



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

**MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS
Wednesday, November 12 2025 at 6:00 p.m.**

*Meeting held in person at 560 Magnolia Ave., Beaumont, CA
pursuant to California Government Code Section 54950 et. seq.*

Call to Order: *President Slawson opened the meeting at 6:01 p.m.*

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

Announcement and Verification of Remote Meeting Participation Pursuant to AB 2449, AB 2302, or GC 54953(b): *No directors were attending via teleconference.*

Roll Call:

Directors present:	Covington, Hoffman, Slawson, Williams
Directors absent:	Ramirez
Staff present:	General Manager Dan Jagers Director of IT and Cybersecurity Robert Rasha Director of Finance and Administration Sylvia Molina Director of Engineering Mark Swanson Director of Operations James Bean Human Resources and Risk Manager Ren Berioso Finance Manager William Clayton Customer Service and Utility Billing Manager Sandra Flores Water Utility Superintendent Julian Herrera Management Analyst I Edith Garcia Management Analyst II Erica Gonzales Customer Service Representative II Ericka Enriquez Associate Civil Engineer I Evan Ward Development Services Technician Lilian Tienda Executive Assistant Lynda Kerney
Legal Counsel	James Markman

Members of the public who registered attendance: Joyce McIntire, Larry Smith, Sarah Wargo, Michael Heishman.

Public Comment: None.

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

The Board received and filed the following reports:

- a. California Water Supply Conditions
 - b. Quarterly Report: Grant Activity Update
 - c. Quarterly Report: Review of District Contract Expenditures in Fiscal Year 2025
 - d. Year-To-Date Analysis of Electric Cost to Pump Groundwater
 - e. Quarterly Chandler Investment Report
 - f. Legislative Action and Issues Update
- by the following roll-call vote:

MOVED: Covington	SECONDED: Hoffman	APPROVED 4-0
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Ramirez	

3. Consent Calendar

Directors Covington and Hoffman commented on the positive fiscal position of the District. In response to President Slawson, General Manager Jagers and Ms. Molina listed the District’s three investment vehicles. Director Williams noted that investment income is ahead of budget.

The Board approved the Consent Calendar items with one motion:

- a. Review of the September 2025 Budget Variance Reports
 - b. Review of the September 30, 2025 Cash/Investment Balance Report
 - c. Review of Check Register for the Month of October 2025
 - d. Approval of October 2025 Invoices
 - e. Minutes of the Regular Meeting of August 13, 2025
 - f. Minutes of the Regular Meeting of August 28, 2025
- by the following roll-call vote:

MOVED: Hoffman	SECONDED: Williams	APPROVED 4-0
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Ramirez	

4. Presentation of Fiscal Year 2026 Operating Budget and 2026-2030 Capital Improvement Budget - Draft

FY 2026 Operating Budget

Director of Finance and Administration Sylvia Molina presented the draft budget, which serves as a guideline for the District’s activities for the year and into the future. She described the budget process and noted that the budget is a collaborative effort at all levels of staff, and is thoroughly reviewed by the Finance & Audit Committee, with personnel changes reviewed by the Personnel Committee. Director Covington emphasized that all directors would need to see the personnel sections before budget adoption in December.

Ms. Molina highlighted:

- Design and layout changes to improve readability and add context
- Addition of departmental expenses summaries
- The budget is balanced: Net revenues exceed net expenses by \$1.3 million
- Over time, the actuals have tracked closely to the budget
- The projections account for the rate increases which allow for funding of reserves
- Liquidity is strong with 374 days of cash on hand
- Grant funding anticipated for 2026 was actually received in 2025
- Budgeted water sales may be low, as customers are using more water than anticipated despite the increased rates
- Cost control has been achieved by doing much work in-house
- Costs for unfunded State mandates are expected to increase
- Staff will actively pursue grant funding
- The Cost of Living Adjustment for all staff compensation is 2.9% as dictated by the MOU
- Three adjustments in staffing have been budgeted: an Administrative Clerk, part-time Executive Assistant, and a temporary Water Utility Worker
- Budget reductions have been made in communications, temporary staffing, maintenance and repairs, and professional services
- Expenses for the 2026 Board of Directors election will be billed by the County in FY 2027

In response to Director Covington, Ms. Molina confirmed that revenue includes investment income. The District is prudent with investments, but still projects more than \$1 million while taking market changes into consideration. Director Covington pointed out that the budget shows \$2 million in investments and could be drastically affected by market changes.

Ms. Molina responded to further questions and explained that projected FY 2026 revenue from water sales was developed using a conservative methodology that blended historical production data with anticipated customer behavior under the new rate structure. Projections were based on a five-year average production level, adjusted for an assumed 7% water loss, 2025 usage trends, and an estimated 10% conservation factor, while also considering the 2026 water rates. Although forecasting remains a “crystal ball,” Ms. Molina emphasized that the intent was to avoid overestimating revenues while still recognizing recent consumption patterns that have exceeded expectations.

Ms. Molina further reported that actual customer demand in 2025 had remained stronger than anticipated despite the rate increase that became effective May 1, 2025. Ms. Molina stated that customers did not reduce summer usage as expected, and staff believed the water sales projection might ultimately prove slightly low. She explained that Finance staff will continue monitoring trends throughout the year, with particular attention to the District’s highest billing months, to ensure revenue assumptions remain aligned with observed consumption patterns.

Director Covington posed questions regarding how grant revenue was reflected in the budget. Ms. Molina and Mr. Jagers explained that American Rescue Plan Act

(ARPA) grant funding originally anticipated across two fiscal years was now expected to be fully received in 2025 due to accelerated project progress, resulting in no grant revenue being budgeted for FY 2026. Ms. Molina stated that the District currently had no new grant awards but intended to actively pursue opportunities through in-house efforts, noting that qualifying as a special district can make some grants more difficult to secure.

Director Covington also inquired about the status of the District's former grant consultant, Townsend Public Affairs (Townsend), and expressed concern about losing the benefit of professional grant support. Ms. Molina responded that the Townsend contract had expired and staff had assumed some of those responsibilities internally, including legislative update reporting. Mr. Jagers advised that staff was reassessing strategy.

Director Covington emphasized that the cost of the consultant had been outweighed by grant funding received, and he noted the importance of grant administration and reporting in addition to securing awards. In response, Ms. Molina assured that reporting responsibilities were being handled in-house and that the budget retained flexibility to reengage outside professional support later in the year if needed.

Director Covington reminded about previous discussion regarding hiring consultants to do some of the work not normally done by staff. He expressed concern about the District's long-term staffing strategy, noting that full-time equivalent staff (FTEs) create ongoing liabilities. He emphasized the importance of ensuring that reductions in consultant services were not being offset by hiring more FTEs. Director Covington acknowledged staff's efforts to reduce costs and improve efficiency but stated that, as a Board member, it was his responsibility to ask questions given the District's limited revenue sources beyond rates and investments and the continuing public sensitivity surrounding rate increases.

In response, Ms. Molina and GM Jagers explained that staff was evaluating multiple options before adding any new positions and was focusing on efficiencies gained through technology, improved processes, and a fully staffed team. The District was seeking an appropriate balance between taking on additional tasks internally and avoiding employee burnout, with budget flexibility retained for contracted support if needed. Molina stated that staff would continue monitoring workload and service impacts, and if internal efforts proved unsustainable, the District would consider reengaging contracted services rather than automatically increasing full-time staffing.

Director Covington advised that he is not necessarily opposed to adding employees; he just wanted to make sure there is a good explanation, and there is not a tradeoff of consultants for employees. He acknowledged that it depends on the situation. Jagers explained that additional FTEs are not being added, but instead time savings from slower development activity and improved efficiencies are used to complete more work in-house that might otherwise be contracted out. He stated that this approach allows staff to expand skill sets, remain productive, and strengthen the District's operational readiness while maintaining cost control and avoiding unnecessary long-term staffing liabilities.

Staff further highlighted the following:

- Technology investments have improved customer billing processes, including automated notifications and expanded online payment options, reducing

shutoffs and increasing operational efficiency by decreasing manual handling of bills.

- Finance and Administration is focusing on training, cross-training, and process improvements while identifying repetitive tasks that can be streamlined through website resources, messaging, and updated communications.
- Improvements have been made to customer service functions such as starting and discontinuation of service, including implementation of an online form designed to automate guidance for ratepayers and reduce labor demands as the District continues to grow.
- Engineering expenses were largely held at 2025 levels, with the exception of the elimination of a temporary labor request that reduced projected costs.
- Reductions in Finance and Administration professional services, including general legal and other professional service accounts, while reclassifying \$68,000 in billing-related postage into a separate postage category.
- Postage expenses were increased to account for anticipated State-mandated notifications, including requirements related to backflow, lead service lines, chromium VI, and other customer mailings.
- Information Technology and Cybersecurity expenses were held at 2025 levels, reflecting stable costs while maintaining ongoing investments in technology and security.
- Operations expenses included increases for regulatory mandates and backflow notification requirements, along with continued planning for compliance-related reporting and coordination with partner agencies.
- The FY 2026 budget includes projected State Project water purchases of approximately 11,200 acre-feet, with the possibility of future amendments if additional supplies become available.
- Staff recognized multiple organizational awards for excellence in budgeting, financial reporting, workplace culture, and cybersecurity, noting that the District was also named a finalist for an Association of California Water Agencies (ACWA) technology and cybersecurity innovation award.

2026-2030 Capital Improvement Budget

Ms. Molina presented the Capital Improvement Budget and capital infrastructure investment portion of the FY 2026 budget, noting that the format remained consistent with prior years and that Engineering continues to provide quarterly updates on project status. She reported on changes to the budget document format, intended to better showcase upcoming investments and the collaborative work of Operations, Engineering, and Finance in advancing infrastructure improvements for the District.

Jagers reported that staff made limited adjustments to the timing of certain recycled water projects within the Capital Improvement Budget to better align with financial planning and rate study assumptions. He explained that an elevated storage tank was moved forward while a booster station was shifted back to reflect current priorities and available programmed funding. Ms. Molina added that staff held regular interdepartmental meetings throughout the budget process to track current and future projects, confirm reasonableness of requests, and remain coordinated with the District's rate consultant. Upcoming unfunded State mandates, including Making Conservation a California Way of Life, may require

additional analysis and consultant support, and that related items would be brought forward for Board discussion at a future meeting.

Conclusion

Director Covington complimented the budget effort and pointed to the proposed \$1.8 million increase in water sales listed under source of supply. Ms. Molina noted that the amended 2025 budget included additional water sales and increased water purchase. Jagers offered further comments on the projections and averaging over time.

Director Hoffman assured that the Finance & Audit Committee had reviewed line by line, and concurred with Director Covington's observations. He noted that for FY 2025 the District is very close to being on budget, and will end the year slightly under budget.

Director Williams acknowledged the work that went into the budget.

President Slawson expressed concern about non-renewal of the Townsend contract but said it seems that staff has a handle on the grant situation. He had been told that grant application and administration were complicated enough to require a consultant.

Ms. Molina requested the Board provide any comments or direction by November 24.

5. Authorization of the purchase of one Water Truck as Identified in the 2025-2029 Capital Improvement Budget

Director of Operations James Bean presented a request for authorization to purchase one 2,000-gallon water truck, as identified and funded in the 2025–2029 Capital Improvement Budget, for an amount not to exceed \$130,000. The truck would support critical operational needs including trench compaction, flushing, dust control, site cleanup, routine maintenance, emergency repairs, and fire suppression support during weed abatement activities. In response to questions, Bean noted that reliance on rental equipment has proven costly and unreliable due to limited availability, and that a dedicated District-owned vehicle would improve operational efficiency and emergency response capability.

Multiple quotes were obtained, but the two lowest-cost units were no longer available. Bean recommended re-soliciting quotes from at least three qualified vendors and proceeding with the lowest-cost option that meets operational requirements within the authorized amount. General Manager Jagers added that staff had evaluated rental, lease, and used equipment options over several months, and concluded that purchase was the most viable and achievable solution, as long-term rentals were estimated at approximately \$30,000 annually and lease options were not available.

Director Covington expressed understanding about the timing and availability of such vehicles and asked about the required licensing. Mr. Bean indicated that a Class B licensed staff member was on board.

Director Hoffman discussed vehicle weight, emissions standards, and further details on licensing. Director Covington followed up with questions on the addition of a diesel truck to the fleet amid tightening regulations and electric vehicle requirements. Jagers assured that it is considered a specialty vehicle, and is critical.

The Board authorized the General Manager to purchase one (1) water truck equipped with a 2,000-gallon water tank system, as identified in the 2025–2029 Capital Improvement Budget, for an amount not to exceed \$130,000 by the following roll-call vote:

MOVED: Williams	SECONDED: Slawson	APPROVED 4-0
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Ramirez	

6. Authorize the General Manager to expend funding in an amount not-to-exceed \$35,000 for the installation of four (4) Level 2 electric vehicle charging stations at the District’s main office

Director of Operations James Bean presented a request for authorization to install four Level 2 electric vehicle charging stations at the District’s main office to comply with the State’s executive order requiring that 10 percent of the District’s fleet be converted to zero-emission vehicles by January 1, 2027. Staff reported that two zero-emission trucks have been ordered through the District’s fleet replacement cycle and are expected to arrive in early 2026, and that the District currently has no charging infrastructure in place to support these vehicles.

Westcoast Electric provided a proposal of \$26,800 for charging equipment and necessary electrical upgrades, including replacement of the existing electrical panel with a 400-amp system. To reduce project costs, District staff will perform trenching, backfilling, and surface restoration work in-house. The amount not to exceed \$35,000 would be funded through Capital Replacement Reserves. Staff also requested that the Board waive the requirement for three bids due to time sensitivity and limited vendor responses.

Director Hoffman asked if the quotes were current and Mr. Bean stated he had spoken to the vendor that day. He also reiterated this is the only vendor who was able or willing to bid, despite reaching out to several others.

Director Williams asked if there were Enterprise program EVs currently in the fleet, and Bean noted these would be the first two Zero Emission Vehicles (ZEVs); they are Chevrolets.

The Board waived the requirements of Policy 5080 for obtaining three bids and authorized the General Manager to expend funds in an amount not to exceed \$35,000 for the installation of four Level 2 electric vehicle charging stations at the District’s main office by the following roll-call vote:

MOVED: Covington	SECONDED: Hoffman	APPROVED 4-0
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Ramirez	

7. Authorization of General Manager to Execute a Contract with H2O Solutions for Reservoir Cleaning, Inspection and Minor Repair

Director of Operations James Bean presented a request for authorization to execute a contract for reservoir cleaning, inspection, and minor repair services. Routine reservoir cleaning and diver inspections are performed on a rotating schedule every two to four years to maintain water quality, extend the useful life of storage facilities, and identify minor issues before they develop into more significant problems. Staff seeks to complete this work before the end of the year during periods of lower demand to allow reservoirs to remain fuller and to avoid delays that could require budget carryovers into the following fiscal year.

A Request for Quotations was issued, and four bid packages were received. Following review, H2O Solutions was identified as the lowest responsive bidder with a total project cost of \$20,304, and staff recommended inclusion of a contingency amount for a not-to-exceed contract total of \$22,500. Funding for the work is included in the District’s 2025 Operating Budget.

Director Hoffman asked if H2O Solutions had been used before, and Mr. Bean indicated they had.

The Board authorized the General Manager to execute a contract with H2O Solutions, in an amount not to exceed \$22,500.00, for the cleaning, inspection, and minor repair of four (4) domestic drinking water reservoirs owned and operated by the Beaumont-Cherry Valley Water District by the following roll-call vote:

MOVED: Slawson	SECONDED: Williams	APPROVED 4-0
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Ramirez	

8. Award a Contract to General Pump Company for Well 12 Pumping Unit Repair and Well Rehabilitation

Mr. Bean presented the proposed contract with General Pump Company, in an amount not to exceed \$48,000, for removal, inspection, and repair of the District’s Well 12 pumping unit and for rehabilitation work as necessary. He reported that increased vibration and abnormal noise were identified at Well 12 in September 2025, prompting precautionary removal of the well from service and activation of standby Well 13 to maintain reduced production capacity while repairs are completed.

The scope of work includes inspection of the pumping unit and related components, with potential additional rehabilitation activities if conditions warrant, Mr. Bean explained.

Bids were solicited and of the two proposals received, General Pump Company was determined to be the lowest responsive and responsible bidder. Mr. Bean recommended award of the contract with a 10 percent contingency. Funding is available in the 2025 Operating Budget, with additional reserves available if component replacement is required.

President Slawson asked about the well location. Mr. Bean explained it is the northernmost well in Edgar Canyon and was last rehabilitated in 2018.

The Board authorized the General Manager to execute a contract with General Pump Company, in an amount not to exceed \$48,000, to perform the removal, inspection, and repair of the District's existing Well 12 pumping unit, and to rehabilitate the well as necessary by the following roll-call vote:

MOVED: Covington	SECONDED: Hoffman	APPROVED 4-0
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Ramirez	

9. Request for Extension of Will-Serve Letter for Lots 81 and 82 of Tract 31469-1 and for Lot 10 of Tract 31469-6 for Single Family Residences Located West of Starlight Avenue Between Alpine Avenue and Malta Street

Director of Engineering Mark Swanson presented a request for extension of a Will-Serve Letter (WSL) for water service to specified parcels within Tracts 31469-1 and 31469-6. Swanson advised that these lots were slated to be a well site, but the District has determined the site is not needed at this time. With the wind-down agreement, the District will provide a quitclaim for any rights to the lots. Tri-Point is requesting the WSLs to be able to finish the lots. The usage is expected to be 3.0 Equivalent Dwelling Units (EDU). Mr. Swanson reviewed the conditions of approval including payment of applicable capacity charges which had not been paid when the tracts were developed.

Director Covington reminded the Board of the discussion related to Tri-Pointe last month. Mr. Michael Heshman of Tri-Pointe thanked the Board for processing the wind-down agreement and this request.

The Board approved the request for Extension of Will-Serve Letter for Lots 81 and 82 of Tract 31469-1 and for Lot 10 of Tract 31469-6 (as associated with the Tri Pointe Sundance Wind Down Agreement) by the following roll-call vote:

MOVED: Slawson	SECONDED: Covington	APPROVED 4-0
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Ramirez	

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

The Board discussed the following events:

DAY	EVENT	Estimated Cost	Vote?	COVINGTON	HOFFMAN	RAMIREZ	SLAWSON	WILLIAMS
13-Nov	ACWA Region 8,9,10 Water Summit (Irvine)	\$ 1,320.55				YES		YES
16-Nov	CSDA Special District Leadership Academy Monterey	\$ 3,617.60				NO		MAYBE
2-Dec	CSDA webinar: GM Evaluations	\$ -				YES		
2-Dec	ACWA Fall Conference (San Diego - 3 days)	\$ 3,342.40				YES	YES	YES
3-Dec	CSDA webinar: Board's Role in HR (2 days)	\$ 265.00				YES		
3-Dec	Beaumont Chamber Breakfast	\$25	APR		YES		NO	
11-Dec	State of Riverside County	\$45						

The Board preapproved attendance at the Riverside County 2025 State of the County Address on December 11, 2025 as a reasonable and necessary expense by the following roll-call vote:

MOVED: Covington	SECONDED: Slawson	APPROVED 4-0
AYES:	Covington, Hoffman, Slawson, Williams	
NOES:	None	
ABSTAIN:	None	
ABSENT:	Ramirez	

11. Reports For Discussion and Possible Action

a. Ad Hoc Committees

- i. Communications: There is a tentative upcoming meeting on Nov. 24. Director Williams indicated there will be an end-of-year report forthcoming. GM Jagers advised that staff had been running the communication activity efficiently and thoroughly. Director Williams credited this for savings and suggested the Committee wind down. President Slawson noted it made sense to close out.
- ii. Sites Reservoir: President Slawson advised that he had visited the Sites location. A date for the next meeting of the committee is being sought.
- iii. Bogart Park: No report.
- iv. Water Re-Use 3x2: The Committee will meet on December 8. Mr. Jagers noted that the San Geronio Pass Water Agency (SGPWA) will provide new research on recharge at their Monday meeting.

- b. Standing Committees. President Slawson referred to the written report.
- i. Finance & Audit Committee: Director Hoffman reported the average return on investment this year was 3.9%, which is higher than budgeted.
 - ii. Personnel Committee: There was no meeting in October.
- c. Directors' Reports
- San Gorgonio Pass Water Agency County Line Recharge Project Groundbreaking on October 14, 2025 (none attended)
 - Water Education Foundation Northern California Water Tour on October 22-24, 2025 (Slawson, Williams)
 - San Gorgonio Pass Regional Water Alliance Meeting on November 3, 2025 (Slawson)
 - Good Morning Beaumont, Chamber Breakfast on November 5, 2025 (Hoffman, Slawson)
- d. Directors' General Comments: None.
- e. General Manager's Report. Mr. Jagers reported:
- Many calls were received in response to the mailing of the Chromium VI letter which was a state mandate. Only one part of the system was affected. Director Covington noted there had been comments on social media, and recommended any future letters be on District letterhead.
 - Well 1A pump testing has been completed.
 - Well 2A is being drilled and is 200 ft in 24 hours
- f. Legal Counsel Report: Mr. Markman advised that the litigation related to Proposition 50 (changing electoral maps) will not likely be successful.

12. Topic List for Future Meetings: None added.

13. Announcements

President Slawson pointed out the announcements:

- 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.
- Finance & Audit Committee meeting: Thursday, Dec. 4 at 3 p.m.
- Regular Board Meeting: Wednesday, Dec. 10 at 6 p.m.

14. Closed Session: 7:58 p.m.

President Slawson announced the Closed Session items:

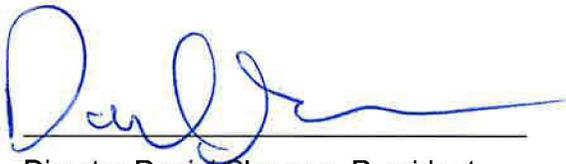
- a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
To which the District is a party pursuant to Government Code Section 54956.9(d)(1):
Draper 26, LLC vs Beaumont-Cherry Valley Water District
Riverside County Superior Court, Case no. CVR12406726
- b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
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
- d. CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code Section 54957.6
Board representative: Daniel Slawson, Board President
Unrepresented employee: General Manager

Reconvene in Open Session: 8:46 p.m.

15. Report on Action Taken During Closed Session

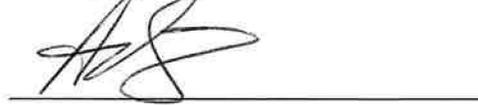
President Slawson announced that no reportable action was taken.

16. Adjournment: *President Slawson adjourned the meeting at 8:46 p.m.*



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

ATTEST:



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