



BOARD OF DIRECTORS REGULAR MEETING STUDY SESSION MINUTES

Thursday, July 17, 2025 at 3:00 PM

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

CALL TO ORDER

Vice President Griffith called the meeting to order at 3:00 PM

ROLL CALL

BOARD MEMBERS PRESENT: Vice President Robert Griffith, Director Russ Martin, Director Amber Duff
Director Ted Mayrhofen

BOARD MEMBERS ABSENT: President Ivan Sewell

STAFF MEMBERS PRESENT: Brian Macy, Marion Champion, Danny Friend, Oriana Hoffert, Eric Weck,
Amanda Lucas, Kurt Kettenacker, Dori Petee

PUBLIC INPUT

No public input

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION

pursuant to Government Code Section 54956.9(d)(1).

One case: Fournier v Mission Springs Water District (case number Adj19778853).

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL INITIATION OF LITIGATION

pursuant to Government Code Section 54956.9(d)(4). Two potential cases.

REPORT ON ACTION TAKEN DURING CLOSED SESSION

The Board met in closed session to discuss the items mentioned above; no reportable action was taken on either item.

EMPLOYEE RECOGNITION

HUMAN RESOURCES REPORT

ACTION ITEMS

RESOLUTION 2025-17 ~ AMENDING THE CODIFIED MISSION SPRINGS WATER DISTRICT PERSONNEL RULES AND REGULATIONS TITLE 3 - PERSONNEL

It is recommended that the Board adopt Resolution 2025-17, updating the codified Mission Springs Water District (MSWD) Personnel Rules and Regulations, Title 3 - Personnel.

Oriana Hoffert, Human Resources Manager, presented the revised personnel rules and regulations. Oriana highlighted that the updates were made to clarify policy language, incorporate employee

requests, and ensure compliance with the law. These changes were made in collaboration with the district council and are detailed in Exhibit A. The board members were given the option to review each change individually or address specific questions.

Legal Counsel provided insights into points raised by Director Duff, which included a query about the wording in section 306.70 regarding employees returning to their full duties after leave. Counsel is recommended to use broader language for duties and to explain the legal implications of modifying the wording related to returning to work. The dialogue concluded with a discussion on the removal of restrictions for employees on modified duty, with Counsel explaining that the changes were made to align with legal standards and maintain employer flexibility.

ACCEPTANCE OF BILL OF SALE FOR SKYBORNE VILLAGE III, PHASE III WATER AND SEWER INFRASTRUCTURE

It is recommended to approve the General Manager to execute the Bill of Sale for the Water and Sewer Infrastructure for the Skyborne Village III, Tract No. 32030-3 Phase III project located on North Candle Tree Lane, East Candle Tree Lane, South Parkwalk Lane, West Parkwalk Lane, Stardance Drive, Corsair Street, Nestings Curcle, and Hopewell Lane, west of Karen Avenue, north of Promenade Drive, in the City of Desert Hot Springs, as contributed assets.

Engineering Manager Eric Weck presented the acceptance of the bill of sale for the Skyborne Village Phase III development for water and sewer infrastructure. He provided background information, explaining that developers are typically required to construct water and sewer improvements for their developments, whether residential, industrial, or commercial. In this case, the Skyborne residential development was conditioned to construct these improvements. Earlier in the year, staff presented Phase Two improvements for acceptance, and now they are presenting Phase Three for acceptance. The improvements in Phase Three have been inspected and meet the district's standards. Staff recommends that the board accept these improvements and direct staff to incorporate them into the district's water and sewer system.

ACCEPTANCE OF THE NANCY WRIGHT REGIONAL WASTEWATER RECLAMATION FACILITY CONSTRUCTION PROJECT

It is recommended to accept the Water Reclamation Facility Project as complete and authorize the release of retention monies held for J.F. Shea Construction, Inc. in the amount of \$154,297.85 (as of June 30, 2025), including any subsequent escrow account interest accrued, thirty-five days after filing the Notice of Completion (NOC).

Eric Weck, Engineering Manager, presented the completion of the Nancy Wright Regional Wastewater Reclamation Facility. Staff is requesting the Board to accept the project as complete and release the retention monies to the contractor, totaling \$154,297.85, which will be released 35 days after the notice of completion is filed with the County of Riverside. This amount is expected to increase due to interest earned in an escrow account. The board awarded the construction contract to JFA on October 18, 2021, and MSWD broke ground on the facility in late spring 2022. The facility, funded by the Clean Water State Revolving Fund grant, includes a regional conveyance line and M2 septic to sewer projects.

It will treat 1.2 million gallons per day using a sequence batch reactor and includes an operations and administrative building. The completion of the project increases the district's wastewater treatment capacity and alleviates the flow to the Horton wastewater treatment plant. The contractor has completed the necessary plant startup operations and commissioning.

Questions were raised about landscaping, warranty periods, and the final walkthrough, with assurances given that all issues will be addressed. The paving in front of the Nancy Wright treatment plant is being coordinated with the city of Desert Hot Springs, and funding is being pursued through an amendment to the state grant.

PUBLIC WATER AND SEWER SYSTEMS CONSTRUCTION AGREEMENTS AND WATER AND SEWER BONDING AGREEMENT FOR THE 13500 LITTLE MORONGO ROAD DEVELOPMENT

It is recommended to approve the Public Water and Sewer Systems Construction Agreements and the Water and Sewer Bonding Agreement for the 13500 Little Morongo Road Development (Project) and authorize the General Manager to do all things necessary to complete the agreements.

Eric Weck, Engineering Manager, presented the proposed development at 13500 Little Morongo Road. This development involves a marijuana cultivation facility on 2.2 acres, featuring three two-story buildings with a total area of 42,000 square feet. The city of Desert Hot Springs had previously executed a conditional use permit for this parcel, and Mission Springs Water District has approved the plans. The agenda item focused on the construction agreements and bonding agreements needed for the public water and sewer systems for this development. The district staff reviewed the plans for water and sewer improvements, which include standard interceptor tanks behind the three buildings. These tanks meet current requirements and allow for wastewater sampling before entering the wastewater system. The property boundary and easements for utility and access were also discussed, highlighting the importance of ensuring future properties can connect to water and sewer improvements. Concerns were raised about the need for clear communication with the City and developers regarding conditions of approval, especially if there are changes to the development. The importance of adhering to specific rules and regulations to avoid legal problems and protect the water system was emphasized.

CONTRACT AMENDMENT WITH RAFTELIS FINANCIAL CONSULTANTS, INC. FOR ADDITIONAL WATER/SEWER CONNECTION FEE AND WATER/SEWER STANDBY FEE COST-OF-SERVICE REVIEW SERVICES

It is recommended to authorize the General Manager to execute a contract amendment with Raftelis Financial Consultants, Inc. for additional water/sewer connection fee and water/sewer standby fee cost-of-service review services. This amendment will increase the contract amount by \$37,667.30, which includes a 10% contingency, revising the total contract amount from \$96,000 to a not-to-exceed amount of \$133,667.30.

General Manager Brian Macy led the discussion on the contract amendment with Raftelis Financial Consultants, Inc. for additional water sewer connection fee and water sewer standby fee cost of service review services. The amendment aims to complement the long-range financial plan and rate

study by reviewing fees associated with development, including review fees, connection fees, and other fees not covered by the standard rate structure. The study will involve collaboration with Raftelis to establish new fees with board approval, comparing them with similar fee structures in other districts and cities.

Director Duff and Vice President Griffith expressed concerns about the timeliness of the process and project, hoping this would be the last increase requested, noting the original schedule for the long-range financial plan was overdue by two and a half years. The proposed project schedule assumes updated fees will be implemented by January 1, 2026. The long-range financial plan and rate study are expected to be finalized and adopted by October 1.

The meeting concluded with an acknowledgment of the frustration over the delays and the impact on the financial planning process.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) COMMITTEE NOMINATIONS FOR THE 2026-2027 TERM

It is recommended to consider nominating a candidate or candidates to serve on one or more of ACWA's standing committees.

Marion Champion, Assistant General Manager, led the discussion and provided information about the ACWA Standing Committees. She encouraged board members to review the committees and their time commitments, and to consider participating. Marion emphasized the value of participating in these committees, as it enhances the benefits received from the fees and dues paid to ACWA. She mentioned her current involvement in the Federal Affairs Committee and expressed her desire to join either the State or Federal Affairs Committee again. Director Duff expressed a desire to remove himself from the Groundwater Committee but wished to remain on the State Legislative Committee and offered to join the Federal Legislative Committee.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS ELECTION BALLOT - TERM 2026-2028; SEAT B - SOUTHERN NETWORK

It is recommended to consider one (1) of three (3) candidates nominated to serve on Seat B in the Southern Network and direct the General Manager to vote for the selected candidate.

General Manager Brian Macy introduced this item and acknowledged the presence of one of the nominees, Jason Dafforn, who is the General Manager of the Valley Sanitary District in Indio. Mr. Dafforn provided a brief background on his 17+ years of experience in the public sector, including eight years as a special district leader in Southern California. He emphasized his passion for water and wastewater management and requested the board's vote, reminding everyone that voting ends on July 25th. The board thanked Jason for his presentation and noted that the nomination would be moved forward on Monday, with the board casting the MSWD vote accordingly.

DISCUSSION ITEMS

CRITICAL SERVICES CENTER AND ADMINISTRATIVE BUILDING UPDATE

The update provided was brief. Ruhanu Clarke is preparing plans to resubmit to the city and fire department by July 30th. Once the submission is made, additional approval and bidding timelines will be provided as the approval process progresses. The team is moving forward with meeting the requirements.

GROUNDWATER PROTECTION PROGRAM UPDATE

Eric Weck, Engineering Manager, presented the groundwater protection update. He touched on several notable wastewater improvement projects. Item 13 of the agenda pertained to the notice of completion for the Nancy Wright Regional Wastewater Reclamation Facility, which started construction in the spring of 2022 and is now operational. The board of directors will be asked to accept the project as complete and direct staff to record the notice of completion with the county, considering previously discussed landscaping items. This marks a significant milestone for the reclamation facility. Additionally, the Area M2 septic-to-sewer conversion and waterline project is currently being advertised for construction. Last week, district staff held a pre-bid meeting on-site with potential bidders. The bid opening is scheduled for August 15, 2025, and staff will present an agenda item in September to award the contract to the lowest responsive bidder. This project aims to convert approximately 400 properties from septic systems to sanitary sewer systems and relocate water lines from backyard easements to street rights-of-way.

CLEAR COMMITTEE UPDATE

Assistant General Manager Marion Champion provided an update on the progress of the CLEAR Committee. The committee has held its first two meetings on July 8th and July 15th, following a robust outreach effort that included social media posts, a news release, and targeted emails to previous attendees of water-related events. The committee is diverse, with members from various ethnic backgrounds and socioeconomic statuses, all sharing a passion for water. The first meeting covered an overview of MSWD, governance, and government finance, while the second meeting delved into wastewater management. The committee members have been actively engaged, asking tough questions and providing valuable insights. The community engagement process will continue with outreach efforts, including community workshops and presentations to local organizations. The board members expressed their gratitude to the community members for their participation and dedication to the process.

CONSENT AGENDA

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

June 3, 2025 - Special Meeting Workshop
June 12, 2025 - Study Session
June 16, 2025 - Board Meeting

REGISTER OF DEMANDS

The register of demands totaling \$2,662,195.62

REPORTS

DIRECTOR'S REPORTS

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports:

- A. Finance Report
- B. Public Affairs Report
- C. Industrial Pre-Treatment Program

COMMENTS

DISTRICT COUNSEL COMMENTS

Phedra Norton introduced herself to the Board, acknowledging district staff and members of the public who might be watching. She mentioned that she has recently joined the firm and is working with John Pinkney at SBEMP. Phedra provided a brief background on her experience, highlighting her 27 years of in-house city attorney experience and her previous role as the general counsel of the Stanislaus Regional Water Authority, where she was involved in constructing a surface water project on the Tuolumne River. She concluded by expressing her enthusiasm for serving the attendees and their constituents in the future.

DIRECTOR COMMENTS AND REQUESTS

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

Vice President Griffith wished Director Duff, General Manager Macy, and Public Affairs Specialist April Scott all a Happy Birthday.

ADJOURN

With no further business, Vice President Griffith adjourned the meeting at 5:28 PM

Respectfully submitted,

Dori Petee
Executive Assistant