

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

March 14, 2023

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, March 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:

Ron Buchwald, Holly Gould, Jeanette Juarez, Dave Commons, Steve Shepard, Tino Tijerina, James Mills, Octavio Briones, Victoria Nelson, and Craig Hayes, Best Best & Krieger

Guests Present:

Reymundo Trejo, Indio Water Authority

Alice Bou, NBS

Allan Highstreet, NBS

3. PLEDGE OF ALLEGIANCE

4. EMPLOYEE ANNIVERSARIES – FEBRUARY

- Steve Shepard, Development Services Supervisor – 27 years

The Board thanked Steve for his years of service and dedication to the District.

5. NEW EMPLOYEE INTRODUCTIONS

- Octavio Briones, Maintenance Technician
- Victoria Nelson, Wastewater Operator

The Board of Directors welcomed Octavio and Victoria to the District.

6. 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.

7. CONSENT CALENDAR

- 7.1 Approve Board Meeting Minutes of February 14, 2023, Regular Meeting, February 23, 2023, Special Meeting, and March 7, 2023, Special Meeting
 - 7.2 Approve Warrants for March 14, 2023
 - 7.3 Receive and File Credit Card Report for January 31, 2023
 - 7.4 Quarterly Investment Report for the Period Ending September 30, 2022
 - 7.5 Monthly Revenue & Expense Report for the Period Ending January 31, 2023
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ACTION TAKEN:

MOTION: Director Teague motioned to approve the consent calendar as presented. 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. 2023-3278

8. NON-HEARING ITEMS

- 8.1 Presentation by Coachella Valley History Museum

Ron Buchwald will contact Gloria Franz of the Coachella Valley History Museum to arrange a presentation for the next meeting.

- 8.2 Approve the Proposed Sewer Service Rate Increase and Direct Staff to Mail Public Hearing Notice as Required by Proposition 218

At the October 25, 2022, meeting, the Board authorized the General Manager to execute a contract with NBS to perform a Comprehensive Wastewater Rate Study. As part of the study, NBS was tasked to create a financial plan that includes all revenue sources, expenditures, reserves, capital improvement costs, repair and replacement costs, and net revenue requirements. NBS prepared a financial plan presentation that addresses three key issues; develop net revenue requirements from Fiscal Year 2022-23 to Fiscal Year 2041-42, establish and maintain reserve funds and targets, and fund the Capital Improvement Program (CIP). To meet all three targets, NBS developed three Financial Plan Alternatives for District staff and the Board of Director to consider; Alternative 1, full funding of CIP with no debt; alternative 2, full funding of CIP entering into \$57 million in debt, and Alternative 3 full funding

of CIP entering into \$114 million debt. Alice Bou of NBS presented three bill comparisons that coincide with the three alternatives. Ron Buchwald, District Engineer, went over the CIP in detail. The Board stated the importance of public engagement and outreach relating to a rate increase. Staff explained why the District has to adopt a 5-year rate adjustment as opposed to a single year. Staff recommends Alternative 3, the most conservative increase to ratepayers.

ACTION TAKEN:

MOTION: Director Teague motioned to approve Financial Plan Alternative 3 – Full CIP with \$114 Million Debt. Director Barnum seconded the motion. Motioned carried by the following roll call vote:

AYES: Barnum, Canero, Sear, Teague

NOES: Duran

MINUTE ORDER NO. 2023-3279

- 8.3 Authorize an Employment Agreement Between Valley Sanitary District and Ron Buchwald, District Engineer, to Perform Duties as Interim General Manager, Establish Interim General Manager Compensation, and Adopt Resolution 2023-1175, Amending the Bi-Weekly Wage Schedule Effective March 17, 2023, and Rescinding Resolution 2022-1170

At its February 14, 2023, meeting, the Board of Directors appointed Ron Buchwald, District Engineer, to the position of Interim General Manager, effective March 17, 2023. Per District Policy 3.9.7. Special Assignment (Acting) Compensation: The Board must provide written approval of special assignment compensation. California Government Code (CGC) Section 54956 mandates that the legislative body adopt the salaries, salary schedule, or compensation (including fringe benefits) paid to the local agency executive at a regular meeting. CGC Section 20480 states that special compensation, which includes acting pay and the hours paid in an acting assignment, must be tracked and reported to CalPERS after being duly adopted by the Valley Sanitary District governing board. California Code of Regulations Section 571 outlines the process for approving and reporting special compensation to CalPERS.

“A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT AMENDING EMPLOYEE WAGES & BENEFITS EFFECTIVE MARCH 17, 2023, AND RESCINDING RESOLUTION 2022-1170”

ACTION TAKEN:

MOTION: Director Teague motioned to authorize an employment agreement between Valley Sanitary District and Ron Buchwald, District Engineer, to perform duties as Interim General Manager, establish the Interim General Manager compensation, and adopt a resolution amending the Bi-Weekly Wage Schedule effective March 17, 2023, and rescinding Resolution 2022-1170. Secretary/Treasurer Sear seconded the motion. Motioned carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

RESOLUTION NO. 2023-1175

- 8.4 Award Contract for the Steel Water Line Replacement Project – Phase 2 at the Activated Sludge Plant to the Van Dyke Corporation and Authorized the Interim General Manager to Execute the Contract

Phase 1 of the Steel Water Line Replacement Project, which was to replace the steel water main, was completed by the Van Dyke Corporation in June of 2022, with Dudek providing the project design and bidding assistance. Phase 2 of this project will address the leaking fittings, piping, and valves that deliver water to froth sprayers in each of the four basins. Dudek was awarded the contract for project design and bidding assistance for this second phase due to their familiarity with the project during Phase 1. The District published a Request for Bids on January 24, 2023, with a bid opening date of March 1, 2023. The District received three sealed bids with prices ranging from \$390,000 to \$488,000. The Van Dyke Corporation (Van Dyke) was the apparent lowest responsible bidder. Staff from both Dudek and VSD reviewed the bids for conformance with Bidding requirements and determined that Van Dyke met all the requirements. All the bids exceeded the engineer's estimate of \$271,000. The increase in the mobilization/demobilization of this project after completing work in each basin was the main driver of this project coming in over the engineer's estimate.

ACTION TAKEN:

MOTION:

Vice President Duran motioned to award a contract for the Steel Water Line Replacement Project - Phase 2 at the Activated Sludge Plant to the Van Dyke Corporation and authorize the Interim General Manager to execute a construction contract not to exceed \$429,000, which includes a 10% contingency to cover any unforeseen costs. Director Barnum seconded the motion. Motioned carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3280

- 8.5 Select One Candidate from the Eastern Region and One from the Western Region for the Riverside Local Agency Formation Commission Board and Authorize the Board President to Cast a Ballot on Behalf of the District

ACTION TAKEN:

MOTION:

Vice President Duran motioned to rank the Western Region candidates as 1. Castulo Estrada, 2. Kimberly Barraza, 3. Bruce Underwood, seconded by Secretary/Treasurer Sear and Secretary/Treasurer Sear, motioned to rank the Western Region candidates as 1. Carol Gonzales-Brady, seconded by Director Teague. Motions carried by the following vote:

AYES: Barnum, Duran, Canero, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3281

- 8.6 Approve a Vendor for Photography Services and Authorize the Interim General Manager to Negotiate a Contract for Photography Services

Due to a change in the Board of Directors, it is necessary to update the group photo and individual headshot for the Board.

ACTION TAKEN:

MOTION: Secretary/Treasurer Sear motioned to select Erick Schwabel, Schwabel Studios, for \$2,405. Director Teague seconded the motion. Motion carried by the following vote:

AYES: Barnum, Canero, Sear, Teague

NOES: Duran

MINUTE ORDER NO. 2023-3282

9. GENERAL MANAGER'S ITEMS

- 9.1 Receive Monthly General Manager Report – February 2023

Ron Buchwald, District Engineer, gave an update on projects for February 2023.

10. COMMITTEE REPORTS

- 10.1 Draft Minutes of the East Valley Reclamation Authority Meeting – February 21, 2023

Ron Buchwald, District Engineer, and Director Teague gave a brief overview of the East Valley Reclamation Authority meeting held on February 21, 2023. The Authority elected officers for 2023 and discussed the audited financial statement for 2021-22 and the mid-year budget review for 2022-23. They also reviewed the final geophysical survey by Geoscience, the Hydrological Evaluation and Preliminary Injection Well Modeling Report Prepared by Todd Groundwater, and the Draft Recycled Water Feasibility Study Presentation.

11. DIRECTOR'S ITEMS

President Canero, Secretary/Treasurer Sear, and Director Barnum gave an overview of the CASA DC Policy Forum they attended in Washington, D.C. Innovative Federal Strategies was able to set up meetings with Senator Feinstein's office, Senator Padilla's office, and Congressman Calvert's office. Vice President Duran informed the Board of the Annual Senior Inspiration Awards on March 30, 2023. Secretary/Treasurer Sear informed the Board of the grand opening of Congressman Calvert's Palm Desert office on March 20, 2023. Secretary/Treasurer Sear thanked Reymundo Trejo, IWA General

Manager, for his show of support for Ron Buchwald. Director Teague shared a letter he composed to the residents of Indian Palms Country Club in anticipation of the sewer rate increase.

12. INFORMATIONAL ITEMS

None.

13. 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.

President Canero called for a short recess at 2:57 p.m. The Board of Directors reconvened at 3:05 p.m. Roll call was taken. Directors Barnum, Canero, Duran, Sear, and Teague were present.

14. CONVENE IN CLOSED SESSION

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

- 14.1 Public Employment Recruitment Pursuant to Government Code Section 54957
Title: General Manager

The Board adjourned to Closed Session at 3:05 p.m.

14. CONVENE IN OPEN SESSION

Report out on Closed Session items

The Board reconvened in open session at 3:30 p.m. President Canero stated there was nothing to report.

15. ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 3:31 p.m. The next regular Board meeting will be on March 28, 2023.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District