



BOARD OF DIRECTORS SPECIAL MEETING - PRETREATMENT COMPLIANCE HEARING MINUTES

Tuesday, July 14, 2026, at 9:00 AM

66575 Second St, Desert Hot Springs, CA AND/OR Via Teleconference

CALL TO ORDER

President Duff called the meeting to order at 9:00 AM.

ROLL CALL

BOARD MEMBERS PRESENT: Director Mayrhofen, Director Martin, Director Sewell, Vice President Griffith, President Duff

STAFF MEMBERS PRESENT: Brian Macy, Marion Champion, Eric Weck, Will Whitten, Daniel Virgen, Skyler Aubrey, Kurt Kettenacker, Dori Petee

PUBLIC INPUT

No public input

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL INITIATION OF LITIGATION

pursuant to Government Code Section 54956.9(d)(4) One potential case.

REPORT ON ACTION TAKEN DURING CLOSED SESSION

The Board met in closed session. There was no reportable action taken.

ACTION ITEMS

PRETREATMENT COMPLIANCE HEARING

The Board received a presentation regarding the pretreatment compliance matter involving Cabot Management LLC/Cabot Industries. District legal counsel, Peter Nolan and the mediation team, made up of Davin Widgerow & Solange Fortenbach of Burke, Williams & Sorensen LLC, summarized the enforcement history, including wastewater testing results beginning in February 2025, notices of non-compliance and violations, assessed penalties, later corrective actions, and the facility's subsequent compliance status. The presentation noted that Cabot disputed certain procedures and penalty calculations through requests for reconsideration and an appeal but also provided documentation of substantial infrastructure improvements and corrective measures. District staff reviewed the submitted documentation and determined that approximately \$240,000 in costs represented legitimate corrective action related to the violations, while the District's enforcement costs totaled \$64,688.

Board members asked clarifying questions regarding whether prior fines had been paid, whether hauling costs were included in the recognized corrective costs, the cause of the later September violation, the timing and status of equipment installation, and how Cabot intended to maintain compliance going forward. Representatives for Cabot stated that industrial wastewater discharge to the public sewer had been discontinued, that water passing through the filtration system was being

held in an external tank and hauled off-site, and that an evaporator remained on order with installation anticipated after delivery. District counsel advised that, under the applicable ordinance, the facility would be in compliance so long as it was not discharging industrial wastewater to the District's sewer system.

Following deliberation, the Board determined that the violation was substantiated but found that Cabot's reinvestments and corrective actions outweighed the assessed fine amounts and furthered the District's enforcement objectives of achieving compliance, resolving violations, and providing deterrence. The Board accepted the proposed settlement requiring payment of the District's administrative enforcement costs, with the modification that if any installment payment remains unpaid for more than 30 days, the agreement will be in default and the full remaining balance will become immediately due and owing, with enforcement to proceed pursuant to the District's administrative ordinance. Cabot accepted the revised terms.

Motion made by President Duff, Seconded by Vice President Griffith.

Voting Yea: President Duff, Vice President Griffith, Director Sewell, Director Martin, Director Mayrhofen

GENERAL MANAGER'S COMMENTS

No comments at this time

DIRECTOR COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

1. General Comments
2. Requests for Future Agenda Items
3. Requests for Future Meetings

No comments at this time.

ADJOURN

With no further business, President Duff adjourned the meeting at 10:25 AM

Respectfully submitted,

Dori Petee
Executive Assistant