

**VALLEY SANITARY DISTRICT  
MINUTES OF REGULAR BOARD MEETING  
May 14, 2019**

A regular Board Meeting of the Governing Board of Valley Sanitary District (VSD) was held at the District offices, 45-500 Van Buren Street, Indio, California, on Tuesday, May 14, 2019.

**CALL TO ORDER, ROLL CALL**

1. PRESIDENT MIKE DURAN called the meeting to order at 1:00 p.m. Those in attendance were as follows:

DIRECTORS PRESENT: Mike Duran, William Teague, Dennis Coleman, Debra Canero, and Scott Sear

DIRECTORS ABSENT: None

STAFF PRESENT: Ron Buchwald, Interim General Manager, Holly Gould, Joanne Padgham, and Branden Rodriguez

GUESTS: Robert Hargreaves, Best Best & Krieger  
Tom Pavletic, Municipal Financial Services  
Erica Harnik, Building Industry Assoc.  
Haki Dervishi  
Octavio Chavez  
Ariana Tadeo  
Gabriela Jacquez

**CONSENT ITEMS**

- a. Consideration of the April 19, 2019 Special Meeting, April 23, 2019 Regular Meeting, and April 29, 2019 Special Meeting Minutes
- b. Approval of Expenditures for April 18, 2019 to May 8, 2019

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Check numbers 3152 to 37214 totaling \$751,345.60 and transfers of \$1,076,198.61 were issued.

**ACTION TAKEN:**

**MOTION:** VICE PRESIDENT TEAGUE made a motion to approve the minutes for the Special Board Meeting held April 19, 2019, the minutes for the Regular Board Meeting held April 23, 2019, and the Special Board Meeting held April 29, 2019 and pay the disbursement items as presented. DIRECTOR CANERO seconded the motion. Motion carried by the following vote: 5 yes

**MINUTE ORDER NO. 2019-2896**

**PUBLIC COMMENTS**

*This is the time set aside for public comment on any item not appearing in the agenda. Please notify the Secretary in advance of the meeting of you wish to speak on a non-hearing item.*

Haki Dervishi of One Stop Shoppe expressed to the Board his desire to work with the District to get the issue of a grease interceptor installed at his wife's restaurant resolved but feels he is being treated unfairly. He feels the restaurant does not generate enough grease for the need of a grease interceptor. PRESIDENT DURAN informed Mr. Dervishi that he will bring the issue before the Board and District staff will be in contact with him.

#### **NON-HEARING ITEMS**

##### **4. Sewer Capacity Charges Study**

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At the request of PRESIDENT DURAN this non-hearing item was moved up on the agenda to accommodate guest, Erica Harnik of the Building Industry Association.

In September 2018 the District contracted with Municipal Financial Services to evaluate sewer capacity charges and recommend a revised schedule of sewer capacity charges. The sewer capacity charges that are developed in the report meet the regulatory requirements found in California Government Code Section 66000 et sequentia regarding the establishment of capacity charges. The District held a study session for the proposed sewer capacity charges on February 12, 2019. The Board provided direction to staff to move forward with the proposed rate increase. It is recommended that the District adopt sewer capacity charges for fiscal year 2019/2020 of \$4,400, and onward may be escalated by using the *Engineering News Record* 20-City Construction Cost Index. The District provided the Desert Valleys Buildings Association (DVBA) and Building Industry Association (BIA) notice of the proposed increase to \$4,400 for the capacity connection fee. On behalf of BIA and all builders, Ms. Harnik expressed her thanks to the Board for their appropriate phasing of the increase. SECRETARY COLEMAN thanked Ms. Harnik for taking the time to attend the study session and board meeting regarding the capacity increase.

#### **ACTION TAKEN:**

**MOTION:** SECRETARY COLEMAN made a motion to approve increasing the sewer capacity charge for fiscal year 2019/2020 to \$4,400, an increase of \$135 from its current value of \$4,265 per equivalent dwelling unit, and to continue to annually adjust the sewer capacity charge by utilizing the *Engineering News Record* (ENR) 20-City Construction Cost Index. DIRECTOR TEAGUE seconded the motion. Motion carried by the following roll call vote:

#### **MINUTE ORDER NO. 2019-2897**

AYES:	Director(s) Canero, Coleman, Duran, Sear, Teague
NOES:	None
ABSENT:	None
ABSTAIN:	None

#### **ADJOURN TO CLOSED SESSION**

##### **2. The Board shall adjourn to Closed Session pursuant to Government Code 54956.9(b) – Potential Litigation**

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The Board adjourned to closed session at 1:15 p.m.

#### **RECONVENE TO OPEN SESSION**

The Board reconvened to open session at 1:39 p.m. PRESIDENT DURAN stated that there was nothing to report.

## **PUBLIC HEARING**

### **3. Public Hearing to Adopt the 2019/2020-2024/2025 Sewer Use Fees**

- A. General Notice and Call
- B. President Announces Public Hearing Procedures
- C. General Manager's Report
- D. President Declares Public Hearing Open
- E. Public Comments
- F. President Declares Public Hearing Closed
- G. Board Discussion
- H. Consideration of Resolution

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PRESIDENT DURAN asked MR. BUCHWALD to give a brief summary of the actions leading up to the Public Hearing. MR. BUCHWALD stated that in accordance with California Proposition 218, the Valley Sanitary District duly advised all customers via U.S. Mail of a Public Hearing in order to consider an increase to the Sewer Use Rate. Additionally, a notice of the Public Hearing was published in the Desert Sun newspaper on March 24, 2019 and March 31, 2019 and posted on the District's website. MR. BUCHWALD pointed out a discrepancy on the Prop. 218 Notice that was mailed out and after conferring with legal counsel recommended the Board not adopt the Sewer Use Rate increase at this time. PRESIDENT DURAN then gave the procedures to be followed during the hearing and asked MR. BUCHWALD to summarize any written communications regarding the increase and proposed Resolution 2019-1113. MR. BUCHWALD informed the Board that nine (9) letters of protest had been received. PRESIDENT DURAN declared the Public Hearing open at 1:44 p.m. and asked MR. BUCHWALD to give a brief staff report which would be followed by any public testimony. During public testimony Gabriela Jacques, a resident of Indio stated her opposition to the proposed rate increase and requested the Board try and find other ways to meet their financial responsibilities. PRESIDENT DURAN declared the Public Hearing closed at 1:47 p.m. The consensus of the Board was to not adopt Resolution No. 2019-1113 and to bring the Sewer Use Fee increase back before the Board next year. Being no further questions or comments from the Board, PRESIDENT DURAN thanked staff for their hard work.

### **“A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT RATES FOR SEWER USE”**

#### **ACTION TAKEN:**

**MOTION:** SECRETARY COLEMAN made a motion to not to adopt Resolution No. 2019-1113, Adoption of the Sewer Use Fee for Fiscal Years 2019/2020 – 2024/2025. DIRECTOR SEAR seconded the motion. Motion carried by the following roll call vote:

AYES:	Director(s) Canero, Coleman, Duran, Sear Teague
NOES:	NONE
ABSENT:	NONE
ABSTAIN:	NONE

#### **RESOLUTION NO. 2019-1113**

5. Consideration of Employment Agreement Between Valley Sanitary District and Beverli Marshall for the Position of General Manager

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It is recommended that the Board of Directors adopt an Employment Agreement between Valley Sanitary District and Beverli Marshall for a term of three years for the position of General Manager and authorize the Board President to execute the agreement.

**ACTION TAKEN:**

**MOTION:** SECRETARY COLEMAN made a motion to adopt an Employment Agreement between Valley Sanitary District and Beverli Marshall for the position of General Manager and authorize the Board President to execute the agreement. VICE PRESIDENT TEAGUE seconded the motion. Motion carried by the following roll call vote:

**MINUTE ORDER NO. 2019-2898**

AYES: Director(s) Canero, Coleman, Duran, Sear, Teague  
NOES: None  
ABSENT: None  
ABSTAIN: None

6. Review and Adoption of Resolution No. 2019-1114 – Maximum Concentration Limits for Wastewater Discharge

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**“A RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY SANITARY DISTRICT ESTABLISHING MAXIMUM CONCENTRATION LIMITS FOR WASTEWATER DISCHARGES TO THE VALLEY SANITARY DISTRICT WASTEWATER RECLAMATION FACILITY”**

**ACTION TAKEN:**

**MOTION:** VICE PRESIDENT TEAGUE made a motion adopt Resolution No. 2019-1114 Maximum Concentration Limits for Wastewater Discharge. DIRECTOR CANERO seconded the motion. Motion carried by the following roll call vote:

**RESOLUTION NO. 2019-1114**

AYES: Director(s) Canero, Coleman, Duran, Sear, Teague  
NOES: None  
ABSENT: None  
ABSTAIN: None

7. Consideration of Proposal from Total Compensation Systems, Inc. to Provide Actuarial Service Associated with Other Post-Employment Benefits (OPEB) in Compliance with Governmental Accounting Standards Board (GASB) Statement Nos. 74/75

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GASB approved two (2) new statements designed to improve accounting and financial reporting for state and local government OPEB plans – GASB 74 and GASB 75. The intent of these changes was to establish a consistent set of standards for all postemployment benefits that provides more transparent reporting of the liability and more useful information about both the liability and the costs of the benefits.

The new standards apply now and require significant additional work that Total Compensation Systems is well suited to perform. Valuations are required every two (2) years.

**ACTION TAKEN:**

**MOTION:** SECRETARY COLEMAN made a motion to award a contract to and authorize the Interim General Manager to sign the Consulting Services Agreement with Total Compensation Systems, Inc. to provide actuarial services associated with OPEB in compliance with GASB Statements 74/75 at a cost of \$4,590. VICE PRESIDENT TEAGUE seconded the motion. Motion carried by the following roll call vote:

**MINUTE ORDER NO. 2019-2899**

AYES: Director(s) Canero, Coleman, Duran, Sear, Teague  
NOES: None  
ABSENT: None  
ABSTAIN: None

8. Secondary Security Fence Panels Project Pay Application Number 2

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All panels have been constructed and mounted onto the existing security fence. All that remains is final touch-up painting which has been delayed due to excessive wind conditions on site. The estimated project completion date is Thursday, May 9, 2019. Tremblay Iron Works submitted a pay application for \$81,874.80.

**ACTION TAKEN:**

**MOTION:** DIRECTOR SEAR made a motion to approve pay application number two (2) for \$81,874.80 to Tremblay Iron Works and place \$7,182 into retention. DIRECTOR CANERO seconded the motion. Motion carried by the following roll call vote:

**MINUTE ORDER NO. 2019-2900**

AYES: Director(s) Canero, Coleman, Duran, Sear, Teague  
NOES: None  
ABSENT: None  
ABSTAIN: None

9. Pollution Liability Coverage – Desert Cornerstone Insurance, Inc.

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Hugh K. Curtis from Desert Cornerstone Insurance Service, Inc. introduced the Environmental Pollution Liability coverage at the April 9, 2019 meeting and delivered a quote at the April 23, 2019 meeting. The Board expressed interest in adding the Pollution Liability coverage to our current insurance for property, general liability, management liability, inland marine, auto, umbrella and earthquake insurance for the prorated fee of \$10,848 including fees, for coverage beginning May 1, 2019.

**ACTION TAKEN:**

**MOTION:** VICE PRESIDENT TEAGUE made a motion to approve the Environmental Pollution Liability coverage for the prorated fee of \$10,848 including fees, for coverage beginning May 1, 2019. SECRETARY COLEMAN seconded the motion. Motion carried by the following roll call vote:

## MINUTE ORDER NO. 2019-2901

AYES: Director(s) Canero, Coleman, Duran, Sear, Teague  
NOES: None  
ABSENT: None  
ABSTAIN: None

### 10. Staff Notes

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MR. BUCHWALD asked the Board if they would like to continue receiving this report. The Directors feel it's an important part of the board packet that keeps them informed of what is going on with the District. SECRETARY COLEMAN requested a news release be done for the GFOA CAFR Award the District received. VICE PRESIDENT TEAGUE asked about the ammonia and nitrate testing the District is conducting. MR. BUCHWALD informed the Board that staff has begun testing to reduce the toxicity of ammonia in the plant discharge and will continue to do so until ammonia is no longer an issue.

### **DIRECTOR'S ITEMS**

*Director's items not listed are for discussion only; no action will be taken without an urgency vote pursuant to State law.*

DIRECTOR SEAR recommended the District add a vehicle to the fleet that administration staff could utilize to conduct District business. PRESIDENT DURAN thanked Vice President Teague and Secretary Coleman for their hard work and efforts as the Negotiations Committee for the General Manager recruitment.

### **ADJOURNMENT**

There being no further business to discuss, the meeting was adjourned at 2:24 p.m., and the next Regular Board Meeting will be held May 28, 2019.

Respectfully submitted,



Holly Gould, Clerk of the Board  
Valley Sanitary District