

**VALLEY SANITARY DISTRICT
MINUTES OF REGULAR BOARD MEETING
December 8, 2015**

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, December 8, 2015.

CALL TO ORDER, ROLL CALL

1. PRESIDENT YORK called the meeting to order at 1:00 p.m. Those in attendance were as follows:
- DIRECTORS PRESENT: Douglas A. York, Merritt Wiseman, William Teague, Mike Duran and Eric Davenport
- DIRECTORS ABSENT: None
- STAFF PRESENT: Joseph Glowitz, General Manager, Holly Gould, Ron Buchwald, Karen Hopper, Hector Guzman, and Jimmy Garcia
- GUESTS: None

MINUTES

2. Consideration of the November 24, 2015 Regular Board Meeting Minutes

DIRECTOR DAVENPORT abstained from the vote due to his absence at the November 24, 2015 board meeting.

ACTION TAKEN:

MOTION: DIRECTOR DURAN made a motion to approve the minutes for the Regular Board Meeting held November 24, 2015. DIRECTOR TEAGUE seconded the motion. Motion carried by the following vote: 4 yes

MINUTE ORDER NO. 2015-2465

PUBLIC COMMENTS

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

EMPLOYEE PRESENTATION

3. Presentation of Employee Anniversary Pins
- Jimmy Garcia – 9 years
 - James Mills – 9 years
 - Joseph Glowitz – 5 years
 - Ron Buchwald – 3 years
 - Andy Calhoun – 2 years
 - Karen Hopper – 2 years
 - Hector Guzman – 1 year

The Board of Directors presented Jimmy, Joseph, Ron, Karen, and Hector with their anniversary pins and thanked them for their contribution and years of service to the District. James and Andy were absent from the meeting.

OATH OF OFFICE

4. A. Administer Oath of Office to Appointed Directors

Certification in Lieu of Election was received from the Riverside County Register of Voters office certifying that in lieu of the election on November 3, 2015, Mike Duran, William Teague and Douglas A. York were appointed to the office of Director of Valley Sanitary District for a term commencing December 4, 2015 and ending December 6, 2019. Eric Davenport was also sworn in to fill the vacancy created by the passing of Richard Friestad, for a term ending December 1, 2017. MS. GOULD administered the oath of office to the newly appointed Directors.

B. Election of Board Officers

Nomination of President – DIRECTOR TEAGUE nominated Douglas A. York for the office of President of the Valley Sanitary District Board of Directors.

Nomination of Vice President – DIRECTOR TEAGUE nominated Mike Duran for the office of Vice President of the Valley Sanitary District Board of Directors.

Nomination of Secretary-Treasurer – DIRECTOR TEAGUE nominated Merritt Wiseman for the office of Secretary-Treasurer of the Valley Sanitary Board of Directors.

Nomination of Alternate Secretary – DIRECTOR TEAGUE nominated Eric Davenport for the office of Alternate Secretary of the Valley Sanitary District Board of Directors.

ACTION TAKEN:

MOTION:

DIRECTOR WISEMAN made a motion to accept the nominations as presented.
DIRECTOR TEAGUE seconded the motion. Motion carried by the following roll call vote:

AYES: Director(s) Davenport, Duran, Teague, Wiseman, York
NOES: None
ABSENT: None
ABSTAIN: None

MINUTE ORDER NO. 2013-2466

ADJOURN TO CLOSED SESSION

5. The Board shall adjourn to Closed Session to Consider Public Employment pursuant to Government Code Section 54957 for an Employee Review – General Manager.

The Board adjourned to closed session at 1:10 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to open session at 1:32 p.m. PRESIDENT YORK stated that there was action taken on the General Manager's contract.

NON-HEARING ITEMS

6. Annual Connection Capacity Fee Report

Government Code Section 66013 requires a financial accounting of the transactions dealing with sewer connection capacity fees shall be made available to the public. The annual report shows actual values for the 2014/2015 fiscal year and estimated values for the 2015/2016 fiscal year. A copy of this report was mailed to the Desert Valley Builders Association for review and comment on November 19, 2015.

ACTION TAKEN:

MOTION:

DIRECTOR TEAGUE made a motion to receive and file the Annual Connection Capacity Fee Report. DIRECTOR DURAN seconded the motion. The motion carried by the following vote: 5 yes

MINUTE ORDER NO. 2015-2467

7. Vacate Easement on Our Lady of Perpetual Help (OLPH)

Valley Sanitary District had an existing 6-inch sewer main within a 10-foot easement that lies on the property of OLPH. Buildings on the property have come and gone and the 6-inch main was abandoned. The current easement prevents them from making improvements. Their consultants have prepared a Quitclaim Deed and exhibits to remove the easement from their property.

ACTION TAKEN:

MOTION:

DIRECTOR TEAGUE made a motion to authorize the General Manager to sign and notarize the Quitclaim Deed to vacate the Easement on Our Lady of Perpetual Help for recording purposes. DIRECTOR WISEMAN seconded the motion. Motion carried by the following roll call vote:

AYES: Director(s) Davenport, Duran, Teague, Wiseman, York
NOES: None
ABSENT: None
ABSTAIN: None

MINUTE ORDER NO. 2015-2468

8. Award Front Wall Project

After receiving bids over the Engineers Estimate for the Front Wall Project in April 2015, the District re-advertised the project in October 2015. After reviewing the bids, the lowest responsive and responsible bidder is RDP/SCI, Inc. at \$771,048.

ACTION TAKEN:

MOTION:

DIRECTOR DURAN made a motion to award the Front Wall Replacement and Entrance Improvement Project (Front Wall Project) to RDP/SCI, Inc. and authorize the General Manager to execute a construction contract not to exceed \$848,150. DIRECTOR WISEMAN seconded the motion. Motion carried by the following roll call vote:

AYES: Director(s) Davenport, Duran, Teague, Wiseman, York
NOES: None
ABSENT: None
ABSTAIN: None

MINUTE ORDER NO. 2015-2469

9. Award HDR Construction Services

During bidding and construction of any construction project, there are typically requests for more information, clarifications, and change orders regarding the plans and specifications. HDR is the design consultant for the Requa Interceptor Project and will be the most knowledgeable in providing the information and clarification needed. They will also be developing any revised changes to drawings due to unforeseen conditions. It is typical to have the design consultant involved in the construction of major projects. It is recommended to enter into a professional services agreement with HDR Engineering, Inc. The not to exceed amount of \$99,200 is a worst case scenario covering the 18 month long project and will only be used when necessary.

ACTION TAKEN:

MOTION:

DIRECTOR TEAGUE made a motion to authorize the General Manager to enter into a professional services agreement with HDR Engineering, Inc. for a not to exceed fee of \$99,200 for bid and construction phase engineering services. DIRECTOR DURAN seconded the motion. Motion carried by the following roll call vote:

AYES: Director(s) Davenport, Duran, Teague, Wiseman, York
NOES: None
ABSENT: None
ABSTAIN: None

MINUTE ORDER NO. 2015-2470

10. Consideration to Authorize Surplus of Equipment

Staff has identified obsolete equipment that is no longer usable by the District. These items have been replaced by newer items and are no longer needed. It is recommended that the Board of Directors authorize surplus of the items listed in the "Valley Sanitary District Equipment Disposition Form" in accordance with VSD Policy 3030: Fixed-Asset Accounting Control. It was recommended that the two golf carts listed as surplus be donated to the Shadow Hills High School Athletic Department.

ACTION TAKEN:

MOTION:

DIRECTOR DURAN made a motion to authorize surplus of the items listed in the Valley Sanitary District Equipment Disposition Form and to donate two golf carts to the Shadow Hills High School Athletic Department. DIRECTOR DAVENPORT seconded the motion. Motion carried by the following roll call vote:

AYES: Director(s) Davenport, Duran, Teague, Wiseman, York
NOES: None
ABSENT: None
ABSTAIN: None

MINUTE ORDER NO. 2015-2471

11. Classification of Board Members as Employees

For federal income tax purposes under section 3401(c) of the Internal Revenue code any individual who serves as a public official is an employee of the government for whom he or she serves. The government entity is responsible for withholding and paying Federal income tax, social security and Medicare taxes, and issuing Form W-2, Wage and Tax Statement, to a public official. Beginning January 1, 2016, paydays will be bi-weekly with twenty-six (26) pay periods per year to be consistent with the Valley Sanitary District employee payment schedule.

ACTION TAKEN:

MOTION: DIRECTOR WISEMAN made a motion to approve the classification of Board members of Valley Sanitary District as employees of the District for federal income tax purposes under section 3401(c) of the Internal Revenue code. DIRECTOR DAVENPORT seconded the motion. Motion carried by the following roll call vote:

AYES: Director(s) Davenport, Duran, Teague, Wiseman, York
NOES: None
ABSENT: None
ABSTAIN: None

MINUTE ORDER NO. 2015-2472

12. Set Public Hearing Date to Adopt Ordinance No. 2015-119

It is recommended that the Board set a public hearing date of January 26, 2016 to adopt an ordinance to increase the compensation payable to members of the District's Board of Directors as pursuant to Health and Safety Code §6489(b) and Water Code §20202. It is further recommended that the Board advise staff of the recommended compensation increase for Ordinance No. 2015-119. California law authorizes a sanitary district to increase board member compensation above \$100 per day by the adoption of an ordinance adopted following a noticed public hearing. The increase may not exceed an amount equal to 5 percent for each calendar year following the operative date of the last adjustment of the compensation that is received when the ordinance is adopted.

ACTION TAKEN:

MOTION: DIRECTOR WISEMAN made a motion to set a public hearing date of January 26, 2016 to adopt an ordinance to increase the compensation payable to members of the District's Board of Directors as pursuant to Health and Safety Code §6489(b) and Water Code §20202. It is further recommended that the Board advise staff of recommended compensation increase for Ordinance No. 2015-119. DIRECTOR DURAN seconded the motion. Motion carried by the following roll call vote:

AYES: Director(s) Davenport, Duran, Teague, Wiseman, York
NOES: None
ABSENT: None
ABSTAIN: None

MINUTE ORDER NO. 2015-2473

13. Bank Change Recommendation

On October 7, 2015, Bank of America gave notice that they will no longer provide banking services for Valley Sanitary District. The decision is based on Basel III regulations, which establishes new rules for liquidity. The termination date is January 7, 2016. The District received quotes for a business analysis checking account, based on an average balance of \$2,000,000, from three banks. Wells Fargo is recommended due to its expertise in comprehensive financial services for public entities, high level of customer service, leading-edge technology, innovative products and services, and convenient locations backed by the strength and security of Wells Fargo.

ACTION TAKEN:

MOTION: DIRECTOR WISEMAN made a motion to approve the transfer of the District's general checking account from Bank of America to Wells Fargo Treasury Management.
DIRECTOR DURAN seconded the motion. Motion carried by the following roll call vote:

AYES: Director(s) Davenport, Duran, Teague, Wiseman, York
NOES: None
ABSENT: None
ABSTAIN: None

MINUTE ORDER NO. 2015-2474

14. Manager's Notes

MR. GLOWITZ handed out a letter from the Desert Valley Builders Association. Development continues. The CAFR has been submitted to the GFOA. Administration is working on updating the Board of Director's policy. The District received three bids for the Solar Project which are currently being reviewed. A discussion took place regarding the Solar Project. The holiday luncheon will be on December 16 at 11:00 a.m. at the buffet at Fantasy Springs Casino with gift exchange to follow at the District.

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.

CONSENT ITEMS

15. Approval of Expenditures for November, 2015 to December 2, 2015

Check numbers 33209 to 33238 totaling \$63,016.23 and a transfer of \$18,040.96 were issued. Payroll check numbers 8974 to 8977 totaling \$4,184.23 and payroll transfers of \$83,444.41 were also issued.

**ACTION TAKEN:
MOTION:**

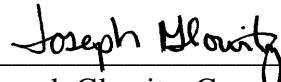
DIRECTOR WISEMAN made a motion to pay the disbursement items as presented.
DIRECTOR TEAGUE seconded the motion. The motion carried by the following
vote: 5 yes

MINUTE ORDER NO. 2015-2475

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 2:26 p.m., and the next Regular Board Meeting will be held December 22, 2015.

Respectfully submitted,



Joseph Glowitz, General Manager
Valley Sanitary District