



BOARD OF DIRECTORS REGULAR MEETING STUDY SESSION MINUTES

Thursday, April 17, 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

A moment of silence was observed for the loss of longtime employee Lee Boyer.

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, Oriana Hoffert, Arturo Ceja, Eric Weck, April Scott, Amanda Lucas, Will Whitten, Jeff Nutter, Charles Bell, Dori Petee

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

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL REGARDING PENDING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1).

One case: Fournier v Mission Springs Water District (case number Adj19778853).

CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6

Agency designated representative: General Manager Brian Macy or his designee.

Unrepresented Employees: All MSWD employees other than the General Manager.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957. Title: General Manager

CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6.

Agency designated representative: Board President Ivan Sewell or his designee.

Unrepresented Employee: General Manager Brian Macy.

REPORT ON ACTION TAKEN DURING CLOSED SESSION

The Board met in closed session to discuss the above-noted items; no reportable action was taken on any item.

EMPLOYEE RECOGNITION**HUMAN RESOURCES REPORT**

This item will be acknowledged on Monday.

ACTION ITEMS**ACCEPTANCE OF THE 2025 WATER AND WASTEWATER MASTER PLANS**

It is recommended that the Board of Directors receive and file the 2025 Water and Wastewater Master Plans; and use the 2025 Water and Wastewater Master Plans as documents for developing Capital Improvement Project schedules, policies and budgeting guidelines.

General Manager Macy introduced Engineering Manager Eric Weck, who walked the board through the item. Eric explained that the master plans would aid staff in developing capital improvement schedules and anticipated budgets over a 20-year timeline. Since February 2024, staff and the board have reviewed the progress of the master plans, which must accommodate development, population growth, and future requirements and regulations to address risks such as hexavalent chromium. The master plans should dovetail with the upcoming long-range financial plan expected to be presented next month. The plans include modeling that simulates water and wastewater flows, helpful for performing what-if scenarios for operational capital improvement projects or development changes, including fire flow analysis. Staff reviewed the condition of existing water and wastewater systems and anticipated capital improvements with expected time frames. The agenda item presented another opportunity for the board to review the master plans before finalization for next week's formal board meeting. Jennifer Mael from Mission Consulting Services, who led the development of the master plans, was available to answer questions. The board discussed various aspects of the master plans, including the priority of septic to sewer conversion projects and the useful life of reservoirs.

PUBLIC HEARING ~ RESOLUTION 2025-05 ~ TO COLLECT SEWER FEES ON TAX ROLL

It is recommended to adopt Resolution 2025-05, electing to collect sewer user fees on the tax roll.

General Manager Macy introduced the item, noting that the public hearing would be held on Monday. Director of Finance, Arturo Ceja, provided an overview, explaining that this is the tenth year of collecting sewer charges for residential customers via property taxes. This method has significantly

reduced delinquencies and late bills, resulting in substantial savings for the District. Arturo mentioned the possibility of applying a similar approach to fixed fees for water accounts. After board approval, customers are notified and given the option to prepay until June 30th. The district benefits from the teeter plan, ensuring full collection of sent amounts while the county handles delinquent accounts. Arturo answered questions from the board, clarifying that the summary page represents all sewer connections in the District. Director Mayrhofen expressed disagreement with placing utilities on the tax roll.

RESOLUTION 2025-06 ~ AUTHORIZING AGENTS FOR THE STATE AND LOCAL CYBERSECURITY GRANT PROGRAM (SLCGP)

It is recommended to adopt Resolution 2025-06 authorizing the following positions within Mission Springs Water District to apply for federal disaster assistance on behalf of the District: General Manager, Assistant General Manager, Director of Finance and Director of Operations.

Resolution 2025-06 authorizes agents for the state and local cybersecurity grant program. General Manager Brian Macy introduced the Innovation and Technology manager, Kurt Kettenacker, who explained that the resolution is a requirement for onboarding the cybersecurity grant. The resolution gives General Manager Macy, Assistant General Manager Marion Champion, Director of Finance Arturo Ceja, and Director of Operations Danny Friend the authority to make decisions on behalf of the District. Kurt mentioned that the grant amount is approximately \$246,000. Directors Martin and Duff asked questions about the timeline for receiving the grant funds. Kurt responded that the grant has not been canceled, and an email from CalOES indicated that FEMA must comply with the court's order not to impede the disbursement of federal grant funds.

AUTHORIZATION FOR AUGMENTATION OF THE CAPITAL BUDGET

It is recommended to authorize the General Manager to augment the capital budget for Job #11776, the Energy Conservation and Efficiency Services Plan, by \$405,000, increasing the total budget from \$150,000 to \$555,000.

General Manager, Macy, introduced the Director of Operations, Danny Friend, who explained the necessity of the budget augmentation to cover costs related to project management, administrative oversight, staff time, site coordination, inspection, legal costs, and environmental compliance. The initial budget of \$150,000 was allocated for assessments and plan development for the original NG project, and expenses incurred to date cover various administrative and consultant oversight tasks. The augmentation request includes additional funds for project management, staff admin time, site inspection, coordination, legal costs, and contingency. Director Duff raised concerns about the costs associated with NEPA and SQA, questioning whether these should be covered by the contractor. Danny clarified that the district is the lead agency for the CEQA process and that the costs are necessary for oversight and coordination. The discussion also touched on the changes in project scope and the impact on costs, with assurances that staff is confident in maintaining the anticipated savings and terms of the agreement. The discussion concluded with further clarification on the project's progress and the expectation to bring it back to the board in the next meeting.

CONTRACT AMENDMENT NO. 2 WITH TOM DODSON & ASSOCIATES FOR ON-CALL ENVIRONMENTAL CONSULTING FOR PREPARATION OF CALIFORNIA ENVIRONMENTAL QUALITY ACT DOCUMENTS OF THE GROUNDWATER QUALITY PROTECTION PROGRAM

It is recommended to authorize the General Manager to negotiate and execute a contract amendment with Tom Dodson and Associates in the amount of \$97,750.00 to prepare technical analysis and studies that meet California Environmental Quality Act, and National Environmental Protection Act conditions with a 10% contingency in the amount of \$9,775.00 for a not to exceed contract amount of \$107,525.00.

Engineering Manager Eric Weck presented. General Manager Macy introduced the item, which pertained to a second contract amendment with Tom Dodson and Associates for their on-call environmental consulting contract. The proposed work involves completing a California Environmental Quality Act (CEQA) study for the entire groundwater quality protection plan within the district's area of responsibility. The last comprehensive CEQA document for the GQPP was prepared in 1998. Assessment District 18 covers six sub-areas as well as areas near the I-10 Freeway and Indian Canyon Drive. In December 2024, MSWD staff met with representatives from the Army Corps of Engineers to brainstorm ways to streamline the environmental process for both NEPA (federal) and CEQA (state) coverage and expedite construction. The Army Corps of Engineers suggested that the district prepare and finalize the CEQA document, which they would then use to prepare their NEPA document. Staff solicited a quote from Tom Dodson and Associates to prepare the CEQA document, which amounted to \$97,750. The potential benefits include shortening the environmental phase and ultimately getting projects within AD18 under construction with the Army Corps, as well as improving the district's ability to secure state grant funding by having shovel-ready projects.

CONTRACT AMENDMENT WITH DOWNING CONSTRUCTION, INC., AND BUDGET AUGMENTATION FOR THE CONSTRUCTION OF THE REGIONAL SEWER CONVEYANCE LINE

It is recommended that the General Manager be authorized to execute a Contract Amendment with Downing Construction, Inc. for additional costs due to unforeseen tasks and field issues during construction of the Regional Sewer Conveyance Line for a not to exceed amount of \$138,932.59.

Engineering Manager Eric Weck provided details on the construction of the conveyance line from the Dos Palmas lift station to the new Nancy Wright Regional Wastewater Reclamation Facility, as well as the diversion structure at the Horton wastewater treatment plant. Significant issues included Southern California Edison delays and the temporary pausing of work along Little Morongo Road. The project was completed, but extra contractor remobilization reduced the available contingency and affected the completion schedule. A budget augmentation of \$138,932 was requested to cover the remaining electrical work and replenish the project contingency. The project is anticipated to be completed within three to four months once the change order is approved. The board discussed the impacts of Tropical Storm Hillary and the need for better tracking of budget adjustments. FEMA reimbursement for storm-related costs was also addressed.

REJECTION OF CONSTRUCTION BIDS FOR THE GQPP AD-18 AREA D-3 SEWER CONSTRUCTION AND WATER LINE REPLACEMENT PROJECT

It is the staff's recommendation to reject all bids and not proceed with the Area D-3 Sewer Construction and Water Line Replacement Project due to increased construction costs.

Eric Weck, Engineering Manager, presented the rejection of construction bids for the GQPP Assessment District 18 area D3 sewer construction and waterline replacement project. Staff recommends rejecting all bids due to increased construction costs. The lowest bid received was from Bordon Excavation for \$2,696,628, which exceeded the available project budget even with grants from the Department of Water Resources. The board reviewed the budget details and calculated that a \$17,000 subsidy per lot would be needed, totaling over \$1.7 million for the 102 lots in area D3 2. The board discussed potential coordination with the city for pavement restorations and developer contributions but found no current opportunities. The discussion concluded with the board expressing regret over the project's rejection and the hope for future funding to move forward with similar projects.

DISCUSSION ITEMS**GROUNDWATER PROTECTION PROGRAM UPDATE**

This item will be discussed on Monday

CRITICAL SERVICES CENTER AND ADMINISTRATION BUILDING UPDATE

This item will be discussed 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:

March 11, 2025 - Special Meeting Workshop Minutes

March 13, 2025 - Study Session Minutes

March 17, 2025 - Board Meeting Minutes

REGISTER OF DEMANDS

The register of demands totaling \$2,603,339.31

BOARD COMPENSATION

It is recommended to Board Compensation for the following event:

CWEA Awards Luncheon, April 24, 2025, All Board Members

REPORTS**DIRECTOR'S REPORTS**

GENERAL MANAGER'S REPORT

Included in this report are the following oral reports:

- A. Finance Report
- B. Public Affairs Report
- C. Well 42

Arturo Ceja presented the Financial Report, the discussion focused on the capital improvement projects detailed in the GM report. Mr. Ceja emphasized the importance of timely information compilation by managers to provide accurate updates. The current year's capital improvement projects were reviewed, highlighting a significant discrepancy between the budgeted amount of \$44 million and the actual year-to-date expenditure of \$3.4 million. Several projects, including well 42 area M2 and the terrace reservoirs, are stalled due to state approvals. The internal financials for February showed a \$25 million increase in cash compared to the previous year, with a \$10 million increase after accounting for a \$15 million payment to Wells Fargo. Operating expenses were higher than budgeted, primarily due to timing and unaddressed projects, including technology items for the ERP system. The investment return increased to 4.41% from 0.74% last year.

Marion Champion, Assistant General Manager, began with a brief presentation highlighting recent activities and events involving the Public Affairs Office. The past month was filled with community engagement activities, including groundbreaking events for the Hacienda Street improvements project and the new Police Department Annex. MSWD representatives attended the Aqua legislation symposium at the state capital and met with state Senator Rosilicie Ochoa Bogh and Assemblyman Greg Wallace. Additionally, a trip to DC included meetings with Senator Padilla, Congressman Ruiz, and various federal representatives. The County Senior Inspiration Awards honored Sally Hedberg for her contributions to the DHS community. MSWD participated in career days at local schools, hosted successful tours showcasing water and wastewater infrastructure, and received positive feedback from attendees. Upcoming events include Life Stream Blood Drive, CSDA leadership academy, CWEA Annual Conference, and various community engagement activities.

COMMENTS**DISTRICT COUNSEL COMMENTS**

No comments

DIRECTOR COMMENTS AND REQUESTS

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

President Sewell emphasized the importance of mutual respect within the team. He acknowledged that playful comments can sometimes be misunderstood and stressed that Board Members should feel comfortable asking questions and seeking deeper understanding. The long meeting made it challenging, but board members must gather all necessary information.

ADJOURN

With no further business, President Sewell adjourned the meeting at 6:47 PM

Respectfully submitted,



Dori Petee
Executive Assistant