



BOARD OF DIRECTORS REGULAR MEETING MINUTES

Monday, November 18, 2024 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 P.M.

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, Arturo Ceja, Danny Friend, Kurt Kettenacker, April Scott, Eric Weck, Ryan Goodner-Belli, Amanda Lucas, Dori Petee

PLEDGE OF ALLEGIANCE

Led by Director Martin

RULES OF PROCEDURE

Rules of Procedure were read by General Counsel John Pinkney.

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

David Barraza	Engineering Technician
Yuri Chavez	Administrative Assistant
Isaac Lopez	Collections System Operator I

ANNIVERSARIES

Alex Acevedo	Lead Field Operations Technician	5 Years
Brian Macy	General Manager	5 Years
Tim Owens	Water Production Operator II	6 Years
Andy Grunnet	Lead Wastewater Treatment Plant Operator	8 Years
April Scott	Programs and Public Affairs Specialist	8 Years
Dori Petee	Executive Assistant	8 Years
Jeff Nutter	Field Operations Superintendent	30 Years

PROMOTIONS

Adam Wagner	Promoted to Water Production Operator II Previously Water Production Operator I
Charles Bell	Promoted to Water Production Operator II Previously Water Production Operator I
Fernando Ruelas III	Promoted to Collections System Operator I Previously Field Operations Technician I

CLOSED SESSION**CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Pursuant to Government Code Section 54956.9 (d)(2) and/or (3). Two potential cases.

REPORT ON ACTION TAKEN DURING CLOSED SESSION

The Board met in a closed session on the item above; no reportable action was taken.

ACTION ITEMS**AWARD OF CONTRACT TO MISSION CONSULTING SERVICES FOR PROFESSIONAL ENGINEERING SERVICES TO PROVIDE WATER SYSTEM AND WASTEWATER SYSTEM MODEL MAINTENANCE AND ON-CALL CONSULTING SERVICES**

The General Manager was authorized to execute a contract with Mission Consulting Services for a not-to-exceed amount of \$75,000 for Professional Engineering Services to provide water system and wastewater system model maintenance and on-call consulting services.

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

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

ACCEPTANCE OF THE WATER SUPPLY ASSESSMENT AND WATER SUPPLY VERIFICATION FOR THE FIRST PALM SPRINGS COMMERCE CENTER

The Board accepted and approved the Water Supply Assessment and Water Supply Verification for the First Palm Springs Commerce Center located in the City of Palm Springs.

Eric Weck, Engineering Manager, addressed a question posed by Director Duff at the Study Session. Director Duff asked a question on table 3-8 and the Districts implementation efforts that were not detailed in the table. In reviewing the WSA document for the Commerce Center, staff reached out to

MNS Consulting. It determined that the necessary verbiage regarding the implementation measures and status of the three items, water waste prevention, metering, and conservation pricing, were included in the table, but they were not listed in the correct column. The phrasing was moved to the proper column. Furthermore, in efforts to ensure that the document was appropriate for the Board and to make the Board comfortable in accepting the report, staff also reached out to Jeff Davis from Provost and Pritchard, who has expertise in WSA's, and performed a check on this particular document as well. In speaking with Mr. Davis on Friday, he mentioned that the WSA is a solid document and meets the spirit and letter of the law.

Motion made by Director Duff, Seconded by Director Mayrhofen.

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

ACCEPTANCE OF THE NANCY WRIGHT REGIONAL WASTEWATER RECLAMATION FACILITY MONITORING WELLS CONSTRUCTION PROJECT

The Board accepted the Nancy Wright Regional Wastewater Reclamation Facility Monitoring Wells Construction Project as complete and authorized the release of retention money held for Yellow Jacket Drilling Services LLC in the amount of \$10,699.75 thirty-five (35) days after filing the Notice of Completion (NOC).

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

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

AWARD OF CONTRACT TO KENWOOD ENERGY FOR PROFESSIONAL ENGINEERING SERVICES TO PROVIDE CONSTRUCTION MANAGEMENT SERVICE FOR THE POWER PURCHASE AGREEMENT

The General Manager was authorized to execute a contract with Kenwood Energy for a not-to-exceed amount of \$100,547.52 for professional engineering services to provide construction management for the power purchase agreement with Trident Mission Springs LLC.

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

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

DISCUSSION ITEMS

CRITICAL SERVICES CENTER AND ADMINISTRATIVE BUILDING UPDATE

An update was provided on Thursday; nothing further to add.

GROUNDWATER PROTECTION PROGRAM UPDATE

General Manager Macy provided an update to the Board. The presentation began by highlighting contract amendment number one, which adjusted construction dates. The amendment extended the eligible construction start date from May 1st to December 1st, 2021, allowing for cost adjustments and a revised final reimbursement date. Record retention was also updated. The overall project cost remained at \$68 million.

Next, the funding for phase one (Nancy Wright Reclamation facility) was discussed. A table detailing funding requests and payments was shown. Reimbursement request number five was approved and is undergoing processing. Request number six (\$1.2 million) was nearing completion, and request number seven (covering expenses through September 30th) was in progress. Anticipated cost increases due to easement delays and weather are to be presented to the board in December.

The status of phase three (conveyance line) was reviewed. The funding package was signed and awaiting approval from the State Water Resources Control Board. Upon approval, a reimbursement request for approximately \$6.8 million (covering expenses through June) will be submitted. A second reimbursement request will follow for the remaining 400 feet.

Phase two (area M2) bidding is dependent on phase three's funding approval. Bidding will commence after the one to two-week approval process. The project is estimated at just under \$10 million. The Bank of America loan extension provides sufficient funding while awaiting reimbursement. Phase two construction is scheduled for completion by the end of the next calendar year.

An update on the Edison conveyance line schedule was provided. A grant deed was recorded on October 4th, followed by a field meeting where additional issues were identified by SCE, necessitating a \$10,000 advance payment. The payment request was submitted, and fieldwork is expected to begin in four to six weeks, with an outage scheduled for January 2025.

A board member requested a more detailed presentation, including information on submitted documents, responses from the state, and auditing details. It was suggested that this information be compiled and emailed to the board, with further discussion continuing until phase two is complete. Clarification was provided regarding the \$2 million adjustment, which covered initial project start-up costs and issues with unreadable scans.

Concerns were raised about duplicated efforts in correcting invoice discrepancies with the state. It was explained that while the construction manager (TKE) is still involved, additional support is being provided by Mike Ness, who has a stronger relationship with the state. This additional support is not creating extra costs, but rather re-allocating responsibilities to improve efficiency and timeliness. However, concerns remained about the board not being fully informed about all changes and corrections. A meeting was proposed to review all relevant documentation in detail.

DISTRICT HOLIDAY SCHEDULE

Discussion on the District holiday schedule and possible closures. A visual document was prepared and shown to the Board detailing the requested closure.

CONSENT AGENDA

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

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

APPROVAL OF MINUTES

The Board approved the minutes as follows:

November 14, 2024 - Study Session Minutes

November 18, 2024 - Board Meeting Minutes

REGISTER OF DEMANDS

The register of demands totaling \$2,566,377.18

RESOLUTION 2024-28 RECOMMENDING APPROVAL OF SKYBORNE DEVELOPMENT - PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

The Board of Directors adopted Resolution No. 2024-28, recommending approval of a Partial Assignment and Assumption of Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement authorizing Skyborne Ventures, LLC to assign water connection fee credits to Lennar Homes of California, LLC as required by the Second Amendment to the Public Water System Improvement and Water Service Connection Fee Credit / Reimbursement Agreement for Tract No. 32030, and complete with all exhibits.

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

The General Manager was authorized to execute the Bill of Sale for the Water and Sewer Infrastructure for the Skyborne Village III, Tract No. 32030-3, Phase I project located on Rainbow Lane, west of Karen Avenue, and north of Promenade Drive, in the City of Desert Hot Springs, as contributed assets.

ACCEPTANCE OF BILL OF SALE FOR RANCHO DESCANSO PROJECT WATER AND SEWER INFRASTRUCTURE

The General Manager was authorized to execute the Bill of Sale for the Water and Sewer Infrastructure for the Rancho Descanso, Tract Map No. 38200, project located south of Camino Campesino, east of Plam Drive, west of Avenido Descanso, and north of Camino Aventura, in the City of Desert Hot Springs, as contributed assets.

BOARD COMPENSATION

The Board considered compensation for the following meeting:

A. National HCP (Habitat Conservation Plan) Coalition Annual Meeting; All Board Members; December 10 - 12, 2024

B. NCPI Holiday Luncheon & Awards (MSWD to receive the NCPI 2024 Award of Merit); All Board Members; December 5, 2024

REPORTS**DIRECTOR'S REPORTS**

Director Martin reported attending the following meetings and events: 10/1 PSUSD State of the District, 10/1 DHS City Council Meeting, 10/3 DHS State of the City, 10/3 DVBA Legislative Meeting, 10/5 Kiwanis Club Meeting, 10/14 DVBA Board Meeting, 10/15 DHS City Council Meeting, 10/16 DVBA PAC Meeting, 10/28 Cabots Museum Board Meeting, 10/29 DVBA PAC Meet & Greet, 10/30 Palm Springs State of the City.

Director Mayrhofer reported attending the following meetings and events: : 10/1 PSUSD State of the District, 10/3 DHS State of the City, 10/4 GCVCC Legislative Breakfast, 10/10 ACWA Webinar, 10/18 CVCAN – Oktoberfest, 10/22 ACWA Webinar, 10/30 Palm Springs State of the City.

Director Duff reported attending the following meetings and events: 10/1 PSUSD State of the District, 10/3 DHS State of the City, 10/8 CVWD Board Meeting, 10/10 ACWA Webinar, 10/22 CVWD Board Meeting.

Vice President Griffith reported attending the following meetings and events: 10/1 PSUSD State of the District, 10/3 DHS State of the City, 10/15 DWA Board Meeting.

President Sewell reported attending the following meetings and events: 10/1 PSUSD State of the District, 10/3 DHS State of the City, 10/4 GCVCC Legislative Breakfast.

GENERAL MANAGER’S REPORT

Included in this report are the following oral reports:

A. Finance Report

Arturo Ceja, Director of Finance, presented the finance report for the period ending September 30, 2024

Danny Friend, Director of Operations, provided a lead and copper rules update.

B. Public Affairs Report

Marion Champion, Assistant General Manager, presented the Public Affairs update.

COMMENTS

DISTRICT COUNSEL COMMENTS

No comments

DIRECTOR COMMENTS

Vice President Griffith asserted that the water theft item needs to be added to a future agenda. He also wished everyone a Happy Thanksgiving and congratulated Director Martin on the election.

President Sewell wished everyone a Happy Thanksgiving.

ADJOURN

With no further business, President Sewell adjourned the meeting at 4:30 PM.

Respectfully submitted,

Dori Petee
Executive Assistant