



BOARD OF DIRECTORS REGULAR MEETING STUDY SESSION MINUTES

Thursday, November 13, 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, Director Amber Duff, Director Ted Mayrhofen

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

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

ACTION ITEMS

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

It is recommended to conduct a public hearing and 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 public hearing is scheduled for Monday regarding Ordinance 2025-03, which proposes amendments to the sewer service rules and regulations, specifically Article 7 (grease sand interceptors) and Article 11 (enforcement). Daniel Virgin, Associate Engineer, presented an overview of the proposed changes. The updates to Article 7 aim to improve transparency, comprehension, and readability by clarifying expectations, responsibilities, permit requirements, and enforcement. Notably, Section 7.17 introduces provisions for waivers, requiring annual inspections of facilities with approved waivers to confirm continued eligibility. Article 11 updates the civil penalties structure, increasing fines incrementally from \$1,000 per day for the first 30 days, to \$5,000 per day for the next 30 days, and \$10,000 per day for the following 60 days, after which water and sewer services may be terminated. Permit holders are now required to notify the district immediately upon achieving compliance. The board is requested to adopt the revised ordinance, with further details to be discussed at the upcoming public hearing. Board members asked clarifying questions about the scope of enforcement, confirming that certain provisions apply specifically to FOG (fats, oils, and grease) issues.

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

It is recommended to authorize 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 authorizes the General Manager to do all things necessary to complete the project.

Danny Friend, Director of Operations, presented the rationale for the amendment, noting that additional time and resources were required due to design issues, legal negotiations, and potential litigation encountered during the construction phase. The amendment requests an additional \$80,000 to complete three sites: Horton (currently under construction), Nancy Wright RWRf (scheduled to start December 1), and the new ResBCT site (expected to begin in the first or second quarter of 2026). The amendment will allow district staff to continue utilizing Kenwood Energy for future RFIs and ongoing project management tasks, including weekly construction meetings and handling change orders.

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

It is recommended to adopt 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 authorize the General Manager to file the Notice of Determination (NOD).

Eric Weck, Engineering Manager presented Item 10, Resolution 2025-20, which involves approving the initial study and adopting a mitigated negative declaration for the Mission Springs Water District street improvements around the Nancy Wright Regional Wastewater Reclamation Facility. Mr. Weck presented the project scope, which includes constructing over a mile of city-standard roadways along 19th and 20th Avenues and Little Morongo Road, replacing existing dirt roads and improving connectivity with nearby developments such as Amazon and the 20th Avenue logistics center. The board found that environmental impacts from construction are either non-significant or can be mitigated to insignificance, in compliance with the California Environmental Quality Act. The project has cleared air quality and greenhouse gas milestones, and staff recommended adopting the resolution, which has no fiscal impact. Technical questions about curbing, street width, and drainage were addressed, clarifying that curbs and asphalt concrete dykes will be installed as required, with special consideration for conservation areas and future city plans. Mr. Weck confirmed that the improvements will ensure proper water drainage and protect against erosion, referencing past events such as Hurricane Hillary. Once completed, the improvements will provide full access and accommodate future expansion as planned by the city.

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

It is recommended to authorize 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.

Marion Champion, Assistant General Manager, presented an overview of the proposal, highlighting that Civic Plus was selected after a thorough RFP process and interviews with top candidates. The new website will focus on accessibility improvements, responsive design for mobile devices, enhanced calendaring, news, and notification systems. Hosting will include expanded security features such as single sign-on and multifactor authentication for staff, as well as 24/7 technical support and geographically diverse data centers for resilience. The transition will move the district from a Drupal-based CMS to the Civic Engage platform, offering improved image and video embedding, streamlined user permissions, and enhanced forms. A key benefit is the integrated agenda management system, replacing the current Municode legacy system, which will automate workflows and approval processes, reducing manual work and saving staff time, especially for large agenda packets. The board discussed cybersecurity, noting that the new website will have its own security systems separate from internal resources. Implementation is expected to take up to six months, with staff aiming to streamline the process. The contract includes migrating over 255 pages of content, with plans for cleanup and consolidation. The board also discussed the future transition to a .gov domain, with applications pending. The board expressed excitement for the streamlined process and requested a future update on staff time and cost savings after implementation.

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.

Associate Engineer Daniel Virgen presented the proposed changes necessary to support the construction of a new administration building. The project involves relocating ponds 7 and 8, reducing the size of pond 4, reconfiguring the discharge pipeline, and amending the waste discharge requirement permit. The existing layout and proposed modifications were reviewed, including the impact on the sludge drying bed, which has not been used for over 20 years and will be eliminated as part of the changes. The board confirmed that sludge handling will remain unchanged, addressing community concerns about potential impacts. Maintenance procedures for the ponds were explained, with routine grooming and cleaning occurring as needed, and no major reconstruction required since ponds 1, 2, and 3 were rebuilt five years ago. The project timeline was discussed, with plans to begin construction in March or April, pending approval of the amendment. The board expressed support for the approach and acknowledged that most changes would affect the parking lot area, with the main building situated to the west.

DISCUSSION ITEMS

ADMINISTRATION BUILDING UPDATE

General Manager Macy provided an update on the administrative building project. Since the last workshop, there have been no significant changes. The team continues to work with the City to finalize off-site plans and address details related to the existing site. Additionally, they are preparing a development plan to protect their interests in case construction is required across the street, including considerations for development impact fees. Once these plans are complete, a reimbursement agreement will be presented to the board, potentially involving a Riverside County project. The goal is to resolve outstanding issues within the next six weeks and complete the project promptly. There was also mention of a pending update regarding the lead green initiative, which will be addressed at the next meeting.

GROUNDWATER PROTECTION PROGRAM UPDATE

General Manager Macy presented updates to the groundwater protection program. The wastewater plant has been completed, and M2 is currently out for rebidding. The conveyance line from Dos Palmas to the Nancy Wright facility is finished, leaving only the diversion chamber at the Horton facility, which has now been constructed. The sluiceways are active, diverting flow to the Nancy Wright facility. The remaining task at the Horton location is installing electrical components for easier maintenance and telemetry, enabling monitoring and control of flow between both plants. With the diversion chamber operational, attention will shift to rehabilitating the ponds and subsequently constructing the administrative building, maintaining the intertwined project schedules. The electrical upgrades are primarily for convenience, as the SLLE gates can be manually operated. The team plans to divert

specific flow amounts to facilitate maintenance on larger trains, followed by work on smaller clarifiers and brushes. Decisions will be made regarding the continued operation or repurposing of these components for additional storage, should issues arise with the other ponds.

CONSENT AGENDA

Consent agenda items are expected to be routine and non-controversial, to be acted upon by the Board at one time, without discussion. If a member would like an item to be handled separately, it will be removed from the Consent Agenda for separate action.

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

Director Duff reported attendance at the following meetings and events: 10/8 PSUSD Legislative Breakfast, 10/15 AWWA Webinar, 10/22 AWWA Webinar, 10/23 CVCAN Meeting.

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports:

A. Finance Report

Skyler Aubrey, Accounting Manager, presented the financial summary for the period July 1 to September 30, 2025. Operating results were more favorable than the previous year, with net operating income at \$791,000 and nonoperating income at \$688,000, resulting in a total change in net position of approximately \$1.5 million compared to \$835,000 last year. Two significant budget-to-actual variances were noted: a \$1.9 million variance in operating expenses due to the timing of vendor invoicing, and a \$1.1 million unfavorable variance in nonoperating revenue related to property taxes, which are received after September and spread evenly across months. The debt service ratio decreased to 1.09 due to a \$3 million state grant that has not yet been received; if received, the ratio would be 5.23. Cash increased by \$15 million, primarily from \$12 million in grant revenues and utilization of a \$15 million Wells Fargo line of credit. Staff is reviewing proposals for a financial planner regarding financing for a new building and potential new debt offerings, with plans to present these and the FY2024 audited financial statements next month. Directors expressed appreciation for the clarity of the presentation and confirmed that the pending \$3 million is related to the sewer state water resource control board grant, with \$9 million still available for reimbursement.

B. Public Affairs Report

Assistant General Manager Marion Champion presented a report highlighting recent activities and community engagement efforts. Key events included a successful blood drive with 15 donations, career day presentations at

Desert Hot Springs High School and Desert Springs Middle School, and a well-attended resource fair featuring the United Way's "Help to Others" program. Media coverage increased local awareness, and pledges rose by \$450 this month. The office also facilitated a tour of the Nancy Wright facility for ESRI conference attendees, receiving positive feedback. MSWD was recognized as "Business of the Year" at the Desert Hot Springs State of the City event, generating significant social media buzz. Upcoming events include the ACWA Regions 8, 9 & 10 Southern California Water Tour, a desert garden event, the ACWA Fall Conference, and the Desert Hot Springs Women's Club Gala. Employees are participating in a Thanksgiving food drive and a snowflake toy drive, with all 80 snowflakes adopted. Planning is underway for the holiday parade float, and staff are encouraged to join. The report also noted the October newsletter's focus on holiday cooking, election results, intern highlights, and rebates for smart controllers. The "Help to Others" program and business award were featured in November's newsletter. The community calendar for 2026 is being finalized, with over 50 entries received, many from after-school students. A video of the entries was shown to the Board.

COMMENTS

DIRECTOR COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

- A. General Comments
- B. Requests for Future Agenda Items
- C. Requests for Future Meetings

Director Duff wished the staff and community a Happy Thanksgiving.

ADJOURN

With no further business, President Sewell adjourned the meeting at 4:12 PM

Respectfully submitted,



Dori Petee
Executive Assistant