



BOARD OF DIRECTORS REGULAR MEETING MINUTES

Tuesday, February 18, 2025 at 3:00 PM

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

CALL TO ORDER

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

ROLL CALL

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

STAFF MEMBERS PRESENT: Brian Macy, Marion Champion, Danny Friend, Eric Weck, Oriana Hoffert, April Scott, Amanda Lucas, Arthur Cabrera, Claudia Lopez, Theresa Murphy, Will Whitten, Kurt Kettenacker, Dori Petee

PLEDGE OF ALLEGIANCE

Led by Director 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:

NEW HIRES

John Kee

Field Operations Technician I

ANNIVERSARIES

Josiah Perez	Field Operations Technician I	1 Year
Eric Weck	Engineering Manager	3 Years
Adrian Perea	Field Operations Technician I	3 Years
Rita Huber	Accountant	7 Years
Oriana Hoffert	Human Resources Manager	8 Years
Chris Jacobson	Wastewater Treatment Plant Operator II	21 Years

CERTIFICATIONS/EDUCATIONAL ACCOMPLISHMENTS

Adrian Pera	Water Distribution Grade 2 (D2) Certification
William Whitten	Water Distribution Grade 2 (D2) Certification

ACTION ITEMS**PUBLIC HEARING ~ ORDINANCE 2025-01 ~ ESTABLISHING A PROCEDURE FOR PROPERTY OWNER OBJECTIONS TO PROPOSED WATER/SEWER FEES OR SPECIAL ASSESSMENTS**

The Board of Directors adopted Ordinance No. 2025-01, establishing a procedure for property owner objections to proposed water/sewer fees of special assessments.

President Sewell opened the public hearing and called for the Secretaries report. Notice of Public Hearing was posted to the Desert Sun on January 31st and February 7th, there have been no comments or protests on this item.

Assistant General Manager Marion Champion gave the staff report outlining the Prop 218 bill AB 2257. Ms. Champion outlined the legislative background and procedural steps required under Prop 218 and AB 2257, emphasizing public participation and transparency. The process includes adopting the ordinance, issuing notices, collecting objections, responding to objections, and holding a public hearing before final adoption by the Board. No public comments were made during the hearing. The Board discussed the ordinance, highlighting its importance for transparency and minimizing litigation risks.

Motion made by President Sewell, Seconded by Vice President Griffith.

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

Voting Nay: Director Mayrhofen

ADOPTION OF MSWD ARTIFICIAL INTELLIGENCE POLICY NO. 2025-01

The Board of Directors adopted the MSWD Artificial Intelligence Policy No. 2025-01

Assistant General Manager Marion Champion presented a slight change to the policy based on input from the board at Thursday's study session. The change involved strengthening the language in Section D regarding the authorization to install AI software on district computers, addressing concerns from board members. The policy is expected to evolve over time, but this change is seen as a positive step forward, allowing the working group to develop the district's approach to AI further. The board members expressed their appreciation for the efforts made.

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

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

AWARD OF CONTRACT TO BORDEN EXCAVATING INC. FOR GQPP AD-18 AREA D-3 SEWER CONSTRUCTION AND WATER LINE REPLACEMENT PROJECT AND CAPITAL BUDGET AUGMENTATION

It is recommended that the General Manager be authorized to award a contract for the GQPP AD-18 Area D-3 Sewer Construction and Water Line Replacement Project to the lowest responsible bidder, Borden Excavating, Inc., in the amount of \$5,252,252, plus a 10% contingency (total \$5,777,477.20), augment the capital improvement budget amount to \$1,820,622.20 for Job No. 11876, and to do all things necessary to complete the project, including but not limited to preparation and filing of a Notice of Exemption to comply with CEQA requirements.

General Manager Brian Macy noted the recommendation is to authorize the contract to the lowest responsible bidder, Bordon Excavating Incorporated, for the amount of \$5,252,252 plus a 10% contingency. The capital improvement budget was to be augmented to \$1,820,622.20 for job number 11876. Mr. Macy also mentioned the need to prepare and file a notice of exemption to comply with SQL requirements. However, due to the recent holiday and the need to address additional questions from the board, no action will be taken at this time. The plan is to bring the item back as a workshop discussion on March 11th and to answer any outstanding questions related to legalities and outreach to D3 residents. The board also discussed the potential expiration of a grant on March 31st and the possibility of applying it elsewhere.

BOARD ACCEPTANCE OF A CONTRACT CHANGE ORDER WITH JF SHEA FOR THE CONSTRUCTION OF THE NANCY WRIGHT REGIONAL WASTEWATER RECLAMATION FACILITY

The Board authorized the General Manager to execute a contract change order with J.F. Shea Construction, Inc. for additional costs due to unforeseen tasks and field issues during construction of the Nancy Wright Regional Water Reclamation Facility in the amount of \$1,698,569.00.

The Board discussed responses to questions raised during previous sessions. A memo from TK addressing specific questions was provided to the Board and the public. Director Duff inquired about any changes in the \$300,000 mark discussed with Mr. Torres, but Rafael Torres confirmed no changes. The project discussed is the largest ever undertaken by the district, and the board members appreciated the hard work involved.

Motion made by Director Martin, Seconded by Director Duff.

Voting Yea: President Sewell, Director Martin, Director Duff, Director Mayrhofen

Voting Nay: Vice President Griffith

DISCUSSION ITEMS**CRITICAL SERVICES CENTER AND ADMINISTRATION BUILDING UPDATE**

General Manager Macy presented a quick update on two issues being resolved with the City and consultants. The first issue involves fire protection for the site, requiring the installation of a water line

down Park Lane. A meeting with the city discussed the potential development behind the library to ensure adequate fire protection, as the current 8-inch line is insufficient. The second issue pertains to negotiating a roadway easement from the school, which is required as part of the approval plan. The concern is that the easement should not halt the project if it is not obtained. The team is working closely with the city to ensure alignment. These are the last two items being addressed with the consultant, and updates will be provided as they are resolved.

GROUNDWATER PROTECTION PROGRAM UPDATE

Steve Leadbetter provided an update on the conveyance line and the commissioning of the wastewater treatment facility. He reported that the team has been diligently working with JF Shea at the treatment plant, preparing for the initial plant startup over the past month and a half. The conveyance line contractor, Downing Construction, has completed the final portions of the conveyance line and conducted tests on the sewer line. The pipeline work has been completed, tested, and is ready for operation. JF Shea has ensured that all aspects of the treatment plant are functioning correctly, and they have received approval from the regional board to transfer initial wastewater flows starting next Monday. This transfer will be from the Horton plant to the regional plant, marking the formal startup and operations at the regional plant. Steve mentioned that they will continue to collaborate closely with Mission Spring staff and the board as the process unfolds over the coming weeks.

DWA ~ MISSION CREEK BASIN REPLENISHMENT ASSESSMENT CHARGE REPORT

The report was given at the Thursday Study Session, nothing further to add.

FEDERAL AFFAIRS UPDATE

The report was given at the Thursday Study Session, nothing further to add.

CONSENT AGENDA

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

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

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

January 14, 2025 - Special Meeting Workshop

January 16, 2025 - Study Session

January 21, 2025 - Board Meeting

REGISTER OF DEMANDS

The register of demands totaling \$2,442,025.05

REPORTS

DIRECTOR'S REPORTS

Director Martin reported attending the following meetings and events: 1/9 DVBA Legislative Meeting, 1/17 ACWA Region 9 Tour and Board Meeting, 1/25 CORBS Awards Dinner, 1/29-1/31 CASA Conference, 1/4 Skyborne Tour, 1/16 Countywide Oversight Board Meeting, 1/21 DHS City Council Meeting, 1/27 Cabot's Museum Board Meeting.

Director Mayrhofen reported attending the following meetings and events: 1/17 ACWA Region 9 Tour and Board Meeting, 1/29-1/31 CASA Conference 1/4 Skyborne Tour.

Director Duff reported attending the following meetings and events: 1/9 CVAG ~ CVCC Meeting, 1/9 ACWA SGMA Meeting, 1/14 CVWD Board Meeting, 1/17 ACWA Region 9 Tour and Board Meeting, 1/22 San Geronio Pass Regional Water Alliance Meeting, 1/22 MLCC Septic to Sewer Meeting, 1/25 CORBS Dinner, 1/29-1/31 CASA Conference.

Vice President Griffith reported attending the following meetings and events: 1/7 DWA Board Meeting, 1/17 ACWA Region 9 Tour and Board Meeting, 1/30 CSDA Webinar.

President Sewell reported attending the following meetings and events: 1/29-1/31 CASA Conference.

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports:

- A. Finance Report
- B. Public Affairs Report

Assistant General Manager Marion Champion presented the Public Affairs Report. The report included all the District's activities and a brief legislative update.

General Manager Brian Macy announced that the financial reports will resume in March. He addressed some questions about a property in our service area and the Coachillin project.

COMMENTS

DISTRICT COUNSEL COMMENTS

DIRECTOR COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

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

Director Duff asked staff to review the assessment districts and provide the Board with an update on each one.

CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE REVIEW

Pursuant to Govt Code 54957

Title: General Manager

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Pursuant to Government Code Section 54956.9(d)(2) and/or (3). One potential case.

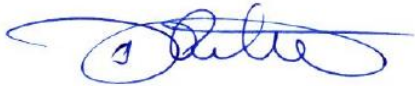
REPORT ON ACTION TAKEN DURING CLOSED SESSION

The Board met in closed session on the items listed above; there was no reportable action.

ADJOURN

With no further business, President Sewell adjourned the meeting at 5:30 PM

Respectfully submitted,



Dori Petee
Executive Assistant