



BOARD OF DIRECTORS SPECIAL MEETING (WORKSHOP) MINUTES

Tuesday, November 04, 2025 at 9:00 AM

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

CALL TO ORDER

President Sewell called the meeting to order at 9:00 AM

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, Eric Weck, Theresa Murphy, Daniel Virgen, Kurt Kettenacker, Dori Petee

PUBLIC INPUT

No public input

ITEMS FOR ACTION

CONTRACT AMENDMENT FOR Z&K CONSULTANTS, INC. FOR CONSTRUCTION MANAGEMENT AND INSPECTIONS SERVICES FOR ENERGY CONSERVATION AND EFFICIENCY PLAN (SOLAR PROJECT)

The Board authorized the General Manager to execute a contract amendment with Z&K Consultants in the amount of \$378,470 for a not to exceed total contract amount of \$478,470 for construction inspection services for the Mission Springs Water District RES-BCT and Regional Reclamation Facility and Horton Wastewater Treatment Facility Solar Development Project, and various other Capital and Development Improvement Projects.

Eric Weck presented and led the discussion on a contract amendment with ZNK Consulting, an on-call construction management and inspection firm. Initially hired to support the district's engineering inspector, ZNK's role shifted to overseeing the Horton Solar Project when it was determined that the staff inspector was already proficient. ZNK's inspector, Ed Nland, has since provided daily reports and direct updates to district staff, focusing on solar improvements and ensuring compliance with plans and expectations. The district now seeks to extend ZNK's contract to cover the completion of the Horton Solar Project, the upcoming Nancy Wright Regional Wastewater Reclamation Facility, and the Res BCT solar improvement projects, as well as to provide backup coverage when district inspection staff are unavailable. The contract amendment is designed to be flexible, allowing adjustment of inspection services as needed. Directors raised questions about the scope of inspections, emphasizing the importance of exceeding groundwater protection standards and proper stormwater management. Fiscal impact was discussed, with \$45,620 allocated to supplement inspection needs for various development and capital projects. It was clarified that the inspector functions similarly to a building inspector, ensuring all work is performed correctly and safeguarding district interests. Although the inspection costs exceeded initial projections, the anticipated rate of return remains favorable, with savings expected within three and a half years.

Motion made by Director Duff, Seconded by Director Mayrhofen.

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

ITEMS FOR DISCUSSION**ADMINISTRATION BUILDING UPDATE AND BIDDING/CONSTRUCTION SCHEDULE**

Alvin Flores of Rhanu Clarke Architects presented updates regarding the Administrative Building project, specifically the bidding and construction schedule. Alvin presented details about the anticipated timeline, noting that the bid process is expected to start at the end of the year or early next year, with bid opening likely in March and construction commencing in the spring. The board may hold a study session before approvals, and the construction schedule has been adjusted to align with anticipated city approvals, aiming for project completion and district move-in by summer 2027. Financial planning was discussed, with a \$40 million budget split evenly between cash and bonds, and a financial planner is being selected to confirm funding strategies. The board will have updated financial information by April to inform construction decisions. The discussion also addressed city negotiations, particularly the distinction between on-site and off-site improvements, with off-site work involving coordination among multiple entities and concerns about impact fees and responsibilities. The board emphasized the need for transparency and involvement in agreements, especially regarding off-site requirements. Additional topics included the definition of a “punch walk” at project completion and considerations for selecting a financial advisor. Board members expressed concerns about historical development issues and the importance of not assuming undue costs or responsibilities for other entities.

ARTICLE VII - FATS, OILS, AND GREASE PROGRAM UPDATES

Daniel Virgen and Theresa Murphy gave a presentation on updates to Article 7, which governs the fats, oils, and grease (FOG) program. The engineering team outlined proposed changes to reinforce regulatory compliance and improve the ordinance’s clarity. The FOG program applies to nonresidential facilities that discharge wastewater containing fats, oils, grease, sand, or lint, requiring the installation and maintenance of interceptors to prevent sewer blockages and promote environmental stewardship. The district oversees proper installation, routine inspections, and enforcement, including penalties for non-compliance. Notable updates include revised terminology, formal inclusion of lint in the ordinance, clearer notification and penalty processes, and expanded waiver and variance procedures. Facilities qualifying for waivers must meet strict criteria, such as no on-site cooking and removal of food grinders. The fine for violations remains \$1,000 per day, with the process allowing time for compliance before penalties are imposed, especially for small businesses. The board discussed the fairness of fines across different facility sizes and the compliance process, noting that most repeat offenders come into compliance quickly. The updates are expected to improve system readability, regulatory accountability, and protection of the sewer system. Next steps include public hearings and adoption of the revised ordinance.

COMMENTS**GENERAL MANAGER'S COMMENTS****- District Holiday Schedule**

General Manager Macy discussed preparation for the upcoming Thanksgiving, Christmas, and New Year's holidays. It was proposed that, as in previous years, there will be no water service disconnections due to non-payment from Thanksgiving through the holiday season, specifically from December 15th to January 5th. While payments will still be collected, no shut-offs will occur during this period. Additionally, the office is proposed to be closed from December 25th to January 2nd, with staff present to answer phones and process payments, including clearing the dropbox. The office closure aligns with past practices and is intended due to low activity during this time. It was also suggested that no workshop be held in December, given the busy schedule with the conference and study session. Board members expressed appreciation for the policy of not disconnecting water service during the holidays, emphasizing its importance for families facing financial hardship.

DIRECTOR COMMENTS AND REQUESTS FOR FUTURE AGENDA ITEMS

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

Director Mayrhofen highlighted the Snowflake Toy Drive and noted he will be participating this year.

ADJOURN

With no further business, President Sewell adjourned the meeting at 9:58 AM

Respectfully submitted,



Dori Petee
Executive Assistant