



BOARD OF DIRECTORS REGULAR MEETING STUDY SESSION MINUTES

Thursday, April 15, 2021 at 3:00 PM
Via Teleconference – No Live Attendance

CALL TO ORDER

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

ROLL CALL

BOARD MEMBERS PRESENT: President Nancy Wright, Director Randy Duncan, Director Steve Grasha
Vice President Russ Martin, Director Ivan Sewell

STAFF PRESENT: Wallum, Macy, McCue, Friend, Llort, Lucas, Ceja, Hoffert, Scott, Santos

RULES OF PROCEDURE

Rules of Procedure were ready by General Counsel, John Pinkney.

First all noticed meetings are conducted using Rosenberg's Rules of Order as procedural guidance. Directors should refrain from responding directly to public comment at meetings of the Board. 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 persons shall be allowed to speak who is 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 upon 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 comment

COVID-19 UPDATE

Mr. Wallum gave a brief COVID-19 update.

EMPLOYEE RECOGNITION

President Wright briefly mentioned the employees being acknowledged. There will be a full acknowledgement on Monday.

PUBLIC HEARING (MONDAY, 4/19/2021) RESOLUTION 2021-05 - TO COLLECT SEWER FEES ON TAX ROLL

It is recommended to adopt Resolution 2021-05, electing to collect sewer user fees on the tax roll.

Mr. Wallum provided a brief background on this routine, yearly item. Action on this item adds the sewer user fees to the County Tax Roll.

Mr. McCue added that there is approximately \$6.3 million of sewer charges being added to the tax roll. He also mentioned that due to a clerical error one of the reports was omitted from today's packet, it will be included in Monday's packet.

SELECTION OF DISTRICT FINANCIAL STATEMENT AUDITORS

It is recommended to approve a three-year contract with Rogers, Anderson, Malody & Scott, LLP to provide the financial statement audit for fiscal years ending June 30, 2021, 2022 and 2023 and authorize the General Manager to engage the firm and do all things necessary to complete the audit.

Mr. Wallum noted that every six years we are required to change auditors. Mr. McCue added the District conducted an RFP (Request for Proposal) process to select this firm.

CV WATER COUNTS REGIONAL CONSERVATION GRANT PROGRAM

It is recommended to authorize the General Manager to enter into a Memorandum of Understanding (MOU) for the implementation of the CV Water Counts Conservation Grant Program awarded through Proposition 1, Round 1 for MSWD's rebate programs.

Victoria Lloret presented to the Board. She noted this agreement is standard and allows for Prop 1 Round 1 funds for our conservation program of toilet and turf rebates. CVWD is the grant administrator for the group.

ACCEPTANCE OF THE PURCHASE AND IMPLEMENTATION OF ADVANCED METERING INFRASTRUCTURE SYSTEM PROJECT

It is recommended to accept the Purchase and Implementation of Advanced Metering Infrastructure System ("AMI") project as complete and authorize the release of retention money held for Ferguson Enterprises, LLC. ("Ferguson"), in the amount of \$41,417.66, thirty-five days after filing the Notice of Completion (NOC).

Mr. Wallum reminded the Board that he announced at the last meeting that the meter project was complete. The action today issues the notice of completion.

Mr. McCue noted this action is strictly a formality and will release the remainder of funds to the contractor. This project came in slightly one million dollars under budget. Three hundred thousand dollars in grant funding will be received on this project.

HUMAN RELATIONS COMMITTEE REPORT

It is recommended that the Board provide direction on employee suggestions for the 2021-22 fiscal year.

Director Duncan, Committee Chair, gave a brief presentation to the Board. He summarized the original list of requests and noted that all but one can be handled at the executive staff level.

MSWD staff identified one item for consideration by the HR Committee:

-Compensatory time to be sold back throughout the year.

Currently, accrued compensatory time can be used throughout the year, but only sold back at the end of the fiscal year. Employees would be able to sell back at their need throughout the year.

ADMIN/CORP YARD BUILDING UPDATE

Update will take place on Monday.

MSWD REGIONAL WATER RECLAMATION FACILITY UPDATE

Steve Ledbetter, of TKE Engineering, presented an update to the Board. This oral update differs slightly from the written update in the packet due to new developments. SRF update: draft funding agreement has been hit with delays, not expected until sometime next month. This delay also affects the construction eligibility date.

REGIONAL URBAN WATER MANAGEMENT PLAN UPDATE

Steve Ledbetter of TKE Engineering provided this update as well. Additional requirements to this program include a five-year Drought Risk Assessments, Seismic Risk Assessment, Water Shortage Contingency Plan Coordination with SGMA Efforts and Climate Change.

CONSENT AGENDA

Consent agenda items are expected to be routine and non-controversial, to be acted upon by the Board at one time, without discussion. If a member would like an item to be handled separately, it will be removed from the Consent Agenda for separate action.

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

Study Session - March 11, 2021

Board Meeting - March 15, 2021

REGISTER OF DEMANDS

The register of demands totaling \$2,358,279.68.

MAKE THE CONNECTION FINANCIAL ASSISTANCE PROGRAM APPROVAL

The following have submitted an application for a non-transferable lien agreement to connect to the sewer system:

68360 Calle Cerrito - \$3,800.00

BOARD EVENT APPROVAL

It is recommended to authorize Board to attend the following event: The District will reimburse for the cost of the event, no stipend (compensation) will be provided.

- Palm Springs Air Museum 25th Anniversary Celebration.

CORRESPONDENCE - THANK YOU LETTERS**UPCOMING EVENTS & DIRECTORS' REPORTS**

President Wright reported she attended the following event: 3/4 ACWA Groundwater Committee Mtg.

GENERAL MANAGERS' REPORT

Mr. Wallum noted that the District is beginning the process of notifying and assisting customers with delinquent bills accrued during the pandemic.

Victoria Llort highlighted a few public relation items.

FINANCIAL REPORT

Matt McCue gave the financial report for the period ending January 31, 2021. He corrected a clerical error on the summary page of the report.

Net Operating Income (Loss) – variance from Budget	\$1,326,291
Net Non-Operating Income (Loss) – variance from Budget	\$(6,068,155)
Net Income (Loss) – variance from Budget	\$(4,741,864)
<i>Cash</i>	
Increase (Decrease) in Cash	\$3,606,454
Balance of Cash at beginning of year (July 1)	\$ 34,708,247
Balance of Cash at end of period	\$ 38,314,701
Unrestricted Cash	\$ 7,256,673
<i>Restricted Cash</i>	
Capital Reserve Fund	\$30,077,334
Other Restricted Cash	\$31,058,028
Cash in Custody of MSWD	\$ 38,314,701

DISTRICT COUNSEL REPORT

Mr. Pinkney announced closed session on one of the items listed below, Conference with Real Property Negotiator.

DIRECTOR COMMENTS

Director Grasha noted a meeting between MSWD and the City and asked for an update. Mr. Wallum noted that this meeting has not yet taken place.

Director Sewell commented on the tour of the PSUSD building and confirmed that we sent a thank you to them for conducting the tour.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION

pursuant to Government Code Section 54956.9(d)(1).

One Case: Case No. PSC 1600676

(Mission Springs Water District vs. Desert Water Agency)

CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION

pursuant to Government Code Section 54956.9(d)(1)

One Case: Case No. RIC 2003782

(George Padilla and Sharon Moreno vs. Mission Springs Water District).

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

pursuant to Government Code Section 54956.8 (Property: 7.51 acres at 14866 Palm Drive, Desert Hot Springs). Agency Negotiator: General Manager Arden Wallum. Negotiating Parties: MSWD and Lee Woo Keun & Taik Young/Lee Chang Sun. Under Negotiation: Price and Terms

REPORT ON ACTION TAKEN DURING CLOSED SESSION

There was no reportable action.

ADJOURN

President Wright adjourned the meeting at 5:23 PM.

Arden Wallum
Secretary of the Board of Directors