

**Mission Springs Water District Board of Directors
Regular Meeting Minutes
Thursday, May 14, 2020 – Study Session**

THIS MEETING WAS CONDUCTED PURSUANT TO THE GOVERNOR'S EXECUTIVE ORDER N-29-20 IN AN EFFORT TO PROTECT PUBLIC HEALTH AND PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS)

CALL TO ORDER: 3:00 P.M.

ROLL CALL

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

Directors Absent:

Staff Present: Wallum, Petee, McCue, Macy, Alzamar, Friend, Hoffert, Llort, Ceja, Scott

Legal Counsel: John Pinkney

PUBLIC INPUT

No public Input.

COVID-19 UPDATE

General Manager Arden Wallum noted that MSWD's changes to daily operations have been successful thus far in protecting the staff. He announced he has extended the split staff schedule tentatively to June 1st.

Assistant General Manager, Brian Macy, expanded on the action steps being taken internally including but not limited to; social distancing, cleaning and disinfecting, a daily wellness check and much more.

Director of Engineering and Operations, Danny Friend also reported; he noted we are prepared for major catastrophes and how to respond and we are staying up to date on all the changes.

Director of Administrative Services, Matt McCue reported; Customer payments have remained consistent, delinquencies are nearing the end of their time frame for disconnection, although we are not disconnecting at this time, we are closely monitoring those accounts.

The AMI project is moving forward on schedule, various crews continue to work. To date 8,400 (about 65%) of the meters have been replaced. Investments are ok and are starting to increase slightly. He announced that congress introduced a bill for another pending stimulus that would include 1.5 Billion dollars of assistance to water customers. He is tracking this bill.

PUBLIC HEARING (MONDAY, 5/18/2020)

RESOLUTION 2020-08 - TO COLLECT SEWER FEES ON TAX ROLL.

It is recommended to adopt Resolution No. 2020-08 electing to collect sewer user fees on the tax rolls.

President Wright announced the public hearing would take place on Monday. Mr. Wallum noted this is a routine, annual administrative process.

RESOLUTION 2020-09 RECOMMENDING APPROVAL OF SKYBORNE DEVELOPMENT – PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

It is recommended that the Board of Directors adopt Resolution 2020-09 recommending approval of a Partial Assignment and Assumption of Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement authorizing Skyborne

Ventures, LLC to assign water connection fee credits to Gallery Skyborne Partners, LLC as required by the Second Amendment to the Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement for Tract No. 32030, complete with all exhibits.

Mr. Friend noted the original agreement and subsequent agreement, provides that Skyborne Ventures, LLC, is entitled to fee credits against water connection fees based on expenditures made by the developer for certain water infrastructure. Skyborne Ventures, LLC has transferred 29 lots in the project to Gallery Skyborne Partners, LLC and wishes to transfer all its existing water connection fee credits, associated with the 29 lots.

PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR MICHAEL PLATT CONSULTING

It is recommended to authorize the General Manager to execute an agreement with Michael Platt Consulting LLC on an as-needed basis for a period of one year at a not-to-exceed amount of \$100,000.

Mr. Friend presented on this item and some of the information pertains to the two following items; a Request For Qualifications (RFQ) was done on all three items. During the RFQ process, four proposals came in and were reviewed. Mr. Friend noted all the services Michael Platt Consulting provides.

PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR TKE ENGINEERING, INC.

It is recommended to authorize the General Manager to execute an agreement with TKE Engineering, Inc. on an as-needed basis for a period of one year at a not-to-exceed amount of \$250,000.

Mr. Friend noted specifically to this item, what services this company provides. Mr. Friend noted that all three of these items (Platt, TKE and Heitec) has not raised their fee schedule in over five years.

PROFESSIONAL ENGINEERING SERVICE CONTRACT FOR HEITEC CONSULTING

It is recommended to authorize the General Manager to execute an agreement with HEITEC Consulting, on an as-needed basis for a period of one year at a not-to-exceed amount of \$150,000.

Mr. Friend reviewed the services provided by this consultant.

APPROVAL OF THE GENERAL MANAGERS EMPLOYMENT AGREEMENT

If so desired approve the General Managers Employment Agreement.

President Wright mentioned the Board had the opportunity to review this contract. She pointed out that there is no salary increase.

District Counsel read; *Due to the financial uncertainty caused by the global COVID Pandemic, the Employee and District have agreed that Employee will be subject to a temporary salary freeze and will forego a cost of living adjustment historically scheduled to occur on July 1,*

2020. The District Board will review the Employee's salary for possible adjustment no later than October 15, 2020.

President Wright initiated a brief discussion regarding the General Managers Evaluation process. The Board will do an informal evaluation on Monday during closed session.

MISSION SPRINGS WATER DISTRICT WEST VALLEY WATER RECLAMATION FACILITY

Update and discussion.

Mr. Friend pointed out the written report included in the agenda packet. He noted upcoming meetings regarding this project.

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.

It is recommended the Board approve the following Consent Agenda item(s):

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

Study Session Meeting – April 16, 2020

Regular Meeting – April 20, 2020

REGISTER OF DEMANDS

The Register of Demands totaling \$2,566,276.16

(END OF CONSENT AGENDA)

FINANCIAL REPORT

Mr. McCue reviewed the financials for the period ending March 31, 2020

Net Operating Income (Loss) – variance from Budget	\$1,814,664
Net Non-Operating Income (Loss) – variance from Budget	\$388,997
Net Income (Loss) – variance from Budget	\$ 2,203,661

Cash	
Increase (Decrease) in Cash	\$ (1,057,072)
Balance of Cash at Beginning of Year	\$ 34,961,554
Balance of Cash at end of period	\$ 33,904,483

Unrestricted Cash	\$ 1,659,891
Restricted Cash	
Capital Reserve Fund	\$31,263,630
Other Restricted Cash	\$ 32,244,592
Cash in Custody of MSWD	\$ 33,904,483

PUBLIC AFFAIRS REPORT

Ms. Llort provided a brief update. No events to report on. Most efforts have been directed to the outreach related to the COVID-19 efforts. She also touched on bill messaging and social media reports which are included in the packet report. Vice President Duncan complimented the efforts behind the insert covering emergency services.

MONTHLY REPORTS

Mr. Wallum noted less water was used last month. The interesting information is that the wastewater flows have not increased much which is surprising since more people are home. He commented on the legislative report included in the packet; he noted that it is full this month with much information on the COVID -19 stimulus packages being considered. These are being closely followed.

UPCOMING EVENTS & DIRECTORS' REPORTS

Vice President Duncan reported he attended the following events; 4/7 DWA Board Meeting; 4/14 CVWD Board Meeting, 4/21 DWA Board Meeting, 4/28 CVWD Board Meeting

Director Sewell reported he attended the following event; 4/7 GCVCC Virtual Mixer

Director Grasha reported he attended the following events; 5/14 ACWA Stocks and Bonds Teleconference, 5/12 ACWA Groundwater Sustainability Teleconference, 5/7 ACWA PG&E Time and Use Teleconference

DISTRICT COUNSEL COMMENTS

Mr. Pinkney announced Closed Session on Item 19D.

GENERAL MANAGER'S REPORT

Mr. Wallum had nothing additional from the written report.

DIRECTORS' COMMENTS

President Wright announced that Robert "Bob" Stockton from Western Municipal Water District, passed suddenly yesterday. He was also the LAFCO alternate for our District.

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)

CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL LITIGATION pursuant to Government Code Section 54956.9(d)(4).

(One potential case adverse to Master Meter)

CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2) and/or (3) and/or (e)(3)

(One Claim against MSWD submitted by attorney Josh Stambaugh for potential class of claimants Sharon Moreno and George Padilla).

CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL INITIATION OF LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4) (one potential case)

ANNUAL PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957
Title: General Manager

RECESS: 4:13 P.M.

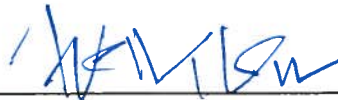
RECONVENE TO CLOSED SESSION: 4:15 P.M.

RECONVENE TO OPEN SESSION: 5:39 P.M.

REPORT ON ACTION TAKEN DURING CLOSED SESSION
No reportable action.

ADJOURN: 5:39 P.M.

Respectfully submitted,



Arden Wallum, District Secretary

Mission Springs Water District Board of Directors
Regular Meeting Minutes
Monday, May 18, 2020 – 3 p.m.

THIS MEETING WAS CONDUCTED PURSUANT TO THE GOVERNOR'S EXECUTIVE ORDER N-29-20 IN AN EFFORT TO PROTECT PUBLIC HEALTH AND PREVENT THE SPREAD OF COVID-19 (CORONAVIRUS)

CALL TO ORDER: 3:00 P.M.

ROLL CALL

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

Directors Absent:

Staff Present: Wallum, Petee, McCue, Macy, Alzammar, Friend, Hoffert, Llort, Ceja, Scott

Legal Counsel: John Pinkney

PLEDGE OF ALLEGIANCE

Led by President Wright who also led the group in prayer.

PUBLIC INPUT

No public comment.

COVID-19 UPDATE

Victoria Llort gave a brief update on the Supervisors updated motions for opening the County of Riverside.

PUBLIC HEARING (MONDAY, 5/18/2020)

RESOLUTION 2020-08 - TO COLLECT SEWER FEES ON TAX ROLL.

The Board adopted Resolution No. 2020-08 electing to collect sewer user fees on the tax rolls. President Wright announced the Public Hearing, called for secretary's report and public comment. There was no public present who wished to comment on this item. Public Hearing was closed and there was a brief discussion by the Board.

Motion: Duncan Second: Sewell

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

RESOLUTION 2020-09 RECOMMENDING APPROVAL OF SKYBORNE DEVELOPMENT – PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

The Board adopted Resolution 2020-09 recommending approval of a Partial Assignment and Assumption of Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement authorizing Skyborne Ventures, LLC to assign water connection fee credits to Gallery Skyborne Partners, LLC as required by the Second Amendment to the Public Water System Improvement and Water Service Connection Fee Credit/Reimbursement Agreement for Tract No. 32030, complete with all exhibits.

General Counsel recused himself from this discussion.

Motion: Martin Second: Duncan

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

PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR MICHAEL PLATT CONSULTING

The Board authorized the General Manager to execute an agreement with Michael Platt Consulting LLC on an as-needed basis for a period of one year at a not-to-exceed amount of \$100,000.

Motion: Sewell Second: Martin

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

PROFESSIONAL ENGINEERING SERVICES CONTRACT FOR TKE ENGINEERING, INC.

The Board authorized the General Manager to execute an agreement with TKE Engineering, Inc. on an as-needed basis for a period of one year at a not-to-exceed amount of \$250,000.

Motion: Duncan Second: Martin

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

PROFESSIONAL ENGINEERING SERVICE CONTRACT FOR HEITEC CONSULTING

The Board authorized the General Manager to execute an agreement with HEITEC Consulting, on an as-needed basis for a period of one year at a not-to-exceed amount of \$150,000.

Motion: Duncan Second: Martin

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

APPROVAL OF THE GENERAL MANAGERS EMPLOYMENT AGREEMENT

The Board approved the General Managers Employment Agreement.

This item was moved to after closed session ~ General Manager, Arden Wallum recused himself from this discussion. District Counsel clarified the item is regarding the contract in front of the Board; current contract set to expire at end of June of 2020. New contract good through June 2022. Currently there is a salary freeze, with possible adjustment in October of 2020. The Board discussed the length of severance pay upon dismissal without cause. Contract as submitted allowed for eighteen months of severance.

Motion with a reduction of severance from 18 months to 12 months.

Motion: Sewell Second: Martin

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

MISSION SPRINGS WATER DISTRICT WEST VALLEY WATER RECLAMATION FACILITY

Update and discussion. Nothing further to add.

CONSENT AGENDA

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

Motion: Sewell Second: Duncan

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

APPROVAL OF MINUTES

It is recommended to approve the minutes as follows:

Study Session Meeting – April 16, 2020

Regular Meeting – April 20, 2020

REGISTER OF DEMANDS

The Register of Demands totaling \$2,566,276.16

(END OF CONSENT AGENDA)

FINANCIAL REPORT

Nothing further to add.

PUBLIC AFFAIRS REPORT

Nothing further to add.

MONTHLY REPORTS

Nothing further to add.

UPCOMING EVENTS & DIRECTORS' REPORTS

Director Martin reported he attended the following events (via Zoom); 4/2 DVBA Legislative Meeting, 4/7 DHS City Council Meeting, 4/9 DVBA Board Meeting, 4/21 DHS City Council

DISTRICT COUNSEL COMMENTS

Counsel John Pinkney announced closed session on item 22 E.

GENERAL MANAGER'S REPORT

Nothing further to add

DIRECTORS' COMMENTS

All Directors thanked the staff for their continued efforts. Director Sewell suggested adding back the Employee Recognition to the agenda so anniversaries, milestones and new hires could be at least recognized.

RECESS: 3:38 PM

RECONVENE TO CLOSED SESSION: 3:45 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)

CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL LITIGATION

pursuant to Government Code Section 54956.9(d)(4).

(One potential case adverse to Master Meter)

CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION

PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(2) and/or (3) and/or (e)(3)

(One Claim against MSWD submitted by attorney Josh Stambaugh for potential class of claimants Sharon Moreno and George Padilla).

CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL INITIATION OF

LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(d)(4) (one

potential case)

ANNUAL PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957

Title: General Manager

RECONVENE TO OPEN SESSION: 4:15 P.M.

REPORT ON ACTION TAKEN DURING CLOSED SESSION

Board met in closed session regarding; The General Managers performance evaluation.

They reconvened into open session to discuss the contract. See item above; Approval of the General Managers Employment Agreement.

ADJOURN: 4:28 P.M.

Respectfully submitted,



Arden Wallum, District Secretary