

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

DATE: May 26, 2020

TIME: 5:30 p.m.

PLACE: Via Teleconference
(425) 585-7339
<https://join.startmeeting.com/kfield0>

ATTENDANCE: ***Board Members Present:***

Ryan Gross, Director
Steve Keefe, Director
Robert Morris, Director
John Wurm, President

Board Members Absent:
Vice President Boydston

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
John O'Brien, Finance Manager
Matt O'Kelly, Wastewater Water Supervisor
Natalie Potter, Human Resources Manager
Scott Schroder, Engineering Technician
Phil Giori, Dudek
Randy Parole, Stem Inc.
Kirk Story, Stockmans Energy
John Avina, Abraxa Energy
Members of the Public – None

The Meeting was called to Order at 5:30 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 May 26, 2020 Regular Board Meeting agenda as presented.

PUBLIC COMMENT

No written or oral public comments were received.

CONSENT CALENDAR

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

1. Approval of Meeting Minutes.

April 28, 2020 Regular Board Meeting Minutes

2. Consider Approving Investment Transactions for April 2020

3. Consider Adoption of Fiscal Year 2020-2021 Investment Policy

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:	Gross, Keefe, Morris, and Wurm
	NOES:	None
	ABSTAIN:	None
	ABSENT:	Boydston

INFORMATION AND DISCUSSION ITEMS

4. Departmental Reports.

- a. **District Engineer’s Report – Update on the District Corporation Yard, Project No. 177**
- b. **Finance Manager’s Report – Fiscal Year 2019-20 Financial Statements and Cash and Investment Report for Quarter Ended March 31, 2020**
- c. **Operations Manager’s Report**

Ms. Cerri and Mr. O’Brien responded to questions on water consumption usage numbers.

5. General Manager’s Report.

Ms. Cerri congratulated Mr. Blackwood for his 25 years of distinguished service. Ms. Cerri stated that at the June 23, 2020 Board meeting there will be a public hearing on the agenda that would require a four fifths vote and she asked the Board members to check their calendars to confirm that they are able to attend.

ACTION ITEMS

6. Consider Approving Draft Budget for Fiscal Years 2020-21 and 2021-22.

There were no questions or discussion on the recommendation to approve the draft budget for fiscal years 2020-21 and 2021-22.

Following Board consideration, Director Keefe **MOVED** and Director Morris **SECONDED** to approve the draft budget for fiscal years 2020-21 and 2021-22.

Ms. Field took a roll call vote as follows:

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

7. Consider Voting for Special Districts Regular Local Agency Formation Commission (LAFCO) Member.

President Wurm commented that at the Executive Committee meeting a member of the public made a recommendation to vote for Kimberly Cox.

Following Board consideration, Director Gross **MOVED** and Director Keefe **SECONDED** to vote for Kimberly Cox to serve as the Regular Special District Member to serve on the Local Agency Formation Commission.

Ms. Field took a roll call vote as follows:

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

8. Consider Awarding a Construction Contract for Manhole Inflow Reduction 2020 Project No. 212.

Mr. Schroder reported that this was an annual project consisting of raising and replacing 178 existing manhole covers with new sealed manholes and raising 17 existing cleanouts paved over by the County and Caltrans. The project qualified as an Inflow and Infiltration (I&I) reduction project, which complies with the Cease and Desist Order. Mr. Schroder went over the bid results and costs associated with the project covered in the Board memorandum. Mr. Schroder presented the recommendation to award the construction of the Manhole Inflow Reduction Project No. 212 to Trinity Construction, for their low responsive and responsible bid of \$177,168.74, authorize the General Manager to execute the contract, and authorize the General Manager to approve change orders for the Project as required in the field during the contract time for an amount not to exceed 15% of the original contract amount.

Following Board consideration, Director Keefe **MOVED** and Director Morris **SECONDED** to award the construction of the Manhole Inflow Reduction Project No. 212 to Trinity Construction, for their low responsive and responsible bid of \$177,168.74, and authorize the General Manager to execute the contract, and authorize the General Manager to approve change orders for the Project as required in the field during the contract time for an amount not to exceed 15% of the original contract amount.

Ms. Field took a roll call vote as follows:

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

9. Consider Approving an Equipment Lease Agreement with Kadance Corporation for a Pilot-Scale Demonstration of the NanO2 Micronized Oxygen Infusion System at the Willow Creek Wastewater Treatment Plant.

10. Consider Awarding a Professional Services Contract with Dudek for Pilot Testing Support for the NanO2 Micronized Oxygen Infusion System Demonstration at the Willow Creek Wastewater Treatment Plant.

Action items 9 and 10 were presented and discussed together. Mr. Brooks provided the background information on the proposed Equipment Lease Agreement with Kadance Corporation for a pilot-scale demonstration of the NanO2 micronized oxygen infusion system and awarding a Professional Services Contract with Dudek for the testing and support for the NanO2 at the Willow Creek Wastewater Treatment Plant. Mr. Brooks responded to a series of questions from the Board members. Phil Giori from Dudek responded to questions regarding the Microvi system project results as it related to the proposed project and the seasonal variation and the reaction of the biological treatment process during the warmer months and on the size of the pilot project.

Following Board consideration, Director Gross **MOVED** and Director Keefe **SECONDED** to approve an Equipment Lease Agreement with Kadance Corporation to move forward with a pilot-scale demonstration for the NanO2 micronized oxygen infusion system at the Willow Creek Wastewater Treatment Plant and to award a Professional Service Contract with Dudek to move forward with providing pilot testing support for the Kadance/NanO2 micronized oxygen infusion system at the Willow Creek Wastewater Treatment Plant.

Ms. Field took a roll call vote as follows:

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

11. Consider Approving a Contract with Stem Inc. and Stockmans to Provide and Install an Energy Storage System.

Ms. Cerri reported that the California Public Utilities Commission has recently provided an Incentive Program for the installation of energy storage systems. The proposed energy storage system would be installed at the Grass Valley Wastewater Treatment Plant and would draw off the battery at higher cost times and charge during lower cost times. Randy Parole, from Stem Inc., went over Stem's background information. He stated that the District qualified for the incentive program because the District was located in a fire zone. Stem uses Athena artificial intelligence platform and uses Telsa batteries. The storage benefits would lower costs, provide back up resiliency, and enhance renewables while supporting a reliable, sustainable electric grid. Mr. Parole gave an overview of the Self Generation Incentive Program (SGIP). Mr. Parole responded to questions regarding program funding, savings, and the useful life of the system. Ms. Cerri responded to questions regarding CEQA and permitting requirements.

Following Board consideration, Director Gross **MOVED** and Director Keefe **SECONDED** to approve a Master Service Agreement and Master Purchase Agreement with Stem, Inc. and authorize staff to enter into an installation agreement with Stockmans to install the hardware provided by Stem Inc.

Ms. Field took a roll call vote as follows:

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

BOARD MEMBER MEETINGS

No Board members requested to attend any meeting.

BOARD MEMBER COMMENTS

There were no Board Member comments.

ADJOURNMENT

Director Keefe **MOVED** and Director Gross **SECONDED** to adjourn the meeting. The meeting adjourned at approximately 6:32 p.m.

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

Kathleen Field, Board Secretary