

**VALLEY SANITARY DISTRICT
MINUTES OF REGULAR BOARD MEETING
April 12, 2016**

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 12, 2016.

CALL TO ORDER, ROLL CALL

1. VICE PRESIDENT DURAN called the meeting to order at 1:02 p.m. Those in attendance were as follows:

DIRECTORS PRESENT: Douglas A. York, Mike Duran, Merritt Wiseman, William Teague, and Eric Davenport

DIRECTORS ABSENT: None

STAFF PRESENT: Joseph Glowitz, General Manager, Holly Gould, Joanne Padgham, and Mike Lopanec

GUESTS: None

MINUTES

2. Consideration of the March 22, 2016 Regular Board Meeting Minutes
Consideration of the April 5, 2016 Special Board Meeting Minutes
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ACTION TAKEN:

MOTION: DIRECTOR WISEMAN made a motion to approve the minutes for the Regular Board Meeting held March 22, 2016 and the minutes for the Special Board Meeting held April 5, 2016. DIRECTOR DURAN seconded the motion. Motion carried by the following vote: 4 yes

MINUTE ORDER NO. 2016-2528

PUBLIC COMMENTS

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

EMPLOYEE PRESENTATION

3. Presentation of Employee Anniversary Award
➤ Mike Lopanec – 30 years

PRESIDENT YORK arrived at the meeting at 1:06 p.m. The Board presented Mike Lopanec with an award for his 30 years of service and contribution to the District.

NON-HEARING ITEMS

4. Money Purchase Pension Plan Audit for the Year Ended June 30, 2015 and for the Plan Transferred to CalPERS as of September 23, 2015

On September 8, 2015, the Board approved Resolution No. 2015-1077 terminating the Valley Sanitary District Money Purchase Pension Plan because the one (1) remaining employee elected to participate in the California Public Employees' Retirement System (CalPERS). The District engaged The Pun Group, Accountants & Advisors, to audit the Money Purchase Pension Plan for the Valley Sanitary District for the Year Ended June 30, 2015 and for the Plan Transferred to CalPERS as of September 23, 2015. This is the final audit for the Money Purchase Pension Plan.

ACTION TAKEN:

MOTION: DIRECTOR TEAGUE made a motion to receive and file the Money Purchase Pension Plan Audit for the Year Ended June 30, 2015 and for the Plan Transferred to CalPERS as of September 23, 2015. DIRECTOR DURAN seconded the motion. Motion carried by the following vote: 5 yes

MINUTE ORDER NO. 2016-2529

5. Award of Manhole Rehabilitation Project #14

The District has several sewer manholes located throughout the District that are in need of repair due to corrosion, hydrogen sulfide deterioration, and other deficiencies. VSD advertised the Manhole Rehabilitation Project #14 and received three bids at the bid opening. After reviewing the bids, the lowest responsive and responsible bidder was Ayala Engineering at \$102,300.

ACTION TAKEN:

MOTION: DIRECTOR TEAGUE made a motion to award the Manhole Rehabilitation Project #14 contract to Ayala Engineering and authorize the General Manager to execute a construction contract not to exceed \$102,300 to coat 24 manholes. 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. 2016-2530

6. Front Wall & Entrance Improvement Project Report No. 3

The Front Wall and Entrance Improvement Project is approximately 80% complete to date. The entire wrought iron fence and gates have been installed as of April 1, 2016. The temporary fencing has been removed from the site. The block wall at the main entrance is complete, including the VSD sign and electrical improvements. The mow strip behind the fence is also installed and complete. Electrical work is now in progress. Painting of the wrought iron fence is scheduled for the week of April 4, 2016. Gravel rock on both sides of the wrought iron fence will be installed after painting of the wrought iron fence is complete. It is recommended to approve

Change Order No. 2 for a total cost of \$5,135 to add a 4 inch wide strip of metal to all gates to reduce the gap. RDP/SCI, Inc. submitted a progress payment request for work completed to date.

ACTION TAKEN:

MOTION: DIRECTOR DURAN made a motion to receive and file Project Report No. 3 and approve 1. Change Order No. 2 for \$5,135 and 2. A progress payment to RDP/SCI, Inc. for \$208,703.39 and \$10,984.39 to be placed in a retention payable account. 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. 2016-2531

7. Set Public Hearing Date to Adopt the Final Fiscal Year 2016/2017 Budget

It is recommended that a Public Hearing be set for June 14, 2016 to adopt the final fiscal year 2016/2017 Operations and Maintenance Budget and Capital Improvement Program and to approve the Public Hearing Notice for publishing in the Desert Sun.

ACTION TAKEN:

MOTION: DIRECTOR WISEMAN made a motion to set a budget hearing date of June 14, 2016 to adopt the final fiscal year 2016/2017 budget and approve the Public Hearing Notice for publishing in the Desert Sun. 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. 2016-2532

8. Fiscal Year 2016/2017 Budget Study Session

MR. GLOWITZ presented the fiscal year 2016/2017 draft budget to the board. He pointed out the Operations and Maintenance has slightly decreased. He also stated that there is a proposed 1% COLA increase for employees, an increase in the sewer use fee, and the connection capacity fee will remain the same. The step increase chart has been reworked as well as the organization chart.

9. Manager's Notes

The District has once again received an award from GFOA for our Annual CAFR Report. MR. GLOWITZ passed out an article on the Zika Virus and what it could mean for the District. He mentioned bringing the decommissioning of the biological ponds to the Board soon. Solar City will be on property tomorrow. The District is receiving quotes for the removal of the steel generator building.

PUBLIC HEARING

10. Sewer Use Fee – Public Hearing
 - A. General Notice and Call
 - B. President Announces Public Hearing Procedures
 - C. General Manager’s Report
 - D. President Declares Public Hearing Open
 - E. Public Comments
 - F. President Declares Public Hearing Closed
 - G. Board Discussion
 - H. Consideration of Resolution

PRESIDENT YORK asked MR. GLOWITZ to give a brief summary of the actions leading up to the Public Hearing. MR. GLOWITZ stated that in accordance with California Proposition 218, the Valley Sanitary District duly advised all customers via U.S. Mail of a Public Hearing in order to consider an increase to the Sewer Use Rate. Additionally, a notice of the Public Hearing was published in the Desert Sun newspaper on February 21, 2016 and February 28, 2016, and posted on the District’s website. PRESIDENT YORK then gave the procedures to be followed during the hearing and asked MR. GLOWITZ to summarize any written communications regarding the increase and proposed Resolution 2016-1084. MR. GLOWITZ informed the Board that seventeen (17) letters of protest and one (1) letter in support of the rate increase had been received. PRESIDENT YORK declared the Public Hearing open at 2:09 p.m. and asked MR. GLOWITZ to give a brief staff report which would be followed by any public testimony. There being no public testimony, PRESIDENT YORK declared the Public Hearing closed at 2:10 p.m. Being no questions or comments from the Board, PRESIDENT YORK thanked staff for their hard work.

“A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT RATES FOR SEWER USE”

ACTION TAKEN:

MOTION: DIRECTOR TEAGUE made a motion to adopt Resolution No. 2016-1084 Rate for Sewer Use. 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

RESOLUTION NO. 2016-1084

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

11. Approval of Expenditures for March 17, 2016 to April 6, 2016

Check numbers 33747 to 33803 totaling \$459,570.53 and a transfer of \$25,332.35 were issued. Payroll transfers of \$83,927.74 were also issued.

ACTION TAKEN:

MOTION:

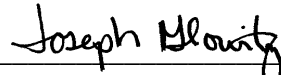
DIRECTOR WISEMAN made a motion to pay the disbursement items as presented.
DIRECTOR DAVENPORT seconded the motion. The motion carried by the following
vote: 5 yes

MINUTE ORDER NO. 2016-2534

ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 2:15 p.m., and the next Regular Board Meeting will be held April 26, 2016.

Respectfully submitted,



Joseph Glowitz, General Manager
Valley Sanitary District