

DIVISION 1
Patrick O'Dowd
Director

DIVISION 2
Anthony Bianco
Director

DIVISION 3
John Powell
President

DIVISION 4
Peter G. Nelson
Director

DIVISION 5
Castulo Estrada
Vice President



**OFFICIAL MINUTES
REGULAR MEETING OF THE
COACHELLA VALLEY WATER
DISTRICT
BOARD OF DIRECTORS**

Steve Robbins
Administration Building
Board Chambers

75515 Hovley Ln. East
Palm Desert

www.cvwd.org

December 11, 2018

1. CALL TO ORDER/PLEDGE OF ALLEGIANCE

President John Powell called the regular meeting of the Board of Directors of the Coachella Valley Water District to order at 8:00 a.m., Tuesday, December 11, 2018, at the office of the District in Palm Desert, California. President Powell led the Pledge of Allegiance

2. ROLL CALL

Present: President John P. Powell, Jr.
Vice President Cástulo R. Estrada arrived at 8:06 AM
Director Anthony Bianco
Director G. Patrick O'Dowd
Director Peter Nelson left at 8:57 a.m.

Staff Present: Jim Barrett, General Manager
Jeff Ferre, Counsel
Sylvia Bermudez, Clerk of the Board

3. REORGANIZATION OF THE BOARD

A. Election of new President of the Board
Counsel Jeff Ferre and Clerk of the Board Sylvia Bermudez, opened the nominations for the election of a new President of the Board. Director Bianco nominated Director John Powell for President; Director Nelson, seconded the motion. With no further nominations made, the nomination period was closed. The board approved the election of John Powell as Board President.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd, Nelson

NOES: None

ABSENT: None

Motion Passed: 5-0

B. Election of new Vice President of the Board

President Powell opened the floor for nominations for Vice President. Director Nelson nominated Director Castulo Estrada for Vice President; the nomination was seconded by Director Bianco. With no further nomination made, the nomination period was closed. The board approved the election of Castulo Estrada as Vice President.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd, Nelson

NOES: None

ABSENT: None

Motion Passed: 5-0

4. **ADDITIONS/DELETIONS/ADJUSTMENTS TO THE AGENDA**

In accordance with the section 54954.2 of the Government Code additions to the agenda require a two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, which makes the determination that there is a need to take action, and the need to take action arose after the posting of the Agenda.

A. No items removed or continued from the Agenda

B. No emergency items added to the Agenda

C. Changes to the order of the Agenda – President Powell announced the Board would discuss Action Items 10(B) and 10(C), as well as Meetings Reported 11(B), prior to other items in order to coordinate with Director Nelson's schedule so that he could participate in those discussions prior to the time that he would need to leave for meetings in his position as the President of the Colorado River Board of California.

5. **PUBLIC COMMENT**

No public comment received.

6. **APPROVAL OF THE CONSENT CALENDAR**

On a motion by Director O'Dowd, second by Director Nelson, the Board approved the Consent Calendar.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd, Nelson

NOES: None

ABSENT: None

Motion Passed: 5-0

A. Approved minutes of the November 27, 2018 regular meeting of the Coachella Valley Water District Board of Directors.

B. Approved and authorized the General Manager to execute Task Order No. 2 to the Professional Services Agreement with NEXGEN Utility Management, Inc., in the amount of \$124,200 to provide

Asset Management Certification Training, and approved additional expenditures for a total request of \$137,000.

- C. Approved Resolution No. 2018-45, A Resolution for the Clean Water State Revolving Loan for WRP 10 Nonpotable Water Customers - Phase I, amending the new maximum principal amount to \$40,000,000.
- D. Approved and authorized payment of the Water Research Foundation Annual Subscription Renewal in the amount of \$55,882.31 for 2019.
- E. Approved and authorized the General Manager to execute Professional Services Agreements with The Converse Professional Group DBA Converse Consultants, NV5 West, Inc., SCST, LLC, and Construction Testing and Engineering South, Inc., for Biennial Soil Compaction and Concrete Testing Services as needed from January 1, 2019 through December 31, 2020.
- F. Approved and authorized the General Manager to execute Task Order No. 7 to the Professional Services Agreement with Stantec Consulting Services, Inc., in the amount of \$46,560, for the Design of the Palm Desert Groundwater Replenishment Project, Phase 2, and approved additional expenditures for a total request of \$127,560.
- G. Approved and authorized the General Manager to execute Change Order No. 1 to the On-Call Vegetation Maintenance Contract with Utility Tree Service, Inc., in the amount of \$350,000 for the Coachella Valley Stormwater Channel.
- H. Approved and authorized payment of the 2019 California Farm Water Coalition membership dues in the amount of \$9,090.
- I. Approved and authorized payment of the 2019 annual membership dues for The Greater Coachella Valley Chamber of Commerce in the amount of \$750.

7. DISCUSSION OF ITEMS PULLED FROM CONSENT CALENDAR

No items pulled for discussion.

8. PRESENTATIONS AND RECOGNITIONS

A. Employee Recognition

Anniversary

- Isabel Luna, Executive Assistant, 35 years
- Nelson McCarthy, Water Reclamation Plant Operator I, 20 years (*not present*)

Retirements

- Mike Herrera, Assistant Director of Operations, 33 years (*not present*)
- Randy Dunlop, Environmental Compliance Inspector I, 27 years (*not present*)

- Pat Teague, Customer Billing Service Supervisor, 7 years (*not present*)

B. Centennial Proclamation presentation by Assemblymember Chad Mayes. Kristen Johnson, Government Affairs Specialist, presented the proclamation to the board on behalf of Assemblymember Chad Mayes' office.

9. INFORMATIONAL REPORTS

- A. Written Communications – on file
- B. Informational Reports to the Board
- i Informational Report on East Area of Benefit Producers
(continued to 1/8/19 meeting)

10. ACTION ITEMS

- A. Receive and file the Comprehensive Annual Financial Report (CAFR) and financial audit reports for fiscal year ending June 30, 2018.

Following a presentation by Deborah Harper, CPA, LSL CPAs, the board discussed Comprehensive Annual Financial Report (CAFR) and financial audit reports for fiscal year ending June 30, 2018.

On a motion by Director Bianco, second by Director Estrada, the Board received and filed the Comprehensive Annual Financial Report (CAFR) and financial audit reports for fiscal year ending June 30, 2018.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd

NOES: None

ABSENT: Nelson

Motion Passed: 4-0

- B. Authorize CVWD's Participation in the California WaterFix Finance Joint Powers Authority and execute Finance JPA Formation Agreement.

Following a presentation by Robert Cheng, Assistant General Manager, the Board discussed CVWD's participation in the California WaterFix Finance Joint Powers Authority.

On a motion by Director O'Dowd, second by Director Nelson, the Board approved Resolution No. 2018-43, authorizing CVWD's Participation in the California WaterFix Finance Joint Powers Authority and execution of the Finance JPA Formation Agreement.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd, Nelson

NOES: None

ABSENT: None
Motion Passed: 5-0

- C. Adopt Resolution of Support for the Basin States Drought Contingency Plan (DCP) process, and direct the General Manager to continue working towards agreement with other DCP parties.
Following a presentation by Robert Cheng, Assistant General Manager, the Board discussed the District's support for the DCP process and the current status of the DCP.

On a motion by Director Nelson, second by Director O'Dowd, the board approved Resolution No. 2018-44, in Support for the Basin States Drought Contingency Plan (DCP) process; and authorized the General Manager to continue working towards agreement with other DCP parties.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd, Nelson

NOES: None

ABSENT: None

Motion Passed: 5-0

- D. Approve and authorize the General Manager, or in his absence the Assistant General Manager to return, reject, deny and or compromise Government Tort Claims.

Following a presentation by Elizabeth Tan, Risk Manager, the board discussed the proposed policy and procedure for the return, rejection, denial or compromise Government Tort Claims.

On a motion by Director Bianco, second by Director Estrada, the board approved Resolution No. 2018-46, authorizing the General Manager to return, reject, deny and or compromise Government Tort Claims pursuant to the policy, procedures, and limitations as set forth in the Resolution.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd

NOES: None

ABSENT: Nelson

Motion Passed: 4-0

- E. Approve and authorize the General Manager, or in his absence the Assistant General Manager to enter into Workers' Compensation Claim Settlement Agreements which do not exceed \$50,000.

Following a presentation by Elizabeth Tan, Risk Manager, the board discussed authorization for the General Manager or the Assistant General Manager to enter into Workers' Compensation

Claim Settlement Agreements which do not exceed \$50,000 and the procedures set forth in the proposed policy.

On a motion by Director O'Dowd, second by Director Bianco, the board approved Resolution No. 2018-47, authorizing the General Manager to enter into Worker's Compensation Claim Settlement Agreements, which do not exceed \$50,000 and to implement the procedures as set forth in the Resolution.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd

NOES: None

ABSENT: Nelson

Motion Passed: 4-0

- F. Award Construction Contract to J&J Brothers Construction Company dba Jones Bros Construction Company, as the lowest responsive bidder, in the amount of \$1,292,014.25 for the Irrigation Lateral 123.45-1.3-2.2 Replacement Project, Specification No. 2017-51 and authorize the General Manager to execute Task Order No. 18 to Lee & Ro, and Task Order No. 56 with RMA Geoscience and approve additional expenditures for a total request of \$1,657,022.

Prior to consideration of this matter, President Powell stated that he would be recusing himself from this matter due to the location of the project to a real property interest and although this interest would not likely rise to the level of a conflict, he would be recusing himself out of an abundance of caution and to avoid even the appearance of a conflict. President Powell then left the dais and the Board room during consideration of this matter. Following a presentation by David Wilson, Engineering Manager, the Board discussed a construction contract for the Irrigation Lateral 123.45-1.3-2.2 Replacement Project.

On a motion by Director O'Dowd, second by Director Estrada, the Board approved the following actions:

- Approved awarding of a construction contract to J&J Brothers Construction Company dba Jones Bros Construction Company, as the lowest responsive bidder, in the amount of \$1,292,014.25 for the Irrigation Lateral 123.45-1.3-2.2 Replacement Project, Specification No. 2017-51
- Authorized the General Manager to execute Task Order No. 18 to Lee & Ro, and Task Order No. 56 with RMA Geoscience
- Approved additional expenditures for a total request of \$1,657,022

**Approved by the following vote with President Powell
recused:**

AYES: , Estrada, Bianco, O'Dowd

NOES: None

ABSENT: Nelson

Motion Passed: 3-0

G. Reject Bids for the Water Reclamation Plant No. 7 Programmable
Logic Controller Upgrade Project, Specification No. 2018-01.

Following a presentation by Armando Rodriguez, Assistant Director of Engineering, the board discussed the rejection of bids for the Water Reclamation Plant No. 7, Programmable Logic Controller Upgrade Project, Specification No. 2018-01.

On a motion by Director O'Dowd, second by Director Estrada, the board rejected bids for the Water Reclamation Plant No. 7 Programmable Logic Controller Upgrade Project, Specification No. 2018-01 and authorized the re-advertisement of the Project.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd

NOES: None

ABSENT: Nelson

Motion Passed: 4-0

H. Approve Third Amendment to the Employment Agreement with the
General Manager and approve a payment of Incentive
Compensation for 2018 Performance Goals.

The board discussed the payment of incentive compensation for 2018 performance goals based on the employment agreement as amended, including the Third Amendment. Prior to consideration of this matter, and as required under the Brown Act, the potential compensation was summarized as follows. The Board conducted a performance evaluation of the General Manager and determined that based on the extent of the accomplishment of goals set for 2018, that the General Manager met 8.25% of the maximum 10% available. An 8.25% amount of base salary equals the amount of \$23,284 and that incentive compensation in that amount could be considered.

On a motion by Director O'Dowd, second by Director Estrada, the Board approved payment of \$23,284 as incentive compensation that is to be paid in 2018 and which is authorized under the employment agreement as amended, including the Third Amendment.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd

NOES: None
ABSENT: Nelson
Motion Passed: 4-0

11. BOARD COMMENTS AND REPORTS

- A. Board Member General Comments
- Director O'Dowd commented on the Employee Recognition Dinner.
 - Director Bianco commented on the Employee Recognition Dinner and thanked all staff who help put on the event.
 - Director Estrada also commented on the Employee Recognition Dinner and his Oath of Officer ceremony in Coachella on December 10, in which Assemblymember Garcia, performed a ceremonial oath.
 - President Powell also commented on the Employee Recognition Dinner and reported on the upcoming CRWUA annual conference this week in Las Vegas.
- B. Meetings and Conference Reports
- i November 27, 2018 to November 30, 2018 Association of California Water Agencies (ACWA) Fall Conference (Directors Nelson and O'Dowd) ****Nelson did not attend**
 - ii November 29, 2018 Colorado River Water Users Association (CRWUA) LB DCP panel conference call (Director Nelson)
 - iii November 29, 2018 East Coachella Valley Water Supply Project Outreach Workshop (~~Directors Powell & Estrada~~) ****Directors did not attend**
 - iv November 30, 2018 Meeting with Lobbyist Chris Kahn and Government Affairs Specialist Kristen Johnson regarding tax bill/fee (Director Estrada)
 - v November 30, 2018 The Living Desert Board of Trustees & Advisory Council Meeting (Director Bianco)
 - vi December 3, 2018 Public Finance Committee Meeting (Directors Powell and Nelson)
 - vii December 4, 2018 ACWA Affordable Drinking Water Task Force (Director O'Dowd)
 - viii December 4, 2018 CVWD/Desert Valleys Builders Association Lunch (Director Powell)
 - ix December 4, 2018 Speaking engagement for Northern Colorado Water Conservancy District (Director Nelson)
 - x December 4-6, 2018 meeting with CVWD lobbyist Chris Kahn; Salinas & Central Valley Tour with Senator Monning and Assemblymember Garcia (Director Estrada)
 - xi December 5, 2018 Golf and Water Task Force Meeting (Directors O'Dowd and Bianco)

- xii December 6, 2018 Salton Sea Authority Board of Directors Meeting (Directors O'Dowd and Estrada)
- xiii December 10, 2018 California Farm Water Coalition Meeting (Director Nelson)
- xiv December 10, 2018 Growers' Meeting (Directors Powell and Estrada)

Additional meetings reported

- December 7, 2018 DCP Conference call with staff and legal counsel (Directors Nelson and Powell)
- December 10, 2018 Salton Sea MOU ceremonial signing between Riverside and Imperial counties (Director O'Dowd)

- C. Approval of per diem for meetings reported
On a motion by Director Estrada, second by O'Dowd, the board approved per diem for meetings reported.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd

NOES: None

ABSENT: Nelson

Motion Passed: 4-0

12. STAFF REPORTS

- A. General Manager, Jim Barrett reported he would be taking vacation beginning on 12/20 and returning on 12/31.
- B. Counsel, Jeff Ferre, reported on the recent U.S. Supreme Court Case regarding limitations on establishing habitats for endangered species.
- C. Departments – No reports.

Recess as the Board of Directors; convene as the Public Facilities Corporation

13. PUBLIC FACILITIES CORPORATION

- A. MINUTES - December 12, 2017 Public Facilities Corporation Annual Meeting
On a motion by Director O'Dowd, second by Director Estrada, the Board approved the Public Facilities Corporation minutes of December 12, 2017.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd

NOES: None

ABSENT: Nelson

Motion Passed: 4-0

- B. COMMENTS FROM AUDIENCE
No public comment.

Adjourned as the Public Facilities Corporation; reconvened as the Board of Directors

14. CLOSED SESSION AGENDA

- A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 - Receipt of Claim: Claimant – State Farm Insurance
- B. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 - Receipt of Claim: Claimant – Samantha Gutierrez
- C. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 - Receipt of Claim: Claimant – Tanner Altizer
- D. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION - Government Code Section 54956.9 (d) (1)
Name of case: Randall C. Roberts, v. CVWD, Riverside County
Case Number RIC 1825310
- E. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION - Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 - Three Cases
- F. CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code Section 54957.6
Agency negotiator: Jay Trinnaman, Robert Cheng and Gabriela Aguirre - Employees' organization: Association of Supervisory Support Evaluation Team (ASSET)
- G. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Government Code Section 54957
Title: General Manager
- H. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Government Code Section 54957 Title: General Counsel

15. RECONVENE

- A. Report out of Closed Session
President Powell reported the board took action on closed session item 14A as follows: on a motion by Director O'Dowd, second by Director Estrada, the Board denied the claim of State Farm Insurance.

Approved by the following vote:

AYES: Powell, Estrada, Bianco, O'Dowd

NOES: None

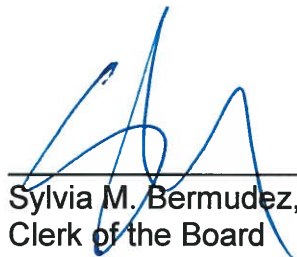
ABSENT: Nelson

Motion Passed: 4-0

President Powell reported there were no other reportable actions for other Closed Session items.

16. ADJOURNMENT

There being no further business before the Board, President Powell adjourned the regular meeting of the Coachella Valley Water District Board of Directors at 12:18 PM. The next regular scheduled meeting will be on Tuesday, January 8, 2019, in Palm Desert, CA



Sylvia M. Bermudez, CMC
Clerk of the Board
Coachella Valley Water District



John P. Powell, President
Coachella Valley Water District

