

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

DATE: April 26, 2022

TIME: 5:30 p.m.

PLACE: Via Teleconference
<https://us02web.zoom.us/j/9093367117?pwd=eDh5Rng4aXc4MEp2V0NPcm5udlhMQT09>
+1 (669) 900-6833
Meeting ID: 909 336 7117 and Passcode: 7117

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

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
Scott Campbell, 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
Michael Thornton, District Engineer Consultant
Scott Schroder, Engineering Manager
Angela Yap, Mountain News
Karen Zhou, Mountain News
Members of the Public – 3

The Meeting was called to order at 5:30 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 April 26, 2022, Regular Board Meeting Agenda as presented.

PUBLIC COMMENT

Public comment was heard from a public member regarding the Lake Arrowhead Development LLC proposed development to build forty-one new homes on North Bay Road. The concerns expressed were that the proposed project would have a further draw on Lake Arrowhead's water supply, unpredictable rainfall in the future, and insufficient water supply as the drought continues. A Board member briefly commented on the District's drought plans, the number of new water connections allowed per year, potential groundwater wells on the proposed project site, and current and future water supply alternatives.

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.
March 22, 2022 Regular Board Meeting Minutes.**

Director Keefe **MOVED** and Director Morris **SECONDED** to approve Consent Calendar items 1-2 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

3. Departmental Reports.

a. Engineering Manager's Report – First Quarter Capital Improvement Program Update

Mr. Schroder provided an overview of the Capital Improvement Projects underway as outlined in Capital Improvement Project Report distributed with the agenda packet. Mr. Schroder responded to questions from a Board member regarding the Antler Wildrose Water Replacement Project.

b. Field Operations Manager's First Quarter Report

Mr. Blackwood referred to the Field Operations Manager's report distributed in the agenda packet that provided an update on the current infrastructure maintenance activities for the first quarter in the Field Operations Department. Mr. Blackwood responded to questions regarding water leaks.

c. Human Resources Manager's First Quarter Report

Ms. Potter provided an overview of the Human Resources Department's first quarter activities, including employee relations, recruitment, and contracting with Paylocity. Under Risk Management, she gave an update on California Sanitation Risk Management Authority (CSRMA) insurance coverages and Worker's Compensation renewal with CSRMA. She provided an update on the Willow Creek Treatment Plant demolition and remediation. Ms. Potter responded to questions about rate increases in the property and liability insurance.

d. Operations Manager's Report

Ms. Cerri reported that water consumption was down ten percent compared to last year. She referred to the pictures provided in the agenda packet of the compressor installed by staff at the Grass Valley Wastewater Treatment Plant and the Willow Creek Wastewater Treatment Plant demolition.

4. Budget Workshop

Mr. O'Brien's presentation on the fiscal years 2022-23 and 2023-24 draft budget covered summaries of major budget areas, including revenues, expenses, personnel, unfunded accrued pension liability, capital improvement projects, and debt service. He stated that the major upcoming challenge the District faces is inflation and associated supply issues. He pointed out the District completed all payments to the City of Big Bear Lake to purchase the Rimforest water system in 2014. A completed draft Budget book will be provided to the Board and made available to the public in

time for the May 24, 2022, Board meeting. The approval of the final budget was scheduled for June 28, 2022. Mr. O'Brien responded to questions regarding the pension expense and stated that he would have an annual pension update for the Board. A Board member requested that the Board be provided the draft budget well in advance of the May Board meeting.

5. Arrowhead Woods Architectural Committee Update.

Immediately following the announcement of the Arrowhead Woods Architectural Committee (AWAC) Update, President Wurm announced that he would be recusing himself from this item because he was the attorney for AWAC and departed the meeting at approximately 5:59 p.m. Vice President Boydston asked for public comment. A public member expressed concern with Senate Bill 1405 related to Lake Arrowhead Community Services District taking over the AWAC duties. He commented on the Marketable Act regarding CC&Rs and expressed his opinion on his experience with AWAC regarding removing a tree. Ms. Cerri reported that the Governance and Finance Committee heard testimony and referred the bill to the Judiciary Committee.

6. General Manager's Report.

Ms. Cerri reported that Groundwater Well #2 was back online. The Blue Jay Well should be online next year and working on other wells. Governor Newsom is asking for a fifteen percent reduction compared to 2020, and there is no final ruling yet. Currently, the District is in a declared Level 3 Water Shortage and will bring it back to the Board later if they would like to consider changing the water shortage level.

ACTION ITEMS

7. Consider Awarding a Contract for the Hesperia Wells Rehabilitation Project No. 232.

Mr. Schroder reported that the District has 11 monitoring test wells at the District's Hesperia farm site. The wells are used for measurements for State reporting, and over time the wells have started to fill in, adding the wells are forty to fifty years old. The staff's recommendation is to award a contract for the Hesperia Wells Rehabilitation Project No. 232 to South West Pump & Drilling, Inc., for their low responsive and responsible bid of \$126,550.00 and authorize the General Manager to execute the contract, authorize the General Manager to approve a change order for the Project as required in the field during the contract time for an amount not to exceed 15% of the original contract amount. Mr. Schroder responded to questions regarding the testing, the fiscal impact, and the one bid received.

Following Board consideration, Director Keefe **MOVED** and Director Morris **SECONDED** to award a contract for the Hesperia Wells Rehabilitation Project No.

232 to South West Pump & Drilling, Inc. for their low responsive and responsible bid of \$126,550, 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 contract time for an amount not to exceed 15% of the original contract amount.

Ms. Field took a roll call vote as follows:

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

8. Consider Adopting Resolution No. 2022-04 Amending and Adopting the 2022 Local California Environmental Quality Act (CEQA) Guidelines.

Mr. Schroder reported this item is required by the State. The recommendation was to adopt Resolution No. 2022-04, amending and adopting the 2022 Local California Environmental Quality Act (CEQA) Guidelines. The guidelines were provided by Best Best & Krieger, and he referred to the Summary of Changes to the Local CEQA Guidelines that was provided in the agenda packet.

Following Board consideration, Director Keefe **MOVED** and Director Morris **SECONDED** to adopt Resolution No. 2022-04, amending and adopting the 2022 Local California Environmental Quality Act Guidelines.

Ms. Field took a roll call vote as follows:

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

9. Consider Rejecting all Bids for the Grass Valley Wastewater Treatment Plant Ammonia and Nitrate Analyzer Project No. 233.

Mr. Schroder reported this item was to reject all bids for the Grass Valley Wastewater Treatment Plant Ammonia and Nitrate Analyzer Project No. 233. He provided the reason for the recommendation to reject all bids. The plan was to have staff complete much of the work in-house to reduce the project costs.

Following Board consideration, Director Keefe **MOVED** and Director Morris **SECONDED** to reject the bids for the Installation of the Ammonia and Nitrate Analyzers, Project No. 233.

Ms. Field took a roll call vote as follows:

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

10. Consider Adopting Resolution No. 2022-05 Amending the Purchasing Policy to Increase Authority Levels for General Purchases, Consulting Services, and Public Works Projects.

Ms. Cerri reported that inflation had caused the price of routine maintenance contracts to exceed existing purchasing authorities causing delays in execution and additional administrative costs. She stated that the Board suggested changing the current authorities and referred to the proposed changes to the authority levels provided in the staff report and reviewed the same. She further reported that she conducted a survey that indicated that the proposed authority levels were consistent with other local agencies.

Following Board consideration, Director Keefe **MOVED** and Director Morris **SECONDED** to adopt Resolution No. 2022-05 approving revisions to the District's Purchasing Policy.

Ms. Field took a roll call vote as follows:

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

11. Consider Approving Change Order for the District Corporate Yard Project No. 177.

Ms. Cerri stated that the District awarded a construction contract to Trinity Construction on February 23, 2021. The County provided an estimate that the District would need 90 days to get the permits; however, the project did not get on the County's planning commission agenda until October 2021, and it took approximately four months to receive the permits. She thanked Mr. Thornton for his help in pushing the items through and in developing some good relationships with the County. She went over the significant cost increases in materials, equipment, and wages, adding the Contractor's cost changes were site work, building, grading changes, and ADA curb. She responded to questions regarding the cost increases and the manufactured steel building. In response to questions posed by a Board member, Mr. Thornton remarked there would be cost obligations for the already manufactured steel building, and it would not make sense to stop at this point.

Following Board consideration, Director Keefe **MOVED** and Director Morris **SECONDED** to approve the estimated change order for the District Corporate Yard Project No. 177.

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 member requested to attend any meetings.

BOARD MEMBER COMMENTS

President Wurm commented on how the District reduced expenses and went over several past and current cost-savings measures that the District enacted. These cost-saving measures were the elimination of administrative pay for managers and supervisors, outsourcing the District Engineer position, pursuing the reduction of electricity costs by building a solar farm, in-house fabrication rather than outside contractor fabrication, eliminating paying rent by purchasing the Blue Jay office building and leasing office spaces, the prepayment of unfunded pension liabilities, reduction in personnel, and securing grant funding.

CLOSED SESSION

President Wurm announced the Board was going into Closed Session to discuss the following:

- 1. Conference with Labor Negotiators.**
Pursuant to Government Section 54957.6
Agency Designated Representatives: Catherine Cerri, General Manager, and Joseph Byrne, General Counsel
Managers, Supervisors, Confidential Employee Unit
- 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. CIVIDS2019176
- 3. Conference with Real Property Negotiators.**
Property: 27307 Hwy. 189, Blue Jay, 92317
Agency Negotiators: Catherine Cerri, General Manager

Negotiating Parties: Kurt Norlander Roofing
Under Negotiation: Price and terms of payment

OPEN SESSION

The Board came out of the Closed Session at approximately 6:47 p.m. There were no reportable actions taken in Closed Session pursuant to the Brown Act.

ACTION ITEMS

12. Consider Approving a Lease Agreement with Kurt Norlander Roofing.

Ms. Cerri stated the last item was for the approval of a lease agreement with Kurt Norlander Roofing.

Following Board consideration, Director Keefe **MOVED** and Vice President Boydston **SECONDED** to approve the lease agreement between Lake Arrowhead Community Services District and Kurt Norlander Roofing.

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

ADJOURNMENT

Director Morris **MOVED** and Vice President Boydston **SECONDED** to adjourn the meeting. The meeting adjourned at approximately 6:50 p.m.

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

Kathleen Field, Board Secretary