



BOARD OF DIRECTORS SPECIAL MEETING (WORKSHOP) MINUTES

Tuesday, May 06, 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 Amber Duff
Director Ted Mayrhofen

BOARD MEMBERS ABSENT: Vice President Robert Griffith

STAFF MEMBERS PRESENT: Brian Macy, Marion Champion, Danny Friend, Arturo Ceja, Charles Bell,
David Baraza, Theresa Murphy, Will Whitten, Amanda Lucas, Dori Petee

PLEDGE OF ALLEGIANCE

Led by Director Martin

PUBLIC INPUT

No public input

ITEMS FOR DISCUSSION

ACWA ELECTION PROCESS FOR 2026-27 – NOMINATIONS

The board reviewed two memos from ACWA, one specific to the president and vice president positions, and the other concerning the election process for Region 9. A timeline of dates and expectations was provided. It was noted that the election process for Region 9 involves selecting board members, the Chair, and the Vice Chair positions. The board members discussed the nomination process, including the submission of documents by June 20th. Historically, the positions of president and vice president have been filled by current ACWA Board Members; however, there have been instances where new members were elected directly to these positions. The board agreed to review the information and discuss it further in the upcoming board meeting or the June workshop, with a decision to be made before June 20th.

LONG-RANGE FINANCIAL PLAN

John Wright from Raftelis, along with Ellyse Ritchie, presented the development of financial plans and a cost of service study for the district. The presentation covered the project scope, including the development of water and sewer financial plans for both 10-year and 30-year planning horizons, rate design assistance, and preparation of Prop 218 notices and hearings. The rate study process involves understanding the district's financial situation, its long-term Capital Improvement Program (CIP), and potential changes to the rate structure. The financial planning strategy aims to achieve small, smooth, and predictable rate increases, possibly incorporating external debt financing and other sources of cash inflows.

The presentation projected revenues at current rates, inflation-adjusted costs, and identified a revenue shortfall. The optimal financing strategy includes revenue from rates, potential debt revenue, grants, and capacity fees to close the funding gap. The financial planning process is iterative, involving scenario analysis and adjustments based on the governing body's preferences. The district's FY26 budget assumptions include 2.1% customer account growth and slight declines in per-account water consumption. The presentation also covered the projection of water and sewer revenue items, operating costs, and the need to maintain adequate cash reserves and meet debt service coverage requirements.

The board discussed the accuracy of the 2.1% customer growth estimate and the need for more conservative projections. They also considered the impact of utility cost escalation assumptions and the importance of maintaining cash reserves. The board expressed a preference for conservative rate schedules that include all CIP projects and emphasized the need for customer education and outreach. The presentation concluded with a discussion on potential scenarios for financial planning, including the status quo, rate revenue increases, and a combination of rate revenue and external debt financing.

The Board agreed to review the financial planning scenarios in upcoming workshops and to develop a comprehensive plan for the next six months.

PROCUREMENT POLICY

Assistant General Manager Marion Champion presented an update on the procurement policy. She highlighted the need to consolidate various policies into a single master policy, along with related sub-policies, to improve clarity and consistency across departments. The updates aim to enhance staff guidance, reduce organizational risk, and facilitate smoother onboarding for new employees. The presenter also mentioned the alignment of the updated policies with the new contracts analyst's role and the use of OpenGov software. Additionally, the updates support transparency efforts required for CSDA and district of distinction certifications. Key changes include adjustments to signing authority, competitive bidding guidelines, and the inclusion of credit cards in the procurement authorization table. The updates also address petty cash fund limits, hand-delivered check requests, and vendor processing policies. Ms. Champion emphasized the importance of collaboration in finalizing the document and welcomed feedback from staff. The meeting concluded with a brief discussion on specific policy details and the need for further review and clarification.

COMMENTS

GENERAL MANAGER'S COMMENTS

General Manager Macy reiterated the invitation to the Board to the Employee Appreciation Luncheon.

DIRECTOR COMMENTS AND REQUESTS

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

Director Mayrhofen expressed his regrets for not being able to make the Employee Appreciation Luncheon, but thanked the staff for the effort and work they put in.

Director Duff asked staff to look into the after-hours phone system; She expressed a longer than usual wait time when calling in after hours, which is not conducive to customers' needs.

President Sewell also expressed his regrets for not being able to make the employee event and expressed his appreciation for the staff.

ADJOURN

With no further business, President Sewell called the meeting to order at 10:36 AM

Respectfully submitted,

Dori Petee
Executive Assistant