



BOARD OF DIRECTORS REGULAR MEETING MINUTES

Monday, April 21, 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, Danny Friend, Oriana Hoffert, April Scott, Kurt Kettenacker,
Amanda Lucas, Will Whitten, 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

No public input

EMPLOYEE RECOGNITION

HUMAN RESOURCES REPORT

The Board acknowledged the following employees:

ANNIVERSARIES

Julio Martinez	Field Operations Technician II	2 Years
Adam Wagner	Water Production Operator II	3 Years
Lisa Pelton	Senior Customer Service Rep	22 Years

PROMOTIONS

Adrian Verdugo Perea

Field Operations Technician I to Field Operations Technician II

ACTION ITEMS**PUBLIC HEARING ~ RESOLUTION 2025-05 ~ TO COLLECT SEWER FEES ON TAX ROLL**

The Board adopted Resolution 2025-05, electing to collect sewer user fees on the tax roll.

President Sewell opened the Public Hearing and called for the Secretary's report: Notice of Public Hearing was published in the Desert Sun on April 8th and April 14th 2025. As of this afternoon there have been no comments or protests on this item.

General Manager Brian Macy gave the staff report: The sewer rates will remain unchanged, but the method of collection will be modified. The sewer charges for approximately 9,300 residential accounts will be added to the annual property tax rolls and collected by the County of Riverside along with property taxes. These charges will be received by the district annually in January and May. Residents will have the opportunity to prepay these charges to avoid them appearing on their property tax bill. This method of collection has been in place since 2015 and has proven to be cost-effective for the district.

There was no public comment.

During the board discussion, it was clarified that residents can prepay the amount by August 1st to avoid it being added to the tax roll. It was also noted that the county pays upfront, ensuring that the district's maintenance and operations are not affected by non-payment.

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

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

RESOLUTION 2025-06 ~ AUTHORIZING AGENTS FOR THE STATE AND LOCAL CYBERSECURITY GRANT PROGRAM (SLCGP)

The Board adopted Resolution 2025-06 authorizing the following positions within Mission Springs Water District to apply for federal disaster assistance on behalf of the District: General Manager, Assistant General Manager, Director of Finance and Director of Operations.

Nothing further to add.

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

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

AUTHORIZATION FOR AUGMENTATION OF THE CAPITAL BUDGET

The Board authorized the General Manager to augment the capital budget for Job #11776, the Energy Conservation and Efficiency Services Plan, by \$405,000, increasing the total budget from \$150,000 to \$555,000.

General Manager Brian Macy explained that the item is related to the solar project, which involves installing new solar fields to complement the existing ones. The costs will cover legal, inspection, design, and consulting services. Director Martin inquired about the power generated by the solar field and its usage, confirming that it is strictly for the Mission Springs Water District to offset expenses. Danny Friend, Director of Operations, clarified that the power generated from the project will benefit the district and not private concerns. Director Martin expressed concerns about the location of the solar panels and their impact on future property use. The General Manager assured that the footprint for the Horton plant remains sufficient for future expansion. Director Duff asked about the consulting contract with Kenwood Energy and whether it would need an increase. The General Manager had not yet clarified this but mentioned ongoing discussions. Vice President Griffith inquired about the area next to the existing solar and its impact on future expansion, which was confirmed to remain unaffected.

Motion made by President Sewell, Seconded by Director Martin.

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

Voting Nay: Director Mayrhofen

ACCEPTANCE OF THE 2025 WATER AND WASTEWATER MASTER PLANS

The Board of Directors received and filed the 2025 Water and Wastewater Master Plans; and will use the 2025 Water and Wastewater Master Plans as documents for developing Capital Improvement Project schedules, policies and budgeting guidelines.

General Manager Brian Macy presented both plans that were included in the board packet. Eric Weck Engineering Manager, noted that some page numbers might be off in section one, but assured that all other changes had been updated. The board members asked questions about CIP15 and whether the master plans would be living documents that evolve over time. Mr. Weck confirmed that the plans would be updated as needed and mentioned that the last master plan was done in 2008.

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

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

CONTRACT AMENDMENT NO. 2 WITH TOM DODSON & ASSOCIATES FOR ON-CALL ENVIRONMENTAL CONSULTING FOR PREPARATION OF CALIFORNIA ENVIRONMENTAL QUALITY ACT DOCUMENTS OF THE GROUNDWATER QUALITY PROTECTION PROGRAM

The Board authorized the General Manager to negotiate and execute a contract amendment with Tom Dodson and Associates in the amount of \$97,750.00 to prepare technical analysis and studies that meet California Environmental Quality Act, and National Environmental Protection Act conditions with a 10% contingency in the amount of \$9,775.00 for a not to exceed contract amount of \$241,925.00.

Nothing further to add.

Motion made by Director Martin, Seconded by Director Mayrhofen.

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

CONTRACT AMENDMENT WITH DOWNING CONSTRUCTION, INC., AND BUDGET AUGMENTATION FOR THE CONSTRUCTION OF THE REGIONAL SEWER CONVEYANCE LINE

The Board authorized the General Manager to execute a Contract Amendment with Downing Construction, Inc. for additional costs due to unforeseen tasks and field issues during construction of the Regional Sewer Conveyance Line for a not to exceed amount of \$138,932.59.

Director Duff raised concerns about the project's budget, noting that the initial contract from 2022 had undergone multiple change orders, resulting in a total increase of \$730,000. She questioned whether the issues causing these changes were truly unforeseen and sought assurance that the project would be completed by May 30th. Eric Weck responded, clarifying that the remaining work involves the diversion structure near Horton and that there are no further burrowing owl issues. He confirmed that the project should be completed within three to four months once the board of directors gives the green light. Director Mayrhofen inquired about the implications of voting against the current proposal, which would necessitate restarting the contractor selection process and potentially delaying completion until the end of the year. Further discussion revealed discrepancies in the completion date, with some documents indicating May 30th and others suggesting the end of June 6. Additionally, it was noted that the insurance statements in the contract had expired, but staff assured that updated copies would be provided.

Motion made by President Sewell, Seconded by Director Martin.

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

Voting Nay: Director Duff

REJECTION OF CONSTRUCTION BIDS FOR THE GQPP AD-18 AREA D-3 SEWER CONSTRUCTION AND WATER LINE REPLACEMENT PROJECT

The Board rejected all bids and did not proceed with the Area D-3 Sewer Construction and Water Line Replacement Project due to increased construction costs.

Nothing further to add.

Motion made by Director Martin, Seconded by Director Duff.

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

FIRST AMENDED AND RESTATED GENERAL MANAGER/CHIEF ENGINEER EMPLOYMENT AGREEMENT

The Board approved the First Amended and Restated General Manager/Chief Engineer Employment Agreement between Mission Springs Water District and Brian Macy.

General Counsel noted the General Manager Macy recused himself from the discussion and voting of this item. He also noted minor changes to the terms of the employment agreement and listed those changes. The changes to the contract include extending the term by one year, so it will now expire on February 8, 2028, instead of 2027. Additionally, Article Two has been revised to include a new subsection C, which introduces a cap on cost-of-living increases at 5%. Previously, there were only

subsections A and B, which put a cap on compensation and cost of living adjustments. The dates in the document have also been updated to reflect today's date.

Motion made by President Sewell, Seconded by Director Mayrhofen.

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

DISCUSSION ITEMS

GROUNDWATER PROTECTION PROGRAM UPDATE

The construction management consultant, Steve Ledbetter of TKE Engineering, provided an update on the groundwater protection program. The regional wastewater treatment plant project was discussed, highlighting that operations began in February and the commissioning period is nearing completion. The plant performance testing period will start soon, requiring the plant to meet all stipulations of the waste discharge permit. Preliminary sampling results indicate that performance requirements are being met. Operations staff have begun testing different scenarios to optimize plant efficiency. The regional sewer conveyance line project is progressing, with the contractor expected to start work within two months. The area M2 sewer project is also moving forward, with updated air quality impact analysis being prepared to achieve state approval for bidding and construction.

CRITICAL SERVICES CENTER AND ADMINISTRATION BUILDING UPDATE

General Manager Macy provided a brief update. The team is collaborating with the consultant to design the water main to the site and improve the roadway. They are also working on a development agreement with the city to outline any reimbursable items related to the water main or roadway improvements. The goal is to present this agreement in May.

CONSENT AGENDA

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

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

*Director Duff abstained from voting to approve the minutes (Item 22) as she was not in attendance.

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

March 11, 2025 - Special Meeting Workshop Minutes

March 13, 2025 - Study Session Minutes

March 17, 2025 - Board Meeting Minutes

REGISTER OF DEMANDS

The register of demands totaling \$2,603,339.31

BOARD COMPENSATION

It is recommended to consider Board compensation for the following event:

CWEA Awards Luncheon, April 24, 2025, All Board Members

REPORTS

DIRECTOR'S REPORTS

Director Martin reported attending the following meetings and events: 3/4 DHS City Council Meeting, 3/6 DVBA Legislative Meeting, 3/7 Swearing In – Senator Bogh, 3/18 DHS City Council Meeting, 3/19 DVBA Luncheon, 3/20 Rotary Big Heart Awards, 3/24 Cabot's Museum Board Meeting, 3/25 DHS Police Department Annex Groundbreaking, 3/27 RivCo Senior Inspiration Awards, 3/28 Food Now Chili Cook Off Fundraiser.

Director Duff reported attending the following meetings and events: 3/5 AWWA Emergency Preparedness Modeling Webinar, 3/12 AWWA Chloride Dioxide Webinar, 3/18 CSDA Grant Funding and Planning Webinar, 3/19 AWWA New Admin New Congress Webinar, 3/26 San Geronio Pass Regional Water Alliance Meeting, 3/27 RivCo Senior Inspiration Awards, 3/28 AWWA Rethinking Reserves Webinar.

Vice President Griffith reported attending the following meetings and events: 3/18 DWA Board Meeting, 3/26 ACWA Legislative Symposium, 3/27 RivCo Senior Inspiration Awards.

President Sewell reported attending the following meetings and events: 3/10 GCVCC Legislative Breakfast with Manny Perez, 3/25 CVWD Board Meeting, 3/26 ACWA Legislative Symposium, 3/27 RivCo Senior Inspiration Awards.

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports:

- A. Finance Report
- B. Public Affairs Report
- C. Well 42

General Manager Macy addressed concerns about the number of change orders for this project, noting that they are currently negotiating another change order related to electrical items and cost escalations for wire and labor. The board emphasized their dislike for change orders, but acknowledged that this issue is coming to a head and hopes to report positively next month. On a positive note, the board received almost \$4 million in reimbursements from the state, bringing the total outstanding amount to just over \$5 million. This reimbursement has improved our financial situation, reducing the delay in payments from six to nine months to just over four months. Lastly, Mr. Macy addressed two refund requests, explaining that one was due to an overpayment of \$1,000 and the other was an error where \$1,600 was paid instead of \$16.

COMMENTS

DISTRICT COUNSEL COMMENTS

DIRECTOR COMMENTS AND REQUESTS

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

Vice President Griffith highlighted the upcoming vote on AB Assembly Bill 942, scheduled for September 30th, which aims to change the current rules regarding solar energy. The bill proposes to eliminate NEM 1 and NEM2, similar to the recent changes with NEM3. Vice President Griffith urges everyone concerned about these changes to write to their assembly member and senator, encouraging them to vote no on AB 942 to protect their rights. The bill will be up for a vote in the Assembly Utilities and Energy Committee on April 30th.

President Sewell announced the MSWD Blood Drive on April 23rd and encouraged all to come out and support.

ADJOURN

With no further business, President Sewell adjourned the meeting at 4:00 PM

Respectfully submitted,

Dori Petee
Executive Assistant