13-Dec	Beaumont Chamber Breakfast	NO	YES			YES



The Board preapproved attendance of all directors at the following events for purposes of per diem and reimbursement of associated reasonable and necessary transportation expenses per District policy:

- Riverside County Economic Summit on Dec. 5
- Pass Economic Development Alliance City Managers Forum on Dec. 12

by the following roll-call vote:

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

## 10. Reports For Discussion and Possible Action

### a. Ad Hoc Committees:

- i. Communications Committee: Director Williams reported that only \$34,191 of the communications budget had been expended. The next meeting is scheduled on December 16.
- ii. Sites Reservoir: General Manager Jagers reported that a committee meeting with the SGPWA has been scheduled for December 9.
- iii. Bogart Park No report.
- iv. Water Re-Use 3x3: Jagers advised that things are beginning to move again. He received communication from the City Manager. Their consultant has prepared a matrix. He responded with some transmittals today. He believes it has been in front of the City's ad hoc committee and the City is looking to make an agreement with the District. He does not think the SGPWA is involved in this part.

### b. Standing Committees

*A written report was provided.*

### c. Directors' Reports:

*Reports were provided as follows:*

- Water Education Foundation Annual Water Summit on October 30, 2024 (Williams)
- Beaumont Chamber of Commerce Breakfast on November 8, 2024 (Williams)

### d. Directors' General Comments:

President Covington recapped his term, noting the workload of the District, its challenges, and its accomplishments. It has been a dynamic year, just getting back to normal after COVID. He offered encouragement for the coming year.

### e. General Manager's Report:

Mr. Jagers reported:



- Well Drilling (Projects 1A and 2A):
    - Mobilization and commencement of drilling scheduled for next week.
    - Coordination with city staff regarding drainage issues and avoiding impact on parks.
    - Testing alternative approaches to ensure project success and cost efficiency.
  - Pavement Patching:
    - Completed 50 pavement patches from last year, spending \$72,000.
    - Estimated cost under the city moratorium agreement would have been \$10,000-\$15,000 each for 39 patches, indicating cost efficiency of the new agreement.
    - City has delegated oversight to the District; the District provides documentation for tracking purposes.
    - Expressed satisfaction with the one-year trial agreement and intent to pursue its extension.
  - Noble Pipeline Project:
    - Addressing valve supply issues that might delay completion.
    - Progressing with pipe installation based on finalized approaches.
  - B-Line Project:
    - In the process of awarding contracts after Board approval.
    - Contractual obligations are being finalized.
  - ARPA-Funded Projects:
    - Progressing as planned, with significant developments anticipated in 2025.
    - Noble Tank Project is ready for bidding, expected to begin soon, pending completion of pipeline-related activities.
- f. Legal Counsel Report: No report.

President Covington requested Counsel Markman provide an update on the Sustainable Groundwater Management Act at a later meeting.

## 11. 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	Operations Center update (before year end, with photos)		Williams
F	Update on SGMA from Legal Counsel	11/13/24	Covington

## 12. Announcements

*President Covington pointed out the announcements:*

- Personnel Committee meeting: Tuesday, Nov. 19 at 5:30 p.m.
- Engineering Workshop: Thursday, Nov. 21 at 6 p.m. (note date change due to holiday)

- District offices will be closed Thursday, Nov. 28 in observation of Thanksgiving
- Beaumont Basin Watermaster Committee: Wednesday, Dec. 4 at 11 a.m.
- Finance & Audit Committee meeting: Thursday, Dec. 5 at 3 p.m.
- Regular Board meeting: Wednesday, Dec. 11 at 6 p.m.

**13. Closed Session: 7:55 p.m.**

*President Covington announced the following Closed Session items:*

- 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 Jaggars, General Manager  
Under Negotiation: Price and terms of payment
- PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Pursuant to Government Code Section 54947  
Title: General Manager

**Reconvene in Open Session: 8:10 p.m.**

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

President Covington stated that there was no reportable action on Item 13 a.


President Covington stated that the Board, upon motion by Director Williams and second by Director Hoffman, approved the following items in Closed Session for Item 13b:

- Increase of the General Manager's salary to an annual rate of \$132.53 per hour with an annual base salary of \$275,662
- Amendment no. 2 to the General Manager's contract, section 6.12: The District will match the employee's contribution, dollar for dollar, up to a maximum of \$10,000 per year toward the employee's deferred compensation savings (457 plan).
- The amendment is available in the room as well as on the District's website.

**15. Consideration and Possible Action Regarding Proposed Changes to Contract, Salary, and / or Fringe Benefits of General Manager**


*No action was taken.*

**16. Adjournment:** *President Covington adjourned the meeting at 8:15 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