



BOARD OF DIRECTORS REGULAR MEETING MINUTES

Monday, March 17, 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, Kurt Kettenacker, Danny Friend, Arturo Ceja, Eric Weck, Oriana Hoffert, Amanda Lucas, Arthur Cabrera, April Scott, Cynthia Acosta, David Barraza, Jeff Nutter, Selene Rodriguez, Dori Petee

PLEDGE OF ALLEGIANCE

Led by Director Martin

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

Sonia Rios spoke to introduce herself to the Board and staff about her position at the University of California Agriculture and Natural Resources. Sonia is the Community Education Specialist IV for SGMA & Small Farms.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

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

CONFERENCE WITH LEGAL COUNSEL REGARDING PENDING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1). One case: Fournier v Mission Springs Water District (case number Adj19778853)

REPORT ON ACTION TAKEN DURING CLOSED SESSION

The Board met in closed session to discuss the items listed above; no reportable action was taken.

EMPLOYEE RECOGNITION**HUMAN RESOURCES REPORT**

Human Resources Manager Oriana Hoffert introduced new employee Selene Rodriguez. The Board also acknowledged the following anniversaries:

Ana Murillo	Accounting Technician	3 Years
Theresa Murphy	Engineering Technician II	17 Years
Mark Vermeer	WWTP Operator I	24 Years

ACTION ITEMS**MISSION CREEK SUBBASIN ANNUAL REPORT FOR WATER YEAR 2023-2024**

The Board received and filed the Mission Creek Subbasin Annual Report for Water Year 2023-2024 prepared for the Coachella Valley Water District, Desert Water Agency, and Mission Springs Water District by WSP Environmental & Infrastructure Inc.

Rick Reese, a principal hydrogeologist with WSP, presented the findings of the water year 2023-2024. Groundwater production was approximately 23% less than the historical highs of 2006, and the ongoing basin monitoring results demonstrate the long-term overdraft has been eliminated in the Mission Creek subbasin. Most key wells showed groundwater levels higher than the measurable objective, except for one provisional well. No sustainable management criteria indicators were exceeded. The water balance showed natural inflows of approximately 6,800 acre-feet, return from use of over 4,700 acre-feet, and artificial recharge of about 5,400 acre-feet, with groundwater pumping at approximately 13,300 acre-feet and natural flows at about 3,500 acre-feet, resulting in a net positive change in storage of approximately 200 acre-feet. The long-term shift in storage over time reveals a sustainable pathway with no net change in storage. Key wells for sustainability indicators were discussed, with most showing positive water levels relative to 2009 levels. The presentation concluded by emphasizing the importance of continued groundwater replenishment and effective management of groundwater production to maintain a positive balance. Questions from the board included concerns about precipitation calculations, industrial water use, and the allocation of water resources.

Motion made by Vice President Griffith, Seconded by President Sewell.

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

Voting Nay: Director Duff

AWARD OF TASK ORDER TO TKE ENGINEERING TO PROVIDE PROFESSIONAL SURVEYING FOR THE WELL BENCHMARK SURVEY

The Board authorized the General Manager to negotiate and execute a contract task order with TKE Engineering in the amount of \$12,940.00 to perform a well benchmark survey with a 10% contingency in the amount of \$1,294 for a not to exceed contract total amount of \$14,234.00.

Engineering Manager Eric Weck reiterated the necessity of a well-benchmarked survey to establish Wellhead elevations, which are crucial for accurate groundwater monitoring and analysis. The survey will align the wells with the North American Vertical Datum 1988 (NAVD 88) system, a commonly used survey system. Staff solicited three quotes from current on-call consultants: TK Engineering, Provost and Pritchard, and MSA Consulting. After reviewing the quotes, staff found that TK Engineering's proposal met the district's needs due to their experience and familiarity with the district. The cost for this task order is not to exceed \$14,234, including a 10% contingency. Additionally, at the April Board Meeting, the Engineering department will present an agenda item for additional consultants to provide professional engineering services, including water and wastewater design, additional surveying services, and review and preparation of water management plans. Staff completed the review of qualified submittals and will present recommendations in the April meeting. Director Duff inquired about the amendment to the on-call contract with TK Engineering, clarifying that this is an amendment to the on-call contract, not a separate contract.

Motion made by Director Martin, Seconded by Director Mayrhofen.

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

Voting Nay: Director Duff

AUTHORIZATION FOR PURCHASE OF 2025 VERMEER VX50-800 VACUUM EXCAVATOR FROM RDO EQUIPMENT CO.

The Board authorized the General Manager to approve the purchase of 2025 Vermeer VX50-800 vacuum excavator from RDO Equipment Co. for a not to exceed the amount of \$124,358.84 as approved in the FY2024-25 Capital Budget.

Director of Operations Danny Friend spoke on the equipment warranty. He noted that Vermeer provides a one-year warranty and RDO performs the warranty work. Director Duff raised concerns about the "sold as is" clause and the confidence in delivery and warranty coverage. Mr. Friend asserted that the District feels comfortable with the arrangement, having done significant business with RDO, which represents manufacturers like John Deere. The conversation also touched on the surplus of older equipment models, with the district utilizing platforms like GovDeals to sell surplus items, often receiving returns higher than expected. The conversation concluded with a discussion on the potential value of the surplus equipment and the process for determining minimum prices and handling bidding wars.

Motion made by Director Duff, Seconded by Director Martin.

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

CONTRACT AGREEMENT WITH EXECUTIVE FACILITIES SERVICES, INC. FOR ANNUAL JANITORIAL SERVICES FOR FY 2024-2026

The Board authorized the General Manager to approve a contract with Executive Facilities Services, Inc. for Annual Janitorial Services for FY 2024-2026, totaling \$36,808.72, plus an additional 10% contingency, for a total of \$40,489.59. The agreement includes the option to extend services for three additional one-year terms.

Nothing further to add. Director of Operations Danny Friend was on hand to answer questions. Director Duff expressed gratitude for adherence to the Board's direction regarding the janitorial contract. She noted that the Board appreciates the enforcement of the contract and holding the responsible parties accountable.

Motion made by President Sewell, Seconded by Director Duff.

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

ACCEPTANCE OF THE WELL 34 REHABILITATION PROJECT

It is recommended to accept the Well 34 Rehabilitation Project as complete and authorize the release of retention money held for Legend Pump and Well Services, Inc. in the amount of \$31,668.73, thirty-five (35) days after filing the Notice of Completion.

Engineering Manager Eric Weck expressed the staff's excitement about the project's completion and shared that they had received notice from the contractor confirming the project's completion. Staff members, including water operations personnel, visited the project site, met with the contractor, reviewed several items, and operated the well and boosters. They found that the project met the specifications outlined in the contract. Additionally, it was noted that the project is developer-funded, and both the contract work and staff costs are reimbursable by the contractor.

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

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

REVIEW AND ADOPT THE UPDATED MSWD STRATEGIC PLAN

It is recommended that the Board adopt the updated Mission Springs Water District Strategic Plan, which builds on the past year's success and provides guidance for the future.

General Manager Macy noted on Thursday, a short presentation was given to propose changes to the Strategic plan. This was a one-year update, as agreed upon during the initial process in March 2024. While there were not many changes to the document, key performance measures were added to the water supply smart goal number two, specifically item 2.3, which involves continuing to implement the MSWD groundwater quality protection project. This project is a comprehensive water resource management effort aimed at eliminating known pollutant sources. It was noted that the Vice President had a change on item six of 2.3, which was not included in the document. Ms. Champion sent a message indicating that this change would be applied.

The motion to review and adopt the updated MSW strategic plan includes a change to remove the 50% match requirement for item 2.3.6. The revised statement will now read: "Work with local, state, and federal partners to obtain funding for current and future assessment districts," ensuring that the plan does not limit itself to specific funding percentages.

Motion made by Vice President Griffith, Seconded by President Sewell.

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

Voting Abstaining: Director Mayrhofen

DISCUSSION ITEMS

CRITICAL SERVICES CENTER AND ADMINISTRATION BUILDING UPDATE

General Manager Brian Macy discussed their recent engagement with the City regarding various projects, including the Critical Services Center. They are collaborating with the City to ensure adequate fire protection and the reconstruction of Park Lane. The City proposed two options depending on the availability of a right-of-way easement from the school. The team agreed to sign a development agreement to proceed with the project, which includes designing the water line and pavement. The housing development's design is still in progress, and the team is considering waiting for a better plan. The development impact fees could range from \$160,000 to \$200,000. Mr. Macy emphasized the importance of securing rights and conforming to the City's conditions of approval. Questions were raised about storm drain installation, equipment relocation from Horton Yard, and the timeline for the school district's approval. The team is working on a master plan to outline the financial strategy for the building and other capital improvement projects.

GROUNDWATER PROTECTION PROGRAM UPDATE AD-18 AREA D-3 SEWER DISCUSSION

Director of Operations Danny Friend provided an update on the Groundwater Protection Program, focusing on three projects around the Nancy Wright facility. The conveyance line has been completed, and the Nancy Wright facility is now accepting flow. Danny shared videos demonstrating the process, highlighting the successful startup on February 26th. The team moved approximately 314,000 to 320,000 gallons of mixed liquor from the Horton plant to the Dos Palmas lift station, with the process running smoothly. In wastewater treatment, "mixed liquor" refers to the combination of raw or partially treated sewage and activated sludge within an aeration tank, which forms the basis for the biological treatment process where microorganisms break down organic matter. The video sequences showed the transition from clear water to mixed liquor, indicating the system's effectiveness. The decant buoy was explained, which helps maintain the water level in the tanks. The treated water is then discharged into retention ponds. The conversation concluded with a discussion on the clarity of the water and the successful test run of the system.

AD-18 AREA D-3 SEWER DISCUSSION

General Manager Macy opened a discussion on the Area 818 sewer project, which was added to the agenda following a recent workshop. The project faced higher-than-expected costs, making the typical 50-50 cost split unfeasible. The board discussed two grants: a \$78,000 grant that will be extended

through September 30th and an \$800,000 grant that is set to expire next year. The increase in construction costs prompted discussion on whether to proceed with the project, seek additional funding, or create a new assessment district. Engineering Manager Eric Weck presented options, including reallocating grant funds to other projects. The board debated the feasibility of moving forward with the project under current funding conditions and the potential need for a broader discussion on all assessment districts. The discussion concluded with a consensus to explore reallocating grant funds and further talks on assessment districts.

2024 ANNUAL UPDATE ON VACANCIES

Human Resources Manager Oriana Hoffert discussed the vacancy recruitment and retention efforts in compliance with California's new law AB 2561. AB 2561 adds a section to the Mayor Mia Brown Act (MMBA), which governs labor-management relations in California local governments. The MMBA requires public agencies to meet and confer in good faith with recognized employee organizations and consider representations from labor organizations before making policy decisions or adopting a final budget. AB 2561 applies to all public agencies subject to the MMBA, regardless of whether the agency has any represented employees. The law took effect on January 1, 2025, and requires public agencies to present the status of vacancies and recruitment and retention efforts during a public hearing before the governing board at least once per fiscal year. The presentation must identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process.

For the calendar year 2024, the district had a total vacancy of 20 open positions, resulting in a 37% vacancy rate. This high rate was partly due to successful succession planning, which created a domino effect of internal promotions and transfers. The district demonstrated its commitment to developing talent, ensuring continuity, and minimizing disruption while retaining institutional knowledge. Currently, there are five open positions, with three staffed by temporary or interim employees. Recruitment efforts involve posting on popular online job boards, specialized job boards, as well as trade schools and universities. The district also highlights its comprehensive benefits package, which includes health benefits, professional development, tuition reimbursement, certification pay, and incentive pay.

Retention efforts include offering competitive compensation and benefits, conducting regular salary reviews, and considering employee requests by reviewing benefits against those of comparable agencies. The district supports continuous learning through tuition reimbursement and educational incentives. A positive workplace culture is fostered through formal recognition programs, informal public praise, health and wellness incentives, and employee events. Potential roadblocks to filling positions include labor market conditions, water industry-specific shortages, and wage levels. The district may need to adopt a compensation strategy that allows for above-market pay to address challenges in filling critical roles.

CONSENT AGENDA

Motion made by Director Martin, Seconded by President Sewell.

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

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

February 4, 2025 - Special Meeting Workshop

February 13, 2025 - Study Session

February 18, 2025 - Board Meeting

REGISTER OF DEMANDS

The register of demands totaling \$2,600,995.99

REPORTS

DIRECTOR'S REPORTS

Director Martin reported attending the following meetings and events: 2/4 DHS City Council Meeting, 2/6 DVBA Legislative Meeting, 2/8 Air Museum Gala Fundraiser, 2/10 DVBA Board Meeting, 2/18 DHS City Council Meeting, 2/24 Cabots Museum Board Meeting, 2/26 Tribal Authority Meeting, 2/26-2/28 Urban Water Institute Conference.

Director Mayrhofen reported attending the following meetings and events: 2/11 DHS Planning Commission Meeting, 2/24 CSDA Webinar, 2/25 CSDA Webinar, 2/26-2/28 Urban Water Institute Meeting.

Director Duff reported attending the following meetings and events: 2/7 CSDA Professional Development Committee Meeting, 2/13 CVAG ~ CVCC & CVES Board Meetings, 2/18 CSDA Webinar, 2/24-2/25 CASA Legislative Conference, 2/26-2/28 ACWA Legislative Symposium.

Vice President Griffith reported attending the following meetings and events: 2/5 DWA Board Meeting, 2/24-2/25 CASA Legislative Conference, 2/26-2/28 ACWA Legislative Symposium.

President Sewell reported attending the following meetings and events: 2/6 RIVCO Flood Control & Water Conservation Meeting, 2/11 CVWD Board Meeting, 2/25 CVWD Board Meeting, 2/26-2/28 Urban Water Institute Conference.

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports:

A. Finance Report

B. Public Affairs Report

Director of Finance Arturo Ceja provided an update on the current financial information. It was noted that operating revenue is ahead of the budget, primarily due to higher-than-expected residential consumption and new connections using water. Operating expenses are below budget due to the

timing of stalled projects, with priority given to those tied to grants. Non-operating revenue is below budget due to the timing of grant reimbursements, while non-operating expenses are over budget because of investment losses that began in January. Despite these challenges, cash remains above last year's levels, with \$58 million available after accounting for the recently approved \$15 million by the board. This increase is primarily attributed to grants, including the major regional plan and the Skyborne project.

General Manager Macy noted the request for proposals for on-call accounting services. They received only one submittal and will be moving forward with it. The first year of service will span from now to the end of June. The on-call services will be utilized during times of high workload, particularly during the budget process and the implementation of major projects such as the ERP RFP and the long-range financial plan. The team emphasized the need for expertise in the new ERP and long-range financial planning for the district. The goal is to allow the team to focus on more significant projects while managing day-to-day tasks more efficiently.

COMMENTS

DISTRICT COUNSEL 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

Director Mayrhofen mentioned attendance at previous BIA meetings. He noted a local meeting here in the Coachella Valley in May and encouraged other Board members to attend.

Director Duff mentioned that she would like to have a conversation about the shift the Board may need to make regarding Assessment Districts.

Vice President Griffith noted he is having trouble printing his certificates from the CSDA website.

President Sewell requested the discussion about the Assessment District happen within the next couple of months.

ADJOURN

With no further business, President Sewell adjourned the meeting at 5:44 PM.

Respectfully submitted,

Dori Petee
Executive Assistant