



BOARD OF DIRECTORS REGULAR MEETING STUDY SESSION MINUTES

Thursday, February 11, 2021 at 3:00 PM
Via Teleconference – No Live Attendance

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

ROLL CALL

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

STAFF PRESENT: Arden Wallum, Brian Macy, Danny Friend, Matt McCue, Dori Petee, Amanda Lucas, Bassam Alzammar, Victoria Llort, Oriana Hoffert

LEGAL COUNSEL: John Pinkney, Bob Patterson

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 input.

EMPLOYEE RECOGNITION

The Board acknowledged the following employees: Chris Jacobson - Lead WWTP Operator for 17 Years, Sierra Boyle - Customer Service Representative II for 4 Years, Oriana Hoffert - Human Resources Specialist for 4 Years, Rita Huber - Sr. Accounting Technician for 3 Years, Julio Martinez - Field Operations Technician I for 2 Years, Christopher Shanahan - Field Operations Technician I for 1 Year. Oriana Hoffert was also acknowledged for earning her master's degree in Human Resource Management with a specialization in Organizational Leadership and Change Management.

COVID-19 UPDATE

Mr. Wallum gave a brief update. Staff continues to look for ways to be more efficient and safer. Staff will return to the office full time on February 22, 2021. Staff will continue to practice social distancing and will also continue wearing a mask.

AWARD OF CONTRACT FOR THE DESERT WILLOWS WATER LINE REPLACEMENT PROJECT, EXECUTE A COOPERATIVE AGREEMENT WITH THE DESERT WILLOWS PROPERTY OWNERS' ASSOCIATION REGARDING REPAVING OF THE ROADS AND CAPITAL BUDGET AUGMENTATION

It is recommended to authorize the General Manager to award a contract for the Desert Willows Water Line Replacement Project to The Van Dyke Corporation, the lowest responsible bidder, in the amount of \$1,515,899,50, plus a 10% contingency (total \$1,667,489.45), execute a Cooperative Agreement with the Desert Willows Property Owners' Association (DWPOA) regarding the repaving of the roads within the Desert Willows (DW) Community, and augment the capital improvement budget amount to \$1,990,000 for Job No. 11457, and to do all things necessary to complete the project.

Mr. Wallum noted by stating this action will be in three parts, award the contract, enter into a cooperative agreement, and lastly augment the capital budget. This project will reduce the operational cost to the District and will also reduce the potential for a catastrophe that could cause damage to property and an interruption to service. The cooperative agreement will result in a savings to both parties, Mission Springs Water District and Desert Willows. Desert Willows approached MSWD with regards to this Cooperative Agreement. Mr. Friend added this project is approximately 7600 feet of pipeline.

MAKE THE CONNECTION FINANCIAL ASSISTANCE PROGRAM APPROVAL

It is recommended to approve the Financial Assistance requests. The following properties have submitted an application for a Non-Transferable Lien for Financial Assistance to connect to the sewer system:

66930 San Felipe Road - \$15,000
13505 Cactus Drive - \$ 2,800
66891 San Bruno Road - \$ 3,200
13265 Julian Drive - \$ 3,800

These items are generally on the consent agenda, however this month it was placed here for discussion and action due to the amount of the loan on the first property listed. This amount goes above the \$6,000 limit as this property has some special circumstances due to the location.

CORPORATE YARD BUILDING UPDATE

The discussion for this item will take place at the Tuesday Board Meeting.

MSWD REGIONAL WATER RECLAMATION FACILITY UPDATE

Steve Ledbetter of TKE Engineering, reported that the final design plans are ready, and packet is getting ready to go to bid. Contractors must meet a minimum criterion. Additionally, the cost of specific items is being locked down with vendors. Groundwater monitoring workplan has been submitted to the regional board...they are finishing their review and staff expects to have those comments back next week. State Revolving Fund (SRF) component; it was reported last month that a tech memo to the State Board was being prepared to change our SRF application to include the

abatement of septic for houses within area M-2. This has been accepted and we are expecting an increase in cost of \$1.5 million to take on this work but it will result in an additional \$8 million in grants. Lastly an easement request has been made for the corner of Little Morongo Road and 18th Avenue. The resource agencies are receptive, but some items need to be addressed before it's official.

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:

Board Workshop - January 12, 2021

Study Session - January 14, 2021

Board Meeting - January 19, 2021

REGISTER OF DEMANDS

The register of Demands totaling \$1,403,269.44.

DIRECTOR'S REPORTS - UPCOMING EVENTS AND DIRECTOR REPORTS

This will be addressed on Tuesday.

GENERAL MANAGERS REPORT

Mr. Wallum complimented the staff on the updated General Managers Report. Mr. Wallum reported that MSWD won an award for outstanding civil engineering from ASCE. Victoria Llorca highlighted the Public Affairs report included in the GM Report.

FINANCIAL REPORT

Matt McCue gave the financial report for the period ending November 30, 2020.

Net Operating Income (Loss) – variance from Budget	\$2,653,029
Net Non-Operating Income (Loss) – variance from Budget	\$(4,262,344)
Net Income (Loss) – variance from Budget	\$(1,609,314)
<i>Cash</i>	
Increase (Decrease) in Cash	\$(1,131,088)
Balance of Cash at beginning of year (July 1)	\$ 34,708,247
Balance of Cash at end of period	\$ 33,577,159
Unrestricted Cash	\$ 2,537,129
<i>Restricted Cash</i>	
Capital Reserve Fund	\$30,054,589

Other Restricted Cash	\$31,040,030
Cash in Custody of MSWD	\$ 33,577,159

DISTRICT COUNSEL REPORT

John Pinkney reported on the items being worked on by his firm (SBEMP).

DIRECTOR COMMENTS

Director Grasha commended the staff on the updated General Managers Report. Asked for a closed session item on Tuesday to discuss the DWA lawsuit.

Vice President Martin mentioned Priority One, a non-profit, the goal of which is to bring a new 4-year University of California Campus in Palm Desert. Jan Harnik has asked Director Martin to sit on the advisory committee.

CLOSED SESSION**Conference with Labor Negotiators pursuant to Government Code Section 54957.6:**

Agency designated representatives: Board President Nancy Wright and Vice President Russ Martin.
Unrepresented Employee: General Manager

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

The Board met on two items, Conference with Labor Negotiators pursuant to Government Code Section 54957.6 and Conference with Real Property Negotiator pursuant to Government Code Section 54956.8. There was no reportable action on either item.

ADJOURN

President Wright adjourned the meeting at 4:06 PM

Respectfully,

Arden Wallum
Secretary of the Board of Directors