BOARD OF DIRECTORS REGULAR MEETING STUDY SESSION MINUTES

Thursday, August 14, 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, Arturo Ceja, Danny Friend, Eric Weck, Oriana Hoffert, Amanda Lucas, Kurt Kettenacker, Will Whitten, Selene Rodriguez, April Scott, David Barraza, Cynthia Acosta, Ryan Goodner-Belli

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
This item will be fully acknowledged on Monday.

ACTION ITEMS

PUBLIC HEARING ~ REPORT ON PUBLIC HEALTH GOALS
It is recommended to conduct a Public Hearing to receive public comment on the Public Health Report, then receive and file the report.

A full report will be given at the Public Hearing on Monday, August 18, 2025. Danny Friend, Director of Operations, presented. The main requirement discussed was to receive and file the report, with further details to be provided on Monday. The report included health and risk assessments from public health reports. Guidance was provided to water agencies on the triennial process, and environmental health and hazard assessments were highlighted. The report covered the CCRs for 2022, 2023, and 2024, with an excerpt from the U.S. Office. Additional attachments were mentioned, including a breakdown of the actual report and enforceable levels. The public health goals remained below the enforceable maximum contaminant levels for drinking water. The report identified five constituents detected at levels exceeding their health goals and maximum contaminant levels, with explanations provided for the differences. Comparisons of the three public water systems' water quality against public health goals were presented. The report was published twice in the Desert Sun on August 5th and August 12th, meeting the public hearing notice requirement. The constituents identified included fluoride, uranium, gross alpha, radium 226, and radium 228. The report concluded with proposed actions, cost assessments, and the best available technology for treatment.

Director Duff discussed various topics related to water quality and public health goals. They emphasized the importance of clear communication to the public regarding the differentiation of health goals and the sources of data used in reports. Concerns were raised about the accuracy of data and the need for clear definitions in presentations. The discussion also touched on the maximum contaminant levels and the need for regular reviews to ensure compliance. Additionally, there was a mention of free water testing services offered by Home Depot and the importance of understanding the results of such tests. The discussion concluded with a commitment to include clear definitions and updated information in future presentations to ensure transparency and accuracy.

PUBLIC HEARING ~ AMENDMENT TO WATER REGULATIONS AND SERVICES ORDINANCE
It is recommended to conduct a Public Hearing and adopt Ordinance No. 2025-02, Amending Ordinance 93-03 Water Regulations and Services, Section 3 - Definitions (5.02.020), Section 8 - Fire Protection (5.02.070), and Section 9 - Cross Connection Control (5.02.080).

A full report will be given at the Public Hearing on Monday, August 18, 2025. Danny Friend led a discussion on the cross-connection control policy and its impact on the backflow program. It was noted that the program has been advanced and has minimal impact due to its alignment with Title 17. The conversation then shifted to the public hearing requirements for the ordinance change, emphasizing the need for clear definitions and alignment with the cross-connection policy handbook. The importance of testing backflow prevention assemblies was highlighted, along with the distinction between devices and assemblies. The meeting concluded with a review of administrative changes in sections 3, 8, and 9 of the ordinance, aimed at creating safer standards for the public.

The Board raised concerns about enforcement issues related to the cross-connection control plan and pre-treatment program. The discussion highlighted the differences between various enforcement sections, such as Article 6 of the sewer ordinances and Article 11 of the enforcement policy, which are distinct from the water ordinance's Article 9. The general manager's report will include a segment on pre-treatment enforcement, which will be further discussed in the upcoming Monday meeting. There was a consensus on the need for a robust enforcement strategy, particularly concerning the cross-connection control plan, which the state has not yet approved. The Board expressed concerns about the potential impacts and challenges of compliance, especially in areas with auxiliary water sources. The discussion concluded with an acknowledgment of the staff's efforts and a commitment to present a detailed enforcement strategy in the next meeting.

RESOLUTION 2025-18 ~ DECLARING THE DISTRICT'S INTENTION TO PROCEED WITH A RATE ACTION IN COMPLIANCE WITH PROPOSITION 218, AND INSTRUCT STAFF TO INITIATE THE NOTICE PROCESS AND TAKE ALL NECESSARY ACTIONS TO COMPLY WITH PROPOSITION 218 AND GOVERNMENT CODE SECTION 53759.1 ET SEQ

It is recommended to adopt Resolution 2025-18 declaring the District's intention to proceed with a rate action in compliance with Proposition 218 and instruct staff to initiate the notice process and take all necessary actions to comply with Proposition 218 and Government Code section 53759.1 et seq.

Assistant General Manager, Marian Champion, presented. She acknowledged the efforts of the clear committee and staff in preparing for the meeting. The primary focus was on the financial health of the district, emphasizing the need for rate adjustments to ensure the sustainability of operations and infrastructure projects. Various rate increase scenarios were discussed, with a preference for a 9% increase to maintain positive cash flow and reserve targets. The importance of community engagement and transparency in the rate-setting process was emphasized, with plans for public hearings and outreach efforts.

The discussion also covered the Help to Others program, highlighting its impact and the need for increased participation. It was noted that the program is essential for assisting those in need, and efforts should be made to encourage more people to take advantage of it. The meeting also reviewed capital improvement projects, including the rehabilitation of wells and the construction of new facilities, to ensure the district's long-term resilience and service reliability.

Additionally, the meeting addressed the importance of maintaining a robust reserve fund to handle emergencies and unexpected expenses. The assistant general manager mentioned the need to ensure that the district's financial health remains strong, even in the face of potential challenges. The discussion concluded with a review of the district's financial projections and the steps needed to achieve the desired financial stability.

Overall, the discussion was comprehensive, covering various aspects of the district's financial health, community engagement, and infrastructure projects. The emphasis was on ensuring transparency, community involvement, and the long-term sustainability of the district's operations.

ENTERPRISE AGREEMENT FOR THE ESRI ADVANTAGE PROGRAM

It is recommended to authorize the General Manager to execute a one-year ESRI Small Utility

Enterprise Agreement for the ESRI Advantage Program, in the amount not to exceed $62,150.00

Ryan Goodner-Belli, GIS coordinator, provided an update on the GIS system and its integration with various applications. He discussed the benefits of the EZRI advantage program, highlighting its role in enhancing the district's technological capabilities and disaster response. The program includes 100 hours of direct time and expenses covered by EZRI consultants for significant technical improvements. Ryan emphasized the importance of the program for strategic planning and efficiency, particularly with the upcoming end of the current vendor contract in June 2026. He also mentioned the development of new applications, including a public viewer for the website and a capital improvement project application. The discussion included questions about training hours, costs, and the impact of the program on the district's operations. The meeting concluded with a focus on the future implications of the EZRI advantage program for the district's GIS capabilities.

APPROVAL OF CONTRACT WITH CORONA ENVIRONMENTAL CONSULTING FOR PRELIMINARY DESIGN OF CHROMIUM-6 TREATMENT FACILITIES

It is recommended to authorize the General Manager to execute a contract with Corona Environmental Consulting for the Preliminary Design of Chromium-6 Treatment Facilities, totaling $638,370, plus an additional 10% contingency, for a not-to-exceed contract amount of $702,207.

Danny Friend, Director of Operations, provided an overview of the ongoing efforts to address the presence of hexavalent chromium in the water supply. The discussion focused on the compliance strategy and interim operations plan developed in collaboration with Corona Environmental Consulting, led by Chad Cidell. The team has been working on this since July 2023, with a particular emphasis on the design and implementation of treatment facilities for key well sites. The primary goal is to ensure that the water supply meets the maximum contaminant level of 10 micrograms per liter. Various aspects of the treatment process were discussed, including the evaluation of treatment options, facility layout, cost assessments, and the need for bi-weekly meetings to monitor progress. The meeting also covered the importance of addressing other contaminants, such as arsenic, fluoride, and uranium, and the need for operational flexibility in the treatment process. The discussion concluded with a Q&A session, where attendees sought clarification on various points, including the implementation timeline, equipment requirements, and the overall project management approach.

ACCEPTANCE OF GRANT OF EASEMENT DEED FOR PUBLIC UTILITIES EASEMENT AZURE PALM HOT SPRINGS RESORT AND DAY SPA OASIS LLC

It is recommended to authorize the General Manager to execute the Certificate of Acceptance, approving and accepting the Grant of Easement Deed from Azure Palm Hot Springs Resort & Day Spa Oasis LLC, dated June 30, 2025, for a public water utilities easement located on APN 642-183-021, City of Desert Hot Springs, CA.

Eric Weck, Engineering Manager, discussed the easement area and its implications for the district's facilities. Eric explained that the owner of the property had turned the area into a parking space, but it remains behind a locked gate, allowing the district access. The discussion then moved to the acceptance of a grant of easement deed for the Azure Palms Resort, which allows the district to retain ownership and control of a fire hydrant at no cost. Staff proactively met with the property owner to secure this easement after discovering that the right of way was fenced off, prohibiting access to the hydrant. A minor typo in the original grant of easement paperwork was found, and staff will resubmit a corrected copy to the county recorder's office next week. The meeting concluded with no further concerns or questions from the board members.

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 9 ELECTION
It is recommended to either concur with the Region 9 Nominating Committee's recommended slate of officers for the 2026-2027 term, or concur on the individual candidates for Chair, Vice Chair, and five (5) Board Members, and direct the Board President to submit the ballot.

Assistant General Manager Champion introduced the topic of the Region 9 nominating committee's recommended slate of officers. The board was asked to decide whether to concur with the list or nominate individual candidates for positions such as chair and vice chair. Director Martin expressed honor in being part of the election process, regardless of the outcome. President Sewell mentioned that the slate seemed well-balanced and included our very own Russ Martin, indicating support for the recommended slate. The board was encouraged to discuss and decide on how to proceed with the nominations.

DISCUSSION ITEMS

ADMINISTRATION BUILDING UPDATE
Alvin Flores of Rhanu Clarke presented various aspects of the ongoing project. The team is working towards building and easing into the expectations for the project as they approach the bidding phase. They expressed confidence in the current numbers, despite some fluctuations and unknowns, and noted that the estimates are closely aligned with the bids received so far. The budget includes $40 million for the project, covering both buildings and site development, as well as staff time and other related expenses. The team has been actively working through city comments and resubmitting necessary documents to building and safety, planning, fire, and public works departments. They are targeting September for project approval and are on track to meet this deadline. General Manager, Macy, and his team will continue to collaborate on the project, with an update expected early next week.

GROUNDWATER PROTECTION PROGRAM UPDATE
Eric Weck, Engineering Manager, provided updates on various projects. The discussion included the replacement of aging service lines and the abandonment of old water lines, with a focus on the backyard easements and new water lines. The bid opening date for the conversion project was moved from the 15th to the 19th to accommodate additional submissions. Staff is preparing the second quarter report and coordinating with contractors for the Regional Wastewater Reclamation Facility, including the replacement of dead landscaping. The meeting also covered the progress on the Nancy Wright conveyance line and the M2 septic to sewer conversion project, with additional submissions

and contractor remobilization expected soon. The board will review the contract award for the lowest responsive bidder in September.

CONSENT AGENDA

Arturo Ceja, Danny Friend and Kurt Kettenacker fielded questions from the Board about the Register of Demands

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

July 17, 2025 - Study Session
July 21, 2025 - Board Meeting

REGISTER OF DEMANDS

The register of demands totaling $2,910,141.99

REPORTS

DIRECTOR'S REPORTS

All Director Reports will be given on Monday.

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports: This report will be given on Monday

A. Finance Report
B. Public Affairs Report

COMMENTS

DIRECTOR COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

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

Board members thanked the staff for all the work that goes into preparing for these meetings.

ADJOURN

With no further business, President Sewell adjourned the meeting at 5:42 PM

Respectfully Submitted,

Dori Petee
Executive Assistant