

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

September 12, 2023

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held on Tuesday, September 12, 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:

Debra Canero, Mike Duran, Scott Sear, William Teague

Directors Absent:

Jacky Barnum

Staff Present:

Jason Dafforn, General Manager; Jeanette Juarez, Chief Administrative Officer; Dave Commons, Chief Operating Officer; Ron Buchwald, District Engineer; Holly Gould, Clerk of the Board; Tino Tijerina Facilities Maintenance Supervisor; Octavio Briones, Maintenance Technician I; Scott Graham, Wastewater Operator II; and Craig Hayes, Best Best & Krieger

3. PLEDGE OF ALLEGIANCE

4. AUGUST EMPLOYEE ANNIVERSARIES

- Scott Graham, Wastewater Operator II – 33 years
- Carlos Acevedo, Collection System Technician I – 2 years

The Board of Directors thanked Scott and Carlos for their hard work and years of service to the District.

5. PUBLIC COMMENT - None

6. CONSENT CALENDAR

6.1 Approve the Minutes for the Board of Directors Regular Meeting held August 22, 2023

6.2 Approve Warrants for September 12, 2023

ACTION TAKEN:

MOTION: Vice President Duran motioned to approve the consent calendar as presented. Secretary/Treasurer Sear seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Sear, Teague
NOES: None
MINUTE ORDER NO. 2023-3326

7. NON-HEARING ITEMS

- 7.1 Authorize the Purchase of a New Caterpillar Compact Track Loader (Skid Steer) and Trade-In of the District's Current Compact Track Loader

The District's skid steer loader was purchased in 2009 and is slated for replacement for the Fiscal Year 2023/24. The trade-in value on the current skid steer was appraised to be \$24,000. The purchase will be made through Quinn CAT utilizing the Sourcewell contract discount of \$29,488.20. The total cost of the new skid steer, including the Sourcewell discount and trade, is \$105,229.58. The estimated delivery of the new skid steer is approximately 12 months.

ACTION TAKEN:

MOTION: Secretary/Treasurer Sear motioned to authorize the purchase of a new Caterpillar Compact Track Loader and the trade-in of the District's current compact track loader for an amount not to exceed \$105,229.58. Vice President Duran seconded the motion. Motion carried by the following roll call vote:
AYES: Canero, Duran, Sear, Teague
NOES: None
MINUTE ORDER NO. 2023-3327

- 7.2 Approve a Three (3) Year Contract Between Valley Sanitary District and Blackbaud Inc. for FE NXT Accounting Software Licensing

Blackbaud FE NXT is the accounting software the District utilizes to record the day-to-day financial transactions, including fixed asset management, expense management, revenue management, accounts receivable, accounts payable, sub-ledger accounting, and reporting and analytics. The three (3) year contract will allow the District to continue using the FE NXT software and respective modules. The fiscal impact for a three (3) year contract is \$73,956.49.

ACTION TAKEN:

MOTION: Director Teague motioned to authorize the General Manager to execute a three-year contract with Blackbaud Inc. for FE NXT accounting software licensing for \$73,956.49. Vice President Duran seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3328

7.3 Adopt Resolution No. 2023-1187 Approving the Valley Sanitary District Investment Policy

California Government Code Section 53646 requires that all public agencies adopt an investment policy and that the policy be reviewed and approved annually. The Board of Directors reviewed the edited Draft Investment Policy at the August 22, 2023, Regular Board of Directors meeting. The changes made include assigning the Chief Administrative Officer as the Fiscal Officer, in consultation with the General Manager, and updating the investment reports from a quarterly to a monthly basis. Staff recommends Resolution No. 2023-1187, adopting the District's Investment Policy, and rescinding Resolution No. 2022-1169.

"A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT ADOPTING THE DISTRICT'S INVESTMENT POLICY AND RESCINDING RESOLUTION NO. 2022-1169"

ACTION TAKEN:

MOTION:

Vice President Duran motioned to adopt Resolution No. 2023-1187, approving the Valley Sanitary District Investment Policy and rescinding Resolution No. 2022-1169. Director Teague seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Duran, Sear, Teague

NOES: None

RESOLUTION NO. 2023-1187

7.4 Approve the Five-Year Fresh Start Payoff Option for the CalPERS Unfunded Accrued Liability (UAL)

Jeanette Juarez, Chief Administrative Officer, explained that the Unfunded Accrued Liability (UAL) is the difference between the accrued pension liability and the market value of assets within a pension plan, the shortfall between what an agency should have and what it has in its pension plan. Due to a significant investment loss in 2021/2022, the District's UAL projected balance is \$2,126,554. The interest rate is estimated at 7.389%. The CalPERS actuary, Kurt Schnieder, provided some potential repayment options for the Board of Directors to consider. The options include a 30-year, 15-year, 5-year, and 1-year UAL payoff. After reviewing the four alternatives, Staff recommends the 5-year Fresh Start payoff option. The UAL is included in the Fiscal Year 2023/24 budget.

ACTION TAKEN:

MOTION:

Vice President Duran motioned to approve the Five-Year Fresh Start payoff option for the CalPERS Unfunded Accrued Liability. Secretary/Treasurer Sear seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Duran, Sear, Teague

NOES: None
MINUTE ORDER NO. 2023-3329

8. GENERAL MANAGER'S ITEMS

8.1 Receive Monthly General Managers Report for August 2023

The Board received the monthly General Manager's report and metrics for August 2023.

9. COMMITTEE REPORTS

9.1 Draft Minutes of the Budget & Finance Committee Meeting – September 5, 2023

Jason Dafforn, General Manager, gave an update on the Budget & Finance Committee meeting held on September 5, 2023. The Committee discussed CalPERS Unfunded Accrued Liability and received an update on the audit for the year ending June 30, 2023.

10. DIRECTOR'S ITEMS

President Canero attended the All Mayors Luncheon. She stated it was a very nice event. Mr. Dafforn noted that it was great to hear what all the mayors from the valley had to say. Mr. Dafforn will attend the State of the City for Indio and recommends that the District sponsor a table. Vice President Duran informed the Board that he has signed up to participate in a leadership program that the City of Indio is holding.

11. INFORMATIONAL ITEMS

The Board of Directors voted to add items 11.2 to 11.5 to the agenda under Informational Items.

ACTION TAKEN:

MOTION:

Director Teague motioned to add items 11.2 to 11.5 to the agenda under Informational Items. Secretary/Treasurer Sear seconded the motion. Motion carried by the following roll call vote:

AYES: Canero, Duran, Sear, Teague

NOES: None

MINUTE ORDER NO. 2023-3330

11.1 Update on the Audit for the Year Ending June 30, 2023

Jeanette Juarez, Chief Administrative Officer, gave an update on the Fiscal Year 2023 audit. She stated that the auditors completed their onsite fieldwork on August 28 and are now preparing financials. The audit has gone very smoothly, and the auditors are preparing for their exit interview.

11.2 Update on the Westward Ho Sewer Siphon

Jason Dafforn, General Manager, updated the Board on the Westward Ho Sewer Siphon repairs. The contractors are approximately halfway done with the mediation of the exposed pipeline. The District has been working with the Indio Water Authority on this project.

11.3 Requa Avenue Street Repairs

Jason Dafforn, General Manager, informed the Board of subsidence along Requa Avenue and Salton St. In 2016, the District installed a sewer main along Requa Ave. The compaction on the project was good. During the recent rain events, the water caused the subsidence in the trench immediately above the pipeline. The District worked with the City of Indio to set up barricades around the areas and contacted the contractors working on the Collection System Rehab project to investigate and make the repairs. The contractors are in the process of submitting a worst-case scenario quote.

11.4 Wild Bird Center Update

The Wild Bird Center has cleaned up and fully vacated the property. They extended their thanks to the District for their understanding. The District has fully taken over the property.

11.5 RV Dump Station Update

The RV Dump Station is currently closed. There are issues with Gate 1 prohibiting its use. The parts have been ordered. Once the repairs are completed, the dump station will re-open.

12. PUBLIC COMMENT - None

President Canero called for a short recess at 2:01 p.m. The Board of Directors reconvened at 2:08 p.m. Roll call was taken. Directors 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

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9:
(1) Existing facts and circumstances might result in litigation against VSD pursuant to paragraph (1) of subdivision (e) of Section 54956.9.

The Board adjourned to Closed Session at 2:08 p.m.

14. CONVENE IN OPEN SESSION

Report on Closed Session items.

The Board reconvened in open session at 3:03 p.m. District Counsel stated there was no reportable action.

15. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 3:03 p.m. The next regular Board meeting will be on September 26, 2023.

Respectfully submitted,

Holly Gould, Clerk of the Board
Valley Sanitary District