



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

**NOTICE AND AGENDA
REGULAR MEETING OF THE BOARD OF DIRECTORS
ENGINEERING WORKSHOP**

*This meeting is hereby noticed pursuant to
California Government Code Section 54950 et. seq.*

Thursday, August 28, 2025 - 6:00 p.m.
560 Magnolia Avenue, Beaumont, CA 92223

TELECONFERENCE NOTICE

*The BCVWD Board of Directors will attend in person at the BCVWD Administrative Office
and/or via Zoom video teleconference pursuant to Government Code 54953 et. seq.*

To access the Zoom conference, use the link below:

<https://us02web.zoom.us/j/84318559070?pwd=SXlzMFMZCMGh0YTFlL2tnUGlpU3h0UT09>

*To telephone in, please dial: **(669) 900-9128***

*Enter Meeting ID: **843 1855 9070** | Enter Passcode: **113552***

*For Public Comment, use the “**Raise Hand**” feature on the video call when
prompted. If dialing in, **dial *9 to “Raise Hand”** when prompted*

BCVWD provides remote attendance options primarily as a matter of convenience to the public. Unless a Board member is attending remotely pursuant to provisions of GC 54953 et. seq., BCVWD will not stop or suspend its in-person public meeting should a technological interruption occur with respect to the Zoom teleconference or call-in line listed on the agenda. Members of the public are encouraged to attend BCVWD meetings in person at the above address, or remotely using the options listed. Members of the Public are not required to provide identifying information in order to attend public meetings. Through the link above, the Zoom platform requests entry of a name and email address, and BCVWD is unable to modify this requirement.

Meeting materials are available on the BCVWD’s website:

<https://bcvwd.gov/document-category/regular-board-agendas/>

BCVWD ENGINEERING WORKSHOP – AUGUST 28, 2025

Call to Order: President Slawson

Pledge of Allegiance: Director Hoffman

Invocation: Director Ramirez

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

Roll Call - Board of Directors

	President Daniel Slawson
	Vice President Lona Williams
	Secretary Andy Ramirez
	Treasurer David Hoffman
	Member John Covington

**Roll Call
and Introduction of Staff Members Present**

Public Comment

PUBLIC COMMENT: RAISE HAND OR PRESS *9 to request to speak when prompted. If you are present in the Board Room, please fill out a Request to Speak card and deliver it to the Recording Secretary.

At this time, any person may address the Board of Directors on matters within its jurisdiction. However, state law prohibits the Board from discussing or taking action on any item not listed on the agenda. Any non-agenda matters that require action will be referred to Staff for a report and possible action at a subsequent meeting.

Please limit your comments to three minutes. Sharing or passing time to another speaker is not permitted.

ACTION ITEMS

Action may be taken on any item on the agenda. Information on the following items is included in the full Agenda Packet.

- 1. Adjustments to the Agenda:** In accordance with Government Code Section 54954.2, additions to the agenda require a 2/3 vote of the legislative body, or if less than 2/3 of the members are present, a unanimous vote of those members present, which makes the determination that there is a need to take action, and the need to take action arose after the posting of the agenda.
 - a. Item(s) to be removed or continued from the Agenda
 - b. Emergency Item(s) to be added to the Agenda
 - c. Changes to the order of the agenda

- 2. Request for Will-Serve Letter Extension for Orchard Logistics Center Project (formerly Beaumont Cross-Dock) located at the northeast corner of Prosperity Way and Distribution Way (Riverside County Assessor's Parcel No. 417-020-070) in the City of Beaumont (pages 5 - 12)**

BCVWD ENGINEERING WORKSHOP – AUGUST 28, 2025

3. **“B” Line Upper Edgar Transmission Pipeline and Facilities Project Notice of Completion and Projects Cost Update** (pages 13 - 16)
4. **Resolution 2025-__ : Amending the District’s Policies and Procedures Manual** (pages 17 - 29)

a.	Policy 7013	Personally Identifiable Information (PII)
b.	Policy 7014	Artificial Intelligence (AI)
c.	Policy 7015	Security Awareness and Training
d.	Policy 7016	Internet of Things (IoT)
e.	Policy 7017	Non-IT Approved Software Purchasing Policy

5. **Consideration of Attendance at Upcoming Events and Authorization of Reimbursement and Per Diem** (pages 30 - 33)
6. **Discussion Regarding Solar and Alternative Energy Opportunities** (pages 34 - 59)
7. **Topic List for Future Meetings**
A Board Member may request that a matter directly related to District business be placed on the agenda of a regularly scheduled meeting of the Board of Directors (Policy 4030.5)

8. Announcements

Check the meeting agenda for location and/or teleconference information:

- District office will be closed Monday, Sept. 1 in observance of Labor Day
- Collaborative Agencies Committee: Wednesday, Sept. 3 at 5 p.m.
- Finance & Audit Committee meeting: Thursday, Sept. 4 at 3 p.m.
- ~~Regular Board Meeting: Wednesday, Sept. 10 at 6 p.m. CANCELED~~
- Special Board Meeting: Thursday, Sept. 11 at 6 p.m.
- Personnel Committee: Tuesday, Sept. 16 at 4:30 p.m.
- San Geronio Pass Regional Water Alliance: Wednesday, Sept. 24 at 5 p.m.
- Engineering Workshop: Thursday, Sept. 25 at 6 p.m.
- Beaumont Basin Watermaster Committee: Wednesday, Oct. 1 at 11 a.m.
- Finance & Audit Committee meeting: Thursday, Oct. 2 at 3 p.m.

9. Adjournment

NOTICES

AVAILABILITY OF AGENDA MATERIALS - Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Beaumont-Cherry Valley Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, at 560 Magnolia Avenue, Beaumont, California ("District Office") during business hours, Monday through Thursday from 7:30 a.m. to 5 p.m. If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Office at the same time or within 24 hours' time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during the meeting, they can be made available in the Board Room at the District Office. Materials may also be available on the District's website: <https://bcvwd.gov/>. (GC 54957.5)

REVISIONS TO THE AGENDA - In accordance with §54954.2(a) of the Government Code (Brown Act), revisions to this Agenda may be made up to 72 hours before the Board Meeting, if necessary, after mailings are completed. Interested persons wishing to receive a copy of the set Agenda may pick one up at the District's Main Office, located at 560 Magnolia Avenue, Beaumont, California, up to 72 hours prior to the Board Regular Meeting.

REQUIREMENTS RE: DISABLED ACCESS - In accordance with Government Code §54954.2(a), and the Americans with Disabilities Act (ADA), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the District Office. Notification of at least 48 hours in advance of the meeting will generally enable staff to make reasonable arrangements to ensure accessibility. The Office may be contacted by telephone at (951) 845-9581, email at info@bcvwd.gov or in writing at the Beaumont-Cherry Valley Water District, 560 Magnolia Avenue, Beaumont, California 92223.

CERTIFICATION OF POSTING: A copy of the foregoing notice was posted near the regular meeting place of the Board of Directors of Beaumont-Cherry Valley Water District and to its website at least 72 hours in advance of the meeting (Government Code §54954.2(a)).



**Beaumont-Cherry Valley Water District
Regular Board Meeting
August 28, 2025**

Item 2

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: Request for Will-Serve Letter Extension for Orchard Logistics Center Project (formerly Beaumont Cross-Dock) located at the northeast corner of Prosperity Way and Distribution Way (Riverside County Assessor's Parcel No. 417-020-070) in the City of Beaumont

Staff Recommendation

Consider the request for a Will Serve Letter Extension for the Orchard Logistics Center (previously identified as Beaumont Cross-Dock Building), a 610,000 square-foot (sf) warehouse building located at the northeast corner of Prosperity Way and Distribution Way in the City of Beaumont (Riverside County Assessor's Parcel No. [APN] 417-020-070) and:

- a. Approve the Application for Water Service and furnish Will Serve Letter with conditions as enumerated, or
- b. Deny the Application for Water Service

Executive Summary

The Applicant (Orchard Logistics Venture, LLC or Trammel Crow) proposes to construct a 610,000 sf warehouse building on a parcel within the District's Sphere of Influence (former Dowling Orchard property) and Service Boundary. This Project (Orchard Logistics Center) was approved for annexation from the Riverside Local Agency Formation Commission (LAFCO) on February 27, 2025. The Applicant has been working with District in regard to a proposed well site located on APN 417-020-070.

Table 1 – Project Summary

Applicant / Developer	Orchard Logistics Venture, LLC (Trammell Crow Company)
Development Type	Commercial/Industrial
Development Name	Orchard Logistics Center
Annexation Required (Yes/No)	No (Completed – 2/27/2025)
Estimated Domestic Water Consumption	10.0 Equivalent Dwelling Units (EDUs)
Estimated Irrigation Water Consumption	10.0 EDUs
Total Estimated Water Consumption	20.0 EDUs



Background

The Applicant (Orchard Logistics Venture, LLC or Trammell Crow Company) proposes to construct an estimated 610,000 square-foot (sf) warehouse building (See Attachment 2 – APN 417-020-070 [Beaumont Cross Dock Building] Site Plan).

The Applicant originally contacted District staff on November 18, 2021 regarding the proposed project (which was originally proposed as the Beaumont Cross-Dock Building) and submitted a Will Serve Letter (WSL) application. The Applicant's Engineer agreed to provide data for both domestic and non-potable water demand. The District received the Applicant's complete WSL application on March 2, 2022.

The Project's original Will-Serve Letter request was presented to the Board of Directors on August 31, 2022. Due to the emergency drought conditions at the time, the Board of Directors denied the request referencing the District Resolution 2014-05.

On March 24, 2023, Governor Newsom identified an end to the existing Drought Emergency Declaration and terminated a number of the drought restrictions which had been in effect. At the April 12, 2023 Regular Board Meeting, the Board rescinded certain drought related resolutions with adoption of Resolution 2023-11, including the implementation of the District's Water Shortage Contingency Plan (WSCP) Shortage Level 3.

At the September 26, 2023 Engineering Workshop, the Will-Serve Letter request was brought back to the Board of Directors for consideration and was ultimately approved. Following the approval of the Will-Serve Letter, District staff prepared a Plan of Service by request of the Applicant. The Project was later approved for annexation into the District Service Boundary by Riverside LAFCO on February 27, 2025.

Discussion

The Applicant requested domestic, irrigation, and fire service. Table 2, below, summarizes the estimated consumption (District reserves the right to review actual tenant consumption data and adjust fees accordingly):

Table 2: Estimated Consumption, Developer Provided

Demand	Est. Consumption (GPD)	Est. Consumption (EDUs)
Potable Domestic Water	5,805 GPD	10.0 EDUs
Non-Potable Irrigation Water	5,773 GPD	10.0 EDUs
Total Water Consumption	11,578 GPD	20.0 EDUs

Southwest of the proposed site, at the intersection of Prosperity Way and Distribution Way, is an existing 18" Ductile Iron Pipe (DIP) potable water main (2750 PZ) and an existing 12" DIP non-potable water main (2800 PZ). To the southeast, along Nicholas Road, there is an existing 16" DIP potable water main (2750 PZ) and an existing 12" DIP non-potable water main (2800 PZ).



A main line extension is required to extend the potable and non-potable facilities across the southern portion of the property, connecting Prosperity Way and Nicholas Road. These proposed improvements were identified in the District's 2016 Potable Master Plan and Draft 2022 Non-Potable Master Plan. Water improvement plans have been submitted to the District for these water improvements, and they are in the final phases of review by District staff.

These pipelines are proposed to be located on the Project parcel (APN 417-020-070) and a portion of the eastern parcel (APN 417-020-077). Due to this, two (2) separate easements will be required to build these water mains.

The Applicant has been coordinating with District staff regarding the dedication of a well site on the Project parcel (APN 417-020-070). This well site is proposed to be located on the northwest corner of the parcel. This proposed well site would require additional easements to bring future waterlines to the proposed dedicated well site. The dedication of the well site will require the execution and recordation of a Grant Deed in favor of the District. All proposed easements associated with this Project are identified in Attachment 3.

Upon approval of service, the Applicant shall dedicate land to the District for well site and provide appropriate easement(s) for District ingress/egress and pay all applicable District deposits and fees (including meter, non-tract service installation, water facilities [capacity charges], and front-footage).

Final potable and non-potable meter sizes will be determined by the Applicant. Fire flow requirements determined by the City of Beaumont Fire Department will dictate actual required fire suppression needs, and Applicant is required to pay for additional storage beyond District's baseline fire flow demands (1,000 gpm for 2 hours). Applicant must secure final development approval from the City of Beaumont prior to construction.

Conditions of Development

Prior to final development approval, the Applicant shall conform to all District requirements for water service and all City of Beaumont requirements.

1. Unless fire flow requirements dictate a larger size, the Applicant shall design and construct an 18-inch potable water domestic main extension (2750PZ) connecting Prosperity Way and Nicholas Road, per the District's 2016 Potable Water System Master Plan.
2. The Applicant shall dedicate via easement to the District (width 25 feet or sized to fit) to operate and maintain District facilities for ingress/egress, operations, and maintenance.
3. The Applicant shall dedicate a suitable well site (and associated easement[s]) for a District well (approximately 1/3 acre located near the northwest corner of the project site). The District understands that the easement and assignment of water rights from the property owner to the District is dependent upon approval and construction of Trammel Crow Company's proposed project.



4. The Applicant is required to pay for additional fire flow storage beyond District's baseline fire flow demands (1,000 gpm for 2 hours).
5. The Applicant shall install a fire service connection(s) to support the City of Beaumont Fire Department's requirement for on-site fire suppression.
6. The District reserves the right to review annual consumption data (water consumption audit) and adjust the Applicant's capacity charges (facilities fees) at final buildout of the project and when project facilities are fully utilized, for any amount greater than 20.0 EDUs (10.0 EDUs [5,805 gpd] for the domestic demand and 10 EDUs [5,773 gpd] for the irrigation demand) which is currently identified in the table above.
7. If facilities constructed require additional water, qualifying as expansion or change of use as defined by the District, Applicant must upgrade the domestic service facilities requirements and pay additional capacity charges (facilities fees).
8. To minimize the use of potable water, the District requires the applicant to conform to the City of Beaumont Landscaping Ordinance which pertains to water efficient landscape requirements and the following:
 - a. Landscaped areas which have turf, shall have "smart irrigation controllers" which use Evapotranspiration (ET) data to automatically control the watering. Systems shall have an automatic rain sensor to prevent watering during and shortly after rainfall, automatically determine watering schedule based on weather conditions, and not require seasonal monitoring changes. Orchard areas, if any, shall have drip irrigation.
 - b. Landscaping in non-turf areas should be drought-tolerant, consisting of planting materials which are native to the region. Irrigation systems for these areas should be drip or bubbler type.
 - c. The District will provide service so long as landscape areas are not installed with, converted to, or modified to non-functional turf as set forth in the City of Beaumont's Landscape Ordinance.

Fiscal Impact

No negative fiscal impact to the District. All fees and deposits will be paid by the Applicant prior to providing service.

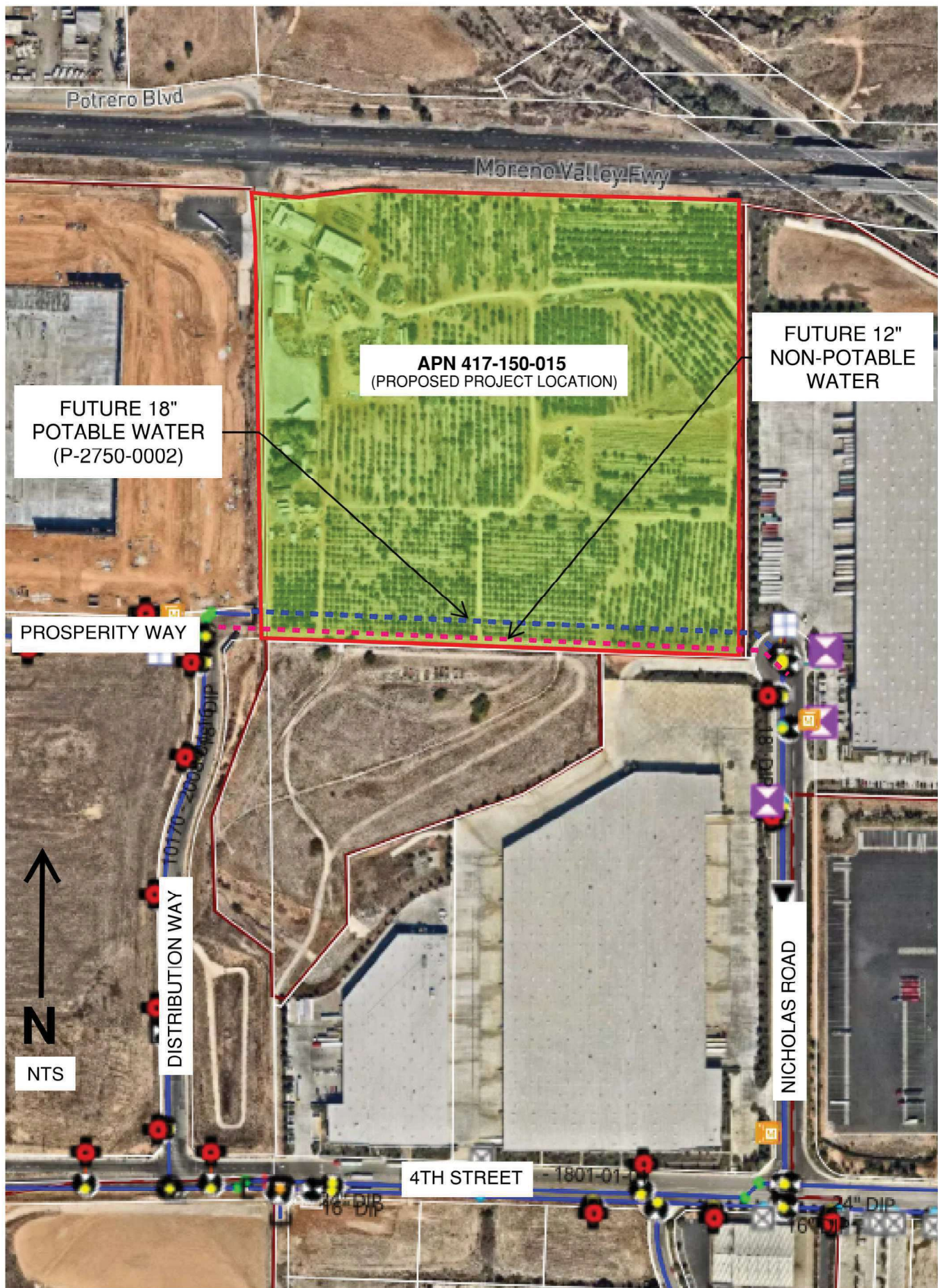
Attachments

1. Orchard Logistics Center Vicinity Map
2. Orchard Logistics Center Site Plan
3. Orchard Logistics Center Proposed Easement Exhibit
4. Orchard Logistics Center Will Serve Request Application

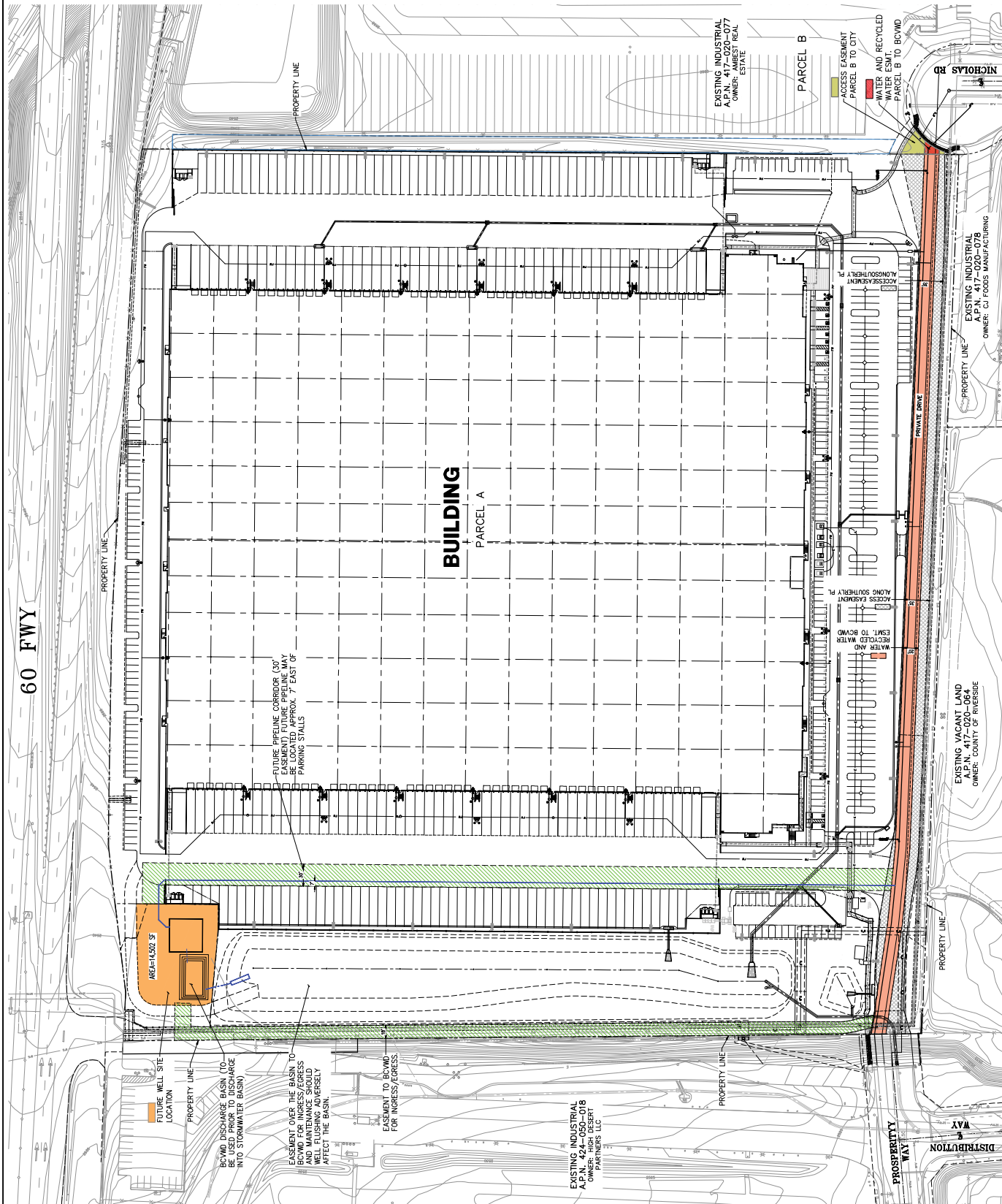
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Staff Report prepared by Evan Ward, Associate Civil Engineer I

**FIGURE 1 - ORCHARD LOGISTICS CENTER
VICINITY MAP**



Attachment 3 - Orchard Logistics Center Proposed Easement Exhibit



Attachment 4 - Orchard Logistics Center Will Serve Request Application



BEAUMONT CHERRY VALLEY WATER DISTRICT

560 Magnolia Avenue • PO Box 2037

Beaumont, CA 92223-2258

Phone (951) 845-9581

www.bcvwd.org

customer #: 065107

☒ **Will Serve Request** ☐ **Water Supply Assessment (SB210)**

Applicant Name: Trammel Crow (Kyle Dorand)	Contact Phone # _____
Mailing Address: _____	Fax #: _____
City: _____	E-mail: _____
State & Zip: _____	
Service Address: Site is located northeast of Prosperity Way and Distribution Way south of the 60-Fwy and west of Nicholas Rd.	
Assessor's Parcel Number (APN), Tract Map No. Parcel Map No.: 417-020-070	
Project Type: <input type="checkbox"/> Single-Family <input type="checkbox"/> Multi-Family <input checked="" type="checkbox"/> Commercial/Industrial <input type="checkbox"/> Minor Subdivision (5 lots or less) <input type="checkbox"/> Major subdivision (6+ lots) <input type="checkbox"/> Other	
Site Map Attached: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

The letter should be delivered to:

Recipient: Kyle Dorand

PLEASE CHOOSE ONE:

☐ Mail (above address) ☒ E-mail
☐ Fax ☐ Will pick up

The District reserves the right to impose terms and conditions in Will Serve Letters and/or Water Supply Assessment Reports that take into account water availability issues, conservation issues and the District's existing facilities, all of which impact the District's ability to provide service to the subject property and maintain the District's ability to meet existing water demands.



 Applicant's Signature

11/18/21

 Date



**Beaumont-Cherry Valley Water District
Regular Board Meeting
August 28, 2025**

Item 3

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: "B" Line Upper Edgar Transmission Pipeline and Facilities Project Notice of Completion and Projects Cost Update

Staff Recommendation

Authorize the General Manager to file the Notice of Completion for the "B" Line Upper Edgar Transmission Pipeline and Facilities Project with the Riverside County Assessor – County Clerk – Recorder and the San Bernardino County Assessor – Recorder – County Clerk.

Executive Summary

The "B" Line Upper Edgar Transmission Pipeline and Facilities Project has been identified in the District's 2025-2029 Capital Improvement Budget (CIB) to be replaced due to frequent leaks and maintenance activities. The replacement pipeline project has been completed and inspected by District staff. District staff has placed said pipeline in service and now brings this project back to the Board for consideration for filing of a Notice of Completion (NOC).

Background

At the February 9, 2022, Regular Board Meeting, the Board authorized the General Manager to enter into contract with Cozad & Fox, Inc. to perform the design and bid phase services for the "B" Line Upper Edgar Transmission Pipeline and Facilities Project. District staff has taken additional steps to address CEQA and NEPA due to the pipeline receiving federal funding. On September 13, 2023, the Board of Directors held a public hearing and adopted Resolution 2023-26, adopting the Initial Study Mitigated Negative Declaration / Environmental Assessment and Finding of No Significant Impact for the project. In 2022, the District was selected as a sub-recipient of ARPA funding as disbursed by the County of Riverside. The "B" Line Upper Edgar Transmission Pipeline and Facilities Project was originally scheduled to receive up to approximately \$1.3 million for the construction component of the Project. The Board of Directors approved an amendment to the District and County of Riverside ARPA agreement which reduced the scheduled amount of ARPA funding for this project to \$798,681.00 at the August 13, 2025 Regular Board Meeting.

On the October 24, 2024, Engineering Workshop, the Board of Directors authorized the General Manager to execute a contract with Legacy Excavating, Inc. for a not to exceed amount of \$819,000.00 and authorized additional expenditures in the amount of \$173,000.00 for soft costs associated with the Project. The construction of the Project has been completed at this time, however, the Contractor experienced several delays during the construction of the Project due to large boulders within the trajectory of the proposed waterline alignment.



Summary

The Project Budget identified in the 2025 – 2029 Capital Improvement Budget (CIB) is \$888,900.00 (P-3620-0001). Project costs are summarized in Table 1, below:

Table 1 – “B” Line Upper Edgar Transmission Pipeline and Facilities Project Costs	
<i>Approved Project Budget</i>	<i>Approved Budget Amount</i>
Board Approval for Engineering Consultant	\$ 132,000.00
Board Approval to Address NEPA	\$ 11,500.00
Board Approval for Contractor	\$ 835,000.00
Board Approval for Soft Costs	\$ 173,000.00
Overall Project Approved Budget:	\$ 1,151,500.00
<i>Incurred Project Costs</i>	<i>Total Costs</i>
Contractor Labor and Materials Costs	\$ 829,965.59
Engineering Consultant Costs	\$ 127,521.00
Geotechnical Costs (Compaction Testing)	\$ 15,961.00
District Staff Labor Costs	\$ 50,905.46
Miscellaneous Items (Permits, Publishing, etc.)	\$ 5,131.00
Total Incurred Project Costs:	\$ 1,029,484.05
(-) Anticipated ARPA Funding:	\$ 798,681.00
Total Adjusted Incurred Project Costs	\$ 230,803.05

District staff identifies that all known costs associated with the Project have been fully billed.

Fiscal Impact

The fiscal impact to the District was an amount of \$230,803.05 for the complete construction of the “B” Line Upper Edgar Transmission Pipeline and Facilities Project. Funding for this Project comes from Capital Replacement Reserves.

Attachments

1. “B” Line Upper Edgar Transmission Pipeline and Facilities Project Notice of Completion with Riverside County
2. “B” Line Upper Edgar Transmission Pipeline and Facilities Project Notice of Completion with San Bernardino County

Staff Report prepared by Evan Ward, Associate Civil Engineer I

Attachment 1 - B-Line Replacement Pipeline Project Notice of Completion with Riverside County

NOTICE OF COMPLETION

To: Riverside County Assessor-County Clerk-Recorder Date: _____, 2025
2720 Gateway Drive
Riverside, California 92507 Work Order No.: PLP 014

Owner: Beaumont-Cherry Valley Water District Date of Completion: August 21, 2025
560 Magnolia Avenue
Beaumont, California 92223

OWNER'S ESTATE OF INTEREST:

Easement _____ Fee Title _____ Encroachment Permit _____

Other (describe): 12" Diameter Replacement Ductile Iron Pipe Waterline

CONTRACTOR:

Name: Legacy Excavating, Inc.

Address: P.O. Box 422, Calimesa, CA 92320

TITLE OF PROJECT: "B" Line Upper Edgar Transmission Pipeline and Facilities Project

DESCRIPTION OF PROJECT: Replacement of 2,883 LF of 12" Diameter ductile iron pipe

DESCRIPTION OF SITE (LOCATION): District Owned Parcel in Edgar Canyon, Cherry Valley, CA

ASSESSOR'S PARCEL NUMBER: Riverside County APN 401-150-004

Final payment will be made to the above contractor no sooner than thirty-five (35) days from the recording date of this Notice of Completion, except where otherwise provided for by law.

I certify under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Executed on _____, 20____ at _____, California.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

By: _____

Printed Name: _____

Title: _____

"B" Line Upper Edgar Transmission Pipeline and Facilities Project
Beaumont-Cherry Valley Water District

Notice of Completion

NOTICE OF COMPLETION

To: San Bernardino County Assessor-County Clerk-Recorder Date: _____, 2025
222 W Hospitality Lane
San Bernardino, California 92415 Work Order No.: PLP 014

Owner: Beaumont-Cherry Valley Water District Date of Completion: August 21, 2025
560 Magnolia Avenue
Beaumont, California 92223

OWNER'S ESTATE OF INTEREST:

Easement _____ Fee Title _____ Encroachment Permit _____

Other (describe): 12" Diameter Replacement Ductile Iron Pipe Waterline

CONTRACTOR:

Name: Legacy Excavating, Inc.

Address: P.O. Box 422, Calimesa, CA 92320

TITLE OF PROJECT: "B" Line Upper Edgar Transmission Pipeline and Facilities Project

DESCRIPTION OF PROJECT: Replacement of 2,883 LF of 12" Diameter ductile iron pipe

DESCRIPTION OF SITE (LOCATION): District Owned Parcel in Edgar Canyon, Cherry Valley, CA

ASSESSOR'S PARCEL NUMBER: San Bernardino County APN 0325-122-01

Final payment will be made to the above contractor no sooner than thirty-five (35) days from the recording date of this Notice of Completion, except where otherwise provided for by law.

I certify under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Executed on _____, 20____ at _____, California.

BEAUMONT-CHERRY VALLEY WATER DISTRICT

By: _____

Printed Name: _____

Title: _____



**Beaumont-Cherry Valley Water District
Regular Board Meeting
August 28, 2025**

Item 4

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: **Resolution 2025-__:** Amending the District's Policies and Procedures Manual:

- a. 7013 Personally Identifiable Information (PII)
- b. 7014 Artificial Intelligence (AI)
- c. 7015 Security Awareness and Training
- d. 7016 Internet of Things (IoT)
- e. 7017 Non-IT Approved Software Purchasing Policy

Staff Recommendation

Adopt Resolution 2025-__ Amending the District's Policies and Procedures Manual.

Executive Summary

Staff recommends adoption of Resolution 2025-__ to formalize five information technology and cybersecurity policies needed to safeguard District data and systems, standardize practices, and clarify roles. The package establishes consistent expectations across data privacy, acceptable use of AI tools, workforce security training, oversight of connected devices, and controls on software procurement. Drafts were prepared by the Department of IT and Cybersecurity in coordination with Human Resources, reviewed by Legal Counsel, and reviewed and recommended to the Board by the Personnel Committee. Adoption will integrate these new policies into the District's Policies & Procedures Manual.

Background

As part of the ongoing updates to the District's Policies and Procedures Manual, various administrative policies have been considered by the Personnel Committee.

At the November 19, 2024 meeting, the Director of IT and Cybersecurity requested the Personnel Committee to review the Employee IT Policy Handbook to ensure alignment with the District's strategic goals, legal requirements, and regulatory standards. In partnership with IT, Human Resources (HR) staff facilitated the review and presented the proposed policy drafts to Legal Counsel to ensure compliance with applicable laws. The handbook and the IT and Cybersecurity Policy Manual, both updated annually, outline technology policies, security measures, and employee expectations aligned with the National Institute of Standards and Technology (NIST) framework and industry best practices.

The Personnel Committee reviewed the proposed IT policies and recommended forwarding the draft policies to the Board of Directors for discussion and consideration.

Discussion

- 7013 – Personally Identifiable Information (PII): Sets requirements for classifying, collecting, storing, accessing, sharing, and disposing of PII; defines least-privilege



access, encryption where appropriate, breach reporting/response, and retention/disposal consistent with policy and law.

- 7014 – Artificial Intelligence (AI): Establishes acceptable-use parameters for AI tools; requires protection of confidential/privileged data, human oversight of outputs, documentation of use for business processes where applicable, and pre-use review for higher-risk AI applications.
- 7015 – Security Awareness & Training: Requires onboarding and periodic refresher training for all personnel; covers phishing and social engineering awareness, password and MFA practices, data handling, incident reporting, and tracking of completion for compliance.
- 7016 – Internet of Things (IoT): Requires inventory and ownership of IoT assets; mandates secure configuration, timely patching, network segmentation, vendor/firmware management, and procurement controls tailored to IoT risk.
- 7017 – Non-IT Approved Software Purchasing: Centralizes review and approval of software acquisitions; requires compatibility/security assessment, license and record management, and alignment with support and data protection standards before purchase or use.

Adoption will incorporate these policies into the District's Policies and Procedures Manual and provide a clear framework to reduce operational, cybersecurity, and legal risk while supporting efficient, consistent practices across departments.

Fiscal Impact

There is no fiscal impact in the establishment of these policies.

Attachments

1. Resolution 2025-__ Amending the District's Policies and Procedures Manual
2. Proposed new policies:

	Policy No.	Policy Title
A	7013	Personally Identifiable Information (PII)
B	7014	Artificial Intelligence (AI)
C	7015	Security Awareness and Training
D	7016	Internet of Things (IoT)
E	7017	Non-IT Approved Software Purchasing Policy

Staff Report prepared by Ren Berioso, Human Resources and Risk Manager

RESOLUTION 2025-__

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE BEAUMONT - CHERRY VALLEY WATER DISTRICT
AMENDING THE DISTRICT'S POLICIES AND
PROCEDURES MANUAL**

WHEREAS, on March 18, 2009 the Board of Directors of the Beaumont-Cherry Valley Water District adopted Resolution 2009-05, establishing a Policy and Procedures Manual applicable to Board of Directors and District staff; and

WHEREAS, upon review and discussion, the Personnel Committee, the ad hoc Board Policies Committee, and the Finance and Audit Committee of the Board of Directors recommended revisions to the Policy and Procedures Manual; and

WHEREAS, the Board of Directors has reviewed and considered the revisions to the subject policies attached hereto and listed below, finds the new or revised policies relevant and acceptable, and it to be in the best interests of the District that the following actions be taken,

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Beaumont-Cherry Valley Water District as follows:

The BCVWD Policies and Procedures Manual new sections are added per the attached exhibits as indicated below:

a.	Policy 7013	Personally Identifiable Information (PII)
b.	Policy 7014	Artificial Intelligence (AI)
c.	Policy 7015	Security Awareness and Training
d.	Policy 7016	Internet of Things (IoT)
e.	Policy 7017	Non-IT Approved Software Purchasing Policy

ADOPTED this _____ day of _____, _____, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

DRAFT UNTIL ADOPTED

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

DRAFT UNTIL ADOPTED

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

Attachments: Exhibits A - E

EXHIBIT A

POLICY TITLE: PERSONALLY IDENTIFIABLE INFORMATION (PII)
POLICY NUMBER: 7013

7013.1 Introduction. Beaumont-Cherry Valley Water District (BCVWD) is committed to safeguarding the Personally Identifiable Information (PII) of its employees, customers, vendors, and other stakeholders. As a public utility and California Special District, BCVWD recognizes its responsibility to protect sensitive information in alignment with the National Institute of Standards and Technology (NIST) guidance (particularly NIST SP 800-122) and the California Public Records Act (CPRA), while maintaining operational transparency and accountability.

7013.2 Purpose. The purpose of this policy is to establish clear roles, responsibilities, and safeguards for collecting, storing, processing, accessing, and disposing of PII. This policy ensures BCVWD protects PII from unauthorized disclosure, use, or loss while maintaining compliance with applicable federal and state privacy laws.

7013.3 Scope. This policy applies to all BCVWD personnel, contractors, consultants, and third-party vendors who have access to systems, documents, or platforms that contain PII. It covers PII in physical or electronic form, including but not limited to:

- Full names (when combined with other data)
- Social Security Numbers (SSNs)
- Driver's license or state ID numbers
- Passport or visa numbers
- Financial account or credit/debit card information
- Medical or health-related data
- Employee ID numbers or HR records
- Utility customer account information (e.g., usage history, billing data)

7013.4 Policy Details

7013.4.1 Collection and Minimization

- a. PII collection must be limited to what is legally required or operationally essential.
- b. Departments must justify any new collection of PII through a business case approved by the organization and the Information Technology and Cybersecurity Department.
- c. Data minimization principles must be followed, collecting the least amount of PII necessary to perform a task.

7013.4.2 Storage and Classification

- a. PII must be classified and protected accordingly to prevent unauthorized access.
- b. Electronic PII must be stored on secure, access-controlled systems managed by the Information Technology and Cybersecurity Department.
- c. Physical PII must be secured in locked cabinets or restricted areas with controlled access.

7013.4.3 Access and Use

- a. Access to PII is limited to employees with a demonstrated business need, governed by Role-Based Access Control (RBAC).
- a. PII may not be transmitted via unencrypted email, portable media, or unsecured networks.
- b. PII must never be entered into unauthorized applications, websites, or artificial intelligence tools (see Policy 7014 – AI Policy).
- c. Use of PII for training, testing, or demonstration purposes is prohibited unless it has been properly anonymized or masked.

7013.4.4 Disclosure and Third Parties

- a. PII may only be shared externally when required by law, approved by District counsel, or governed by a data sharing agreement.
- b. All vendors and third-party service providers handling PII must sign agreements requiring compliance with this policy and applicable laws, including CPRA.
- c. Public records requests involving PII must be reviewed in accordance with CPRA exemptions and handled by designated staff.

7013.4.5 Retention and Disposal

- a. PII must be retained only as long as necessary for operational, legal, or regulatory purposes.
- b. Disposal of PII must be performed using approved secure methods (e.g., digital wiping, document shredding, etc.).
- c. Logs of disposal activities must be retained for audit purposes.

7013.4.6 Training and Awareness

- a. All employees must complete annual privacy and security training that includes the handling of PII.
- b. Departments must provide targeted guidance to employees who handle PII in high-risk areas such as Human Resources, Finance, and Information Technology and Cybersecurity.
- c. Any suspected PII breach or exposure must be reported immediately to the Information Technology and Cybersecurity Department for appropriate response.

7013.5 Review and Revision Policy. The Information Technology and Cybersecurity Department will review the “Personally Identifiable Information (PII) Policy” annually, or as needed in response to changes in law or technology. This review ensures ongoing compliance with NIST, CPRA, and other applicable federal and state privacy regulations. Revisions will be made to ensure continuous improvement of PII handling practices and to address emerging privacy risks.

EXHIBIT B

POLICY TITLE: ARTIFICIAL INTELLIGENCE (AI)
POLICY NUMBER: 7014

7014.1 Introduction. Beaumont-Cherry Valley Water District (BCVWD) relies on Information Technology (IT) resources as essential tools for conducting business efficiently and securely. This policy ensures these resources are used responsibly, ethically, and in alignment with the National Institute of Standards and Technology (NIST) Cybersecurity Framework and Artificial Intelligence Risk Management Framework (AI RMF 1.0). As a California Special District, BCVWD adheres to state regulations, including compliance with the California Public Records Act (CPRA) to ensure transparency and accountability in public records management. This policy recognizes the rapid growth and integration of artificial intelligence (AI) in modern IT environments and establishes foundational principles for the responsible use of AI across the District.

7014.2 Purpose. The purpose of this policy is to provide guidance for the ethical, secure, and authorized use of artificial intelligence technologies by BCVWD employees, contractors, and vendors. It aims to protect District data, maintain public trust, and establish governance over AI use that aligns with state law, cybersecurity best practices, and evolving industry standards.

7014.3 Scope. This policy applies to all forms of AI technologies, including but not limited to: Generative AI tools (e.g., ChatGPT, Claude, Gemini), Predictive analytics and machine learning models, AI embedded within third-party applications and services, Image recognition, document summarization, or automated decision support tools. The policy governs use by employees, contractors, and vendors in any capacity involving District data, systems, communications, or services.

7014.4 Policy Details

7014.4.1 Governance Oversight

- a. Use of any AI tool for official District business must be approved by the Information Technology Department.
- b. Unauthorized use of AI tools on District systems or with District data is prohibited.
- c. AI systems must be evaluated for data privacy risks, output reliability, and compliance with security policies prior to use.
- d. The District may prohibit use of certain AI tools deemed insecure, untrustworthy, or misaligned with regulatory requirements.

7014.4.2 Data Protection and Input Restrictions

- d. No personally identifiable information (PII), personnel records, customer data, infrastructure details, or confidential internal documents may be entered into AI systems, whether public or private, without prior approval.
- e. Only de-identified, publicly available, or non-sensitive data may be used with AI tools, and only for legitimate business functions.
- f. AI tools must not be used to generate, analyze, or infer sensitive characteristics about individuals or groups without a documented business case and prior written approval.

7014.4.3 Output Validation and Records

- a. AI-generated content used for any external communication, decision-making, or record-keeping must be reviewed and validated by a human to ensure accuracy.
- d. Employees must ensure all AI-generated outputs meet BCVWD standards for accuracy, professionalism, and compliance with legal obligations.

7014.4.4 Procurement and Vendor Controls

- a. Any vendor solution incorporating AI functionality must undergo review and risk assessment by the Information Technology Department.
- b. AI components in vendor platforms must comply with the same security, privacy, and data protection requirements as other IT services.
- c. Contracts must address data ownership, model transparency, and vendor accountability for misuse or incorrect outputs.

7014.4.5 Employee Responsibilities

- a. Employees must use AI in a manner that upholds BCVWD values, avoids bias or discrimination, and ensures public trust.
- b. Any suspected misuse of AI, violation of this policy, or output that could impact public records or operations must be reported to the Information Technology Department.
- c. Training on safe and appropriate AI use will be provided as part of the District's ongoing cybersecurity awareness training efforts.

7014.4.6 Compliance and Oversight

- a. The Information Technology Department will maintain oversight over the use of AI and emerging technologies and may periodically audit use cases for compliance.
- b. This policy will be updated regularly to reflect changes in technology, regulations, and risk environments.
- c. Violations of this policy may result in disciplinary action, up to and including loss of system access or employment consequences, as outlined in the Acceptable Use Policy policy.

7014.5 Review and Revision Policy. The Information Technology Department will review the "Artificial Intelligence Policy" at least annually or as needed based on technological advancements, regulatory updates, and risk assessments. The review will ensure continued alignment with the National Institute of Standards and Technology (NIST) Artificial Intelligence Risk Management Framework (AI RMF), applicable state and federal laws, and BCVWD's mission to deliver secure and ethical digital services.

EXHIBIT C

POLICY TITLE: SECURITY AWARENESS AND TRAINING
POLICY NUMBER: 7015

7015.1 Introduction. Beaumont-Cherry Valley Water District (BCVWD) relies on Information Technology (IT) resources as essential tools for conducting business efficiently and securely. To mitigate human risk and ensure effective cybersecurity, BCVWD maintains a proactive Security Awareness and Training Program. This policy aligns with the National Institute of Standards and Technology (NIST) Cybersecurity Framework and NIST Special Publication 800-50 to promote awareness, accountability, and readiness among employees, contractors, and leadership. As a California Special District, BCVWD also complies with relevant state laws, including the California Public Records Act (CPRA), and embraces its role in protecting public trust and information systems.

7015.2 Purpose. The purpose of this policy is to establish standards for delivering security awareness and training to all individuals who access BCVWD information systems. The goal is to ensure users understand their cybersecurity responsibilities and are equipped to recognize and respond appropriately to cyber threats.

7015.3 Scope. This policy applies to all BCVWD employees, contractors, and third parties who are granted access to the District's technology infrastructure, including computers, mobile devices, applications, cloud services, and sensitive data. It covers onboarding, continuous training, and role-specific education related to information security risks and responsibilities.

7015.4 Policy Details

7015.4.1 Security Awareness and Training Program Structure

- e. All users must complete mandatory cybersecurity training annually as a condition of continued access to District systems.
- b. Refresher training will be delivered mid-year (at six-month intervals) to reinforce key concepts and address emerging threats.
- c. Micro-training and situational updates will be provided throughout the year, customized by department or function (e.g., Information Technology, Finance, Human Resources, Customer Service, Accounts Payable/Receivable, Executives).
- d. Training content will cover core threat topics, including but not limited to:
 - Phishing and social engineering
 - Password and credential protection
 - Safe use of mobile and remote access
 - Insider threats and data misuse
 - Ransomware and malware prevention
 - Public sector-specific risks

7015.4.2 Training Delivery and Tracking

- a. Training will be administered by the Information Technology and Cybersecurity Department utilizing an easy-to-access learning management or secure training platform.
- b. Participation in training is mandatory and will be logged, tracked, and audited by the Information Technology and Cybersecurity Department.
- c. Failure to complete required training within designated timeframes may result in temporary suspension of system access or additional corrective action.

7015.4.3 Role Based and Specialized Training

- a. Additional role-specific training will be provided to personnel in positions with elevated security responsibilities or access to sensitive information, such as:

- Information Technology administrators
 - Finance and payroll personnel
 - Human Resources and confidential records custodians
 - Customer-facing staff managing account data
 - Executives with decision-making or incident response authority
- b. These training courses will be updated as job roles evolve, threat vectors change, or regulations are revised.

7015.4.4 Reinforcement and Continuous Awareness

- a. The Information Technology and Cybersecurity Department will distribute periodic security bulletins, tips, or alerts to reinforce a security-first culture.
- b. Posters, email campaigns, and desktop notices may also be used to promote ongoing awareness.
- c. Users are encouraged to report suspicious activities or questions to the IT Department without fear of reprisal.

7015.4.5 Compliance Monitoring and Oversight

- a. The Information Technology and Cybersecurity Department will regularly monitor compliance with this policy, review training metrics, and assess the effectiveness of training content.
- b. Periodic audits may be conducted to verify participation and measure employee readiness.
- c. Lessons learned from incident response activities will be used to refine the training program.

7015.4.6 Responsibilities

- a. The Information Technology and Cybersecurity Department is responsible for designing, updating, and delivering the training curriculum.
- b. Human Resources and Department supervisors are responsible for ensuring their teams complete assigned training and meeting all deadlines assigned by the Information Technology and Cybersecurity Department.
- c. All users are responsible for completing required training and following secure practices in daily operations.

7015.5 Review and Revision Policy. The Information Technology and Cybersecurity Department will review the "Security Awareness and Training Policy" annually to ensure it remains current and responsive to emerging threats, evolving technologies, and regulatory changes. During the review process, the policy will be evaluated for alignment with the NIST Cybersecurity Framework and NIST SP 800-50. Necessary updates or revisions will be made to ensure the policy continues to meet the District's risk management and compliance requirements.

EXHIBIT D

POLICY TITLE: INTERNET OF THINGS (IoT) SECURITY
POLICY NUMBER: 7016

7016.1 Introduction. Beaumont-Cherry Valley Water District (BCVWD) recognizes the growing integration of Internet of Things (IoT) technologies across critical infrastructure and operations, including sensors, smart meters, wireless devices, and environmental monitoring systems. This policy establishes a security framework for the management and control of IoT devices in alignment with the National Institute of Standards and Technology (NIST) standards, including NIST SP 800-213 and the NIST Cybersecurity Framework (CSF). As a California Special District, BCVWD also adheres to the California Public Records Act (CPRA) to ensure transparency and accountability in data management and public trust.

7016.2 Purpose. The purpose of this policy is to define security requirements for the deployment, management, and operation of all IoT devices used by BCVWD. The policy is designed to mitigate the risk of unauthorized access, data breaches, and cyber-physical system vulnerabilities resulting from improperly configured or unmanaged IoT assets.

7016.3 Scope. This policy applies to all IoT devices connected to BCVWD's networks or systems, including, but not limited to:

- Smart meters and pressure sensors
- Surveillance and security cameras
- Building automation and HVAC systems
- Water treatment instrumentation and telemetry
- Remote monitoring systems (e.g., SCADA components)
- Embedded systems and field-deployed hardware
- Industrial IoT devices
- Voice assistants or smart displays, if ever deployed
- Mobile-connected devices such as GPS trackers
- Any network-connected or Bluetooth-enabled physical device
- Any third-party IoT systems integrated into BCVWD infrastructure

7016.4 Policy Details

7016.4.1 Governance and Ownership

- a. All IoT devices must be owned, approved, configured, and maintained by the Information Technology and Cybersecurity Department.
- b. Personal or employee-owned IoT devices (e.g., smartwatches, fitness trackers, home assistants, or IP cameras) are prohibited from connecting to BCVWD's secure network infrastructure.
- c. In cases where personal devices are authorized under the Bring Your Own Device (BYOD) Policy, they may only connect to designated guest wireless networks, which are logically segmented and isolated from BCVWD's operational networks.

7016.4.2 Procurement and Authorization

- a. All IoT device acquisitions must be reviewed and approved by the Information Technology and Cybersecurity Department.
- b. Devices must meet baseline security and interoperability standards, including:
 - Support for firmware upgrades and patching
 - Device authentication mechanisms
 - Secure transmission protocols (e.g., TLS)
 - Minimal attack surface by default
- c. Vendors must provide documentation regarding firmware lifecycle, known vulnerabilities, and

any embedded third-party code.

7016.4.3 Network Segmentation and Access Control

- a. All IoT devices must be deployed in logically segmented network zones to minimize lateral movement and reduce potential impact from device compromise.
- b. Role-based access controls (RBAC) must be applied to limit device access to essential personnel.
- c. Default credentials must be changed prior to deployment; multi-factor authentication (MFA) must be enforced where supported.

7016.4.4 Monitoring and Maintenance

- a. IoT devices must be registered in the District's Asset Inventory and managed by the Information Technology and Cybersecurity Department.
- b. All IoT devices must be monitored for unusual behavior, unauthorized access attempts, or connectivity issues using automated alerting and logging systems.
- c. Firmware and software must be updated promptly in response to security advisories or patches issued by manufacturers.

7016.4.5 Data Handling and Security

- a. IoT devices must not collect, transmit, or store personally identifiable information (PII), customer account data, or employee records unless expressly authorized and protected through encryption and role-based access.
- b. Where anonymized data is collected (e.g., environmental readings), it must be verified to contain no indirectly identifying information.

7016.4.6 Risk Management and Resilience

- a. IoT deployment must undergo cybersecurity risk assessment prior to installation, including evaluation of physical risks and cybersecurity exposure.
- b. Devices that are deemed obsolete, unsupported, or vulnerable must be decommissioned by the Information Technology and Cybersecurity Department.
- c. IoT-related incidents will be managed under the Incident Response Policy and must be reported immediately to the Information Technology and Cybersecurity Department.

7016.5 Review and Revision Policy. The Information Technology and Cybersecurity Department will review the "IoT Security Policy" annually to ensure alignment with evolving NIST guidance, industry best practices, regulatory mandates, and the expanding IoT threat landscape. Revisions will be made to ensure the policy remains effective in mitigating risk and securing BCVWD's infrastructure and public trust.

EXHIBIT E

POLICY TITLE: NON-IT APPROVED SOFTWARE PURCHASING POLICY
POLICY NUMBER: 7017

7017.1 Introduction. Beaumont-Cherry Valley Water District (BCVWD) prioritizes the secure, efficient, and compliant acquisition and use of software throughout the organization. In accordance with National Institute of Standards and Technology (NIST) best practices and the District's cybersecurity risk management framework, all software procurement and deployment must be carefully vetted to prevent data exposure, ensure interoperability, and reduce third-party risk. This policy ensures that no software is purchased, installed, or used without the involvement and explicit approval of the Information Technology and Cybersecurity Department.

7017.2 Purpose. The purpose of this policy is to:

- Prevent the introduction of unvetted or insecure software into BCVWD systems.
- Ensure data security, confidentiality, and privacy (including PII protection).
- Ensure compliance with NIST, CPRA, and internal cybersecurity requirements.
- Evaluate third-party software providers for risk related to data access, encryption, and storage.
- Maintain operational integrity, system compatibility, and centralized support.

7017.3 Scope. This policy applies to all BCVWD departments, employees, contractors, consultants, and third-party vendors who seek to acquire or utilize software, including desktop applications, mobile apps, SaaS platforms, cloud-based tools, and browser plugins, within the District's technology environment.

7017.4 Policy Details

7017.4.1 Software Procurement and Approval

- a. All software purchases, subscriptions, or free installations must be submitted in advance for review and approval by the Information Technology and Cybersecurity Department.
- b. No department or individual is authorized to purchase, download, or use software, regardless of cost, without prior authorization.
- c. Procurement requests must include a description of business need, technical requirements, and intended users.
- d. The IT Department will evaluate software for compatibility with District systems and cybersecurity standards.

7017.4.2 Third-Party Risk Assessments

- a. All third-party software is subject to a risk assessment prior to approval. This includes review of:
 - Vendor reputation and history
 - Data handling practices
 - Access permissions and authentication methods
 - Where and how data is stored (e.g., domestic vs. international storage)
 - Encryption at rest and in transit
 - Security certifications (e.g., SOC 2 Type II, ISO 27001)
 - Vendors must complete cybersecurity and compliance questionnaires upon request.

7017.4.3 Data Protection and Privacy

- a. Software solutions that process or store personally identifiable information (PII), employee records, customer data, or internal District files must meet CPRA and NIST security requirements.
- b. The District prohibits the use of software that transmits unencrypted sensitive data over the internet.

- c. The use of AI-enabled or analytics platforms that extract user behavior or confidential content must be approved under the District's AI Policy (7014).

7017.4.4 Integration and Compatibility

- a. Approved software must integrate with existing systems, infrastructure, and cybersecurity protocols.
- b. Solutions that conflict with current technologies or introduce vulnerabilities will be rejected.
- c. Cloud-based tools must comply with the District's Cloud Computing Policy (7003).

7017.4.5 BYOD and Personal Software

- a. As outlined in the BYOD Policy (7002), personal software or tools may not be used to process or store BCVWD data.
- b. Use of any personal or department-purchased software on District-issued devices is prohibited without IT Department approval.

7017.4.6 Unauthorized Software Use

- a. The Unauthorized or unapproved software discovered on District systems will be subject to removal without notice.
- b. Employees found to be installing, using, or facilitating use of non-approved software may be subject to disciplinary action in accordance with District policy.

7017.5 Review and Revision Policy. The Information Technology and Cybersecurity Department will review the "Non-IT Approved Software Purchasing Policy" annually or upon the introduction of significant new threats, technologies, or regulatory requirements. This review ensures continued alignment with NIST cybersecurity standards, California laws such as the California Public Records Act (CPRA), and internal operational objectives. Updates will be made to preserve data integrity, prevent third-party risk, and maintain the security posture of the District.



**Beaumont-Cherry Valley Water District
Regular Board Meeting
August 28, 2025**

Item 5

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: Consideration of Attendance at Upcoming Events and Authorization of Reimbursement and Per Diem

Staff Recommendation

If desired, pre-approve the attendance of all directors at the:

- Orange County Water Summit on Friday, Sept. 5, 2025

for purposes of per diem and reimbursement of associated reasonable and necessary expenses per District policy and the estimated expenses in the Travel Plan.

Executive Summary

Per request of Director Ramirez, the Orange County Water Summit is presented for preapproval.

The event itself is preapproved per the Annual List of Preapproved Events, Table A, Line 4. In the interest of transparency, staff requests preapproval of associated costs per the following Travel Plan:

Orange County Water Summit on Friday, September 5, 2025 at the Westin South Coast Plaza in Costa Mesa	
Estimated cost per event attendee:	
Event registration (Event time 7:30 a.m. to 1:30 p.m.)	\$ 175.00
Hotel 1 Night [check in Thu 9/4, check out Fri 9/5 (1 night +tax and fees) est.]	\$ 322.50
Hotel self parking (2 days at \$45 per day)	\$ 90.00
Meals and incidentals (1.5 days: dinner only Thu 9/4 Breakfast and Lunch on Fri 9/5 are provided at the Summit) (US GSA LA/Orange/Ventura per diem \$22 breakfast, \$23 lunch, \$36 dinner)	\$ 36.00
Transportation (driving personal vehicle 136 miles RT @ 70.0 cents mile - IRS rate)	\$ 95.20
Director per diem (2 days @ \$296.4 per day)	\$ 592.80
Estimated cost per meeting attendee (using average of hotel room rate)	\$ 1,311.50

Event attendance is governed by BCVWD Policies and Procedures Manual Policy 4060 Training, Education and Conferences, and Policy 4065 Remuneration / Director Per Diem Fees. Cost control is provided by Policies 4070 Payment or Reimbursement of Expenses Incurred on District Business and Policy 4075 Expenditure / Reimbursement Procedure. The Board is responsible for evaluating director attendance at upcoming events for possible pre-approval or approval after attendance for compensation and / or expense reimbursement pursuant to these policies.

Directors desiring to attend events not specifically enumerated and preauthorized by BCVWD policy should obtain pre-approval via vote of the Board in order to receive a per diem and/or expense

reimbursement. The Board may vote to pre-approve any selected activities that are not preapproved. Estimated expenses for travel are provided but may vary. The Board may set any cap or limitations as deemed appropriate to comport with the “reasonable and necessary” doctrine. Expenses listed in the Travel / Event Plan as enumerated will be assumed by staff to be authorized / preapproved. Expenses beyond those in the Travel / Event Plan will be presented to the Board for approval.

Per Government Code 53232.3(d), Directors will either prepare a written report for distribution to the Board or make a verbal report during the next regular meeting of the Board.

Fiscal Impact

The fiscal impact will depend on the number of directors attending an event and the event costs.

Budget Tracking 2025	Training, Education and Travel		FY 2025 Approved Budget: \$55,000
As of this date	Expenditures	Budget Remaining	Percent expended
8/16/2025	\$21,969.61	\$33,030.39	39.9%

The Fiscal Impact table represents all items received by AP as of August 16, 2025. It does not include all items paid as not all receipts have been turned in.

Attachments

1. OC Water Summit Programme

O.C. WATER SUMMIT



7:30 a.m.

Registration and Continental Breakfast

8:00 a.m.

Welcome and Pledge of Allegiance

8:15 a.m.

Session 1: Responding to PFAS – Balancing Protection, Policy, and Practicality

- Moderator: Eric Sapirstein, president, ENS Resources
- Sally Brown, PhD, research associate professor, University of Washington
- G. Tracy Mehan, III, executive director, government affairs, American Water Works Association
- Jimmy Slaughter, principal, Beveridge & Diamond PC

9:15 a.m.

Session 2: Is the State Prioritizing Abundant Water Supply?

- Moderator: Craig Miller, general manager, Western Municipal Water District
- Jason Phillips, chief executive officer, Friant Water Authority
- Ed Manning, partner, KP Public Affairs
- Darcy Burke, board member, Elsinore Valley Municipal Water District
- Jennifer Pierre, general manager, State Water Contractors

10:15 a.m.

O.C. WATER SUMMIT

Session 3: Rethinking the Bay-Delta: Restoration with Benefits

- Moderator: Stephen J. Faessel, board member, Metropolitan Water District of Southern California
- Curt Schmutte, consultant and Delta expert, Curt Schmutte Consulting
- Emily Corwin, director of strategic initiatives, San Francisco Estuary Institute
- Randall Neudeck, program manager, Bay-Delta, Metropolitan Water District of Southern California

11:45 a.m.

Session 4: Getting Water on the Ballot

- Moderator: Dr. Adam Probolsky, president, Probolsky Research
- Jim Sutton, attorney, Rutan & Tucker, LLC
- Speaker TBD

12:45 p.m.

Lunch

1:30 p.m.

Summit concludes

**Program subject to change*



**Beaumont-Cherry Valley Water District
Regular Board Meeting
August 28, 2025**

Item 6

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: Discussion regarding Solar and Alternative Energy Opportunities

Staff Recommendation

Discussion only

Executive Summary

This Staff Report provides for an initial discussion regarding solar power opportunities as well as alternative energy opportunities related to current and future District projects and initiatives. This item was most recently discussed during the topic list for future meetings on June 25, 2025 and some guiding principles were provided by the Board of Directors and General Manager Jagers as follows:

Bring back a general discussion item regarding solar and alternative energy sources for discussion at Board Level with the following guidelines:

- Discussion of solar with battery storage for load balancing and resilience.
- Large-scale solar and storage battery projects: costly, uncertain ROI, regulatory complexity.
- Smaller-scale projects (facility solar, fleet vehicle chargers) may be practical.
- Consultant support essential for any districtwide effort.
 -
- Director John Covington:
 - Cautioned: projects are complex, costly, and shifting with legislation.
 - Shared experience: \$3M+ spent on consultants over 4 years, limited progress.
 - Large projects need significant capital investment + consultant support.

Background

The Board of Directors has requested that Staff prepare an outline of possible available solar and alternative energy projects that may be available to the District for discussion and possible further direction.

Water districts across California face rising electricity costs due to energy-intensive pumping operations. Strategic investment in renewable energy projects can stabilize costs, improve resiliency, and reduce reliance on fossil fuels. Neighboring districts (e.g., Eastern Municipal Water District) have implemented large-scale Power Purchase Agreement (PPA) solar projects paired with Southern California Edison (SCE) interconnections, achieving net savings exceeding \$40 million over 25 years for large multi-site generation locations.

Our District has an operations center (8,200 sq. ft. roof, north-south ridgeline), multiple well sites, and booster stations that collectively consume a significant portion of district operating expenses.



This briefing outlines potential solar, battery, and alternative fuel projects modeled on proven approaches.

Some opportunities that could be further investigated by Staff and/or an energy consultant as well as next steps are as follows:

1. Operations Center Solar PV (Rooftop & Carport)

- Rooftop Solar:
- Carport Solar: Provides dual use (fleet parking shade + generation).
- Procurement Pathways:
 - PPA with SCE-approved provider – fixed rate per kWh, no upfront cost.
 - Direct Ownership with Incentives – eligible for Self-Generation Incentive Program (SGIP).
- Net Energy Metering Aggregation (NEMA): Apply excess credits from HQ solar to well and booster accounts.

NEM Aggregation (NEMA) is a Southern California Edison (SCE) program that allows a single renewable energy system to offset the electricity consumption of multiple meters on one property, such as in agricultural operations. Unlike the standard Net Energy Metering (NEM) program, which only applies credits to a single meter's usage, NEMA lets excess energy credits from one meter be shared among other eligible, contiguous meters owned by the same customer, providing bill savings across the entire property

2. Well & Booster Station Ground-Mounted Solar

- Daytime Pumping Offsets: Wells with consistent daytime runtime are ideal for ground-mounted arrays.
- RES-BCT Tariff: Similar to EMWD's 5 MW project, a central solar array could feed bill credits across multiple accounts.
- Historical Example: EMWD achieved 25-year net savings of ~\$13.5M from one RES-BCT project.

3. Battery Energy Storage Systems (BESS)

- Peak Shaving: Discharge batteries during SCE's 4–9 PM peak to reduce demand charges.
- Resiliency: Backup for SCADA, controls, and communications during outages or PSPS events.
- Programs: SGIP offers substantial rebates for public agencies installing storage.

4. Alternative Fuel & Backup Options

- Renewable Diesel Transition: Convert standby diesel generators to renewable diesel (drop-in).
- Hydrogen Fuel Cells: Pilot project for clean, resilient backup at future off-site facility.
- Microturbines (Optional): Natural gas microturbines as transitional generation at key wells.



5. Future Facility Development

- Sustainability Demonstration Site: Incorporate solar + storage + EV charging at the future facility.
- Community Education Component: Position the district as a regional leader in clean water-energy nexus strategies.

Financial Considerations

- PPA Structure:
 - 25-year term with fixed kWh pricing below SCE retail rates.
 - Options to buy out at 7, 10, 20 years.
- Cost Reimbursement Agreements: Civil/site preparation costs may be reimbursable through PPA rate structure.
- Savings Potential:
 - Rooftop/carport project: \$3–5M savings over 25 years.
 - Wells/booster solar + RES-BCT: \$15–20M savings potential.
 - Combined portfolio: \$20–30M+ lifecycle savings (conservative estimate).

Implementation Path

1. Feasibility & Consultant Engagement – Retain energy consultant.
2. SCE Interconnection Applications – Rule 21 studies, security deposits.
3. Issue RFP for PPA Provider – Similar to EMWD's competitive selection of REC Solar.
4. Civil/Site Preparation Contract – Bidding required.
5. Board Resolution (Gov. Code 4217) – Required finding that PPA costs are less than avoided costs.
6. Construction & Commissioning – Target federal tax credit eligibility, ensure compliance with CEQA.

Possible Current and Future District Strategic Alignment Opportunities such as:

- Energy Independence Goal: Reduce reliance on SCE and fossil fuels.
- Cost Stability: Hedge against rising energy rates.
- Resiliency: Improve backup power for essential water facilities.
- Environmental Stewardship: Lower carbon footprint, support state renewable mandates.

Fiscal Impact

The fiscal impact to the District unknown at this time.

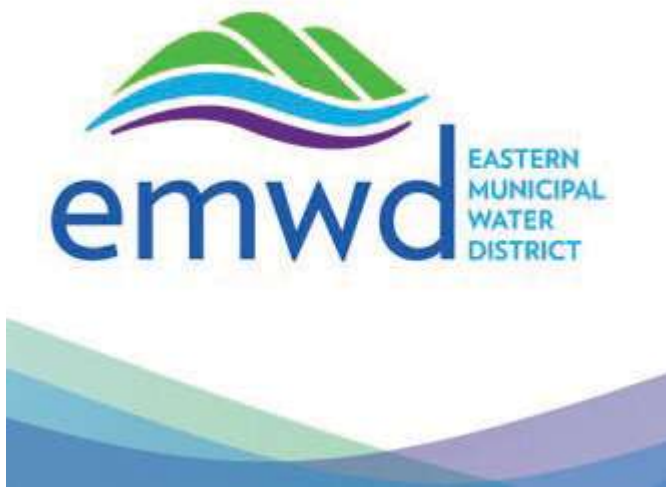
Attachments

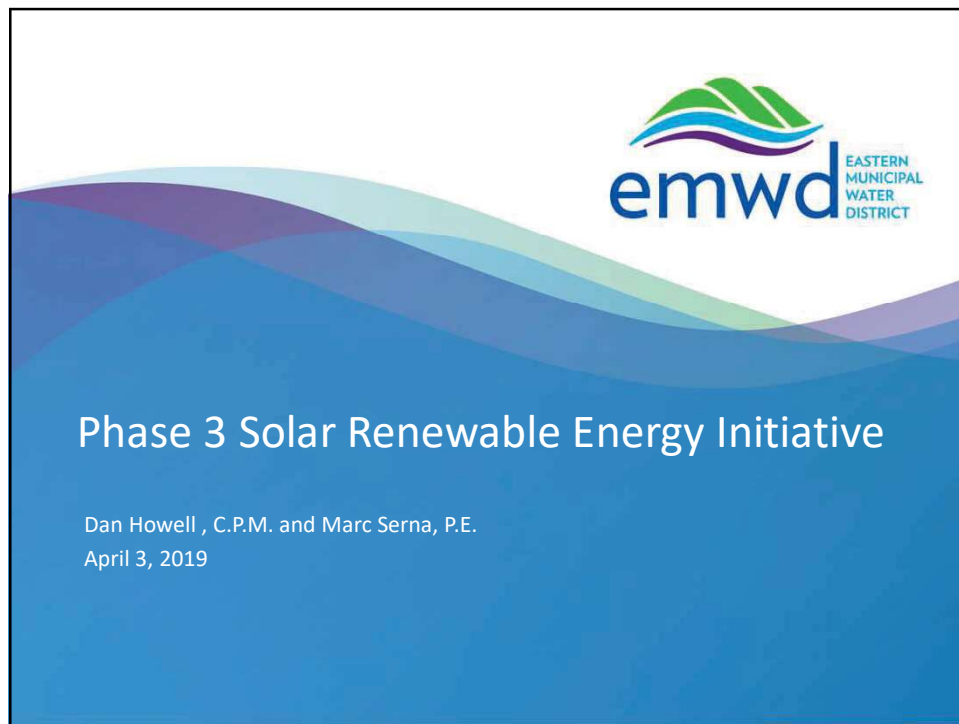
1. Case Study: Eastern Municipal Water District Phase 3 Solar Renewable Energy Initiative
 - a. Power Point
 - b. September 5, 2018 Board of Directors Action Item Regarding Lolar Renewable Energy Initiative- Phase 3 Appropriation for SCE Agreement
 - c. April 3, 2019 Public Hering Regarding Phase 3 Solar Renewable Energy Initiative and Additional Appropriation
2. SCE RES-BCT Tariff Fact Sheet

Staff Report prepared by Daniel K. Jagers, General Manager

Case Study

Eastern Municipal Water District 2018





1

Phase 3 Solar Initiative

STRATEGIC PLAN 2016-2018

Energy Independence: Plan and cost-effectively implement local renewable energy projects with sufficient generation to meet the District's entire net energy demands while minimizing the District's carbon footprint.

- **Objective:** Cost-Effective Additions or Expansions of Solar Power Generation
 - Net Energy Metering (NEM) 2.0
 - Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT)

San Jacinto Valley RWRf 1 MW

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2

Districtwide Renewable Energy Portfolio

Project	In-Service Date	Projects Installed	MW's Installed (DC)	Anticipated Annual Production (kWh)
Fuel Cell- MVRWRF	2009	2	1.5	11 million (85% Rated Output)
Fuel Cell- PVRWRF	2012			
Phase 1 Solar	2014	1	0.5	1.3 million
Phase 2 Solar	2015	5	5.0	12 million
Total (2017)		8	7.0	24.3 million *
<i>Phase 3 Solar</i>	<i>2020</i>	<i>5</i>	<i>15.9</i>	<i>34.3 million</i>
Total (Future)		13	22.6	58.6 million

* Purchased Electricity (2017) = 100 million kWh



3

Background

- Feasibility Evaluation:
 - TerraVerde Energy Contract, Board approved August 17, 2016
 - SCE Net Energy Metering (NEM) 2.0 opportunities
 - SCE Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT)
 - Battery Storage alternatives
 - Economic Evaluation
 - Power Purchase Agreement (PPA) deemed more favorable than a cash-purchase

	MVRWRF	PVRWRF	SCRWRF/ Desalters	SJVRWRF	SJVRWRF (North)	Totals
25-Year Net Savings	\$4,567,390	\$4,791,319	\$4,336,172	\$3,437,059	\$8,061,595	\$25,193,535
Initial System Size	2.23 MW	3.16 MW	1.87 MW	1.5 MW	5.52 MW	14.3 MW
Tariff	NEM 2.0	NEM 2.0	NEM 2.0	NEM 2.0	RES-BCT	

Note: Pro Forma from 2017 Feasibility Evaluation



4

Background

- Solar Power Purchase Agreement (PPA):
 - Advanced RFP solicitation July 10, 2018 to obtain market solar PPA pricing
 - Received/evaluated 10 vendor proposals; Short-listed three vendors
 - Conducted Interviews October 29, 2018 of short-listed vendors
 - Requested Best and Final Offers of top two vendors
 - Concluded vendor selection- **REC Solar of San Luis Obispo, CA**
 - Highest Ranked Vendor
 - Deemed to provide the best overall value to the District


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Background- 2018

- Civil/Site Improvements:
 - Advanced design and construction contract documents
 - Completed bid solicitation; received 5 bid proposals
 - Sukut Construction, LLC. of Santa Ana, CA provided the lowest responsive bid of \$7,378,000
 - Engineer's Estimate- \$12,991,610

REVISED FINAL BID SUMMARY



SPECIFICATION NO. **1245**

Solar Renewable Energy Initiative - Phase 3 Site Preparation

By: Jerry Wallace CA: Justin Winters CAR: Melissa Abella Phone: 971-1100		Bid Time and Date: 11/14/2018 at 10:00 am Tentative Board Award date: 11/20/2018 Bonding Estimate: \$12 Mill to \$24 Mill	
Rank	Bidder's Company Name	City & State	Bid Amount
1	Sukut Construction, LLC	Santa Ana, CA	\$7,378,000.00
2	Rockforce Construction, LLC	Merced, CA	\$8,071,000.00
3	Calypso Springs Env. & Water Construction	Merced, CA	\$18,400,000.00
4	Stratford Engineering, Inc.	Merced, CA	\$11,997,112.00
5	Los Angeles Engineering, Inc.	Contra Costa, CA	\$17,884,000.00
N/A	Special Infrastructure West Co.	Vancouver, WA	\$18,295,000.00
*Special Infrastructure West Co. dropped non-responsive for invited Bid Bond.			
Bid Analysis			
Engineer's Estimate:		\$12,991,610.11	
Apparent Low Bid:		\$7,378,000.00	
Difference:		\$5,613,610.11	
Percent UNDEP/Over Engineer's Estimate		-42.5%	

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Summary of Anticipated Savings

- Final Project Pro-Formas (2019)

	MVRWRF	PVRWRF	SCRWRF/ Desalters	SJRWRF	SJRWRF North	TOTALS
PPA Rate*	\$0.09218	\$0.06642	\$0.07230	\$0.06887	\$0.05828	
System Size (MWdc)	2.947	4.118	1.806	1.564	5.469	15.9
Tariff	NEM 2.0	NEM 2.0	NEM 2.0	NEM 2.0	RES-BCT	
Savings ** (million \$)	\$4.63	\$12.71	\$5.34	\$4.38	\$13.56	\$40.6

* Subject to minor adjustment of reconciled ITC % and actual SCE Interconnection costs

** Anticipated Savings- 25-year cumulative values



7

Summary of Anticipated Savings

- Anticipated net savings has increased to approximately **\$40 million** over the 25-year PPA term.
- Increase in anticipated savings due to:**
 - PPA rates are lower than estimated for 4 out of 5 projects
 - Civil/Site prep costs are lower than estimated and are now rolled into the PPA rate, which receive Investment Tax Credit (ITC) benefits
 - Increases in solar PV system sizes
 - Solar production yields are higher than estimated
 - SCE Rates are higher than the applicable SCE Rates from Feasibility Evaluation
 - Updated SCE rates for the 'Grandfathering' period (produce higher avoided cost calculations)
 - Inclusion of RES-BCT project settlement payment from SCE (indifference payment)
 - Increased valuation of Renewable Energy Certificates (added revenue from expected sales)
 - Facility asset management services are lower than estimated.



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Solar Power Purchase Agreements

- Negotiated PPA pricing
 - Fixed price per kWh subject to:
 - Adjustments in Investment Tax Credit eligibility % and Final Electrical Interconnection Costs
 - 25-year term
 - Civil/Site costs included
 - Reimbursable up to approximate \$10.1M
 - System buy-out option intervals
 - 7-yr, 10yr, 20yr and 25-yr
 - Performance guarantee
 - Operations and Maintenance
 - Property lease and easement for each site

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Project Sites

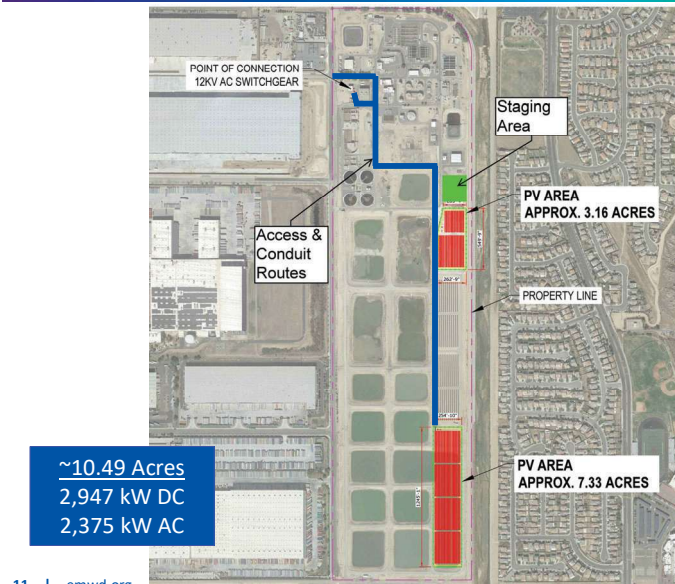


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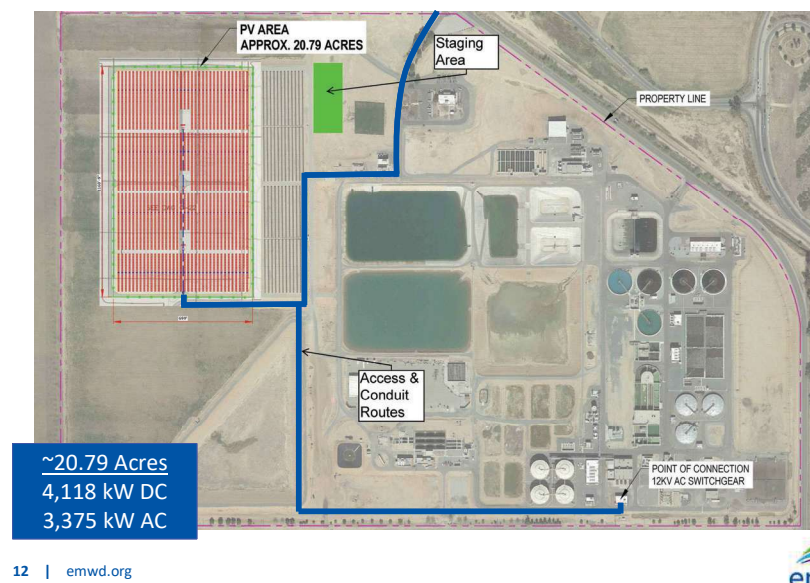
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MVRWRF Site and Access



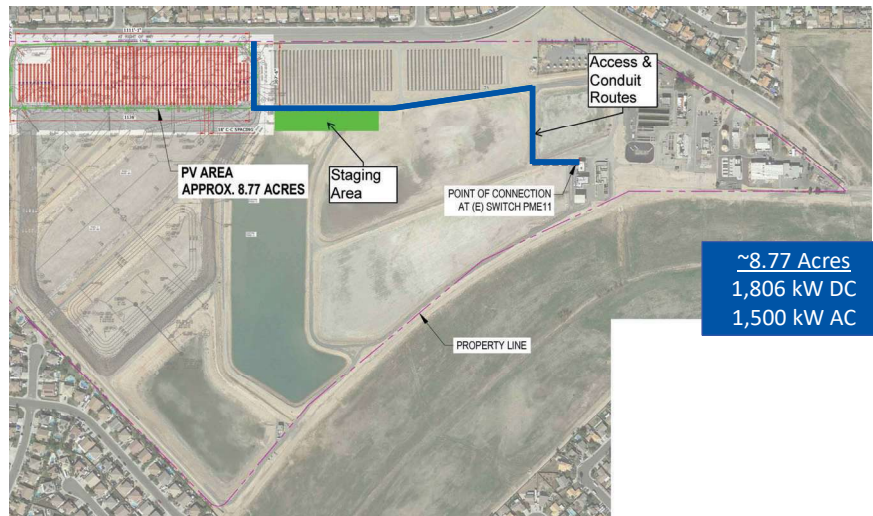
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PVRWRF Site and Access



12

Sun City RWRf/Desalter Site and Access

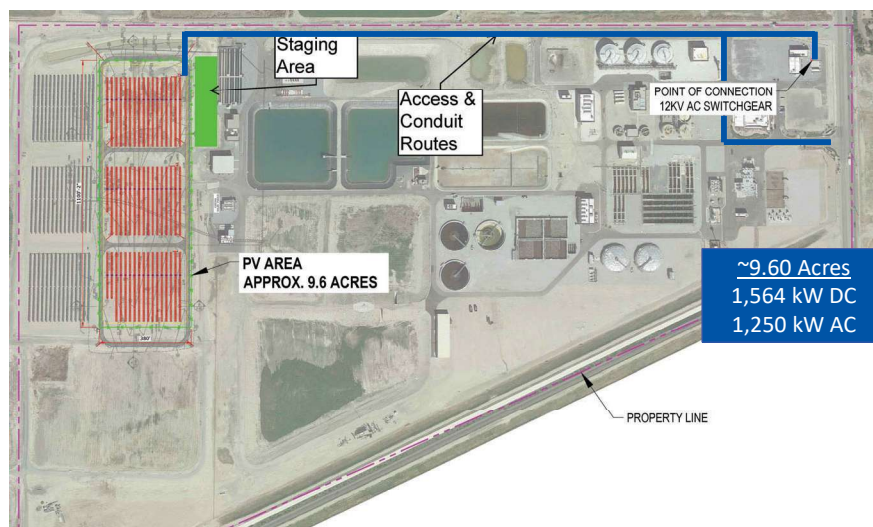


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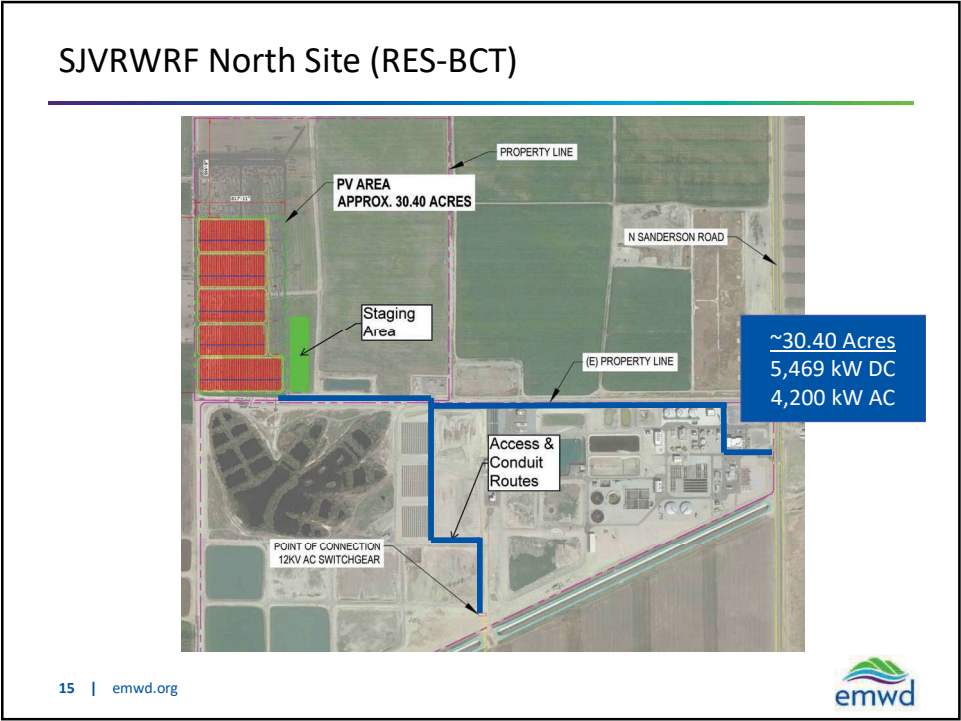
SJVRWRF Site and Access



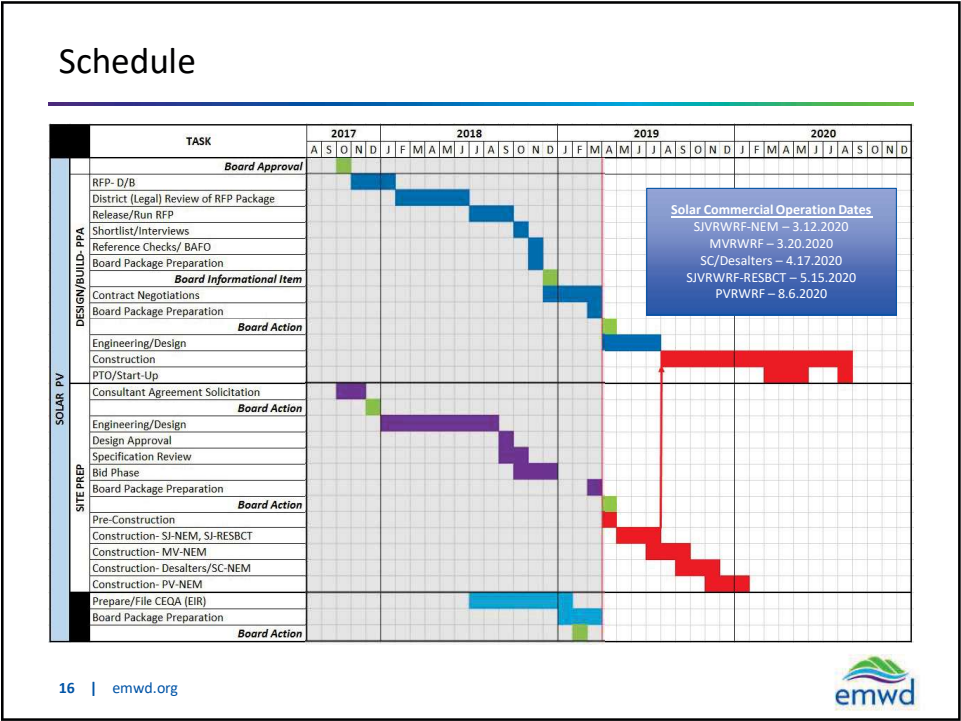
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Recommendations

- Approve and Authorize:
 - Execution of PPAs and related agreements with REC Solar
 - Execution of property leases and easements with REC Solar
 - Execution of a construction contract with Sukut Construction
 - \$7,378,000
 - Execution of a professional services agreements with:
 - TerraVerde Energy – not to exceed \$282,300
 - Carollo Engineers – not to exceed \$139,900
 - Kleinfelder – not to exceed \$162,700
 - Administrative award and execution of ancillary contracts and agreements
 - Additional project appropriation - \$9,026,900
 - Total appropriation - \$10,649,600
 - Reimbursable up to \$10,094,001 via PPA Cost Reimbursement Agreement



- Conduct Hearing

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California Government Code 4217

- Hold a public hearing to consider approval of the PPAs
 - The notice of the public hearing was posted on March 15, 2019
- Approve a Resolution making the following findings:
 - That the anticipated cost to the District for electrical energy provided by the Project under the PPAs will be less than the anticipated marginal cost of electrical energy that would have been consumed by the District in the absence of the Project under the PPAs; and
 - That the difference, if any, between the fair rental value for the real property subject to the facility ground lease and the agreed rent, is anticipated to be offset by below-market energy purchases or other benefits provided under the PPA.

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**Board of Directors
September 5, 2018**

SUBJECT:

Approve and Authorize Additional Appropriation for the Solar Renewable Energy Initiative - Phase 3 in the Amount of \$548,200; and Execution by the General Manager, or his Designee, of the SCE Form of Escrow Agreement or Guaranty Agreement to Provide Initial Financial Security Payments for Any/All of the Five Potential Solar Power Projects in Amounts up to \$420,000

BACKGROUND:

The District's solar power consultant, TerraVerde Energy (TerraVerde), identified potential solar generation projects at five District locations for further consideration. These include expansion of solar generation under Southern California Edison's (SCE's) Net Energy Metering (NEM) 2.0 program at four of the District's existing 1-megawatt installations, as well as one 5-megawatt project under SCE's Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) tariff that would be located on District property adjacent to the San Jacinto Valley Regional Water Reclamation Facility. Combined, the potential solar projects would provide approximately 15.2-megawatts of additional solar power generation to the District's renewable energy portfolio.

On July 10, 2018, Request for Proposals (RFP) were issued to qualified solar/PPA providers in order to validate costs and savings projections developed thus far. Prior to RFP release, 20-year pro-forma estimates for the solar power projects were updated, as summarized below, which have a total potential (net) savings of over \$24 million.

	MVRWRF	PVRWRF	SCRWRF	SJVRWRF	SJVRWRF (North)	Totals
25-Year Net Savings	\$4,186,143	\$5,732,357	\$1,340,514	\$2,957,418	\$9,871,030	\$24,087,462
System Size	2.6 MW	4.0 MW	1.7 MW	1.4 MW	5.5 MW	15.2 MW
Tariff	NEM 2.0	NEM 2.0	NEM 2.0	NEM 2.0	RES-BCT	-

As part of identifying all power infrastructure requirements for the Phase 3 solar project, interconnection applications have been submitted to SCE, and Rule 21 system impact studies have been initiated and completed by SCE for all five sites. The following table provides estimates of additional near term payments required by SCE for their ongoing electrical interconnection processing:

	MVRWRF (NEM 2.0)	PVRWRF (NEM 2.0)	SCRWRF (NEM 2.0)	SJVRWRF (NEM 2.0)	SJVRWRF (RES-BCT)	Totals
Potential System Upgrade Costs	\$343,758	\$59,272	\$347,820	\$61,876	\$1,540,738	\$2,353,464
Facility Study	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$75,000
Estimated 1st Financial Security Payment	\$70,000	\$10,000	\$70,000	\$10,000	\$260,000	\$420,000
Current Required SCE Processing Amounts	\$85,000	\$25,000	\$85,000	\$25,000	\$275,000	\$495,000

(1) Reimbursable Deposit, minus actual costs incurred or irrevocably committed by SCE, if the District decides not to pursue any/all solar project(s)

To fund these near term payments to SCE (\$495,000) for their continued processing of the District's interconnection applications, as well as to restore contingency funding (\$53,200) for activities though the approval and award of a potential PPA contract(s) and related site improvement construction contract(s), staff is requesting additional appropriation in the amount of \$548,200. If a PPA agreement is reached between a PPA/solar provider and the District, then a second financial security payment in early 2019 will be required to proceed with SCE upgrade work identified in the facility studies. This amount will be brought to the Board for consideration along with the PPA recommendation.

SCE has provided the following three acceptable forms of security deposit for the District to select from, each having applicable agreement forms, terms, and conditions:

1. Letter of Credit
2. Escrow Agreement
3. Guaranty Agreement

Staff recommends that security deposits be provided to SCE through an Escrow Agreement or Guaranty Agreement, as appropriate to meet SCE's requirements.

FINANCIAL IMPACT:

The subject efforts and costs will be funded through the District's Operations Research/Development Fund - Special Projects, subject to potential reimbursement as part of the Power Purchase Agreement.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Energy Independence: Plan and cost-effectively implement local renewable energy projects with sufficient generation to meet the District's entire net energy demands while minimizing

the District's carbon footprint.

ENVIRONMENTAL IMPACT:

This project is subject to the California Environmental Quality Act (CEQA). In conformance with the California Code of Regulations Title 14, Chapter 3, Section 15004, the appropriate environmental document will be prepared when "meaningful information" becomes available.

RECOMMENDATION:

Approve and authorize the following:

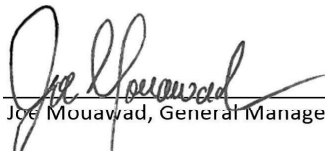
1. Additional Appropriation in the amount of \$548,200 to fund project costs though the approval and award of a potential solar PPA contract(s) and related site improvement construction contract(s); and,
2. Execution by the General Manager, or his designee, of the SCE form of Escrow Agreement or Guaranty Agreement to provide initial financial security payments for any/all of the five potential solar power projects in amounts up to \$420,000.

SUBMITTED BY:



Paul D. Jones II, P.E., General Manager

8/17/2018



Joe Mouawad, General Manager

8/15/2018

Attachment(s):

Exhibit A - Project Budget

Exhibit B- SCE Grid Interconnection Escrow Agreement

Exhibit C- SCE Grid Interconnection Guaranty Agreement

History:

08/23/18	Board Operations and Engineering Committee	RECOMMENDED FOR
APPROVAL		
09/05/18	Board Meeting	

Staff Contact: Greg Kowalski, Corey Wallace



Board of Directors

April 3, 2019

SUBJECT:

Conduct Public Hearing, Approve and Authorize Agreements and Adopt Proposed Resolution for the Phase 3 Solar Renewable Energy Initiative, and Additional Appropriation in the Amount of \$9,026,900

BACKGROUND:

In accordance with the District's strategic initiative for net energy independence, the District's renewable energy consultant, TerraVerde Energy (TerraVerde), has worked with staff to identify new or expanded solar generation opportunities at five locations (Project) as shown on Exhibit A. These include the expansion of solar generation under Southern California Edison's (SCE's) Net Energy Metering (NEM) 2.0 program at four of the District's existing 1-megawatt installations at Regional Water Reclamation Facilities (RWRFs – Moreno Valley, Perris Valley, San Jacinto Valley and Sun City/Desalter Complex); as well as the potential for one 5-megawatt project under SCE's Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) tariff, that would be located on District property adjacent to the San Jacinto Valley RWRF. Combined, the Projects provide the District with approximately 16 megawatts of additional solar power generation, with anticipated net savings of approximately \$40 million through the 25-year Power Purchase Agreement (PPA) term.

Power Purchase Agreement (PPA)

California Government Code section 4217.10 et seq. allows public agencies to enter into energy services agreements for the purchase of energy from solar systems installed on the District's property with the greatest flexibility in structuring agreements whereby economic benefits may be maximized. In July 2018, the District issued a Request for Proposals (RFP) and conducted a selection process to obtain proposals for the purchase of energy from solar systems installed on District property. California Government Code section 4217.10 et seq. allows the District to select the proposal that is deemed to be in the District's best interest and best value.

Through the RFP process, including additional due diligence, reference checks, and negotiations, REC Solar of San Luis Obispo, California, is recommended as the selected PPA provider to design, install, operate, maintain, and retain ownership of the solar facilities at various District sites via site-specific PPAs and site lease agreements (Exhibits B-F). The PPAs consist of specific terms, conditions, guarantees, and technical specifications, which outline the responsibilities and legal requirements of each party. Each PPA provides a fixed price per kWh for renewable energy that is less than the cost of electricity purchased from the District's electric utility provider, SCE. However, the overall PPA rate is subject to minor adjustments for the investment tax credit value and SCE interconnection costs upon completion of construction

after actual Project costs are realized. It is anticipated that these adjustments will be minor and non-substantive to the final fixed rate. The PPAs have 25-year contract terms, and include options for the District to purchase the solar facility assets during the term of the agreement at a discounted value.

Prior to approving the PPAs, the District's Board of Directors must fulfill two requirements under California Government Code section 4217.10, et seq.:

1. Make the following findings:
 - a. That the anticipated cost to the District for electrical energy provided by the Project under the PPA will be less than the anticipated marginal cost of electrical energy that would have been consumed by the District in the absence of the Project under the PPA; and
 - b. That the difference, if any, between the fair rental value for the real property subject to the facility ground lease and the agreed rent, is anticipated to be offset by below-market energy purchases or other benefits provided under the PPA.
2. Hold a public hearing to consider approval of the PPA, for which a public notice must be given at least two weeks prior to the public hearing. The notice of the public hearing was posted on March 15, 2019.

Based on the 25-year cash flow savings projection for each project prepared by TerraVerde (included in draft Board Resolution, Exhibit G), there is sufficient basis for the above findings.

As part of the PPA, property leases and related access easements are necessary between the District and PPA provider. The property leases will be limited to the footprint (fence line) of each solar array with easements prepared for appropriate access generally from the main entrance of each RWRF. The PPA provider will be responsible for all applicable property taxes, fees, and permits associated with the installation of the solar facilities on the District's property.

Civil/Site Work

In preparation to receive the solar facilities, extensive civil/site work must be performed to prepare elevated equipment pads at each of the five Project sites. On November 14, 2018, the District received bids from qualified contractors for associated civil/ site improvements under Specification No. 1345. As shown on the attached Revised Final Bid Summary (Exhibit H), Sukut Construction, LLC. (Sukut), of Santa Ana, California, submitted the lowest of five bids received, with a total bid of \$7,378,000. This bid was reviewed and found to be responsive with the contract documents. The engineer's estimate for this Project was \$12,991,610. Sukut has previously performed similar work for the District in a satisfactory manner.

The Phase 3 Solar Renewable Energy Initiative will be implemented in two stages that will run concurrently: Stage 1 – Civil/Site Improvements and Stage 2 - Solar System Design/Build and Installation. By advancing both activities simultaneously, the District will maximize the best value for the Project by:

- Providing for optimal construction scheduling to best meet milestones associated with the PPA provider's access to Federal Investment Tax Credits that facilitate subsidized PPA rates; and
- Maximizing the energy cost benefits of Time-of-Use period grandfathering eligibility for each project site provided by an agreement with SCE.

General Implementation

The initial Project implementation cost is estimated at \$10,649,600, per the attached Project Cost Estimate (Exhibit I). At this time, staff recommends additional appropriation in the amount of \$9,026,900 to fund Project expenses and associated engineering labor costs through Project completion subject to reimbursement from the PPAs via the Cost reimbursement agreement up to \$10,094,001. A portion of the subject request for additional appropriation will be utilized to fund various professional services agreements during the Project construction.

Staff requested and negotiated technical support services from TerraVerde of Larkspur, California, in the amount not-to-exceed \$282,300 (Exhibit J). TerraVerde's services include the following key tasks:

- Project meetings, site visits, and administration
- Review of design/build design milestone submittals
- Review of submittals, design clarifications, and potential change orders
- Compliance with Power Purchase Agreement and Ancillary Agreements
- SCE Coordination and SCE Interconnection Process and Agreements
- Coordination with Specialty Electrical Inspector
- Testing, start-up, and commissioning services

Staff also requested and received a proposal from Carollo Engineers (Carollo), of Riverside, California, in an amount not-to-exceed \$139,900 (Exhibit K). Carollo will provide specialty electrical inspection services for the solar interconnections. Carollo was previously selected and included on the District's annual contract list for design services, has extensive experience working in all of the District's RWRFs, and they provided inspection services as well as supported the implementation of the solar phase 1 and phase 2 facilities.

In addition, staff requested and received a proposal from Kleinfelder, of Riverside, California, in an amount not-to-exceed \$162,700 (Exhibit L). Kleinfelder will provide geotechnical testing and

observation services during construction for the civil/site work. Kleinfelder was previously selected and included on the District's annual contract list for geotechnical services, has extensive experience working on the various District facilities, and they are the geotechnical firm of record during the design phase of the civil/site improvements.

FINANCIAL IMPACT:

The subject Project efforts will be funded through the District's Operations Research/Development Fund- Special Projects, subject to partial reimbursement as part of the Power Purchase Agreements via the Cost Reimbursement Agreement up to \$10,094,001.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Energy Independence: Plan and cost-effectively implement local renewable energy projects with sufficient generation to meet the District's entire net energy demands while minimizing the District's carbon footprint.

ENVIRONMENTAL IMPACT:

This project is subject to the California Environmental Quality Act (CEQA) and an Environmental Impact Report (EIR) was prepared in conformance with California Code of Regulations Title 14, Chapter 3, Article 7, Section 15080, *et seq.* The Final EIR was certified and adopted by the Board on February 20, 2019.

RECOMMENDATION:

Approve and authorize the following:

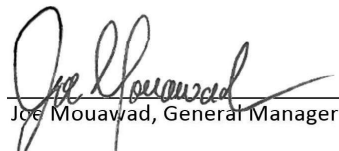
1. Holding a public hearing to consider approval of the Power Purchase Agreements for the Phase 3 Solar Renewable Energy Initiative;
2. Adopt a Resolution making the required findings and authorizing and approving the Power Purchase Agreements with REC Solar, and authorizing the execution and delivery of ancillary agreements, documents, and actions required in connection therewith;
3. Execution by the General Manager, or his designee, of the Power Purchase Agreements and related agreements, subject to non-substantive changes, with REC Solar;
4. Execution by the General Manager, or his designee, to approve and authorize the required property leases and easements subject to non-substantive changes;
5. Execution by the General Manager, or his designee, of the District's standard form of contract with the lowest responsive bidder, Sukut Construction, LLC, in the amount of \$7,378,000 for civil/site work;

6. Execution by the General Manager, or his designee, of the District's standard form of agreement amendment with TerraVerde Energy for technical support services during design/build and construction in the amount of \$282,300;
7. Execution by the General Manager, or his designee, of the District's standard form of agreement with Carollo Engineers for specialty electrical services during construction in the amount of \$139,900;
8. Execution by the General Manager, or his designee, of the District's standard form of agreement with Kleinfelder for geotechnical testing and observation services during construction in the amount of \$162,700;
9. Administrative award and execution by the General Manager, or his designee, of the District's standard form of contracts and agreements for implementation of the Project; and
10. Additional appropriation in the amount of \$9,026,900 which brings the total estimated initial Project implementation cost to \$10,649,600.

SUBMITTED BY:


Paul D. Jones II, P.E., General Manager

3/26/2019


Joe Mouawad, General Manager

3/21/2019

Attachment(s):

Exhibit A - Location Map
Exhibit B - Moreno Valley RWRF PPA
Exhibit C - Perris Valley RWRF PPA
Exhibit D - Desalters/Sun City RWRF PPA
Exhibit E - San Jacinto Valley RWRF NEM PPA
Exhibit F - San Jacinto Valley RWRF RES-BCT PPA
Exhibit G - Resolution
Exhibit H - Revised Final Bid Summary
Exhibit I - Cost Estimate
Exhibit J - TerraVerde Proposal
Exhibit K - Carollo Proposal
Exhibit L - Kleinfelder Proposal
Presentation

History:

03/28/19 Board Operations and Engineering Committee RECOMMENDED FOR
APPROVAL

Project Sites



REVISED FINAL BID SUMMARY



SPECIFICATION NO. **1345**

Solar Renewable Energy Initiative - Phase 3 Site Preparation

PE: Corey Wallace	Bid Time and Date:	11/14/2018 at 10:00 am
CA: Dustin Wetter	Tentative Board Award Date:	4/3/2019
CAR: Melissa Abella	Bonding Estimate:	\$12 Mil to \$14 Mil
Insp: Phil Laos		

Rank	Bidder's Company Name	City & State	Bid Amount
1	Sukut Construction, LLC	Santa Ana, CA	\$7,378,000.00
2	Rockforce Construction, LLC	Riverside, CA	\$8,071,000.00
3	Canyon Springs Ent. DBA RSH Construction	Hemet, CA	\$10,655,000.00
4	Stronghold Engineering, Inc.	Riverside, CA	\$11,997,112.00
5	Los Angeles Engineering, Inc.	Covina, CA	\$12,896,000.00
N/A	*Kiewit Infrastructure West Co.	Vancouver, WA	\$10,735,000.00

*Kiewit Infrastructure West Co. deemed non-responsive for invalid Bid Bond.

Bid Analysis	
Engineers Estimate:	\$12,991,610.11
Apparent Low Bid:	\$7,378,000.00
Difference:	\$5,613,610.11
Percent UNDER/OVER Engineer's Estimate	-43.21%

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Rev:11/03/15

PHASE 3 SOLAR RENEWABLE ENERGY INITIATIVE **PROJECT COST ESTIMATE**

		ESTIMATED COST
<u>FEASIBILITY EVALUATION PHASE</u>		\$253,900
Solar Energy Consultant (TerraVerde)	\$225,400	
CEQA Consultant	\$1,400	
District Labor	\$27,100	
<u>SOLAR DESIGN/BUILD</u>		\$776,300
Energy Consultant (TerraVerde)		
RFP Solicitation	\$169,200	
Contract Negotiations	\$40,900	
Solar D/B and ICA Management	\$282,300	
Specialty Electrical Inspection (Carollo)	\$139,900	
Legal Support - Negotiations	\$25,000	
SCE Interconnection Applications/Studies	\$69,000	
SCE Physical Interconnections ⁽³⁾	\$0	
Engineering Branch Labor	\$50,000	
<u>SITE CIVIL/GRADING IMPROVEMENTS</u>		
<i>DESIGN</i>		\$500,800
Engineering Consultant (Parsons)	\$244,500	
Surveying Consultant (Cozad & Fox)	\$32,500	
Geotechnical Consultant (Kleinfelder)	\$67,000	
CEQA Consultant (KS Dunbar)	\$86,800	
Engineering Branch Labor	\$70,000	
<i>SPEC REVIEW</i>		\$23,800
Engineering Branch Labor	\$23,800	
<i>BID/AWARD PHASE</i>		\$33,200
Includes Labor, Advertisement, and Materials		
<i>CONSTRUCTION PHASE</i>		\$9,036,600
Construction Survey/Staking (Cozad & Fox)	\$82,000	
Soils Observation and Testing (Kleinfelder)	\$162,700	
Engineering Services During Construction (Parsons)	\$96,375	
Construction Contract (Sukut Construction)	\$7,378,000	
Engineering Branch Labor		
Engineering	\$75,000	
Field Inspection	\$279,800	
Construction Contract Administration	\$141,200	
Contingencies	\$821,525	
<i>ADMINISTRATIVE CLOSE OUT PHASE</i>		\$25,000
Engineering Branch Labor	\$25,000	
<u>TOTAL- PROJECT IMPLEMENTATION COST ⁽²⁾</u>		\$10,649,600

PREVIOUS APPROPRIATIONS (PAR 2016/067A thru 067E; W.O. 414215)	\$1,622,700
REQUESTED ADDITIONAL APPROPRIATION	\$9,026,900
TOTAL APPROPRIATION	\$10,649,600

Notes:

- 1) Requested Additional Appropriation comprise amended costs to highlighted items in yellow.
- 2) Subject to reimbursement from the PPA/Cost Reimbursement Agreement up to approx. \$10.1M.
- 3) SCE Interconnection Costs included in the PPA Rate. All previously placed SCE required credit securities to facilitate processing of the 5 GIAs (\$385,200) will be cancelled immediately following execution of PPAs.

Reviewed _____

Attachment 2

SCE RES-BCT Tariff Fact Sheet

The Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) tariff, offered by Southern California Edison (SCE), allows eligible entities to generate renewable energy at one location and share the bill credits generated from that system with other properties they own or operate.

Here's a summary of the SCE RES-BCT tariff:

1. Eligibility

- **Who is Eligible?** Local governments (cities, counties, school districts, special districts, etc.), universities, and California Native American tribal governments are eligible.
- **Geographic and Technical Requirements:**
 - The renewable energy generation must be within the boundaries of the eligible local government or campus.
 - Each generating account within the area must generate 5 megawatts or less of renewable energy.
 - The generating account needs to be owned and operated by a legally eligible local government or campus.
 - The energy generation needs to be sized to offset the total energy consumption of the local government or campus.
 - The generating account must be on a Time-of-Use (TOU) rate schedule.

2. Benefits

- **Financial Savings:** By generating renewable energy and allocating the credits to other accounts, organizations can significantly reduce overall energy expenditures.
- **Operational Efficiency:** This program can help organizations better manage energy and resource allocation across their properties.
- **Environmental Benefits:** Investing in renewable energy reduces a local government or campus' carbon footprint.

3. How it Works

- An eligible entity installs a renewable energy system (typically solar) at a designated "Generating Account".
- The system generates electricity and, if there's a surplus, sends it to the grid.
- SCE issues bill credits for this exported energy.
- These credits can then be applied to the electricity bills of up to 50 designated "Benefiting Accounts" within the same local government or campus.

4. Considerations

- **RES-BCT Cap:** The program has a statewide capacity cap, and eligibility is on a first-come, first-served basis for projects that meet the requirements before the cap is reached.
- **Time-of-Use (TOU) Rates:** Both the generating and benefiting accounts must be on a Time-of-Use rate schedule.
- **Alternative Programs:** The generating and benefiting accounts can only participate in either the RES-BCT or Net Energy Metering (NEM) tariffs, not both