



BOARD OF DIRECTORS REGULAR MEETING MINUTES

Monday, November 17, 2025 at 3:00 PM

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

CALL TO ORDER

President Sewell called the meeting to order at 3:00 PM.

ROLL CALL

BOARD MEMBERS PRESENT: President Ivan Sewell, Vice President Robert Griffith, Director Russ Martin

BOARD MEMBERS ABSENT: Director Amber Duff, Director Ted Mayrhofen

STAFF MEMBERS PRESENT: Brian Macy, Marion Champion, Eric Weck, Daniel Virgen, Theresa Murphy, Skyler Aubrey, Amanda Lucas, Danny Friend, Oriana Hoffert, Will Whitten, Dori Petee

PLEDGE OF ALLEGIANCE

Led by Director Martin

RULES OF PROCEDURE

Rules of Procedure were read by General Counsel.

All noticed meetings are conducted using Rosenberg's Rules of Order as a procedural guideline. Directors should refrain from responding directly to public comments at meetings of the Board. The Board President will refer matters raised during public comment to the General Manager for follow-up when appropriate. Occasionally, a prompt response may be offered when an obvious answer resolution is available provided this is done in compliance with the Brown Act. Directors should refrain from debating or making decisions in response to public comments. The President of the Board presides at all meetings and decides all points of order and procedure during meetings. The President is responsible for maintenance and decorum at all Board meetings. No person shall be allowed to speak who has not first been recognized by the President. All questions and remarks should be addressed to the President as the presiding officer. No member of the Board should speak more than once about any one subject until every other member on the Board wishing to speak on the subject shall have been given the opportunity to speak. No Board member shall interfere with the orderly progress of a Board meeting. In order to ensure the orderly progress of Board meetings the Board President regulates the amount of time to be dedicated to a particular agenda item."

PUBLIC INPUT

No public input

EMPLOYEE RECOGNITION

HUMAN RESOURCES REPORT

The Board acknowledged the following employees:

NEW HIRES

Brad Adams Chief Plant Operator

ANNIVERSARIES

David Barraza	Engineering Technician I	1 Year
Yuri Chavez	Administrative Assistant I	1 Year
Isaac Lopez	Collections System Operator I	1 Year
Alex Acevedo	Construction Inspector	6 Years
Brian Macy	General Manager	6 Years
Tim Owens	Water Production Operator II	7 Years
Andy Grunnet	Lead Wastewater Treatment Plant Operator	9 Years
April Scott	Program and Public Affairs Specialist	9 Years
Dori Petee	Executive Assistant	9 Years
Jeff Nutter	Water Operations Superintendent	31 Years

ACTION ITEMS**PUBLIC HEARING ~ ORDINANCE 2025-03 AMENDING SEWER SERVICE RULES AND REGULATIONS, ARTICLE VII, GREASE/SAND INTERCEPTORS AND ARTICLE XI ENFORCEMENT**

The Board conducted a public hearing to adopt Ordinance No. 2025-03, Amending Ordinance 2008-02, Establishing Rules and Regulations for Sewer Service, Article VII, Grease/Sand Interceptors and Article XI, Enforcement. The hearing was continued to December 15, 2025.

President Sewell opened the public hearing and called for the Secretaries report. Notice of Public Hearing was posted in the Desert Sun on October 31st and November 7th, as of this afternoon there have been no comments or protests on this item.

Associate Engineer Daniel Virgen presented the proposed changes, highlighting updates to Article 7 that clarify requirements for interceptors, expand the FOG (Fats, Oils, Grease, and Lint) program, and improve language for comprehension and regulatory compliance. The revised process now requires facilities seeking waivers to apply for permits and undergo annual inspections. Article 11 updates include a structured schedule for fines related to non-compliance, with escalating penalties and eventual termination of water and sewer services after 120 days if compliance is not achieved. Permit holders must notify the district immediately upon attaining compliance. The board discussed enforcement flexibility, particularly regarding the cannabis industry, and clarified that appeals related to unique situations would be addressed separately. The board's intent is to ensure compliance and clarify the consequences of non-compliance, with the recommendation to adopt the revised ordinance.

President Sewell called for public comment:

Speaker 1: George Artillis, a recent operator at building 2B in the Cannabis Park, addressed the board and to express concerns about the swift imposition of fines related to pre-treatment requirements and

ordinance enforcement. Mr. Artillis suggested that the board consider a more collaborative approach with operators to find solutions, noting that scheduling professional assistance can take 30 to 45 days, which makes the current 10-day fine-imposition period challenging. Additionally, Mr. Artillis highlighted issues with the ordinance requiring interceptors, which places responsibility on both landlords and operators. Mr. Artillis emphasized that operators often have limited influence over landlords and feel pressured from both sides, being subject to fines while also needing to negotiate with property owners. The speaker requested that these concerns be considered as the ordinance moves forward.

Speaker 2: Micah Bailey, representing Cabot Management, addressed the board regarding ongoing fines imposed on their cannabis operation in Desert Hot Springs. Bailey noted that Cabot is currently facing \$376,000 in fines dating back to April 30, 2025, with pending appeals and an upcoming meeting with city and district officials. Bailey focused on concerns about the proposed ordinance, specifically section 11.05.05, which requires operators to notify the district immediately after taking corrective actions. He highlighted issues with the clarity of notification procedures and the need for more robust language specifying how and to whom operators should communicate. Bailey also described challenges with the timing and communication of fines, referencing a notice received on November 5 for \$176,000 in additional fines related to September test results, which required next-day compliance. He requested that the ordinance include clearer guidelines for operator notification and receipt of notices to prevent misunderstandings and undue hardship on businesses.

Staff responded to public comments regarding compliance issues with certain customers, explaining that initial quarterly testing was changed to monthly due to ongoing non-compliance, even after notifications and cease-and-desist orders. The goal of the program is to achieve compliance rather than impose fines, and staff emphasized their willingness to stop fines as soon as compliance is confirmed through testing. The process for fines was clarified, including the cost structure and the desire to be notified promptly when compliance is achieved to minimize penalties. The program is mandated by federal and state regulations to protect plant operations, and fines are intended to safeguard the district in case of non-compliance that could impact the facility. The board discussed the importance of having all members present for hearings on industrial discharge violations and agreed to continue the public hearing to the December meeting to allow for broader participation and discussion. The board reiterated its commitment to cooperation with businesses and emphasized that enforcement is necessary to avoid potential state fines against the district. A motion was made and seconded to extend the hearing to the next month, with the goal of fostering a more robust discussion and ensuring fair representation.

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

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

AWARD OF CONTRACT AMENDMENT NO. 1 TO KENWOOD ENERGY FOR PROFESSIONAL ENGINEERING SERVICES TO PROVIDE CONSTRUCTION MANAGEMENT SERVICES FOR THE POWER PURCHASE AGREEMENT

The Board authorized the General Manager to execute Amendment No. 1 to the contract with Kenwood Energy, increasing the contract amount by \$80,227.11 for a revised not-to-exceed total of \$180,774.63. This amendment provides for professional engineering services, including construction management support for the Power Purchase Agreement with Trident Mission Springs LLC, and authorized the General Manager to do all things necessary to complete the project.

Presentation was given at the Study Session; there was nothing further to add.

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

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

RESOLUTION 2025-20 ~ APPROVING THE INITIAL STUDY AND ADOPTING THE MITIGATED NEGATIVE DECLARATION FOR THE MISSION SPRINGS WATER DISTRICT STREET IMPROVEMENTS FOR THE REGIONAL WASTEWATER RECLAMATION FACILITY PROJECT

The Board adopted Resolution No. 2025-20 approving the Initial Study (IS), including a finding therein that the replacement of Mitigation Measure (MMs) BIO-1, BIO-2, BIO-3, and BIO-4 with revised MMs BIO-1 and BIO-4 constitutes replacement of mitigation measures that are equivalent or more effective in avoiding potential significant effects, and that it in themselves will not cause any potentially significant effect on the environment pursuant to CEQA Section 15074.1, and adopting the Mitigated Negative Declaration (MND) for the Mission Springs Water District Mission Springs Water District Street Improvements for the Regional Wastewater Reclamation Facility Project and authorized the General Manager to file the Notice of Determination (NOD).

Presentation was given at the Study Session; there was nothing further to add.

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

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

AWARD OF CONTRACT TO CIVIC PLUS FOR WEBSITE DESIGN HOSTING AND AGENDA MANAGEMENT SERVICES

The Board authorized the General Manager to execute a three-year agreement with CivicPlus for website design and hosting services at a cost of \$108,051.66 with a 10% contingency, bringing the total project cost to an amount not to exceed \$118,856.83.

Presentation was given at the Study Session; there was nothing further to add.

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

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

CONTRACT AMENDMENT FOR WEST YOST FOR PROFESSIONAL ENGINEERING SERVICES FOR DESIGN AND PERMITTING MODIFICATIONS TO THE HORTON WASTEWATER TREATMENT PLANT PERCOLATION PONDS

It is recommended to authorize the General Manager to execute an amendment for West Yost in the amount of \$153,560 for a not-to-exceed total contract amount of \$419,566 to perform design and permitting of modifications to the Horton Wastewater Treatment Plant Percolation Ponds.

Presentation was given at the Study Session; there was nothing further to add.

Motion made by Vice President Griffith, Seconded by Director Martin.

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

DISCUSSION ITEMS

ADMINISTRATION BUILDING UPDATE

Presentation was given at the Study Session; there was nothing further to add.

GROUNDWATER PROTECTION PROGRAM UPDATE

Presentation was given at the Study Session; there was nothing further to add.

CONSENT AGENDA

Motion made by Vice President Griffith, Seconded by Director Martin.

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

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

- A. October 7, 2025 - Special Meeting Workshop Minutes
- B. October 16, 2025 - Study Session Minutes
- C. October 20, 2025 - Board Meeting Minutes

REGISTER OF DEMANDS

The register of demands totaling \$2,822,236.86

REPORTS

DIRECTOR'S REPORTS

Vice President Griffith reported attending the following meetings and events: 10/8 PSUSD Legislative Breakfast

President Sewell reported attending the following meetings and events: 10/8 PSUSD Legislative Breakfast, 10/14 CVWD Board Meeting, 10/15 AWWA Webinar, 10/28 CVWD Board Meeting

Director Martin reported attending the following meetings and events: 10/2 DVBA Legislative Meeting, 10/4 PSUSD One Night Out Fundraiser, 10/4 Historical Society Event, 10/7 DHS City Council Meeting, 10/8 Realtors' Association Presentation, 10/8 PSUSD Legislative Breakfast, 10/13 DVBA Board Meeting, 10/21 DHS City Council Meeting, 10/27 Cabot's Museum Board Meeting.

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports:

- A. Finance Report
- B. Public Affairs Report
- C. Board Compensation: Valley Sanitary District - 100 Year Celebration ~ November 20, 2025

Board approval for compensation to attend the Coachella Valley Dust Summit.

Motion made by Vice President Griffith, Seconded by Director Martin.

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

COMMENTS

DIRECTOR COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

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

ADJOURN

With no further business, President Sewell adjourned the meeting at 3:50 PM

Respectfully submitted,

Dori Petee
Executive Assistant