



# BOARD OF DIRECTORS REGULAR MEETING STUDY SESSION MINUTES

Thursday, June 15, 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.

## ROLL CALL

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

**STAFF MEMBERS PRESENT:** Amanda Lucas, April Scott, Arden Wallum, Arturo Ceja, Brian Macy, Carol Morin, Chad Finch, Claudia Lopez, Danny Friend, Eric Weck, Jeff Nutter, Kurt Kettenacker, Lisa Pelton, Marion Champion, Oriana Hoffert, Rachel Pust.

## RULES OF PROCEDURE

**Rules of Procedure were read by General Counsel, John Pinkney.**

*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 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 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

This item will be fully recognized on Monday.

**ACTION ITEMS****PUBLIC HEARING (MONDAY 6/19/2023) - RESOLUTION 2023-09 ~ TO ESTABLISH WATER STANDBY ASSESSMENTS**

It is recommended to adopt Resolution No. 2023-09 making determination to fix, levy and collect water service standby assessments for fiscal year 2023-2024.

Pursuant to Water Code sections 31701 and 31701.5, account balances in excess of \$5.00 and more than 60 days delinquent are placed on the County tax rolls annually. Additionally, there are a few other items being added to the tax roll, customers who have connected to sewer. The code allows the District to go back up to three years.

Approximately \$613,846.19 of delinquent balances are proposed to be added to the 2023-2024 tax rolls.

**PUBLIC HEARING (MONDAY 6/19/2023) - RESOLUTION 2023-10 ~ TO ESTABLISH SEWER STANDBY ASSESSMENTS**

It is recommended to adopt Resolution No. 2023-10 making determination to fix, levy and collect sewer service standby assessments for fiscal year 2023-2024.

This item will be presented during the public hearing on Monday.

**RESOLUTION 2023-11 ~ ADDITION OF DELINQUENT ACCOUNTS TO COUNTY TAX ROLLS**

It is recommended to adopt Resolution No. 2023-11 requesting Addition of Delinquent Water and Sewer Charges and Other Fees of \$5.00 or more to the 2023-2024 Riverside County Tax Rolls.

This item will be presented during the public hearing on Monday.

**FISCAL YEAR 2023-24 BUDGET**

A. It is recommended to adopt Resolution No. 2023-12, adopting the Operating and Capital Budgets FY 2023-24.

B. It is recommended to adopt Resolution No. 2023-13, adopting its Appropriations Limit for FYE June 30, 2024.

C. It is recommended to adopt Resolution No. 2023-14, adopting its Employee Classification Plan effective July 1, 2023.

Arturo Ceja gave a brief overview of the budget process. The California Water Code requires that a budget be adopted by the Board by June 30. The 2023-2024 Operating and Capital budgets were presented in detail at the June 6, 2023, Board workshop. Staff recommends adoption as presented.

**RESOLUTION 2023-15 ~ AMENDING CLASSIFICATION AND COMPENSTATION PLANS FOR FY 2022-23, FY 2021-22, FY 2020-21 AND FY 2019-20**

It is recommended to adopt Resolution 2023-15, which rescinds Resolutions 2022-13, 2021-12, 2020-15, and 2019-17 and amends FY 2022-23, FY 2021-22, FY 2020-21 and FY 2019-2020 Classification and Compensation Plans for its employees.

CalPERS has requested that we add the General Managers Salary to the Salary Schedule for the previous years. This does not change anything; the General Managers salary just needs to be on record.

#### **CONTRACT AGREEMENT WITH RAFTELIS FINANCIAL CONSULTANTS, INC., FOR A LONG-RANGE FINANCIAL MASTER PLAN AND COST OF SERVICES REVIEW**

It is recommended to authorize the General Manager to execute a contract for a not to exceed amount of \$95,000 with Raftelis, for a long-range financial master plan and cost of services review.

Water is our most precious resource that requires extensive management, including accurate cashflow forecasting and cost updates. Professional guidelines advise that a long-range finance review and cost of services study be conducted at least every five years. The cost of climate change and the recent COVID-19 pandemic have escalated the need for this information for most public agencies in California. The last long-range financial review and cost of services study performed by the District was in 2015.

After reviewing and evaluating four proposals, staff recommends Raftelis Financial Consultants, Inc. to perform the Long-Range Financial Master Plan and integrated Water and Sewer Cost of Services Study.

In August 2022, staff advertised a request for bids for a Long-Range Financial Master Plan and Cost of Service Study through Planet Bids. The District received four bids and Raftelis Financial Consultants Inc. was rated as the best company to provide these services.

#### **CONTRACT AGREEMENT WITH TKE ENGINEERING, INC. FOR ON-CALL PROFESSIONAL GENERAL ENGINEERING SERVICES**

It is recommended to authorize the General Manager to execute a contract for a not to exceed amount of \$250,000 with the option to extend for four (4) additional one (1) year terms not to exceed five (5) years, with TKE Engineering, Inc, for On-Call Professional General Engineering Services.

The District continues to use outside engineering consultant(s) on an as-needed basis to assist staff with District project and construction management, project design, development projects, plan and document review, special projects, and with future planning of District facilities.

On March 14, 2023, staff issued a Request for Qualifications/Proposal for On-Call Professional General Engineering Services, and TKE was one of the fifteen respondents. The proposals were evaluated by three MSWD staff members and each of the respondents were ranked on a 100-point scale. Contracting with TKE Engineering will allow staff to continue to utilize their professional engineering services, as required, on a time and materials basis. This practice helps to accomplish the technical engineering services and support the District needs to continue to provide. TKE's services include design and plan review, grant acquisition and administration, surveying, bidding assistance, inspection services, project and construction management of water, wastewater, and recycled water systems, preparing agreements, and general engineering services. Outside consultants also bring with them a wide range of skilled talents they have available in-house, which if duplicated at the District would be a substantial cost.

### **CONTRACT AGREEMENT WITH URBAN HABITAT FOR ANNUAL LANDSCAPE MAINTENANCE FOR DISTRICT FACILITIES FOR 2023-2024**

It is recommended to authorize the General Manager to approve a one-year contract agreement with Urban Habitat titled Annual Landscape Maintenance for District Facilities for Fiscal Year 2023-2024, with the option to extend the agreement for two additional years and negotiate a revised price, if any. The not to exceed amounts are \$93,115.00 for fiscal year 2023-24, and \$81,730.00 for fiscal years 2024-25 and 2025-26.

The District continues to use contract labor to maintain the landscape at 38 facilities throughout our service area which includes the Administration Building Campus, Horton WWTP, Dos Palmas Lift Station, Desert Crest WWTP, Nancy Wright RWRP, Well 33 Solar site, and all well and reservoir sites. See cost breakdown below.

The appropriations for FY 2023-24 are as follows:		Estimated year two and three appropriations:	
Bid Amount	\$74,300.00	Bid Amount	\$74,300.00
Tree Removal – DCWWTP & Well 25	\$1,350.00	10% Contingency	<u>\$7,430.00</u>
Palm Tree Trimming & Large Bush Removal	\$9,000.00		<b>\$81,730.00</b>
10% Contingency (other related items)	<u>\$8,465.00</u>		
Total	<b>\$93,115.00</b>		

There was a lengthy discussion by the board on this topic.

### **ACCEPTANCE OF THE WATER SUPPLY ASSESSMENT (WSA) AND WATER SUPPLY VERIFICATION (WSV) FOR THE GREEN DAY VILLAGE DEVELOPMENT**

It is recommended that the Board accept and approve the Water Supply Assessment (WSA) and Water Supply Verification (WSV) for the Green Day Village Development.

Senate Bill 610 requires preparation of a WSA for development projects that are subject to the California Environmental Quality Act (CEQA) and defined as “Projects” in the State Water Code. Likewise, Senate Bill 221 requires preparation of a WSV for projects that are subject to approval of a development agreement or tentative map that includes a subdivision. A combined WSA/WSV was prepared by TKE Engineering, Inc. and reviewed and approved by staff for the 38.43-acre parcel located on the west side of Palm Drive between 18th Avenue and 20th Avenue. The Project includes 612 residential dwelling units, commercial spaces consisting of restaurant/food service uses, retail uses, medical office building, and two recycling centers, together with basins, community gathering spaces, landscaping, parking lots and onsite roadways. The WSA/WSV will be included in the CEQA documents by the City of Desert Hot Springs as the lead agency.

### **ACCEPTANCE OF THE WELL 24 ELECTRICAL PANEL REHABILITATION PROJECT**

It is recommended to accept the Well 24 Electrical Panel Rehabilitation Project as complete and authorize the release of retention money held for R.I.C. Construction Co. Inc. in the amount of \$27,792.31, thirty-five days after filing the Notice of Completion (NOC), and approve Amendment No. 5 with Murow Development Consultants for construction management and inspection services in the amount of \$6,312.50.

The Project was inspected with contract inspection and determined to be completed on May 10, 2023. All progress payment invoices were authorized for payment to the contractor as recommended by our labor compliance consultant, and the construction management and inspection consultant. The NOC will be recorded at the County of Riverside Recorder's Office following Board acceptance. Thirty-five days after the date of recordation, retention monies will be released to the contractor.

### **DISCUSSION ITEMS**

#### **NANCY WRIGHT REGIONAL WATER RECLAMATION FACILITY UPDATE**

This update will take place on Monday.

#### **CRITICAL SERVICES CENTER AND ADMINISTRATION BUILDING UPDATE**

This update will take place on Monday.

#### **SUPPLEMENTAL ENVIRONMENTAL PROJECT UPDATE**

This update will take place on Monday.

### **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:

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#### **REGISTER OF DEMANDS**

The register of demands totaling \$8,748,542.02

#### **ACCEPTANCE OF AMENDED GRANT OF EASEMENT DEED FOR PUBLIC WATER UTILITIES EASEMENT ~ T.T. GROUP, INC. VINTAGE CAMPER RESORT**

It is recommended to authorize the General Manager to sign the Certificate of Acceptance, approving and accepting the Amended Grant Easement Deed from T.T. Group Inc., dated May 24, 2023, for a public water utilities easement, located on APN: 656-050-001, City of Desert Hot Springs, CA.

During construction of the Vintage Camper Resort project, both MSWD staff and the contractor discovered the existing water lines servicing two public fire hydrants on the property were not located where previously thought they were. Since construction in 1993, MSWD has maintained the two waterlines. Amending the previous Grant of Easement Deed, dated June 18, 2022, will correct the erroneous easement needed to allow the District to own, operate and maintain the water line and appurtenances in perpetuity.

Recording an easement for the water line provides MSWD with legal right to access the area, and to own, operate and maintain our facilities in perpetuity.

**REPORTS**

**DIRECTOR'S REPORTS**

All reports will be given on Monday.

**GENERAL MANAGER'S REPORT**

Included in this report are the following oral reports: (All oral reports will be given on Monday)

- A. Financial Report
- B. Public Affairs Update

**COMMENTS**

**DISTRICT COUNSEL COMMENTS**

John Pinkney noted in the MSWD vs DWA case, the Appellate Brief was filed in the Writ Case. The DWA Opposition Brief is due on June 29, 2023. He also noted other items worked on, on behalf of the District.

**ADJOURN**

With no further business President Martin adjourned the meeting at 5:18 PM

Respectfully,



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Arden Wallum  
Secretary of the Board of Directors