

**VALLEY SANITARY DISTRICT
MINUTES OF REGULAR BOARD MEETING
April 13, 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, April 13, 2021.

1. CALL TO ORDER

President Sear called the meeting to order at 1:00 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, Jeanette Juarez, Ron Buchwald, and Robert Hargreaves, Best Best & Krieger

Guests Present:

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.

None.

3. CONSENT CALENDAR

3.1 Approve March 23, 2021, Regular Meeting Minutes

3.2 Approve Warrants for March 18 to April 7, 2021

ACTION TAKEN:

MOTION:

Director Teague a motion to approve the consent calendar items as presented. Director Duran seconded the motion. Motion carried unanimously.

MINUTE ORDER NO. 2021-3091

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4. NON-HEARING ITEMS

4.3 Annual Renewal of the Business Package Policy and Earthquake Policy for the Fiscal Year 2021/22 in an Amount Not to Exceed \$311,952

To accommodate our guests, President Sear moved item 4.3 for discussion first under the non-hearing items.

Hugh Curtis from Desert Cornerstone Insurance Service, Inc., and Paul Fuller from Allied Public Risk presented the Business Package Policy and the Earthquake Policy renewal. The 12-month coverage period is from July 1, 2021 – June 30, 2022. The Business Package Policy includes the Property, General Liability, Management Liability, Inland Marine, Auto and Umbrella coverage. The proposed renewal for July 1, 2021 is \$124,962. The Earthquake Policy renewal for July 1, 2021 is \$186,990. Mr. Fuller explained that due to social inflation, wildfires, and the uptick on employment practices left little room for negotiation this year.

ACTION TAKEN:

MOTION:

Director Duran made a motion to delegate authority to the General Manager to negotiate and execute a contract with Desert Cornerstone Insurance Service, Inc. for the purchase of the Business Package Policy and the Earthquake Policy in an amount not to exceed \$311,952. Director Teague seconded the motion.

Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2021-3092

4.1 Discuss Connection Fee Analysis and Provide Direction to Staff for Fiscal Year 2021/22

Jeanette Juarez, Business Services Manager, presented the District with the cost-of-services analysis and rate study for its wastewater service charges performed by NBS. NBS examined the sewer capacity fee analysis prepared in May of 2019, which is the basis of the current sewer capacity fee of \$4,400 per equivalent dwelling unit (EDU). NBS determined that there is a problem with the current calculation in that it understates the average gpd of flow, the lbs./day of COD, and the lbs./day of TSS. NBS's current update of the District's sewer rates confirmed that the most recent average residential winter water use is 306 gpd, which is 33% higher than the 230 gpd used in the May 2019 analysis for the current rate. Also, the lbs./day of COD and TSS are also proportionally higher at 306 gpd vs. 230 gpd. Adjusting the formula to the correct average values of gpd of flow, the lbs./day of COD, and lbs./day of TSS results in a Connection Capacity Charge of \$5,833 per EDU. Staff's recommendation is to add the proposed connection capacity charge to the Fiscal Year 2021/22 fee schedule and set a public hearing date for 05/25/21.

ACTION TAKEN:

MOTION:

Secretary Canero made a motion to authorize staff to add the proposed connection capacity charge to the Fiscal Year 2021/22 fee schedule and set a public hearing date for 05/25/21. Vice President Coleman seconded the motion. Motion carried by the following roll call vote:

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AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2021-3093

- 4.2 Authorize the General Manager to Amend the Contract with NBS for the Sewer Rate Study for an Additional \$19,720 for a Total Contract Amount Not to Exceed \$68,065

Beverli Marshall, General Manager, informed the Board the due to unexpected and significant data analysis that NBS had to perform to verify the water consumption and the estimated EDUs that would be used as the basis for sewer charges, original contract amount had to amend the contract to add \$19,720, for a total contract amount not to exceed \$68,065. The original cost for the study was \$48,345. To avoid a delay in completing the sewer rate study, and with the transition of primary consultants, the additional labor hours were not calculated and submitted prior to the work's completion. The actual cost of the overages was \$33,232 but since NBS did not request prior approval for this cost overrun, they have submitted an amended Scope and Cost of Services for \$19,720.

ACTION TAKEN:

MOTION:

Director Duran made a motion to amend the contract with NBS for the sewer rate study for an additional \$19,720 and a total contract amount not to exceed \$68,065. Secretary Canero seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2021-3094

5. GENERAL MANAGER'S ITEMS

- 5.1 Monthly General Manager's Report – February 2021

Beverli Marshall, General Manager, informed the Board that Jeanette Juarez, Business Services Manager, presented the proposed sewer rate increase to the Indio City Council meeting. She stated that staff has been receiving feedback on the proposed rates but not too many protest letters.

6. COMMITTEE REPORTS

- 6.1 Budget & Finance Committee – Draft March 30, 2021 Special Meeting Minutes

- 6.2 Operation's Committee – Draft April 6, 2021, Regular Meeting Minutes

Budget & Finance Committee Chair, Dennis Coleman, reported out on the meeting of March 30, 2021. He informed the board that Jeanette Juarez presented a power point presentation on the draft FY 2021/22 Operations and Maintenance and Capital Budget. The committee suggested minor recommendations to the presentation.

Operations Committee Chair, Ron Buchwald, reported out on the meeting of April 6, 2021. The committee discussed the new asset management program and Mr. Buchwald presented a power point

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presentation on the draft FY 2021/22 Capital Budget. The committee suggested minor recommendations to the presentation.

7. DIRECTOR'S ITEMS

None.

8. INFORMATIONAL ITEMS

A special budget workshop is scheduled for April 20, 2021 at 1:00 p.m. for the Board to go over the draft Fiscal Year 2021/22 O&M and Capital Budgets. There is an upcoming EVRA meeting scheduled for Monday, April 26, 2021 at 1:00 p.m.

9. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 2:10 p.m. The next regular Board meeting will be held on April 27, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District