

**VALLEY SANITARY DISTRICT  
MINUTES OF REGULAR BOARD MEETING**

April 9, 2013

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held at the District offices, 45-500 Van Buren Street, Indio, California, on Tuesday, April 9, 2013.

**CALL TO ORDER, ROLL CALL**

1. PRESIDENT YORK called the meeting to order at 12:31 p.m. Those in attendance were as follows:

DIRECTORS PRESENT: Douglas A. York, Merritt Wiseman, William R. Teague, Richard Friestad, Mike Duran.

DIRECTORS ABSENT: None

STAFF PRESENT: Joseph Glowitz, General Manager, Holly Gould, Joanne Padgham, Ron Buchwald, Mark Lemus, Oscar Vela

GUESTS: Debbie Canero

**MINUTES**

2. Consideration of the March 26, 2013 Regular Board Meeting Minutes
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**ACTION TAKEN:**

**MOTION:** DIRECTOR DURAN made a motion to approve the minutes for the Regular Board Meeting held March 26, 2013. DIRECTOR FRIESTAD seconded the motion. Motion carried by the following vote: 5 yes.

**MINUTE ORDER NO. 2013-2140**

**PUBLIC COMMENTS**

There were no public comments or correspondence items to present to the Board.

**EMPLOYEE PRESENTATION**

3. Presentation of Employee Anniversary Pins
- Oscar Vela – 13 years
  - Mark Lemus – 1 year

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The Board of Directors presented the employees listed above with their anniversary pins and thanked them for their contributions and years of service to the District.

**NON-HEARING ITEMS**

4. Consideration Van Lant & Fankhanel 2012/13 Fiscal Year Engagement Letter

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It is recommended that the District change auditors every 5 years. We have been with Teaman, Ramirez and Smith since 2000/2001. The partner that has been assigned to Valley Sanitary District, Greg Fankhanel, has left the firm to start the new firm of Van Lant & Fankhanel, LLP. Since Mr. Fankhanel is familiar with the District, and being it is Joanne Padgham's first year with the District, it is recommended engaging Van Lant & Fankhanel, LLP for the June 30, 2013 audit.

**ACTION TAKEN:**

**MOTION:** DIRECTOR TEAGUE made a motion to engage Van Lant & Fankhanel, LLP for the June 30, 2013 audit for the amount of \$14,800. DIRECTOR DURAN seconded the motion. Motion carried by the following vote: 5 yes.

**MINUTE ORDER NO. 2013-2141**

5. Consideration of Agency Election Officer for the 2013 CalPERS Board of Administration Member-At-Large Election

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CalPERS is conducting an upcoming Member-At-Large Board Election. All agencies must appoint an Agency Election Officer. It is recommended that Joanne Padgham, Administration & Finance Manager, be appointed as the Agency Election Officer.

**ACTION TAKEN:**

**MOTION:** DIRECTOR WISEMAN made a motion to appoint Joanne Padgham as the Agency Election Officer. DIRECTOR FRIESTAD seconded the motion. Motion carried by the following vote: 5 yes.

**MINUTE ORDER NO. 2013-2142**

6. Consideration of Resolution No. 2013-1039, CalPERS Compliance with Requirements of the Public Employee's Pension Reform Act (PEPRA)

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The State Legislature passed and the Governor of California signed Assembly Bill 340, the Public Employees' Pension Reform Act of 2013 (PEPRA) that implemented new benefit formulas and final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013, who meet the definition of a new member as per PEPRA. In accordance with state law, the District will offer two defined benefit plans, Tier 1 (2.5@55) for legacy CalPERS employees and Tier 2 (2@62) for new member CalPERS employees.

**“A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT SETTING FORTH TERMS AND CONDITIONS OF CALIFORNIA PUBLIC EMPLOYEE’S RETIREMENT SYSTEM (CalPERS) BENEFITS IN COMPLIANCE WITH REQUIREMENTS OF THE PUBLIC EMPLOYEE’S PENSION REFORM ACT (PEPRA) FOR NEW EMPLOYEES”**

**ACTION TAKEN:**

**MOTION:** DIRECTOR WISEMAN made a motion to adopt Resolution No. 2013-1039 to set forth terms and conditions of California Public Employee’s Retirement System (CalPERS) benefits in compliance with requirements of the Public Employee’s Pension Reform Act (PEPRA) for new employees. DIRECTOR TEAGUE seconded the motion. Motion carried by the following roll call vote:

AYES: Director(s) York, Friestad, Teague, Duran, Wiseman  
NOES: NONE  
ABSENT: NONE  
ABSTAIN: NONE

**RESOLUTION NO. 2013-1039**

7. Notice of Intent to Amend CSRMA Joint Exercise of Powers Agreement and Bylaws

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The California Sanitation Risk Management Authority (CSRMA) Executive Board is recommending proposed revisions to the Joint Powers Agreement and Bylaws to the CSRMA Board of Directors for their approval at the April 26, 2013 Board of Directors Meeting in Newport Beach.

**ACTION TAKEN:**

**MOTION:** DIRECTOR TEAGUE made a motion to note and file the information. DIRECTOR DURAN seconded the motion. Motion carried by the following vote: 5 yes.

**MINUTE ORDER NO. 2013-2143**

8. Consideration of Resolution No. 2013-1041 Specifying Payment of Candidate Election

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It is recommended that a General District Election notice be filed with the Registrar of Voters in compliance with Elections Code §10509, and §10522 in preparation for the November 5, 2013 General District Election, and that Resolution No. 2013-1041 is approved specifying payment of the Candidate Election Statement as submitted. DIRECTOR WISEMAN and DIRECTOR FRIESTAD’s terms expire December 6, 2013. Candidates will be able file their statements with Joanne Padgham. It is the resolve of the board that each candidate pays for their own election statement.

**“A RESOLUTION OF THE GOVERNING BOARD OF THE VALLEY SANITARY DISTRICT SPECIFYING PAYMENT OF CANDIDATES ELECTION STATEMENT”**

**ACTION TAKEN:**

**MOTION:** DIRECTOR TEAGUE made a motion to adopt Resolution No. 2013-1041 specifying payment of candidate’s election statement. DIRECTOR DURAN seconded the motion. Motion carried by the following roll call vote:

AYES: Director(s) York, Friestad, Teague, Duran, Wiseman  
NOES: NONE  
ABSENT: NONE  
ABSTAIN: NONE

**RESOLUTION NO. 2013-1041**

9. Award Contract to Insituform Technologies, LLC for the Pipeline Rehabilitation Project #4

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MR. BUCHWALD informed the board that there were four bids for the Pipeline Rehabilitation Project #4 project. Insituform Technologies, LLC was the lowest bidder coming in at \$131,373.80 to line approximately 4,700 lineal feet of sewer main and related work in the downtown area. The District has used Insituform Technologies in the past. The project is due to start in May, 2013.

**ACTION TAKEN:**

**MOTION:** DIRECTOR DURAN made a motion to award the contract to Insituform Technologies, LLC and to authorize the General Manager to sign the contract for the cost of \$131,373.80 to line approximately 4,700 lineal feet of sewer main as well as other related work in the downtown area. DIRECTOR FRIESTAD seconded the motion. Motion carried by the following vote: 5 yes.

**MINUTE ORDER NO. 2013-2144**

10. Adopt District Reserve Policy

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The District’s reserve policy was initially established in 1981 and was revised in 1986. The District has traditionally obligated a portion of the sewer use fee (Fund 11) towards a capital reserve fund for repair and rehabilitation of District capital assets. During the establishment of annual fiscal year budgets, a portion of the sewer use fee was designated to be set aside for capital replacement purposes. This unofficially amounted to \$88.25 of the sewer use fee. This amount, however, is a fixed dollar amount, degrades over time, as its percentage of the total budget decreases. The recommended revised Reserve policy consists of both designated and restricted reserves and would change the formula from a dollar amount to a percentage.

**“A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT STATING THE DISTRICT’S POLICY REGARDING DISTRICT RESERVE POLICY”**

**ACTION TAKEN:**

**MOTION:** DIRECTOR TEAGUE made a motion to adopt Resolution No. 2013-1040 stating the District's policy regarding District Reserve Policy. DIRECTOR WISEMAN seconded the motion. Motion carried by the following roll call vote:

AYES: Director(s) York, Friestad, Teague, Duran, Wiseman  
NOES: NONE  
ABSENT: NONE  
ABSTAIN: NONE

**RESOLUTION NO. 2013-1040**

11. Plant Upgrade Project No. 18

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MR. GLOWITZ reported that the equipping of the Digester tank and Primary Sedimentation tank are taking place. The SCADA software review took place March 28, 2013 and a punch list was established. Along with Lee & Ro and Archer Western, a detailed commissioning and test schedule is being developed and will be delivered shortly. Discussions are taking place for procuring seed sludge for the digester. The potential change orders have been reviewed and negotiated. It is recommended that Change Order No. 5 be processed in the amount of \$137,682.02. Archer Western submitted a progress payment request for work completed to date. After this payment, the remaining project budget including contingency is \$3.1 million.

**ACTION TAKEN:**

**MOTION:** DIRECTOR WISEMAN made a motion to authorize payment of the 16th progress payment to Archer Western in the amount of \$765,841.14 and \$85,093.46 in retention to be placed in an escrow account. DIRECTOR TEAGUE seconded the motion. Motion carried by the following vote: 5 yes.

**MINUTE ORDER NO. 2013-2145**

12. Fiscal Year 2013/2014 Budget Study Session

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A discussion took place regarding the Fiscal Year 2013/2014 draft budget. Most of the budget remains the same with the exception of increasing electric and chemical costs and the addition of the ERICA radio system.

**ACTION TAKEN:**

**MOTION:** DIRECTOR TEAGUE made a motion to receive and file the Draft Budget for Fiscal Year 2013/2014. DIRECTOR DURAN seconded the motion. Motion carried by the following vote: 5 yes.

**MINUTE ORDER NO. 2013-2146**

13. Set a Public Hearing Date to Adopt the Final Fiscal Year 2013/2014 Budget

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It is recommended that a budget hearing date of June 11, 2013 be set to adopt the final fiscal year 2013/2014 budget and approve the Public Hearing Notice for Publishing in the Desert Sun.

**ACTION TAKEN:**

**MOTION:** DIRECTOR TEAGUE made a motion to set the 2013/2014 fiscal year budget hearing date for June 11, 2013. DIRECTOR DURAN seconded the motion. Motion carried by the following vote: 5 yes.

**MINUTE ORDER NO. 2013-2147**

14. Manager's Notes

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MR. GLOWITZ informed the Board that the District received a Certificate of Achievement from Government Finance Officers Association (GFOA) for Excellence in Financial Reporting for our CAFR Report. He also informed the Board that we did have violations from when our de-chlorination system hiccupped.

**DIRECTOR'S ITEMS**

*Director's items not listed are for discussion only; no action will be taken without an urgency vote pursuant to State law.*

DIRECTOR WISEMAN will not be attending the April 23, 2013 board meeting.

**CONSENT ITEMS**

15. Approval of Expenditures for March 21, 2013 to April 3, 2013.

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Check numbers 29981 to 30040 totaling \$83,930.79 were issued, as well as, two ACH payments totaling \$850,934.60. Payroll checks numbers 8526 to 8532 totaling \$4,021.38 and payroll transfers of \$70,566.89 were also issued.

**ACTION TAKEN:**

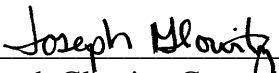
**MOTION:** DIRECTOR WISEMAN made a motion to pay the disbursement items as presented. DIRECTOR FRIESTAD seconded the motion. The motion carried by the following vote: 5 yes

**MINUTE ORDER NO. 2013-2148**

**ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 2:18 p.m., and the next Regular Board Meeting will be held April 23, 2013.

Respectfully submitted,

  
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Joseph Glowitz, General Manager  
Valley Sanitary District