

**VALLEY SANITARY DISTRICT
MINUTES OF REGULAR BOARD MEETING
May 24, 2022**

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, May 24, 2022, at 45-500 Van Buren St., Indio, CA 92201.

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, Branden Rodriguez, Jeanette Juarez, Dave Commons, Ron Buchwald, and Craig Hayes, Best Best & Krieger

Guests Present:

Valerie Houchin, Schneider Electric

Dr. Bruce Underwood, Healthy Futures

1.2 Pledge of Allegiance

2. PUBLIC COMMENT

This is the time 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 Minutes for May 10, 2022, Regular Meeting

3.2 Approve Warrants for May 4, 2022, through May 17, 2022

3.3 Monthly Financial Report for April 30, 2022

3.4 Credit Card Report for April 30, 2022

ACTION TAKEN:**MOTION:**

Secretary/Treasurer Coleman motioned to approve the consent calendar as presented. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2022-3199

PUBLIC COMMENT

This is the time set aside for public comment on any item discussed in Closed Session.

None.

4. PUBLIC HEARING ITEMS

- 4.1 Public Hearing to Authorize Approving a Contract Amendment with Schneider Electric Buildings Americas, Inc. for the Design and Construction of Energy-Related Projects to District Facilities and Adopting Necessary Findings in Accordance with California Government Code 4217.10 through 4217.18 and Adopt Resolution No. 2022-1161 Approving a Contract Amendment with Schneider Electric Buildings Americas, Inc. for the Design and Construction of Energy-Related Projects to District Facilities and Authorizing the General Manager to Execute the Contract Amendment with a Guaranteed Maximum Price of \$69,869,942 and Rescinding Resolution 2022-1158

Notice of the public hearing was published in the Desert Sun newspaper on May 6 and May 19, 2022. President Sear declared the public hearing open at 1:11 p.m. No members of the public were present. No written or verbal communication was received from the public. Ms. Marshall reported that the Design-Build team has reached the 60% design milestone and determined the Guaranteed Maximum Price (GMP) of \$69.87 million. In May 2022, Schneider Electric provided supplementary information on additional savings the District could realize with the completion of this project. The savings are based on utilizing the digester to increase methane production and offset the energy used at the plant. The supplementary information has been added to the original Energy Audit reported in February. Contract Amendment No. 1 has been reviewed and approved by the District counsel. The appendices will be available to the public by visiting the District office during normal business hours. President Sear declared the public hearing closed at 1:15 p.m. Staff recommends that the Board of Directors discuss the energy conservation measures, consider public comments, and adopt Resolution No. 2022-1161, accepting the energy conservation measures, approving Amendment No. 1 to the Contract dated July 14, 2020, and authorize the Board President and General Manager to sign the contract amendment once origination requirements for Bank of America financing for this project have been met, and rescind Resolution 2022-1158.

“A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY SANITARY DISTRICT RATIFYING A CONTRACT WITH SCHNEIDER ELECTRIC BUILDINGS AMERICAS, INC. FOR CONSTRUCTION OF ENERGY-RELATED PROJECTS TO DISTRICT FACILITIES AND ADOPTING FINDINGS IN ACCORDANCE WITH THE CALIFORNIA GOVERNMENT CODE SECTIONS 4217.10 THROUGH 4217.18 AND AUTHORIZING THE GENERAL MANAGER TO EXECUTE THE CONTRACT WITH A GUARANTEED MAXIMUM PRICE OF \$69,869,942”

ACTION TAKEN:

MOTION:

Secretary/Treasurer Coleman motioned to adopt Resolution No. 2022-1161 accepting the energy conservation measures, approving Amendment No. 1 to the Contract dated July 14, 2020, and authorizing the Board President and General Manager to sign the contract amendment once origination requirements for Bank of America financing for this project have been met, and rescind Resolution 2022-1158. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

RESOLUTION NO. 2022-1161

5. NON-HEARING ITEMS

- 5.1 Adopt Resolution 2022-1162, Authorizing a Financial Assistance Application to the State Water Resources Control Board For a Recycled Water Master Plan And Designating the General Manager to Sign and Submit the Application

As part of the analysis to determine which aspects of recycled water are most feasible, the District needs to complete various tests and modeling. Staff is in the process of identifying funding sources to offset some of the cost of conducting the feasibility studies and is working with ESS to apply for grant funds to the State Revolving Fund (SRF) grant program. As part of the application process, the Board must adopt a resolution authorizing the application and designating the General Manager to sign and submit it. The SRF is a non-competitive grant program that allows VSD to receive 100% of the grant, up to \$150,000, based on its status as serving a Disadvantaged Community.

“AUTHORIZING A FINANCIAL ASSISTANCE APPLICATION TO THE STATE WATER RESOURCES CONTROL BOARD FOR A RECYCLED WATER MASTER PLAN AND DESIGNATING THE GENERAL MANAGER OR HER DESIGNEE TO SIGN AND SUBMIT THE APPLICATION”

ACTION TAKEN:

MOTION:

Vice President Canero motioned to adopt Resolution 2022-1162 authorizing a financial assistance application to the State Water Resources Control Board for a recycled water master plan and designating the general manager, or her designee,

to sign and submit the application. Director Duran seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Duran, Sear, Teague

NOES: None

RESOLUTION NO. 2022-1162

5.2 Discussion of the Draft Fiscal Year 2022/23 Budget

The proposed operating and capital budget for fiscal year 2022/23 is \$16,189,076 and \$33,545,663, respectively. The operating budget encompasses such costs as personnel, California Public Employees' Retirement System (CalPERS), Unfunded Accrued Liability (UAL), debt service, insurance premiums, and other overhead costs to run day-to-day operations. The capital budget incorporates key projects to advance further the District's Capital Improvement Program (CIP). There are 20 capital projects requested in the fiscal year 2022/23. The CIP for the fiscal year 2022/23 includes the Recycled Water Project Phase I Design Build, the Influent Pump Station Rehabilitation Project and the Collection System Sewer Main Rehabilitation and Replacement Program. After review and discussion, the Board requested that staff add \$760 to the budget for the Greater Coachella Valley Chamber of Commerce annual membership fee.

5.3 Adopt Resolution 2022-1163, Amending Employee Wages & Benefits Effective July 1, 2022, and Rescind Resolution 2021-1154

On April 19, 2022, the Board of Directors held a special meeting to review the proposed fiscal year 2022/23 operating budget. During that meeting, proposed changes to the wage schedule and California Public Employees Retirement System (CalPERS) Plan Contributions were reviewed and discussed. The proposed Operating Budget for 2022/23 includes a max 5.0% Cost of Living Adjustment (COLA) based on the Riverside-San Bernardino-Ontario, CA CPI-U Index. The Riverside-San Bernardino-Ontario, CA CPI-U Index was 8.5% as of January 2022 and 9.9% as of March 2022. This adjustment aligns with those made by comparable agencies. It ensures that the District remains competitive with other agencies in the region. The proposed operating budget includes a proposed 8.0% increase in the monthly cafeteria plan to provide employees with medical insurance benefits. The adjustment was determined using the Medical Care index of 8.49% CPI-U Index as of December 2021 and the estimated increases to the CalPERS Medical Premiums. In August of 2022, the medical premiums among the offered plans increased between 5.85% and 25.14%. Staff recommends that the Board adopt Resolution No. 2022-1163, amending employee wages and benefits effective July 1, 2022, and rescind Resolution 2021-1154. Director Duran stated he would have liked to have more information on this item. Secretary/Treasurer Coleman thanked staff for a job well done.

“A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT AMENDING EMPLOYEE WAGES & BENEFITS EFFECTIVE JULY 1, 2022, AND RESCINDING RESOLUTION 2022-1154”

ACTION TAKEN:**MOTION:**

Secretary/Treasurer Coleman motioned to adopt Resolution No. 2022-1163, Amending Employee Wages & Benefits Effective July 1, 2022, and Rescind Resolution 2021-1154. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Coleman, Sear, Teague

NOES: Duran

RESOLUTION NO. 2022-1163**5.4 Review and Approve Selection of a Health and Wellness Provider**

On April 1, 2022, the District released a Request For Proposals (RFP) for an Employee Health and Wellness Program. The District solicited proposals for a consulting and/or wellness firm to develop a wellness program for District employees. The consulting and/or wellness firm will possess expertise and experience in implementing agency-specific wellness programs that promote healthy behaviors. The District received four (4) proposals electronically, which was the instruction of the RFP for submittal. A four-member evaluation committee comprised of Valley Sanitary District staff independently reviewed all submitted proposals utilizing the evaluation criteria found in the RFP. It was discovered that one (1) paper copy proposal was submitted by Healthy Futures that did not get scored. Although the RFP stated that proposals were to be submitted as an electronic PDF file, the RFP does not clearly state that paper copy proposals would not be accepted. Secretary/Treasurer Coleman stated that the Board moves forward with the four (4) proposals submitted per the RFP instructions. Director Teague stated that Board moves forward with staff's recommendation. Craig Hayes, District's legal counsel, stated that there were three options the Board could take in this situation; to not include the paper submission in the RFP scoring and leave it as is, to score the paper submission separately, or to throw out all proposals and start the RFP process over again. President Sear, Vice President Canero, and Director Duran stated that this should be further reviewed by legal and then brought back before the Board.

ACTION TAKEN:**MOTION:**

Director Duran motioned that this item be furthered review by District's legal counsel and brought back to the Board at a later date. Director Canero seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Duran, Sear

NOES: Coleman, Teague

MINUTE ORDER NO. 2022-3200**6. GENERAL MANAGER'S ITEMS****6.1 Report on Attendance at California Special District Association (CSDA) Legislative Days in Sacramento, CA**

Beverli Marshall updated the Board on her attendance at the CSDA Legislative Days. She stated she would have liked to have more access to all representatives but said she had many great conversations.

She also distributed flyers that she worked with CV Strategies to create for the District's Recycled Water Project.

7. COMMITTEE REPORTS

None.

8. DIRECTOR'S ITEMS

President Sear, Vice President Canero, and Director Duran updated the Board on their attendance at the CSDA Legislative Days in Sacramento. Director Coleman inquired when the State Legislative RFP is coming back to the Board. Ms. Marshall stated that the proposals would be reviewed at the next Community Engagement Committee meeting before being brought back to the entire Board.

9. INFORMATIONAL ITEMS

9.1 June 5, 2022, is World Environment Day, and the theme is *Only One Earth*. Find out more at: <https://www.unep.org/events/un-day/world-environment-day-2022>.

10. PUBLIC COMMENT

This is the time set aside for public comment on any item discussed in Closed Session.

None.

11. CONVENE IN CLOSED SESSION

Items discussed in Closed Session comply with the Ralph M. Brown Act.

11.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Pursuant to paragraph (2) or (3) of subdivision (d) of Government Code Section 54956.9 (one potential case – circumstances need not be disclosed pursuant to paragraph (1) of subdivision (e) of Government Code Section 54956.9)

11.2 PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957(b)(1)

Title: General Manager

11.3 LABOR NEGOTIATIONS

Pursuant to Government Code Section 54957.6

Title: General Manager

The Board adjourned to Closed Session at 3:02 p.m.

12. CONVENE IN OPEN SESSION

Report out on Closed Session items

The Board reconvened in open session at 3:40 p.m. Legal counsel stated nothing to report.

13. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 3:41 p.m. The next regular Board meeting will be on June 14, 2022.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District