

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

DATE: November 9, 2021

TIME: 5:30 p.m.

PLACE: Via Teleconference
<https://global.gotomeeting.com/join/739103973>
(571) 317-3122 Access Code 739-103-973

LACSD Board Room
27307 State Hwy. 189, Suite 104
Blue Jay, CA 92317

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

Board Members Absent:
Steve Keefe, Director

Others Present:
Catherine Cerri, General Manager
Joseph Byrne, General Counsel
Mike Blackwood, Field Operations Manager
Matt Brooks, Operations Manager
Kathleen Field, Board Secretary
John O'Brien, Finance Manager
Natalie Potter, Human Resources Manager
Scott Schroder, Engineering Manager
Bret Van Lant, Van Lant & Fankhanel, LLP
Members of the Public – None

The Meeting was called to Order at 5:47 p.m. by John Wurm, President, who led those present in the Pledge of Allegiance to the Flag of the United States of America.

AGENDA POSTING CERTIFICATION

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 9, 2021, 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. **Consider Reaffirming Resolution No. 2021-11 and Authorizing Virtual Board and Committee Meetings Pursuant to AB 361.**
2. **Approval of Meeting Minutes.
September 28, 2021 Regular Board Meeting Minutes**
3. **Consider Accepting Blue Jay Deck Improvements Project #217 as Complete.**
4. **Consider Accepting the Manhole Inflow Reduction 2021 Project #225 as Complete.**
5. **Consider Approving Fiscal Year 2021-2022 Investment Policy.**
6. **Consider Adopting Resolution No. 2021-12 Authorizing and Directing the General Manager to Sign and File a Financial Assistance Application for a Financing Agreement for the State Water Resource Control Board for Planning, Design, and Construction of the Rimforest Planning Project.**

Director Morris **MOVED** and Vice President Boydston **SECONDED** to approve consent calendar items, 1-6 as presented.

Ms. Field took a roll call vote as follows:

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

ABSENT: Keefe

INFORMATION AND DISCUSSION ITEMS

7. Departmental Reports.

a. District Engineer's Report – Capital Improvement Program Update Third Quarter 2021.

Mr. Schroder reviewed the third quarter Capital Improvement Program Report distributed in the agenda packet. Current under-construction projects were Blue Jay Groundwater Well; Cascade was still working on the groundwater Well and uplifting water. The current water rate was at eighty gallons of water per minute and sustaining a 10.2 elevation below the surface. Two fractures were encountered, which is good, but they were getting sand in the base of the well and removing the sand. The District Corporation Yard grading is in the final plan check. Spyglass Tank bypass piping was installed, and now preparing for the tank demo. Lake Arrowhead County Club groundwater well #2 contractor has been uplifting water from the well and getting better PH results. Antler Wildrose Waterline Replacement due to the supply changes, supplies were forty weeks out, pushing the project out to spring 2022. As a result, for the next three water projects, supplies will be procured before construction, and three projects are out to bid for procurements. Mr. Schroder responded to questions.

b. Field Operations Manager's Third Quarter Report.

Mr. Blackwood referred to the Field Operations Manager's third-quarter report starting on page 50 of the agenda packet, detailing current maintenance activities. He responded to questions regarding leaks and rain events.

c. Finance Manager's Fiscal Year 2021-22 Financial Statements and Cash and Investment Report for the Quarter Ended September 30, 2021.

Mr. O'Brien stated the close of the first quarter was looking great and going well. He was impressed by the cost control of the departments and district. One area of disappointment was investment income, and he projected that the District would receive one-third of the investment income compared to last year.

d. Human Resources Manager's Third Quarter Report.

Ms. Potter reported that the uniform services were successfully moved from Aramark to Overall Prudential. She announced the promotion of Bridget Ortiz to the Customer Service Supervisor position and pointed out the new labor laws included in her report. She stated that the staff applied for the ACWA JPIA Wellness Grant Fund and was awarded \$1700.00. A refillable water bottle water

station was installed at the Blue Jay Administration Building for the community and staff.

e. Operations Manager's Report.

Mr. Brooks reported that October 2021 versus October 2020 saw a significant decrease in water consumption of 21.3%; however, compared to the first ten months of 2020, water consumption was 1.4% down. He contributed the 2020 increase in water usage to the increase in population to Lake Arrowhead in 2020. Lake draw for October 2021 was 53.50 acre feet versus October 2020 138.12 acre feet. The District was currently purchasing more CLAWA II water compared to last year, the intent was to take 163 acre feet this calendar year, leaving water in the Lake. Recycled water delivered to Lake Arrowhead Country Club was similar to last year, delivering 20 acre feet less this year.

8. General Manager's Report.

Ms. Cerri did not have any additional information to add to her report.

ACTION ITEMS

9. Consider Accepting and Filing of the Fiscal Year 2020-21 Comprehensive Annual Financial Report.

Mr. O'Brien commented that the preliminary annual results of the fiscal year 2020-21 Comprehensive Annual Financial Report were presented at the August Board meeting. The results of the audit will be presented by the Auditor. He reported that annually, the district's financial statements are audited by an Independent Certified Public Accounting Firm to provide assurance to the ratepayers, bondholders, and regulatory agencies as to the accuracy of the financial reporting. He introduced Brett Van Lant to go over the scope of the audit and the related findings. Mr. Van Lant's presentation on the Fiscal Year 2020-21 Comprehensive Annual Financial Report included the following reports: Opinion on Lake Arrowhead Community Services District Financial Statements, internal controls, and compliance that could be material to the financial statements, letter to the Board summarizing the audit process, appropriations limit, opinion on financial statements, and the Auditor's responsibilities. Mr. Van Lant stated the District received an unmodified (clean) opinion and no findings. Mr. O'Brien and Mr. Van Lant responded to questions.

Following Board consideration, Director Morris **MOVED** and Vice President Boydston **SECONDED** to accept, file, and authorize the Comprehensive Annual Financial Report for Fiscal Year 2020-21.

Ms. Field took a roll call vote as follows:

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

10. Consider Approving Purchase of 2-Way Radio Equipment Procurement Project No. J103.

Mr. Brooks reported that the District received notice on March 12, 2021, of the approval for the Cal OES Community Power Resiliency Allocation Special District Program for \$300,000.00. The funds can be used for the procurement of various grant-eligible items. He went over the board-approved first grant-eligible purchase of the two new generators. The action item before the Board was the second grant-eligible purchase of the 2-way radio equipment at the cost of \$97,688.00. The combined total would be \$261,413.44, leaving a remaining balance of \$35,586.26 to be expended by March 31, 2022. Staff was currently evaluating District needs to find the best use for the remaining available funds. Board members posed various questions and suggested purchasing interchangeable batteries for the handheld radios and looking into warranties or extended warranties from the manufacturers. The recommendation was to purchase fifty-five new mobile radios, sixty-two new handheld radios, one new repeater, and necessary components from Advanced Communication systems for their low responsive and responsible bid of \$97,600.00, which includes taxes, delivery, and installation of equipment.

Following Board consideration, Director Morris **MOVED** and Vice President Boydston **SECONDED** to approve the expenditure of \$97,600.00 of the grant money for the purchase of fifty-five new mobile radios, sixty-two new handheld radios, one new repeater, and necessary components from Advanced Communication systems and to thank Ms. Cerri.

Ms. Field took a roll call vote as follows:

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

11. Consider Approving a Contract to Conduct a Compensation Study.

Ms. Cerri reported that the Managers, Supervisors, Confidential Employee Unit (MSCEU) Memorandum of Understanding (MOU) agreed to conduct a compensation study before the next negotiation. The deadline to complete it is March 2022. She stated Requests for Proposal were sent to nine firms, and she received three proposals back, noting all were comparable. Regional Governmental Services was the lowest bid received. The price for the MSCEU was \$19,200.00. Ms. Cerri responded to a series of questions. A Board member commented that the compensation study should

be done for the whole District. Another Board member expressed concern about the cost of the study and did not see the benefit. The Board member suggested going to the Unit and offering compensation to each member and suggested removing the compensation study from subsequent negotiations. The Board member pointed out that public employee compensation was public information and can be located on the State's website. Other options were discussed. Ms. Cerri stated that the Board could negotiate with the Unit. Mr. Byrne reiterated that it was a requirement in the MOU; if they do not want to negotiate, we should comply and move forward with the study. He further commented that it would be appropriate to discuss whether to move forward with the study or not and then decide how to proceed after the discussion. Another Board member also agreed that the Unit should be compensated if they agree to no study or find an alternative. The consensus of the Board was to take no action on this item.

BOARD MEMBER MEETINGS

No Board members requested to attend any meetings.

BOARD MEMBER COMMENTS

There were no Board member comments.

CLOSED SESSION

Immediately following the announcement of the Closed Session, President Wurm announced that he would be recusing himself from item 2, stating that he was Arrowhead Woods Architectural Committee, Inc. Attorney. The Board, Ms. Cerri, Mr. Byrne, and Ms. Field went into the Closed Session to discuss items 1-2 at approximately 6:07 p.m.

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. CIVIDS2019176

President Wurm departed the meeting at approximately 7:01 p.m.

2. Conference with Real Property Negotiators.

Property: 27307 Hwy. 189, Blue Jay, CA 92317

Agency negotiator: Catherine Cerri, General Manager

Negotiating parties: Arrowhead Woods Architectural Committee

Under negotiation: Price and terms of the lease

OPEN SESSION

The Board came out of Closed Session at approximately 7:04 p.m. Mr. Byrne announced that no reportable actions were taken in Closed Session pursuant to the Brown Act.

ACTION ITEM

12. Consider Approving Lease Agreement with Arrowhead Woods Architectural Committee.

Ms. Cerri reported that the item was for approval of a lease agreement with Arrowhead Woods Architectural Committee for a portion of one of the offices in the administration building. Ms. Cerri responded to questions regarding the location of the proposed office space.

Following Board consideration, Director Morris **MOVED** and Vice President Boydston **SECONDED** to approve a lease agreement with Arrowhead Wood Architectural Committee for 318 square feet of office space.

Ms. Field took a roll call vote as follows:

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

ADJOURNMENT

Director Morris **MOVED** and Vice President Boydston **SECONDED** to adjourn the meeting. The meeting was adjourned at approximately 7:07 p.m.

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

Kathleen Field, Board Secretary