



## BOARD OF DIRECTORS SPECIAL MEETING MINUTES

Monday, May 19, 2025 at 1:00 PM

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

### CALL TO ORDER

President Sewell called the meeting to order at 1:00 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, Kurt Kettenacker, Will Whitten, Jeff Nutter, Arturo Ceja, Danny Friend, Amanda Lucas, Nate Mather, April Scott, Charles Bell, Orianan Hoffert, Eric Weck, Selene Rodriguez, Andy Grunnet, Jason Weekly, David Pena, Joey McElrone

### 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."*

No public input

Assistant General Manager, Marion Champion, presented and introduced the latest group of MSWD Interns.

### EMPLOYEE RECOGNITION

### HUMAN RESOURCES REPORT

The Board acknowledged the following employees:

**NEW HIRES**

Nathaniel Mather Water Production Supervisor

**ANNIVERSARIES**

William Whitten	Business Analyst	1 Year
Cynthia Acosta	Administrative Assistant I	2 Years
Charles Bell	Water Production Operator II	2 Years
Jason Weekley	Lead Field Operations Technician	5 Years
Ann Rogers	Customer Service Representative II	9 Years
Robert Lopez	Purchasing and Warehouse Specialist	19 Years
David Pena	Lead Field Service Representative	20 Years

**PROMOTIONS**

Ana Murillo Accountant (previously Accounting Technician)  
 Joey McElrone Wastewater Treatment Plant Operator I to Wastewater Treatment Plant Operator II

**ACTION ITEMS**

**RESOLUTION 2025-07 ~ ACCEPTANCE OF GRANT AWARD FOR THE WEST PALM SPRINGS VILLAGE - PALM SPRINGS CREST WATER SYSTEMS BACKUP INTERTIE DESIGN PROJECT**

The Board adopted Resolution 2025-07, approving the acceptance of the award of grant funding from the Bureau of Reclamation for the preliminary planning of the West Palm Springs Village - Palm Springs Crest Water Systems Backup Intertie Project.

Will Whitten presented on the interconnection project for the IDE area, which involves connecting the West Palm Springs Village and Palm Springs Crest Water Systems. This project, funded by a \$358,010 grant from the US Bureau of Reclamation, aims to enhance system reliability and improve water management practices. It aligns with the district's strategic plan and water master plan.

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

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

**RESOLUTION 2025-08 ~ RECOMMENDING APPROVAL OF A NOTICE OF EXEMPTION DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT FOR THE HORTON WWTP SOLAR PPA PROJECT**

The Board adopted Resolution 2025-08, approving the Notice of Exemption determination under the California Environmental Quality Act (CEQA) Guidelines pursuant to Section 15300 for the Horton WWTP Solar PPA Project and directing the General Manager to sign the attached Notice of Exemption and file the same with the Riverside County Clerk.

Danny Friend presented. Initially, the project began as a capital initiative but did not get approved. It started as a larger project with several individual well sites. In January, an amendment was brought to

Tom Dodson and Associates' contract to conduct the CEQA for the project. The majority of the CEQA involves the initial study and a mitigated negative declaration, which is still underway. The well sites that have not been completed with the solar project are being rolled into the solar site north of the existing site. This is part of the ISMD, which will be brought back to the board, along with the regional site to the west of the existing site. Tom Dodson Associates determined that the project qualified for a category exemption under 15300, specifically 15303E and D, referring to new construction or conversion of small structures. Although there is no cost associated with approving this today, the cost of doing the work was approved in January.

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

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

**APPROVE CHANGE ORDER NO. 1 WITH SOUTH WEST PUMP AND DRILLING, INC., FOR ON-CALL WELL AND BOOSTER MAINTENANCE AND REPAIR SERVICES**

The Board authorized the General Manager to approve Change Order No. 1 with South West Pump and Drilling, Inc. for the On-Call Well and Booster Maintenance and Repair Services contract. The change order increased the contract amount by \$ 47,549.00 from \$150,000.00 to a not-to-exceed amount of \$197,549.00 and authorized the General Manager to do all things necessary to complete the project.

Danny Friend, the Director of Operations, presented a contract for on-call services to the Board. Currently, there are two active contracts, with one contractor being vetted due to a merger. The urgency of the matter stems from the need to bring additional wells online. Specifically, Well 30, which has been offline since 2009 due to mechanical failure and the need for uranium treatment, is being considered for rehabilitation. The proposal involves pulling the equipment, evaluating it, conducting a downhole video, and performing an EMDS survey to assess the condition of the casing. Based on these evaluations, Russ Kyle from Kyle Groundwater will determine the feasibility and extent of rehabilitation required. The proposal includes a 10% contingency, and the board is asked to approve this change order. The total cost, including the contingency, is \$47,549. The board members requested clarification on the specific well, the cost breakdown, and the scope of the downhole investigation.

**Motion made by President Sewell, Seconded by Director Duff.**

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

**HUMAN RELATIONS COMMITTEE REPORT, MINUTES APPROVAL & RECOMMENDATION FOR ACTION**

The Board considered the Human Relations Committee's recommendations, approved the committee minutes, and directed the Director of Finance to implement the action items as part of the annual budget process.

Oriana Hoffert, the Human Resources Manager, provided key items discussed and recommendations from the committee meeting. She recapped the employer request process, which has been followed for over 20 years, including meetings with employees, the Human Relations Committee, and the Board of Directors. Approved items are implemented as part of the annual budget process. The evaluation of requests is completed by senior management based on past board feedback, legal guidance, labor market conditions, and administrative items. Oriana presented four recommendations from the Human Relations Committee: a cost of living adjustment (COLA) based on the March 2025 consumer

index showing a 2.6% increase with an estimated fiscal impact of \$139,000; one additional optional holiday, bringing the total to 14 paid holidays with no additional fiscal impact; a flexible spending account (FSA) with an estimated cost of \$375 per month per employee and a \$1,500 contribution limit, highlighting minimal risk and potential payroll tax liability reduction; and increasing compensatory time accruals to 80 hours with no estimated budget increase.

**Motion made by President Sewell, Seconded by Director Martin.**

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

#### **CONTRACT AMENDMENT AND BUDGET AUGMENTATION FOR INTELESYS COMMUNICATION SERVICES**

The General Manager was authorized to execute a contract amendment and budget augmentation with Intelesys Communication Services in the amount of \$7,435.52 for a not-to-exceed amount of \$117,005.52.

Kurt Kettenacker, IT Manager, discussed the contract amendment and budget augmentation for Intelisys Communication Services. Kurt explained that budget augmentation was necessary due to the licensing for Microsoft products. The decision was made to switch from the previous software license provider to Intelisys because the previous provider lacked administrative control over the licenses, which could pose challenges if Kurt were out of the office. The switch to Intelisys would allow the IT company to handle the licenses directly. The previous provider, Pax 8, was canceled when the licensing was transferred to Intelisys.

**Motion made by Director Duff, Seconded by Director Mayrhofen.**

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

#### **CONTRACT AMENDMENT AND BUDGET AUGMENTATION FOR MWH CONSTRUCTORS, INC. FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE SKYBORNE VILLAGE III - LENNAR HOMES DEVELOPMENT**

The Board authorized the General Manager to execute a contract amendment and budget augmentation with MWH Constructors, Inc., in the amount of \$59,150 for a not-to-exceed total amount of \$344,722.

Eric Weck, Engineering Manager, presented this item, which involves a contract amendment and budget augmentation for MW Constructors Incorporated. The amendment was for construction management and inspection services for the Skyborne Village III Lenar's Home Development. Eric explained that the original estimate for inspection services was based on the scope of work provided by Lennar and estimated by MWH Constructors to be \$285,572. However, due to construction progress and revisions to the schedule, additional workdays for inspection services were required, resulting in a budget augmentation. It was noted that this amount, along with previous billings from MWH Constructors, is 100% funded by the developer through their development deposit. Director Duff raised some concerns about this item and the following item, but acknowledged that Skyborne covered the costs.

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

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

**CONTRACT AMENDMENT AND BUDGET AUGMENTATION FOR TKE ENGINEERING, INC. FOR CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR PROJECT VIENTO**

The Board authorized the General Manager to execute a contract amendment with TKE Engineering, Inc., for additional construction inspection services through the completion of the sewer utilities for Project Viento, in the amount of \$95,500.00 for a not-to-exceed total amount of \$275,500.00.

Eric Weck, Engineering Manager, discussed the contract amendment and budget augmentation for TKE Engineering's construction management and inspection services for Project Vento. Eric provided an overview of the project, highlighting the need for inspection services to ensure that the improvements meet the district's standards. The original estimate for inspection services was \$180,000 for 125 working days, but due to construction progress and the updated schedule, the project is expected to continue through August 1. The board was informed that the amount is 100% funded by the developer through Amazon's development deposit.

Director Duff raised concerns about the increase in management contracts and expressed a preference for in-house services to save costs. The General Manager explained the plan to use in-house staff for future projects, including hiring an associate engineer and an inspector to reduce reliance on external contractors. The goal is to bring these services in-house to provide better control and product quality. President Sewell inquired about the broader benefits of the project beyond the Amazon development. Eric confirmed that the project would benefit adjoining parcels and connect to the sewer undercrossing from the freeway.

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

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

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

General Manager Macy expressed that the staff continues to work with the City to finalize a Development Agreement, while also collaborating with our consultant to review the design of the water main installation along Park Lane, as well as other issues related to drainage. The project continues to move forward.

**GROUNDWATER PROTECTION PROGRAM UPDATE**

Eric Weck noted the state reached out to us late last year requesting additional information. We contracted Tom Dodson and Associates to provide greenhouse gas reports, which were submitted to the state a few weeks ago for review. This review is necessary before we can bid on the project. Last month, the board approved a change order for Downing Construction, and the project is progressing, with an anticipated completion within 3 to 4 months. Additionally, the startup, commissioning, and testing of the regional plant are complete, and the project is now fully operational under our management.

**PROCUREMENT POLICY**

Assistant General Manager Marion Champion noted the Board reviewed this document at the last Workshop. Some minor refinements are being made to this document, and she stated this will come back for approval in June.

**AFFILIATION LIST**

Director Mayrhofen began with a discussion on the attendance of BIA meetings, noting that all directors have been approved for 10 meetings and should share each other's meetings to compensate. The importance of attending both local and external meetings was emphasized, with a focus on networking and engaging with elected officials. Concerns were raised about the value and cost of attending events outside the Coachella Valley, with some members arguing that attending such events was necessary to maintain relationships and represent the district effectively. The discussion also touched on the role of lobbyists and the District's financial responsibility. The meeting concluded with a decision to place the topic as an action item for the next meeting in June, highlighting the need for further discussion and a vote on the matter.

**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:

April 8, 2025 - Special Meeting Workshop

April 17, 2025 - Study Session

April 21, 2025 - Board Meeting

**REGISTER OF DEMANDS**

The register of demands totaling \$1,599,039.69

**BOARD COMPENSATION**

It is recommended to consider approval of an additional night's stay (8/19) for the following event: Urban Water Institute Board Meeting - Start time 9 AM, San Diego - Russ Martin

**REPORTS****DIRECTOR'S REPORTS**

Director Martin reported attending the following meetings and events: 4/1 DHS City Council Meeting, 4/2 AWWA Webinar, 4/3 DVBA Legislative Meeting, 4/3 SBEMP Anniversary, 4/14 DVBA Board Meeting, 4/15 DHS City Council Meeting, 4/22-24 CWEA AC25 Conference, 4/26 Tribal Water Authority Meeting, 4/26 Cabot's Museum/MSWD Earth Day Celebration.

Director Mayrhofen reported attending the following meetings and events: 4/22 - 24 CSDA Leadership Academy.

President Sewell reported attending the following meetings and events: 4/1 - 4/4 MSWD DC Legislative Trip, 4/22 CVWD Board Meeting.

Vice President Griffith reported attending the following meetings and events: 4/1 - 4/4 MSWD DC Legislative Trip, 4/15 DWA Board Meeting, 4/24 CWEA Awards Luncheon.

Director Duff reported attending the following meetings and events: 4/1 DWA Board Meeting, 4/2 DWA Board Meeting - Strategic Planning, 4/10 CVAG ~ CVCC and CVES Meetings, 4/15 ACWA SIGMA Committee meeting, 4/16 ACWA State Legislative Meeting, 4/22 - 4/24 CWEA AC25 Conference, 4/22 CWEA AC25 Plant Tour.

### **GENERAL MANAGER'S REPORT**

Included in this report are the following oral reports:

- A. Finance Report
- B. Public Affairs Report

Arturo Ceja gave a brief summary of the finance report. He began with a summary highlighting key financial figures. The total revenue for the year so far was reported to be \$3.5 million, with primary differences attributed to expenses and budget transfers expected to be picked up in May and June. Non-operating revenue was up by \$660,000, largely due to \$800,000 in interest and investment income. Cash flow showed an increase of \$25 million from the previous year, with a total investment increase of \$1.7 million in CalTrust, yielding a 3.20% interest revenue.

Marion Champion presented the outreach public affairs report, highlighting several notable events from the past month. The April 23rd blood drive resulted in over eight donations of life-saving blood. On April 24th, staff participated in a town hall meeting with Senator Ochoa Bough, aiming to address the needs of the district and community. The 2025 CVCAN Golf Classic provided an opportunity for staff to engage with the cannabis industry about water and wastewater services. Leadership and learning events included the CSDA leadership academy and the ACWA Spring Conference, with a special tour of the Carmel Area Wastewater District. Earth Day celebrations at Cabot's Pueblo Museum attracted over 125 visitors, with 105 taking self-guided tours. The Real Academy unveiled a new 3D-printed model of the aquifer, and the MSWD table featured a water tasting booth. The CWEA Conference in Palm Springs showcased MSWD's community outreach and engagement efforts, earning a state award. Upcoming outreach includes engagement with lawmakers in Sacramento, sponsorship of the Desert Hot Springs High School graduation, and participation in various DVBA events. The April Water Matters newsletter focused on updating contact information, going paperless for Earth Day, and conservation efforts. The May newsletter highlighted the CWEA award, the Help to Others program, annual sewer prepayments, and Water Awareness Month. Two mini campaigns were mentioned: encouraging customers to go green by choosing paperless billing and promoting the sewer prepayment option. Social media campaigns have resulted in increased followers on Facebook and Instagram.

### **COMMENTS**

#### **GENERAL MANAGER'S COMMENTS**

No comments

**DIRECTOR COMMENTS AND REQUESTS**

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

Director Mayrhofen expressed his disappointment about other Directors taking notes on his activity.

Director Griffith congratulated Director Mayrhofen on the CSDA Leadership Academy completion.

President Sewell noted that when he came into the Boardroom this afternoon, everyone in the room was happy. He expressed that it's nice to see. Thanked other Board members for being on the Board with him.

**ADJOURN**

With no further business, President Sewell adjourned the meeting at 3:02 PM.

Respectfully submitted,



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Dori Petee  
Executive Assistant