

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

February 28, 2017

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, February 28, 2017.

CALL TO ORDER, ROLL CALL

1. PRESIDENT YORK called the meeting to order at 1:02 p.m. Those in attendance were as follows:
- DIRECTORS PRESENT: Douglas A. York, Merritt Wiseman, William Teague, and Eric Davenport
- DIRECTORS ABSENT: Mike Duran
- STAFF PRESENT: Holly Gould, Joanne Padgham, Mike Lopanec, and Ron Buchwald
- GUESTS: None

CONSENT ITEMS

- a. Consideration of the February 14, 2017 Regular Board Meeting Minutes
- b. Approval of Summary of Cash & Investments for January, 2017
- c. Approval of Expenditures for February 9, 2017 to February 22, 2017

Check numbers 34714 to 34763 totaling \$133,063.91 and a transfer of \$62,818.75 were issued, as well as \$87,905.26 in payroll transfers.

ACTION TAKEN:

MOTION: DIRECTOR TEAGUE made a motion to approve the minutes for the Regular Board Meeting held February 14, 2017, to approve the Summary of Cash & Investments for January, 2017 and to pay the disbursement items as presented. DIRECTOR DAVENPORT seconded the motion. Motion carried by the following vote: 4 yes

MINUTE ORDER NO. 2017-2638

PUBLIC COMMENTS

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

NON-HEARING ITEMS

2. Authorization to Purchase Digester Gas Scrubber Media and Media Removal Net System

The gas scrubber media needs to be replaced due to an unsuccessful regeneration process. Because scrubber media cannot be regenerated as previously described, scrubber media and removal nets will be budgeted in the 2017/2018 Budget. The media will need to be replaced approximately every six (6) months.

ACTION TAKEN:

MOTION: DIRECTOR DAVENPORT made a motion to authorize the purchase of digester gas scrubber media and a media removal system from MV Technologies for a total cost of \$6,538.24. DIRECTOR WISEMAN seconded the motion. Motion carried by the following roll call vote:

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

MINUTE ORDER NO. 2017-2639

3. Continuing Disclosure Annual Report for \$7,540,000 Wastewater Refunding Bonds, Series 2015

Pursuant to the Continuing Disclosure Certificate, the Annual Report is due no later than February 15 each year. This Annual Report contains: The audited Financial Statements of the District for the year ended June 30, 2016; Customer Base; Largest Customers; Largest Users; Historical Net Revenues and Debt Service Coverage; Description of Additional Indebtedness Incurred by the Sanitary District; and Material Event Notice Filing Summary. This is an information only item.

ACTION TAKEN:

MOTION: DIRECTOR WISEMAN made a motion to receive and file the Continuing Disclosure Annual Report for \$7,540,000 Wastewater Refunding Bonds, Series 2015. DIRECTOR TEAGUE seconded the motion. Motion carried by the following vote: 4 yes

MINUTE ORDER NO. 2017-2640

4. Award of Contract – Environmental Resources Management (ERM) Source Monitoring Testing on the Flare

The South Coast Air Quality Management District (SCAQMD) requires source monitoring and testing on both the newly installed Flare and Boiler by a certified testing laboratory. The original source testing showed that neither gas meters on the flare were properly installed, or in sync with one another. The flare also wasn't producing the desired burn level that SCAQMD wanted. The gas meters have since been reinstalled and are reading accurately. A new source testing is required.

ACTION TAKEN:

MOTION: DIRECTOR TEAGUE made a motion to award a contract to Environmental Resources Management (ERM) for a not to exceed fee of \$26,900 to perform a second source monitoring test on the Flare. DIRECTOR DAVENPORT seconded the motion. Motion carried by the following roll call vote:

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

MINUTE ORDER NO. 2017-2641

5. Amendment No. 1 to Installment Sale Agreement with the California State Water Resources Control Board

The Board of Directors approved the terms and conditions of the Installment Sale Agreement between Valley Sanitary District and the California State Water Resources Control Board (CWRCB) in the amount of \$11,999,000 on August 9, 2016 to cover the cost of the Requa Interceptor Project. The purpose of Amendment No. 1 is to increase the Agreement amount by \$751,000 to \$12,750,000, revise the construction completion date to June 1, 2018, revise the end of term date to June 1, 2048, add Exhibit A-FBA and revise Exhibits A, B, & C. The Amendment sets forth the terms and conditions to receive the financial assistance from CSWRCB and the obligation of VSD to pay back the loan over a period of thirty (30) years at the interest rate of one and seven tenths percent (1.7%) per annum, beginning on June 1, 2019. Mr. Buchwald presented an update on the Requa Project.

ACTION TAKEN:

MOTION: DIRECTOR TEAGUE made a motion to accept the terms and conditions of Amendment No. 1 to the Installment Sale Agreement between Valley Sanitary District and the California State Water Resources Control Board (CSWRCB) in the amount of \$12,750,000 and authorize the General Manager to sign on behalf of the District. DIRECTOR WISEMAN seconded the motion. Motion carried by the following roll call vote:

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

MINUTE ORDER NO. 2017-2642

6. Employee Service Award

Staff members propose giving a monetary award to employees who have achieved 1, 5, 10, 15, 20, 25, 30, 35, 40, and 45 years of service, by giving them \$10 for each year achieved at an annual Employee Recognition Luncheon in July. This will be a District funded luncheon to honor staff members. Also, one employee, chosen by his/her peers, will be eligible to receive the Employee of the Year Award of \$250, which was established by Board approval in 2011, but never implemented.

ACTION TAKEN:

MOTION: DIRECTOR TEAGUE made a motion to approve honoring staff members who have achieved 1, 5, 10, 15, 20, 25, 30, 35, 40, and 45 years of service with Valley Sanitary District with a monetary gift. DIRECTOR DAVENPORT seconded the motion. Motion carried by the following roll call vote:

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

MINUTE ORDER NO. 2017-2643

7. General Manager's Report

Staff is working on the implementation of NEOGOV. It should be up and running in April 2017. The 2017/2018 budget process continues. A draft budget will be available March 6, 2017 for staff review. The Board of Director's budget study session is scheduled for April 11, 2017. There is a Potential Change Order for Requa concerning the canal crossing that may be brought to the Board soon. DIRECTOR DAVENPORT inquired about the security at the solar field. Mr. Buchwald stated that staff is looking at different fencing and lighting options for that area.

DIRECTORS' ITEMS

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

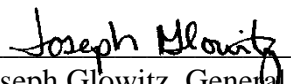
INFORMATIONAL ITEMS

The Board received and acknowledged the copy of the Combined Monthly Account Summary for expenses incurred by the District in January, 2017.

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 1:47 p.m., and the next Regular Board Meeting will be held March 14, 2017.

Respectfully submitted,



Joseph Glowitz, General Manager
Valley Sanitary District