



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

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
Wednesday, December 11, 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: *Vice President Slawson opened the meeting at 6:06 p.m.*

*Pledge of Allegiance was led by Director Slawson.
Invocation was given by Director Williams.*

**Announcement and Verification of Remote Meeting Participation Pursuant to
AB 2449 or GC 54953(b)**
No directors were attending via teleconference.

Oath of Office for Appointed-in-Lieu and Elected Directors
*General Manager Dan Jagers administered the oath for Director Andy Ramirez and
Director Lona Williams.*

Roll Call:

Directors present:	Covington (6:10 p.m.), Hoffman, Ramirez, Slawson, Williams
Directors absent:	None
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 Director of Operations James Bean Human Resources Manager Ren Berioso Customer Service Supervisor Sandra Delgadillo Finance Manager William Clayton Management Analyst II Erica Gonzales Customer Service Representative II Ericka Enriquez Senior Water Utility Worker Andrew Becerra Maintenance Technician II Tommy LaMont Field Superintendent Julian Herrera Water Utility Supervisor Mike Morales Water Utility Worker II Josh Rogers Water Utility Worker II Luis Lomeli Engineering Assistant Evan Ward Engineering Assistant Khalid Sebai Development Services Technician Lillian Tienda Executive Assistant Lynda Kerney
Legal Counsel	James Markman

Members of the public who registered attendance: Dr. Blair Ball, and Kevin Walton. Other District staff members were present.

Public Comment:

Dr. Blair Ball commented on the efficiency of the General Manager and Engineering Department staff in recognizing cost saving measures. He also recognized Director of Operations James Bean and the field crew. He complimented the pipeline installation work that was done with in-house staff and the associated cost savings. Dr. Ball also expressed appreciation for the slimmed budget document, and for President Covington's comments, forward-thinking, and knowledge of the budget.

1. Adjustments to the Agenda: None.

2. Reports / Presentations / Information Items

At the request of President Covington, Human Resources Manager Ren Berioso provided the Board with the same presentation on item 2a, the Great Place to Work Award as had been presented to the Personnel Committee.

At the invitation of Vice President Slawson, Assistant Director of Finance and Administrative Services Sylvia Molina presented item 2b, the Municipal Information Systems Association of California (MISAC) award.

President Covington commented on Item 2d and suggested pursuing opportunities for funding from the water bond.

The Board received and filed the following reports:

- a. *Great Place to Work award*
 - b. *Municipal Information Systems Association of California (MISAC) award*
 - c. *California Water Supply Conditions and Water Issues*
 - d. *Townsend Public Affairs, Inc. Monthly Update*
- by the following roll-call vote:*

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

President Covington assumed the gavel.

3. Consent Calendar

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

- a. *Review of the October 2024 Budget Variance Reports*
- b. *Review of the October 31, 2024 Cash/Investment Balance Report*
- c. *Review of Check Register for the Month of November 2024*
- d. *Review of November 2024 Invoices Pending Approval*
- e. *Minutes of the Regular Meeting of October 9, 2024*
- f. *Minutes of the Regular Meeting of October 24, 2024*

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

4. Resolution 2024-21: Acknowledging the Review, Receipt and Acceptance of the District's Policy 5045: Investment of District Funds

Finance Manager William Clayton explained the annual review of the policy and highlighted minor changes. Mr. Jagers added that it was reviewed by the Finance and Audit Committee.

The Board adopted Resolution 2024-21 Amending the District's Policies and Procedures Manual Part III: Policy 5045 Investment of District Funds by the following roll-call vote:

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

5. Authorization of Contract Extension for Chandler Asset Management for Investment Advisory Services

Finance Manager William Clayton introduced the one-year contract extension and noted it had been reviewed and approved by the Finance and Audit Committee. The agreement for Chandler Asset Management (CAM) to provide management and investment advisory services began in 2022 and this would take services through December 31, 2025. Staff has been consistently satisfied with CAM's performance and service delivery, and the monthly reports provided, he noted.

Fees for the services are taken directly from the investments held with US Bank, and are based on investments, Clayton continued. Current yield is estimated to generate from \$65,000 to \$115,000 per month. The oversight and continuity provided aligns with District objectives, he explained.

Mr. Jagers pointed out that costs for other investment vehicles were higher. Director Ramirez asked about returns on investment, and Mr. Jagers answered in depth, pointing to Item 3b and the CAM report. He noted that as of October 31, the District has netted income of \$2.72 million from the assets. Director Williams added that last month the income from CAM-managed assets was \$130,445.01, and year-to-date has been \$1.254 million.

President Covington reiterated that the Committee had reviewed and recommended the contract extension.

The Board authorized a one-year contract extension with Chandler Asset Management for investment advisory services 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	

6. Resolution 2024-22: Adopting the Fiscal Year 2025 Operating Budget and 2025-2029 Capital Improvement Budget

President Covington reminded the Board about review of the draft budget at the November 13, 2024 meeting.

Assistant Director of Finance and Administration Sylvia Molina presented the balanced, final Fiscal Year 2025 Operating Budget and 2025-2029 Capital Improvement Budget with net revenues exceeding net expenses by \$301,700. She explained that the budget is a collaborative effort by staff at all levels, including review by both the Finance and Audit Committee and the Personnel Committee. Her key points included:

- **Balanced Budget:**
 - The budget reflects net revenues exceeding expenses by \$301,700
 - It was crafted collaboratively by all District departments to ensure accuracy and thoroughness
- **Collaborative and Transparent Process:**
 - The budget was reviewed extensively by the Finance and Audit Committee and the labor portion by the Personnel Committee
 - Staff engaged in a line-by-line review and incorporated input from workshops and meetings throughout the year
- **Updates Since the November Draft:**
 - Minor typographical and grammatical corrections
 - Revised projections updated with data through October 2024
 - Inclusion of amendments, such as additional imported water purchase and insurance expenses, that were previously approved by the Board
 - Addition of comparative analysis tables to benchmark the District against local agencies on metrics like operating costs and cost recovery
- **Significant Expense Changes:**
 - Increases in electricity costs for wells (\$350,000), insurance premiums (\$128,000), and salaries/benefits (\$831,500), with the latter driven by adjustments from the compensation study required by the Memorandum of Understanding (MOU)
 - Salary adjustments were made to align staff pay with market medians, including specific updates to the Maintenance Technician series, resulting in a \$6,000 annual budget increase
- **New Comparative Metrics:**
 - Comparative charts were added to show operational costs, cost recovery ratios, and capital investment levels compared to other local agencies

- These revealed areas for improvement, such as a need for increased capital investment
- Focus on Financial Sustainability:
 - While the District remains financially stable, challenges such as rising costs in utilities, insurance, and operational expenses necessitate ongoing scrutiny and adjustments.

General Manager Dan Jagers provided a comparison to other districts, noting the impact of developer-funded activities in a growing district like BCVWD, which differs from more established agencies in areas that are more built out. He emphasized that while the budget charts highlight areas for improvement, such as capital expenditures, they also reflect nuances in funding structures. Jagers commended the Finance team for their efforts to improve transparency and provide valuable insights for stakeholders.

Dr. Blair Ball, speaking as a ratepayer, raised concerns about the Board's expenditures and called for greater scrutiny of director expenses to align with the cost-saving measures taken by staff. He questioned whether it remains appropriate for ratepayers to fund directors' medical and dental benefits and suggested reviewing these costs in a public meeting. Ball also highlighted instances where director-attended meetings might not align with district-related affairs, urging a Finance and Audit Committee review of such expenditures. While supporting the budget's approval, he emphasized the need for the Board to model fiscal responsibility to maintain staff and public trust.

Luis Lomeli, Water Utility Worker II and MOU group representative, expressed staff support for the budget and appreciation for the collaborative efforts of the Board, Finance and Audit Committee, and Personnel Committee. He highlighted the positive impact of the internal compensation study on fairness and morale, noting its alignment with the District's recognition as a "Great Place to Work."

Board President John Covington acknowledged the challenges of balancing rising costs, such as energy, personnel, and state mandates, while maintaining fiscal responsibility. He emphasized the Board's commitment to conservative budgeting despite external pressures and praised staff for their diligence in crafting a balanced budget. It's a big budget, and the rates that will have to be discussed in 2025 won't look any better, he cautioned. In response to Dr. Ball's comments, President Covington highlighted the importance of educational investments for directors to ensure informed decision-making and recognized the impact of budgetary decisions on both the Board and ratepayers, urging continued efforts to secure grant funding to mitigate financial strain.

Director David Hoffman, a member of the Finance and Audit Committee, highlighted the accuracy of the 2024 budget projections, noting that despite the fiscal year not yet being complete, the budget is expected to closely align with the District's planning. He attributed this success to the meticulous attention to detail and monitoring by staff and the Finance and Audit Committee throughout the year. Hoffman commended the Finance team for their work on the 2025 budget, which he described as reflecting the same high standards of precision and thoroughness. While recognizing the possibility of unknown factors impacting the budget, he expressed confidence that the District's finances are on solid ground and well-prepared to address any necessary adjustments.

The Board adopted Resolution 2024-22 adopting the Fiscal Year 2025 Operating Budget and 2025-2029 Capital Improvement Budget 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	

7. Presentation on Completion of the Rehabilitation of the District Building at the 12th and Palm Site

Director of Operations James Bean presented a PowerPoint with photos of the work in progress and of the completed building improvements. He emphasized the transformation of a deteriorated and cramped facility into a modern, functional workspace.

The project, executed entirely by the Operations staff, involved a complete teardown to the frame, mold remediation, and rebuilding with updated materials. Improvements included adding a second restroom, replacing flooring, and installing new workstations and furniture, along with measures to prevent future issues, such as piping water fill stations outdoors. The enhanced space now features a break area with a gazebo and upgraded infrastructure, creating a professional and efficient environment for staff use.

General Manager Dan Jagers highlighted the project's financial efficiency, noting that it was completed for \$114,028, significantly below external estimates of \$250,000–\$350,000 and just below the budget of \$115,000. Of this amount, materials accounted for approximately \$53,000. He noted the diverse skills of the Operations team utilized for this project—such as drywall, flooring, and painting—to achieve these results, showcasing the District's investment in its workforce and their capabilities to deliver cost-effective solutions.

Both Bean and Jagers emphasized the long-term value of the facility for the future. The project not only improved daily working conditions for staff but also demonstrated the District's commitment to financial responsibility and maximizing in-house resources. Both highlighted the collaborative effort and the Board's support in making the project possible.

President Covington noted the transformation and the professionalism of the completed facility. He congratulated the staff and suggested a celebratory event such as a ribbon cutting or grand opening.

Director Williams shared her initial shock at the previous poor condition of the facility and reminded about her insistence on prioritizing its improvement. She expressed pride in the staff for their hard work, describing the outcome as beautiful and uplifting for employees.

Director Slawson complimented the team on the "big reveal" and commented on design features.

Overall, the Board members collectively lauded the staff's efforts, the high-quality outcome of the project, and the financial prudence demonstrated throughout.

8. Reorganization of the Board of Directors for Calendar Year 2025

President Covington reviewed the reaffirmation procedure per Policy 4025 and invited directors to provide input.

The Board affirmed the following officers for Calendar Year 2025 pursuant to Policy 4025:

- *President Daniel Slawson*
- *Vice President Lona Williams*
- *Secretary Andy Ramirez*
- *Treasurer David Hoffman*

by the following vote:

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

The Board appointed Executive Assistant Lynda Kerney as the Recording Secretary for Calendar Year 2025 by the following vote:

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

President-elect Daniel Slawson made the following appointments for Calendar Year 2025:

	Member	Member	Alternate
Personnel Committee	Covington	Williams	Ramirez
Finance & Audit Committee	Hoffman	Williams	Covington
Bogart Park Ad Hoc Committee	Hoffman	Covington	Williams
Ad Hoc Communications Committee	Ramirez	Williams	Hoffman
Ad Hoc 3x3 Water Re-use	Hoffman	Slawson	Ramirez
Ad Hoc Sites Reservoir	Covington	Hoffman	Williams
Ad Hoc Board Policies	Williams	Covington	Hoffman
		Delegate	Alternate
San Geronio Pass Regional Water Alliance		Slawson	Williams
Collaborative Agencies Committee		Ramirez	Williams
San Geronio Pass Water Agency		Slawson	Covington

9. Adoption of 2025 Board of Directors Regular Meeting Schedule

Staff referenced Policy 4025.1 which sets regular meeting dates and acknowledged the Board's stated preference to minimize meetings in December. After discussion, the Board eliminated the December 24 Engineering Workshop and December 16 Personnel Committee from the proposed schedule.

The Board adopted the 2025 Meeting Schedule with the elimination of the December 24 Engineering Workshop and December 16 Personnel Committee meeting by the following roll-call vote:

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

10. Review of Annual List of Preapproved Events and Director Appointments

President Covington reviewed the list of preapproved events. Director Ramirez reminded that the Board had made the decision to ensure that all meetings and conferences that are pertinent to daily operations are preapproved and represented a balanced approach.

The Board adopted the Annual List of Preapproved Events and Director Appointments with no changes for 2025 by the following roll-call vote:

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

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

General Manager Jagers provided assurance that staff is seeking to streamline this item. President Covington supported sending out the calendar information ahead of the meeting. Director Ramirez suggested adding approval status to the At-a-Glance table of events.

During the review of available events, President Covington indicated that events not water-related should not be included. Director Slawson concurred, with an exception when the District has a booth or other involvement.

Directors indicated interest in the following events:

DAY	EVENT	COVINGTON	HOFFMAN	RAMIREZ	SLAWSON	WILLIAMS
12-Dec	Pass Econ Dev Alliance CM's Forum	YES	NO	YES	YES	YES
13-Dec	Beaumont Chamber Breakfast	NO	YES			YES
10-Jan	Beaumont Chamber Breakfast		YES	YES	YES	YES
21-Jan	CSDA Webinar: Transparency in Action	YES	NO	YES	NO	YES
22-Jan	CSDA Workshop: Board Best Practices			MAYBE		MAYBE
18-Feb	CSDA Webinar: Financial Strategies		YES	YES		YES
19-Feb	CSDA: Governance Foundations			YES	YES	MAYBE

12. Reports For Discussion and Possible Action

a. Ad Hoc Committees:

- i. Communications Committee: Director Williams noted there is a meeting on December 16. She congratulated staff for the first staff-generated press release being run in the Record Gazette on the front page.
- ii. Sites Reservoir: President Covington noted that the reservoir status was discussed at an informative meeting this week with the San Geronio Pass Water Agency. Jagers noted that the SGPWA will be working on creating a document that he will share with the Committee in early 2025.
- iii. Bogart Park: No report.
- iv. Water Re-Use 3x3: Director Slawson reported that the Committee met on December 10 but there was nothing to report. Jagers added that there was discussion with the facilitator to begin negotiations between the District and the City, and the District will respond in the next few weeks to the consultant's matrix to work toward an agreement.

b. Standing Committees

A written report was provided.

President Covington noted that the Personnel Committee continues to address the policies.

c. Directors' Reports:

Reports were provided as follows:

- o San Geronio Pass Water Agency on December 2, 2024 (Slawson)
- o ACWA 2024 Fall Conference & Exhibition on December 3-5, 2024 (Ramirez, Slawson, Williams)

d. Directors' General Comments:

Director Williams acknowledged Dr. Ball's recognition of staff, stating that it was heartening to know that the work is seen by the public and appreciated. She said she is constantly learning and is open to more.

Director Hoffman and Director Slawson also offered appreciation and holiday greetings.

President Covington reflected on 2024 as a dynamic and fast-paced year, highlighting the collaborative efforts of the Board and staff at all levels. He acknowledged the contributions of new team members, the challenges of upcoming tasks like the rate study, and the importance of the separation between Board oversight and staff operations. Covington expressed gratitude to the staff for their hard work, noting the long hours many put in, and to his colleagues for their support during his presidency. He also commended partnerships with external agencies and consultants, recognizing their value in advancing the District's goals.

e. General Manager's Report. Mr. Jaggars:

- Recognized staff for their efforts and teamwork, emphasizing their support for the Board and their contributions toward a better future
- Highlighted that the approved budget reflects priorities identified during internal surveys and studies
- invited Board members to join a staff Christmas luncheon on Monday
- Mentioned upcoming major initiatives, including the Sites Reservoir project, recycled water implementation
- Expressed optimism about collaboration with city partners and regional agencies
- Thanked the staff who attended the meeting and participated in the District's governance process.

f. Legal Counsel Report:

Legal Counsel James Markman provided updates on recent changes to the Brown Act and water rate-setting processes. He explained that a new provision limits how often Board members can participate in meetings remotely using the "just cause" or "emergency" exceptions introduced during the COVID-19 pandemic. These exceptions can now only be used a total of five times per year, with "just cause" limited to two instances. Markman also previewed significant legal developments affecting water rate-setting, noting that a recent case requires a new process to ensure the validity of any rates the Board adopts. He offered to present a detailed explanation of these changes at the January meeting and expressed gratitude for the Board's understanding of his virtual participation, citing medical reasons that have limited his ability to travel. Markman committed to attending key discussions on water rates in person to provide necessary support.

13. Topic List for Future Meetings

	Item requested	Date of request	Requester
A	Presentation on the San Bernardino Valley Resource Conservation District	7/13/22	
B	Presentation on solar power opportunities	12/14/22	Ramirez
C	Sites Reservoir update	2/23/23	
D	Primer on AB 2302 (legal counsel)	10/24/24	Covington
E	Update on the Sustainable Groundwater Management Act (SGMA)	11/13/24	Covington

14. Announcements

President Covington pointed out the announcements:

- District Offices will be closed on the following holidays:
 - Wednesday, Dec. 25, 2024 – Christmas Day
 - Wednesday, Jan. 1, 2025 – New Year's Day
- Finance & Audit Committee meeting: Thursday, Jan. 2, 2025 at 3:00 p.m.
- ~~Collaborative Agencies Committee: Wednesday, Jan. 8 at 5 p.m. CANCELED~~
- Regular Board Meeting: Wednesday, Jan. 8 at 6 p.m.
- ~~Beaumont Basin Watermaster Committee Special Meeting: Wednesday, Jan. 15 at 11 a.m. CANCELED~~
- District Offices closed Monday, Jan. 20 in observance of Martin Luther King Jr. Day
- Personnel Committee: Tuesday, Jan. 21 at 5:30 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, Jan. 22 at 5 p.m.
- Engineering Workshop: Thursday, Jan. 23 at 6 p.m.

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

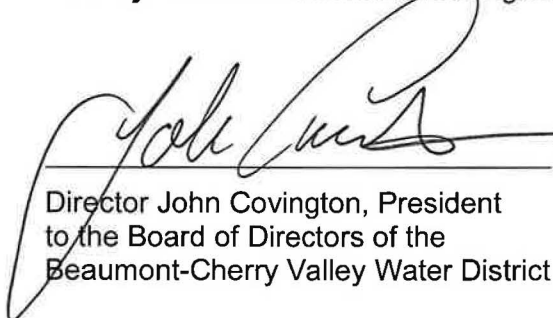
In the interest of transparency, the Board reviewed the determinations made in Closed Session and subsequent report out at the November 13, 2024 meeting:

- 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).

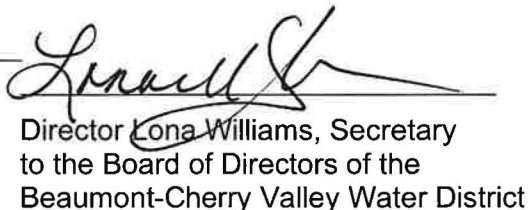
The Board voted to reaffirm the decision reached at the November 13, 2024 meeting by the following roll-call vote:

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

16. Adjournment: *President Covington adjourned the meeting at 8:50 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