



## CONTINUANCE #2 OF SEPTEMBER 18, 2023 REGULAR MEETING MINUTES

Thursday, October 12, 2023 at 3:00 PM

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

### CALL TO ORDER

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

*President Martin announced there are two meetings scheduled today. The first meeting will be a continued item from the September 18<sup>th</sup> & October 5<sup>th</sup> meetings, specifically PUBLIC HEARING ~ RESOLUTION 2023-21 ~ ENERGY SERVICE CONTRACT WITH ENGIE SERVICES U.S. At the conclusion of the continued meeting, we will take a short break and then begin our regularly scheduled study session meeting.*

### ROLL CALL

**BOARD MEMBERS PRESENT:** President Russ Martin, Vice President Ivan Sewell, Director Robert Griffith, Director Amber Duff, Director Ted Mayrhofen

**STAFF MEMBERS PRESENT:** Brian Macy, Marion Champion, Arturo Ceja, Danny Friend, Dori Petee, April Scott, Oriana Hoffert, Eric Weck, Amanda Lucas

### ACTION ITEMS

#### **PUBLIC HEARING ~ RESOLUTION 2023-21 ~ ENERGY SERVICE CONTRACT WITH ENGIE SERVICES U.S.**

The Board rejected Resolution 2023-21, Energy Services Contract with ENGIE Services U.S., to design, build and perform operations and maintenance services on the Comprehensive Energy and Sustainability Upgrades project.

Ashu Jain of ENGIE noted ENGIE further negotiated the contract and reduced it further by \$175,000.

Interim General Manager, Brian Macy, noted the changes that relate to the reduced contract amount.

Director of Finance, Arturo Ceja, gave the financial presentation associated with this contract and fielded questions from the Board. He noted that this presentation also relates to item #8 on the agenda of the next meeting. That item will only be heard if this Resolution/contract is approved. Mr. Ceja noted that in the financial review, staff found many situations and issues that must be resolved before moving forward with the loan. Mr. Ceja explained the loan and the estimated cash flow, the loan taken would be approximately 28 million dollars for a projected cash flow of only 22.9 million dollars. He further explained parity debt, where we need approval from our current loans to move forward with this loan. Three of the District's current loan holders do not want to extend that courtesy and are requiring us to pay off those loans in order to move forward. The three loans total \$4.3 million dollars. Bank of America (B of A) has said they would take over those loans so we can move forward, which would increase our loan amount. Having B of A take over those loans increases the loan amount to \$32 million dollars for a projected cash flow of \$18 million dollars.

Tim Holmes of Kenwood Energy assisted in answering questions from the Board.

Jeff Bowman, 20-year resident of Desert Hot Springs, former member of the MSWD Board of Directors and current Director of the Board for Desert Water Agency. His comments included admiration for wanting to save the rate payers money and suggested we research doing this project on a smaller scale or in pieces.

President Martin closed the Public Hearing.

After a lengthy discussion the Board moved to vote. President Martin made a motion to approve the Resolution, it died for a lack of a second.

Motion to deny the Resolution was presented.

**Motion made by Director Griffith, Seconded by Director Mayrhofen.**

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

**Voting Nay:** President Martin

### **ADJOURN**

With no further business, President Martin adjourned the meeting at 4:01 PM

Respectfully,

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Dori Petee  
Executive Assistant