



BOARD OF DIRECTORS SPECIAL MEETING (WORKSHOP) MINUTES

Tuesday, March 11, 2025 at 9:00 AM

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

CALL TO ORDER

President Sewell called the meeting to order at 9:00 AM

ROLL CALL

BOARD MEMBERS PRESENT: President Ivan Sewell, Director Russ Martin, Director Ted Mayrhofen

BOARD MEMBERS ABSENT: Vice President Robert Griffith, Director Amber Duff

STAFF MEMBERS PRESENT: Brian Macy, Marion Champion, Arturo Ceja, Eric Weck, Oriana Hoffert, Danny Friend, April Scott, Kurt Kettenacker, Amanda Lucas, Theresa Murphy, David Barraza, Dori Petee

PUBLIC INPUT

No public input

ITEMS FOR DISCUSSION

AWARD OF CONTRACT TO BORDEN EXCAVATING INC. FOR GQPP AD-18 AREA D-3 SEWER CONSTRUCTION AND WATER LINE REPLACEMENT PROJECT AND CAPITAL BUDGET AUGMENTATION

It is recommended that the General Manager be authorized to award a contract for the GQPP AD-18 Area D-3 Sewer Construction and Water Line Replacement Project to the lowest responsible bidder, Borden Excavating, Inc., in the amount of \$5,252,252, plus a 10% contingency (total \$5,777,477.20), augment the capital improvement budget amount to \$1,820,622.20 for Job No. 11876, and to do all things necessary to complete the project, including but not limited to preparation and filing of a Notice of Exemption to comply with CEQA requirements.

General Manager Brian Macy noted this item has been presented multiple times, including workshops and board meetings. Concerns were raised about meeting the 50-50 funding requirement due to inflation and higher-than-expected bids. Staff proposed additional district contributions, which led to questions about repurposing grant funds and increasing property owner contributions. Engineering Manager Eric W. explained the potential repurpose of two grants: a \$78,000 grant for the nitrogen control study and an \$875,000 grant for the M2 project. The board discussed the urgency of making decisions to utilize these funds and the implications of not moving forward with the D3 project. The discussion included technical explanations of lysimeters and their role in nitrogen reduction. The board emphasized securing grant funding to avoid financial burdens on property owners.

WATER AND SEWER MASTER PLAN UPDATE

Engineering Manager Eric Weck lead the discussion focused on two major plans: the Water and Sewer Master Plan. The Water Master Plan, spanning from 2025 to 2055, was presented, highlighting the importance of identifying capital improvements, their timing, and associated costs. The plan incorporates previous work, developer information, and assessments of existing facilities. Key points included population growth projections, facility conditions, and regulatory compliance. The Sewer Master Plan was also discussed, emphasizing the need for septic to sewer conversions and improvements to lift stations and treatment facilities. The meeting concluded with a review of the Capital Improvement Projects (CIP) list, detailing anticipated work and funding

sources over the next 20 years. Questions were raised about specific projects, funding, and the impact of deferred maintenance. The board will be presented with the final Water and Sewer Master Plans in April, followed by the long-range financial plan in May.

STRATEGIC PLAN UPDATE

Assistant General Manager Marion Champion gave a quick update on the strategic plan, which was adopted one year ago and provides guidance for the next three to five years. The plan is based on seven key SMART goals: customer communications, water supply, financial management, system reliability, environmental sustainability, improved technology and processes, and workforce excellence. Progress was discussed for each goal, including implementing a 12-month communications plan, adopting lead and copper inspection, enhancing conservation rebates, and finalizing a BOR Grant for an intertie project. Ms. Champion noted the need to specify the groundwater quality protection project in the strategic plan, as it was not explicitly mentioned despite being a priority. A proposal was presented to update SMART goal number two to include this project, emphasizing the importance of communicating the value of the septic-to-sewer transition to customers as part of the "Because Water Quality Matters" campaign. Additionally, the district's participation in the salt and nutrient management committee and related efforts were highlighted. Updates were also provided on the new procurement system, the transition to a monthly newsletter, the relocation of the critical services center, and the adoption of a new legislative platform. Additionally, the discussion covered the solar project, the clean fleet initiative, the introduction of the Hub intranet, the hiring of a new GIS specialist, and the adoption of a new AI policy. The conversation concluded with a discussion on workforce excellence, including adopting new employee evaluation forms, recognition of employees, and a new health and wellness challenge.

GENERAL MANAGER'S COMMENTS

No comments

DIRECTOR COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

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

President Sewell asked that all presentations be sent to the Directors not at today's meeting.

ADJOURN

With no further business, President Sewell adjourned the meeting at 10:11 AM

Respectfully submitted,

Dori Petee
Executive Assistant