



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

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

*The President of the Board of Directors has called a Special Meeting.
This meeting is hereby noticed pursuant to
California Government Code Section 54950 et. seq.*

Wednesday, October 29, 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=SXlzMfZCMGh0YTFlL2tnUGlpU3h0UT09>

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

BCVWD SPECIAL MEETING – OCTOBER 29, 2025

Call to Order: President Slawson

Pledge of Allegiance: Director Covington

Invocation: Director Ramirez

Announcement and Verification of Remote Meeting Participation Pursuant To AB 2449, AB 2302, or GC 54953(b)

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

Roll Call - Board of Directors

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

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. PUBLIC HEARING**
District Vacancies, and Recruitment and Retention Efforts as Mandated by Assembly Bill 2561 (pages 5 - 11)
- 3. District Future Water Use Projections Based on the Making Conservation a California Way of Life (AB 1668 and SB 606) Regulations** (pages 12 - 18)

4. **Review of Draft District Water Capacity Charges (Facilities Fees) and Water Supply Fee Study by Raftelis Financial Consultants, Discussion of Miscellaneous Fees (Administrative Cost Recoveries), and Consideration of Setting a Time and Place for a Public Hearing** (pages 19 - 67)
5. **Request for Will-Serve Letter Extension for Riverside County Assessor's Parcel Nos. 405-230-006 and 405-230-010 located on Brookside Avenue, east of Nancy Avenue (Further Identified as Cherry Valley Storage) in the Community of Cherry Valley** (pages 68 - 74)
6. **Resolution 2025-__:** Authorizing an Amendment to the 2025-2029 Capital Improvement Budget for the 2.0 Million Gallon Noble Water Storage Tank II Project (T-3040-0001), and Award of Contract for Construction of the Noble Tank II (pages 75 - 91)
7. **Resolution 2025-__ Approval of Wind Down Agreement Between Beaumont-Cherry Valley Water District and Tri Pointe Homes IE-SD, Inc. (formerly Pardee Homes) for the Sundance Development** (pages 92 - 121)
8. **Update on California State Water Resources Control Board Hexavalent Chromium Regulation, Impacts to BCVWD, and Path to Compliance** (pages 122 - 142)
9. **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)

10. Announcements

Check the meeting agenda for location and potential teleconference information.

- Collaborative Agencies Committee: Wednesday, Nov. 5 at 5 p.m.
- Finance & Audit Committee meeting: Thursday, Nov. 6 at 3 p.m.
- District office will be closed Tuesday, Nov. 11 in observance of Veterans Day
- Regular Board Meeting: Wednesday, Nov. 12 at 6 p.m.
- Personnel Committee: Tuesday, Nov. 18 at 4:30 p.m.
- Engineering Workshop: Thursday, Nov. 20 at 6 p.m. (Note date change due to holiday)
- District office will be closed Thursday, Nov. 27 in observance of Thanksgiving Day
- Beaumont Basin Watermaster Committee: Wednesday, Dec. 3 at 11 a.m.

11. Closed Session

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

- b) **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)
One case
- c) **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Pursuant to Government Code Section 54947
Title: General Manager

12. Report on Action Taken During Closed Session

13. 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 special meeting Agenda may be made up to 24 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 24 hours prior to the Board Special 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 24 hours in advance of the special meeting (Government Code §54954.2(a)).



**Beaumont-Cherry Valley Water District
Special Board Meeting
October 29, 2025**

Item 2

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

**SUBJECT: PUBLIC HEARING
District Vacancies, and Recruitment and Retention Efforts as Mandated by
Assembly Bill 2561**

Staff Recommendation

Hold a Public Hearing pursuant to California State Assembly Bill 2561 (AB 2561 codified at Cal. Govt. Code § 3502.3) and review and comment on the report of the status of District vacancies and recruitment and retention efforts.

Executive Summary

Assembly Bill (AB) 2561 was signed into law in September 2024 with an effective date of January 1, 2025. The bill requires public agencies, including the District, to hold at least one public hearing per fiscal year to:

- Report on job vacancies. Additional reporting is required when vacancies within a bargaining unit exceed 20% of authorized positions.
- Provide updates on recruitment and retention efforts.
- Identify policies, procedures, or recruitment activities that may pose obstacles in the agency's hiring process.

The law also grants recognized employee organizations the opportunity to make presentations during the hearing.

The Beaumont-Cherry Valley Water District will hold its public hearing during the October 29, 2025 Special Board Meeting, prior to the adoption of the Fiscal Year 2026 Budget scheduled for December 2025.

Background

Persistent job vacancies within public agencies have created operational challenges, impacting service delivery, employee morale, and labor relations. Recognizing these impacts, the California Legislature passed AB 2561 and signed to effect January 1, 2025 to establish a standardized reporting process and ensure public accountability.

The law mandates public hearings before budget adoption to review agency workforce status, recruitment, and retention data. Employee organizations are provided with the opportunity to participate in the hearings, creating space for collaborative discussion on solutions.



Discussion

Vacancy and Recruitment Update

In accordance with AB 2561, additional reporting is required when vacancies within a bargaining unit exceed 20% of authorized positions. As of September 30, 2025, the District's vacancy rate is 0% for bargaining unit authorized positions; therefore, no additional reporting is required.

Table A - Number of Vacancies Within the 12 -Month Period (Oct 2024-Sep 2025)

Number of Current Vacancies to Date	Number of 2025 Authorized Positions (MOU Group Only)	Percentage of Vacancies vs. Number of Authorized Positions
0	16	0%

Table B - Recruitment Activity Within the 12-Month Period (Oct 2024-Sep 2025)

Table B	Period	Number of Positions	Average Time-To-Fill (in Days)
1	4th Quarter – Oct 2024-Dec 2024	7	22
2	1st Quarter – Jan 2025-Mar 2025	4	44
3	2nd Quarter – Apr 2025-Jun 2025	2	10
4	3rd Quarter – Jul 2025-Sep 2025	2	21
	TOTAL	15	24.25

Table C - Recruitment Data Within the 12-Month Period (Oct 2024-Sep 2025)

Table C	Period	No. of Positions Filled by External Hire	No. of Positions Filled by Internal Hire	Total by Bargaining Unit
1	4th Quarter – Oct 2024-Dec 2024	5	2	7
2	1st Quarter – Jan 2025-Mar 2025	2	2	4
3	2nd Quarter – Apr 2025-Jun 2025	1	1	2
4	3rd Quarter – Jul 2025-Sep 2025	1	1	2
	TOTAL	9	6	15

Table D - Turnover Activity Within the 12-Month Period (Oct 2024-Sep 2025)

Table D	Period	Average Number of Employees (FT, PT, TMP)	No. of Separations	Percentage per Quarter
1	4th Quarter – Oct 2024-Dec 2024	45.33	3	6.62%
2	1st Quarter – Jan 2025-Mar 2025	47.67	2	4.20%
3	2nd Quarter – Apr 2025-Jun 2025	48.00	1	2.08%
4	3rd Quarter – Jul 2025-Sep 2025	47.67	2	4.20%
	TOTAL	47.17	8	17.10%



Table E - Turnover Data Within the 12-Month Period (Oct 2024-Sep 2025)

Table E	Separation Reason	Number of Separations	Percentage	Tenure
1	Job Opportunity, Better Pay	7	75%	0-3 years
2	Involuntary or End of Assignment	1	25%	0-3 years
3	Retirement and Other	0	0%	N/A
TOTAL		8	100%	

The Bureau of Labor Statistics (BLS) reports an estimated 3.3% annual turnover rate for all employment sectors in California during October 2024–September 2025. Because this figure represents the overall labor market and does not isolate public or local-government agencies, it serves only as a general benchmark.

In comparison, the District recorded an annual turnover rate of 17.10%, placing the District well above the statewide average and highlighting a higher level of employee separations than is typical across California employers.

Retention and Employee Engagement Programs

- Comprehensive Onboarding – Structured orientation for new hires, including departmental introductions through a visual presentation and integration into the District’s culture. The District has also incorporated fun and engaging videos into the onboarding program to create a more welcoming and memorable experience for new employees.
- Employee Engagement and Recognition – Programs such as holiday gatherings, appreciation events, and milestone celebrations to foster teamwork and morale.
- Competitive Compensation and Benefits – The District offers competitive salary and benefits packages designed to attract and retain highly qualified employees. A comprehensive salary survey was conducted in year 2024 to benchmark employee compensation against industry standards, with the resulting adjustments taking effect on January 1, 2025.
- Work-Life Balance – Flexible scheduling options, including alternative work schedule, and ability to take time off when needed.
- Professional Development – Ongoing training, skill-building workshops, and career growth opportunities for employees and members of the leadership team.
- Commitment to Safety – The District is committed to maintaining a safe and supportive work environment. To date, the District has reported a significantly low number of occupational injury cases, reflecting the effectiveness of its safety practices and preventive programs. The District has also been a recipient of the *Presidential Award* by ACWA JPIA twice in a row in recognition of its commitment to safety and employee health and wellness.



Policy and Procedure Review

Staff has not identified any existing policies or procedures that create obstacles to recruitment or retention. The District continues to regularly review and refine processes to ensure they remain efficient, effective, and supportive of workforce needs.

As embedded in Policy 3220 – *Recruitment, Selection, and Onboarding* (policy), the District maintains a strong partnership between Human Resources and Hiring Managers throughout the recruitment process. Human Resources ensures compliance with applicable laws, consistency with merit principles, and coordination of recruitment activities, while Hiring Managers contribute subject matter expertise, identify operational needs, and assist in evaluating candidates. This collaborative approach strengthens the fairness and effectiveness of the hiring process, supports departmental objectives, and enhances the District's ability to attract and retain a highly qualified and diverse workforce.

Recruitment Outreach

The District actively promotes job opportunities across multiple platforms to reach a diverse and qualified applicant pool. Job postings are regularly listed on GovernmentJobs.com, BCWaterJobs.com, the CSDA website, CalWaterJobs.com, and Indeed.com.

In addition to online postings, the District participates in job fairs within the City of Beaumont as well as in neighboring communities within a 20-mile radius of the District's main office, including Moreno Valley and Hemet. These outreach efforts broaden visibility, strengthen community partnerships, and support the District's goal of attracting top talent.

Fiscal Impact: None

Attachment(s)

1. AB-2561 California Legislature Information
2. Public Hearing Notice posted 10/1/2025

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


[Home](#)
[Bill Information](#)
[California Law](#)
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AB-2561 Local public employees: vacant positions. (2023-2024)

SHARE THIS:



Date Published: 09/23/2024 09:00 PM

Assembly Bill No. 2561

CHAPTER 409

An act to add Section 3502.3 to the Government Code, relating to public employment.

[Approved by Governor September 22, 2024. Filed with Secretary of State September 22, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2561, McKinnor. Local public employees: vacant positions.

Existing law, the Meyers-Milias-Brown Act (act), authorizes local public employees, as defined, to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. The act requires the governing body of a public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of recognized employee organizations and to consider fully presentations that are made by the employee organization on behalf of its members before arriving at a determination of policy or course of action.

This bill would, as specified, require a public agency to present the status of vacancies and recruitment and retention efforts at a public hearing at least once per fiscal year, and would entitle the recognized employee organization to present at the hearing. If the number of job vacancies within a single bargaining unit meets or exceeds 20% of the total number of authorized full-time positions, the bill would require the public agency, upon request of the recognized employee organization, to include specified information during the public hearing. By imposing new duties on local public agencies, the bill would impose a state-mandated local program. The bill would also include related legislative findings.

The California Constitution requires local agencies, for the purpose of ensuring public access to the meetings of public bodies and the writings of public officials and agencies, to comply with a statutory enactment that amends or enacts laws relating to public records or open meetings and contains findings demonstrating that the enactment furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that a local agency or school district may pursue any available remedies to seek reimbursement for these costs.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares as follows:

- (a) Job vacancies in local government are a widespread and significant problem for the public sector affecting occupations across wage levels and educational requirements.
- (b) High job vacancies impact public service delivery and the workers who are forced to handle heavier workloads, with understaffing leading to burnout and increased turnover that further exacerbate staffing challenges.
- (c) There is a statewide interest in ensuring that public agency operations are appropriately staffed and that high vacancy rates do not undermine public employee labor relations.

SEC. 2. Section 3502.3 is added to the Government Code, to read:

3502.3. (a) (1) A public agency shall present the status of vacancies and recruitment and retention efforts during a public hearing before the governing board at least once per fiscal year.

(2) If the governing board will be adopting an annual or multiyear budget during the fiscal year, the presentation shall be made prior to the adoption of the final budget.

(3) During the hearing, the public agency shall identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process.

(b) The recognized employee organization for a bargaining unit shall be entitled to make a presentation at the public hearing at which the public agency presents the status of vacancies and recruitment and retention efforts for positions within that bargaining unit.

(c) If the number of job vacancies within a single bargaining unit meets or exceeds 20 percent of the total number of authorized full-time positions, the public agency shall, upon request of the recognized employee organization, include all of the following information during the public hearing:

- (1) The total number of job vacancies within the bargaining unit.
- (2) The total number of applicants for vacant positions within the bargaining unit.
- (3) The average number of days to complete the hiring process from when a position is posted.
- (4) Opportunities to improve compensation and other working conditions.

(d) This section shall not prevent the governing board from holding additional public hearings about vacancies.

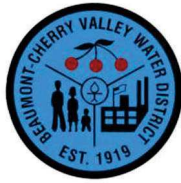
(e) The provisions of this section are severable. If any provision of this section or its application is held invalid, the invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(f) For purposes of this section, "recognized employee organization" has the same meaning as defined in subdivision (a) of Section 3501.

SEC. 3. The Legislature finds and declares that Section 2 of this act, which adds Section 3502.3 to the Government Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the purposes of that constitutional section as it relates to the right of public access to the meetings of local public bodies or the writings of local public officials and local agencies. Pursuant to paragraph (7) of subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following findings:

It is in the public interest, and it furthers the purposes of paragraph (7) of subdivision (b) of Section (3) of Article I of the California Constitution, to ensure that information concerning public agency employment is available to the public.

SEC. 4. No reimbursement shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code for costs mandated by the state pursuant to this act. It is recognized, however, that a local agency or school district may pursue any remedies to obtain reimbursement available to it under Part 7 (commencing with Section 17500) and any other law.



BEAUMONT-CHERRY VALLEY WATER DISTRICT

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a Public Hearing, as required by law, will be held by the Board of Directors of the Beaumont-Cherry Valley Water District, to receive a report on:

STATUS OF EMPLOYEE VACANCIES AND RECRUITMENT AND RETENTION EFFORTS AS REQUIRED BY ASSEMBLY BILL 2561 (GOVERNMENT CODE SECTION 3502.3)

This Public Hearing is scheduled to be heard by the Board on Wednesday, October 29, 2025, at 6:00 p.m., or as soon thereafter as the matter can be heard, at the BCVWD Board Room at the Administrative Office, 560 Magnolia Avenue, Beaumont, CA 92223.

Any person may attend and be heard on this matter. For further information, see the Board of Directors meeting Agenda, to be posted on or before October 26, 2025:

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

Inquiries concerning this Public Hearing may be directed to Ren Berioso, in the Human Resources Department, (951) 845-9581.

If you challenge any decision of the Board of Directors on this matter in court, you may be limited to raising those issues you or someone else raised at the Public Hearing. In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact the Administrative Assistant, (951) 845-9581 at least 48 hours in advance to make your request.

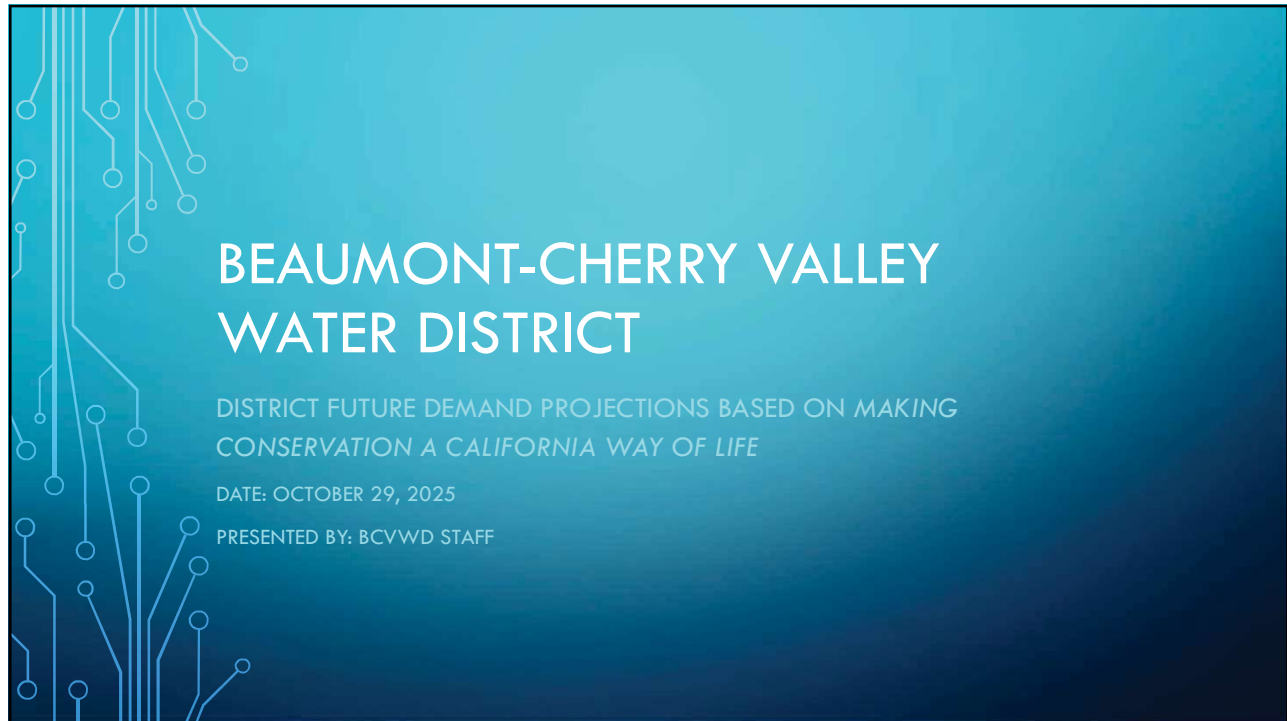
DATED THIS 1st DAY of October, 2025

Lynda J. Kerney

Recording Secretary

Beaumont-Cherry Valley Water District

Item 3



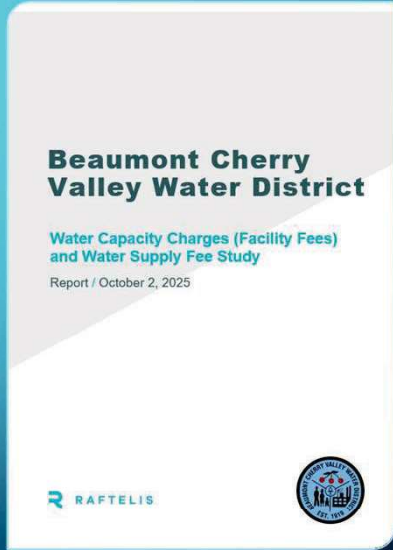
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REASON FOR THE ANALYSIS

- TO SUPPORT THE UPDATE OF THE CAPACITY CHARGE STUDY ANALYSIS AND ENSURE THE FUTURE DEMANDS ARE REFLECTED
- TO PROVIDE A FOUNDATION FOR THE 2025 URBAN WATER MANAGEMENT PLAN (2025 UWMP)
- IMPROVE PLANNING FOR INFRASTRUCTURE INVESTMENTS AND LONG-TERM SUSTAINABILITY
- ENABLE CONSISTENCY ACROSS THE DISTRICT, CITY, COUNTY, AND OTHER NEIGHBORING AGENCIES



3

RIVERSIDE COUNTY AND CITY OF BEAUMONT LAND USE ZONING CONSIDERATIONS

- DISTRICT STAFF CONSIDERED THE ZONING IDENTIFIED WITHIN THE CITY OF BEAUMONT GENERAL PLAN AND COUNTY OF RIVERSIDE PASS AREA LAND USE PLAN WHEN PROJECTING FUTURE WATER DEMANDS WITHIN THE BCVWD SPHERE OF INFLUENCE
- REGARDING WATER DEMAND PROJECTIONS, CONSIDERATIONS WERE MADE TO THE ASSUMED DENSITIES FOR EACH LAND USE AREA AS IDENTIFIED WITHIN THE CITY OF BEAUMONT GENERAL PLAN AND COUNTY OF RIVERSIDE PASS AREA LAND USE PLAN
- THE FOLLOWING EXHIBIT (AS SHOWN ON THE FOLLOWING TWO SLIDES) DISPLAYS THE ASSUMPTIONS MADE IN THE DISTRICT'S ANALYSIS
 - GREEN AREAS – DISTRICT KNOWN PROJECTS
 - RED AREAS – DISTRICT ASSUMED WATER DEMANDS BASED ON LAND USE AREAS

4

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CONSERVATION FRAMEWORK

- DISTRICT STAFF CONSIDERED THREE (3) SCENARIOS WHEN PROJECTING FUTURE WATER DEMANDS
 - SCENARIO 1 - NO CONSERVATION
 - ASSUMES NO CONSERVATION EFFORTS ARE MADE DUE TO MAKING CONSERVATION A CALIFORNIA WAY OF LIFE
 - LEAST CONSERVATIVE APPROACH
 - SCENARIO 2 - MEDIUM CONSERVATION
 - ASSUMES SOME CONSERVATION EFFORTS ARE MADE DUE TO MAKING CONSERVATION A CALIFORNIA WAY OF LIFE
 - MID-CONSERVATIVE APPROACH
 - SCENARIO 3 - MAXIMUM CONSERVATION
 - ASSUMES ALL CONSERVATION EFFORTS ARE MADE TO MEET THE MAKING CONSERVATION A CALIFORNIA WAY OF LIFE
 - MOST CONSERVATIVE APPROACH

FINAL TEXT OF "MAKING CONSERVATION A CALIFORNIA WAY OF LIFE" REGULATION

California Code of Regulations
Title 23. Waters
Division 3. State Water Resources Control Board and Regional Water Quality Control Boards
Chapter 3.5. Urban Water Use Efficiency Standards, Objectives, and Performance Measures
Article 1. Urban Water Use Efficiency Standards, Objectives, and Performance Measures
Effective January 1, 2025

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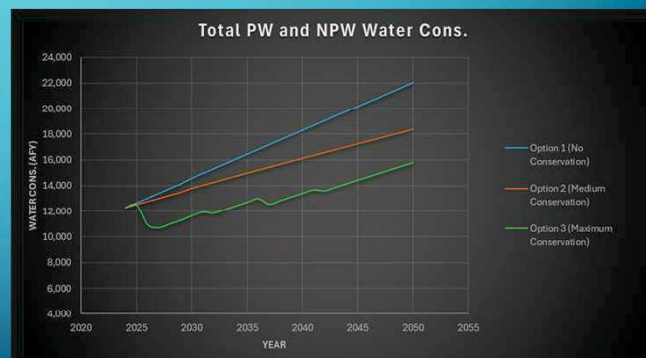
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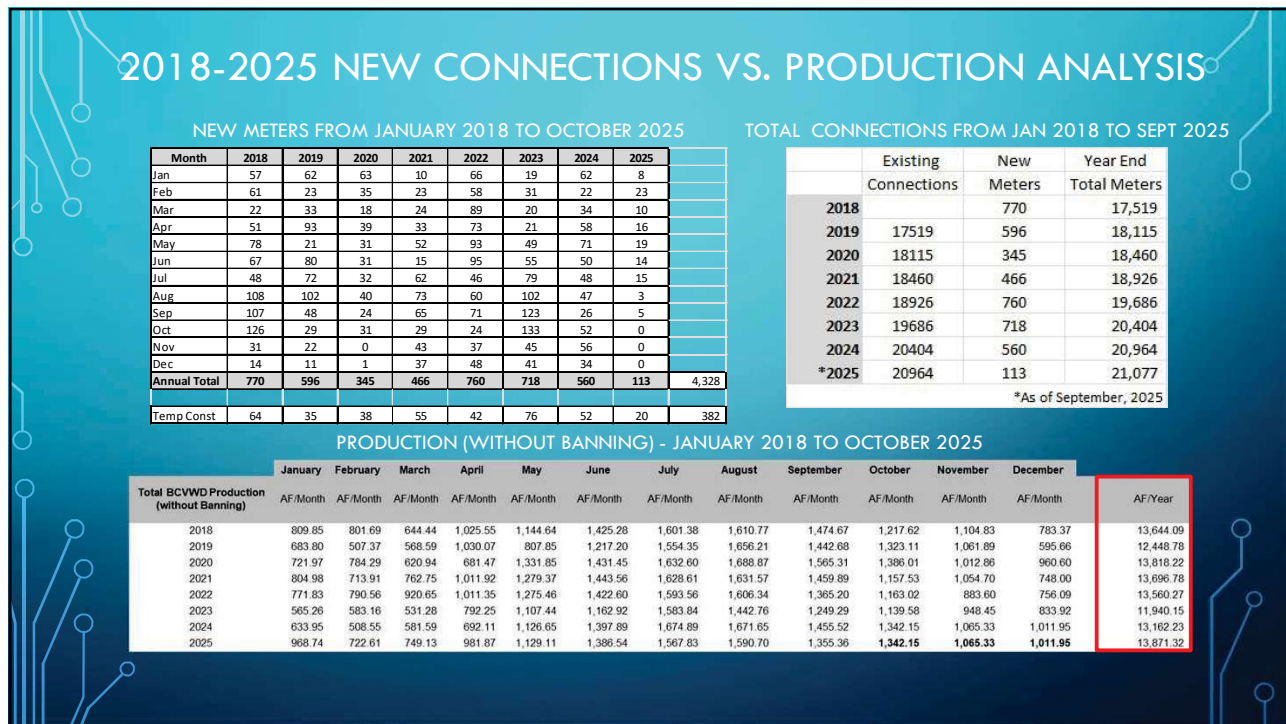
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CURRENT VERSUS FUTURE DEMANDS

- District Staff evaluated current water demands across the District
- Analysis included the application of water conservation scenarios applied to today's demands (no conservation, medium conservation, maximum conservation)
- Included the projected new developmental growth on top of the conservation-adjusted baselines
- Produced a full demand casting through buildout



8



9

FACILITIES AND INFRASTRUCTURE ANALYSIS

- District staff identified the facilities needed to meet buildout water demands (reservoirs, wells, pipelines, etc.)
- Applied updated costs to infrastructure improvements to prepare for developmental growth
- The Analysis enables informed financial planning and fair cost allocation




POTABLE WATER SYSTEM MASTER PLAN Final

BEAUMONT CHERRY VALLEY WATER DISTRICT
Beaumont, California
Adopted January 13, 2016

10

CAPACITY CHARGE STUDY CONNECTION

- The future water demands and facility costs were foundational to the proposed update to the District's Capacity Charge Study
- This ensures new development pays its fair share of infrastructure costs
- Creates a defensible, data-driven capacity charge fee structure

Line	Land Use	Existing Per EDU	Proposed Per EDU
1	Single Family Residential	\$10,122	\$11,077
2	Multiple Family Residential	\$6,073	\$6,646
3	Commercial Property	Case-by-Case	Case-by-Case
4	Industrial Property	Case-by-Case	Case-by-Case
5	Institutional Property	Case-by-Case	Case-by-Case
6			
7	Function/Facility	Amount	Amount
8	Wells	\$1,956	\$1,140
9	Water Rights (SWP) (Note 1)	\$1,225	\$0
10	Water Treatment Plant	\$921	\$1,830
11	Local Water Resources	\$485	\$806
12	Recycled Water Facilities	\$1,402	\$2,387
13	Transmission (>=16")	\$1,568	\$1,782
14	Storage	\$2,008	\$1,449
15	Booster Pumps	\$139	\$695
16	Pressure Reducing Stations	\$71	\$180
17	Miscellaneous Projects	\$62	\$602
18	Subtotal	\$9,818	\$10,930
19			
20	Financing Costs	\$305	\$139
21	Total	\$10,122	\$11,077

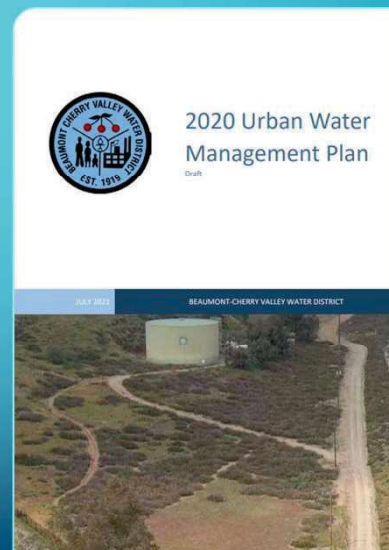
Note 1: The proposed per EDU charge for Water Rights (SWP) is \$0. The cost basis for Water Rights (SWP) does not include District's potential contribution for Sines Reservoir. Sines Reservoir was eliminated from the capital improvement plan based on an assessment completed by District staff.

Note: Amounts are subject to rounding.

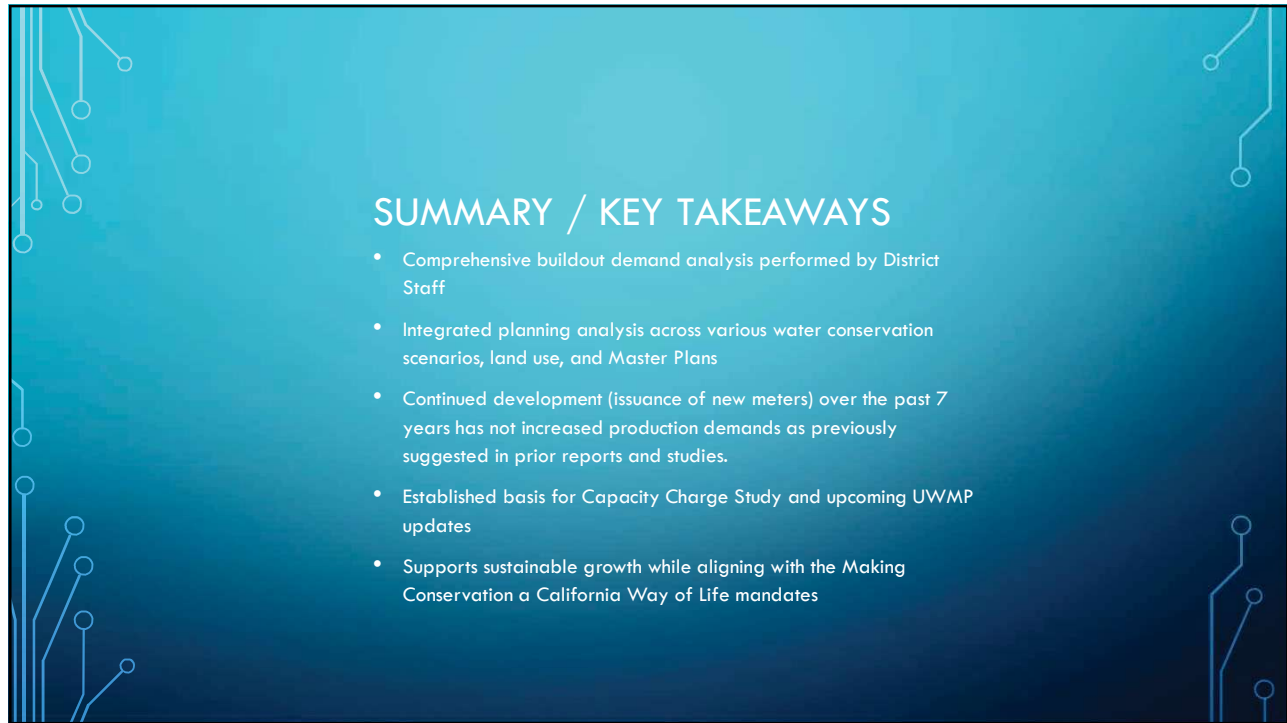
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BENEFITS BEYOND CAPACITY CHARGE STUDY

- Provides data-driven framework for future Urban Water Management Plan(s) (UWMPs)
- Creates a scalable model for future water demand updates and projections
- Enhances transparency and consistency for the Board of Directors, public, and development community



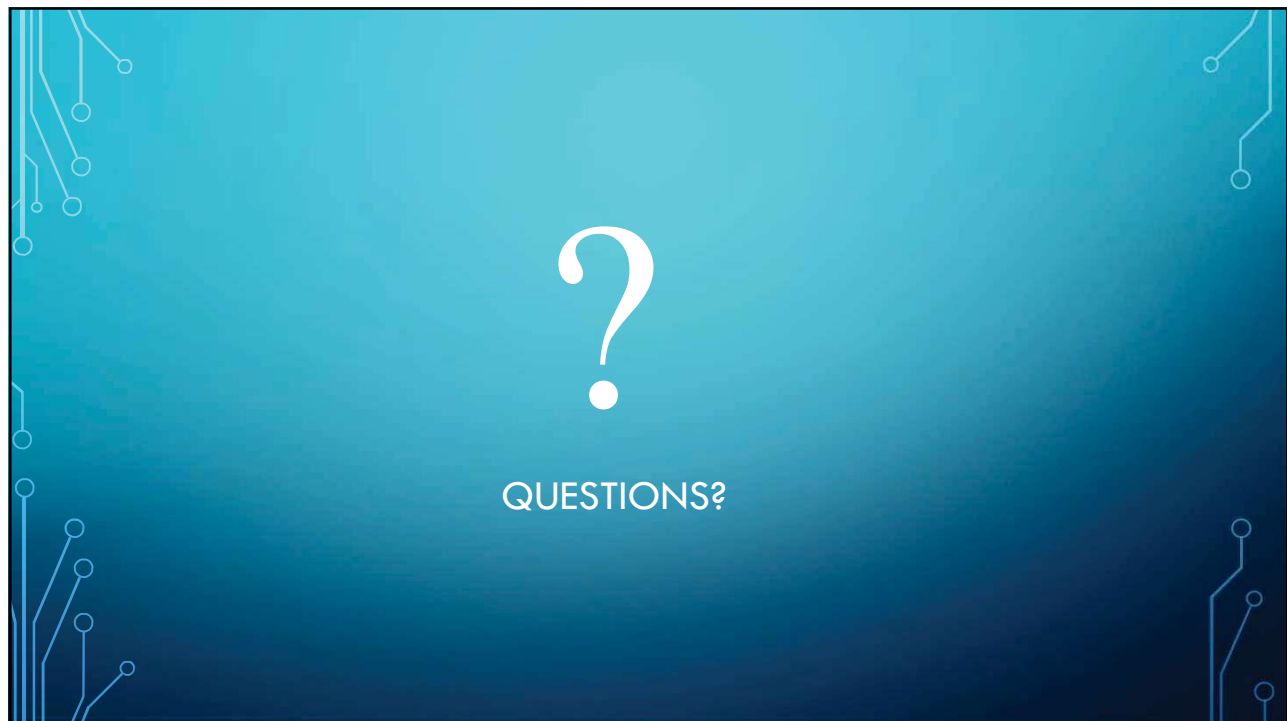
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SUMMARY / KEY TAKEAWAYS

- Comprehensive buildout demand analysis performed by District Staff
- Integrated planning analysis across various water conservation scenarios, land use, and Master Plans
- Continued development (issuance of new meters) over the past 7 years has not increased production demands as previously suggested in prior reports and studies.
- Established basis for Capacity Charge Study and upcoming UWMP updates
- Supports sustainable growth while aligning with the Making Conservation a California Way of Life mandates

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QUESTIONS?

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**Beaumont-Cherry Valley Water District
Special Board Meeting
October 29, 2025**

Item 4

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: Review of Draft Water Capacity Charges (Facility Fees) and Water Supply Fee Study by Raftelis Financial Consultants; Discussion of Proposed Miscellaneous Fees (Administrative Cost Recoveries); and Consideration of Setting a Time and Place for a Public Hearing

Staff Recommendation

1. Review the Draft District Water Capacity Charges (Facilities Fees) and Water Supply Fee Study by Raftelis Financial Consultants ("Report"), and
2. Consider the Proposed Revision of the Schedule of Miscellaneous Fees, and
3. Set a Public Hearing Date of December 10, 2025 at 6 p.m. to consider Implementation of the Fees and Charges, OR
4. Direct staff as desired.

Executive Summary

The District periodically reviews and updates its fee schedules to ensure financial equity, transparency, and compliance with applicable state law. Two distinct but related fee updates are presently before the Board for consideration.

The first concerns an update to the District's Water Capacity Charges (also known as Facility Fees or Water Supply Fees), which were last revised in 2007. The proposed update, prepared by Raftelis Financial Consultants, aligns the District's capacity fees with current and projected growth-related infrastructure costs, ensuring that new development bears its proportionate share of future system expansion.

The second involves a comprehensive review of the District's Miscellaneous Fees (Administrative Cost Recoveries). These revisions are intended to bring the District's charges for customer-specific and regulatory services into closer alignment with actual costs, supported by a multi-year escalation framework that maintains consistency and predictability over time.

Staff recommends that both updates proceed in parallel so that the District may hold a single Public Hearing in December 2025 to consider formal adoption of the proposed fees and charges.

Background

Capacity Charges (formerly known as "Facilities Fees")

The District currently imposes water capacity charges on new developments and on customers requesting expanded service connections. These one-time charges are essential to the District's financial structure, as they ensure that costs associated with growth-related capital improvements are allocated equitably to new customers rather than absorbed by existing ratepayers.



The District's capacity charges were last updated on September 12, 2007, through adoption of Resolution 2007-03. In 2019, the Board authorized Raftelis Financial Consultants to complete a comprehensive Water Capacity Charges (Facility Fees) and Water Supply Fee Study utilizing the incremental cost method. This approach calculates the present value of future facilities required to meet projected demand.

The study projects approximately 20,000 additional equivalent dwelling units (EDUs) through 2050 and identifies a total of approximately \$221.5 million (net) in growth-related capital improvements, including wells, treatment facilities, transmission and storage infrastructure, recycled water facilities, and related backbone systems. Based on this analysis, the single-family residential capacity charge is proposed to increase from \$10,122 to \$11,077 per EDU, and the multi-family residential charge from \$6,073 to \$6,646 per dwelling unit, maintaining the District's 60-percent equivalency practice. Commercial, industrial, and institutional projects will continue to be evaluated individually based on projected demand.

The proposed update ensures compliance with California Government Code Section 66013, maintains equity between new and existing ratepayers, and provides a legally defensible basis for future cost recovery. John Wright, Senior Manager with Raftelis and project manager for the study, will attend the meeting to present the report and respond to questions from the Board. The Finance and Audit Committee reviewed the draft capacity charge study at its special meeting on October 16, 2025.

Miscellaneous Fees

User fees are for the use of public goods and services, while regulatory fees are paid to enforce certain powers of the District for the public good. These fees represent cost recovery opportunities within the control of the District. User fees are charges collected for a service provided or required due to the request or voluntary action of an individual or entity, while regulatory fees are those imposed to recover costs associated with an agency's power to govern certain activities.¹

The District imposes various user and regulatory fees to recover costs associated with specific services, such as account transactions, engineering plan reviews, inspections, and penalties. These fees, collectively referred to as Administrative Cost Recoveries, were most recently updated by the Board on March 13, 2024, through Resolution 2024-03.

Consistent with Policy 5031, User Fee Cost Recovery, staff undertook a review of the existing fee schedule and a cost-of-service analysis to ensure continued alignment with actual costs. The revised schedule introduces new baseline fees effective January 1, 2026, and applies annual escalation rates to selected fees based on the most current Engineering News Record (ENR) Construction Cost Index. Fees less sensitive to cost variation will remain unchanged and will continue to be evaluated annually by staff.

The Finance and Audit Committee reviewed Phase I of the analysis (Customer Account-Related Fees, Deposits, and Penalties) on August 7, 2025, and Phase II (Engineering-Related Fees, Deposits, and Penalties) on October 2, 2025.

¹ California Special Districts Association. Special Districts Revenue Guide 2019



Discussion

Both the Capacity Charge and Miscellaneous Fee Schedules are contained within Part 5 of the District's Rules and Regulations. Adoption of these updates in a coordinated process promotes consistency across District policies and ensures that both development-related and service-related fees remain equitable, transparent, and financially sustainable.

The following schedule outlines the anticipated timeline for completion of the adoption process:

<u>Milestone</u>	<u>Date</u>
Special Board Meeting – Set Public Hearing	October 29, 2025
Official Notice to Building Industry Association (BIA)	November 24, 2025
Posting of Public Notices	November 24, 2025
Publication of Legal Notice	November 28 and December 5, 2025
Public Hearing and Consideration of Adoption	December 10, 2025
Effective Date – Miscellaneous Fees	January 1, 2026
Effective Date – Capacity Charges	February 15, 2026

Summary

The purpose of the Public Hearing is to receive comments from interested parties regarding the proposed increases to BCVWD's water Capacity Charges for 2025 and Miscellaneous Fees, as shown in the Report. Staff will notify the Building Industry Association (BIA) of the proposed changes and will also post notification of the public hearing in the Record Gazette once the hearing is set by the Board.

Fiscal Impact

The proposed fee updates will strengthen the District's financial position and maintain compliance with statutory requirements. Adoption of the updated Capacity Charges will ensure that new development funds its proportionate share of infrastructure expansion, thereby reducing the financial burden on existing customers. Similarly, adoption of the revised miscellaneous fees will ensure that the costs of providing discretionary or regulatory services are borne by those utilizing the services, promoting fairness and cost recovery consistency.

Attachments

1. DRAFT Water Capacity Charges (Facility Fees) and Water Supply Fee Study, Raftelis Financial Consultants, October 2, 2025.
2. Water Capacity Charges (Facility Fees) and Water Supply Fee Study Presentation
3. Summary of Proposed Revisions to Miscellaneous Fees for 2026- 2030: Customer Account-Related Fees, Deposits, and Penalties
4. Summary of Proposed Revisions to Miscellaneous Fees for 2026- 2030: Engineering-Related Fees, Deposits, and Penalties
5. Resolution 2007-03
6. Resolution 2024-03 Adopting the Updated Schedule of Miscellaneous Fees
7. Policy 5031 – User Fee Cost Recovery

Staff Report prepared by William Clayton, Finance Manager and Lynda Kerney, Executive Assistant

Beaumont Cherry Valley Water District

Water Capacity Charges (Facility Fees) and Water Supply Fee Study

Report / October 2, 2025



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October 2, 2025

Mr. William Clayton, CPA
Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

Subject: Water Capacity Charges (Facility Fees) and Water Supply Fee Study

Dear Mr. Clayton:

Raftelis is pleased to provide the Beaumont Cherry Valley Water District (District) with this update of its Water Capacity Charges (Facility Fees) and Water Supply Fees. This report details the methodologies used by Raftelis to calculate the updated charges and provides a recommendation regarding the maximum water capacity charges that can be implemented by the District.

Thank you for using the services of Raftelis. It has been a pleasure working with you and other members of District staff during this study.

Sincerely,

A handwritten signature in blue ink that reads 'John Wright'.

John Wright
Senior Manager
RAFTELIS

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1. Executive Summary

1.1. Study Description

In 2023, the Beaumont Cherry Valley Water District (District) engaged Raftelis to complete an update of its Water Capacity Charges (Facility Fee) and Water Supply Fees. Throughout this report, the term “capacity charge” is used to describe the capacity charges and water supply fees analyzed as part of the study. The update included a review of projected long-term demand and EDU growth on the District’s water utility system, as well as the growth-related infrastructure required to serve future demand. The update does not recommend changes to the structure of the District’s existing capacity charges. Instead, it updates the District’s current capacity charges based on revised projections of future customer demand growth and the associated infrastructure costs required to meet that demand.

1.2. Current Capacity Charges

The District currently assesses capacity charges for single-family residential (SFR) and multi-family residential (MFR) properties based on equivalent dwelling units (EDUs). An EDU is defined as the average daily water consumption of an SFR dwelling (account). The District’s current capacity charges assume that an EDU uses 580 gallons per day. The current SFR capacity charge is \$10,122. MFR properties are assumed to have water usage that is 60% of an SFR property. The current MFR capacity charge is \$6,073 per dwelling unit (DU). Capacity charges for non-residential properties are assessed on a case-by-case basis. In practice, this means that the capacity charge assessed for non-residential properties is based on their projected water consumption expressed on an EDU basis.

Table 1 shows the District’s current capacity charges (Lines 1-5). The derivation of the \$10,122 SFR capacity charge is shown in Lines 7-21.

Table 1: Current Capacity Charges

Line	Land Use	Per EDU
1	Single Family Residential	\$10,122
2	Multiple Family Residential	\$6,073
3	Commercial Property	Case-by-Case
4	Industrial Property	Case-by-Case
5	Institutional Property	Case-by-Case
6		
7	Function/Facility	Amount
8	Wells	\$1,936
9	Water Rights (SWP)	\$1,225
10	Water Treatment Plant	\$921
11	Local Water Resources	\$485
12	Recycled Water Facilities	\$1,402
13	Transmission ($\geq 16"$)	\$1,568
14	Storage	\$2,008
15	Booster	\$139
16	Pressure Reducing Stations	\$71
17	Miscellaneous Projects	\$62
18	Subtotal	\$9,818
19		
20	Financing Costs	\$305
21	Total	\$10,122
Note: Amounts are subject to rounding.		

1.3. Capacity Charge Background

Capacity charges (also known as system development charges or SDCs) are one-time charges paid by new customers who connect to a utility system or current customers who request an increase in their water supply allocation. Capacity charges allow utilities to recover a portion of the cost of the infrastructure required to serve demand growth. This cost recovery can be associated with past investments in infrastructure that will provide service to future customers or planned future investments in growth-related infrastructure that will provide service to future customers. Cash receipts from capacity charges lower the amount of revenue that must be collected from customers through water rates (i.e., they offset the annual revenue requirement from rates).

Industry standard procedures underlying the calculation of water capacity charges can be found in the American Water Works Association (AWWA) publication Manual of Water Supply Practices M1, Principles of Water Rates, Fees, and Charges, 7th Edition (AWWA Manual M1).

1.4. California Legal Requirements

In the state of California, the basic statutory standards governing water and sewer capacity charges are embodied in Government Code Sections 66000 et seq. Government Code §66013 (b) (3) describes a "Capacity Charge" in the following manner:

"Capacity charge" means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights and entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities.

The requirement that capacity charges be cost-based is provided in Government Code § 66013(a), which states:

"Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount the fee or charge in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue."

1.5. Capacity Charge Calculation Methods

There are three industry-accepted methods for calculating capacity charges. Each is compliant with California Government Code § 66013(b)(3). All three methods are discussed in more detail the next section of this report.

- **Equity Buy-In Method.** Various forms of the buy-in method are often used by utilities that have adequate system capacity to meet demand growth over the long term. The equity buy-in method develops capacity charges based on the value of the utility's existing infrastructure.
- **Incremental Cost Method.** The incremental cost method is often used by utilities that have an immediate need to construct or acquire new capacity to accommodate demand growth. The incremental cost method develops Capacity charges based on the cost of future capacity-related infrastructure additions. The

District's updated capacity charges, as presented in this report, were calculated using the incremental cost method.

- **Hybrid Method.** In addition to the equity buy-in and incremental cost methods, it is also common for many utilities to use a combination of these two methods. This combined "hybrid" method is often used when a utility has some existing system capacity to accommodate growth but will also be required to construct additional new capacity in the future. The hybrid method was not used by Raftelis in this study.

1.6. Proposed Capacity Charges

A comparison of the District's current capacity charges versus the proposed updated capacity charges calculated in this report are shown in Table 2. As shown in Line 21, the proposed capacity charge is \$11,077. The District's current capacity charge is \$10,122.

Table 2: Comparison of Current and Proposed Capacity Charges

Line	Land Use	Existing Per EDU	Proposed Per EDU
1	Single Family Residential	\$10,122	\$11,077
2	Multiple Family Residential	\$6,073	\$6,646
3	Commercial Property	Case-by-Case	Case-by-Case
4	Industrial Property	Case-by-Case	Case-by-Case
5	Institutional Property	Case-by-Case	Case-by-Case
6			
7	Function/Facility	Amount	Amount
8	Wells	\$1,936	\$1,140
9	Water Rights (SWP) (Note 1)	\$1,225	\$0
10	Water Treatment Plant	\$921	\$1,830
11	Local Water Resources	\$485	\$806
12	Recycled Water Facilities	\$1,402	\$2,387
13	Transmission (>=16")	\$1,568	\$1,782
14	Storage	\$2,008	\$1,449
15	Booster Pumps	\$139	\$695
16	Pressure Reducing Stations	\$71	\$180
17	Miscellaneous Projects	\$62	\$669
18	Subtotal	\$9,818	\$10,939
19			
20	Financing Costs	\$305	\$139
21	Total	\$10,122	\$11,077
Note 1: The proposed per EDU charge for Water Rights (SWP) is \$0. The cost basis for Water Rights (SWP) does not include District's potential contribution for Sites Reservoir. Sites Reservoir was eliminated from the capital improvement plan based on an assessment completed by District staff.			
Note: Amounts are subject to rounding.			

2. Capacity Charge Background

2.1. Economic Framework

Capacity charges recover a portion of the cost of past investments in existing infrastructure that will be used to provide services to future customers. They are also used to recover the projected cost of planned future investments in growth-related infrastructure that will serve future customers. Cash receipts from capacity charges lower the amount of revenue that must be collected from customers through utility rates (i.e., they offset the annual revenue requirement from rates).

California utilities are *not* required to assess capacity charges. Many utilities choose to fund all growth-related capital expenditures through utility rates. Further, governing bodies are not required to charge the maximum legally defensible capacity charges calculated as part of a nexus study. Many governing bodies, for various policy or economic development considerations, choose to implement capacity charges lower than those calculated in a nexus study.

The infrastructure costs recovered through capacity charges are primarily associated with the “backbone” infrastructure required to serve demand growth. For water utilities, backbone infrastructure includes assets associated with functions such as supply, treatment, storage, pumping, and transmission. Utility assets that were paid for by developers, such as water distribution mains, are not included in the capacity charge cost basis.

The basic economic philosophy behind capacity charges is that the cost of providing service should be paid for by those who receive the benefit. To fairly distribute the value of existing or expanded utility infrastructure, the charge should reflect a reasonable estimate of the cost of providing capacity to new users and not unduly burden existing customers through a comparable increase in utility rates. Accordingly, many utilities make this philosophy one of their primary guiding principles when developing their capacity charge structure.

The goal of maintaining equity between new and existing customers is reflected in the American Water Works Association (AWWA) *Manual of Water Supply Practices M1, Principles of Water Rates, Fees, and Charges, 7th Edition* (AWWA Manual M1). Page 323 (Chapter V11.2, System Development Charges):

The use of SDC receipts is generally limited. First, SDC receipts can be used to directly pay for a growth-related capital improvement project. In using SDC receipts in this manner, the utility will likely have avoided, at least minimized, the use of long-term debt or pay-as-you-go rate funding for the project that shelters the existing ratepayers from the cost of expansion of the system and, hence, may reduce the need for monthly user rate increases. The other typical use of SDC receipts is to apply them against growth-related debt service. When a utility issues long-term debt to pay for a growth-related capital project, the associated debt service is generally paid using SDC receipts.”

In general, to withstand legal challenges, there must be a rational nexus between the capacity charges charged by a utility, the cost of capacity-related infrastructure required to accommodate demand growth, and the benefits that new development receives from capacity-related infrastructure. Page 324 of AWWA Manual M1 summarizes three rational nexus tests:

1. There must be a connection established between new development and new or expanded facilities required to accommodate such development.

2. The cost of new or expanded facilities required to accommodate new development must be identified.
3. There must be an appropriate apportionment of costs to new development in proportion to the benefits it receives.

For many utilities, especially those with rapid demand growth, capacity charges can be a significant source of funding for capital improvements. However, it is important to note that utilities are not required to charge capacity charges. Some utilities choose to fund the infrastructure required to support demand growth solely through the operational cash flows provided by utility rates and charges. It is also important to note that a utility may charge capacity charges even if it has adequate installed infrastructure capacity to meet long-term demand growth. Pages 324 and 325 of AWWA Manual M1 state the following in this regard:

“The referenced nexus test can be satisfied based on an assessment of both current and future capacity available to meet growth-related demands. For example, a utility that has, in the extreme, constructed all of the water system capacity required through planned “build-out” of the service area can still make the nexus between the charge and the facilities needed to accommodate the anticipated growth. In this example, the basis for the charge would be the existing capacity available to service new demand.”

2.2. Legal Framework

Raftelis does not practice law, nor does it provide legal advice. The following discussion provides a general overview of Raftelis’ understanding as rate and fee practitioners and is labeled “legal framework” for literary convenience only. The District should consult with its legal counsel for clarification and/or specific guidance.

In establishing capacity charges, it is important to understand and comply with local laws and regulations governing the establishment, calculation, and implementation of these fees. The following sections summarize the regulations applicable to the development of capacity charges for the District.

In the state of California, the basic statutory standards governing water and sewer capacity charges are embodied in Government Code §§ 66000 et seq. The requirement that capacity charges be cost-based is provided in Government Code § 66013(a) which states:

“When local agency imposes fees for water or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed ... “

Government Code § 66013(b)(3) provides the following definition of capacity charges:

"Capacity charge" means a charge for public facilities in existence at the time a charge is imposed or charges for new public facilities to be acquired or constructed in the future that are of proportional benefit to the person or property being charged, including supply or capacity contracts for rights and entitlements, real property interests, and entitlements and other rights of the local agency involving capital expense relating to its use of existing or new public facilities.

The procedures for handling capacity charge receipts are found in Government Code § 66013(c) which specifies:

“A local agency receiving payment of a charge in paragraph (3) of subdivision (b) it shall deposit it in a separate capital facilities fund with other charges received, and account for the charges in a manner to avoid commingling with other moneys of the local agency, except for investments, and shall expend those charges solely for the purposes for which the charges were collected.”

Other relevant Government Code sections related to capacity charges are listed below.

Government Code §§ 66016

- Requirement for a public meeting before levying a capacity charge
- Requirement that the capacity charge calculation be available prior to the public meeting

Government Code §§ 66017

- Specification of the effective date of capacity charges after adoption

Government Code §§ 66020

- Procedures to protest adopted capacity charges

Government Code §§ 66022

- Procedures for the judicial review of capacity charges

3. Methodology Overview

3.1. Equity Buy-In Method

The buy-in method is designed to recover the cost of existing system infrastructure that can be used to serve demand growth. The premise is that new customers are entitled to water service at the same cost as existing customers. Under the buy-in method, new customers pay an amount equal to the current infrastructure value. This infrastructure value is then divided by the current capacity of the system to determine the “buy-in” capacity charge. The framework for calculating a capacity charge under the equity buy-in method is shown in the formula below.

Equity Buy-In Method

$$\frac{\text{Value of Existing System Infrastructure Available for Demand Growth}}{\text{Current System Capacity to Serve Customer Demand Growth}} = \text{Capacity Charge (\$/Unit of Capacity)}$$

3.2. Incremental Cost Method

In many ways, the incremental cost method is the opposite of the buy-in method. While the buy-in method relies on the valuation of existing infrastructure assets, the incremental cost method relies on the present value cost of planned future infrastructure additions required to increase system capacity to serve new development. This method is most appropriate for utilities where the existing system has “limited or no capacity to serve new development and new or incremental facilities are needed to serve development now and into the future.”

When utilizing the incremental cost method, it is important to have a capital improvement plan that identifies the costs associated with new capacity, the timing of the expenditure, and the proposed source(s) of funds for those capital improvements. The incremental cost method is designed to equitably distribute these capital costs to new customers in proportion to their projected usage of the infrastructure and the investment required to develop the infrastructure. The present value of the planned future infrastructure additions is divided by the capacity they add (for example EDUs) to derive a cost per unit of measure of new facilities. The framework for calculating a capacity charge under the incremental cost method is shown in the formula below.

Incremental Cost Method

$$\frac{\text{Present Value Cost of Planned Growth-Related Capital Improvements}}{\text{Projected Incremental Increase in Customer Demand}} = \text{Capacity Charge (\$/Unit of Capacity)}$$

3.3. Hybrid Method

The Hybrid method (also referred to as the Combined method) is typically used where some remaining capacity is available to serve new development in parts of a system, but additional expansion is also necessary to accommodate new development for other parts of the system. With the Hybrid method, the capacity charge is based on the weighted average of the buy-in method calculation and the incremental cost method calculation (i.e., the remaining existing capacity and the new, additional capacity). The framework for calculating a capacity charge under the hybrid method is shown below.

Hybrid Method

$$(Equity\ Buy-In\ Cost\ and\ Demand\ Components + Incremental\ Method\ Cost\ and\ Demand\ Components) = \\ Hybrid\ Capacity\ Charge\ (\$/Unit\ of\ Capacity)$$

3.4. Selected Capacity Charge Calculation Method

This study utilizes the incremental cost method to calculate the District's proposed updated water capacity charges. This is due to the future customer demand and EDU growth projected by the District and the need to construct planned infrastructure to serve that demand growth.

4. Projected EDU Growth

4.1. Demand Forecasting Background

The District currently assesses capacity charges for SFR and MFR properties based on EDUs. Therefore, a critical first step in calculating capacity charges under the incremental cost method is to forecast EDU growth over a specific planning horizon. The forecast of EDUs and associated customer demand is then used as the basis for the development of a capital improvement plan reflecting the growth-related infrastructure required. The demand forecast developed by the District was based on a planning horizon that runs through 2050. The District did not estimate the exact future date that the system buildout will occur. Instead, it reflects the expected profile of customer demographics at the time of approximate buildout (i.e., the mix of land use types at buildout).

As part of the demand forecasting process, District staff developed water usage forecasts for each major customer type under three primary scenarios: No Conservation, Medium Conservation, and Maximum Conservation. Table 3 shows that under each scenario, customer usage is projected to grow significantly from current levels. As discussed later in this report, the District must construct infrastructure to serve this projected demand growth. This demonstrates the appropriateness of using the forward-looking incremental cost method as the basis for calculating the District's capacity charges.

Table 3: Primary Demand Forecasting Scenarios

Customer Type	No Conservation (AFY)			Medium Conservation (AFY)			Maximum Conservation (AFY)		
	2024	2050	Incremental	2024	2050	Incremental	2024	2050	Incremental
Single-Family Residential	8,486	11,756	3,270	8,486	8,756	270	8,486	6,337	(2,149)
Multi-Family Residential	353	951	598	353	940	587	353	935	582
Domestic	315	848	533	315	848	533	315	848	533
Irrigation-Non-Potable	38	102	64	38	92	54	38	87	49
Commercial, Industrial, Institutional	3,444	9,352	5,908	3,444	8,678	5,234	3,444	8,531	5,087
Domestic	1,530	6,349	4,819	1,530	6,349	4,819	1,530	6,349	4,819
Irrigation-Potable Water	844	959	115	844	661	(183)	844	596	(248)
Irrigation-Non-Potable Water	1,070	2,044	974	1,070	1,668	598	1,070	1,585	515
Total Potable Demands (AFY)	11,175	19,912	8,737	11,175	16,614	5,439	11,175	14,131	2,956
Total Non-Potable Demands (AFY)	<u>1,107</u>	<u>2,147</u>	<u>1,040</u>	<u>1,107</u>	<u>1,760</u>	<u>653</u>	<u>1,107</u>	<u>1,672</u>	<u>565</u>
Total Demand (AFY)	12,282	22,058	9,776	12,282	18,374	6,092	12,282	15,803	3,521
Add: System Water Loss	<u>1,018</u>	<u>1,185</u>	<u>167</u>	<u>1,018</u>	<u>987</u>	<u>(31)</u>	<u>1,018</u>	<u>849</u>	<u>(169)</u>
Total Demands With Losses (AFY)	13,300	23,243	9,943	13,300	19,361	6,061	13,300	16,652	3,352
Percentage Growth in AFY			74.76%			45.57%			25.21%

Amounts are subject to rounding.

4.2. EDU Gallons Per Day Usage

Related to the projection of incremental customer demand shown in Table 3 is the projection of the number of incremental EDUs that will be added to the District's system through the 2050 planning horizon. The number of incremental EDUs is a fundamental component in the calculation of updated capacity charges.

The District's current capacity charges, which became effective in 2007, assumed that EDU water usage was 580 gallons per day (gpd). For this study, District staff updated the assumption of EDU water usage to 437.6 gpd based on an analysis of the average water usage of SFR customers during the period 2009 – 2023. The value of 437.6 gpd was rounded up to 440 gpd by the District staff. In contrast to the calculated value of 440 gpd, the District's 2020

Urban Water Management Plan used a value of 487 gpd. Both values (440 gpd and 487 gpd) were used by the District to develop its estimate of incremental EDU growth through 2050.

4.3. Projected EDUs

The projection of incremental EDUs that will be added through the 2050 planning horizon required District staff to analyze existing and anticipated future land use patterns across the District's entire service territory. This includes the City of Beaumont, the Community of Cherry Valley, a portion of the City of Calimesa, and a portion of the City of Yucaipa.

Table 4 shows that 20,526 incremental potable water EDUs are projected to be added to the District's system based on the assumption that average EDU water usage is 440 gpd (Line 9). If the calculation had been based on the EDU water usage of 487 gpd as presented in the District's 2020 Urban Water Management Plan, the estimated number of incremental EDUs added through 2050 would total 19,560. In the updated capacity charge calculation, the estimate of incremental EDUs is 20,000. This reflects the approximately halfway point between 440 gpd and 487 gpd and is based on an aggregate quantity of water usage between 440 gpd and 487 gpd.

Table 4: Projected Incremental EDUs

Line	Customer Type	Incremental EDUs Through 2050
1	Potable Water	
2	Single-Family Residential	6,634
3	Multi-Family Residential (Note 1)	3,883
5	Commercial, Industrial, Institutional	
6	Domestic	9,778
7	Irrigation-Potable	232
8	Total Potable Water	20,526
9		
10	Non-Potable Water	
11	Multi-Family Residential - Irrigation	113
12	Commercial, Industrial, Institutional - Irrigation	1,978
13	Total Non-Potable	2,091
Note 1: Multi-Family Residential EDUs have been adjusted to reflect water usage that is 60% of Single Family Residential EDUs		
Note: Amounts are subject to rounding.		

5. Infrastructure Valuation

5.1. Growth-Related Capital Improvement Program Costs

The process of calculating capacity charges under the incremental cost method requires the development of a capital improvement plan reflecting the growth-related infrastructure that is required to serve customer demand and EDU growth. The present value (i.e., the uninflated costs expressed in current year dollars) of planned growth-related infrastructure is then used as the cost basis for the capacity charge calculation.

The initial starting point used by District staff for the development of both the potable water and the non-potable water capital improvement plans were the following planning documents:

- Potable Water System Master Plan adopted by the District January 13, 2016
- Potable Water System Master Plan update completed on October 24, 2019
- Draft Non-Potable Water Master Plan dated June 2022

Raftelis reviewed, for each major system function, the District staff proposed capital improvement plans for both potable and non-potable water infrastructure. The following information was provided for each project:

- Project Number
- Project Title
- Project Description
- Applicable Pressure Zone
- Year Needed
- Present Value of Projected Construction Costs
- Funding Type (Capacity Charges, Developer Funded, or Grants)

The estimated growth-related infrastructure costs required to serve projected water demands and incremental EDU growth, *before any adjustments*, are \$264,172,393 as shown in Table 5. The following things should be noted about these costs:

- The projected costs have not been adjusted downward for any previously collected capacity charges.
- The projected costs have not been adjusted for any financing costs.
- The Water Rights (SWP) costs shown in Line 2 are \$0 because they do not include the District's potential contribution to Sites Reservoir. Sites Reservoir was eliminated from the capital improvement plan based on an assessment completed by District staff.
- The New Water Fee shown on Line 6 was for the cost of water supplies that are no longer included in the capital improvement plan.

Table 5: Unadjusted Capital Improvement Plan Costs

Line	Water Source Costs	Costs
1	Wells	\$40,892,000
2	Water Rights (SWP)	\$0
3	Water Treatment Plant	\$45,500,000
4	Local Water Source	\$12,311,500
5	Recycled Water Facilities	\$52,543,655
6	New Water Fee	\$0
7	Total Water Source Costs	\$143,189,155
8		
9	Infrastructure Costs	
10	Transmission (≥ 16 in)	\$40,165,305
11	Storage	\$40,103,900
12	Booster Pumps	\$15,950,900
13	Pressure Regulating Stations	\$1,403,400
14	Miscellaneous Projects	\$15,301,733
15	Total Infrastructure Costs	\$107,137,738
16		
17	Total	\$264,172,393
Note: Amounts are subject to rounding.		

5.2. Adjusted Growth-Related Capital Improvement Program Costs

During the period 2004–2024, the District collected capacity charges from developers, a portion of which have already been expended on eligible capital projects. The remaining unspent balance of previously collected capacity charges is shown in Column C of Table 6. This unspent balance must be subtracted from the projected capital improvement plan costs to arrive at a net cost that will be included in the capacity charge calculation. This is shown in Column D of Table 6 which is labeled “Project Costs Less Previously Collected Capacity Charges.”

After adjusting for previously collected but unspent capacity charges, an additional adjustment must be made for Water Rights (SWP) shown on Table 6, Line 3 and the New Water Fee shown on Table 6, Line 7. The District identifies these are no longer needed based on recent and planned long-term water leases and acquisitions by the San Geronio Pass Water Agency and intends to remove these from the capacity charge cost basis. Therefore, the previously collected amounts for these two items must be proportionately redistributed to each function that is included in the capacity charge cost basis. The outcome of this redistribution is shown in Column E of Table 6.

The aggregate total of adjusted water source and infrastructure costs, before the inclusion of financing charges, is \$218,772,584 as shown in Column F, Line 18 of Table 6. Financing costs must be added to this amount to determine the total capital improvement cost basis used in the capacity charge calculation. As shown in Column F, Line 20, the financing costs are \$2,774,577. Table 7 details how this amount was determined.

The final aggregate total of adjusted water source and infrastructure costs, after the inclusion of financing charges, is \$221,547,161 as shown in Column F, Line 21, of Table 6. This is the cost basis that is used in the capacity charge calculation as discussed in Section 6 of this report.

Table 6: Adjusted Capital Improvement Plan Costs

Line	(A) Type of Costs	(B) Estimated Project Costs (from Table 5)	(C) Collected Capacity Charges Remaining (2004 - 2024)	(D) = (B - C) Project Costs Less Previously Collected Capacity Charges	(E) State Water Project and New Water Fee Costs Proportionally Redistributed to Function	(F) = (D - E) Net Cost to be Included in Updated Capacity Charge
1	Water Source Costs					
2	Wells	\$40,892,000	\$16,175,039	\$24,716,961	\$1,910,180	\$22,806,781
3	Water Rights (SWP)	\$0	\$14,804,321	(\$14,804,321)	\$0	
4	Water Treatment Plant	\$45,500,000	\$5,836,502	\$39,663,498	\$3,065,280	\$36,598,218
5	Local Water Source	\$12,311,500	(\$5,165,737)	\$17,477,237	\$1,350,678	\$16,126,559
6	Recycled Water Facilities	\$52,543,655	\$815,751	\$51,727,904	\$3,997,643	\$47,730,260
7	New Water Fee	<u>\$0</u>	<u>\$3,751,339</u>	<u>(\$3,751,339)</u>	<u>\$0</u>	
8	Total Water Source Costs	\$151,247,155	\$36,217,215	\$115,029,940	\$10,323,781	\$123,261,818
9						
10	Infrastructure Costs					
11	Transmission (>=16 in)	\$40,165,305	\$1,540,199	\$38,625,106	\$2,985,031	\$35,640,075
12	Storage	\$40,103,900	\$8,686,552	\$31,417,348	\$2,428,000	\$28,989,348
13	Booster Pumps	\$15,950,900	\$880,826	\$15,070,074	\$1,164,648	\$13,905,426
14	Pressure Regulating Stations	\$1,403,400	(\$2,488,772)	\$3,892,172	\$300,795	\$3,591,377
15	Miscellaneous Projects	<u>\$15,301,733</u>	<u>\$796,173</u>	<u>\$14,505,560</u>	<u>\$1,121,021</u>	<u>\$13,384,540</u>
16	Total Infrastructure Costs	\$112,925,238	\$9,414,978	\$103,510,260	\$7,999,494	\$95,510,766
17						
18	Total Water Source and Infrastructure Costs	\$264,172,393	\$45,632,193	\$218,540,200	\$18,323,276	\$218,772,584
19						
20	Financing Costs	<u>\$6,776,437</u>	<u>\$3,769,475</u>	<u>\$3,006,962</u>	<u>\$232,384</u>	<u>\$2,774,577</u>
21	Total Cost Basis	\$270,948,829	\$49,401,668	\$221,547,161	\$18,555,660	\$221,547,161
Note: Amounts are subject to rounding.						

5.3. Financing Costs

If the District does not use debt to finance the construction of its capital improvement plan, it may experience negative cash flow in some years (i.e., capacity charge revenues will be less than construction costs). The actual construction of growth-related infrastructure will depend on the pace of incremental EDU growth (i.e., the pace of new connections added to the system). For the capacity charge calculation, growth-related infrastructure is assumed to be constructed in equal five-year intervals, with new capacity to serve demand growth provided for five years at a time. The District will need to finance this construction. Table 7 details the estimated financing costs.

If additional capacity added to the system will be used by new connections during the five-year period, the District must secure funding for five years. The financing cost is the actual interest payment over the five-year period. The assumed interest rate used in the calculation of financing costs is 5.0%. Under this approach, financing costs are estimated to be \$6,776,437 (Line 6 of Table 7) before any adjustment for the unspent balance of previously collected capacity charges.

Line 8 of Table 7 shows the adjustments for previously collected capacity charges. Line 9 shows the adjustment for previously collected amounts for Water Rights (SWP) and the New Water Fee. As discussed previously, these amounts are no longer included in the capacity charge cost basis. After the adjustment for these items, the final net financing costs are \$2,774,577 as shown in Line 10 of Table 7. This is the same amount shown in Column F, Line 20 of Table 6.

Table 7: Financing Costs Included in the Capacity Charge Calculation

Line	Description	Amount
1	Net Project Costs	\$218,772,584
2	5-Year Interval Project Costs	\$43,754,517
3		
4	Required Debt Financing	\$43,754,517
5	Total Payments (5%, 5-Year Term)	<u>\$50,530,953</u>
6	Financing Costs (Interest) Before Adjustment	\$6,776,437
7		
8	Less: Adjustment for Previously Collected Capacity Charges	\$3,769,475
9	Less: Allocation of State Water Project and New Water Fee Costs	<u>\$232,384</u>
10	Net Financing Costs After Adjustment	\$2,774,577
Note: Amounts are subject to rounding.		

6. Summary of the Proposed Capacity Charge Calculation

Table 8 shows the calculation of the proposed updated capacity charges. As shown in Column D, Line 13, the calculated proposed capacity charge is \$11,077. The District's current capacity charge is \$10,122.

Table 8: Summary Capacity Charge Calculation

Line	(A) Function	(B) Amount	(C) Incremental EDUs	(D) \$ Cost/EDU
1	Wells	\$22,806,781	20,000	\$1,140
2	Water Treatment Plant	\$36,598,218	"	\$1,830
3	Local Water Source	\$16,126,559	"	\$806
4	Recycled Water Facilities	\$47,730,260	"	\$2,387
5	Transmission (>=16 in)	\$35,640,075	"	\$1,782
6	Storage	\$28,989,348	"	\$1,449
7	Booster	\$13,905,426	"	\$695
8	Pressure Regulating Stations	\$3,591,377	"	\$180
9	Miscellaneous Projects	\$13,384,540	"	\$669
10	Subtotal	\$218,772,584		\$10,939
11				
12	Financing Costs	\$2,774,577	20,000	\$139
13	Total Cost Basis/Capacity Charge	\$221,547,161		\$11,077

Note: Amounts are subject to rounding.

Table 9 compares the District's current capacity charges versus the proposed updated capacity charges.

Table 9: Comparison of Current and Proposed Capacity Charges

Line	Land Use	Existing Per EDU	Proposed Per EDU
1	Single Family Residential	\$10,122	\$11,077
2	Multiple Family Residential	\$6,073	\$6,646
3	Commercial Property	Case-by-Case	Case-by-Case
4	Industrial Property	Case-by-Case	Case-by-Case
5	Institutional Property	Case-by-Case	Case-by-Case
6			
7	Function/Facility	Amount	Amount
8	Wells	\$1,936	\$1,140
9	Water Rights (SWP) (Note 1)	\$1,225	\$0
10	Water Treatment Plant	\$921	\$1,830
11	Local Water Resources	\$485	\$806
12	Recycled Water Facilities	\$1,402	\$2,387
13	Transmission (>=16")	\$1,568	\$1,782
14	Storage	\$2,008	\$1,449
15	Booster Pumps	\$139	\$695
16	Pressure Reducing Stations	\$71	\$180
17	Miscellaneous Projects	\$62	\$669
18	Subtotal	\$9,818	\$10,939
19			
20	Financing Costs	\$305	\$139
21	Total	\$10,122	\$11,077

Note 1: The proposed per EDU charge for Water Rights (SWP) is \$0. The cost basis for Water Rights (SWP) does not include District's potential contribution for Sites Reservoir. Sites Reservoir was eliminated from the capital improvement plan based on an assessment completed by District staff.

Note: Amounts are subject to rounding.

Beaumont Cherry Valley Water District

Water Capacity Charges (Facility Fees) and Water Supply Fee Study

Board Meeting/Engineering Workshop

October 29, 2025



Agenda

- Capacity Charge Background
- Projected EDUs
- Projected Infrastructure Costs
- Proposed Capacity Fee



Capacity Charge Background

Capacity Charges

- One-time charges paid by new customers who connect to the system or current customers who increase demand
- Recover a portion of the cost of the infrastructure required to serve demand growth
- Cost recovery can be for:
 - > Past investments in infrastructure that will provide service to future customers
 - > Planned future investments in growth-related infrastructure that will provide service to future customers

Legal Requirements

- Capacity Charges are not Governed by Proposition 218
- Mitigation Fee Act (Government Code Sections 66000 et seq.)
 - §66013(b)(3) describes a "Capacity Charge" as:
 - Charge for public facilities in existence at the time a charge is imposed
 - Charge for new public facilities to be acquired or constructed in the future
 - Charge is proportional benefit to the person or property being charged
- § 66013(a) requires capacity charges be cost-based:
 - “charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed,

Calculation Methods

- **Basic Formula: Infrastructure Cost / EDUs = \$/EDU**
- Equity Buy-In Method
 - Utilities with adequate existing capacity to serve growth
 - Focus on the cost and capacity of existing assets
- Incremental Method
 - Utilities that must add significant capacity to serve growth
 - Focus on cost and capacity of future asset additions
- Hybrid Method
 - Utilities that can meet short-term growth with existing assets
 - Weighted average of Equity Buy-In and Incremental methods



Current Capacity Charges

Land Use	\$/EDU
Single Family Residential	\$10,122
Multiple Family Residential	\$6,073
Commercial Property	Case-by-Case
Industrial Property	Case-by-Case
Institutional Property	Case-by-Case
Function/Facility	Amount
Wells	\$1,936
Water Rights (SWP)	\$1,225
Water Treatment Plant	\$921
Local Water Resources	\$485
Recycled Water Facilities	\$1,402
Transmission (>=16")	\$1,568
Storage	\$2,008
Booster	\$139
Pressure Reducing Stations	\$71
Miscellaneous Projects	<u>\$62</u>
Subtotal	\$9,818
Financing Costs	<u>\$305</u>
Total	\$10,122

Projected Demand



Projected Demand Growth

- Demand Forecasting Scenarios
 - > No Conservation: 9,943 Incremental AFY
 - > Medium Conservation: 6,061 Incremental AFY
 - > Maximum Conservation: 3,352 Incremental AFY

Customer Type	No Conservation (AFY)			Medium Conservation (AFY)			Maximum Conservation (AFY)		
	2024	2050	Change	2024	2050	Change	2024	2050	Change
Potable Demands (AFY)	11,175	19,912	8,737	11,175	16,614	5,439	11,175	14,131	2,956
Non-Potable Demands (AFY)	<u>1,107</u>	<u>2,147</u>	<u>1,040</u>	<u>1,107</u>	<u>1,760</u>	<u>653</u>	<u>1,107</u>	<u>1,672</u>	<u>565</u>
Total Demand (AFY)	12,282	22,058	9,776	12,282	18,374	6,092	12,282	15,803	3,521
System Water Loss	<u>1,018</u>	<u>1,185</u>	<u>167</u>	<u>1,018</u>	<u>987</u>	<u>(31)</u>	<u>1,018</u>	<u>849</u>	<u>(169)</u>
Total Demands With Losses (AFY)	13,300	23,243	9,943	13,300	19,361	6,061	13,300	16,652	3,352
Percentage Growth in AFY			74.76%			45.57%			25.21%



EDU Projection

- District capacity fees are recovered on an \$/EDU basis
 - > EDU = Single Family Residential Demand
 - 580.0 gpd: 2007 Study
 - 437.6 gpd: Actual 2009-2023
 - 440.0 gpd: Used in this Study
- Projected Incremental EDUs through 2050 = 20,000

Customer Type	Incremental EDUs Through 2050
Single-Family Residential	6,634
Multi-Family Residential (60% of Single Family)	3,883
Commercial, Industrial, Institutional	
Domestic	9,778
Irrigation-Potable	<u>232</u>
Total Potable Water	20,526

Proposed Infrastructure Costs

Planned Infrastructure Costs = \$221.5 Million

(A) Type of Costs	(B) Estimated Project Costs	(C) Collected Capacity Charges Remaining (2004 - 2024)	(D) = (B - C) Project Costs Less Previously Collected Capacity Charges	(E) State Water Project and New Water Fee Costs Proportionally Redistributed to Function	(F) = (D - E) Net Cost to be Included in Updated Capacity Charge
Water Source Costs					
Wells	\$40,892,000	\$16,175,039	\$24,716,961	\$1,910,180	\$22,806,781
Water Rights (SWP)	\$0	\$14,804,321	(\$14,804,321)	\$0	
Water Treatment Plant	\$45,500,000	\$5,836,502	\$39,663,498	\$3,065,280	\$36,598,218
Local Water Source	\$12,311,500	(\$5,165,737)	\$17,477,237	\$1,350,678	\$16,126,559
Recycled Water Facilities	\$52,543,655	\$815,751	\$51,727,904	\$3,997,643	\$47,730,260
New Water Fee	\$0	\$3,751,339	(\$3,751,339)	\$0	
Total Water Source Costs	\$151,247,155	\$36,217,215	\$115,029,940	\$10,323,781	\$123,261,818
Infrastructure Costs					
Transmission (>=16 in)	\$40,165,305	\$1,540,199	\$38,625,106	\$2,985,031	\$35,640,075
Storage	\$40,103,900	\$8,686,552	\$31,417,348	\$2,428,000	\$28,989,348
Booster Pumps	\$15,950,900	\$880,826	\$15,070,074	\$1,164,648	\$13,905,426
Pressure Regulating Stations	\$1,403,400	(\$2,488,772)	\$3,892,172	\$300,795	\$3,591,377
Miscellaneous Projects	\$15,301,733	\$796,173	\$14,505,560	\$1,121,021	\$13,384,540
Total Infrastructure Costs	\$112,925,238	\$9,414,978	\$103,510,260	\$7,999,494	\$95,510,766
Total Water Source and Infrastructure Costs	\$264,172,393	\$45,632,193	\$218,540,200	\$18,323,276	\$218,772,584
Financing Costs	\$6,776,437	\$3,769,475	\$3,006,962	\$232,384	\$2,774,577
Total Cost Basis	\$270,948,829	\$49,401,668	\$221,547,161	\$18,555,660	\$221,547,161



Proposed Capacity Fee

Calculation of Proposed Capacity Fee

(A) Function	(B) Amount	(C) Incremental EDUs	(D) \$ Cost/EDU
Wells	\$22,806,781	20,000	\$1,140
Water Treatment Plant	\$36,598,218	"	\$1,830
Local Water Source	\$16,126,559	"	\$806
Recycled Water Facilities	\$47,730,260	"	\$2,387
Transmission (>=16 in)	\$35,640,075	"	\$1,782
Storage	\$28,989,348	"	\$1,449
Booster	\$13,905,426	"	\$695
Pressure Regulating Stations	\$3,591,377	"	\$180
Miscellaneous Projects	<u>\$13,384,540</u>	"	<u>\$669</u>
Subtotal	\$218,772,584		\$10,939
Financing Costs	<u>\$2,774,577</u>	20,000	<u>\$139</u>
Total Cost Basis/Capacity Charge	\$221,547,161		\$11,077

Comparison of Current vs. Proposed

Land Use	Existing \$/EDU	Proposed \$/EDU
Single Family Residential	\$10,122	\$11,077
Multiple Family Residential	\$6,073	\$6,646
Commercial Property	Case-by-Case	Case-by-Case
Industrial Property	Case-by-Case	Case-by-Case
Institutional Property	Case-by-Case	Case-by-Case
Function/Facility	Existing \$/EDU	Proposed \$/EDU
Wells	\$1,936	\$1,140
Water Rights (SWP)	\$1,225	\$0
Water Treatment Plant	\$921	\$1,830
Local Water Resources	\$485	\$806
Recycled Water Facilities	\$1,402	\$2,387
Transmission (>=16")	\$1,568	\$1,782
Storage	\$2,008	\$1,449
Booster Pumps	\$139	\$695
Pressure Reducing Stations	\$71	\$180
Miscellaneous Projects	<u>\$62</u>	<u>\$669</u>
Subtotal	\$9,818	\$10,939
Financing Costs	<u>\$305</u>	<u>\$139</u>
Total	\$10,122	\$11,077

Beaumont-Cherry Valley Water District
Summary of Proposed Revisions to Miscellaneous Fees for 2026-2030
Backflow and Customer Account-Related Fees, Deposits, and Penalties

Fee Description	Current Fee, Deposit, Penalty	Escalation Option ⁽¹⁾	Proposed Fee (2026), Deposit, Penalty	2027	2028	2029	2030
Backflow Related Fees, Deposits, and Penalties							
Backflow Administration Fee	\$ 75.00	1.60%	\$ 100.00	\$ 102.00	\$ 104.00	\$ 106.00	\$ 108.00
Backflow Repair Fee (outside contractor) ⁽²⁾		N/A	Varies	Varies	Varies	Varies	Varies
Backflow fire service noncompliance testing ⁽²⁾		N/A	Varies	Varies	Varies	Varies	Varies
Backflow noncompliance turn off/on	\$ 50.00	Flat	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
1" Construction Meter Deposit Non-Backflow	\$ 500.00	1.60%	\$ 500.00	\$ 508.00	\$ 516.00	\$ 524.00	\$ 532.00
3" Construction Meter Deposit Non-Backflow	\$ 2,650.00	1.60%	\$ 2,650.00	\$ 2,692.00	\$ 2,735.00	\$ 2,779.00	\$ 2,823.00
3" Construction Meter Deposit W/Backflow	\$ -	1.60%	\$ 2,960.00	\$ 3,007.00	\$ 3,055.00	\$ 3,104.00	\$ 3,154.00
Lost/Damaged Construction Meter Non-Backflow	\$ 2,650.00	1.60%	\$ 2,650.00	\$ 2,692.00	\$ 2,735.00	\$ 2,779.00	\$ 2,823.00
Lost/Damaged Construction Meter W/Backflow	\$ -	1.60%	\$ 2,960.00	\$ 3,007.00	\$ 3,055.00	\$ 3,104.00	\$ 3,154.00
3" Construction Meter Non-Backflow monthly	\$ 110.00	1.60%	\$ 110.00	\$ 112.00	\$ 114.00	\$ 116.00	\$ 118.00
3" Construction Meter W/Backflow monthly	\$ -	1.60%	\$ 150.00	\$ 152.00	\$ 154.00	\$ 156.00	\$ 158.00
Second Notice Charge - Backflow	\$ -	Flat	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Third Notice Charge - Backflow	\$ -	Flat	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
Customer Account Related Fees, Deposits, and Penalties							
After-hours Call-out Fee	\$ 100.00	Flat	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
After-hours Call-out (SB 998) Fee	\$ 100.00	Flat	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Credit Card Processing Fee (UB) ⁽³⁾	\$ 2.50	Flat	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
Credit Card Processing Fee (Non-UB) ⁽³⁾	3% Flat		3%	3%	3%	3%	3%
Credit Check Processing Fee	\$ 10.00	Flat	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00
Bench Test Credit	\$ 100.00	Flat	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Meter Testing Fee - 5/8" to 1" Inside	\$ 100.00	Flat	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Meter Testing Fee - 5/8" to 1" Outside	\$ 100.00	Flat	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Meter Testing Fee - 1.5" to 2" Inside	\$ 100.00	Flat	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Meter Testing Fee - 1.5" to 2" Outside	\$ 100.00	Flat	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Customer Deposit - Medium	\$ 150.00	Flat	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
Customer Deposit - High	\$ 250.00	Flat	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00	\$ 350.00
Customer Deposit - Low	\$ -	Flat	\$ -	\$ -	\$ -	\$ -	\$ -
Second Notice Charge	\$ 5.00	Flat	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
Third Notice Charge	\$ 15.00	Flat	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00
Account Reinstatement Charge	\$ 50.00	Flat	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Lien Processing Fee	\$ 170.00	1.60%	\$ 210.00	\$ 213.00	\$ 216.00	\$ 219.00	\$ 222.00
Returned Payment Charge	\$ 25.00	Flat	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00	\$ 25.00
Resubmit		N/A	\$ -	\$ -	\$ -	\$ -	\$ -
Water Restriction Penalty	Varies	N/A	Varies	Varies	Varies	Varies	Varies

Footnotes

- (1) Fee amounts shown reflect proposed rates over a five-year period. Certain fees remain constant, while others are subject to an annual escalation based on a standardized cost index or inflator. Actual underlying costs associated with providing these services will be evaluated periodically and may result in adjustments to ensure that fee levels remain accurate, equitable, and cost-reflective. Cost items that are proposed to change are identified in red.
- (2) Amounts represent actual project (work order) costs for materials, labor, administrative overhead, and other related expenses
- (3) Credit card, online and phone payment portal processing fees determined, and collected, by third party vendor. Fee not to exceed District cost listed.

Beaumont-Cherry Valley Water District
Summary of Proposed Revisions to Miscellaneous Fees for 2026-2030
Engineering-Related Fees, Deposits, and Penalties

Fee Description	Current Fee, Deposit, Penalty	Escalation Option ⁽¹⁾	Proposed Fee (2026), Deposit, Penalty	2027	2028	2029	2030
Engineering-Related Fees							
Service Connection Fee - 5/8" Non-Tract, Short Side	\$ 6,680.00	1.60%	\$ 7,800.00	\$ 7,920.00	\$ 8,050.00	\$ 8,180.00	\$ 8,310.00
Service Connection Fee - 5/8" Non-Tract, Long Side	\$ 12,590.00	1.60%	\$ 12,600.00	\$ 12,800.00	\$ 13,000.00	\$ 13,210.00	\$ 13,420.00
Service Connection Fee (Meter Assembly only) - 5/8" In-Tract	\$ 1,530.00	1.60%	\$ 1,600.00	\$ 1,630.00	\$ 1,660.00	\$ 1,690.00	\$ 1,720.00
Service Connection Fee - 3/4" Non-Tract, Short Side	\$ 6,710.00	1.60%	\$ 7,800.00	\$ 7,920.00	\$ 8,050.00	\$ 8,180.00	\$ 8,310.00
Service Connection Fee - 3/4" Non-Tract, Long Side	\$ 12,700.00	1.60%	\$ 12,700.00	\$ 12,900.00	\$ 13,110.00	\$ 13,320.00	\$ 13,530.00
Service Connection Fee (Meter Assembly only) - 3/4" In-Tract	\$ 1,560.00	1.60%	\$ 1,600.00	\$ 1,630.00	\$ 1,660.00	\$ 1,690.00	\$ 1,720.00
Service Connection Fee - 1.0" Non-Tract, Short Side	\$ 6,780.00	1.60%	\$ 7,900.00	\$ 8,030.00	\$ 8,160.00	\$ 8,290.00	\$ 8,420.00
Service Connection Fee - 1.0" Non-Tract, Long Side	\$ 12,770.00	1.60%	\$ 12,800.00	\$ 13,000.00	\$ 13,210.00	\$ 13,420.00	\$ 13,630.00
Service Connection Fee (Meter Assembly only) - 1.0" In-Tract	\$ 1,630.00	1.60%	\$ 1,700.00	\$ 1,730.00	\$ 1,760.00	\$ 1,790.00	\$ 1,820.00
Service Connection Fee - 1.5" Non-Tract, Short Side	\$ 7,000.00	1.60%	\$ 8,600.00	\$ 8,740.00	\$ 8,880.00	\$ 9,020.00	\$ 9,160.00
Service Connection Fee - 1.5" Non-Tract, Long Side	\$ 13,350.00	1.60%	\$ 13,400.00	\$ 13,610.00	\$ 13,830.00	\$ 14,050.00	\$ 14,270.00
Service Connection Fee (Meter Assembly only) - 1.5" In-Tract	\$ 740.00	1.60%	\$ 800.00	\$ 810.00	\$ 820.00	\$ 830.00	\$ 840.00
Service Connection Fee - 2.0" Non-Tract, Short Side	\$ 7,240.00	1.60%	\$ 8,800.00	\$ 8,940.00	\$ 9,080.00	\$ 9,220.00	\$ 9,370.00
Service Connection Fee - 2.0" Non-Tract, Long Side	\$ 13,600.00	1.60%	\$ 1,360.00	\$ 1,380.00	\$ 1,400.00	\$ 1,420.00	\$ 1,440.00
Service Connection Fee (Meter Assembly only) - 2.0" In-Tract	\$ 990.00	1.60%	\$ 1,100.00	\$ 1,120.00	\$ 1,140.00	\$ 1,160.00	\$ 1,180.00
Encroachment Permit Fee (City of Beaumont Non-Moratorium Area)	\$ 640.00	N/A	Varies	Varies	Varies	Varies	Varies
Encroachment Permit Fee (County of Riverside)	\$ 170.00	N/A	Varies	Varies	Varies	Varies	Varies
Encroachment Permit Fee (City of Calimesa)	\$ 120.00	N/A	Varies	Varies	Varies	Varies	Varies
Encroachment Permit Fee (City of Beaumont Moratorium Area)	\$ 660.00	N/A	Varies	Varies	Varies	Varies	Varies
Residential Service - No Reimbursement Agreement (Front Footage Fee)	\$ 29.50	Flat	\$ 29.50	\$ 29.50	\$ 29.50	\$ 29.50	\$ 29.50
Commercial Service - No Reimbursement Agreement (Front Footage Fee)	\$ 35.10	Flat	\$ 35.10	\$ 35.10	\$ 35.10	\$ 35.10	\$ 35.10
Engineering-Related Deposits							
Will Serve Deposit	\$ 500.00	1.60%	\$ 1,000.00	\$ 1,020.00	\$ 1,040.00	\$ 1,060.00	\$ 1,080.00
Fire Flow Deposit	\$ 700.00	1.60%	\$ 700.00	\$ 710.00	\$ 720.00	\$ 730.00	\$ 740.00
Water Supply Assessment Deposit	\$5,000 when prepared by developer, \$10,000 when prepared by District	1.60%	\$ 5,000.00	\$ 5,080.00	\$ 5,160.00	\$ 5,240.00	\$ 5,320.00
Plan of Service Deposit	\$5,000 when prepared by developer, \$10,000 when prepared by District	1.60%	\$ 5,000.00	\$ 5,080.00	\$ 5,160.00	\$ 5,240.00	\$ 5,320.00
Inspection Deposit (Typical Tract)	\$ 15,000.00	1.60%	\$ 15,000.00	\$ 15,240.00	\$ 15,480.00	\$ 15,730.00	\$ 15,980.00
Plan Check Deposit Plan Set<5 sheets	\$ 3,000.00	1.60%	\$ 3,000.00	\$ 3,050.00	\$ 3,100.00	\$ 3,150.00	\$ 3,200.00
Plan Check Deposit Plan Set 5 - 9 sheets	\$ 5,000.00	1.60%	\$ 5,000.00	\$ 5,080.00	\$ 5,160.00	\$ 5,240.00	\$ 5,320.00
Plan Check Deposit Plan Set>=10 sheets	\$ 7,500.00	1.60%	\$ 7,500.00	\$ 7,620.00	\$ 7,740.00	\$ 7,860.00	\$ 7,990.00
GIS Deposit - Commercial/Institutional/Industrial	\$ 940.00	1.60%	\$ 940.00	\$ 960.00	\$ 980.00	\$ 1,000.00	\$ 1,020.00
GIS Deposit - Residential	\$ 520.00	1.60%	\$ 520.00	\$ 530.00	\$ 540.00	\$ 550.00	\$ 560.00

Beaumont-Cherry Valley Water District
Summary of Proposed Revisions to Miscellaneous Fees for 2026-2030
Engineering-Related Fees, Deposits, and Penalties

Fee Description	Current Fee, Deposit, Penalty	Escalation Option ⁽¹⁾	Proposed Fee (2026), Deposit, Penalty	2027	2028	2029	2030
Fire Hydrant Deposit (Includes pavement) ⁽²⁾	\$ 19,150.00	N/A	Varies	Varies	Varies	Varies	Varies
4" Fire Service Installation Deposit ⁽²⁾	\$ 16,010.00	N/A	Varies	Varies	Varies	Varies	Varies
4" Fire Service Installation Deposit ⁽²⁾	\$ 18,860.00	N/A	Varies	Varies	Varies	Varies	Varies
4" Fire Service Installation Deposit ⁽²⁾	\$ 29,070.00	N/A	Varies	Varies	Varies	Varies	Varies
4" Fire Service Installation Deposit ⁽²⁾	\$ 51,710.00	N/A	Varies	Varies	Varies	Varies	Varies
4" Fire Service Installation Deposit ⁽²⁾	\$ 53,250.00	N/A	Varies	Varies	Varies	Varies	Varies
City of Beaumont Moratorium Area Additional Paving Deposit (Short Side) ⁽²⁾	\$ 10,030.00	N/A	Varies	Varies	Varies	Varies	Varies
City of Beaumont Moratorium Area Additional Paving Deposit (Long Side) ⁽²⁾	\$ 20,040.00	N/A	Varies	Varies	Varies	Varies	Varies
Equipment (For Repairs) (Trucks and Machinery)	Varies	N/A	Varies	Varies	Varies	Varies	Varies
Engineering-Related Penalties							
Unauthorized Connection Charge – 1st CY Offense ⁽⁴⁾	\$ 1,500.00	Flat	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Unauthorized Connection Charge – 2nd CY Offense ⁽⁴⁾	\$ 3,000.00	Flat	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Unauthorized Connection Charge – 3rd CY Offense ⁽⁴⁾	\$ 4,500.00	Flat	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00
Unauthorized Connection Charge – 4th CY Offense ⁽⁴⁾	\$ 7,500.00	Flat	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00
Water Theft Prevention (Broken or Stolen Lock)	\$ 20.00	Flat	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
Hit Fire Hydrant ⁽³⁾	\$ -	N/A	Varies	Varies	Varies	Varies	Varies

Footnotes

- (1) *Fee amounts shown reflect proposed rates over a five-year period. Certain fees remain constant, while others are subject to an annual escalation based on a standardized cost index or inflator. Actual underlying costs associated with providing these services will be evaluated periodically and may result in adjustments to ensure that fee levels remain accurate, equitable, and cost-reflective. Cost items that are proposed to change are identified in red.*
- (2) *Deposit amounts are based on standard estimates listed in Part 5, Appendix A – Water Service Charges, Deposits, and Miscellaneous Fees. Prospectively, deposit amounts will be estimated and collected in advance and represent estimated costs for materials, labor, administrative overhead, and other related expenses. Actual project costs may vary. Where applicable, any cost differences will be reconciled with the applicant following project completion.*
- (3) *Amounts represent actual project (work order) costs for materials, labor, administrative overhead, and other related expenses.*
- (4) *A penalty charge shall be assessed for unauthorized use of water or tampering with a water meter. The initial violation will incur the first-tier penalty, with each subsequent violation within the same calendar year resulting in escalating charges based on the date of the first occurrence. In cases deemed severe, the District may remove the water meter entirely, and the customer shall be subject to additional fees. All damages, including repairs and replacements, will be billed to the property owner at current labor, equipment, and material rates.*

RESOLUTION NO. 2007-03

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT
RENAMING AND INCREASING THE DISTRICT'S CAPACITY CHARGES (FORMERLY
FACILITIES FEES) PURSUANT TO GOVERNMENT CODE SECTION 66013 ST. SEQ**

WHEREAS, the Beaumont Cherry Valley Water District is experiencing population growth which creates a demand for future service to the District's service area; and

WHEREAS, with increased development the District's groundwater source will not be adequate to supply development needs; and

WHEREAS, the San Geronio Pass Water Agency and the Department of Water Resources are completing plans to extend the State Water Project into the District's service area; and

WHEREAS, the most efficient use of imported supply will require treatment; and

WHEREAS, the Facilities Fees adopted by Resolution 80-5 by the Board of Directors of the Beaumont Cherry Valley Water District in 1980, and amended by Resolution 89-2, Resolution 92-6, Resolution 96-8, Resolution 2002-04, Resolution 2004-10 and 2006-03 no longer adequately provides sufficient revenue to construct and upgrade source of supply, reservoirs, transmission lines and treatment plants; and

WHEREAS the Board of Directors authorized Raffetis Financial Consultants, Inc. to undertake a 2007 study for the purpose of determining (1) present day costs for construction and improvements to be funded as additional demand occurs and (2) recommending a revised Facility Fee (Capacity Charge) to reflect said increases; and

WHEREAS, on July 11, 2007, the District's Board of Directors approved the "2007 Update of Systems Development Fees Report" dated June 29, 2007 prepared by Raffetis Financial Consultants, Inc. ("RFC 2007 Report"); and

WHEREAS, the RFC 2007 Report is incorporated by this reference as though set forth in full and made a part of this Resolution; and

WHEREAS, the District desires to rename its "Facility Fees" to "Capacity Charges" so as to conform to Government Code Section 66013 (b)(3); and

WHEREAS, the District Board of Directors wish to increase the Districts Fees for new or extended service connections (Capacity Charges); as set forth in the RFC 2007 Report.

NOW, THEREFORE BE IT RESOLVED that the above recitals are incorporated and made a substantive part of this Resolution.

RESOLVED, Further, that the Board of Directors of the Beaumont Cherry Valley Water District hereby adopts the "2007 Update of Systems Development Fees Report" dated June 29, 2007 prepared by Raftells Financial Consultants, Inc. and hereby adopts the new facilities fee schedule for service connections within the boundaries of the District which shall be renamed "Capacity Charges" and hereby amends the District Regulations Governing Water Service as follows:

CAPACITY CHARGE COMPUTATIONS

	Costs	Capacity			Capacity Charge/EDU
		mgd	AFY	EDU	
Supply					
Wells (1)	\$73,568,000	86		38,000	\$1,936
Water Rights (SWP) (2)	\$46,550,000		13,300	38,000	\$1,225
Water Treatment Plant (3)	\$35,000,000	10	5,600	38,000	\$ 921
Local Water Resources (4)	\$18,443,000	3.7	4,100	38,000	\$ 485
Recycled Water facilities (5)	\$53,263,000	10	9,200	38,000	\$1,402
Total	\$226,824,000		14,300	38,000	\$5,969
Transmission (≥16") (6)	\$54,971,000			38,000	\$1,568
Storage	\$70,380,000	47.5		38,000	\$2,008
Booster	\$4,865,000			38,000	\$ 139
Pressure Reducing Stations	\$2,484,000			38,000	\$ 71
Miscellaneous Projects	\$2,186,000			38,000	\$ 62
Total	\$361,710,000				\$9,818
Financing Costs (7)	\$11,203,894			38,000	\$ 304
Total with Financing Costs	\$372,913,894				\$10,122

- (1) Capacity Charge per Equivalent Dwelling Unit (EDU)
- (2) Capacity shown for the well is max day capacity for operating 12 hours a day.
- (3) Water entitlement purchase of 13,300 afy @ \$3,500/afy @ 69 percent reliability to yield an additional 10,550 afy.
- (4) Treatment plant will be operated 8 months of year to coincide with SWP deliveries.
- (5) Local water source includes capture of stormwater to yield 4,100 afy.
- (6) Recycled water facilities to yield 9,200 afy.

- (7) For transmission lines ≥ 18 -in, the reduction cost is \$165 per EDU. The connection fee is \$9,957 per EDU.
- (8) Financing assumes interest costs at 5 % per year for 5 years assuming projects are constructed in 5 year increments

Resolution 2007-03
Page Three

RESOLVED FURTHER, that any reference to Facility Fees contained in the District's Rules and Regulations or other District documents shall have the same meaning as Capacity Charges; and

RESOLVED FURTHER, that the effective date of the increases adopted herein shall be September 15, 2007.

Passed and adopted at the Regular Meeting of the Board of Directors of the Beaumont-Cherry Valley Water District on September 12, 2007 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved:

A handwritten signature in cursive script, appearing to read "Stella Parks", written over a horizontal line.

Stella Parks, President of the
Board of Directors of the
Beaumont Cherry Valley Water District

Attest:

A handwritten signature in cursive script, appearing to read "C.J. Butcher", written over a horizontal line.

C.J. Butcher, Secretary to
the Board of Directors of the
Beaumont Cherry Valley Water District

RESOLUTION 2024-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT - CHERRY VALLEY WATER DISTRICT ADOPTING THE UPDATED SCHEDULE OF MISCELLANEOUS FEES (ADMINISTRATIVE COST RECOVERIES) EFFECTIVE MARCH 14, 2024 AND SUPERSEDING RESOLUTION 2022-38

WHEREAS, the Beaumont-Cherry Valley Water District (District) is authorized, pursuant to California Water Code 31007, to fix, prescribe, revise and collect fees and charges so as to yield an amount sufficient to pay the operating expenses of the District, provide for repairs and depreciation of works owned and / or operated by the District, pay the interest on any bonded debt, and provide a fund for payment of the principal of the bonded debt as it becomes due; and

WHEREAS, the Board of Directors has determined that District staff provides many types of services involving requests by customers and the District imposes service fees and deposits upon customers to recover the costs of staff time and other administrative expenses related to providing these services; and

WHEREAS, current fees and charges do not adequately recoup the District's costs of providing certain services and thus, a portion of those costs are currently paid from the District's general fund, and therefore are borne by the ratepayers; and

WHEREAS, the District finds that providing these services is of special benefit to those customers both separate and apart from the general benefits to the public, and therefore, in the interest of fairness, the District desires to better recover the costs of providing those services from customers who have sought said services by revising its Schedule of Miscellaneous Fees (Administrative Cost Recoveries); and

WHEREAS, the Board of Directors of the Beaumont-Cherry Valley Water District has carefully reviewed the recommended Miscellaneous Fees updates prepared by staff; and

WHEREAS, the Board of Directors finds the proposed fee schedules are necessary for the District's continued recovery of costs of service, are in compliance with State law, and are in the best interests of the District and its customers; and

WHEREAS, following a properly posted Notice of Public Hearing, on March 13, 2024, the Board of Directors conducted a public hearing for the purpose of considering the adoption of a revised schedule of miscellaneous fees and charges,

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

1. The staff recommendations (Proposed Fees, Proposed Deposits, and Proposed Penalties) set forth in Exhibit A - Summary of Proposed Revisions to Miscellaneous Fees for 2024 are hereby approved and adopted by the Board of Directors, and are made a part of this Resolution and shall become effective March 14, 2024

2. To the extent that the terms and provisions of this Resolution may be inconsistent or in conflict with the terms and conditions of any prior ordinance, resolution, rule, or regulation the terms of this Resolution shall prevail, and any such inconsistent and conflicting provisions of prior ordinance, resolution, rule, or regulation are hereby superseded
3. If any provision of this Resolution or application thereof to any person or circumstance is held invalid, no other provision of this Resolution shall be affected thereby
4. The Miscellaneous Fees and Charges as set forth in Exhibit A are not discriminatory or excessive, will comply with Government Code Sections 54340 et. seq., and will otherwise comply with law.

ADOPTED this 13TH day of MARCH, 2024, by the following vote:

AYES: COVINGTON, HOFFMAN, RAMIREZ, SLAWSON, WILLIAMS

NOES:

ABSTAIN:

ABSENT:



Director John Covington, President of the
Board of Directors of the
Beaumont-Cherry Valley Water District

ATTEST:



Director Lana Williams, Secretary to the
Board of Directors of the
Beaumont-Cherry Valley Water District

Attachments: Exhibit A: Summary of Proposed Revisions to Miscellaneous Fees for 2024

Exhibit A

Figure 1-1: Legend for Per Unit

Unit Abbreviation	Unit
EO	Each Occurrence
SB	Senate Bill
UB	Utility Billing
SF	Square Foot
LS	Lump Sum
LF	Linear Foot
CII	Commercial/Industrial/Institutional
WM	Water Meter
DS	Design Sheet

Table 1-1: Current and Proposed Customer Account-Related User Fees

Fee Description	Per	Existing Fee	Calculated Fee	Proposed Fee
Customer Account-Related Fees				
Backflow Administration Fee	EO	\$50.00	\$180.00	\$75.00
Footnotes:				

Table 1-2: Current and Proposed Engineering-Related User Fees

Fee Description	Per	Existing Fee	Calculated Fee	Proposed Fee
Engineering-Related Fees				
Service Connection Fee (Meter Assembly only) - 5/8" In-Tract	LS	\$1,120.00	\$1,530.00	\$1,530.00
Service Connection Fee (Meter Assembly only) - 3/4" In-Tract	LS	\$1,140.00	\$1,560.00	\$1,560.00
Service Connection Fee (Meter Assembly only) - 1.0" In-Tract	LS	\$1,210.00	\$1,630.00	\$1,630.00
Service Connection Fee (Meter Assembly only) - 1.5" In-Tract	LS	\$730.00	\$740.00	\$740.00
Service Connection Fee (Meter Assembly only) - 2.0" In-Tract	LS	\$980.00	\$990.00	\$990.00
Encroachment Permit Fee (City of Beaumont Non-Moratorium Area)	EO	\$510.00	\$640.00	\$640.00
Encroachment Permit Fee (City of Beaumont Moratorium Area)	EO	\$650.00	\$660.00	\$660.00

Table 1-3: Current and Proposed Engineering-Related Deposits

Fee Description	Per	Existing Deposit	Calculated Deposit	Proposed Deposit
Engineering-Related Deposit				
Fire Flow Deposit	EO	\$700.00	\$800.00	\$800.00
GIS Deposit - Commercial/Industrial/Industrial	DS	\$710.00	\$940.00	\$940.00
GIS Deposit - Residential	DS	\$210.00	\$520.00	\$520.00
City of Beaumont Moratorium Area Additional Paving Deposit (Short Side)	EO	\$6,560.00	\$10,030.00	\$10,030.00
City of Beaumont Moratorium Area Additional Paving Deposit (Long Side)	EO	\$12,500.00	\$19,430.00	\$19,430.00

Table 1-4: Current and Proposed Penalties

Penalty Description	Per	Existing Penalty	Calculated Penalty	Proposed Penalty
Engineering-Related Penalty				
Water Theft Prevention - Illegal Jumper and/or Connection (Unauthorized Connection Charge)	EO	\$1,150.00	\$0.00	\$0.00
Water Theft Prevention - Illegal Jumper and/or Connection (Unauthorized Connection Charge) - 1st CY Offense	EO	\$0.00	\$0.00	\$1,500.00
Water Theft Prevention - Illegal Jumper and/or Connection (Unauthorized Connection Charge) - 2nd CY Offense	EO	\$0.00	\$0.00	\$3,000.00
Water Theft Prevention - Illegal Jumper and/or Connection (Unauthorized Connection Charge) - 3rd CY Offense	EO	\$0.00	\$0.00	\$4,500.00
Water Theft Prevention - Illegal Jumper and/or Connection (Unauthorized Connection Charge) - 4th+ CY Offense	EO	\$0.00	\$0.00	\$7,500.00

POLICY TITLE: USER FEE COST RECOVERY
POLICY NUMBER: 5031

5031.1 **General.** The User Fee Cost Recovery Policy allows an ongoing, sound basis for setting fees that are periodically reviewed and updated based on predetermined, researched and supportable criteria.

User fee services are those performed by the District on behalf of a private citizen or group with the assumption that the costs of services benefiting individuals, and not society as a whole, should be borne by the individual receiving the benefit. However, in some circumstances it is reasonable to set fees at a level that does not reflect the full cost of providing service but to subsidize the service.

5031.2 **Establishment of Fees.** The Board shall establish fees and charges sufficient to recover the cost of operating and maintaining service, current operational needs of the District, including the financing of capital improvements in accordance with the Capital Improvement Program, or as determined in accordance with recovery targets as established by the Board.

5031.3 Fees shall not exceed the reasonable cost of the service.

5031.4 The Board has determined that full cost recovery is not always appropriate.

5031.5 **Collection of Fees and Charges.** The District shall strive to collect all fees and charges imposed, and shall actively pursue and settle delinquent accounts.

5031.5 **Review of Fees.** At least annually, the Board shall review the rates, fees and charges for service to ensure they are set at appropriate amounts to keep pace with the costs and levels of service delivery. Adoption of the annual budget, with the fee assumptions included therein, may constitute such a review.

A comprehensive analysis of the District's costs and fees should be performed at least every five years.

5031.6 **Standards.** The Rates, fees and charges for water service and related fees are set forth in the District's Rules Governing Water Service, Part 5: Charges – Appendix A.



**Beaumont-Cherry Valley Water District
Special Board Meeting
October 29, 2025**

Item 5

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: Request for Will-Serve Letter Extension for Riverside County Assessor's Parcel Nos. 405-230-006 and 405-230-010 located on Brookside Avenue, east of Nancy Avenue (Further Identified as Cherry Valley Storage) in the Community of Cherry Valley

Staff Recommendation

Consider the request for a Will-Serve Letter Extension for the Cherry Valley Storage development (located on Riverside County Assessor's Parcel Nos. 405-230-006 and -010), within the Community of Cherry Valley located on Brookside Avenue east of Nancy Avenue 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 (Mark Weaver / Brook Valley Properties, LLC) proposes to demolish an existing single family residence and construct a proposed self-storage and RV storage facility comprising of thirteen (13) detached, single-story buildings, five (5) detached canopies, and landscaping areas across two (2) parcels of land located within the District's Service Boundary. Table 1, below, provides a brief summary of the proposed project.

Table 1 – Project Summary

Applicant	Mark Weaver / Brook Valley Properties, LLC
Owner / Developer	CV Acres, LLC
Development Type	Commercial
Development Name	Cherry Valley Storage
Annexation Required (Yes/No)	No
Total Water Consumption Increase (EDUs)	1.2 EDUs
Estimated Domestic Water Consumption	1.0 EDU
Estimated Irrigation Water Consumption	1.2 EDUs
Existing Water Consumption Credit	1.0 EDU

Background

The Applicant, Mark Weaver or Brook Valley Properties, LLC, has requested water service from the District for a redevelopment on two (2) existing parcels of land. APN 405-230-006 is an undeveloped 16.68-acre parcel of land located on Brookside Avenue, east of Nancy Avenue and APN 405-230-010 is currently an existing single-family residence with an existing 3/4-inch meter and an abandoned structure proposed to be demolished as a part of the project development. The subject parcels are located within the Community of Cherry Valley (see Attachment 1 –



Cherry Valley Storage Location Map). District staff understands the Applicant will receive a credit for the existing service located on APN 405-230-010.

The Cherry Valley Storage project was previously provided a Will Serve Letter at the October 11, 2023 Regular Board Meeting to a different project Applicant. The new Applicant originally contacted District staff in April 2025 and has been working through the plan check process for proposed water improvements with Staff.

The overall development consists of a mix of exterior and interior storage lockers within thirteen (13) buildings (109,220 sq. ft.), covered (canopied) RV storage spaces (82,034 sq. ft.), and landscaped areas (28,904 sq. ft.). The Applicant has split the project into two (2) phases, both of which are included in this Will Serve Letter request. Phase I consists of the construction of an office building, seven (7) self-storage structures, and landscaped areas. Phase II consists of five (5) self-storage structures, five (5) RV storage canopies, and landscaped areas. A summary of the proposed phasing is described in Table 2, below.

Table 2 – Total Project Description (Phases 1 and 2)

Phasing	Description	Area (sq. ft.)
Phase I	Customer Service / Company Storage	1,900
	Storage Building Area	66,020
	Landscaping Area	18,280
Phase II	Storage Building Area	41,300
	RV Storage Area	82,034
	Landscaping Area	10,624

The Applicant provided District staff with a Site Plan which details the proposed project configuration including both phases within the Cherry Valley Storage development. The Applicant has indicated to Staff that the proposed development will not have an RV washing station nor an ice machine.

Discussion

The Applicant has indicated to District staff that APN 405-230-006 is planned to be phased along the western edge of APN 405-230-010 and the Applicant is planning to develop the remaining portion of APN 405-230-006 at a later date. The Applicant will be required to return to the Board for a separate Will Serve Letter request when this parcel has a defined project.

Based on the proposed usage, Staff has estimated a potable water demand of 1.0 EDU for the overall development and evaluated irrigation water consumptions for comparable facilities and has estimated the Project's irrigation water demands to be approximately 1.2 EDUs for landscaping needs.

Table 3, below, identifies the anticipated water consumption for the proposed Project:

Table 3 – Total Project Water Consumption (Phases I and II)

Description	Estimated Water Consumption (GPD)	Estimated Water Consumption (EDUs)
Domestic Water Demand	487	1.0
Irrigation Water Demand	557	1.2
Total Water Demand	1,064	2.2



The existing single-family residence, located at 38718 Brookside Avenue (APN 405-230-010) will be demolished as part of the Project. Therefore, the District will apply a credit for one (1) EDU towards the Project.

APNs 405-230-006 and -010 are located within the District's Service Boundary. There is an existing 16-inch ductile iron pipe (DIP) domestic water main and a 24-inch DIP non-potable water main fronting the subject parcels within Brookside Avenue, both of which are proposed to serve the Project's water demands.

Final domestic and irrigation meter sizes will be determined by the Applicant. Fire flow requirements will be determined by the County of Riverside Fire Department and said requirements dictate actual required fire hydrant fire flows to the property. Should the Project's fire flow requirements exceed the capacity of the existing facilities fronting the Project property, then the Developer shall upgrade said facilities and size sufficiently enough to support the demands of the Project.

The Applicant will need to secure other necessary approvals from the County of Riverside.

Conditions:

The Applicant shall conform to all District requirements for water service and all County of Riverside requirements.

1. The Applicant will be required to pay commercial front-footage fees along all property frontages where facilities (potable and non-potable) are currently installed.
2. The Applicant may be required to install a fire service connection(s) to support the County of Riverside Fire Department's requirements for on-site fire hydrants.
3. The Applicant shall prepare and submit water improvement plans for review and approval by the District prior to construction.
4. The Applicant shall enter into a water facilities extension agreement and pay all fees and deposits associated with the domestic and irrigation water service for the proposed development.
5. The Applicant will be required to pay for additional storage relating to the Project's volumetric quantity of water greater than the baseline fire flow demands (1,000 GPM for 2 hours) per District policy.
6. Irrigation demands are anticipated to be 1.2 EDUs (577 gpd). If the irrigation demand exceed 1.2 EDUs, the District will require that the Project return for consideration of additional water above the allocated 1.2 EDUs.
7. The District reserves the right to review annual consumption data (water consumption audit) for potable and irrigation consumptions, and adjust the applicable Capacity Charges (when project facilities are fully utilized) for any amount greater than an average daily use of 487 gpd (1.0 EDU) for domestic water demands and 577 gpd (1.2 EDUs) for irrigation demands which are identified in Table 3, above.
8. In the event the Applicant redevelops the Project site, the Applicant may be required to request additional water (additional water service request) from the Board of Directors,



upgrade the service(s) to facilitate the additional consumption, and pay Capacity Charges for the additional quantity of water needed.

9. To minimize the use of potable water, the District requires the applicant to conform to the County of Riverside Landscaping Ordinances 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. Conversion of drought-tolerant landscaping to turf is prohibited.

Fiscal Impact

None. All fees and deposits will be paid by the Applicant prior to providing service.

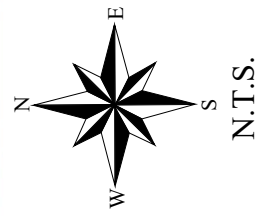
Attachments

1. Cherry Valley Storage Location Map
2. Cherry Valley Storage Site Plan
3. Cherry Valley Storage Will Serve Letter Application

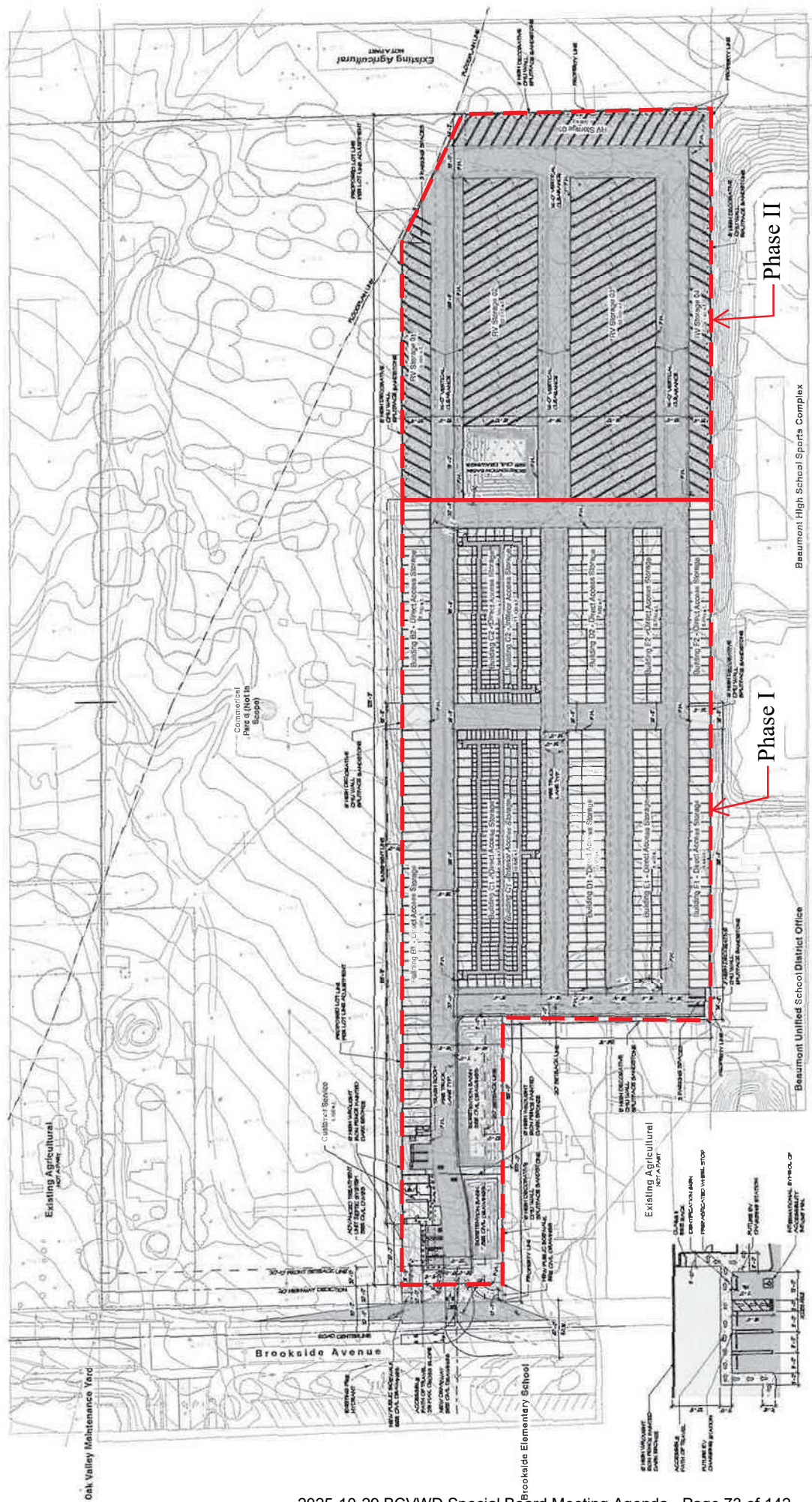
Staff Report prepared by Evan Ward, Associate Civil Engineer I

APN 405230006 APN 405230010

Attachment 1 - Cherry Valley Storage Location Map



Attachment 2 - Cherry Valley Storage Site Plan



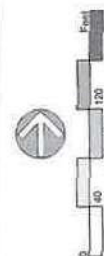
A New Mini-warehouse and RV Storage Facility for:
Cherry Valley Storage
3871 8 Brookside Avenue
Cherry Valley, CA 92223

James Goodman Architects
arclogica

Client: AMS Group, LLC
Civil Engineering: Strand Engineering
Landscape Architecture: Emerald Design

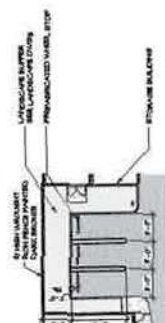
A-1.3

Site Plan



CUP Package February 9th, 2024

Enlarged Parking - 1



Enlarged Parking #2



Attachment 3 - Cherry Valley Storage Will-Serve Letter Application

BEAUMONT CHERRY VALLEY WATER DISTRICT

560 Magnolia Avenue • PO Box 2037

Beaumont, CA 92223-2258

Phone (951) 845-9581

www.bcvwd.org

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

Applicant Name: Mark Weaver/ Brook Valley Properties, LLC		Contact Phone # [REDACTED]
Mailing Address: [REDACTED]		Fax #: [REDACTED]
City: [REDACTED]		E-mail: [REDACTED]
State & Zip: [REDACTED]		
Service Address: 38718 Brookside Ave Cherry Valley, CA 92223		
Assessor's Parcel Number (APN), Tract Map No. Parcel Map No.: 405-230-010		
Project Type: ☐ Single-Family ☐ Multi-Family ☒ Commercial/Industrial ☐ Minor Subdivision (5 lots or less) ☐ Major subdivision (6+ lots) ☐ Other		
Site Map Attached: ☒ Yes ☐ No		

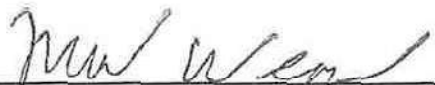
The letter should be delivered to:

Recipient: [REDACTED]
[REDACTED]
[REDACTED]

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

09/29/2025

Date



**Beaumont-Cherry Valley Water District
Special Board Meeting
October 29, 2025**

Item 6

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: Resolution 2025-__: Authorizing an Amendment to the 2025-2029 Capital Improvement Budget for the 2.0 Million Gallon Noble Water Storage Tank II Project (T-3040-0001)

Staff Recommendation

1. Reject all Bids and instruct Staff to rebid the Project, OR
2. Accept Spiess Construction Withdrawal and Instruct Staff to Award the Project with the second lowest apparent bidder (Pyramid Building and Engineering, Inc.)
 - a. Adopt Resolution 2025-__: Authorizing an Amendment to the 2025-2029 Capital Improvement Budget (CIB) in the amount of **\$4,652,500.00** for the 2.0 M.G. Noble Water Storage Tank II Project for a project total amount of **\$9,003,000.00**
and
 - b. Authorize the General Manager to execute a contract with Contractor to provide all materials, labor, equipment, and testing necessary to complete construction of the 2.0 M.G. Noble Water Storage Tank II Project in the amount of **\$7,761,133.27** and authorize **\$776,113.00 (~10% contingencies)** for a total not to exceed amount of **\$8,537,246.27**
and
 - c. Authorize the General Manager to expend additional funds for soft costs associated with the Project per Table 2 in the amount of \$226,300, OR
3. Direct Staff as desired.

Executive Summary

On September 12, 2025, District staff solicited a Notice Inviting Bids for the construction of the Project and on October 20, 2025, received three (3) bids from interested contractors who attended the mandatory pre-bid meeting. Spiess Construction Company, Inc. (Spiess Construction) was identified to be the apparent low bidder at the bid opening. On October 21, 2025, Spiess Construction submitted a formal bid withdrawal letter requesting the withdrawal of their bid per the Public Contract Code (PCC) on the basis that there was an error making the bid materially different than intended.

District staff requested guidance from legal counsel regarding the future course(s) of action which is summarized in Attachment 3 – Memorandum Regarding Bid Withdrawal. District staff has identified three (3) potential options moving forward and is seeking direction from the Board of Directors.

If it is the desire of the Board of Directors to move forward with the second lowest apparent bidder, District staff recommends awarding the contract to Pyramid Building and Engineering, Inc.



(Pyramid Building) in an amount not to exceed **\$7,761,133.27** and authorize an additional **\$776,113.00** (10% contingency). District staff also requests that the Board of Directors authorize the General Manager to expend an additional **\$126,300.00** for anticipated construction costs (soils testing, construction surveying, District field inspections, and engineering support) associated with the Project.

The anticipated construction costs associated with this Project were greater than originally anticipated by District staff. Therefore, District staff requests that the Board consider approving Resolution 2025-__: authorizing an amendment to the 2025-2029 Capital Improvement Budget to include an additional **\$4,652,500.00** for the 2.0 M.G. Noble Water Storage Tank II Project (T-3040-0001).

Background

At the November 8, 2017, Regular Board Meeting, the Board approved a contract with Cozad & Fox, Inc. to perform the design and bid phase services for the 3040 Pressure Zone Cherry Avenue / International Park Road Transmission Pipeline Project and for the Noble Tank No. 2 project. The project's design component was awarded to Cozad & Fox, Inc. as a single project. On January 23, 2020, the District addressed the California Environmental Quality Act (CEQA) and the Board of Directors held a public hearing and adopted Resolution 2020-03, adopting the Mitigated Negative Declaration (MND) and Mitigation Monitoring and Reporting Program (MMRP) for the Project.

District staff has taken additional steps to address NEPA due to the pipeline portion of the project receiving federal funding. On July 27, 2023, the Board of Directors held a public hearing and adopted Resolution 2023-21, adopting the Environmental Assessment (EA) and Finding of No Significant Impact for the Project. On April 24, 2023, the Noble Water Storage Tank No. 2 and Transmission Pipeline obtained all necessary approvals from the District and from Riverside County Transportation. District staff split the original project into two components to separate the pipeline for the ARPA funding activity.

Discussion

On September 12, 2025, District staff solicited for construction bids for the 2.0 M.G. Noble Water Storage Tank II Project, as described above. On October 20, 2025, the District received bids for the construction of the Project from three (3) contractors. The results of the bids are indicated in Table 1, below.

Table 1 – 2.0 M.G. Noble Water Storage Tank II Project Bid Results

Bidder (Contractor)	2.0 M.G. Noble Water Storage Tank II Project Base Bid Amount / Basis of Award	Comment
Pacific Hydrotech Corporation	\$ 9,178,953.00	
Pyramid Building and Engineering, Inc.	\$ 7,761,133.27	Recommended for Award
Spiess Construction Company, Inc.	\$ 6,675,789.00	Submitted Bid Withdrawal on October 21, 2025

Note: The contractors have been listed alphabetically.



Based on the above, the apparent low bidder for the Project is Spiess Construction. On October 21, 2025, Spiess Construction submitted a formal bid withdrawal letter requesting the withdrawal of their bid per the Public Contract Code (PCC) on the basis that there was an error making the bid materially different than intended. Following this notice, District staff has carefully reviewed and examined the submittal from the second lowest apparent bidder and recommends the Board consider the authorization of the General Manager to execute a contract with Pyramid Building and Engineering, Inc. to provide all labor, equipment, materials, and testing necessary to complete the construction of the 2.0 M.G. Noble Water Storage Tank II Project in the amount of **\$7,761,133.27** with authorization of **\$776,113.00** for 10% contingencies.

District staff identifies that there are additional tasks needed to complete the Project. These tasks are generally identified under Table 2 and consist of the following (with estimated amounts):

Table 2 – Estimated Project Construction Phase Soft Costs

Description	Amount
Field Inspections (District Labor)	\$25,000.00
District Engineering Support	\$10,000.00
Geotechnical (Compaction) Services	\$30,000.00
Construction Survey Staking ¹	\$49,824.00
Reservoir and Construction Coating Inspection Services	\$100,000.00
Rounded Contingency (10%)	\$11,476.00
Total Estimated Construction Phase Soft Costs	\$226,300.00

1. An Engineer's Estimate has been provided for the Construction Staking of the overall Project (see Attachment 4).
2. A separate proposal will be presented to the Board of Directors for consideration for tank inspection services at a future date.

Fiscal Impact

Should the Board of Directors decide to pursue Option 1 (Reject all bids and instruct Staff to rebid the Project), the fiscal impact of the Project may vary depending on the bids received.

Should the Board decide to pursue Option 2 (Awarding the Project to the second lowest apparent bidder), a summary of the design phase, bid phase, and upcoming construction phase project costs are described in Table 3, below.



Table 3 – 2.0 M.G. Noble Water Storage Tank II Estimated Project Costs

Item	Description	Amount
1	2025 Board Approved Budget (2025-2029 CIB)	\$4,250,500.00
2	<i>Design and Bid Phase Consultant Costs</i>	
	Contracted Consultant Costs⁽¹⁾	\$111,746.40
3	<i>Design and Bid Phase District Soft Costs</i>	
	District Labor Costs ⁽²⁾	\$112,718.22
	Miscellaneous Costs ⁽³⁾	\$14,858.93
	District Soft Costs	\$127,577.15
4	<i>Construction Phase Project Costs</i>	
	Recommended Contractor Construction Cost ⁽⁴⁾	\$7,761,133.27
	10% Construction Contingency (Rounded)	\$776,113.00
	Construction Soft Costs ⁽⁵⁾	\$226,300.00
	Construction Phase Project Cost and Contingencies	\$8,763,546.27
5	Anticipated Total Project Costs⁽⁶⁾	\$9,002,869.82
	Rounded Anticipated Total Project Costs⁽⁶⁾	\$9,003,000.00
6	Proposed Budget Amendment	\$4,752,500.00

1. Incurred costs associated with the District consultant which were approved at the Date Regular Board Meeting. These costs were project related and have been previously authorized by the Board.
2. Includes District time and equipment costs associated with demolition of existing site facilities.
3. Includes costs for ordering Title Reports, filing Environmental Documents, Riverside County Plan Check fees, and publicizing documents.
4. Includes all Contractor Related Costs (Including Materials)
5. Identified in Table 2, above.
6. Total estimated design, bid, and construction project costs.

The fiscal impact to the District for the 2.0 M.G. Noble Water Storage Tank II Project (T-3040-0001) for Option 2 based on selection of the second lowest bidder is estimated to be approximately **\$9,003,000.00** (\$9,002,869.82 rounded in Table 3, above). Funds for this Project are proposed to be expended from Capital Expansion Funds (Capacity Charges).

Attachments

1. Resolution 2025-__: Authorizing an Amendment to the 2025-2029 Capital Improvement Budget for the 2.0 M.G. Noble Water Storage Tank II Project
2. 2.0 M.G. Noble Water Storage Tank II Location Map
3. Memorandum Regarding Bid Withdrawal
4. Construction Staking Proposal

Staff Report prepared by Evan Ward, Associate Civil Engineer I

Attachment 1

RESOLUTION 2025-__

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BEAUMONT-CHERRY VALLEY WATER DISTRICT AUTHORIZING AN AMENDMENT TO THE 2025-2029 CAPITAL IMPROVEMENT BUDGET FOR THE 2.0 M.G. NOBLE WATER STORAGE TANK II PROJECT

WHEREAS, at its meeting on December 11, 2024, the Board of Directors of the Beaumont-Cherry Valley Water District approved Resolution 2024-22 Adopting the Annual Operating and 2025-2029 Capital Improvement Budget for the Fiscal Year Ending Dec 31, 2025; and

WHEREAS, the Board of Directors has carefully reviewed the proposed amendments and finds it necessary and appropriate to balance and amend the 2025-2029 approved District Capital Improvement Budget as designated and attached hereto marked Exhibit "A," and

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

1. That an amount of \$4,752,500.00 be added to Project No. T-3040-0001 (2.0 M.G. Noble Water Storage Tank II) for a new budget total of \$9,003,000.00 in the Amended 2025-2029 Capital Improvement Budget
2. That the adopted 2025-2029 Capital Improvement Budget is hereby amended to reflect the budget adjustments totaling \$9,003,000.00 as identified in Item 1.
3. The General Manager is authorized to take all necessary actions to implement the provisions of the amended 2025-2029 Capital Improvement Budget as adopted by this Resolution without further Board action
4. The General Manager is directed to implement the intent of this Resolution as soon as reasonable following applicable procedures. The expenditure amounts designated as amended for the 2025-2029 Capital Improvement Budget are hereby appropriated and may be expended by the departments or funds for which they are designated.

ADOPTED this _____ day of _____, 2025 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

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

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

Attachment: Exhibit A – Proposed Amended 2025-2029 Capital Improvement Budget

Exhibit "A"



Beaumont-Cherry Valley Water District Appendix C 2025-2029 Capital Improvement Budget Detail (Amended)

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Engineering Project #	Footnotes	Project Begin Year	Capital Improvement Program	2025 Budget Request	2026 Budget Request	2027 Budget Request	2028 Budget Request	2029 Budget Request	5-Year Budget Total
Potable Infrastructure Projects									
EOC-001	(1)	2020	BCVWD EOC Staffing and Space Requirements	5,000,000	2,000,000	5,000,000	-	-	12,000,000
DPK-001	(2)	2020	Disaster Preparedness Equipment	100,000	293,800	230,400	-	-	624,200
WR-SITES-Reser	(3)	2017	Investment in Sites Reservoir Project	519,600	866,100	1,039,300	1,385,700	1,732,100	5,542,800
	(4)	2020	2023 Capacity Charge Study	-	-	-	-	-	-
	(5)	2019	Climate Control for High Horsepower Electrical Buildings	60,300	-	-	-	-	60,300
M-0000-0002	(6)	2019	Arc Flash Study & Improvement Project	-	80,300	-	-	-	80,300
W-2650-0001	(7)	2017	Chlorination Retrofit At Misc. Wells (6 Well Sites)	25,900	20,300	64,300	-	-	110,500
BP-2750-0001	(8)	2023	New 2650 Zone Well_0001	-	-	2,604,500	895,800	5,742,200	9,242,500
M-2750-0001	(9)	2017	2750 Zone to 2850 Zone Booster Pump Station	-	870,700	3,621,300	-	-	4,492,000
TM-2750-0001	(10)	2017	2850/2750 Pressure Reducing Station & Piping (Cherry Reservoir)	65,100	-	-	-	-	65,100
W-2750-0001	(11)	2017	Cherry Reservoir 1 & 2 Exterior Recoat and Retrofit	1,074,400	-	-	-	-	1,074,400
W-2750-0002	(12)	2017	Replacement for Well 2	1,352,900	2,809,200	3,030,900	-	-	7,193,000
W-2750-0003	(13)	2017	2750 Zone Well in Noble Creek Recharge Facility Phase I (NCRF)	1,500,000	3,445,600	3,712,400	-	-	8,658,000
W-2750-0005	(14)	2017	Replace 2750 Zone Well 1	736,600	2,031,300	2,183,900	-	-	4,951,800
W-2750-0008	(15)	2016	Well 3 Landscape Improvements and Block Wall	-	-	100,000	-	-	100,000
W-2750-0009	(16)	2016	Cherry Yard Landscape Improvements and Block Wall	-	200,000	-	-	-	200,000
BP-2850-0001	(17)	2023	2850 Zone to 3040 Zone Booster Pump Station_0001	1,827,700	2,886,900	-	-	-	4,714,600
TM-2850-0001	(18)	2022	Vineland 1 Exterior Recoat and Retrofit	310,200	-	-	-	-	310,200
W-2850-0001	(19)	2023	New Beaumont Basin Well on Pardee Sundance Site	-	-	2,164,700	3,384,800	3,668,900	9,218,400
W-2850-0002	(20)	2029	New Beaumont Basin Well Near Brookside Elementary School	-	-	2,170,400	3,393,600	3,678,500	9,242,500
WT-2850-0001	(21)	2029	Well Head Treatment Plant Well 25 Cr VI	-	2,000,100	2,127,300	-	-	4,127,400
BP-3040-0001	(22)	2023	3040 to 3330 Booster Pump Station at Noble Tank_0001	-	-	-	2,854,400	-	2,854,400
M-3040-0002	(23)	2017	Noble Booster Pump and Motor(Spare Pump & Motor)	-	-	-	-	-	-
T-3040-0001 PZ Pipeline	(24)	2017	Pressure Zone Pipeline	890,300	8,140,903	-	-	-	9,031,203
TM-3040-0001	(25)	2017	Highland Springs Reservoir Recoat & Retrofit	1,333,800	-	-	-	-	1,333,800
BP-3330-0001	(26)	2022	Lower Edgar Reservoir Recoat & Retrofit	-	281,900	881,400	127,400	398,400	1,683,700
PR-3620-0001	(27)	2029	3620 Zone to 3900 Zone Booster Pump Station	-	-	-	-	85,000	85,000
PR-3620-0001	(28)	2022	3620 to 3330 Fisher Pressure Regulator_0001	-	-	-	-	219,000	219,000
PR-3620-0002	(29)	2022	3620 to 3330 Fisher Pressure Regulator_0002	-	-	-	-	77,400	77,400
WR	(30)	2026	Add 3rd Booster Pump and Fire Pump at HS Hydro Pneumatic Improvements to Eighth St., Cherry and Starlight Basins	-	-	-	761,700	322,100	1,571,800
BP-HS-0001	(31)	2027	Marshall Creek Stormwater Capture	-	-	-	99,900	106,200	206,100
WR	(32)	2027	Beaumont Ave and Brookside Ave Stormwater Metering	-	-	-	99,900	119,500	219,400
WR	(33)	2017	Grand Avenue Storm Drain (MDP Line 16)	-	-	-	-	-	-
Total Potable Infrastructure Projects				14,796,800	25,927,103	28,930,800	13,003,200	16,959,400	99,617,303
Potable Pipeline Replacements									
P-2750-0013	(34)	2029	Elim Ave. - 8th to 12th - Replace Existing 10" Distribution Main	-	-	-	-	224,600	224,600
P-2750-0024	(35)	2026	Olive, 4th to 5th - Replace Existing 4" Steel Waterline	-	62,800	251,400	-	-	314,200
P-2750-0025	(36)	2025	Maple Ave., 1st St to 3rd St	-	-	74,900	299,500	-	374,400
P-2750-0037	(37)	2027	Maple Ave., 6th to 7th; 7th, Maple Ave. to Palm Ave. Replacing existing 6" ACP waterline in 7th Street. Includes reconnecting services from alley to new waterline in Maple	-	-	69,700	278,700	-	348,400



Beaumont-Cherry Valley Water District
Appendix C
2025-2029 Capital Improvement Budget Detail
(Amended)

DRAFT

Engineering Project #	Footnotes	Project Begin Year	Capital Improvement Program	2025 Budget Request	2026 Budget Request	2027 Budget Request	2028 Budget Request	2029 Budget Request	5-Year Budget Total
P-2750-0038		2027	Maple Ave., 5th to 6th. Includes reconnecting services to new waterline in Maple Ave and existing waterline in Palm Ave. 2" in alley to remain in service until waterline in orange constructed (P-2750-0040)	-	-	43,300	173,300	-	216,600
P-2750-0039		2026	5th St. & Michigan Ave.- Manifold Line to Serve Home Cluster at 490 Michigan. New 8" Pipeline from End of Autozone to southern end of Massachusetts	-	-	-	41,200	165,000	206,200
P-2750-0041		2025	Euclid Ave., 6th to 8th. Tie over existing services in alleys (between Edgar/Euclid and Euclid/Beaumont Ave)	-	-	100,200	400,600	-	500,800
P-2750-0042		2026	Edgar Ave., 5th to 6th. Tie over existing services in alleys (between Edgar Ave./California and Edgar Ave./Euclid)	-	36,500	145,900	-	-	182,400
P-2750-0043		2026	Edgar Ave., 6th to 8th. Tie in existing services in alleys (between California/Edgar and Edgar/Euclid)	-	102,500	410,000	-	-	512,500
P-2750-0044		2028	Alley North of 6th St., from California Ave. to Exist. 10" at Alley w/o Beaumont Ave.	-	-	-	92,200	369,000	461,200
P-2750-0045		2028	7th St., California Ave. to Beaumont Ave.	-	-	-	71,000	283,900	354,900
P-2750-0046		2026	9th St. Elm Ave. to Euclid Ave.	-	-	70,900	283,800	-	354,700
P-2750-0047		2026	9th St., Beaumont Ave. to Palm Ave.	-	-	70,900	283,800	-	354,700
P-2750-0048		2026	9th St., Palm Ave. to Pennsylvania Ave.	-	-	70,900	283,800	-	354,700
P-2750-0049		2029	10th St., Palm Ave. to Michigan Ave.	-	-	-	-	47,200	47,200
P-2750-0050		2028	Orange Ave., 8th St to 10th st. Includes tie-ins of existing services in alley on west side of Orange.	-	-	-	77,000	307,900	384,900
P-2750-0051		2028	Orange Ave., 10th St. to 11th St. Includes relocation of existing services to new waterline.	-	-	-	30,700	122,700	153,400
P-2750-0052		2028	Magnolia Ave., 10th St. to 11th St. Includes relocation of existing services to new waterline.	-	-	-	46,100	184,600	230,700
P-2750-0053		2026	Euclid Ave., 10th St. to 11th St. Includes relocation of existing services to new waterline.	-	-	53,900	215,500	-	269,400
P-2750-0054		2027	Edgar Ave., 8th St. to 10th St. Includes relocation of existing services to new waterline.	-	102,100	408,400	-	-	510,500
P-2750-0055		2027	Edgar Ave, 10th St. to 11th St. Includes relocation of services from ally to new waterline.	-	51,900	207,800	-	-	259,700
P-2750-0056	(5)	2024	11th Street, Beaumont Avenue to Elm Avenue	1,854,300	-	-	-	-	1,854,300
P-2750-0057		2029	Magnolia Ave., 7th to 8th (end of existing 6" in Magnolia Ave to 8th St). Includes relocation existing services to new waterline in Magnolia Avenue and Existing Waterline in Orange Avenue.	-	-	-	-	44,000	44,000
P-2750-0058	(7)	2026	Wellwood Ave., B St north to end. Replacing existing 2" steel waterline	-	-	11,400	45,500	-	56,900
P-2750-0059		2027	Wellwood Ave., 10th to 12th. Includes relocation of existing services in alleys to new waterline.	-	-	164,400	657,400	-	821,800
P-2750-0060		2027	Edgar Ave, 11th to 12th, and Merry Ln from Edgar to end of cul-de-sac	-	116,800	467,400	-	-	584,200
P-2750-0061		2029	Orange Ave., 11th to Oak Valley Pkwy	-	-	-	-	369,900	369,900
P-2750-0066	(2)	2024	Egan Ave.-Wellwood Ave. Alley, 5th to 8th St	107,600	430,300	-	-	-	537,900
P-2750-0067	(2)	2024	Elm Ave.-Wellwood Ave. Alley, 7th St. to 5th St.	43,100	172,200	-	-	-	215,300
P-2750-0068	(2)	2024	Elm Ave, 6th to 7th	24,600	98,300	-	-	-	122,900
P-2750-0069		2024	Egan Ave-California Ave. Alley, 5th to 7th	323,600	-	-	-	-	323,600
P-2750-0070		2026	Twelfth St., Michigan Ave. to Pennsylvania Ave. Replacing existing 4" steel waterline	-	-	-	-	77,900	77,900



Beaumont-Cherry Valley Water District
Appendix C
2025-2029 Capital Improvement Budget Detail
(Amended)

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Engineering Project #	Footnotes	Project Begin Year	Capital Improvement Program	2025 Budget Request	2026 Budget Request	2027 Budget Request	2028 Budget Request	2029 Budget Request	5-Year Budget Total
P-2750-0071		2028	Oak Valley Pkwy, Elm Ave. to Michigan Ave. Replace existing 10" waterline with 16" and convert 10" waterline to 2850 PZ.	-	-	-	170,300	681,000	851,300
P-2750-0095	(4)	2024	American Avenue, 6th Street to 8th Street	460,400	-	-	-	460,400	-
P-2750-0098	(7)	2026	2023-2024 Service Lateral Replacement Project	-	389,900	-	-	-	389,900
P-2570-0099	(2)	2024	Orange Avenue, 6th Street to 8th Street	140,100	560,200	-	-	-	700,300
S-2750-0001	(2)	2025	Service Replacements - Elm Alley & Wellwood Alley - 8th Street to 10th Street	496,800	-	-	-	-	496,800
S-2750-0002		2026	Service Replacements - California & Edgar Alley - 8th to 9th and 10th to 11th	-	309,400	-	-	-	309,400
S-2750-0003		2026	Service Replacements - Euclid Avenue - 8th Street to 10th Street	-	-	222,400	-	-	222,400
S-2750-0004		2026	Michigan St., 6th to 8th, Not Replacing Existing 8" AC. Relocate existing Alley Services to Existing 8" AC Main in Michigan.	-	-	-	309,200	-	309,200
P-2850-0009		2029	Brookside Ave., Nancy Ave. to end of existing 16-in. Replacing existing 8" ACP	-	-	-	-	74,300	-
P-3040-0004		2028	From Vineland St, south along Acadia Ln, west to 38834 CVB, south to CVB	-	-	-	24,800	99,200	124,000
P-3040-0005		2029	From CVB, Ralph Rd to end of Cul-de-sac, east to APN 405-060-013, north to Orchard St.	-	-	-	-	22,200	22,200
P-3040-0006		2027	Lincoln St. Noble St. to Cherry Ave	-	-	-	-	85,300	85,300
P-3040-0007		2027	Lincoln St. Cherry Ave to Jonathan Ave	-	-	-	-	86,200	86,200
P-3040-0008		2028	Lincoln St. Jonathan Ave to Winesap Ave	-	-	-	-	75,700	75,700
P-3040-0010		2026	Jonathan Ave., Brookside Ave. to Dutton St.	-	-	-	336,900	1,347,600	1,684,500
P-3040-0020		2029	Martin Ln, Lincoln St. to Grand Ave.	-	-	-	-	61,100	61,100
P-3040-0021	(2)	2024	Lincoln St., Noble St to West end	84,100	336,200	-	-	-	420,300
P-3040-0022		2029	Friendship Dr., Vineland St. to End of unpaved road	-	-	-	-	34,400	34,400
P-3040-0023	(6)	2024	Bing Pl	158,900	-	-	-	-	158,900
P-3040-0024	(6)	2024	Lambert Pl	158,900	-	-	-	-	158,900
P-3040-0025	(6)	2024	Star Ln, Sky Ln, and View Dr to end of cul-de-sac	712,700	-	-	-	-	712,700
P-3040-0026	(6)	2024	Utica Way, Vineland St to View Dr.	505,700	-	-	-	-	505,700
P-3040-0028		2029	Lincoln Ave, from Winesap to Bellflower Ave	-	-	-	-	69,900	69,900
P-3150-0005		2029	Dutton St., Cherry Ave. to Bellflower Ave. Replace existing 6" and 4" steel waterlines.	-	-	-	-	265,400	265,400
P-3150-0006		2029	South of line from Bridges to Dutton, along Intl Park Rd	-	-	-	-	33,100	33,100
P-3150-0008		2029	In Cherry Ave, from Dutton south to 10252 Cherry Ave (dead-end)	-	-	-	-	38,900	38,900
P-3330-0002		2028	In Ave San Timoteo, from end of 12-in (approx 9490 Ave San Timoteo) south to Ave. Sonrisa	-	-	-	296,100	1,184,500	1,480,600
P-3330-0003	(6)	2024	In Ave. Sonrisa, Ave San Timoteo to Ave. Miravilla. Replacing 6" and 4" waterlines	1,252,000	-	-	-	-	1,252,000
P-3330-0005		2029	Ave. Miravilla, from Lilac Ln 8-in (connect to P-3330-0001) south to existing 6" line (approximately at south end of 9520 Avenida Miravilla)	-	-	-	-	162,700	162,700
P-3330-0007	(2)	2024	From Avenida Sonrisa, north to Avenida Miravilla through Alley	95,000	380,200	-	-	-	475,200
P-3330-0008		2026	From south end of P-3330-0005, south to 9584 Avenida Miravilla	-	-	-	-	150,900	150,900
P-3620-0001	(5)	2024	"B" Line Upper Edgar 12" to upper end of 20" DIP and from lower end 20" DIP to Balance line and Balance Line in Edgar Canyon	888,900	-	-	-	-	888,900
P-3620-0002		2025	"A" Line split north of Apple Tree Lane Tract (At or near Apn 401-030-003) to Meter "A"	-	-	-	-	-	-
P-3620-0003		2026	Lower Edgar Tank	-	-	-	490,200	1,961,000	2,451,200
P-3620-0004		2027	"A" Line - Lower Edgar to split north of Apple Tree Lane Tract	-	-	-	-	313,200	313,200
P-3620-0004		2027	Oak Glen Rd., from Appletree Lane south to 4" at creek crossing (approx at APN 401-080-011)	-	-	-	207,100	828,300	1,035,400



Beaumont-Cherry Valley Water District
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Engineering Project #	Footnotes	Project Begin Year	Capital Improvement Program	2025 Budget Request	2026 Budget Request	2027 Budget Request	2028 Budget Request	2029 Budget Request	5-Year Budget Total
P-3620-0009	(8)	2024	Ave. Miravilla, End of proposed 12-in (P-3620-0008) south to end of existing blowoff (near S property line of 8940 Avenida Miravilla)	250,000	-	-	-	-	250,000
P-3620-0010		2028	In Whispering Pines from northern end of P-3620-0012 south to Avenida Miravilla. (Approx at south end of 9150 Whispering Pines Rd)	-	-	-	-	87,100	87,100
P-3620-0016		2025	Replace existing 4" line within parcel (Hoffman Property)	34,200	124,600	-	-	-	158,800
			Total Potable Pipeline Replacements	7,590,900	3,273,900	2,843,800	5,114,700	9,858,700	28,682,000
			IT Network Infrastructure Projects						
IT-NETW-0006	(2)	Ongoing	Workstation Replacement project	30,400	31,300	32,300	33,400	34,400	161,800
IT-NETW-0011	(2)	Ongoing	Server Room Uninterrupted Power Source	-	-	71,800	-	-	71,800
IT-NETW-0013	(2)	Ongoing	Servers and Related Equipment (4 per year, 3 year life, \$15K per server)	79,500	82,100	84,700	87,400	90,100	423,800
IT-NETW-0014		2025	Network Infrastructure and Equipment (Network Switches, Firewall Appliances, SAN Storage, Tape/Backup Storage, Power Capacity)	-	-	119,900	-	-	119,900
			Total IT Network Infrastructure Projects	109,900	113,400	308,700	120,800	124,500	777,300
			IT SCADA/AMR Infrastructure Projects						
IT-SCAD-0001	(9)	2023	SCADA Improvement Project	849,200	-	-	-	-	849,200
IT-SCAD-0002	(9)	N/A	Wonderware SCADA Phase 2 Project	-	-	-	-	-	-
IT-SCAD-0003	(9)	N/A	Wonderware SCADA Phase 3 Project	-	-	-	-	-	-
IT-SCAD-0007	(2)	2024	Back- End SCADA Software and Equipment	30,000	270,000	84,700	87,400	90,100	562,200
IT-SCAD-0008	(10)	2025	Current / Retro Telemetry CIP	120,000	123,800	127,800	131,800	136,000	639,400
IT-AMR-0001	(11)	2019	AMR / AMI Deployment Project	1,500,000	-	-	-	-	1,500,000
IT-AMR-0002		Ongoing	New Development Meters	475,500	475,500	475,500	475,500	475,500	2,377,500
			Total IT SCADA/AMR Infrastructure Projects	2,974,700	869,300	688,000	694,700	701,600	5,928,300
			IT/Field Operations/Administration Projects						
IT-ADMIN-0001	(2)	2017	Digitized Fileroom Project	88,100	-	-	-	-	88,100
IT-ADMIN-0002	(10)	2025	560 Magnolia AC/Heating System Replacements	72,000	42,000	54,100	52,300	-	220,400
			Total IT Field Operations/Administration Projects	160,100	42,000	54,100	52,300	-	308,500
			Vehicles & Equipment						
VE-TRUK-0002	(12)	2025	2018 Ford F150 Reg Cab (Oct, 2017) Unit #34 Replacement	28,100	-	-	-	-	28,100
VE-TRUK-0003		2026	2018 Ford F-150 Reg Cab (Sept, 2018) Unit #35 Replacement	-	33,400	-	-	-	33,400
VE-TRUK-0004	(12)	2025	2018 Ford F250 Reg Cab 4 X 4 (Aug, 2017) Unit #33 Replacement	42,600	-	-	-	-	42,600
VE-TRUK-0005	(12)	2025	2018 Ford F250 Reg Cab 4 X 4 (Aug, 2017) Unit #32 Replacement	49,100	-	-	-	-	49,100
VE-TRUK-0006		2026	2018 Ford F-150 Reg Cab (Sept, 2018) Unit #36 Replacement	-	33,400	-	-	-	33,400
VE-TRUK-0007		2026	2018 Ford F-150 Reg Cab (Sept, 2018) Unit #37 Replacement	-	33,400	-	-	-	33,400
VE-TRUK-0008		2027	2019 Ford F-250 Super Duty (Dec, 2019) Unit #41 Replacement	-	-	41,600	-	-	41,600
VE-TRUK-0009		2027	2019 Ford F-250 Super Duty (Dec, 2019) Unit #42 Replacement	-	-	41,400	-	-	41,400
VE-TRUK-0010		2026	2018 Ford F-250 Super Cab XL 4x4 (Oct, 2018) Unit #38 Replacement	-	56,000	-	-	-	56,000
VE-TRUK-0011		2027	2019 Ford F-150 Super Duty (Dec, 2019) Unit #40 Replacement	-	-	56,100	-	-	56,100
VE-TRUK-0015	(5)(12)	2023	GIS / Muck Truck (Freightliner Diesel) (May, 2004) Unit #8 Replacement	207,300	-	-	-	-	207,300
VE-TRUK-0019		2025	2010 Ford Explorer (Jan, 2011) Unit #1 Replacement	-	-	47,700	-	-	47,700
VE-TRUK-0020		2025	2007 F-550 Dump Truck (Apr, 2009) Unit #12 Replacement	-	-	-	-	-	-
VE-TRUK-0021	(5)(12)	2024	NEW 3/4 Ton Utility Truck	80,000	-	-	-	-	80,000
VE-TRUK-0022	(5)(12)	2024	NEW 3/4 Ton Utility Truck	80,000	-	-	-	-	80,000



Beaumont-Cherry Valley Water District

Appendix C

2025-2029 Capital Improvement Budget Detail

(Amended)

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Engineering Project #	Footnotes	Project Begin Year	Capital Improvement Program	2025 Budget Request	2026 Budget Request	2027 Budget Request	2028 Budget Request	2029 Budget Request	5-Year Budget Total
VE-TRUK-0023	(9)(12)	2024	NEW 3/4 Ton Utility Truck	80,000	-	-	-	-	80,000
VE-TRUK-0024	(9)(12)	2024	NEW 3/4 Ton Utility Truck	80,000	-	-	-	-	80,000
VE-TRUK-0025	(9)(12)	2024	NEW 3/4 Ton Utility Truck	80,000	-	-	-	-	80,000
VE-HEAV-0003		2027	Loader 938G	-	-	-	-	-	400,900
VE-HEAV-0004		2027	Skip Loader with Box Gannon attachment	-	-	-	226,700	-	226,700
VE-HEAV-0005		2025	Water Truck	154,800	-	-	-	-	154,800
VE-HEAV-0006		2026	Skidsteer tractor with attachments	-	-	-	-	-	283,300
VE-HEAV-0007		2028	D-5 Dozer Dual Slope	-	-	-	-	-	547,400
VE-EQIP-0002		2026	Ingersoll Rand Air Compressor (Dec, 2008)	-	-	-	-	-	-
VE-EQIP-0003		2028	Water Buffalo (Feb, 2018)	-	-	-	-	-	-
VE-EQIP-0004		2027	400W Light Tower w/Generator (Dec, 2017)	-	-	-	8,500	-	8,500
VE-EQIP-0005		2024	NEW 400W Light Tower w/Generator	-	-	-	27,400	-	27,400
Total Vehicles & Equipment				881,900	156,200	615,100	1,065,900	-	2,719,100
Non-Potable Infrastructure Projects									
NEO-0000-0001		2019	Recycled Water Conversion and Implementation	-	759,900	-	-	-	759,900
NW-2400-0001		2028	San Timoteo Creek Non-Potable Water Extraction Well	-	-	-	-	1,252,400	1,252,400
NT-2400-0001		2023	100,000 Gallon 2400 PZ Non-Potable Tank	60,000	65,800	207,800	-	-	333,600
NR-2600-0001		2027	2600 Zone Non-Potable Regulation and Metering Station_0001	-	-	-	-	132,300	132,300
NR-2600-0002		2023	2600 Zone Non-Potable Regulation and Metering Station_0002	116,800	284,800	-	-	-	401,600
NBP-2600-0001		2024	Non-Potable Booster Pump Station at CoB Wastewater Treatment Plant	-	1,022,300	2,493,600	-	-	3,515,900
NBP-2600-0002		2024	Non-Potable Booster Pump Station at CoB Wastewater Treatment Plant Expansion	-	188,900	460,900	-	-	649,800
NR-2800-0001		2023	2800 Zone Non-Potable Regulation and Metering Station_0001	40,000	426,300	454,600	-	-	920,900
NR-2800-0002		2023	2800 Zone Non-Potable Regulation and Metering Station_0002	40,000	426,300	454,600	-	-	920,900
NT-2800-0001		2023	2 MG 2800 PZ Non-Potable Tank	250,000	2,017,000	538,300	1,755,500	-	4,560,800
NBP-2800-0001		2026	2800 Zone Non-potable Booster Pump Station at the Noble Creek Recharge Facilities	-	-	-	635,200	250,000	885,200
Total Non-Potable Infrastructure Projects				506,800	5,191,300	4,609,800	2,390,700	1,634,700	14,333,300
Non-Potable Pipeline Projects									
NP-2600-0001		2023	Oak Valley Parkway, from westerly end of existing 24" waterline, west to the existing City of Beaumont Lift station/ Tukwet Canyon Golf Course maintenance yard.	840,900	-	-	-	-	840,900
NP-2600-0002		2023	Oak Valley Parkway, from the west end of NP-2600-0001, west to the existing 16" waterline in Tukwet canyon Parkway.	1,770,400	-	-	-	-	1,770,400
NP-2600-0004		2025	In-Tract within a future Planning Area of the Fairway Canyon Development. In Sorenstam Drive, from the northwest end of NP-2600-0003 (future Park Site) to NR-2600-0001 at the 2400 Zone Tank Site.	463,200	-	493,200	-	-	956,400
NP-2600-0005		2026	From the end of NP-2600-0004, along Cherry Valley Blvd west to I-10 freeway.	-	-	-	3,169,700	-	3,169,700
NP-2600-0006		2027	Along the future alignment of Portero Blvd, from 4th Street south to NP-2600-0008.	-	-	-	-	-	1,962,300
NP-2600-0009		2025	In Beaumont Summit Station (Formerly Sunny Cal Egg Ranch), Cherry Valley Blvd to Brookside Ave	-	-	1,413,200	-	-	1,413,200
NP-2800-0001		2024	California Ave., 1st Street south to Hwy 79	-	1,818,700	-	-	-	1,818,700
NP-2800-0002		2027	California Ave., 1st Street south to Hwy 79	-	-	-	-	-	1,566,400
NP-2800-0006		2024	In CoB WWTP site, from 2600 to 2800 Zone Booster Pump (NPB 2600-0001) to 4th St.	-	648,300	-	-	-	648,300



Beaumont-Cherry Valley Water District
Appendix C
2025-2029 Capital Improvement Budget Detail
(Amended)

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Engineering Project #	Footnotes	Project Begin Year	Capital Improvement Program	2025 Budget Request	2026 Budget Request	2027 Budget Request	2028 Budget Request	2029 Budget Request	5-Year Budget Total
NP-2800-0007		2024	1st St, from Commerce Way east to Highland Springs Ave	-	827,000	-	-	-	827,000
NP-2800-0008		2024	Highland Springs Ave, 2nd St to 1st St.	-	386,900	-	-	-	386,900
NP-2800-0009		2027	Within Palm Ave, Crossing 6th Street to connect existing waterlines	-	-	-	-	151,100	151,100
NP-2800-0010		2027	Noble Cr. Meadows, Cougar Way to Oak Valley Pkwy	-	-	-	-	395,200	395,200
NP-2800-0012		2027	Oak Valley Pkwy, from Oak View Dr. east to 750 ft w/o Elm Ave.	-	-	-	-	833,200	833,200
NP-2800-0016		2025	7th Street from Veille Ave southwest to California Ave	-	-	532,100	-	-	532,100
NP-2800-0017		2025	Along Oak Valley Pkwy from Palm Ave to Cherry Ave	-	-	720,000	-	-	720,000
NP-2800-0020		2025	Along 4th Street from Veille Ave to Rangel Park	-	-	307,400	-	-	307,400
NP-3000-0001		2025	At the NCRF Phase II Site, from NT-2800-0001 south to Lincoln Street.	-	-	328,700	-	-	328,700
NP-3000-0002		2026	In Lincoln Street, from NCRF Phase II Site east to Bellflower Avenue.	-	-	2,131,700	-	-	2,131,700
Total Non-Potable Pipeline Projects				3,074,500	3,680,900	3,794,600	5,301,400	4,908,200	20,759,600
Total Capital Improvement Program				\$ 30,095,600	\$ 39,254,103	\$ 41,844,900	\$ 27,743,700	\$ 34,187,100	\$ 173,125,403
Capacity Charges				5,131,300	21,191,000	19,757,800	19,225,900	20,805,500	86,111,500
Cap. Repl. Res.				19,714,600	16,678,200	20,058,500	8,042,300	10,859,500	75,353,100
Developer				2,897,200	1,384,900	2,028,600	475,500	2,522,100	9,308,300
Other				2,352,500	-	-	-	-	2,352,500
Total Capital Improvement Program by Funding Source				\$ 30,095,600	\$ 39,254,100	\$ 41,844,900	\$ 27,743,700	\$ 34,187,100	\$ 173,125,400

Footnotes

- (1) Project was originally identified in 2020 CIB. Total Budgeted cost was updated for 2024 Water Rate Study and represents a two-phased approach. Phase I could be structured in a manner where the "warehouse" (shell) would be constructed first, allowing for many of the staff to occupy it, for an estimated cost of \$13,617,825, including the purchase of land. Phase II could be structured so that the estimated remaining cost of \$19,318,925 could be deferred longer than this schedule provides for. Project was begun in prior year(s) or approved by Board to begin, ongoing, with inflationary costs added. Moved to operating expense in 2024. Initial staff planning costs incurred in 2024, project mostly carried over into future year(s), with inflationary costs added. Ongoing project. Contract for either design, engineering, or construction has been or is anticipated to be signed by end of 2024, or project may be completed (or purchase made) by end of 2024. Project not complete as of August 31, 2024. 10% of project remaining for monitoring equipment and pond slide gates. Pipeline projects now shown separately are identified in the 2024-2028 Capital Improvement Budget as 2023-2024 Service Replacements/Wellwood Ave., B St north to end. Pipeline projects now shown separately are identified in the 2024-2028 Capital Improvement Budget as 20-21 Replacement Waterlines. Project is ongoing, all have been reconciled as one project. New project (purchase) identified for 2025. Grant funding for this project has been exhausted, remaining cost for AMI phase. The District is considering a 5-year Master Lease Agreement for fleet purchase and maintenance with Enterprise. The annual outlay for the Lease is expected to be similar to the traditional fleet purchase employed by the District on an average annual basis over time.
- (2)
- (3)
- (4)
- (5)
- (6)
- (7)
- (8)
- (9)
- (10)
- (11)
- (12)





Attachment 3 - Memorandum Regarding Bid Withdrawal

Beaumont Cherry Valley Water District

560 Magnolia Avenue

Beaumont, CA 92223

951-845-9581

www.bcvwd.gov

MEMORANDUM

DATE: October 27, 2025
TO: Daniel K. Jagers, General Manager
FROM: Mark Swanson, Director of Engineering
SUBJECT: Noble Tank No. 2 Project – Bid Withdrawal Request from Spiess Construction and Staff Recommendation

Background

On October 20, 2025, the Beaumont-Cherry Valley Water District (District) conducted a public bid opening for the Noble Tank No. 2 Project. Three (3) bids were received which are described as follows:

- Pyramid Building and Engineering – **\$7,761,133.27**
- Spiess Construction Company, Inc. – **\$6,675,789.00**
- Pacific Hydrotech Corporation – **\$9,178,953.00**

Spiess Construction Company, Inc. (Spiess Construction) was determined to be the apparent low bidder. On October 21, 2025, Spiess Construction submitted a formal Bid Withdrawal Letter (attached) citing discovery of a mathematical error totaling approximately \$300,000 in Bid Items No. 216 and 217, which cover coating and painting work for the interior and exterior surfaces of the 2.0 MG reservoir.

The letter requests withdrawal of their bid under the Public Contract Code (PCC) Section 5101 et seq., on the basis that the error made the bid materially different than intended.

Legal Review and Applicable Law

District Legal Counsel reviewed the withdrawal request and provided the following interpretation of the governing statutes:

- PCC §5101(a): A bidder may not be relieved of their bid except by consent of the awarding authority; however, if denied, the bidder may bring an action to recover any forfeited amount.
- PCC §5103: The bidder must establish to the satisfaction of the court that:
 - (a) A mistake was made;
 - (b) Written notice was given within five (5) working days after bid opening;
 - (c) The mistake made the bid materially different than intended; and

(d) The mistake occurred in filling out the bid, not due to judgment or site interpretation error.

After reviewing the Spiess Construction letter and circumstances, Legal Counsel determined that:

- The contractor's error qualifies as a classic bid preparation error;
- The notification was made within the statutory timeframe;
- The error was arithmetical and not judgment-based;
- Courts typically disfavor penalizing bidders for such good faith mistakes, especially where doing so would create a windfall for the public agency.

Legal Counsel therefore recommends that the District consent to the withdrawal and release the bid bond, as Spiess Construction would likely be relieved of its bid if challenged under PCC §§5101–5103. Furthermore, when the bidder has properly sought to withdraw their bid, litigation against the surety will likely be necessary to compel forfeiture of the bond.

Staff Analysis and Recommendation

District staff understands Legal Counsel's interpretation of the Public Contract Code. The withdrawal request satisfies statutory criteria for relief due to a material mathematical error. The threshold for relief of the bidder is rather low. Pursuing the bid bond is unlikely to be upheld in court, and doing so could expose the District to unnecessary litigation costs and administrative delays.

While the withdrawal results in the next lowest bidder (Pyramid Building and Engineering) being over \$1 million higher, the District must nevertheless act in accordance with Public Contract Code provisions and fairness principles.

Legal Counsel further recommended that the next apparent low bid be carefully reviewed for accuracy and compliance before making a recommendation to the Board for award consideration.

Recommendation

Based on the identified information above, District staff recommends the following actions:

1. Consent to the withdrawal of the Spiess Construction bid for the Noble Tank No. 2 Project.
2. Proceed with qualification review of the next lowest responsible bidder, Pyramid Building and Engineering, prior to making a recommendation for award.

Attachments:

1. Spiess Construction Bid Withdrawal Letter dated October 21, 2025



P.O. Box 2849
Santa Maria, CA 93457
P (805) 937-5859
F (805) 934-4432

AK #207881 • AZ #119975 • CA #333989 • NV #0038929 • NM #400741

21 October, 2025

Mr. Mark Swanson
Beaumont-Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223

Re: Bid Withdrawl - Relief

Subj: 2.0 MG Noble Water Storage Tank II

Dear Mr. Swanson:

Spiess Construction has discovered a mathematical error in our bid for 2.0 MG Noble Water Storage Tank II for the Beaumont-Cherry Valley Water District.

Our review of our bid and bid work sheets revealed a mistake of over \$300,000.00 for the work required in Bid Item No. 216 - Coat the interior surfaces of the 2.0 MG reservoir and Bid Item No. 217 - Paint the exterior surfaces of the 2.0 MG reservoir.

Specifically, the costs for the work required in Section 09900 & 09910 relating to the reservoir shop blasting and priming of the reservoir steel components (plates, roof structure and appurtenances as well as 3rd party inspection) were not carried forward from our bid work sheets to the specific bid items.

This mistake has made our bid materially different than was intended by Spiess Construction Co., Inc. Referring to the provisions of the Public Contract Code, Spiess Construction Co., Inc respectfully requests that our bid proposal for the 2.0 MG Noble Water Storage Tank II be withdrawn.

Please let me know if anything further is required.

Sincerely,

Spiess Construction Co. Inc.,

A handwritten signature in black ink, appearing to read 'Frank L. Forthun', is written over the company name.

Frank L. Forthun,
Vice-President

SPIESS CONSTRUCTION CO., INC.



Attachment 4 - Construction Staking Proposal

- CIVIL / STRUCTURAL ENGINEERS
- MUNICIPAL CONSULTANTS
- SURVEYORS / PLANNERS
- WATER RESOURCES
- TRANSPORTATION

October 16, 2025

Evan Ward, PE
Associate Civil Engineer I
Beaumont-Cherry Valley Water District
560 Magnolia Ave.
Beaumont, CA 92223

P: (951) 845-0159, Ext 247
E: evan.ward@bcvwd.gov

RE: PROPOSAL FOR CONSTRUCTION STAKING FOR THE 2.0 M.G. NOBLE WATER STORAGE TANK II

Dear Evan,

Cozad & Fox, Inc. is pleased to provide the following proposal for surveying services for the 2.0 M.G. Noble Water Storage Tank II. Our office originally provided surveying services for the site and tank design, therefore we are very familiar with the project which means we can hit the ground running. We believe we can provide exceptional surveying services to BCVWD during construction because:

- **Cozad & Fox, Inc.** has previously performed the design survey and provided the engineering design for Noble Transmission Pipeline.
- **Cozad & Fox, Inc.** is close to the site. Our office is located near the site, which gives us the ability to easily verify field conditions and to respond quickly during construction staking.

1. **PRE-CONSTRUCTION MEETING OR COORDINATION – Cozad & Fox, Inc.** will provide telephone coordination to verify the sequence of construction, the schedule for construction staking and the exact staking requirements and coordination for certified payroll. Travel time to and from site.

Estimate.....\$2,120.00

2. **OFFICE COORDINATE GEOMETRY CALCULATIONS AND CUT SHEETS – Cozad & Fox, Inc.** will perform coordinate geometry calculations to verify grade elevations for the on-site pipeline, site grading, and tank.

Estimate.....\$5,652.00

3. **CONTROL SURVEY – Cozad & Fox, Inc.** will perform a field control survey to recover existing control necessary to orient the survey to the design plans prepared. This estimate assumes adequate control exists per the construction documents.

Estimate.....\$3,170.00

4. **STAKING FOR ON-SITE GRADING – Cozad & Fox, Inc.** will provide staking for the on-site grading of the site, tank site, drainage and road.

Estimate.....\$10,766.00

5. **ON-SITE PIPELINE STAKING – Cozad & Fox, Inc.** will provide staking for the on-site pipelines. It is assumed that pipeline staking will be at 25-foot stations for approximately 1,100 LF.

Estimate.....\$8,148.00

6. **TANK STAKING – Cozad & Fox, Inc.** will provide one (1) set of construction stakes for the center of the new tank and foundation.

Estimate.....\$4,104.00

7. **ON-SITE DRAIN STAKING – Cozad & Fox, Inc.** will provide one (1) set of construction stakes for the on-site storm drain facilities for approximately 200 LF of piping.

Estimate.....\$7,716.00

8. **FENCING/RETAINING WALL STAKING – Cozad & Fox, Inc.** will provide one (1) set of construction stakes for the fencing/retaining wall.

Estimate.....\$8,148.00

TOTAL ESTIMATE\$49,824.00

Based upon our extensive tank experience with water projects and BCVWD, we are familiar with the Scope of Services that BCVWD would expect. We would appreciate talking with you to go over each task above to discuss key aspects of the project and if any tasks need to be added or modified.

Thank you



Brian Fox, R.C.E., P.L.S.
President

Z:_ADMIN\Proposals\BCVWD\2.0 MG Noble Water Storage Tank II\Construction Staking\Estimate Ltr.doc



**Beaumont-Cherry Valley Water District
Special Board Meeting
October 29, 2025**

Item 7

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: Resolution 2025-__ Approval of Wind Down Agreement Between Beaumont-Cherry Valley Water District and Tri Pointe Homes IE-SD, Inc. (formerly Pardee Homes) for the Sundance Development

Staff Recommendation

1. Approve the Wind Down Agreement between the Beaumont-Cherry Valley Water District ("District") and Tri Pointe Homes IE-SD, Inc. ("Tri Pointe"); *and*
2. Adopt Resolution No. 2025-__: Authorizing the General Manager to execute the Agreement and any related documents necessary to implement the terms of the Agreement.

Executive Summary

The Sundance Project, developed by Tri Pointe Homes (formerly Pardee Homes) in Beaumont since 2003, is nearing completion. With this lengthy development project coming to a close, the District and Tri Pointe Homes IE-SD, Inc. (Tri Pointe) have been working to finalize remaining obligations through a proposed Wind Down Agreement (Agreement).

The Agreement formally closes out the project by transferring ownership of two existing District-operated well sites, providing a \$173,761 payment to Tri Pointe for prior pipeline oversizing for three pipelines located in the Sundance North development, and releasing District interests in four undeveloped parcels originally reserved for District well sites. It also authorizes the release of performance bonds and deposits upon project closeout and establishes mutual releases of all remaining claims between the parties. Legal counsel for both the District and Tri Pointe have reviewed the agreement, which results in limited fiscal impact aside from the pipeline oversizing payment and provides long-term operational benefits to the District.

Background

The Sundance Project, located in the northeast portion of the City of Beaumont, began development around 2003 under Pardee Homes (now Tri Pointe Homes IE-SD, Inc.). The project included numerous residential tracts, schools, parks, City infrastructure, and related water infrastructure. Throughout the project, Tri Pointe and the District worked cooperatively under the Pardee Construction Plan of Service dated March 4, 2002, which defined responsibilities for water system improvements necessary to provide potable and non-potable water service to the development.

As the project reaches completion, only a small number of residential units remain under construction. Accordingly, the District and Tri Pointe have worked collaboratively to finalize remaining obligations and conveyances through the proposed Wind Down Agreement.



Discussion

The Wind Down Agreement (as shown in Attachment 1) serves to formally close out the Sundance Project and resolve remaining commitments or interests between the District and Tri Pointe. A summary of the key provisions of the Agreement is shown below:

1. Conveyance of Well Sites 25 and 26: Tri Pointe will convey ownership of two existing well sites that have been used and operated by the District. These properties will be transferred by recorded grant deeds.
2. Pipeline Oversizing Payment: The District agrees to remit a payment of \$173,761 to Tri Pointe in consideration of previously completed pipeline oversizing work for three pipelines associated with the Sundance North development, as specified in the Plan of Service and the District's Potable Water Master Plan and per the following Table 1:

PPL #	Description	Length (feet)	Size required for project	Oversized ppl installed	Cost requested
1	16" Highland Springs pipeline (PZ 3040)	2,052	12"	16"	\$49,150
2	16" Cougar Way pipeline (PZ 3040)	498	12"	16"	\$117,437
3	16" Cougar Way pipeline (PZ 2850)	5,310	12"	16"	\$7,174
				TOTAL	\$173,761

3. District Release of Interest in Unused Lots: The District will release any claim or interest in four previously reserved but undeveloped parcels (Tract 31469-6 Lot 10, Tract 31469-1 Lots 81 and 82, and Tract 37426 Lot 19), through the execution and recordation of a Quitclaim Deed. These lots were originally intended to be future well sites.
4. Bond Exoneration and Deposit Release: Upon satisfaction of the District's project closeout checklist, the District will release Tri Pointe's remaining performance and maintenance bonds and refund outstanding deposits.
5. Mutual Releases: Both parties agree to release one another from any and all claims related to project construction, conveyances, or water facility operations under the Plan of Service, including waiver of Civil Code Section 1542.

The proposed Agreement has been reviewed and approved as to form by legal counsel for both parties — Richards, Watson & Gershon for the District and Jackson Tidus for Tri Pointe.

Fiscal Impact

The fiscal impact to the District for the execution of the Wind Down Agreement is estimated to be \$173,761.00 for the oversizing contribution paid by Tri Pointe Homes. Funds for the oversizing contribution of the Applicant are proposed to be expended from Capital Expansion Funds (Capacity Charges). The conveyance of well properties and the release of unneeded lots are considered non-monetary transactions with long-term operational benefit to the District.

Attachments

1. Wind Down Agreement between BCVWD and Tri Pointe Homes IE-SD, Inc.
2. Resolution 2025-__: Authorizing the Execution of the Wind Down Agreement
3. Pardee Homes – BCVWD Request for Reimbursement Sundance North water lines

Attachment 1

WIND-DOWN AGREEMENT

This WIND-DOWN AGREEMENT (“Agreement”) is made and effective this ____ day of _____, 2025 (“Effective Date”), by and among the BEAUMONT CHERRY VALLEY WATER DISTRICT, a Special District (“District”), and TRI POINTE HOMES IE-SD, INC., a California Corporation (formerly known as Pardee Homes, a California corporation) (“Tri Pointe”) (collectively, the “Parties,” and individually, a “Party”).

RECITALS

A. Tri Pointe is the master developer of a master-planned community in the City of Beaumont which consists of certain single-family residential dwelling units, commercial developments, schools and parks (the “Project”).

B. Pursuant to that certain Pardee Construction Plan of Services dated March 4, 2002, the District and Tri Pointe have constructed certain backbone facilities, including well sites, in order to serve potable and non-potable water to the Project.

C. Tri Pointe has completed construction of the backbone facilities and the parties now desire to wind-down certain issues existing between the District and Tri Pointe pertaining to the Project, including, (i) the payment by the District to Tri Pointe for oversizing of pipelines in the Project; (ii) the transfer of title from Tri Pointe to the District of two well sites within the Project which have been continuously used by the District to drill and operate production wells as part of the District’s water supply system; (iii) a release of any interest the District may have to four lots within the Project previously offered to the District by Tri Pointe for well sites; and (iv) exoneration of any outstanding bonds and the repayment to Tri Pointe of any outstanding deposits.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Recitals Incorporated. The Recitals set forth above are incorporated by this reference as though fully set forth herein.

2. Conveyance of Wells 25 and 26. Within five (5) days of the full execution of this Agreement, Tri Pointe shall deposit with Ryan Achterberg (“Title Officer”) at First American (“Title Company”) grant deeds properly executed by Tri Pointe and duly acknowledged, substantially in the form of Exhibit A-1 and Exhibit A-2 attached hereto and incorporated herein by reference, to Well Site 25 and Well Site 26 (collectively, “Well Sites 25 and 26 Grant Deeds”) with instructions to immediately record the Well Sites 25 and 26 Grant Deeds.

3. Pipeline Payment. Tri Pointe shall use commercially reasonable efforts to satisfy all requirements of the District’s Project Closeout Checklist, a copy of which is attached hereto as Exhibit B (the “Checklist”). Within thirty (30) days following full satisfaction of the Checklist as evidenced by Tri Pointe’s written notice to District (email to suffice), the District shall pay directly to Tri Pointe in immediately available funds by wire transfer, an amount equal to One Hundred Seventy-Three Thousand Seven Hundred Sixty-One Dollars (\$173,761) (the “Pipeline Payment”), as full payment to Tri Pointe for the Tri Pointe’s completion of the oversizing of pipelines within the Project. The District shall be solely responsible for the payment of any of the Title Policy premium and any related costs and expenses arising therefrom. District’s failure

to timely pay the Pipeline Payment shall be deemed a breach of this Agreement and Tri Pointe shall be entitled to pursue all rights and remedies available at law or in equity.

4. District's Release of Interest. The Parties acknowledge that Lot 19 of Tract 37426 was reserved for well site purposes pursuant to Tract Map No. 37426 recorded in Book 466 of Maps at Pages 22-26 in the City of Beaumont, County of Riverside as Instrument No. 2019-0042100, and that such reservation may have been conveyed to District by an unrecorded document. The Parties further acknowledge that the District may have certain unrecorded rights to use Lot 10 of Tract 31469-6 and Lot 81 and 82 of Tract 31469-1 for well site purposes. The foregoing lots are herein referred to collectively as the "Well Lots". The District now desires and does so release immediately upon recordation of the Well Sites 25 and 26 Grant Deeds, any interest it may have in the use or development of the Well Lots by agreeing to deposit with Title Officer a quitclaim deed substantially in the form of Exhibit C attached hereto and incorporated by reference (the "Quitclaim Deed"), releasing any interest the District may have in the Well Lots. Within five (5) days of the full execution of this Agreement, the District shall deliver the Quitclaim Deed properly executed by the District to the Title Officer with instructions to immediately record the Quitclaim Deed.

5. Release of Maintenance and Performance Bonds; Repayment of Deposits. Within thirty (30) days following Tri Pointe's full satisfaction of the Checklist as evidenced by Tri Pointe's written notice to District (email to suffice), the District shall provide Tri Pointe with a written statement of the amounts owed to the District, if any, for the respective tract or project that the Checklist was completed (the "Outstanding Fees"). Tri Pointe shall have five (5) business days thereafter to object to all or any portion of the Outstanding Fees and to pay any uncontested Outstanding Fees. Provided Tri Pointe timely makes such payment, District agrees to release the bonds and deposits described on Exhibit D attached hereto and will not charge Tri Pointe bond exoneration fees for such release. The release of such bonds and deposits shall occur no later than thirty (30) days after Tri Pointe pays the uncontested Outstanding Fees.

6. Dispute Resolution and Mediation. The Parties agree that differences of opinion regarding the obligations of the Parties under this Agreement shall be discussed as soon as practically possible following awareness of a conflict. Before commencing any legal action, the Parties shall attempt early resolution of conflicts through mediation administered through the rules and procedures of JAMS. The Parties agree that documented willingness to participate in mediation is a condition precedent of any later legal action.

7. Notices. Any document or notice required or permitted under this Agreement shall be in writing and shall be deemed duly delivered if delivered or addressed as set forth below: (a) Upon personal delivery; or (b) as of the third day after depositing such document or notice in the United States mail, certified mail, return receipt requested, postage prepared; or (c) as of the first business day after depositing such notice with a nationally recognized overnight courier services expenses prepaid. All documents and notices shall be addressed as follows:

To the District:

Beaumont Cherry Valley Water District
560 Magnolia Avenue
Beaumont, CA 92223
Attention: Daniel K. Jaggers, General Manager

With a Copy to:

Richards, Watson & Gershon
One Civic Center Circle, P.O. Box 1059
Brea, CA 92822-1059
Attention: James L. Markman, Esq.

To Tri Pointe:

Tri Pointe Homes IE-SD, Inc.
1250 Corona Pointe Court, Suite 600
Corona, CA 92879
Attention: Michael C. Taylor

With a Copy to:

Jackson Tidus
2030 Main Street, Suite 1500
Irvine CA, 92614
Attention: Michael L. Tidus, Esq.

8. Tri Pointe Release. In consideration of the covenants herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the District for itself and its agents, representatives, predecessors, successors, assigns, and all those who claim through them or could claim through them unconditionally and irrevocably remise, waive, satisfy, release, acquit, and forever discharge Tri Pointe, and each of its present, former, and future administrators, attorneys, insurers, agents, representatives, predecessors, successors, assigns, employees, contractors, departments, officers, and each person or entity acting or purporting to act for them or on their behalf, and each of them, respectively, from and against any and all past and present claims, actions, suits, counterclaims, damages, injuries, attorney's fees, expenses, claims, rights, causes of action, lawsuits, losses, arising out of or in any way related to Tri Pointe's use of the property comprising the Project.

9. District Release. In consideration of the covenants herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Tri Pointe for itself and its agents, representatives, predecessors, successors, assigns, and all those who claim through them or could claim through them unconditionally and irrevocably remise, waive, satisfy, release, acquit, and forever discharge the District, and each of its present, former, and future administrators, attorneys, insurers, agents, representatives, predecessors, successors, assigns, employees, contractors, departments, officers, and each person or entity acting or purporting to act for them or on their behalf, and each of them, respectively, from and against any and all past and present claims, actions, suits, counterclaims, damages, injuries, attorney's fees, expenses, claims, rights, causes of action, lawsuits, losses, arising out of or in any way related to the District's operation of Well Site 25 and Well Site 26.

10. Waiver of California Civil Code Section 1542. In giving the releases herein, District specifically waives and relinquishes all rights and benefits afforded by Section 1542 of the California Civil Code, which provides as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

11. Exclusive Remedy. By executing this Agreement, the parties agree that, except as otherwise stated herein, the rights and remedies provided in this Agreement shall be the sole and exclusive rights and remedies surviving as between them relating to the Claims.

12. Time of Essence. Time is of the essence of this Agreement and the performance of the terms and conditions hereof.

13. Authority to Execute. By signature below, each signatory signifies that he or she is an authorized signatory of the Party on behalf of whom he or she executes this Agreement.

14. **Duplicate Originals.** This Agreement may be signed in counterparts and the executed counterparts thereof shall together form the executed Agreement. A copy of a fully executed counterpart of this Agreement, including an electronic or facsimile transmission of a fully executed counterpart, may serve as an original, fully executed counterpart.

15. **Governing Law and Venue.** This Agreement is entered into in the State of California and is governed by the laws of the State of California. Venue in any litigation to enforce or interpret this Agreement shall be in Riverside County, California.

16. **No Admission of Liability.** The Parties agree that neither the execution of this Agreement nor the terms of the Agreement shall be construed as an admission of liability by any Party or an admission of any claim against a Party.

17. **No Representation by Parties.** This Agreement contains the sole and entire agreement and understanding of the Parties with respect to the entire subject matter of the Agreement, and any and all prior discussions, negotiations, commitments, or understandings related to this Agreement, if any, are merged in this Agreement. No representations, oral or otherwise, express or implied, other than those contained in this Agreement, have been or shall be deemed to have been made by any Party. No other agreement shall be deemed to exist or to bind the Parties with respect to the subject matter of this Agreement.

18. **Amendments/Modifications.** No provision of this Agreement may be amended or modified except by a writing executed by each Party.

19. **Successors.** This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, executors, administrators, successors and permitted assigns.

20. **No Third Party Beneficiaries.** There shall be no third-party beneficiaries of this Agreement.

21. **Headings.** The headings of the paragraphs of this Agreement are inserted solely for convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction of any terms or provision hereof.

22. **No Waiver.** Failure or delay on the part of the Parties to enforce any right, power, or privilege under this Agreement shall not be deemed to constitute a waiver of such right, power, or privilege, or of any other right, power, or privilege.

23. **Provisions Equally Construed.** This Agreement was drafted by the mutual enterprise of the Parties and shall not be construed in favor of or against any party, but shall be construed equally as to both parties.

24. **Consultation with Counsel.** The undersigned hereto declare and represent that each has had the opportunity to consult with legal counsel of their own choosing concerning the advisability of entering into this Agreement; that they have read and understood the contents of this Agreement; and that they execute the same of their own free will. Each party's attorney has reviewed this Agreement and has approved this Agreement as to form and substance.

25. **Attorneys' Fees and Costs.** In the event of litigation to enforce or interpret this Agreement, the prevailing party shall be entitled to recover their reasonable attorneys' fees and costs in said litigation.

[Signatures on following page]

**BEAUMONT CHERRY VALLEY WATER
DISTRICT**

By: _____
Name: Daniel K. Jagers
Title: General Manager
Dated: _____

ATTEST:

By: _____
Name: _____
Title: _____
Dated: _____

TRI POINTE HOMES IE-SD, INC.

By: _____
Name: Michael C. Taylor
Title: Division President
Dated: _____

APPROVED AS TO FORM:

RICHARDS, WATSON & GERSHON

By: _____
Name: James L. Markman, Esq.
Title: Attorney for District
Dated: _____

APPROVED AS TO FORM:

JACKSON TIDUS

By: _____
Name: Michael Tidus
Title: Attorney for Tri Pointe
Dated: _____

EXHIBIT A-1
FORM OF WELL 25 GRANT DEED

RECORDING REQUESTED BY

Beaumont Cherry Valley Water District

AND WHEN RECORDED MAIL DOCUMENT AND
TAX STATEMENT TO:

NAME Beaumont Cherry Valley Water District

STREET 560 Magnolia Avenue
ADDRESS

CITY, STATE & Beaumont, California
ZIP CODE 92223

TITLE ORDER NO. _____

ESCROW NO. _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

GRANT DEED

TRA: 34862-1

APN: 408-110-042

The undersigned grantor(s) declare(s) R&T Section 11922
DOCUMENTARY TRANSFER TAX \$ 0
☒ computed on full value of property conveyed, or
☐ computed on full value less liens and encumbrances remaining at time of sale
☐ Unincorporated Area City of Beaumont

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, I (We) TRI POINTE HOMES IE-SD, INC., a
California corporation (formerly Pardee Homes)

(NAME OF GRANTOR(S))

hereby remise, release and grant to The BEAUMONT CHERRY VALLEY WATER DISTRICT, a Special District

(NAME OF GRANTEE(S))

the following described real property in the City of Beaumont, County of Riverside,
State of California

(Insert Legal Description)

See Exhibit "A"

DATED: _____

Name _____

A notary public or other officer completing this certificate
verifies only the identity of the individual who signed the
document to which this certificate is attached, and not
the truthfulness, accuracy, or validity of that document.

Name _____

STATE OF CALIFORNIA }
COUNTY OF _____ }

On _____ before me, _____ personally appeared
(here insert name and title of the officer)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (SEAL)

MAIL TAX STATEMENT AS DIRECTED ABOVE

Exhibit A-1

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"

LEGAL DESCRIPTION

LOT 3 OF TRACT NO. 34862-1, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS FILED IN MAP BOOK 438, PAGES 1 THROUGH 4, INCLUSIVE, RECORDS OF SAID COUNTY.

APN: 408-110-042

Page 1 of 1

Exhibit A-1

EXHIBIT A-2
FORM OF WELL 26 GRANT DEED

RECORDING REQUESTED BY

Beaumont Cherry Valley Water District

AND WHEN RECORDED MAIL DOCUMENT AND
TAX STATEMENT TO:

NAME Beaumont Cherry Valley Water District

STREET 560 Magnolia Avenue
ADDRESS

CITY, STATE & Beaumont, California
ZIP CODE 92223

TITLE ORDER NO. _____

ESCROW NO. _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

GRANT DEED

TRA: 31468-3

APN: 419-020-074

The undersigned grantor(s) declare(s) R&T Section 11922	
DOCUMENTARY TRANSFER TAX	\$ 0
☒	computed on full value of property conveyed, or
☐	computed on full value less liens and encumbrances remaining at time of sale.
☐	Unincorporated Area City of Beaumont

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, I (We) TRI POINTE HOMES IE-SD, INC.,
a California corporation (formerly Pardee Homes, a California corporation)

(NAME OF GRANTOR(S))

hereby remise, release and grant to The BEAUMONT CHERRY VALLEY WATER DISTRICT, a Special District

(NAME OF GRANTEE(S))

the following described real property in the City of Beaumont, County of Riverside,
State of California

(Insert Legal Description)

See Exhibit "A"

DATED: _____

Name _____

A notary public or other officer completing this certificate
verifies only the identity of the individual who signed the
document to which this certificate is attached, and not
the truthfulness, accuracy, or validity of that document.

Name _____

STATE OF CALIFORNIA }
COUNTY OF _____ }

On _____ before me, _____ personally appeared
(here insert name and title of the officer)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (SEAL)

MAIL TAX STATEMENT AS DIRECTED ABOVE

Exhibit A-2

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "A"
LEGAL DESCRIPTION
2750 ZONE WELL SITE
CITY OF BEAUMONT

That certain parcel of land situated in the City of Beaumont, County of Riverside, State of California, being a portion of Lot 89 of Tract No. 31468-3 as shown on a map thereof filed in Book 398 of Maps, at Pages 72 through 85, inclusive, in the Office of the County Recorder of said County and State, lying within the southwest quarter of Section 2, Township 3 South, Range 1 West, San Bernardino Meridian, more particularly described as follows:

COMMENCING at the northwest corner of said Lot 89;

thence along the north line of said Lot 89 South 89°32'42" East 112.01 feet to the **POINT OF BEGINNING**;

thence continuing along said north line of Lot 89 South 89°32'42" East, 627.81 feet to the northeast corner of said Lot 89, said point being the beginning of a non-tangent curve concave southwesterly and having a radius of 500.00 feet, a radial line of said curve from said point bears North 83°45'58" East;

thence southerly along said curve and east line of said Lot 89, an arc distance of 19.63 feet through a central angle of 02°14'57";

thence non-tangent from said curve and continuing along said east line of Lot 89 South 02°40'27" West 17.65 feet to the northeast corner of that certain parcel of land described in a Grant Deed recorded October 6, 2006 as Document No. 2006-0742676;

thence leaving said east line of Lot 89 along the most northerly line of said Grant Deed North 89°32'42" West 478.54 feet to the northern most terminus of that certain course of said Grant Deed, which bears South 00°18'18" East 112.83 feet;

thence along said certain course, South 00°18'18" East 112.83 feet to the eastern most terminus of that certain course of said Grant Deed, which bears North 89°32'42" West 150.00 feet;

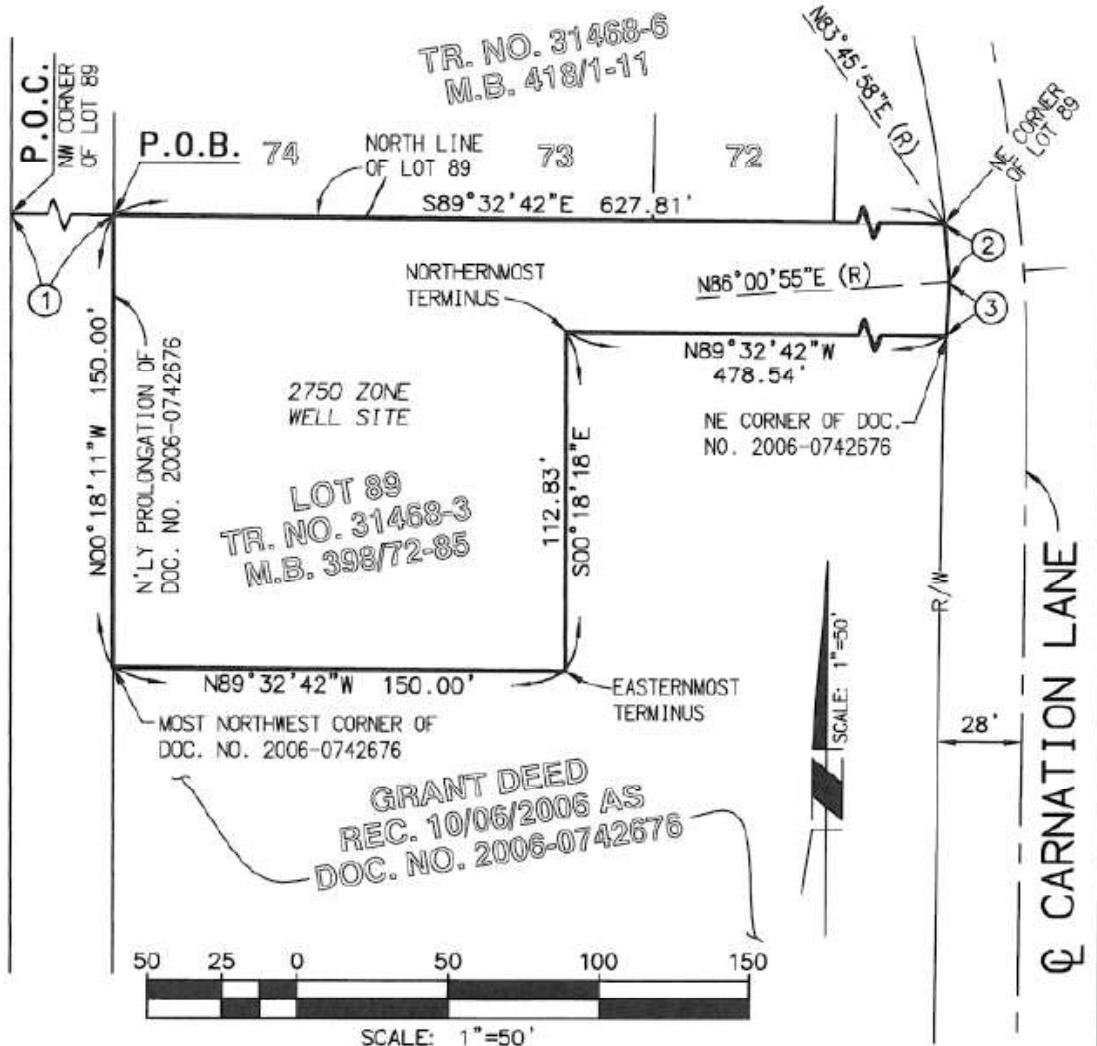
thence along said certain course, North 89°32'42" West 150.00 feet to the northwesterly most corner of said Grant Deed;

thence along the northerly prolongation of the west line of said Grant Deed North 00°18'11" West 150.00 feet to the **POINT OF BEGINNING**.

CONTAINING: 0.93 acres, more or less.

SUBJECT TO all Covenants, Rights, Rights-of-Way and Easements of record.

DATA TABLE			
NO	BEARING/DELTA	RADIUS	LENGTH
1	S89°32'42"E	---	112.01'
2	02°14'57"	500.00'	10.63'
3	S02°40'27"W	---	17.65'



INDICATES AREA OF
EASEMENT: 0.93± ACRES

EXHIBIT "B"
PLAT TO ACCOMPANY A
LEGAL DESCRIPTION FOR THE
2750 ZONE WELL SITE



SHEET 1 OF 1

Michael Baker
INTERNATIONAL
75410 Gerald Ford Drive, Suite 100
Palm Desert, CA 92211
phone 760-346-7481 www.mbakernhl.com
DATE: NOVEMBER 08, 2018 J.N. 138587-EX-04

Exhibit A-2

EXHIBIT B
DISTRICT'S PROJECT CLOSEOUT CHECKLIST

Exhibit B

EXHIBIT C
FORM OF QUITCLAIM DEED

RECORDING REQUESTED BY
AND WHEN RECORDED,
RETURN TO:

Tri Pointe Homes IE-SD, Inc.
1250 Corona Pointe Court, Suite 600
Corona, CA 92879
Attention: Michael C. Taylor

APN: 408-300-010, 408-180-039, 408-180-040, and
419-760-019

R&T Code § 11911 – No Consideration

QUITCLAIM DEED

FOR VALUE RECEIVED, THE BEAUMONT CHERRY VALLEY WATER DISTRICT, a Special District (“**District**”), does remise, release and forever quitclaim to TRI POINTE HOMES IE-SD, INC., a California corporation (“**Tri Pointe**”) all right, title and interest the District may have in the use and development of the properties described on Exhibit A attached hereto and by this reference incorporated herein (collectively, the “**Property**”).

[Signature and Notary Acknowledgment on Following Page]

IN WITNESS WHEREOF, this Quitclaim Deed has been executed as of _____,
2025

THE BEAUMONT CHERRY VALLEY WATER DISTRICT,
a Special District

By: _____

Name: _____

Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, _____, before me, _____
(here insert name and title of the
officer)

personally appeared _____

_____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature (Seal)

Exhibit C

EXHIBIT A TO QUITCLAIM

Legal Description of Property

Real property in the City of Beaumont, County of Riverside, State of California, described as follows:

LOT 10 OF TRACT NO. 31469-6, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS RECORDED IN BOOK 456, PAGES 1 THROUGH 10, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY

APN: 408-300-010

LOT(S) 81 AND 82 OF TRACT NO. 31469-1, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 445, PAGES 5 THROUGH 11, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 408-180-039 (LOT 81) AND 408-180-040 (LOT 82)

LOT 19 OF TRACT NO. 37426, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 466, PAGES 22 THROUGH 26, INCLUSIVE, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

APN: 419-760-019

EXHIBIT D
LIST OF OUSTANDING BONDS AND DEPOSITS

Exhibit D

RESOLUTION 2025-__

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE BEAUMONT-CHERRY VALLEY WATER DISTRICT
APPROVING AND AUTHORIZING EXECUTION OF THE
WIND DOWN AGREEMENT BETWEEN BEAUMONT-
CHERRY VALLEY WATER DISTRICT AND TRI POINTE
HOMES IE-SD, INC.**

WHEREAS, the Beaumont-Cherry Valley Water District (“District”) and Tri Pointe Homes IE-SD, Inc. (“Tri Pointe”), formerly Pardee Homes, executed a Plan of Service dated March 4, 2002, to provide water service to the Sundance Project located in the City of Beaumont; and

WHEREAS, the Sundance Project is nearing completion, and the parties desire to finalize all remaining obligations, conveyances, and mutual releases; and

WHEREAS, the District and Tri Pointe have negotiated a Wind Down Agreement to formally close out the project, providing for the conveyance of Well Sites 25 and 26, the release of unused well lots, completion of payment for oversizing contribution, and the release of outstanding bonds and deposits; and

WHEREAS, the Wind Down Agreement has been reviewed by legal counsel and District staff and found to be acceptable as to form and substance.

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

1. Approve the Wind Down Agreement between the Beaumont-Cherry Valley Water District and Tri Pointe Homes IE-SD, Inc.; and
2. Authorize the General Manager to execute the Agreement and any related documents necessary to carry out its intent.

ADOPTED this _____ day of _____, 2025 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

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

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

Attachment: Exhibit A – Wind Down Agreement

Pardee Homes

Beaumont-Cherry Valley Water District

REIMBURSEMENT PACKAGE
Sundance North Water Line



1250 Corona Pointe Court, Suite 600
Corona, CA 92879
951-428-4400

May 8, 2019

Beaumont - Cherry Valley Water District
560 Magnolia Street
Beaumont, CA 92223
Attention: Dan Jagers

Re: Beaumont - Cherry Valley Water District: Request for Reimbursement – Sundance North Water Lines

Pardee Homes is requesting the reimbursement for the 16" vs 12" water line backbone cost differential for the Highland Springs Avenue (3040PZ), Brookside Avenue (3040PZ) and Cougar Way (2850PZ).

Payment Request	\$173,761.00
------------------------	---------------------

For more information regarding this reimbursement request, please see the supporting documentation relating to **Sundance North Water Lines**. If you have any questions or require any additional information, please do not hesitate to contact Sonal Shah at (951) 428-4426 Email: Sonal.Shah@pardeehomes.com.

Kind Regards,

A handwritten signature in blue ink, appearing to read "Michael Heishman", written over a horizontal line.

Michael Heishman,
Project Manager



WIRE INSTRUCTIONS

US Bank

1825 S. Grant Street, Suite 630

San Mateo, CA 94402

ABA: 122235821

Account Name: Pardee Homes
Operating Account

Account Number: 153497054947

Sundance North Water Line Cost Differential

**PARDEE HOMES - HIGHLAND SPRINGS AVE, BROOKSIDE WAY COUGAR WAY
16" vs 12" WATER PIPE COST DIFFERENCE**

HIGHLAND SPRINGS AVE (P23040 DOMESTIC)				CONTRACT & CHANGE ORDERS				12" ONLY SCENARIO				VARIANCE			
CONTRACTOR	ITEM #	DESCRIPTION	LUMP SUM PRICE	ESTIMATED QUANTITY	UNIT PRICE			LUMP SUM PRICE	ESTIMATED QUANTITY	UNIT PRICE		LUMP SUM PRICE	UNIT PRICE		
Murrieta Development	1	Mobilization	\$6,250.00	1	\$6,250.00			\$6,360.00	1	\$6,360.00		(\$110.00)	-\$110.00		
	2	16" DIP Class 250 Water Line	\$190,220.40	2,052	\$92.70			\$188,414.40	2,052	\$77.20		\$31,806.00	\$15.50		
	3	16" Blind Flange	\$600.00	1	\$600.00			\$425.00	1	\$425.00		\$175.00	\$175.00		
	4	16" Flanged Butterfly Valve	\$18,920.00	4	\$4,730.00			\$13,480.00	4	\$3,370.00		\$5,440.00	\$1,360.00		
	5	16" Flanged Cross	\$1,940.00	1	\$1,940.00			\$1,095.00	1	\$1,095.00		\$845.00	\$845.00		
	6	16x12 Eccentric Reducer	\$910.00	1	\$910.00			\$0.00	1	\$0.00		\$910.00	\$910.00		
	7	16x45 Bend	\$3,075.00	3	\$1,025.00			\$820.00	2	\$410.00		\$2,255.00	\$615.00		
	8	Install Romac 501 Coupling	\$655.00	1	\$655.00			\$635.00	1	\$635.00		\$20.00	\$20.00		
	9	Restrained Joints (Mega Lug)	\$11,175.00	15	\$745.00			\$5,100.00	15	\$340.00		\$6,075.00	\$405.00		
	10	2" Air Vac Assy	\$3,995.00	1	\$3,995.00			\$3,880.00	1	\$3,880.00		\$115.00	\$115.00		
	11	Jones 3765 6x4x2.5 Fire Hydrant Assy	\$19,740.00	2	\$9,870.00			\$16,160.00	2	\$8,080.00		\$3,580.00	\$1,790.00		
	12	Remove Existing Asphalt	\$18,775.80	6,156	\$3.05			\$14,774.40	6,156	\$2.40		\$4,001.40	\$0.65		
	13	Slurry Backfill (Wrap Air Valve)	\$1,140.00	1	\$1,140.00			\$1,160.00	1	\$1,160.00		(\$20.00)	-\$20.00		
	14	Tie-in on Brookside Ave.	\$2,360.00	1	\$2,360.00			\$2,400.00	1	\$2,400.00		(\$40.00)	-\$40.00		
	15	Tie-in on Cougar Way	\$2,360.00	1	\$2,360.00			\$2,400.00	1	\$2,400.00		(\$40.00)	-\$40.00		
	16	Hydro Test & Chlorinate	\$4,288.20	2,042	\$2.10			\$4,390.30	2,042	\$2.15		(\$102.10)	-\$0.05		
	17	Remove Existing Blowoff	\$615.00	1	\$615.00			\$625.00	1	\$625.00		(\$10.00)	-\$10.00		
	18	Remove 12" ACP Pipe and dispose	\$612.95	23	\$26.65			\$644.00	23	\$28.00		(\$31.05)	-\$1.35		
	19	Adjust Valves to Grade	\$2,900.00	5	\$580.00			\$2,850.00	5	\$570.00		\$50.00	\$10.00		
	20	Traffic Control	\$16,725.00	1	\$16,725.00			\$17,035.00	1	\$17,035.00		(\$310.00)	-\$310.00		
	21	16" Flange x MJ Adapter	\$910.00	1	\$910.00			\$910.00	1	\$910.00		\$0.00	\$0.00		
			\$308,167.35					\$253,558.10				\$41,431.00			
BROOKSIDE AVE (P23040 DOMESTIC)				CONTRACT & CHANGE ORDERS				12" ONLY SCENARIO				VARIANCE			
CONTRACTOR	ITEM #	DESCRIPTION	LUMP SUM PRICE	ESTIMATED QUANTITY	UNIT PRICE			LUMP SUM PRICE	ESTIMATED QUANTITY	UNIT PRICE		LUMP SUM PRICE	UNIT PRICE		
Murrieta Development	1	16" DIP Class 250 Water Line	\$46,164.60	498	\$92.70			\$38,445.60	498	\$77.20		\$7,719.00	\$15.50		
	2	Jones 3765 6x4x2.5 Fire Hydrant Assy	\$9,870.00	1	\$9,870.00			\$8,080.00	1	\$8,080.00		\$1,790.00	\$1,790.00		
	3	Hydro Test & Chlorinate	\$1,045.80	498	\$2.10			\$1,070.70	498	\$2.15		(\$24.90)	-\$0.05		
	4	Remove 12" ACP Pipe and dispose	\$15,413.10	498	\$30.95			\$15,413.10	498	\$30.95		\$0.00	\$0.00		
	5	Adjust Valves to Grade	\$1,160.00	2	\$580.00			\$1,140.00	2	\$570.00		\$20.00	\$10.00		
	6	Restrained Joints (Mega Lug)	\$2,980.00	4	\$745.00			\$1,360.00	4	\$340.00		\$1,620.00	\$405.00		
	7	Grace Power Pole	\$12,900.00	3	\$4,300.00			\$12,900.00	3	\$4,300.00		\$0.00	\$0.00		
	8	Traffic Control	\$3,140.00	1	\$3,140.00			\$3,140.00	1	\$3,140.00		\$0.00	\$0.00		
			\$92,673.50					\$81,549.40				\$7,719.00			

PARDEE HOMES - HIGHLAND SPRINGS AVE, BROOKSIDE WAY COUGAR WAY
16" vs 12" WATER PIPE COST DIFFERENCE

COUGAR WAY (PZ3040 DOMESTIC)						CONTRACT & CHANGE ORDERS				12" ONLY SCENARIO				VARIANCE			
CONTRACTOR	ITEM #	DESCRIPTION	LUMP SUM PRICE	ESTIMATED QUANTITY	UNIT PRICE	LUMP SUM PRICE	ESTIMATED QUANTITY	UNIT PRICE	LUMP SUM PRICE	ESTIMATED QUANTITY	UNIT PRICE	LUMP SUM PRICE	ESTIMATED QUANTITY	UNIT PRICE	LUMP SUM PRICE	UNIT PRICE	
BT Pipeline	1	16" DIP in Street	\$22,280.00	60	\$371.00	\$21,660.00	60	\$361.00	\$600.00		\$10.00	\$117,495.00		\$22.38	\$0.00	\$0.00	
	2	16" DIP Class 250 Water Line (incl Fittings)	\$490,245.00	5250	\$93.38	\$372,750.00	5250	\$71.00	\$1,174.95		\$0.00	\$117,495.00		\$22.38	\$0.00	\$0.00	
	3	12" DIP Class 350 Water Line (incl Fittings)	\$10,820.81	91	\$118.91	\$10,820.81	91	\$118.91	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
	4	8" DIP Class 350 Water Line (incl Fittings)	\$12,289.68	156	\$78.78	\$12,289.68	156	\$78.78	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
	5	16" BFV	\$41,118.00	14	\$2,937.00	\$41,776.00	14	\$2,984.00	(\$658.00)		-\$47.00	(\$658.00)		-\$47.00	\$0.00	\$0.00	
	6	12" gate Valve	\$5,968.00	2	\$2,984.00	\$5,968.00	2	\$2,984.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
	7	8" Gate Valve	\$4,773.00	3	\$1,591.00	\$4,773.00	3	\$1,591.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
	8	Jones 3765 6x4x2.5 Fire Hydrant Assy	\$56,292.00	6	\$9,382.00	\$55,194.00	6	\$9,199.00	\$1,098.00		\$183.00	\$1,098.00		\$183.00	\$0.00	\$0.00	
	9	6" Blow Off	\$9,560.00	1	\$9,560.00	\$9,387.00	1	\$9,387.00	\$173.00		\$173.00	\$173.00		\$173.00	\$0.00	\$0.00	
	10	4" Blow Off	\$43,032.00	8	\$5,379.00	\$29,192.00	8	\$3,649.00	\$13,840.00		\$13,840.00	\$13,840.00		\$13,840.00	\$0.00	\$0.00	
	11	2" Air Vac	\$26,960.00	8	\$3,370.00	\$26,520.00	8	\$3,315.00	\$440.00		\$55.00	\$440.00		\$55.00	\$0.00	\$0.00	
	12	Adjust Valves to Grade	\$5,250.00	42	\$125.00	\$5,250.00	42	\$125.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
	13	Join Existing	\$3,000.00	1	\$3,000.00	\$3,000.00	1	\$3,000.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
	14	Saw Cut	\$2,616.00	1	\$2,616.00	\$2,616.00	1	\$2,616.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
	15	Traffic Control	\$3,000.00	1	\$3,000.00	\$3,000.00	1	\$3,000.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
	16	Temp AC	\$540.00	180	\$3.00	\$540.00	180	\$3.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
			\$737,724.49									\$117,437.00					
COUGAR WAY (PZ2850 DOMESTIC)						CONTRACT & CHANGE ORDERS				12" ONLY SCENARIO				VARIANCE			
CONTRACTOR	ITEM #	DESCRIPTION	LUMP SUM PRICE	ESTIMATED QUANTITY	UNIT PRICE	LUMP SUM PRICE	ESTIMATED QUANTITY	UNIT PRICE	LUMP SUM PRICE	ESTIMATED QUANTITY	UNIT PRICE	LUMP SUM PRICE	ESTIMATED QUANTITY	UNIT PRICE	LUMP SUM PRICE	UNIT PRICE	
J A Shirley Construction	1	Join Existing	\$30,500.00	1	\$30,500.00	\$30,500.00	1	\$30,500.00	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
	2	16" DIP in Existing 30" Casing	\$8,040.00	30	\$268.00	\$6,360.00	30	\$212.00	\$1,680.00		\$56.00	\$1,680.00		\$56.00	\$0.00	\$0.00	
	3	16" DIP w/Bedding	\$8,624.00	98	\$88.00	\$4,900.00	98	\$50.00	\$3,724.00		\$38.00	\$3,724.00		\$38.00	\$0.00	\$0.00	
	4	16" BFV	\$11,940.00	3	\$3,980.00	\$10,170.00	3	\$3,390.00	\$1,770.00		\$590.00	\$1,770.00		\$590.00	\$0.00	\$0.00	
	5	Relocate Tie In	\$23,055.29	1	\$23,055.29	\$23,055.29	1	\$23,055.29	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
	6	Repair Damaged Unmarked Sewer	\$2,513.82	1	\$2,513.82	\$2,513.82	1	\$2,513.82	\$0.00		\$0.00	\$0.00		\$0.00	\$0.00	\$0.00	
			\$84,673.11									\$7,174.00					
										PIPE SIZE COST VARIANCE				\$173,761.00			
														TOTAL		\$173,761.00	

Facility Reimbursement Summary

FACILITY REIMBURSEMENT SUMMARY

Highland Springs Avenue, Brookside Avenue and Cougar Way

16" VS 12" Water Backbone Cost Difference

Contract Number	Vendor Name	Trade	Reimbursement Amount Requested
73870	Murrieta Development, Inc.	Water System (3040 PZ)	\$ 49,150.00
73471	BT Pipeline, Inc.	Water System (3040 PZ)	\$ 117,437.00
78786	James A. Shirley Construction, Inc.	Water System (2850 PZ)	\$ 7,174.00
Total			\$ 173,761.00

**ATTACHMENT 3
PARDEE HOMES (NOW TRIPPOINT) REIMBURSEMENT REQUEST**

Murrieta Development	Values From Developer						
	Highland Springs (3040 PZ)						
	Description	EST. QUANTITY	16" Unit Price	16" Total Costs	12" Unit Price	12" Total Costs	Total Difference
	Water Line	2052	\$ 92.70	\$ 190,220.40	\$ 77.20	\$ 158,414.40	\$ 31,806.00
	Blind Flange	1	\$ 600.00	\$ 600.00	\$ 425.00	\$ 425.00	\$ 175.00
	Butterfly Valve	4	\$ 4,730.00	\$ 18,920.00	\$ 3,370.00	\$ 13,480.00	\$ 5,440.00
	Flanged Cross	1	\$ 1,940.00	\$ 1,940.00	\$ 1,095.00	\$ 1,095.00	\$ 845.00
	Eccentric Reducer	1	\$ 910.00	\$ 910.00	\$ -	\$ -	\$ 910.00
	45 Bend	3	\$ 1,025.00	\$ 3,075.00	\$ 410.00	\$ 1,230.00	\$ 2,255.00
	Flange x MJ Adapter	1	\$ 910.00	\$ 910.00	\$ 910.00	\$ 910.00	\$ -
						Total	\$ 41,431.00
	Brookside Avenue (3040 PZ)						
	Description	EST. QUANTITY	16" Unit Price	16" Total Costs	12" Unit Price	12" Total Costs	Total Difference
	Waterline	498	\$ 92.70	\$ 46,164.60	\$ 77.20	\$ 38,445.60	\$ 7,719.00
					Total	\$ 7,719.00	
Total to Developer = \$ 49,150.00							
BT Pipeline	Cougar Way (3040 PZ)						
	Description	EST. QUANTITY	16" Unit Price	16" Total Costs	12" Unit Price	12" Total Costs	Total Difference
	Water Line in Street	60	\$ 371.00	\$ 22,260.00	\$ 361.00	\$ 21,660.00	\$ 600.00
	Waterline	5250	\$ 93.38	\$ 490,245.00	\$ 71.00	\$ 372,750.00	\$ 117,495.00
	Butterfly Valve	14	\$ 2,937.00	\$ 41,118.00	\$ 2,984.00	\$ 41,776.00	\$ (658.00)
						Total	\$ 117,437.00
Total to Developer = \$ 117,437.00							
J A. Shirley	Cougar Way (2850 PZ)						
	Description	EST. QUANTITY	16" Unit Price	16" Total Costs	12" Unit Price	12" Total Costs	Total Difference
	Waterline in Casing	30	\$ 268.00	\$ 8,040.00	\$ 212.00	\$ 6,360.00	\$ 1,680.00
	Waterline w/ Bedding	98	\$ 88.00	\$ 8,624.00	\$ 50.00	\$ 4,900.00	\$ 3,724.00
	Bufferfly Valve	3	\$ 3,980.00	\$ 11,940.00	\$ 3,390.00	\$ 10,170.00	\$ 1,770.00
						Total	\$ 7,174.00
Total to Developer = \$ 7,174.00							
Total Value Requested: \$ 173,761.00							



**Beaumont-Cherry Valley Water District
Special Board Meeting
October 29, 2025**

Item 8

STAFF REPORT

TO: Board of Directors

FROM: Dan Jagers, General Manager

SUBJECT: Update on California State Water Resources Control Board Hexavalent Chromium Regulation, Impacts to BCVWD, and Path to Compliance

Staff Recommendation

No Recommendation.

Executive Summary

The District submitted a Chromium VI Compliance Plan which outlines the District's strategy to comply with the California State Water Resources Control Board's (SWRCB) drinking water standard for hexavalent chromium (Cr-6), which was re-established at 10 parts per billion (ppb) effective July 1, 2024.

The District's Chromium VI Compliance Plan was submitted to the SWRCB, Division of Drinking Water (DDW) on June 30, 2025 and is currently under review by the SWRCB, DDW. District Staff contacted the SWRCB, DDW on October 16, 2025 to inquire on the status of review and confirm next steps. On October 17, 2025, the SWRC, DDW emailed the attached letter (dated October 16, 2025) identifying that the District would be required to notify the public and performance of quarterly sampling must continue. Further, the SWRC, DDW identified that the public must be notified of the MCL exceedance. (Cal. Code Regs., tit. 22, §§ 64432, subd. (g), 64463.4, subd. (a).). Public notification was ordered to be completed by October 31, 2025 and additionally, BCVWD must complete and submit a Public Notification Certification form to the Division within 10 days after notification is performed. A copy of the SWRC DDW October 16, 2025 letter is attached for reference.

California has enacted two Senate Bills to provide protection to public water systems that are working towards compliance with the Chromium VI MCL adopted of 10 ppb which are SB 385 and SB 466, further discussed below.

District Staff is currently waiting for SWRC DDW review of the District's submitted Chromium VI Compliance Plan.

Discussion

1. The District's Chromium VI Compliance plan includes:

- **Baseline assessment:** Identifying wells exceeding or approaching the Cr-6 MCL.
- **Avoidance Strategy – Drilling New Wells**
- **Treatment evaluation:** Assessing **best available technologies (BATs)** such as ion exchange, reduction/coagulation/filtration, and reverse osmosis.



- **Financial analysis:** Estimating capital and operational costs, funding mechanisms, and rate impacts.
- **Implementation timeline:** Outlining major milestones for design, permitting, construction, and operation.
- **Public communication:** Ensuring customers are informed at least twice yearly about compliance progress and water quality status.
- **Coordination with SWRCB:** Maintaining regular reporting, status updates, and revision cycles to remain in compliance while treatment is designed and constructed.

The compliance period anticipates 4 to 6 years for full avoidance and/or treatment implementation, contingent on financing, permitting, and procurement of facilities.

Current California Legislation:

2. SB 385 (Hueso, 2015): Original Framework for Compliance Planning

SB 385 established the legal framework allowing water systems like BCVWD to remain in technical compliance with the drinking water standards while implementing an approved compliance plan for hexavalent chromium.

Key provisions:

- Temporary relief (2015–2020): Water systems could avoid violation status while pursuing compliance actions if they had an approved plan with milestones and progress reporting.
- Plan requirements:
 - Justification for delayed compliance.
 - Identification of funding sources and BATs.
 - Detailed schedule for achieving compliance.
- Reporting and transparency: Systems had to notify the public twice yearly, describe available alternative water sources, and report Cr-6 levels and health risks.
- SWRCB authority: The Board could approve, revise, or revoke plans, ensuring progress toward compliance by the “earliest feasible date” (no later than January 1, 2020).

Although this law expired in 2020, it set a precedent for how systems like BCVWD structure modern compliance programs — including the notification, reporting, and milestone-based approach seen in BCVWD’s 2025 plan.

3. SB 466 (Caballero, 2025): Modern Extension and Protection

SB 466 updates and revives the core intent of SB 385 in light of the new 2024 Cr-6 MCL reestablishment.

Main impacts:

- Protection during compliance:
BCVWD and other systems are not considered in violation of the Cr-6 standard while:
 - Implementing an approved compliance plan, or



- Awaiting SWRCB approval of a submitted plan
- Eligibility:
Applies only to systems that meet the total chromium MCL (100 ppb).
- Conditions:
 - Protection ceases if a plan is rejected or revoked.
 - Does not alter SWRCB's authority to regulate, enforce, or set new standards.
- Implementation window:
 - Large systems (>10,000 service connections) must begin monitoring by July 1, 2026.
 - Smaller systems get an extra 1–2 years.
- Administrative oversight:
The SWRCB will continue to review, approve, and enforce milestones under the compliance plan, similar to SB 385's structure.
- Legislative intent:
SB 466 acknowledges the financial and technical burden on water agencies, offering temporary regulatory protection to focus on implementing feasible treatment solutions.

4. Combined Effect on BCVWD's Compliance Plan

Aspect	SB 385 (2015)	SB 466 (2025)	Impact on BCVWD
Legal Protection	Temporary exemption from violation while implementing plan	Reinstates similar protection tied to approved/pending plan	BCVWD is shielded from non-compliance penalties during plan execution
Plan Approval	Required SWRCB approval and milestone reporting	Requires ongoing SWRCB oversight	BCVWD must maintain transparency and timely updates
Public Notice	Required biannual customer notifications	Implicit continuation under compliance plan rules	BCVWD must continue outreach efforts
Duration	Ended 2020	Active during 2024–2030 compliance rollout	Provides legal stability through current Cr-6 compliance period
Funding Challenges	Recognized as a barrier	Central rationale for protective status	BCVWD's financing strategy aligns with this recognition

In essence:

SB 466 **revives and extends** the compliance flexibility originally granted by SB 385 — allowing BCVWD to continue developing and implementing treatment solutions without being cited for non-compliance, as long as it maintains an approved and active compliance plan with the SWRCB.



5. Conclusion

BCVWD's Chromium-6 Compliance Plan is legally reinforced by SB 466's 2025 provisions. The district's approach — structured milestones, transparency, and collaboration with the SWRCB — follows the precedent established under SB 385.

Together:

- **SB 385** created the **template** for compliance-based leniency.
- **SB 466 reactivates** that framework to address the **new Cr-6 standard effective 2024**, granting BCVWD regulatory protection during implementation.
- The **District remains compliant** while actively pursuing infrastructure improvements to meet the 10 ppb MCL.

Fiscal Impact

Fiscal Impact is to be determined, however the cost of notifying the public of the exceedance of the MCL is estimated to be \$15,000 per notification.

Attachments

1. State Water Resources Control Board, Division of Drinking Water, Notification Letter for Hexavalent Chromium Maximum Contaminant Level Exceedance.
2. District Public Notification Letter
3. Senate Bill 385
4. Senate Bill 466

Staff Report prepared by Dan Jagers, General Manager



State Water Resources Control Board

Division of Drinking Water

October 16, 2025

System No. CA3310002

Dan Jagers, General Manager
 Beaumont-Cherry Valley Water District
 560 Magnolia Avenue
 Beaumont, CA 92223
dan.jagers@bcvwd.org

HEXAVALENT CHROMIUM MAXIMUM CONTAMINANT LEVEL EXCEEDANCE

The State Water Resources Control Board, Division of Drinking Water (Division) has reviewed the results of the hexavalent chromium samples collected between December 17, 2024, and September 4, 2025, from Beaumont-Cherry Valley Water District's (BCVWD's) Well 25. The table below summarizes the sample results received and the running annual average.

Table 1: Hexavalent Chromium Sample Results by Source

Source Name	Quarterly Sample Date	Hexavalent Chromium Result (mg/L)
Well 25	12/17/2024	0.011
	3/17/2025	0.011
	6/12/2025	0.011
	9/4/2025	0.011
Running Annual Average		0.011

The average of the initial samples is over the hexavalent chromium maximum contaminant level (MCL) of 0.010 milligrams per liter (mg/L). (Cal. Code Regs., tit. 22, § 64432.) Therefore, quarterly sampling must continue and the public must be notified of the MCL exceedance. (Cal. Code Regs., tit. 22, §§ 64432, subd. (g), 64463.4, subd. (a).) Instructions and template for Tier 2 public notification are included as **Enclosure No. 1**. Public notification must be completed by **October 31, 2025**. BCVWD must complete and submit the enclosed Public Notification Certification form (**Enclosure No. 2**) to the Division within 10 days after notification is performed.

E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

2375 Northside Drive, Suite 100, San Diego, CA 92108 | www.waterboards.ca.gov

BCVWD is also required to take specific actions described in the hexavalent chromium regulation, the first step of which is to develop a compliance plan that includes the following items:

- The proposed method BCVWD will use to achieve compliance with the hexavalent chromium MCL. The method could be providing treatment or using an alternative source. If treatment is proposed a pilot study must be included.
- The date by which BCVWD plans to submit the final plans and specifications for any construction related to the proposed methods of achieving compliance.
- The dates by which BCVWD plans to start and complete any construction of treatment or alternative source facilities.
- The dates by which BCVWD plans to complete a treatment operations plan associated with the proposed facilities, if applicable.

(Cal. Code Regs., tit. 22, § 64432, subd. (q).)

The compliance plan should attempt to meet the deadline(s) below, listed by system size, although we recognize that it may not be feasible in all situations.

Table 2: Hexavalent Chromium MCL Compliance Dates

System Size (service connections served on October 1, 2024)	Compliance Date
10,000 or more	October 1, 2026
1,000 to 9,999	October 1, 2027
Fewer than 1,000	October 1, 2028

A hexavalent chromium compliance plan template is available at bit.ly/Cr6-Rulemaking. The Division received a compliance plan from BCVWD on June 30, 2025. However, an updated compliance plan must be submitted to the Division by **January 1, 2026**, that reflects changes to the proposed methods and completion dates that may have occurred since the original submittal.

If you have any questions regarding this matter, please contact Mitchell Martinez of my staff at (619) 525-4354 or me at (619) 525-4775. You may also contact us via email at DWPDist20@waterboards.ca.gov.

Sincerely,

Chun Y. Huang
Digitally signed by Chun Y. Huang
Date: 2025.10.16 17:12:11 -07'00'

Chun Y. Huang, P.E.
District Engineer
Riverside District
State Water Resources Control Board – Division of Drinking Water

Enclosures: 1) Instructions for Tier 2 Hexavalent Chromium Exceedance Notice
2) Public Notification Certification Form

cc: James Bean, Director of Operations, BCVWD (via email w/encl.)
County of Riverside, Department of Environmental Health (via email w/o encl.)

ENCLOSURE NO. 1

**Instructions for Tier 2 Hexavalent Chromium Exceedance Notice
Template (ONLY USE IF ISSUANCE IS BEFORE THE COMPLIANCE
DATE IN THE TABLE BELOW.)**

Template Attached

An exceedance of the hexavalent chromium maximum contaminant level (MCL) requires Tier 2 notification, and you must provide public notice to persons served as soon as practical but within 30 days after learning of the exceedance [California Code of Regulations (CCR) title 22, chapter 15, section 64463.4(b)]. However, such an exceedance is not considered a violation until after the applicable compliance date (see table below). **Each water system required to give public notice must submit the notice to the State Water Resources Control Board, Division of Drinking Water (DDW) for approval prior to distribution or posting, unless otherwise directed by the DDW [64463(b)].**

System Size (service connections served on October 1, 2024)	Compliance Date
10,000 or more	October 1, 2026
1,000 to 9,999	October 1, 2027
Fewer than 1,000	October 1, 2028

Notification Methods

You must use the methods summarized in the table below to deliver the notice to consumers. If you mail, post, or hand deliver the notice, print your notice on letterhead, if available.

The notice attached is appropriate for the notification methods described below. However, you may wish to modify it before using it for posting. If modified, the notice must still include all the required elements, including the health effects and mandatory language, which must be in italics [22 CCR 64465].

Community Water Systems must use the primary method below and one or more secondary methods to reach persons not likely to be reached by the primary method.

Primary Method

1. Mail or direct delivery. The notice must be distributed to each customer receiving a bill including those that provide their drinking water to others (for example schools or school systems, apartment building owners, or large private employers), and other service connections to which water is delivered by the water system.

Secondary Methods (use one or more of the following methods to reach persons not likely to be reached by the primary method)

1. Publication in a local newspaper.

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, 2024

2. Posting in conspicuous public places served by the water system or on the internet. The notice must be posted in place for as long as the exceedance or occurrence continues, but in no case less than seven days.
3. Delivery to community organizations.

Non-Community Water Systems must use the primary method below and one or more secondary methods to reach persons not likely to be reached by the primary method.

Primary Method

1. Posting in conspicuous locations throughout the area served by the water system. The notice must be posted in place for as long as the exceedance or occurrence continues, but in no case less than seven days.

Secondary Methods (use one or more of the following methods to reach persons not likely to be reached by the primary method)

1. Publication in a local newspaper or newsletter distributed to customers.
2. Email message to employees or students.
3. Posting on the internet or an intranet. The notice must be posted in place for as long as the exceedance or occurrence continues, but in no case less than seven days.
4. Direct delivery to each customer.

Multilingual Requirement

The notice must contain information in Spanish regarding the importance of the notice or contain a telephone number or address where Spanish-speaking residents may contact the public water system to obtain a translated copy of the notice or assistance in Spanish.

If any non-English-speaking group, other than Spanish-speaking, exceeds 1,000 residents, or 10 percent of the residents served by the public water system, the notice must include (1) information in the appropriate language(s) regarding the importance of the notice or (2) the telephone number or address where such individuals may contact the water system to obtain a translated copy of the notice from the water system or assistance in the appropriate language.

Population Served

Make sure it is clear who is served by your water system -- you may need to list the areas you serve.

Corrective Action

In your notice, describe corrective actions you are taking. Do not use overly technical terminology when describing treatment methods. Listed below are some steps commonly taken by water systems with chemical or radiological violations/exceedances. Use one or more of the following actions, if appropriate, or develop your own:

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, 2024

- “We are working with [local/state agency] to evaluate the water supply and researching options to correct the problem. These options may include treating the water to remove hexavalent chromium or connecting to [system]’s water supply.”
- “We have stopped using the contaminated well. We have increased pumping from other wells, and we are investigating drilling a new well.”
- “We will increase the frequency at which we test the water for hexavalent chromium.”
- “We have since taken samples at this location and had them tested. They show that we meet the standards.”

After Issuing the Notice

Send a copy of each type of notice and a certification that you have met all the public notice requirements to the DDW within ten days after you issue the notice [22 CCR 64469(d)]. Public water systems must also issue a certification that they have met all the public notice requirements for any repeat notices in addition to meeting any repeat notice requirements the DDW sets.

It is recommended that you notify health professionals in the area of the exceedance. People may call their doctors with questions about how the exceedance may affect their health, and the doctors should have the information they need to respond appropriately.

It is a good idea to issue a “problem corrected” notice when the MCL is no longer being exceeded.

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Este informe contiene información muy importante sobre su agua potable.

Tradúzcalo o hable con alguien que lo entienda bien.

[System] Has Levels of Hexavalent Chromium Above the Drinking Water Standard

This is not an emergency. As our customers, you have a right to know what you should do, what happened, and what we are doing to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Water sample results received on [date] showed hexavalent chromium levels of [level and units]. This is above the standard, or maximum contaminant level (MCL), of 0.010 milligrams per liter (10 ppb). We are working with the State Water Resources Control Board to address this exceedance and comply with the MCL within a compliance timeline.

What should I do?

- **You do not need to use an alternative water supply (e.g., bottled water).**
- This is not an emergency. If it had been, you would have been notified immediately. However, *some people who drink water containing hexavalent chromium in excess of the MCL over many years may have an increased risk of getting cancer.*
- If you have other health issues concerning the consumption of this water, you may wish to consult your doctor.

What happened? What is being done?

- A new Hexavalent Chromium MCL of 10 ppb became effective October 1, 2024.
- Hexavalent chromium was detected at levels that exceed the MCL. However, a water system of our size is not considered in violation of the Hexavalent Chromium MCL until after [INSERT APPLICABLE TABLE 64432-B COMPLIANCE DATE].
- We [are working to complete / have completed] a Hexavalent Chromium Compliance Plan that [will be reviewed / is being reviewed / has been approved] by the State Water Resources Control Board.
- We are working with the State Water Resources Control Board to address this exceedance and comply with the MCL. Specifically, we are [Describe actions taken (may include pilot studies, environmental review, funding applications, etc.) and planned actions (may include treatment, source changes, etc.)] [Optional: discuss approved compliance plan if already approved by DDW].
- We anticipate resolving the problem by [estimated time frame (Compliance plan finalization date, if applicable)].

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, 2024

For more information, please contact [name of contact] at [phone number] or [mailing address].

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this public notice in a public place or distributing copies by hand or mail.

If you are a school or school system, the owner or operator of residential rental property, or the owner or operator of a business property, then you are legally required to notify the following people of the information in this notice within ten days of your receipt of this notice:

- SCHOOLS: You must notify school employees, students, and parents (if the students are minors).
- RESIDENTIAL RENTAL PROPERTY OWNERS OR MANAGERS (including nursing homes and care facilities): You must notify tenants.
- BUSINESS PROPERTY OWNERS, MANAGERS, OR OPERATORS: You must notify employees of businesses located on the property.
- If you fail to notify the above people, you shall be civilly liable up to \$1,000 per day for each day that you fail to notify them. (Health & Saf. Code, §§ 116450, subd. (g); 116650, subd. (e).)

This notice is being sent to you by [system].

State Water System Number: [Insert water system number].

Date distributed: [Insert date the notice is distributed].

ENCLOSURE NO. 2

Public Notification Certification
Hexavalent Chromium MCL Exceedance
Name of Water System: Beaumont-Cherry Valley Water District
System Number: CA3310002

This form, when completed and sent to dwpdist20@waterboards.ca.gov for the Division of Drinking Water, Riverside District at 2375 Northside Drive, Suite 100, San Diego, CA 92108, certifies that the required actions listed below were completed and public notification of water users was performed as required by California Code of Regulations, title 22, sections 64463 through 64465.

**THIS FORM MUST BE COMPLETED AND RETURNED TO THE STATE WATER BOARD,
DIVISION OF DRINKING WATER, NO LATER THAN NOVEMBER 10, 2025**

Required Action	Date Completed
Public Notification (see below)	

Attach a copy of the public notice distributed to the water system's customers.

Public notification for the exceedance of the **hexavalent chromium MCL** was conducted on: _____ (date), for **Quarter 3, 2025** using the following delivery and good-faith efforts (check all that apply and fill in requested information):

☐ The notice was distributed by mail or direct delivery to each customer.

Secondary notification requirements for all systems

One or more of the following methods were used to notify persons (such as renters, students, patients, prison inmates, etc.) not likely to be reached by mailing or direct delivery.

☐ Posted the notice at the following conspicuous locations served by the water system. (If more space is needed, please attach a list of locations). _____

☐ Publication of the notice in a local newspaper or newsletter of general circulation (attach a copy of the published notice, including name of newspaper and date published).

☐ Posted the notice on the Internet at www._____

☐ Other method used to notify customers. _____

I hereby certify that the above information is factual.

Certified by: Printed Name _____ Title _____

Signature _____

Date _____

Disclosure: Be advised that the California Health and Safety Code sections 116725 and 116730 state that any person who knowingly makes any false statement on any report or document submitted for the purpose of compliance with the Safe Drinking Water Act may be liable for a civil penalty not to exceed five thousand dollars (\$5,000) for each separate violation or, for continuing violations, for each day that violation continues, or may be charged with a misdemeanor, punishable with a fine of up to \$25,000 for each day of violation, or by imprisonment in the county jail not to exceed one year, or by both the fine and imprisonment.

Attachment 2

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Este informe contiene información muy importante sobre su agua potable.

Tradúzcalo o hable con alguien que lo entienda bien.

Beaumont-Cherry Valley Water District Has Levels of Hexavalent Chromium Above the Drinking Water Standard

This is not an emergency. As our customers, you have a right to know what you should do, what happened, and what we are doing to correct this situation.

We routinely monitor for the presence of drinking water contaminants. Water sample results received on September 4, 2025 showed hexavalent chromium (Cr-6) levels of 0.011 milligrams per liter (11ppb). This is above the California standard, or maximum contaminant level (MCL), of 0.010 milligrams per liter (10 ppb). We are working with the State Water Resources Control Board to address this exceedance and comply with the MCL within a compliance timeline.

California and New Jersey are currently the only states that have established an MCL for Hexavalent Chromium. At the federal level, the U.S. Environmental Protection Agency (EPA) regulates Total Chromium, which includes all forms of chromium, with an MCL of 100 parts per billion (ppb). It is important to note that there has been no change in the historical groundwater quality within the District; this exceedance is solely the result of the State of California's newly established Hexavalent Chromium MCL.

What should I do?

- **You do not need to use an alternative water supply (e.g., bottled water).**
- This is not an emergency. If it had been, you would have been notified immediately. However, *some people who drink water containing hexavalent chromium in excess of the MCL over many years may have an increased risk of getting cancer.*
- If you have other health issues concerning the consumption of this water, you may wish to consult your doctor.

What happened? What is being done?

- A new Hexavalent Chromium MCL of 10 ppb became effective October 1, 2024.
- Hexavalent chromium was detected at levels that exceed the MCL. However, a water system of our size is not considered in violation of the Hexavalent Chromium MCL until after October 1, 2026 (*systems $\geq 10,000$ connections*).
- BCVWD submitted a Hexavalent Chromium Compliance Plan to the State Water Resources Control Board on June 30, 2025. The plan outlines Cr-6 avoidance through new low-Cr-6 well construction, reduced production from

State Water Resources Control Board

, 2024

Well 25, conversion of Wells 3 and 26 to non-potable use and continued quarterly monitoring while compliance measures are implemented. This plan is being reviewed by the State Water Resources Control Board.

- We anticipate a Compliance finalization plan submission January 1, 2026.

For more information, please contact James Bean, Director of Operations at (951) 845-9581, info@bcvwd.gov or 560 Magnolia Ave. Beaumont, CA. 92223.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this public notice in a public place or distributing copies by hand or mail.

If you are a school or school system, the owner or operator of residential rental property, or the owner or operator of a business property, then you are legally required to notify the following people of the information in this notice within ten days of your receipt of this notice:

- SCHOOLS: You must notify school employees, students, and parents (if the students are minors).
- RESIDENTIAL RENTAL PROPERTY OWNERS OR MANAGERS (including nursing homes and care facilities): You must notify tenants.
- BUSINESS PROPERTY OWNERS, MANAGERS, OR OPERATORS: You must notify employees of businesses located on the property.
- If you fail to notify the above people, you shall be civilly liable up to \$1,000 per day for each day that you fail to notify them. (Health & Saf. Code, §§ 116450, subd. (g); 116650, subd. (e).)

This notice is being sent to you by Beaumont-Cherry Valley Water District.

State Water System Number: CA3310002.

Date distributed: October 31, 2025.

Attachment 3

BILL NUMBER: SB 385 CHAPTERED
BILL TEXT

CHAPTER 272
FILED WITH SECRETARY OF STATE SEPTEMBER 4, 2015
APPROVED BY GOVERNOR SEPTEMBER 4, 2015
PASSED THE SENATE AUGUST 24, 2015
PASSED THE ASSEMBLY AUGUST 20, 2015
AMENDED IN ASSEMBLY JUNE 18, 2015
AMENDED IN SENATE MAY 19, 2015
AMENDED IN SENATE APRIL 7, 2015

INTRODUCED BY Senator Hueso
 (Principal coauthors: Assembly Members Alejo and Eduardo Garcia)
 (Coauthors: Senators Cannella and Stone)
 (Coauthors: Assembly Members Dodd and Mayes)

FEBRUARY 24, 2015

An act to add and repeal Section 116431 of the Health and Safety Code, relating to drinking water, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 385, Hueso. Primary drinking water standards: hexavalent chromium: compliance plan.

The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board various duties and responsibilities for the regulation and control of drinking water in the State of California. The act requires the state board to adopt primary drinking water standards for contaminants in drinking water based upon specified criteria, and required a primary drinking water standard to be established for hexavalent chromium by January 1, 2004. Existing law authorizes the state board to grant a variance from primary drinking water standards to a public water system. Existing law makes certain violations of the act a crime.

This bill would authorize, until January 1, 2020, the state board, at the request of a public water system that prepares and submits a compliance plan to the state board, to grant a period of time to achieve compliance with the primary drinking water standard for hexavalent chromium by approving the compliance plan, as prescribed. This bill would require a public water system to provide specified notice regarding the compliance plan to the persons served by the public water system and the public water system to send written status reports to the state board. This bill would prohibit a public water system from being deemed in violation of the primary drinking water standard for hexavalent chromium while implementing an approved compliance plan or while state board action on its proposed and submitted compliance plan is pending.

The bill would authorize the state board to direct revisions to a compliance plan if the board makes certain determinations and would prohibit a public water system from being granted a period of time to achieve compliance under certain circumstances, including if the public water system does not submit a revised compliance plan or the revised compliance plan is disapproved. The bill would authorize the state board to implement, interpret, or make specific these

provisions by means of criteria, published on its Internet Web site. To the extent that a public water system, when requesting approval of a compliance plan or submitting a report pursuant to these provisions, would make any false statement or representation, this bill would expand the scope of a crime and impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 116431 is added to the Health and Safety Code, to read:

116431. (a) At the request of any public water system that prepares and submits a compliance plan to the state board, the state board may grant a period of time to achieve compliance with the primary drinking water standard for hexavalent chromium by the state board's written approval of the compliance plan.

(b) (1) A compliance plan shall include all of the following:

(A) A compelling reason why it is not feasible for the system to presently comply with the primary drinking water standard for hexavalent chromium.

(B) A summary of the public water system's review of available funding sources, the best available technology or technologies for treatment, and other options to achieve and maintain compliance with the primary drinking water standard for hexavalent chromium by the earliest feasible date.

(C) A description of the actions the public water system is taking and will take by milestone dates to comply with the primary drinking water standard for hexavalent chromium by the earliest feasible date. The actions may include, but are not limited to, planning, designing, permitting, financing, constructing, testing, and activating treatment facilities or other capital improvements. The compliance plan shall include the public water system's best estimate of the funding required for compliance and the actions that the public water system will take to secure the funding. In no event shall the earliest feasible date extend beyond January 1, 2020.

(2) The state board may do either of the following:

(A) Approve a compliance plan.

(B) Provide written comments on the compliance plan to the public water system. The comments may include requiring the public water system's compliance, prior to January 1, 2020, with the primary drinking water standard for hexavalent chromium if the earliest feasible date, based on review of the compliance plan and based on the public water system's specific circumstances identified in the plan, is prior to January 1, 2020. If the state board provides written comments, the public water system may submit a revised compliance plan that the state board may approve if the plan timely and adequately addresses any and all written comments provided by the state board.

(c) The public water system shall provide written notice regarding the compliance plan to the persons served by the public water system at least two times per year. The written notice shall meet the

translation requirements provided in subdivision (h) of Section 116450 and shall include notice of all of the following:

(1) That the public water system is implementing the compliance plan that has been approved by the state board and that demonstrates the public water system is taking the needed feasible actions to comply with the primary drinking water standard for hexavalent chromium. The notice shall summarize those actions in a form and manner determined by the state board. For notices after the initial notice, the public water system shall update information demonstrating progress implementing the compliance plan.

(2) That the persons served by the public water system have access to alternative drinking water and that the public water system shall provide information on that drinking water. The notice shall identify where that information may be obtained.

(3) Basic information describing hexavalent chromium, including the level found in drinking water provided by the public water system, the maximum contaminant level for hexavalent chromium, and the possible effects of hexavalent chromium on human health as specified in Appendix 64465-D of Section 64465 of Title 22 of the California Code of Regulations.

(d) Following the state board's approval of the compliance plan, the public water system shall submit a written status report to the state board, at a frequency and by a deadline or deadlines set by the state board, for the state board's approval, that updates the status of actions specified in the state board-approved compliance plan and that specifies any changes to the compliance plan that are needed to achieve compliance with the primary drinking water standard for hexavalent chromium by the earliest feasible date. State board approval of a written status report that includes proposed changes to the compliance plan shall be deemed approval of the proposed changes to the compliance plan and the resulting revised plan.

(e) A public water system shall not be deemed in violation of the primary drinking water standard for hexavalent chromium while implementing an approved compliance plan. A public water system that has submitted a compliance plan for approval shall not be deemed in violation of the primary drinking water standard for hexavalent chromium while state board action on the proposed and submitted compliance plan is pending.

(f) (1) At any time, the state board may direct revisions to a compliance plan or disapprove a compliance plan if the state board determines that the actions and timelines addressed in the compliance plan are inadequate to achieve compliance by the earliest feasible date. At any time, the state board may disapprove a written status report if the state board determines that the written status report fails to demonstrate that the public water system is complying with the approved compliance plan by the milestone dates. In these instances, the state board shall provide the public water system with written notice specifying the reason for the required revisions or disapproval and the deficiencies that shall be addressed in a resubmitted compliance plan or written status report.

(2) A previously approved compliance plan that the state board requires to be revised, or a written status report that is disapproved by the state board, may be revised and resubmitted by the public water system for state board approval within 60 days of receipt of the notice required by paragraph (1). During the 60 days, a public water system shall not be deemed in violation of the primary drinking water standard for hexavalent chromium. A public water system shall not be granted a period of time to achieve compliance with the primary drinking water standard for hexavalent chromium if the public water system fails to submit a revised compliance plan or

revised written status report within 60 days of receiving the notice, or submits a revised compliance plan or revised written status report that is subsequently disapproved.

(3) A compliance plan approved by the state board pursuant to this section shall continue in effect until the earliest feasible compliance date, as specified by the compliance plan, or until the water system fails to retain state board approval of the compliance plan.

(g) The state board may implement, interpret, or make specific the provisions of this section by means of criteria, published on its Internet Web site. This action by the state board shall not be subject to the rulemaking requirements of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(h) This section does not affect the state's requirements for establishing drinking water standards for contaminants in drinking water. This section does not apply to any contaminants other than hexavalent chromium. This section is intended to address the specific circumstance that, for some public water systems, compliance with the state's hexavalent chromium drinking water standard requires the design, financing, and construction of capital improvements. These major compliance actions necessitate a period of time for compliance.

(i) This section shall remain in effect only until January 1, 2020, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2020, deletes or extends that date.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The state's regulation setting the new maximum contaminant level for hexavalent chromium VI went into effect on July 1, 2014. The regulation required that the initial compliance monitoring under the regulation be performed by January 1, 2015. Some public water systems need to take major compliance actions, such as designing, financing, and constructing water treatment facilities, to comply with the new regulation. To avoid the systems being deemed in violation of the regulation in 2015, and for a limited time period thereafter, it is necessary for this act, which authorizes a period of time to achieve compliance, to take effect immediately.

Attachment 4

SB 466

The people of the State of California do enact as follows:

SECTION 1. Section 116341 is added to the Health and Safety Code, to read: 116341.

(a) Except as provided in subdivision (e) and subject to subdivision (b), a public water system shall not be determined, held, considered, or otherwise deemed in violation of the primary drinking water standard for hexavalent chromium while implementing a state board approved compliance plan. A public water system that has submitted a compliance plan for approval shall not be determined, held, considered, or otherwise deemed in violation of the primary drinking water standard for hexavalent chromium while state board action on the proposed and submitted compliance plan is pending.

(b) This section only applies to a public water system that meets the total chromium maximum contaminant level (MCL) enforceable standard for drinking water in California.

(c) This section does not affect the states requirements for establishing drinking water standards for contaminants in drinking water. This section does not apply to any contaminants other than hexavalent chromium.

(d) This section shall not apply if a hexavalent chromium MCL compliance plan is rejected by the state board.

(e) This section does not affect the authority of the state board or the Attorney General to enforce any applicable law or regulation regarding hexavalent chromium, including a state board-approved hexavalent chromium MCL compliance plan.