

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

February 23, 2021

*Valley Sanitary District conducted this meeting in accordance with California Governor Newsom's Executive Orders N-29-20 and COVID-19 protocols.*

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held via videoconference, on Tuesday, February 23, 2021.

**1. CALL TO ORDER**

President Sear called the meeting to order at 1:05 p.m.

**1.1 Roll Call**

Directors Present:

Debra Canero, Dennis Coleman, Mike Duran, Scott Sear, William Teague

Staff Present:

Beverli Marshall, General Manager, Holly Gould, Ron Buchwald, Jeanette Juarez, and Robert Hargreaves, Best Best & Krieger

Guests:

Hugh Curtis, Desert Cornerstone Insurance

Paul Fuller, Allied Public Risk

**1.2 Pledge of Allegiance**

**2. PUBLIC COMMENT**

*This is the time set aside for public comment on any item not appearing on the agenda. Please notify the Secretary in advance of the meeting if you wish to speak on a non-hearing item.*

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None.

**3. CONSENT CALENDAR**

3.1 Approve February 9, 2021, Regular Meeting Minutes

3.2 Approve Warrants for February 3 to February 17, 2021

3.3 Approve Annual Renewal of the Environmental Pollution Liability Coverage Provided by Desert Cornerstone Insurance Service, Inc. in an Amount Not to Exceed \$17,758, Effective March 1, 2021

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Hugh Curtis, Desert Cornerstone Insurance, and Paul Fuller, Allied Public Risk presented the Environmental Pollution Liability Coverage renewal to the board.

**ACTION TAKEN:**

**MOTION:** Director Teague a motion to approve the consent calendar items as presented. Secretary Canero seconded the motion. Motion carried unanimously.

**MINUTE ORDER NO. 2021-3082**

**4. NON-HEARING ITEMS**

- 4.1 Authorize the General Manager to Amend the Contract with Engineering Solutions Services and Increase the Total Contract Amount to \$35,000 to Include Preparation of an Appeal to the State Water Board for Consideration of State Revolving Funds for the Recycled Water Project – Phase I

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Beverli Marshall, General Manager, informed the Board of Directors that the District received the initial Priority Scoring Worksheet from SRF staff indicating that the total points awarded are 11, which is not competitive for this year's loan funding. There is an appeal process, which is due within 30 days of receiving the score. Engineering Solutions Services (ESS), the consultants the District used to assist in the SRF application process, can assist staff in preparing the appeal, but the contract did not include funds for this process. Staff is requesting \$5,000 to increase the total contract to \$30,000 to work with ESS on the appeal and any remaining tasks associated with the BoR and SRF processes in FY 2020/21. A discussion took place regarding the scoring and whether the District used a consultant for the SRF application during the Requa project.

**ACTION TAKEN:**

**MOTION:** Vice President Coleman made a motion to authorize the General Manager to amend the contract with Engineering Solutions Services and increase the total contract amount to \$35,000 to include preparation of an appeal to the State Water Board for consideration of State Revolving Funds for the Recycled Water Project – Phase I. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Sear, Teague

NOES: Duran

**MINUTE ORDER NO. 2021-3083**

- 4.2 Support Participation in the National Wastewater Sewer Surveillance Program, Authorize the General Manager to Spend \$11,000 for FY 2020/21 and to Purchase GT Molecular Testing Kits

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The Centers for Disease Control and Prevention and the US Department of Health and Human Services have initiated the National Wastewater Surveillance System (NWSS) to gather data to help public health officials identify the prevalence and concentration of the Coronavirus and how it spreads in communities. The NWSS program can provide data to public health officials beyond what they are collecting at the county COVID-19 testing sites. The program guides implementing a community wastewater surveillance program. The fiscal impact of participating in the program would be \$26,000. The Board requested that the General Manager reach out to the City of Indio to see if they would like to partner in the program and bring the item back before the Board in March.

- 4.3 Update on Influent Pump Station Bypass and Project Timeline

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Ron Buchwald, Engineering Services Manager, updated the Board on the Influent Pump Station Bypass Project. He stated that during the week of February 22, 2021, the by-pass will be active 24 hours a day for five days and will end on February 26 by close of business. This by-pass is the first of

two events that will be needed to rehabilitate the pump station. The second by-pass is anticipated to take up to 4 months and will consist of the construction work needed to rehabilitate or replace items within the pump station. Construction is anticipated to begin later this calendar year around October. The project is anticipated to be completed by April 2022.

#### 4.4 Review and Approve Budget Amendment Request for Temporary Help Services and Other Post Employment Benefit (OPEB) Contribution

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Jeanette Juarez, Business Services Manager, reported that the District will be resuming regular shifts commencing March 1, 2021. To help assist with the transition off the modified scattered scheduling the temporary help services in operations will need to be extended to March 5, 2021. She also stated that during the FY20 audit it was determined the actuarial reports for OPEB valuations did not include the implicit rate subsidy. The implicit rate subsidy is the difference between average retiree claims and premiums charged by the insurer or by CalPERS. In the past, the implicit rate subsidy did not need to be considered in large "community-rated" plans such as PEMHCA. However, changes to GASB 43/45 now consider the rate subsidy a benefit that should be included in OPEB valuations. The recognition of the implied subsidy increased the GASB 45 OPEB liability. The fiscal impact of the requested changes will increase the Operating and Maintenance (O&M) budget by \$40,825. Temporary help services will increase by \$3,000 and the OPEB contribution will increase by \$37,825.

#### **ACTION TAKEN:**

**MOTION:** Director Duran made a motion to Directors approve the proposed amendment to Valley Sanitary District's O&M budget by \$40,825. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

**MINUTE ORDER NO. 2021-3084**

### **5. GENERAL MANAGER'S ITEMS**

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Beverli Marshall, General Manager, informed the Board that starting the week of March 1, 2021, the District will be coming off of the A/B alternating schedule and staff will return full time. The District has implemented a health screening machine where employees will check in daily and have also implemented social distancing protocols. Ms. Marshall updated the Board on her meeting regarding the community college apprenticeship program. Ms. Marshall and Vice President Coleman reported out to the Board on their meeting with Assemblyman Eduardo Garcia.

### **6. COMMITTEE REPORTS**

#### 6.1 Operations Committee – Draft February 2, 2021, Regular Meeting Minutes

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Budget & Finance Committee Chairperson Dennis Coleman updated the Board on the Budget & Finance Committee's Special Meeting held February 16, 2021. Alice Bou and Greg Clumpner of NBS presented a wastewater rate study presentation to review and examine four (4) components; Financial Plan, Cost-of-Service Analysis, Rate Design & Proposed Rates, and Monthly Bill Impacts. The rates presented in the report are preliminary and aligned to meet the District's financial plan and revenue requirements. The proposed rates are also designed in a "fair and equitable" manner that complies with Prop 218. Alice explained the Cost-of-Service Analysis and how NBS narrowed down the customer rate classes. NBS also presented four (4) different rate structures that included fixed rates and combination fixed/volumetric rates. It was

decided to narrow down the rate alternatives to three options for the full board to consider: a fixed rate, 70/30 option, and 80/20 option. The updated report will come before the Board on March 9, 2021.

**7. DIRECTOR'S ITEMS**

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Director Duran apologized for missing his appointment with Ms. Marshall and will reschedule soon.

**8. INFORMATIONAL ITEMS**

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None.

**9. ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 3:02 p.m. The next regular board meeting will be held on March 9, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board  
Valley Sanitary District