

**VALLEY SANITARY DISTRICT  
MINUTES OF REGULAR BOARD MEETING  
September 14, 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 on Tuesday, September 14, 2021, at 45-500 Van Buren St., Indio, CA 92201.

**1. CALL TO ORDER**

President Sear called the meeting to order at 1:03 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, Anna Bell, Ed Luna, Scott Graham, Tino Tijerina, Marin Gutierrez, Carlos Acevedo, and Craig Hayes, Best Best & Krieger

**1.2 Pledge of Allegiance**

**1.3 September Employee Anniversaries**

- Scott Graham, Wastewater Operator II – 31 years
- Marin Gutierrez, Collection System Technician I – 2 years

**1.4 New Employee Introduction**

- Carlos Acevedo – Collection System Technician I

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The Board congratulated Scott and Marin for their hard work and years of dedication to the District. The Board also welcomed the District's newest employee, Carlos.

**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 August 24, 2021, Regular Meeting Minutes**

- 3.2 Approve Warrants for August 19 through September 8, 2021
- 3.3 Quarterly Investment Report for Period Ending June 30, 2021
- 3.4 Cancel Regular Board meeting on Tuesday, September 28, 2021, Due to Directors Attending the Special District Leadership Academy in South Lake Tahoe, CA

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Item 3.3 was pulled from the consent calendar for further discussion.

**ACTION TAKEN:**

**MOTION:** Director Duran made a motion to approve items 3.1, 3.2, and 3.4 of the consent calendar, as presented. Director Teague seconded the motion. Motion carried unanimously.

**MINUTE ORDER NO. 2021-3132**

- 3.3 Quarterly Investment Report for Period Ending June 30, 2021

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Item 3.3 was pulled from the consent calendar for further discussion. Jeanette Juarez, Business Services Manager, reported that the State of California Government Code section 53646(b) requires agencies to present to the Board of Directors a report of its investments on at least a quarterly basis. As of June 30, 2021, VSD had \$55.6 million invested in LAIF and \$1.09 million invested in CalTRUST.

**ACTION TAKEN:**

**MOTION:** Director Duran made a motion to accept the Quarterly Investment Report for period ending June 30, 2021. Secretary Canero seconded the motion. Motion carried unanimously.

**MINUTE ORDER NO. 2021-3133**

**4. NON-HEARING ITEMS**

- 4.1 Authorize the General Manager to Execute a Contract with Borden Excavating, Inc. for the Abandonment of 5 Irrigation Laterals in an Amount Not to Exceed \$10,438

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Ron Buchwald, Engineering Services Manager, explained that there are five (5) existing irrigation laterals that connect to the pond return main that were used to irrigate 29 Palms Band of Mission Indians (BOMI) Tribal property as well as Cabazon BOMI Tribal property. The District no longer irrigates either property due to secondary water regulations. The five (5) irrigation lines are active and end on Tribal property. The 29 Palms BOMI is currently developing their property with plans of constructing large warehouses. Staff recommends abandoning these irrigation laterals to avoid the possibility of secondary pond water flooding Tribal property if they are hit during construction. Staff solicited proposals from two contractors who have done work for the District recently. Borden Excavating's proposal was the lowest at \$10,438.

**ACTION TAKEN:**

**MOTION:** Director Duran made a motion to authorize the General Manager to execute a contract with Borden Excavating, Inc. for the abandonment of five (5) irrigation

laterals in an amount not to exceed \$10,438. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

**MINUTE ORDER NO. 2021-3134**

- 4.2 Authorize the General Manager to Apply for Financing Through the California Infrastructure and Economic Development Bank (IBank) for the Training and Office Building and Laboratory Building

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IBank has completed its review of the audited financial statements and other materials provided in connection with the financing requested by the District for the Training and Office Building and Laboratory Building Project. IBank has extended the District an invitation to apply for financing under IBank's Infrastructure State Revolving Fund Program. Once the application is submitted, IBank will complete its review and underwriting of the Requested Financing generally within 90 days of receipt of the District's completed ISRF financing application. A discussion took place as to why staff chose to go with IBank as opposed to issuing bonds or loan through a commercial bank. The Board would like to see further information on other financial institutions before making a motion on the item. This item will be brought back at the next board meeting.

- 4.3 Authorize the General Manager to Enter into a Rental Agreement for a Modular Office Building for a 24-Month Period for a Total Amount Not to Exceed \$30,000

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Anna Bell, Acting Facility Operations Manager, requests that the Board authorize the rental of a 12 x 60 mobile modular office building to provide temporary offices for maintenance staff until completion of the proposed training facility. Due to the location of the supplier being the nearest and most cost-saving in transportation fees, this is a sole-source procurement. Upon completion of the new training facility and relocation of staff, the rental agreement of the modular office building will terminate.

**ACTION TAKEN:**

**MOTION:**

Director Duran made a motion to authorize the General Manager to enter into a rental agreement for a 12 x 60 mobile modular office building for a 24-month period for a total amount not to exceed \$30,000 (including tax and delivery).

Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

**MINUTE ORDER. 2021-3135**

- 4.4 Authorize the General Manager to Execute a Contract with Trimax to Update all Panel and Loop Drawings Related to the Programmable Logic Controller (PLC) and Supervisory Control and Data Acquisition (SCADA) System in an Amount Not to Exceed \$30,495

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Tino Tijerina, Maintenance Supervisor, informed the Board that Trimax has upgraded various equipment controls and added programming to the PLC and SCADA system that has improved the performance of the plant process. Trimax is the sole SCADA integrator for the District. Staff requests

that the Board authorize Trimax to upgrade the panel and loop drawings for an amount not to exceed \$30,495 (including tax and delivery).

**ACTION TAKEN:**

**MOTION:** Director Duran made a motion to authorize the General Manager to contract Trimax to upgrade all panel and loop drawings related to the PLC and SCADA system in an amount not to exceed \$30,495 (including tax and delivery). Vice President Coleman seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

**MINUTE ORDER NO. 2021-3136**

**4.5 Wastewater COVID-19 Sampling Program Continuation**

Beverli Marshall and Anna Bell provided an update on the District's continued participation in the HHS-Protect Wastewater COVID-19 Surveillance Program. The Board asked if our results can be compared to Palm Springs. They also wanted to know if samples could be taken from different parts of the city for more accurate reporting. The Board expressed their desire to continue this program.

**4.6 Discuss Year End Audit Progress for the Fiscal Year Ending June 30, 2021**

Jeanette Juarez reported that this year the District contracted Davis Farr LLP as the independent auditing firm. The auditors were onsite completing their fieldwork from August 24 -26, 2021. The auditors estimate to have financials ready for review by September 10, 2021. Jeanette met with the auditing partner assigned to this engagement, Jonathan Foster, to review auditor-identified entries. The auditor identified three (3) entries; Other Postemployment Benefits (OPEB) prior period adjustment (Material and will be required to be reported), additional payroll accrual entry (not material), and a reclassification of certain payables as prepaid expenses (not material). The auditor determined that a prior period adjustment will have to be executed for the OPEB implied subsidy liability that was not included in the FY20 financial statements. It was determined that the previous auditors used an earlier version of the actuarial valuation report to calculate the entry for the OPEB liability instead of an updated report. The auditor will include a statement disclosing that a previously issued financial statement(s) has been restated for the correction of a material misstatement in the respective period and a reference to the note(s) to the financial statements that discuss the restatement. The adjustment is a non-cash adjustment and will not impact cash flow. This adjustment will change the net position. Director Coleman requested that staff discuss with Davis Farr LLP quality control, so this type of oversight does not reoccur. A discussion took place on the complacency of the auditing firms and switching actuaries. The engagement partner will provide the information to the Board once the financials are complete and approved.

**5. GENERAL MANAGER'S ITEMS**

**5.1 Monthly General Manager's Report – July 2021**

- Administrative Services
- Operations & Maintenance
- Development Services

- Collection Services
- CIP Project Update

## **6. COMMITTEE REPORTS**

### **6.1 Budget & Finance Committee – September 7, 2021, Regular Meeting Minutes**

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The Budget & Finance Committee Chairperson, Dennis Coleman, gave a brief overview of the committee meeting held September 7, 2021.

## **7. DIRECTOR'S ITEMS**

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Director Duran request to meet with Beverli to get more information on IBank. Director Teague inquired about when the date of the next EVRA.

## **8. INFORMATIONAL ITEMS**

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For the Directors attending the Leadership Conference in Lake Tahoe, Beverli will keep updated on the wildfire situation. Director Canero asked if the scholarship check had been dispersed yet.

## **9. ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 3:13 p.m. The next regular Board meeting will be held on October 12, 2021.

Respectfully submitted,

Holly Gould, Clerk of the Board  
Valley Sanitary District