



## BOARD OF DIRECTORS REGULAR MEETING STUDY SESSION MINUTES

Thursday, May 13, 2021 at 3:00 PM  
Via Teleconference – No Live Attendance

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### CALL TO ORDER

President Wright called the meeting to order at 3:00 PM

### ROLL CALL

**BOARD MEMBERS PRESENT:** President Nancy Wright, Vice President Russ Martin, Director Randy Duncan, Director Steve Grasha, Director Ivan Sewell

**STAFF MEMBERS PRESENT:** Wallum, Macy, McCue, Friend, Petee, Lucas, Llort, Scott, Hoffert, Alzammar

**LEGAL COUNSEL PRESENT:** John Pinkney

### RULES OF PROCEDURE

Rules of Procedure were ready by General Counsel, John Pinkney.

*First all noticed meetings are conducted using Rosenberg's Rules of Order as procedural guidance. Directors should refrain from responding directly to public comment at meetings of the Board. 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 persons shall be allowed to speak who is 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 upon 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 general public input.

### COVID-19 UPDATE

General Manager, Arden Wallum, gave a brief COVID-19 update.

### EMPLOYEE RECOGNITION

Employees will be formally recognized at Monday's meeting.

### ACTION ITEMS

#### PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR TKE ENGINEERING, INC.

It is recommended to authorize the General Manager to execute an agreement with TKE Engineering, Inc., on an as-needed basis for a period of one year at a not-to-exceed amount of \$250,000.

Mr. Friend presented details on this item. An RFP was done for this contract in 2020, although not required for this type of contract. Renewing the contract with TKE Engineering will allow staff to continue to utilize their professional engineering services, as required, on a time and materials basis.

**PROFESSIONAL ENGINEERING SERVICE CONTRACT FOR HEITEC CONSULTING**

It is recommended to authorize the General Manager to execute an agreement with HEITEC Consulting, on an as-needed basis for a period of one year at a not-to-exceed amount of \$150,000.

Mr. Friend noted that the same RFP process used with the previous item was used on this item. Renewing the contract with HEITEC will allow District staff to continue to utilize their professional engineering services, as required, on a time and materials basis. This contract work is a necessary part of the customary engineering services the District needs to provide and supplements our reduced engineering staffing levels.

**RESOLUTION 2021-06 RECOMMENDING APPROVAL OF SKYBORNE DEVELOPMENT - PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT**

It is recommended that the Board of Directors adopt Resolution No. 2021-06, 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.

This Agreement provides that Skyborne Ventures, LLC, is entitled to fee credits against water connection fees based on expenditures made by the developer for certain water infrastructure. Skyborne Ventures, LLC has transferred 79 lots in the project to Lennar Homes of California, LLC and wishes to transfer all of its existing water connection fee credits, associated with the 79 lots in the amount of \$343,887.00.

**FIRST AMENDMENT TO CONTRACT AGREEMENT WITH B-81 PAVING INC. FOR PAVEMENT REPAIRS FOR WATER AND SEWER PROJECTS**

It is recommended to authorize the General Manager to amend the contract with B-81 Paving Inc., for the pavement repairs for water and sewer projects, to the amount of \$115,000.00, and authorize the General Manager to do all things necessary to complete the project.

B-81 Paving, Inc. was awarded a contract for the pavement repairs for water and sewer projects at the November 16, 2020 Board meeting. This contract amendment increases the agreement amount by \$15,000.00 and allows staff to continue progress on making permanent asphalt repairs throughout our service area.

**AWARD OF CONTRACT FOR PROFESSIONAL SERVICES AND SOFTWARE AS A SERVICE PROVISIONS WITH WATERSMART SOFTWARE, INC. FOR THE INTEGRATION AND MAINTENANCE OF A CUSTOMER PORTAL SOFTWARE**

It is recommended to authorize the General Manager to award a five (5) year contract to WaterSmart Software, Inc. for a Customer Portal software in the amount of \$180,570 and authorize the General Manager to do all things necessary to complete the project.

This item was pulled from the agenda for this month as it requires more work.

### **DISCUSSION ITEMS**

#### **MSWD REGIONAL WATER RECLAMATION FACILITY UPDATE**

Steve Ledbetter with TKE gave a brief update. Staff is continuing to work through the details of the bid package.

#### **REGIONAL URBAN WATER MANAGEMENT PLAN UPDATE**

Steve Ledbetter presented this update. This update included finding on the Water Shortage Contingency Plan and the Urban Water Management Plan (UWMP) update. The UWMP requires urban water suppliers in the state to adopt a plan every five years.

#### **ADMIN/CORP YARD BUILDING UPDATE**

Assistant General Manager, Brian Macy, presented an update on the progress of the Administrative & Corp Yard building. Staff is reviewing submittals for Architect and Broker Services.

#### **STRATEGIC COMMUNICATIONS PLAN YEARLY UPDATE**

Victoria Lloort presented an update on the Strategic Communications Plan. Plan elements include Community Engagement and Education, Image Awareness and Evolution, Employee and Board Empowerment, Internal Communications, Regional Industry Leadership and Succession Planning and Communication Readiness.

### **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.*

Register of Demands was pulled for discussion. Director Grasha inquired about a new membership with The California Groundwater Association. Mr. Wallum noted he would provide more detail to the Board.

### **APPROVAL OF MINUTES**

It is recommended to approve the minutes as follows:

Study Session - April 15, 2021

Board Meeting - April 19, 2021

### **REGISTER OF DEMANDS**

The register of demands totaling \$1,643,340.35.

### **DIRECTOR'S REPORTS**

#### **UPCOMING EVENTS AND DIRECTOR REPORTS**

Director Sewell reported he attended the following event: 4/15 DVBA Public Officials Meeting/Luncheon.

## REPORTS

### GENERAL MANAGERS REPORT

Mr. Wallum gave a brief report on outstanding bills and how the District is handling these accounts. Victoria Lloort highlighted the Public Relations Report.

### FINANCIAL REPORT

Matt McCue provided the financial report for the period ending February 28, 2021.

|                                                        |                      |
|--------------------------------------------------------|----------------------|
| Net Operating Income (Loss) – variance from Budget     | \$(45,513)           |
| Net Non-Operating Income (Loss) – variance from Budget | \$(6,639,789)        |
| Net Income (Loss) – variance from Budget               | <b>\$(6,685,302)</b> |
| <i>Cash</i>                                            |                      |
| Increase (Decrease) in Cash                            | \$3,357,850          |
| Balance of Cash at beginning of year (July 1)          | \$ 34,708,247        |
| Balance of Cash at end of period                       | <b>\$ 38,066,097</b> |
| Unrestricted Cash                                      | <b>\$ 7,023,499</b>  |
| <i>Restricted Cash</i>                                 |                      |
| Capital Reserve Fund                                   | \$30,046,310         |
| Other Restricted Cash                                  | \$31,042,598         |
| Cash in Custody of MSWD                                | <b>\$ 38,066,097</b> |

### DISTRICT COUNSEL REPORT

John Pinkney announced closed session on the Master Meter Lawsuit.

### DIRECTOR COMMENTS

Vice President Martin noted he was very impressed with today's reports.

Director Duncan complimented today's report's as well. He is also pleased that an events calendar is being produced again. Lastly, he shared an old picture of MSWD Directors.

Director Grasha noted he is having problems with his MSWD email. He also complimented staff on the quality of meetings and presentations.

Director Sewell complimented the staff on the quality of presentations.

President Wright complimented the new agenda format.

**CLOSED SESSION**

**CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION**

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

One Case: Case No. PSC 1600676

(Mission Springs Water District vs. Desert Water Agency)

**CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION**

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

One Case: Case No. RIC 2003782

(George Padilla and Sharon Moreno vs. Mission Springs Water District)

**CONFERENCE WITH LEGAL COUNSEL REGARDING PENDING LITIGATION**

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

One Case: (MSWD vs. Master Meter)

**REPORT ON ACTION TAKEN DURING CLOSED SESSION**

No reportable action taken.

**ADJOURN**

President Wright adjourned the meeting at 5:37 PM.

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Arden Wallum

Secretary of the Board of Directors