

**Mission Springs Water District Board of Directors  
Regular Meeting Minutes  
Thursday, March 15, 2018 – 3 p.m. – Study Session**

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**CALL TO ORDER: 3:01 P.M.**

**ROLL CALL**

Directors Present: Bowman, Wright, Sewell, Martin, Duncan

Directors Absent:

Staff Present: McCue, Friend, Soulliere, Wallum, Petee, Ceja, Lucas

Legal Counsel: John Pinkney

**PLEDGE OF ALLEGIANCE**

**EMPLOYEE RECOGNITION (ACHIEVEMENTS/CERTIFICATIONS) (Monday, 3/20)**

**PUBLIC INPUT**

**PROFESSIONAL ENGINEERING SERVICES CONTRACT RENEWAL MICHAEL PLATT CONSULTING**

It is recommended to authorize the General Manager to renew the agreement with Michael Platt Consulting LLC for a period of one year, as-needed, on a time and materials basis, for a not to exceed amount of \$200,000.

Mr. Wallum commented that next year this contract will go through an RFP process. Mr. Wallum memorialized the accomplishments of Mr. Platt and noted that Mr. Platt has worked with the District for years and his knowledge is extensive.

Mr. Friend added there are five different engineering firms assisting the engineering department to date. Mr. Friend noted the cultivation business is occupying a lot of the districts business, so the need for outside engineering services is important.

**SECOND AMENDMENT TO CONTRACT AGREEMENT FOR K.S.M. ELECTRIC INC. – GENERAL ELECTRICAL SERVICES FOR 2017-2018 FISCAL YEAR**

It is recommended to authorize the General Manager to amend the contract with K.S.M. Electric Inc. for general electrical services for 2017-2018, for a not to exceed amount of \$260,000.

Mr. Wallum stated this item is asking for forgiveness and not permission.

Mr. Friend reminded the Board this was on the agenda a few months ago for an increase to \$150,000. MSWD currently has an annual contract for incidentals, up to \$50,000. He explained the need for the additional funds (emergency repairs on wells). Mr. Friend noted these funds are currently budgeted and will carry us through the rest of the year.

**RESOLUTION 2018-06 – INTENTION TO TAKE PROCEEDINGS PURSUANT TO THE MUNICIPAL IMPROVEMENT ACT OF 1913 AND MAKE CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH ALL RELATING TO THE FORMATION OF SEWER ASSESSMENT DISTRICT NO. 17**

It is recommended to adopt Resolution No. 2018-06 declaring the Boards intention to take proceedings pursuant to the Municipal Improvement Act of 1913 and make certain findings and determination in connection therewith all relating to the formation of Assessment District No. 17.

Director Wright mentioned she has a property in the proposed Assessment District, and recused herself from this proceeding.

Mr. Soulliere presented a Power Point Presentation. In his presentation he covered the project area, property statistics, process, cost, survey results, project timeline and Board action.

**RESOLUTION 2018-07 – APPROVING A REPORT AND FIXING THE TIME AND PLACE OF THE PUBLIC HEARING FOR ASSESSMENT DISTRICT NO. 17**

It is recommended to adopt Resolution No. 2018-07 approving the engineer's report and setting the date and time of the Public hearing for Monday, May 21, 2018 at 2:00 p.m.

This item was combined with the presentation above.

**CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS CALL FOR NOMINATIONS**

It is recommended to nominate a candidate to stand for election for the CSDA Board of Directors. The Southern Network seat is currently held by Jo MacKenzie and she is running for re-election.

Mr. Wallum explained this item and noted that Jo MacKenzie who currently holds this seat is running for re-election.

President Duncan verified that there is no action that needs to be taken at this time.

**PROP 84, ROUND 4 LOCAL PROJECT SPONSOR (LPS) AGREEMENT**

It is recommended to accept the Local Project Sponsor Agreement for the Proposition 84 IRWM Implementation Grant: "MSWD Water Supply Reliability Program."

Mr. Soulliere noted this is a housekeeping item for the administrating agency of the Prop 84 Grant for round four. We are a local project sponsor. This grant includes the chromium six treatments and the advanced meter technology project. The General Manager will execute this agreement.

**ACCEPTANCE OF THE WATER SUPPLY ASSESSMENT AND WATER SUPPLY VERIFICATION FOR THE DESERT LAND VENTURES III DEVELOPMENT**

It is recommended that the Board of Directors accept and approve the Water Supply Assessment (WSA) and Water Supply Verification (WSV) for the Desert Land Ventures III Development project located in the City of Desert Hot Springs.

Mr. Wallum commented that this company is actually in the Coachella Valley Water District (CVWD) service area. We are working with Desert Land Ventures and CVWD to go through an annexation process so we are able to serve this project. Mr. Wallum noted the reason for this is MSWD can serve this project easier and at a much lower cost.

Mr. Friend gave a short background and brought attention to the map in the agenda packet. He continued by noting he spoke with LAFCO regarding the annexation. He noted that the SOI (sphere of influence) that is required prior to annexation does not require that the property be contiguous or adjacent to our current boundaries. Mr. Friend noted this item is also going in front of the CVWD Board of Directors. This project is a mixed use industrial site. WSA was originally written for CVWD and was rewritten to suit our regional water management plan. Our system is adequate to support this project.

President Duncan asked if this project is surrounded by habitat property. Mr. Friend noted that they are, however it works for MSWD's plan for easements, etc. Mr. Friend noted that the projected water use for this project is lower than that of the last two WSA's brought before the Board.

The Board heard from the developer Bob Roark (consultant for the property owner). He noted that the City of Desert Hot Springs (DHS) appreciates us taking this action today. He stated that the Board of Directors at CVWD are ready to proceed. He continued by reiterating what Mr. Friend had already presented to the Board.

Mr. Friend added that late yesterday afternoon, the City of DHS submitted a request for the WSA.

#### **MISSION SPRINGS WATER DISTRICT WEST VALLEY WATER RECLAMATION FACILITY**

Update and discussion.

Mr. Friend originally stated there is no update this month. Questions from the Board proved otherwise.

Vice President Martin asked, tentatively when we anticipate the beginning of and completion of construction? Mr. Friend noted that MSWD schedule has this project completing the later part of September of 2019. He continued by noting the engineers schedule has us completing this project by the first quarter of 2020, fully operational. He continued by stating staff is trying to find time savers to put us closer to the 2019 completion date set by MSWD. Mr. Friend explained a process that could potentially shorten the construction period. There was a brief discussion regarding the delays in this project.

Director Bowman stated he is concerned and asked for a Gantt chart relating to this project. Mr. Friend clarified that the timeline presented is all inclusive and they are working on ways to cut the timeline.

#### **CHROMIUM 6 REGULATION AND TREATMENT PROGRAM**

Update and discussion.

No update at this time.

#### **SOLAR PLANT**

Update and discussion.

Mr. Friend noted there is no update at this time.

Director Bowman asked what we are currently waiting on; Mr. Friend explained that Southern California Edison is working on upsizing the poles so that we don't have to go underground (the easement we could not acquire). Mr. Friend noted we are still looking to complete this project by May.

### **I-10 INDIAN SEWER COLLECTION SYSTEM FINANCING DISTRICT**

Update and discussion.

Mr. Soulliere presented the update. He noted that staff met with LAFCO Executive Director and his conservative timeline for completion of the annexation is six months. Staff at MSWD is in active communication with property owners. Update on one of the property owners who was a staunch no has sold the property therefore changing the involvement in this assessment district.

Mr. Wallum noted that Mr. Soulliere is sending reports to property owners every two weeks.

### **CONSENT AGENDA**

It is recommended the Board approve the following Consent Agenda item(s):  
Director Bowman noted that the date of the Big Heart Awards is the same day as the Study Session so compensation for this event is mute.

#### **APPROVAL OF MINUTES**

It is recommended to approve the minutes as follows:

- Study Session – February 15, 2018
- Regular Meeting – February 20, 2018

#### **REGISTER OF DEMANDS**

- The Register of Demands totaling \$954,411.92

#### **BOARD COMPENSATION**

- Desert Hot Springs Rotary 2nd Annual Big Heart Awards - April 12, 2018

#### **ACCEPTANCE OF GRANT OF EASEMENT DEED FOR PUBLIC SEWER UTILITIES EASEMENT – MORELAND CALIFORNIA PROPERTIES LLC**

- It is recommended to authorize the General Manager to sign the Certificate of Acceptance, approving and accepting the Grant of Easement Deed from Moreland California Properties LLC (Developer) dated February 8, 2018 for public sewer utilities easement, located on APN: 666-360-015 on 19<sup>th</sup> Avenue.

(END OF CONSENT AGENDA)

### **FINANCIAL REPORT**

Mr. McCue presented the financial report for the period ending January 31, 2018. He noted the summary page in the packet.

Net Operating Income (Loss) – variance from Budget	\$987,203
Net Non-Operating Income (Loss) – variance from Budget	\$415,381
Net Income (Loss) – variance from Budget	<b>\$1,402,584</b>

Cash	
Increase (Decrease) in Cash	\$5,843,736
Balance of Cash at Beginning of Year	\$ 20,084,868
Balance of Cash at February 29, 2016	<b>\$25,928,604</b>

Unrestricted Cash	\$410,036
Restricted Cash	
Capital Reserve Fund	\$21,240,735
Other Restricted Cash	\$1,165,966
Cash in Custody of MSWD	<b>\$25,928,604</b>

### MONTHLY REPORTS

Director Wright noted the number of septic tanks before the make the connection program versus now.

### UPCOMING EVENTS & DIRECTORS' REPORTS

Director Bowman reported he attended the following events; 2/28 CSDA Professional Development conference call, 3/7 Hoteliers, 3/14 DVBA Public Works Luncheon

Director Sewell reported he attended the following event; 2/15 DVBA Networking Night, 3/5 GCVCC Gubernatorial Luncheon

Director Wright reported she attended the following event; 2/16 PSAM Gala

### CORRESPONDENCE

No comment on correspondence.

### DISTRICT COUNSEL COMMENTS

Closed session today

### GENERAL MANAGER'S REPORT

Mr. Wallum reported the updated contract for Debra Bollinger, is within the GM's spending limit and will be renewed. He mentioned that Mr. Soulliere is working on a letter notifying property owners that lien for AD 12 is being released. He also mentioned the sewer prepayment letter and reported that Mr. Soulliere is working on revisions to last year's letter for Board review prior to sending it out to customers. Mr. Wallum announced that MSWD won the Bronze Medal at The Berkley Springs Water Tasting competition and he is working with Mr. Soulliere about an event to publicize this.

Vice President Martin asked about the press release for the Berkley contest. Mr. Soulliere noted that a press release was done but not picked up by the media. Director Wright commented that maybe a letter to the editor would garner some attention.

Mr. Wallum continued by reporting to the Board that he wrote a letter to Joaquin Esquibel, thanking him for coming to spend the day at MSWD. Mr. Wallum mentioned President Duncan's support letter for Phil Williams. Lastly he reported he will be out all next week.

**DIRECTORS' COMMENTS**

Director Wright announced Desert Water Agency's butterfly block party. Noted her attendance at the 4/12 E&E and CVCC meetings.

Director Sewell noted John Soulliere was the speaker at Rotary, members enjoyed his presentation.

**RECESS: 4:37 P.M.**

**RECONVEENE TO OPEN SESSION: 4:45 P.M.**

**CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9(d) (1).

One Case: Case No. PSC 1600676

(Mission Springs Water District vs. Desert Water Agency & Coachella Valley Water District)

**RECONVENE TO OPEN SESSION: 5:30 P.M.**

**REPORT ON ACTION TAKEN DURING CLOSED SESSION**

No reportable action.

**ADJOURN: 5:30 P.M.**

Respectfully submitted,



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Arden Wallum, District Secretary

**Mission Springs Water District Board of Directors  
Regular Meeting Minutes  
Monday, March 19, 2018 – 3 p.m.**

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**CALL TO ORDER: 3:00 P.M.**

**ROLL CALL**

Directors Present: Bowman, Wright, Sewell, Martin, Duncan  
Directors Absent:  
Staff Present: McCue, Friend, Soulliere, Petee, Ceja, Lucas  
Legal Counsel: Katelyn Empey

**PLEDGE OF ALLEGIANCE**

Led by President Duncan. Led in prayer by Director Wright.

**EMPLOYEE RECOGNITION (ACHIEVEMENTS/CERTIFICATIONS) (Monday, 3/20)**

President Duncan acknowledged the following employees for their work anniversaries; Mark Vermeer, WWTP Operator I for 17 Years of service, Rick Johnson, Water Production Supervisor for 24 Years of service and Carol Morin, Office Specialist II for 16 Years of service.

Mr. Friend acknowledged the Waste Water & Water Production employees on behalf of Lee Boyer, Supervisor.

Mr. Soulliere acknowledged Carol for her years of service.

**PUBLIC INPUT**

There was no public input.

**PROFESSIONAL ENGINEERING SERVICES CONTRACT RENEWAL MICHAEL PLATT CONSULTING**

The Board authorized the General Manager to renew the agreement with Michael Platt Consulting LLC for a period of one year, as-needed, on a time and materials basis, for a not to exceed amount of \$200,000.

There was no further discussion.

**Motion: Wright                      Second: Bowman**

Ayes: Bowman, Duncan, Martin, Sewell, Wright  
Noes:  
Abstain:  
Absent:

**SECOND AMENDMENT TO CONTRACT AGREEMENT FOR K.S.M. ELECTRIC INC. – GENERAL ELECTRICAL SERVICES FOR 2017-2018 FISCAL YEAR**

The Board authorized the General Manager to amend the contract with K.S.M. Electric Inc. for general electrical services for 2017-2018, for a not to exceed amount of \$260,000.

There was no further discussion.

**Motion: Bowman                      Second: Sewell**

Ayes: Bowman, Duncan, Martin, Sewell, Wright  
Noes:  
Abstain:  
Absent:

**RESOLUTION 2018-06 – INTENTION TO TAKE PROCEEDINGS PURSUANT TO THE MUNICIPAL IMPROVEMENT ACT OF 1913 AND MAKE CERTAIN FINDINGS AND DETERMINATIONS IN CONNECTION THEREWITH ALL RELATING TO THE FORMATION OF SEWER ASSESSMENT DISTRICT NO. 17**

The Board adopted Resolution No. 2018-06 declaring the Boards intention to take proceedings pursuant to the Municipal Improvement Act of 1913 and make certain findings and determination in connection therewith all relating to the formation of Assessment District No. 17.

*Director Wright recused herself during this item.*

Mr. Spicer presented the engineers report for this item. He gave an overview of the Assessment District.

Vice President Martin asked about the error in the power point presentation (discovered during the presentation at the Study Session), Mr. Soulliere verified that was the only location of the error and the engineers report is correct.

There was nothing further to add.

**Motion: Bowman      Second: Martin**

Ayes: Bowman, Duncan, Martin, Sewell  
Noes:  
Abstain: Wright  
Absent:

**RESOLUTION 2018-07 – APPROVING A REPORT AND FIXING THE TIME AND PLACE OF THE PUBLIC HEARING FOR ASSESSMENT DISTRICT NO. 17**

The Board adopted Resolution No. 2018-07 approving the engineer's report and setting the date and time of the Public hearing for Monday, May 21, 2018 at 2:00 p.m.

There was no further discussion.

**Motion: Martin      Second: Sewell**

Ayes: Bowman, Duncan, Martin, Sewell  
Noes:  
Abstain: Wright  
Absent:

**CALIFORNIA SPECIAL DISTRICTS ASSOCIATION BOARD OF DIRECTORS CALL FOR NOMINATIONS**

It is recommended to nominate a candidate to stand for election for the CSDA Board of Directors. The Southern Network seat is currently held by Jo MacKenzie and she is running for re-election.

The Board refrained from nominating a candidate at this time.



**PROP 84, ROUND 4 LOCAL PROJECT SPONSOR (LPS) AGREEMENT**

The Board accepted the Local Project Sponsor Agreement for the Proposition 84 IRWM Implementation Grant: "MSWD Water Supply Reliability Program."

There was no further discussion.

**Motion: Wright                      Second: Martin**

Ayes:                      Bowman, Duncan, Martin, Sewell, Wright  
Noes:  
Abstain:  
Absent:

**ACCEPTANCE OF THE WATER SUPPLY ASSESSMENT AND WATER SUPPLY VERIFICATION FOR THE DESERT LAND VENTURES III DEVELOPMENT**

The Board of Directors accepted and approved the Water Supply Assessment (WSA) and Water Supply Verification (WSV) for the Desert Land Ventures III Development project located in the City of Desert Hot Springs.

There was no further discussion.

**Motion: Bowman                      Second: Martin**

Ayes:                      Bowman, Duncan, Martin, Sewell, Wright  
Noes:  
Abstain:  
Absent:

**MISSION SPRINGS WATER DISTRICT WEST VALLEY WATER RECLAMATION FACILITY**

Update and discussion. There was no further discussion.

**CHROMIUM 6 REGULATION AND TREATMENT PROGRAM**

Update and discussion. There was no further discussion.

**SOLAR PLANT**

Update and discussion. There was no further discussion.

**I-10 INDIAN SEWER COLLECTION SYSTEM FINANCING DISTRICT**

Update and discussion. There was no further discussion.

**CONSENT AGENDA**

*Consent agenda items are expected to be routine and non-controversial, to be acted upon by the Board at one time, without discussion. If a member would like an item handled separately, it will be removed from the Consent Agenda for separate action.*

The Board approved the following Consent Agenda item(s):

**Motion: Martin                      Second: Wright**

Ayes:                      Bowman, Duncan, Martin, Sewell, Wright  
Noes:  
Abstain:  
Absent:

## **APPROVAL OF MINUTES**

The Board approved the minutes as follows:

Study Session – February 15, 2018

Regular Meeting – February 20, 2018

## **REGISTER OF DEMANDS**

The Register of Demands totaling \$954,411.92

## **BOARD COMPENSATION**

Desert Hot Springs Rotary 2nd Annual Big Heart Awards - April 12, 2018

## **ACCEPTANCE OF GRANT OF EASEMENT DEED FOR PUBLIC SEWER UTILITIES EASEMENT – MORELAND CALIFORNIA PROPERTIES LLC**

The Board authorized the General Manager to sign the Certificate of Acceptance, approving and accepting the Grant of Easement Deed from Moreland California Properties LLC (Developer) dated February 8, 2018 for public sewer utilities easement, located on APN: 666-360-015 on 19<sup>th</sup> Avenue.

(END OF CONSENT AGENDA)

## **FINANCIAL REPORT**

There was nothing further to add.

Director Bowman asked about the pie chart in the financial report with relation to the *cash in custody* and *unrestricted cash*, he commented that there is a discrepancy in the two pie charts presented. Mr. McCue clarified the pie chart on the summary page is correct, and stated that he would send out an email clarifying.

## **MONTHLY REPORTS**

There was no further discussion.

## **UPCOMING EVENTS & DIRECTORS' REPORTS**

Vice President Martin reported he attended the following events; 2/20 DHS City Council Meeting, 3/6 DHS City Council Meeting, 3/9 BIA Legislative Luncheon, 3/10 Boys & Girls Club Grand Auction, 3/15 DVBA Networking Night

President Duncan reported he attended the following events; 2/27-3/1 ACWA Conference, 3/6 DWA Board Meeting, 3/13 CVWD Board Meeting, 3/14 DVBA Public Works Luncheon

## **CORRESPONDENCE**

There was no further discussion.

## **DISTRICT COUNSEL COMMENTS**

There was no further discussion.

## **GENERAL MANAGER'S REPORT**

There was no further discussion.

## **DIRECTORS' COMMENTS**

VP Martin mentioned a tribute to John Furbee in the program from the Boys & Girls Club Gala.

Director Wright asked about the CSDA new public forum. Mr. Soulliere addressed this briefly.

President Duncan commented on the longevity of the Districts employees.

**ADJOURN: 3:35 P.M.**

Respectfully submitted,



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Arden Wallum, District Secretary