



BOARD OF DIRECTORS REGULAR MEETING MINUTES

Monday, July 21, 2025 at 3:00 PM

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

CALL TO ORDER

Vice President Griffith called the meeting to order at 3:00 PM.

ROLL CALL

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

BOARD MEMBERS ABSENT: President Ivan Sewell

STAFF MEMBERS PRESENT: Brian Macy, Marion Champion, Danny Friend, Kurt Kettenacker, Oriana Hoffert, Nate Mather, Charles Bell, Amanda Lucas, Eric Weck, William Whitten, Dori Petee

PLEDGE OF ALLEGIANCE

Led by Director Russ 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

Richard Andrade	Field Operations Technician I	1 Year
Adrian Gaona	Field Service Representative I	3 Years
Michael Moore	Field Operations Technician II	6 Years

CERTIFICATIONS/EDUCATIONAL ACCOMPLISHMENTS

Charles Bell Master of Business Administration Walden University

ACTION ITEMS

RESOLUTION 2025-17 ~ AMENDING THE CODIFIED MISSION SPRINGS WATER DISTRICT PERSONNEL RULES AND REGULATIONS TITLE 3 - PERSONNEL

The Board adopted Resolution 2025-17, updating the codified Mission Springs Water District (MSWD) Personnel Rules and Regulations, Title 3 - Personnel.

Staff provided a report at the Study Session on Thursday. One change requested by the Board has been made and is in the updated agenda packet. There was nothing further to add.

Motion made by Director Duff, Seconded by Director Martin.

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

ACCEPTANCE OF BILL OF SALE FOR SKYBORNE VILLAGE III, PHASE III WATER AND SEWER INFRASTRUCTURE

The Board approved the General Manager to execute the Bill of Sale for the Water and Sewer Infrastructure for the Skyborne Village III, Tract No. 32030-3 Phase III project located on North Candle Tree Lane, East Candle Tree Lane, South Parkwalk Lane, West Parkwalk Lane, Stardance Drive, Corsair Street, Nestings Curcle, and Hopewell Lane, west of Karen Avenue, north of Promenade Drive, in the City of Desert Hot Springs, as contributed assets.

Staff provided a report at the Study Session on Thursday. There was nothing further to add.

Motion made by Director Martin, Seconded by Director Mayrhofen.

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

ACCEPTANCE OF THE NANCY WRIGHT REGIONAL WASTEWATER RECLAMATION FACILITY CONSTRUCTION PROJECT

The board accepted the Water Reclamation Facility Project as complete and authorized the release of retention monies held for J.F. Shea Construction, Inc. in the amount of \$154,297.85 (as of June 30, 2025), including any subsequent escrow account interest accrued, thirty-five days after filing the Notice of Completion (NOC).

Staff provided a report at the Study Session on Thursday. Eric Weck, Engineering Manager, noted that staff reached out to the contractor to discuss the replacement landscaping. The contractor will secure new plants and ensure that the drip irrigation is functional for those plants, in addition to the ones already there.

Motion made by Director Martin, Seconded by Director Mayrhofen.

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

PUBLIC WATER AND SEWER SYSTEMS CONSTRUCTION AGREEMENTS AND WATER AND SEWER BONDING AGREEMENT FOR THE 13500 LITTLE MORONGO ROAD DEVELOPMENT

The Board approved the Public Water and Sewer Systems Construction Agreements and the Water and Sewer Bonding Agreement for the 13500 Little Morongo Road Development (Project) and authorized the General Manager to do all things necessary to complete the agreements.

Staff provided a report at the Study Session on Thursday. There was nothing further to add.

Motion made by Director Martin, Seconded by Director Duff.

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

CONTRACT AMENDMENT WITH RAFTELIS FINANCIAL CONSULTANTS, INC. FOR ADDITIONAL WATER/SEWER CONNECTION FEE AND WATER/SEWER STANDBY FEE COST-OF-SERVICE REVIEW SERVICES

The Board authorized the General Manager to execute a contract amendment with Raftelis Financial Consultants, Inc. for additional water/sewer connection fee and water/sewer standby fee cost-of-service review services. This amendment will increase the contract amount by \$37,667.30, which includes a 10% contingency, revising the total contract amount from \$96,000 to a not-to-exceed amount of \$133,667.30.

Staff provided a report at the Study Session on Thursday. Staff presented an updated schedule for the Water and Wastewater Connection Fee Study and the Water and Wastewater Standby Charges. Director Duff expressed her disappointment in the timeline extensions.

Motion made by Director Martin, Seconded by Director Mayrhofen.

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

ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) COMMITTEE NOMINATIONS FOR THE 2026-2027 TERM

The Board considered nominating a candidate or candidates to serve on one or more of ACWA's standing committees.

Director Duff is interested in the State Legislative Committee as her first choice and the Federal Legislative Committee as her second.

Motion made by Director Martin, Seconded by Director Mayrhofen.

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

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS ELECTION BALLOT - TERM 2026-2028; SEAT B - SOUTHERN NETWORK

The Board considered one (1) of three (3) candidates nominated to serve on Seat B in the Southern Network, and directed the General Manager to vote for the selected candidate.

The Board concurred on a nomination for Jason Dafforn.

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

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

DISCUSSION ITEMS

CRITICAL SERVICES CENTER AND ADMINISTRATIVE BUILDING UPDATE

Staff provided a report at the Study Session on Thursday. There was nothing further to add.

GROUNDWATER PROTECTION PROGRAM UPDATE

Staff provided a report at the Study Session on Thursday. There was nothing further to add.

CLEAR COMMITTEE UPDATE

Staff provided a report at the Study Session on Thursday. There was nothing further to add.

CONSENT AGENDA

Director Duff pulled the Register of Demands for questions, about three mentions regarding Bee Hive removal. Were they on MSWD property or a customer's property? Mr. Friend noted the removal was on MSWD properties.

More details on the transaction contract for Pay Near Me.

Motion made by Director Martin, Seconded by Director Duff.

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

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

June 3, 2025 - Special Meeting Workshop

June 12, 2025 - Study Session

June 16, 2025 - Board Meeting

REGISTER OF DEMANDS

The register of demands totaling \$2,662,195.62

BOARD COMPENSATION

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

BIASC Southern California Water Conference (Double Tree Hotel Ontario), August 8, 2025, All Board Members

REPORTS

DIRECTOR'S REPORTS

Director Martin reported attending the following meetings and events: 6/3 DHS City Council Meeting, 6/5 DVBA Legislative Meeting, 6/9 DVBA Board Meeting, 6/17 DHS City Council Meeting, 6/19 DVBA Member Appreciation Night, 6/23 Cabot's Museum Board Meeting, 6/25 Tribal Water Board Meeting.

Director Mayrhofen reported attending the following meetings and events: 6/4 AWWA Webinar, 6/10 CSDA Webinar.

Director Duff reported attending the following meetings and events: 6/5 CSDA Professional Development Committee Meeting, 6/10 CSDA Webinar, 6/11 ACWA State Legislative Subcommittee Meeting, 6/12 CVAG Conservation Committee Meeting, 6/26 CSDA Sexual Harassment Prevention Training, 6/30 CVAG General Assembly.

Vice President Griffith reported attending the following meetings and events: 6/3 DWA Board Meeting, 6/17 DWA Board Meeting, 6/30 CVAG General Assembly.

GENERAL MANAGER'S REPORT

General Manager Macy expressed appreciation to the board for their ongoing commitment to staff training. This commitment enabled the use of artificial intelligence, as demonstrated in the recent PowerPoint presentation. The general manager shared insights from the CSDA general manager summit, highlighting the benefits of AI tools like Microsoft co-pilot and various AI-based websites. These tools are expected to enhance transparency and outreach capabilities. Mr. Macy personally thanked the Board, noting that the AI tools have significantly improved business processes, saving both time and money. The report concluded with a mention of the cost-effectiveness of these tools, emphasizing their value in streamlining tasks and ensuring accuracy.

Director Duff had a question on the general manager's report, focusing on a development project. Concerns were raised about the project's lack of proper connection to the sewer facilities, which led to the city's decision to allow the use of porta-potties and a buried tank. The city has been issuing occupancy permissions despite the water district's refusal, causing frustration and disappointment. The discussion highlighted the importance of protecting the water resource and ensuring proper connections. It was noted that the city has the authority to issue holding tanks, but these are only temporary solutions. The regional board and the state have set a two-year limit for these tanks. The water district is actively monitoring the situation, sending letters to the regional board, and working to rectify the issues. The importance of including previous correspondence in future communications was emphasized to ensure all parties are aware of the reasons for the initial refusal of occupancy.

Director Duff's second question was on Project Vento. The main point raised was whether the final walk-through would be conducted solely by the contracted inspector or if staff members would also be involved. It was clarified that both the collection staff and wastewater staff would participate in the final walk-through, as the pump station is located on their property. This involvement ensures that both operations and collection staff can review the final punch list. Additionally, Vice President Griffith noted a reminder to use the correct legal name, "Between the Springs," in all legal documents, as there had been a cease and desist regarding the name "Coachillin."

Included in this report are the following oral reports:

A. Finance Report

General Manager Brian Macy presented the financial report for the period ending May 31, 2025. The report highlighted that the operating revenue was \$19.2 million, exceeding the budget, while expenses were under budget by \$5.7 million. Non-operating revenue was \$12.5 million, with expenses at \$0.9 million, influenced by the delay in the M2 construction project and revenue from the Nancy Wright facility. The cash balance stood at \$66.8 million, up from the previous year's \$33 million, primarily due to grant payments. The report also noted that the Chrome 6 project funds were being accrued for future infrastructure needs. Director Martin raised a question about the significant drop in the escrow account, which was attributed to the repayment of loans. The discussion concluded with an acknowledgment of the financial decisions made to manage debt and future projects.

B. Public Affairs Report

Marion Champion provided a report highlighting the activities of the public affairs office over the past two months. Key events included the Desert Hot Springs High School graduation, the DHS Women's Club scholarship event, the Day of the Child event, and the Greater Coachella Valley Chamber of Commerce meet and greet. Additionally, the ribbon cutting for the Desert Community Animal Center, as well as various conferences and membership appreciation events, were mentioned. Marion also emphasized the success of the Real Academy interns and the upcoming summer intern program. The partnership with the Coachella Valley Association of Governments to host a Civic Spark fellow was discussed, along with the employee appreciation event and the ongoing collaboration with the Desert Hot Springs Recreation Center. The meeting also covered the 2024 water quality report, the Small Changes, Big Impact campaign for billing statements, and the promotion of these changes through social media and traditional media channels. The presentation concluded with a preview of upcoming social media videos and a discussion on the importance of customer engagement and transparency in the district's operations.

C. Industrial Pre-Treatment Program

General Manager Macy presented on the industrial pre-treatment program. The implementation of monthly testing for all pre-treatment customers was discussed, highlighting the need to align with water and sewer ordinances to ensure wastewater discharge compliance. The updated pre-treatment limits based on regional board standards were mentioned, along with the enforcement actions and fines issued to ensure regulatory compliance. The process of issuing fines and the involvement of the legal team in ensuring proper protocol were also covered. The current and proposed fine amounts were discussed, with a plan to bring a policy to the board to allow for more regulated fines. The fines collected will be non-restricted revenue, potentially used for water quality initiatives. The presentation concluded with a discussion on improving enforcement, streamlining the billing process, and evaluating the strategic use of fines to support water quality initiatives.

COMMENTS

DISTRICT COUNSEL COMMENTS

No District Counsel comments

DIRECTOR COMMENTS AND REQUESTS

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

Vice President Griffith thanked Pheadra for joining us. Additionally, he noted a CV Link Survey and urged all DHS residents to fill out this survey.

ADJOURN

With no further business, Vice President Griffith adjourned the meeting at 4:17 PM.

Respectfully submitted,



Dori Petee
Executive Assistant