

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

January 24, 2023

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, January 24, 2023, at 45-500 Van Buren St., Indio, CA 92201.

1. CALL TO ORDER

President Canero called the meeting to order at 1:00 p.m.

2. ROLL CALL

Directors Present:

Jacky Barnum, Debra Canero, Mike Duran, Scott Sear, William Teague

Staff Present:

Beverli Marshall, Holly Gould, Ron Buchwald, Jeanette Juarez, Dave Commons, and Craig Hayes, Best Best & Krieger

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

Please notify the Secretary in advance of the meeting if you wish to speak on a non-hearing item or any item not appearing on the agenda.

None.

5. CONSENT CALENDAR

- 5.1 Approve Board Meeting Minutes of January 10, 2023, and January 20, 2023, Special Meeting Minutes
 - 5.2 Approve Warrants for January 24, 2023
 - 5.3 Approve Monthly Revenue & Expense Report for the Period Ending December 31, 2022
 - 5.4 Receive and File Credit Card Report for December 31, 2022
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ACTION TAKEN:

MOTION: Vice President Duran motioned to approve the consent calendar as presented. Director Teague seconded the motion. Motion carried by the following roll call vote:
AYES: Barnum, Canero, Duran, Sear, Teague
NOES: None
MINUTE ORDER NO. 2023-3268

6. NON-HEARING ITEMS

6.1 Review Mid-Year Budget for Fiscal Year 2022-23 and Approve Requested Adjustments

Jeanette Juarez, Chief Administrative Officer, presented the midyear update for the fiscal year 2022-23 budget. As of December 31, 2022, the District has recorded \$18,379,422 in revenue. The revenues are \$1,970,524, or 12% above the annual budget. The variance is attributed to higher than projected interest income earned. As of December 31, 2022, the District has incurred \$7,117,458 in expenditures. The District's expenditures are \$977,080 or 12.1% under the FYTD straight-line budget. According to the current data, revenues are expected to be \$1,749,554, or 10% over budget for the fiscal year. The additional revenue is attributed to higher-than-expected interest income. The sewer rate revenue was also higher than projected due to the second-year rate increase. There was higher than anticipated water consumption for some commercial customers. The expenditures are estimated at \$1,294,508 or 8% under budget for the fiscal year. The savings are mainly attributed to savings in Wages, Fringe, Services, and Supplies. There have been several vacancies throughout the year, leading to savings in Wages and Fringe. Additionally, there have been savings in contracted services due to non-renewal and services not rendered. The savings in supplies and materials are due to savings in operational maintenance and repairs. Jeanette presented the budget adjustment appropriations needed to balance accounts. Budget savings will be used to cover needed budget adjustments.

ACTION TAKEN:

MOTION: Vice President Duran motioned to approve the recommended fiscal year 2022-23 budget adjustments. Director Barnum seconded the motion. Motioned carried by the following roll call vote:
AYES: Barnum, Canero, Duran, Sear, Teague
NOES: None
MINUTE ORDER NO. 2023-3269

6.2 Approve Change Order #3 to the Contract with Downing-Dudek Design Build Entity for the Rehabilitation of the Influent Pump Station Project in an Amount not to Exceed \$57,571 and Authorize General Manager to Execute the Documents

The Influent Pump Station Rehabilitation Project is approaching the halfway point in the construction schedule. The design-build team is finding additional items to repair, but so far, most of the cost has been absorbed into the project. Further inspection of the storm drain lines into the forebay of the Influent Pump Station found that the deterioration was excessive and will become a more costly problem in the future if not corrected. After inspection and cleaning, it was determined that the drain lines could be

lined with a plastic liner. One drain line had holes in the pipe with visible voids indicating dirt was getting into the line. Sancon provided a quote to line the two main lines with a cured-in-place plastic pipe. Lining the drainpipes will provide over 30 years of additional life to the drain lines. The total change order amount is estimated at \$51,061.50. The extra costs of inspection and cleaning the lines will be combined with the lining into one change order (CO #3).

ACTION TAKEN:

MOTION: Director Teague motioned to authorize Change Order #3 for \$57,571 and authorize General Manager to execute the documents. Vice President Duran seconded the motion. Motioned carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3270

7. GENERAL MANAGER'S ITEMS

None.

8. COMMITTEE REPORTS

8.1 Draft Minutes of the Community Engagement Meeting – January 17, 2023

Chairperson Scott Sear reported that the Committee discussed fine-tuning the purpose and goals of the Community Engagement Committee to include governance. The members also discussed being a point of contact during conferences. The Committee discussed ways of expanding outreach. Committee member Duran stated the importance of talking points at conferences, so everyone is on the same page.

9. DIRECTOR'S ITEMS

Secretary/Treasurer Sear stated he gave a tour of the facilities to a Director of the Cemetery District and a Director of the Healthcare District. President Canero reminded the Directors to complete their assigned cyber-security training.

10. INFORMATIONAL ITEMS

Discussion took place about canceling the Board Meeting of February 28, 2023, since most of the Board Members will be in Washington, D.C., for the CASA DC Forum. Jeanette Juarez informed the Board that she would attend the CSMFO Conference in Sacramento, CA.

11. PUBLIC COMMENT

Please notify the Clerk of the Board in advance of the meeting if you wish to speak on an item to be discussed in Closed Session.

None.

President Canero called for a short recess at 1:35 p.m. The Board of Directors reconvened at 1:41 p.m. Roll call was taken. Directors Barnum, Canero, Duran, Sear, and Teague were present.

13. CONVENE IN CLOSED SESSION

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

- 13.1 Conference with Legal Counsel – Discussion to Consider Initiation of Litigation Pursuant Government Code Section 54956.9 (d)(2) Under existing facts and circumstances, legal counsel believes that there is significant exposure to litigation.
- 13.2 Public Employment Recruitment
Pursuant to Government Code Section 54957
Title: General Manager

The Board adjourned to Closed Session at 1:41 p.m.

14. CONVENE IN OPEN SESSION

Report out on Closed Session items

The Board reconvened in open session at 3:08 p.m. President Canero stated there was nothing to report.

15. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 3:09 p.m. The next regular Board meeting will be on February 14, 2023.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District