

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT
MINUTES OF A REGULAR MEETING OF THE BOARD OF
DIRECTORS

DATE: November 13, 2018

TIME: 5:30 p.m.

PLACE: LACSD Blue Jay Board Room
27307 St. Hwy. 189, Ste. 104
Blue Jay, CA 92317

ATTENDANCE: ***Board Members Present:***
Steve Boydston, Vice President
John O'Brien, Director
John Wurm, President

Board Members Absent:
Ryan Gross, Director
Steve Keefe, Director

Others Present:
Catherine Cerri, General Manager
Joseph Byrne, General Counsel
Jessica Brown, Finance Manager
Mike Blackwood, Field Operations Manager
Matt Brooks, Operations Manager
Kathleen Field, Board Secretary
Aida Hercules-Dorado, District Engineer
Natalie Potter, Human Resources Manager
Greg Fankhanel, Van Lant & Fankhanel, LLP
George Peterson, Voya
Members of the Public – 21

The Meeting was called to Order at 5:32 p.m. by President Wurm who led those present in the Pledge of Allegiance to the Flag of the United States of America. Board Secretary Field certified the proper posting of the Agenda and called the roll.

APPROVAL OF AGENDA

The Board by general consensus approved the November 13, 2018 Regular Board Meeting Agenda as presented.

SPECIAL RECOGNITION

1. Recognition of the Water Conservation Calendar Contest Winners.

Ms. Cerri introduced and presented the awards and gift certificates to the 2019 Water Conservation Calendar Contest winners, and in closing the ceremony, thanks were expressed to all participants and their parents.

PUBLIC COMMENT

There was no Public Comment.

CONSENT CALENDAR

The following item was listed under the Consent Calendar for approval.

2. Approval of Minutes

October 9, 2018 Regular Board Meeting Minutes

Director O'Brien **MOVED** and Vice President Boydston **SECONDED** to approve the Consent Calendar as presented.

CARRIED: **AYES:** **Boydston, O'Brien, and Wurm**
 NOES: **None**
 ABSTAIN: **None**
 ABSENT: **Gross, Keefe**

INFORMATION AND DISCUSSION ITEMS

3. Departmental Reports.

- a. **District Engineer's Report – Capital Improvement Program Update Third Quarter 2018**
- b. **Field Operations Manager's 2018 Third Quarter Report**
- c. **Finance Manager's Report – Preliminary Fiscal Year 2017-18 Year End Results and Cash and Investment Report**

- d. **Human Resources Manager's Report Third Quarter Report**
- e. **Operations Manager's Report**

A Board member suggested that the contract amounts be provided in the District Engineers Capital Improvement Program report to determine if the projects were within the budgeted amount.

4. CalPERS Annual Pension Cost Update.

Ms. Brown gave a brief overview on CalPERS annual pension cost which included District Plans active participants and history, pension plan components and changes, funding, projected costs, unfunded accrued liability (UAL), noting that the District was currently 73.5% funded, plan changes 2012-13 - 2020-21, and total District contributions. Ms. Brown's recommendation to the Board was to address in detail the District's amortization schedule and payment schedule with the budget cycle each year. Ms. Brown responded to questions.

5. General Manager's Report.

Ms. Cerri commented on the State regulators inspection of the District wastewater treatment facilities, and on an Engineering Award that will be awarded for the North Bay Intake Project. Mr. Brooks responded to a question regarding the Water Board staff recommendation to inspect the filter backwash cycle to determine if the cycle was performing as designed.

ACTION ITEMS

6. Consider Approving a Contract with SGH Architects for Architecture/Engineering Services Related to Design and Construction Management Assistance for the Field Operations Headquarters Project No. 177.

Ms. Hercules-Dodaro presented the recommendation to authorize the General Manager to execute a Professional Services Agreement with SGH Architects for architecture/engineering services related to the design, bid and the construction assistance for the Field Operations Headquarters Project No. 177, not to exceed \$266,795.00.

Follow Board consideration, Vice President Boydston **MOVED** and Director O'Brien **SECONDED** to authorize the General Manager to execute a Professional Services Agreement with SGH Architects for architecture/engineering services related to design, bid and construction assistance for the Field Operations Headquarters Project No. 177, not to exceed \$266,795.00.

CARRIED: **AYES:** **Boydston, O'Brien, and Wurm**
 NOES: **None**

ABSTAIN: None
ABSENT: Gross, Keefe

7. Consider Approval and Appropriation of Additional Funds for the North Bay Intake Pump Station Replacement Project No. 072.

Ms. Hercules-Dodaro referred to the change order summary provided in the agenda packet commenting that change order numbers 4 and 5 for the ALA barges and fees were part of the original bid but deferred due to delays in pricing. All other change orders totaled 9.1%. Ms. Hercules-Dodaro presented the recommendation to approve and appropriate additional funds for the North Bay Intake Pump Station Replacement Project No. 072 for \$57,950.58 which represented 1.4% over the 15% contingency originally authorized by the Board at the August 8, 2017, regular Board meeting.

Following Board consideration, Director O'Brien **MOVED** Vice President Boydston **SECONDED** to approve and appropriate additional funds for the North Bay Intake Pump Station Replacement Project No. 072 in the amount of \$57,950.58.

CARRIED: **AYES:** **Boydston, O'Brien, and Wurm**
NOES: **None**
ABSTAIN: **None**
ABSENT: **Gross, Keefe**

8. Consider Rejecting Bids for the Deer Lodge Park – Lake Arrowhead Community Services District Emergency Waterline Interconnection, Project No. 164.

Ms. Hercules-Dodaro presented the recommendation to reject all bids for the DLP-LACSD Emergency Waterline Interconnection, Project No. 164. Ms. Hercules-Dodaro stated that the lowest bid came in \$40,000.00 more than the construction budget amount. District staff was revisiting the scope of work utilizing standard vaults to reduce the cost and revise the plans and specifications accordingly to re-advertise for bids.

Following Board consideration, Vice President Boydston **MOVED** and Director O'Brien **SECONDED** to reject all bids for the DLP-LACSD Emergency Waterline Interconnection, Project No. 164.

CARRIED: **AYES:** **Boydston, O'Brien, and Wurm**
NOES: **None**
ABSTAIN: **None**
ABSENT: **Gross, Keefe**

9. Consider Accepting and Filing of the Fiscal Year 2017-18 Comprehensive Annual Financial Report.

Ms. Brown introduced the District’s Auditor, Greg Fankhanel of Van Lant & Fankhanel, LLP. Mr. Fankhanel went over the District’s 2017-18 Comprehensive Annual Financial Report results, remarking that it was a “clean opinion.” Mr. Fankhanel responded to questions from Board members.

Following Board consideration, Director O’Brien **MOVED** Vice President Boydston **SECONDED** to accept, file, and authorize the distribution of the Comprehensive Annual Financial Report for the fiscal year 2017-18.

CARRIED: **AYES:** **Boydston, O’Brien, and Wurm**
 NOES: **None**
 ABSTAIN: **None**
 ABSENT: **Gross, Keefe**

10. Consider Adopting Resolution No. 2018-11 Rescinding Resolution No. 99-01 Ratifying the Adoption of an Amended and Restated IRC Section 457 Deferred Compensation Plan Trust/Custodial Document.

Ms. Potter presented the recommendation to adopt Resolution No. 2018-11 rescinding Resolution No. 99-01 ratifying the adoption of an amended and restated IRC Section 457 Deferred Compensation Plan Trust/Custodial document and authorize the General Manager to execute the necessary agreement(s). Ms. Potter and Ms. Cerri responded to questions.

Following Board consideration, Vice President Boydston **MOVED** Director O’Brien **SECONDED** to adopt Resolution No. 2018-11 rescinding resolution No. 99-01 ratifying the adoption of an amended and restated IRC Section 457 Deferred Compensation Plan Trust/Custodial Document and authorize the General Manager to execute the necessary agreement(s).

Ms. Field took a roll call vote as follows:

CARRIED: **AYES:** **Boydston, O’Brien, and Wurm**
 NOES: **None**
 ABSTAIN: **None**
 ABSENT: **Gross, Keefe**

BOARD MEMBER MEETINGS

No Board members requested to attend a meeting.

BOARD MEMBER COMMENTS

There were no Board member comments.

CLOSED SESSION

The Board, Mr. Byrne, and Ms. Cerri went into the Closed Session at approximately 6:43 p.m. to discuss items 1-3.

1. Conference with Labor Negotiations.

Pursuant to Government Code section 54957.6

Agency Designated Representatives: Catherine Cerri, General Manager, and Joseph Byrne, General Counsel

Employee Organization: Utility Workers' Union of America Local 557

2. Conference with Legal Counsel - Existing Litigation.

(Paragraph (1) of subdivision (d) of Section 54956.9)

Name of case: The City of Hesperia v. Lake Arrowhead Community Services District, et al., Case No. CIVDS160201

3. Conference with Legal Counsel-Anticipated Litigation.

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9: (One case)

OPEN SESSION

The Board came out of Closed Session at approximately 7:23 p.m. Mr. Byrne announced that there was no reportable action taken during the Closed Session.

ADJOURNMENT

President Wurm **MOVED** and Vice President Boydston **SECONDED** to Adjourn the meeting. The meeting was Adjourned at approximately 7:24 p.m.

CARRIED: **AYES:** **Boydston, Gross, and Wurm**
 NOES: **None**
 ABSTAIN: **None**
 ABSENT: **Gross, Keefe**



Kathleen Field, Board Secretary