

**VALLEY SANITARY DISTRICT
MINUTES OF REGULAR BOARD MEETING
February 14, 2023**

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, February 14, 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, Kenneth Kepley, Chris Rahman, and Craig Hayes, Best Best & Krieger

Guests Present:

Valerie Houchin, Schneider Electric

Marcos Coronel, Desert Recreation District

Andreas Coronel, Desert Recreation District

3. PLEDGE OF ALLEGIANCE

4. EMPLOYEE ANNIVERSARIES – FEBRUARY

- Tito Moreno, Collection System Supervisor – 18 years
- Kenneth Kepley, Wastewater Operator III – 17 years
- Ed Luna, Maintenance Technician III – 3 years
- Chris Rahman, Maintenance Technician – 1 year

The Board thanked Tito, Kenneth, Ed, and Chris for their years of service and dedication to the District.

5. PUBLIC COMMENT

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

None.

*To accommodate guests, Marcos and Andres Coronel, President Canero moved up non-hearing item 7.5.

7.5 Sponsorship Opportunity to Support the Desert Recreation Foundation Bowling Tournament Fundraiser

Marcos and Andres Coronel from the Desert Recreation Foundation presented a sponsorship opportunity to support the Desert Recreation Foundation's Bowling Tournament Fundraiser. The Desert Recreation Foundation raises funds to ensure all Coachella Valley residents can access quality recreational resources, facilities, parks, and programs. After discussion, a motion was made to support the Bowling Tournament Fundraiser as a Pin Head Sponsor for \$2,500. Funding for the sponsorship will come out of property tax assessment revenue.

ACTION TAKEN:

MOTION: Vice President Duran motioned to approve the sponsorship of the Desert Recreation Foundation's Bowling Tournament Fundraiser in the amount of \$2,500. Secretary/Treasurer Sear seconded the motion. Motion carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3271

6. **CONSENT CALENDAR**

6.1 Approve Board Meeting Minutes of January 20, 2023, and January 24, 2023, Meeting Minutes

6.2 Approve Warrants for February 14, 2023

6.3 Cancel the Regular Board Meeting on Tuesday, February 28, 2023, Due to Board Member Participation in the California Association of Sanitation Agencies DC Forum in Washington DC, February 27 through March 1, 2023

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. 2023-3272

7. **NON-HEARING ITEMS**

7.1 Approve Recycled Water Project – Phase 1 Energy Conservation Measure (ECM) #3 – Waste Activated Sludge Thickening Guaranteed Maximum Price

Recycled Water Project – Phase I consists of six scopes of work, including Waste Activated Sludge (WAS) Thickening. On February 8, 2022, the Board of Directors authorized to proceed with the design alternative for the WAS Thickening (ECM #3) and pursue Rotary Screw Thickening technology. Due to the change in design, the WAS Thickening scope of work was not included in Amendment #1 for \$71M. The Guaranteed Maximum Price (GMP) for ECM #3 is \$10,374,394, including design, construction, and funding coordination. The GMP for ECM #3 was not included in the FY 2022/23 Capital Improvement Program (CIP) budget. Ron Buchwald, District Engineer, explained that to pay for this project, staff is requesting to seek financing options to present to the Board for approval, which would require a sewer rate increase above what was previously adopted to meet the debt coverage requirements. With no guarantee that a proposed rate increase will be approved and adopted and the need to include this ECM as part of the overall Recycled Water Project - Phase I, the backup plan proposed by staff would be to delay other CIP projects (specifically the Collection System Rehabilitation and Replacement Project) unless and until a rate increase is adopted. Valerie Houchin, Schneider Electric, gave an update on the progress of the design of the rotary screw thickeners and the project timeline.

ACTION TAKEN:

MOTION:

Director Teague motioned to approve the guaranteed maximum price (GMP) of \$10,374,394 for ECM #3, Waste Activated Sludge Thickener. 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. 2023-3273

7.2 Adopt Resolution No. 2023-1173 Authorizing the Execution and Delivery of the First Amendment to the Installation Sale Agreement with Banc of America Public Capital Corp

On May 10, 2022, the Board adopted Resolution No. 2022-1160 authorizing the execution and delivery of an Installment Sales Agreement and Escrow Agreement with Banc of America Public Capital Corp (BAPCC). These documents approved the loan for the Recycle Water Project - Phase 1. The original Installment Sales Agreement with BAPCC should have listed a contractor or design-build entity to perform the work. Schneider Electric was approved to complete the work on May 24, 2022, by the Board of Directors. This First Amendment to the Installment Sales Agreement adds Schneider Electric as the design-build entity, clarifies the insurance requirements for this project and who is responsible for providing the insurance at different stages, and amends the Equipment Schedule as Exhibit A. The District's legal counsel has reviewed this First Amendment and prepared Resolution No. 2023-1173.

“A RESOLUTION OF THE BOARD OF DIRECTORS OF THE VALLEY SANITARY DISTRICT, AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO THE EQUIPMENT SCHEDULE OF AN INSTALLMENT SALE AGREEMENT”

ACTION TAKEN:

MOTION:

Vice President Duran motioned to adopt Resolution No. 2023-1173 authorizing the execution and delivery of the First Amendment to the Installation Sales Agreement with Banc of America Public Capital Corp. Director Teague seconded the motion. Motioned carried by the following roll call vote:
AYES: Barnum, Canero, Duran, Sear, Teague
NOES: None

RESOLUTION NO. 2023-1173

- 7.3 Continuing Disclosure Annual Reports for Fiscal Year 2021/22 \$7,540,000 Wastewater Revenue Refunding Bonds, Series 2015, and \$8,845,000 Assessment District No. 2024-VSD (Shadow Hills Interceptor) Limited Obligation Improvement Bonds Series 2005

Jeanette Juarez, Chief Administrative Officer, presented the Continuing Disclosure Annual Reports for the \$7,540,000 Wastewater Revenue Refunding Bonds, Series 2015, and the \$8,845,000 Assessment District No. 2004-VSD (Shadow Hills Interceptor) Limited Obligation Improvement Bonds, Series 2005. Governments or governmental entities (Issuers) issuing bonds must meet specific continuing disclosure standards outlined in Continuing Disclosure Agreements (CDA). Under these contractual agreements, the Issuer commits to provide certain financial information and notices of listed events to the marketplace. Pursuant to the Continuing Disclosure Certificates, the Continuing Disclosure Annual Reports are due by February 15 each year. This item is a received and file.

- 7.4 Special District Selection of Board Members – Eastern

After discussion, a motion was made to nominate Secretary/Treasurer Scott Sear for the Regular Special District Member of the Riverside Local Agency Formation Commission – Eastern Area.

ACTION TAKEN:

MOTION:

Director Teague motioned to nominate Secretary/Treasurer Scott Sear for the Regular Special District Member of the Riverside Local Agency Formation Commission – Eastern Area. 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. 2023-3274

8. GENERAL MANAGER'S ITEMS

- 8.1 Receive Monthly General Manager Report – January 2023

Ron Buchwald, District Engineer, showed drone footage of the Influent Pump Station project and the Pipeline project currently happening at the District.

9. COMMITTEE REPORTS

9.1 Draft Minutes of the Operations Committee Meeting – February 7, 2023

Ron Buchwald, District Engineer, and Director Teague gave an overview of the Operations Committee held on February 7, 2023. At the meeting Director Jacky Barnum was appointed Chairperson. An update was given on Recycled Water Project – Phase 1 Energy Conservation Measure (ECM) #3 – Waste Activated Sludge Thickening Guaranteed Maximum Price (GMP), and Dave Commons, Chief Operations Officer, informed the Committee on the findings of the Ammonia Study and the possible process control modifications that will need to be implemented to remove ammonia and total nitrogen if required by a California State Water Resources Control Board NPDES Permit Revision

10. DIRECTOR'S ITEMS

None.

11. INFORMATIONAL ITEMS

None.

12. PUBLIC COMMENT

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

None.

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

- 13.3 Public Employment Appointment Pursuant to Government Code Section 54957 Title: Interim General Manager
- 13.4 Conference with Labor Negotiators Pursuant to Government Code Section 54957.6 – Unrepresented Employee: Interim General Manager

The Board adjourned to Closed Session at 2:35 p.m. Director Teague left the meeting at 2:54 p.m.

14. CONVENE IN OPEN SESSION

Report out on Closed Session items

The Board reconvened in open session at 3:41 p.m. District Counsel stated that the Board of Directors unanimously voted to appoint Ron Buchwald as Interim General Manager upon Beverli Marshall's departure on March 17, 2023, subject to an agreement on the Interim General Manager's contract.

15. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 3:43 p.m. The next regular Board meeting will be on February 28, 2023.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District