

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

May 9, 2023

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, May 9, 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, Anna Bell, Nick Dean, James Mills, and Carlos Campos, Best Best & Krieger

Guests Present:

Hugh Curtis, George Petersen Insurance Agency

3. PLEDGE OF ALLEGIANCE

4. MAY EMPLOYEE ANNIVERSARIES

- Tino Tijerina, Facilities Maintenance Supervisor – 33 years
- Anna Bell, Lab & Environmental Compliance Supervisor – 10 years
- Nick Dean, Electrical Instrumentation Technician III – 3 years

The Board recognized and thanked Tino, Anna, and Nick for their hard work and years of service to the Valley Sanitary District.

5. PUBLIC COMMENT – None.

6. CONSENT CALENDAR

- 6.1 Approve Board Meeting Minutes of April 18, 2023, Special Meeting, April 25, 2023, Regular Meeting, and April 26, 2023, Special Board Meeting

6.2 Approve Warrants for May 9, 2023

ACTION TAKEN:

MOTION: Vice President Duran motioned to approve the consent calendar as presented. Director Barnum seconded the motion. Motion carried by the following roll call vote:
AYES: Barnum, Canero, Duran, Sear, Teague
NOES: None
MINUTE ORDER NO. 2023-3290

7. **NON-HEARING ITEMS**

7.1 Annual Renewal of the Business Policy and Earthquake Policy for the Fiscal Year 2023/24 in an Amount Not to Exceed \$357,000

Hugh Curtis from George Petersen Insurance Agency presented the renewal of the Business Package Policy and the Earthquake Policy. The 12-month coverage period is from July 1, 2023, to June 30, 2024. The Business Package Policy includes the Property, General Liability, Management Liability, Inland Marine, Auto, and Umbrella coverage. The proposed renewal for July 1, 2023, is \$147,000. The Earthquake Policy renewal for July 1, 2023, is \$210,000. The earthquake insurance deductible was raised from 10% to 15%.

ACTION TAKEN:

MOTION: Secretary/Treasurer Sear motioned to delegate authority to the Interim General Manager to negotiate and execute a contract with George Petersen Insurance Agency to purchase the Business Package Policy and the Earthquake Policy in an amount not to exceed \$357,000. Director Teague seconded the motion. Motion carried by the following roll call vote:
AYES: Barnum, Canero, Duran, Sear, Teague
NOES: None
MINUTE ORDER NO. 2023-3291

7.2 Authorize the Interim General Manager to Execute an Agreement for Cyber Liability Insurance in an Amount not to Exceed \$10,566

Hugh Curtis from George Petersen Insurance Agency presented the Cyber Liability insurance coverage. The coverage is through Lloyds and offers protection up to \$2 million. The proposed 12-month is \$10,566.

ACTION TAKEN:

MOTION: Secretary/Treasurer Sear motioned to authorize the Interim General manager to execute an agreement for Cyber Liability Insurance not exceeding \$10,566. Vice President Duran seconded the motion. Motion carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3292

7.3 Review and Discussion of Valley Sanitary District Draft Fiscal Year 2023/24 Operating and Capital Budget

Jeanette Juarez, Chief Administrative Officer, presented the unaudited reserve balances for Fund 11, Fund 12, and Fund 13. She explained that Fund 11 is the operating expenditures and six-month reserve, Fund 12 is the reserve for capital replacement and rehabilitation, and Fund 13 can only be used for expansion or new capital projects. Jeanette stated that the District's policy states that 40% of Fund 11 is deposited into Fund 12 annually. She noted that this policy would not be sustainable and recommended the Board review the policy. Jeanette presented the Draft FY24 Operating & Maintenance (O&M) and Capital Budget to the Board. The proposed operating and capital budget for the fiscal year 2023/24 is \$18,622,984 and \$55,180,000, 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 the District's Capital Improvement Program (CIP). There are 19 capital projects requested in the fiscal year 2023/24. The CIP for the fiscal year 2023/24 includes the Recycled Water Project Phase I, Amendment 1 & 2, Emergency Sewer Siphon Replacement Design and Construction, and the Collection System Sewer Main Rehabilitation and Replacement Program. The Board discussed its goals and achievements for the upcoming budget year. Staff informed the Board that they would bring the draft budget to the May 23 Board meeting for follow-up discussion before it is brought for final approval to the June 13, 2023, Board meeting.

7.4 Authorize the Interim General Manager to Purchase a New Computer Server to Replace an Outdated Server from Southwest Networks for an Amount Not to Exceed \$26,000

The current computer server is outdated, unreliable, and has reached the end of its service life. This equipment is critical to the ongoing operations and monitoring of the treatment plant SCADA system. It must be replaced as soon as possible. Staff recommends that the Board of Directors authorize the purchase of a new computer server and backup server to replace the outdated servers from Southwest Networks for a not to exceed amount of \$26,600.

ACTION TAKEN:

MOTION:

Director Barnum motioned to authorize the Interim General Manager to purchase a new computer server to replace the outdated server from Southwest Networks for an amount not exceeding \$26,000. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3293

7.5 Authorize the Board President to Sign a Letter of Support for AB 759 (Grayson), Which Would allow Sanitary Districts to Establish Their Own Protocols to Authorize Funds and Check Registers

Eric O'Donnell from Townsend Public Affairs provided a letter in support of AB 759. The current check register approval process, enacted in 1939, requires members of the Board to review and approve all checks. The Board approval process occurs after the checks have been prepared and issued. AB 759 will allow changes to the Sanitary Act provided to other public agencies, namely that the Board is not required to review and approve all checks. Supporting AB 759 does not require the Valley Sanitary District to change the approval process. Still, it allows them if they choose now or in the future.

ACTION TAKEN:

MOTION: Director Teague motioned to authorize the Board President to sign a letter of support for AB 759 (Grayson) establishing Sanitary Districts to set their own protocol for allowing funds and check registers. Director 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. 2023-3294

7.6 Authorize Specific Directors to Attend the CSDA 2023 Special Districts Legislative Days in Sacramento and Reimburse Related Expenses

Each year the California Special Districts Association holds the Special Districts Legislative Days in Sacramento, CA. It is the only opportunity for all types of special districts, large and small, north and south, rural and urban, to come together with one united voice to discuss issues like revenue, governance, labor, and public works matter to all districts. Staff recommends that the Board of Directors discuss and authorize President Debra Canero, Secretary/Treasurer Scott Sear, and Director Jacky Barnum to attend the CSDA 2023 Special Districts Legislative Days on May 16-17, 2023, and the reimbursement of related expenses.

ACTION TAKEN:

MOTION: Director Teague motioned to authorize specific Directors to attend the CSDA Legislative Days in Sacramento and reimburse related expenses. Vice President Duran seconded the motion. Motion carried by the following roll call vote:

AYES: Barnum, Canero, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3295

8. GENERAL MANAGER'S ITEMS

8.1 Receive Monthly General Manager's Report – April 2023

President Canero requested that the employees that attended the CWEA Annual Conference in San Diego make a short presentation of what they learned.

9. **COMMITTEE REPORTS**

9.1 Draft Minutes for the Budget & Finance Committee meeting – May 2, 2023

President Canero reported on the Budget & Finance Meeting on May 2, 2023. The committee discussed the revised financial plan and the draft FY24 capital budget.

10. **DIRECTOR'S ITEMS**

Secretary/Treasurer Sear attended the palm tree lighting ceremony at Coachella Valley History Museum. He congratulated the museum on a very nice event. Director Teague will bring a small group for a plant tour on Friday, May 12. President Canero shared that she is receiving thanks from the public for canceling the rate increase. President Canero and Vice President Duran participated in a plant tour with Chesna Foord, field representative from Senator Diane Feinstein's office, on May 8. Vice President Duran suggested getting a picture with the representatives when they visit. He also suggested developing structured questions.

11. **INFORMATIONAL ITEMS**

Ron Buchwald will contact Gloria Franz for an update on the Coachella Valley History Museum project.

12. **PUBLIC COMMENT – CLOSED SESSION** – None

President Canero called for a short recess at 2:45 p.m. The Board of Directors reconvened at 2:53 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 – Anticipated Litigation Pursuant to Paragraph (2) or (3) of Subdivision (d) of Government Code Section 5496.9 (one potential case – circumstances need not be disclosed pursuant to paragraph (1) of subdivision (e) of Government Code Section 5496.9)
- 13.2 Public Employment Recruitment Pursuant to Government Code Section 54957 Title: General Manager

- 13.3 Conference with Labor Negotiations Pursuant to Government Code Section 54957.9 Agency Designated Representative: Board President, Unrepresented Employee: General Manager

The Board adjourned to Closed Session at 2:53 p.m. Director Barnum recused herself from Item 13.1. Director Barnum returned to Closed Session at 3:03 p.m.

14. CONVENE IN OPEN SESSION

Report on Closed Session items.

The Board reconvened in open session at 3:19 p.m. District Counsel stated that the Board received direction and there was no reportable action.

15. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 3:20 p.m. The next regular Board meeting will be on May 23, 2023.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District