

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

DATE: March 24, 2020

TIME: 5:30 p.m.

PLACE: Via Teleconference Call
(425) 585-7339

ATTENDANCE: ***Board Members Present:***
Steve Boydston, Vice President
Ryan Gross, Director
Steve Keefe, Director
Robert Morris, Director
John Wurm, President

Board Members Absent:
None

Others Present:
Catherine Cerri, General Manager
Joseph Byrne, General Counsel
Mike Blackwood, Field Operations Manager
Matt Brooks, Operations Manager
Kathleen Field, Board Secretary
Aida Hercules-Dodaro, District Engineer
Marc Lippert, Public Programs Supervisor
John O'Brien, Finance Manager
Natalie Potter, Human Resources Manager
Scott Schroder, Engineering Technician
Members of the Public – Three unidentified telephone numbers

The Meeting was called to Order at 5:40 p.m. by John Wurm, President. Board Secretary Field certified the proper posting of the Agenda and called the roll.

APPROVAL OF AGENDA

The Board by general consensus approved the March 24, 2020 Regular Board Meeting agenda as presented.

PUBLIC COMMENT

There was no Public Comment.

CONSENT CALENDAR

Listed on the Consent Calendar were the following items for approval:

1. Approval of Meeting Minutes.

January 28, 2020 Regular Board Meeting Minutes

2. Consider Accepting the ManHole Inflow Reduction 2019 Project No. 195 as Complete.

3. Consider Approving Temporary Transfer of the 2018/2019 Carryover Right from the District's Free Production Allowance (FPA) in the Mojave Basin for Water Year Ending September 30, 2019.

Director Keefe MOVED and Director Morris SECONDED to approve Consent Calendar Items 1- 3 as presented.

Ms. Field took a roll call vote as follows:

<u>CARRIED:</u>	AYES:	Boydston, Gross, Keefe, Morris, and Wurm
	NOES:	None
	ABSTAIN:	None
	ABSENT:	None

INFORMATION AND DISCUSSION ITEMS

4. Departmental Reports.

- a. **Finance Manager's Fiscal Year 2019-20 Financial Statements and Cash and Investment Report for the Quarter Ended December 31, 2019**

b. Human Resources Manager's Update – California Sanitation Risk Management Authority (CSRMA) Workers' Compensation Excellence Award

c. Operations Manager's Report

There were no questions on the Departmental Reports that were distributed in the agenda packet.

5. Budget Planning for Fiscal Years 2020-21 and 2020-22.

Mr. O'Brien reported that the Board adopts a two-year budget every other year. Mr. O'Brien noted that the budget being prepared has very few changes from the prior budget with one possible exception to consider using an outside engineering firm to handle some of the district engineering work in the wake of the retirement of the District Engineer. Mr. O'Brien stated that the current economic environment was highly volatile, almost changing daily, and moving forward with the budget process, the financial plan would continue to be revised, and stress tests would be performed as needed with a conservative mindset. A draft budget should be ready within the next few weeks. Mr. O'Brien added that the planning update serves as an opportunity for the Board to request items or goals to be included in the budgeting process. Mr. O'Brien responded to questions.

6. Yearly Review of Ordinance No 64, Water Connection Policy of the Lake Arrowhead Community Services District.

There were no questions on the staff report on the yearly review of Ordinance No. 64, Water Connection Policy of the Lake Arrowhead Community Services District that was distributed in the agenda packet.

7. Annual Water Audit Results.

There were no questions from the Board members regarding the annual water audit results. Mr. Wurm commented that this was a positive report on the District's efforts to lessen water loss.

8. General Manager's Report.

Ms. Cerri gave an update on the District operations as it related to COVID-19 pandemic staffing.

ACTION ITEMS

9. Consider Approving Purchasing Manhole Lids for Job 212 Manhole Rehabilitation.

Mr. Blackwood commented that it was difficult to procure the manhole frames and covers if not purchased early. Staff was seeking approval for the purchase in advance of the approval of the contract for Project No. 212. Mr. Blackwood responded to questions.

Following Board consideration, Director Gross **MOVED** and Director Morris **SECONDED** to approve the purchase of 15 PAMTIGHT and 125 PAMREX 24-inch manhole frame and covers for Manhole Inflow Reduction 2020, Project No. 212.

Ms. Field took a roll call vote as follows:

<u>CARRIED:</u>	AYES:	Boydston, Gross, Keefe, and Morris,
	NOES:	Wurm
	ABSTAIN:	None
	ABSENT:	None

10. Consider Approving the Purchase of Three (3) New Fleet Vehicles.

Mr. Brooks presented the recommendation to approve the purchase of the three new fleet vehicles. Director Gross expressed concern that the vehicles might not be available due to the current economic situation, and the lead time for the vehicles could be six to nine months out.

Ms. Field took a roll call vote as follows:

Following Board consideration, Director Keefe **MOVED** and Director Morris **SECONDED** to table the purchase of the three new fleet vehicles until more information was available on the District's finances.

<u>CARRIED:</u>	AYES:	Boydston, Gross, Keefe, Morris, and Wurm
	NOES:	None
	ABSTAIN:	None
	ABSENT:	None

11. Consider Declaration of Three (3) New Fleet Vehicles as Surplus Equipment, and Plan for Disposal of the Surplus Equipment.

The Board took no action on the item.

12. Consider Awarding a Construction Contract for 12" Waterline Relocation Hwy. 173-Caltrans Project No. 186.

Mr. Schroder reported that this was a Caltrans project, and there was a conflict with a lower barrier retaining wall causing the District to relocate the District's waterline. This was not a budgeted project. The cost of the Project was \$291,378. plus 15%

contingency of \$43,706. Mr. Byrne, Ms. Cerri, and Mr. Schroder responded to a series of questions regarding the lowest responsible bidder and the actual costs associated with the Project.

Following Board consideration, Director Keefe **MOVED** and Director Morris **SECONDED** to award a construction contract for the 12-inch Waterline Relocation Hwy. 173 Project 186 to Altmeyer, Inc.

Ms. Field took a roll call vote as follows:

<u>CARRIED:</u>	AYES:	Gross, Keefe, Morris, and Wurm
	NOES:	Boydston
	ABSTAIN:	None
	ABSENT:	None

13. Consider Awarding a Construction Contract for the Burnt Mill Waterline Replacement Project No. 193.

Mr. Schroder reported this Project was for the replacement of a twelve-inch steel waterline with a new ten-inch PVC waterline. A portion of the twelve-inch waterline was exposed at the crossing with Burnt Mill Creek. Mr. Schroder commented that Tryco General Engineering withdrew their bid. The cost associated with the Project was \$350,950 plus, a 15% contingency of \$52,642. for a total of \$403,592. The total project budget was \$486,000. Mr. Schroder and Mr. Blackwood responded to questions on the urgency of the Project.

Following Board consideration, Director Keefe **MOVED** and Director Morris **SECONDED** to approve the contract as presented.

Ms. Field took a roll call vote as follows:

<u>CARRIED:</u>	AYES:	Boydston, Gross, Keefe, Morris, and Wurm
	NOES:	None
	ABSTAIN:	None
	ABSENT:	None

14. Consider Awarding a Construction Contract for the Palisades Sewer Replacement-Rehabilitation Phase 3, Project 196.

Mr. Schroder reported that this was an ongoing Palisades sewer replacement project in the area known as Palisades. The Project included replacement of sewer and sliplining within an easement, manholes, and manhole rehabilitation. The cost is applied to the Cease and Desist Order through the State Water Resources Control Board. Mr. Schroder presented the recommendation to award the contract for the construction of the Palisades Sewer Replacement-Rehabilitation Phase 3, Project No. 196 to Mike Prlich and Sons for their low responsive and responsible bid of

\$423,250. and authorize the General Manager to execute the contract and to approve change orders for the Project as required in the field during the contract time for an amount to exceed 15% of the original contract amount. Staff responded to questions.

Following Board consideration, Director Keefe **MOVED** and Director Gross **SECONDED** to award a contract as presented.

Ms. Field took a roll call vote as follows:

<u>CARRIED:</u>	AYES:	Boydston, Gross, Keefe, Morris, and Wurm
	NOES:	None
	ABSTAIN:	None
	ABSENT:	None

15. Consider Entering into an Agreement with a Homeowner for the Construction of the Wildrose Circle Sewer Replacement Project No. 215.

Ms. Hercules-Dodaro presented the recommendation to authorize the General Manager to execute an agreement with a homeowner to replace an aging sewer line while installing a sewer extension on Wildrose Circle, Sewer Replacement Project No. 215. Ms. Hercules-Dodaro reported that in 2018 the District received a service availability letter for the construction of a new residence. Field investigation revealed that the sewer needed to be extended and connected to an existing four-inch line which was deteriorating. The homeowner installing the line extension offered to replace the District's deteriorated facility. Ms. Hercules-Dodaro noted that legal counsel was consulted on the agreement and District may enter into a contract without bidding when the cost does not exceed \$25,000. The agreement offers benefits to the District, such as savings on bidding procedures and the opportunity to replace a facility ahead of schedule to support the new extension.

Following Board consideration, Vice President Boydston **MOVED** and Director Gross **SECONDED** to enter into an agreement with the homeowner for the construction of the Wildrose Circle Sewer Replacement Project No. 215.

Ms. Field took a roll call vote as follows:

<u>CARRIED:</u>	AYES:	Boydston, Gross, Keefe, Morris, and Wurm
	NOES:	None
	ABSTAIN:	None
	ABSENT:	None

BOARD MEMBER MEETINGS

No Board members requested to attend any meeting.

BOARD MEMBER COMMENTS

There were no Board Member comments.

CLOSED SESSION

The Board, Mr. Byrne, and Ms. Cerri went into Closed Session at 6:43 p.m. to discuss items 1 - 4.

1. 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

2. Conference with Legal Counsel – Anticipated Litigation

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government, Code section 54956.9: (two cases)

3. Conference with Labor Negotiators

Pursuant to Government Section 54957.6

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

Employee Organization: Utility Workers' Union of America, Local 557

4. Conference with Legal Counsel – Anticipated Litigation.

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (One case)

OPEN SESSION

The Board came out of Closed Session at approximately 7:41 p.m. Mr. Byrne announced that there were no reportable actions taken in the Closed Session.

ADJOURNMENT

The Meeting adjourned at approximately 7:42 p.m.

Kathleen Field, Board Secretary