



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

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
Wednesday, January 8, 2025 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 6:04 p.m.*

*Pledge of Allegiance was led by Director Covington.
Invocation was given by Director Ramirez.*

**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, Ramirez, Slawson, Williams
Directors absent:	None
Staff present:	General Manager Dan Jagers Director of Engineering Mark Swanson Director of Information Technology Robert Rasha 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 Senior Water Utility Worker Andrew Becerra Water Utility Superintendent Julian Herrera 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: Larry Smith, Lloyd White, Tara Mullally, Sanjay Gaur, Duane Burk, Blair Ball

Public Comment: None.

1. Adjustments to the Agenda: None.

2. Reports / Presentations / Information Items

The Board received and filed the following reports:

- a. *Townsend Public Affairs, Inc. Monthly Update*
- b. *2024 Year-End Communications and Outreach Report*
- c. *California Water Supply Conditions and Water Issues*
- d. *Legislative Action and Issues Update*
- e. *Board Officers and President's Appointees for Calendar Year 2025*
- f. *2025 Regular Meeting Schedule*
- g. *ACWA/JPIA President's Special Recognition Award*

by the following roll-call vote:

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

3. Consent Calendar

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

- a. *Review of the November 2024 Budget Variance Reports*
- b. *Review of the November 30, 2024 Cash/Investment Balance Report*
- c. *Review of Check Register for the Month of December 2024*
- d. *Review of December 2024 Invoices Pending Approval*
- e. *Minutes of the Regular Meeting of November 13, 2024*
- f. *Minutes of the Regular Meeting of November 21, 2024*
- g. *Receive and File 2025 Preapproved Events and Director Appointments List*

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

4. Resolution Authorization of General Manager to Execute a Contract with Advanced Diving Services for Reservoir Cleaning, Inspection and Minor Repair

Director of Operations James Bean presented the recommendation for work on four reservoirs by a team of commercial divers. Four bids were received, and Advances Diving Services was the lowest responsive bidder. He noted that one of the bidders appeared to have bid on a different project.

Director Covington asked about the size of the reservoirs in the bid. Mr. Bean explained there were three 1-million gallon tanks, and one 5-million gallon, all of which will be cleaned while online.

The Board authorized the General Manager to execute a contract for an amount not to exceed \$36,000 with Advanced Diving Services to provide reservoir cleaning, inspection and minor repair of four (4) domestic drinking water reservoirs 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	

5. Water Cost of Service Study – Presentation and Selection of Financial Plan Scenarios

Mr. Sanjay Gaur, President of Water Resources Economics, Inc. (WRE) presented several financial scenarios for the District to address its financial and infrastructure needs. He emphasized that the District faces challenges due to aging infrastructure, increased regulatory requirements, and reduction in demand for water, which have raised costs while revenues remain insufficient.

Mr. Gaur outlined four scenarios for funding capital improvement projects (CIP) and maintaining the District's operations.

- **Scenario 1A** involves a proactive approach with a 15% annual rate increase, including the construction of an Engineering and Operations Center (EOC), which would address critical infrastructure needs and operational efficiency.
- **Scenario 1B**, a modified version of 1A, excludes the EOC and requires a 12% annual rate increase.
- **Scenario 2** takes a reactive approach, addressing infrastructure "as needed" with a 10% rate increase, but risks falling behind on maintaining a reliable system.
- **Scenario 3** is the most minimal, with only critical repairs funded, requiring a 6% annual rate increase, but leaving the system vulnerable to degradation.

Mr. Gaur stressed that higher investment scenarios like 1A and 1B would allow the District to better serve future generations by maintaining infrastructure, while lower-investment scenarios risk higher long-term costs due to deferred maintenance. He highlighted that the proposed rate increases, while significant, are necessary to ensure a safe and reliable water system, comparing the District's situation to maintaining an old car that requires more frequent and costly repairs.

Director Covington pointed to the District's history of deferred maintenance and underfunding, which he believes has led to its current challenges. He supported proactive funding and noted that failing to adequately fund CIP leaves the District perpetually behind. Covington highlighted the rising costs of infrastructure projects due to inflation, noting that waiting will only increase expenses. He also calculated the monthly impact of the proposed rate increases, demonstrating that even the most comprehensive plan (Scenario 1A) would raise bills by a reasonable and manageable \$8–\$12 per month.

Director Andy Ramirez focused on the need to balance ratepayer impacts with the District's infrastructure needs. While expressing concern about the shock of significant

rate increases, he praised staff and consultants for providing options and leaned toward Scenario 1B as a compromise. Ramirez cautioned against taking a reactive approach to maintenance, stressing that deferred maintenance leads to higher costs over time, and urged further refinement of the proposals to minimize the burden on ratepayers.

Director Lona Williams indicated support for Scenario 1A, emphasizing the importance of constructing a centralized facility for staff (the Engineering and Operations Center) to address the District's current inadequacies in leased facilities. She opined that the District cannot continue with reactive maintenance, likening it to poorly managing a household and always being in financial trouble. Williams acknowledged that no one wants to pay higher rates but stressed that proactive investments in infrastructure are essential for the District's future.

Director David Hoffman echoed Covington's concern about the escalating costs of delayed projects and advocated for moving forward with necessary improvements to avoid even greater expenses in the future. He supported a stable and strategic approach to ensure long-term benefits while maintaining financial stability.

President Daniel Slawson shared similar sentiments, stating that while he does not want to raise rates, it is critical to ensure the District's infrastructure remains functional and reliable. He expressed confidence in staff's ability to manage resources wisely and leaned toward Scenario 1A, believing it would ensure the District is "keeping the car running" for future generations. Slawson also acknowledged public concerns but noted that the proposed rate increases would still leave the District's rates below average compared to other agencies.

General Manager Dan Jagers emphasized the importance of a proactive financial approach to addressing the District's aging infrastructure, regulatory mandates, and rising costs. He explained that proposed rate increases are designed to cover operating expenses, fund critical CIP, and maintain reserves. Jagers highlighted the need for a phased implementation of the EOC to address immediate needs while allowing for future growth. He noted that past delays in CIP projects were due to supply chain issues, inflation, and legislative uncertainties but assured the Board that staff had prioritized critical infrastructure maintenance effectively. Jagers also underscored the flexibility of the three-year rate plan, which could be adjusted based on grant funding obtained or regulatory changes. He reaffirmed the District's commitment to managing resources responsibly and ensuring long-term reliability for current and future generations.

Public Comment: Dr. Blair Ball commented on the financial planning and capital improvement strategy, particularly regarding the proposed EOC. He acknowledged the District's need for infrastructure improvements but cautioned against assuming that constructing a new facility is always the best financial decision. Ball pointed out that in some cases, renting can be more economically viable than building, especially given the state of the commercial real estate market, where properties may become available at significantly reduced costs.

Dr. Ball also referenced past discussions on facility planning, noting that earlier considerations had included different construction options, such as adding a second story to the existing building. He suggested that the District should carefully evaluate all alternatives before committing to the large investment required for the EOC. He

encouraged the Board to consider a more flexible approach to facility expansion and cost management.

Public Comment: Lloyd White expressed frustration over the District's lack of explicit planning and funding for recycled water infrastructure in its CIP. He noted that the City of Beaumont (City) would have recycled water ready for distribution within two to three years and criticized the District for not allocating resources in the CIP budget to ensure it could receive and utilize this water on time. White urged the District to think further ahead and avoid delaying necessary infrastructure investments, which could force ratepayers to face additional rate increases later.

In response, Jagers clarified that the District has long been preparing for recycled water infrastructure and has already collected millions of dollars in developer impact fees specifically for this purpose, rather than relying on ratepayer funding. He stated the District was prepared to move forward once final agreements were reached. Jagers later added that he was looking forward to advancing the recycled water project and revealed that the District collects \$1,402 per home in development impact fees, meaning that the addition of 10,000 homes during his tenure had generated approximately \$14 million to fund future facilities for this work. He assured the Board and the public that the money was available and described the importance of avoiding "stranded assets."

In addition, Director Williams confirmed that the reporting of the developer impact fees designated for recycled water infrastructure are publicly available in the District's budget documents and financial reports, which could be accessed by the public on the District's website.

President Slawson reaffirmed the Board's commitment to supporting recycled water initiatives, stating that both the Board and staff were actively working with the City to finalize details on pricing and implementation. He expressed confidence that an agreement would be reached to make the project beneficial for the entire community.

Director Covington asked whether any activities related to recycled water were included in the current rate study. Jagers responded that operational cost increases related to recycled water had been considered in the District's three-year financial plan, but major capital improvements for recycled water infrastructure were not included in the CIP because they were covered by developer fees, not ratepayer funds. He reiterated that the District had been planning for recycled water infrastructure since 2017 and had funds set aside for implementation.

The Board selected Scenario 1A from the options provided and directed staff and the consultant to proceed by the following roll-call vote:

MOVED: Hoffman	SECONDED: Slawson	APPROVED 4-1
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	Ramirez	
ABSTAIN:	None	
ABSENT:	None	

6. Request for *Will-Serve Letter* for a Single-Family Residence located on the north side of Lincoln Street within the community of Cherry Valley (APN 402-240-005) west of Bellflower Avenue

Engineering Assistant Evan Ward presented the request for a 2,000 square foot single family residence within the District’s 3040 pressure zone. There is an existing six-inch steel distribution main within Lincoln Street that could serve this project. The water request is for one Equivalent Dwelling Unit (EDU) or 487 gallons per day.

The Board approved the request for a Will-Serve Letter for the proposed single-family residence at Riverside County Assessor’s Parcel Number (APN) 402-240-005 within the community of Cherry Valley, subject to payment of all deposits and fees to the District and securing all approvals from the County of Riverside by the following roll-call vote:

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

7. Request for *Will-Serve Letter* for a Single-Family Residence located on the northeast corner of 13th Street & Beaumont Avenue

Engineering Assistant Evan Ward presented the request for a 1,300 square foot single family residence with attached garage within the District’s 2750 pressure zone within the City of Beaumont. There is an existing eight-inch steel distribution main within Beaumont Avenue that could serve this project. The water request is for one Equivalent Dwelling Unit (EDU).

In response to President Slawson, Mr. Ward explained that typically, the District's preference is that the house would be served off of the street with the address of the residence, however this lot does not yet have an address.

The Board approved the request for a Will-Serve Letter for the proposed single-family residence at Riverside County Assessor’s Parcel Number (APN) 415-043-026 within the City of Beaumont, subject to payment of all deposits and fees to the District and securing all approvals from the City of Beaumont by the following roll-call vote:

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

8. Resolution 2025-01 Amending the District's Policies and Procedures Manual Parts I, III, and IV

A	1010 Policy Manual
B	3045 Executive Officer
C	3090 Family and Medical Leave
D	5050 Alternative Payment Plans
E	5085 Disposal of Surplus Property or Equipment
F	5110 Claims Against the District
G	6015 Public Complaints

Human Resources Manager Ren Berioso advised that most of the proposed policies had been vetted by legal counsel and reviewed and recommended by the Personnel Committee.

a. Policy 1010 Policy Manual

Mr. Berioso reviewed the policy concerning the manual itself. It combines several of the original policy manual sections to avoid redundancy and streamline the manual.

b. Policy 3045 Executive Officer

Mr. Berioso noted that the Executive Officer is the General Manager (GM), who is hired by the Board of Directors. In conjunction with the GM's job description, Policy 3045 outlines in high level the duties and responsibilities of the GM. Mr. Jagers pointed out that this policy was produced as part of the recent classification and compensation study as a recruitment vehicle to ensure the District is prepared for the future when needed. This gives the Board an opportunity to comment.

Mr. Berioso outlined the policy revisions and noted that any approved language would be reconciled with the GM's job description, which will be discussed by the Personnel Committee.

c. Policy 3090 Family and Medical Leave

Mr. Berioso explained that when this policy was last revised in 2022, compliance with the Family and Medical Leave Act (FMLA) had been omitted but does apply to the District as a public agency. He highlighted the revisions to incorporate FMLA provisions and new laws.

d. Policy 5050 Alternative Payment Plans

Director of Finance and Administration Sylvia Molina referenced the requirements of Senate Bill 998 regarding delinquent accounts and reporting requirements to the State. Rules and Regulations were updated to be in compliance, but it had not been recognized that there was also a related policy. Revisions mirror the Rules and Regulations and terms were added regarding customer payment plan balances.

e. Policy 5085 Disposal of Surplus Property or Equipment

Ms. Molina noted that the current practice was for greatest exposure, staff would bring surplus items of value over \$5,000 to the Board to request a waiver of existing policy in order to use a third-party auction service. This option has been added to the policy to allow flexibility, but the action would still be brought to the Board for

approval. The language has also been modified to reflect Government Code regarding surplus land, and to clarify that an employee cannot bid on an item taken to surplus.

f. Policy 5110 Claims Against the District

Ms. Molina pointed to the modernization of language and compliance with the updated Government Claims Act. She explained the new procedures and documentation related to the dollar amount of the claim.

Director Covington asked about the role of legal counsel in the claims process, noting all responsibility appears to lie with Human Resources, although it would typically be a risk management function. Ms. Molina assured that as part of the process, any legal matters would be forward to legal counsel following the investigation process. Director Williams noted that claims over \$25,000 must be investigated and consulted with legal counsel and insurance carriers, and a recommendation made to the Board.

g. Policy 6015 Public Complaints

Mr. Berioso reviewed the administrative policy which provides for addressing any public complaint in a manner that is fair, legal, and ethical. It provides clarification and processes.

The Board adopted Resolution 2025-01 Amending the District's Policies and Procedures Manual Part I, Part III, and Part IV by the following vote:

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

9. Request for Will-Serve Letter for Tentative Tract Map No. 38914 (existing Assessor's Parcel Nos. 415-200-022 and 415-200-029) located between 11th Street and 12th Street east of Michigan Avenue

Director of Engineering Mark Swanson presented the request to serve two large undeveloped parcels in downtown Beaumont. The proposal is for 19 single family residences (19 EDUs). The application was made in July, but staff recommended to the applicant to obtain comment from the City. Issues have now been resolved.

The parcels had historical consumption as orchards, and had been irrigated under a different context, Swanson continued. Staff must research further to determine credit for each of the two existing meters. However, there will be some infrastructure required to facilitate the needs of the project, Swanson stated, and referenced the current Water Master plan. He noted that a facilities agreement would be needed. Mr. Jagers clarified that because it was an orchard, a reduced rate for facilities impact was paid, and demand is being researched to determine the credit, as it is not a one-for-one trade due to storage, production, and peaking factors. There is no applicable policy for this, he advised.

Director Covington remarked that these are quarter-acre lots.

The Board approved the request for Will-Serve Letter for Tentative Tract Map (TTM) 38914, a single-family residential tract project located between 11th Street and 12th Street east of Michigan Avenue in the City of Beaumont by the following roll-call vote:

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

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

General Manager Jagers reviewed the list of events and responded to questions. Directors indicated interest in the following events:

DAY	EVENT	Vote?	COVINGTON	HOFFMAN	RAMIREZ	SLAWSON	WILLIAMS
10-Jan	Beaumont Chamber Breakfast			YES	YES	YES	YES
17-Jan	ACWA Region 9 event at MSWD					YES	YES
21-Jan	CSDA Webinar: Transparency in Action		YES	NO	YES	NO	YES
22-Jan	CSDA Workshop: Board Best Practices				MAYBE		NO
14-Feb	Beaumont Chamber Breakfast					YES	YES
18-Feb	CSDA Webinar: Financial Strategies			YES	YES		YES
19-Feb	CSDA: Governance Foundations				YES	YES	YES
21-Feb	CSDA Webinar: Leadership Lessons			YES		YES	YES
24-Feb	CSDA Webinar: Maximize Your Membership			YES		YES	YES
25-Feb	CSDA Webinar: Liability Issues			YES		YES	YES
26-Feb	Urban Water Institute					NO	MAYBE
26-Feb	CSDA Workshop: Budget Preparations						MAYBE
27-Feb	Beaumont Chamber Installation	REQ		YES			
12-Mar	WEF Colorado River Tour	REQ					

11. Reports For Discussion and Possible Action

a. Ad Hoc Committees:

- i. Communications Committee: Director Ramirez reported the Committee will meet on January 13 at 6 p.m. Ms. Tara Mulally of CV Strategies presented a new BCVWD promotional video. Director Ramirez commented on the work of the Committee to make the video come to fruition and applauded the support of the Board and the efforts of Director Williams.
- ii. Sites Reservoir: Mr. Jagers noted that the Ad Hoc Committee met with the San Gorgonio Pass Water Agency and discussed the path forward. He said he anticipated Board discussion to convey a series of options.

- iii. Bogart Park No report.
- iv. Water Re-Use 3x3: Mr. Jagers noted there was a meeting in December, and staff had met with the City's consultant to begin discussions in earnest to find a path forward to implement recycled water.
- v. Board Policies: The Ad Hoc Committee has not yet met.

b. Standing Committees

A written report was provided.

Director Hoffman noted that the Finance and Audit Committee had reviewed the FY 2025 budget line by line. He advised that in 2024, the District stayed on budget and ended a bit positive.

c. Directors' Reports:

Reports were provided as follows:

- Pass Economic Development Alliance: Regional City Managers Forum on December 12, 2024 (Slawson, Williams)
- Beaumont Chamber of Commerce Breakfast on December 13, 2024 (Hoffman, Slawson, Williams)
- San Gorgonio Pass Water Agency on December 16, 2024 (Slawson)
- San Gorgonio Pass Water Agency on January 7, 2025 (Slawson)

d. Directors' General Comments: None.

e. General Manager's Report. Mr. Jagers reported:

- Well 1A Drilling Progress:
 - Active drilling and testing of Well 1A.
 - Flushing solutions implemented to minimize interference with Beaumont's park construction project.
 - Positive collaboration with City staff to reduce disruptions.
- Pipeline Projects:
 - Other pipeline projects are underway and progressing.
- Recycled Water Project:
 - Closed session planned to discuss the long-awaited recycled water project.
 - Project is financially and operationally ready to advance.
 - Development impact fees of \$1,402 per house have generated \$14 million over the addition of 10,000 homes.
 - Funds allocated for future facilities are ready for use, ensuring the District is financially prepared.
 - Emphasis on securing agreements to prevent the risk of stranded infrastructure assets.
- Outlook for the Year:
 - Optimism about achieving significant progress in the coming year.

f. Legal Counsel Report:

Legal Counsel James Markman acknowledged the reports previously requested including the Sustainable Groundwater Management Act update. He reminded about changes in Proposition 218 and noted he had been working with Recording Secretary Lynda Kerney on procedures.

12. 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

13. Announcements

President Slawson pointed out the announcements:

- Collaborative Agencies Committee: Wednesday, Jan. 8 at 5 p.m. CANCELED
- Beaumont Basin Watermaster: Wednesday, Jan. 15 at 11 a.m. - CANCELED
- Offices closed Mon., 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.
- Beaumont Basin Watermaster Committee: Wednesday, Feb. 5 at 11 a.m.
- Finance & Audit Committee meeting: Thursday, Feb. 6, 2025 at 3 p.m.
- Regular Board Meeting: Wednesday, Feb. 12 at 6 p.m.

8:20 p.m. Director Ramirez left the meeting.

14. Closed Session: 8:21 p.m.

President Slawson announced the following Closed Session items:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Pursuant to California Government Code Section 54956.8
Property: Recycled water generated by the City of Beaumont Wastewater Treatment Plant
Agency Negotiator: Dan Jagers, General Manager
Under Negotiation: Price and terms of payment

Reconvene in Open Session: 9:22 p.m.

15. Report on Action Taken During Closed Session

President Slawson stated that there was no reportable action taken.

16. Adjournment: *President Slawson adjourned the meeting at 9:22 p.m.*



Director Daniel Slawson, President
to the Board of Directors of the
Beaumont-Cherry Valley Water District

ATTEST:



Director Andy Ramirez, Secretary
to the Board of Directors of the
Beaumont-Cherry Valley Water District