

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

DATE: August 23, 2016
TIME: 5:30 p.m.
PLACE: Blue Jay Board Room
27307 St. Hwy. 189, Ste. 104
Blue Jay, CA 92317

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

Board Members Absent:
Bill Thompson, President

Others Present:
Catherine Cerri, Interim General Manager
Scott Campbell, General Counsel
Mike Blackwood, Field Operations Manager
Matt Brooks, Operations Manager
Kathleen Field, Board Secretary
Aida Hercules-Dodaro, District Engineer
Natalie Potter, Human Resources Manager
Christopher Deiter, TKE Engineering
Robert Porr, Fieldman Rolapp & Associates
Gregory Snarr, Best Best & Krieger
Mike Thornton, TKE Engineering
Sean Tierney, Bond Counsel
Alpenhorn News
Mountain News
Members of the Public - None

The Meeting was called to Order at 5:30 p.m. by John Wurm, Vice President, 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 August 23, 2016 Regular Board meeting agenda as presented.

PUBLIC COMMENT

There was no public comment.

AWARD PRESENTATION

- 1. Presentation of the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year Ended June 30, 2015 Comprehensive Annual Financial Report.**

Vice President Wurm presented the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for Fiscal Year ended June 30, 2016 Comprehensive Annual Financial Report to Ms. Cerri.

CONSENT CALENDAR

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

- 1. Approval of Meeting Minutes.**

July 12, 2016 Regular Board Meeting Minutes

- 2. Consider Receiving and Filing of the Fiscal Year 2015/2016 Annual Board and Employee Expense Report.**

Director Keefe **MOVED** and Director Gross **SECONDED** to approve Consent Calendar items 1-2 as presented.

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

INFORMATION AND DISCUSSION ITEMS

3. Departmental Reports.

- a. Field Operations Manager's Second Quarter Report**
- b. Operations Manager's Report**

Mr. Blackwood referred to the Field Operations Manager's second quarter report in the agenda packet. Mr. Blackwood responded to questions.

Mr. Brooks referred to his report in the agenda packet and review the same. Mr. Brooks stated that the District would like to thank all the various fire departments and the emergency personnel for the emphasis placed on protecting the community's wastewater treatment plant, the community of Deer Lodge Park and the surrounding areas of Lake Arrowhead during the Pilot Fire. Mr. Brooks commented that the plant was staffed 24 hours a day for two days.

The Board asked that resolutions be brought back to the Board to recognize emergency responders and staff during the Pilot Fire.

4. Interim General Manager's Report.

Ms. Cerri stated that the Pilot Fire came within less than half a mile from the Grass Valley Wastewater Treatment Plant. Ms. Cerri recognized the fire crews for their efforts that were stationed at the plant 24 hours a day and staff who were called to extra duty during the fire. The staff members were Matt Brooks, Mike Blackwood, Steve Papp, Justin Luck, John Sanchez, Trevor Cory, Kyle Rose, Bobby Martinez, and Corwin Mossman. Ms. Cerri also gave an update on the Blue Cut Fire, State Water Resources Control Board results of "stress test", and legislative updates. District updates included; Cease and Desist Order reporting requirements were fulfilled on time, recruitment of open field operations positions had been completed, the annual financial audit was underway. An Agreement with the United States Bureau of Reclamation was being drafted to study the feasibility of the Hillside Ponds for a possible Indirect Potable Reuse Project. A proposal was being formulated for an analysis of District wastewater treatment processes and Polar Pump Station upgrades had begun.

ACTION ITEMS

5. Consider Approving a Joint Funding Agreement with the United States Geological Survey for Water Year 2017 Operations and Maintenance of Stream and Rain Gaging Stations.

Ms. Cerri presented the recommendation to approve the agreement with the United States Geological Survey for continued operations and maintenance of one stream gaging

station and one precipitation monitoring station. Lake Arrowhead Community Services District share would be \$27,300.

Following Board consideration, Director Gross **MOVED** and Director Keefe **SECONDED** to approve the agreement with the United States Geological Survey for continued operations and maintenance of one stream gaging station and one precipitation monitoring station.

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

6. Consider Adopting Resolution No. 2016-15 Authorizing the Issuance of Water and Wastewater Refunding Revenue Bonds in an Amount not to Exceed \$26,400,000, and the Execution and Delivery of an Indenture of Trust, a Bond Purchase Agreement, One or More Escrow Agreements, and an Official Statement, and Authorizing Certain Related Matters.

Ms. Cerri introduced Robert Porr from Fieldman Rolapp & Associates. Mr. Porr's presentation on refunding of the 2009 Revenue Certificates of Participation and the State loan included; refunding opportunities, municipal market update, tax-exempt yields, and a refunding update. Mr. Tierney from Hawkins Delafield & Wood LLP, went over the resolution and refunding bonds documentation. The recommendation presented was to approve the refunding bonds documentation and authorize staff to prepare to proceed with the transaction and execute other documents necessary to complete the transaction.

Following Board consideration, Director Keefe **MOVED** and Director Boydston **SECONDED** to adopt Resolution No. 2016-15 authorizing the issuance of water and wastewater refunding revenue bonds in an amount not to exceed \$26,400,000, and the execution and delivery of an indenture of trust, a bond purchase agreement, one or more escrow agreements, and an official statement, and authorizing certain related matters and instruct staff to move forward as soon as possible.

Ms. Field took a roll call vote as follows:

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

7. Consider Rejecting the First Bid and Awarding a Construction Contract for the Inflow and Infiltration Manhole Rehabilitation 2016 Project No. 151.

Ms. Hercules-Dodaro presented the recommendation to reject the bid from Zebron Contracting, Inc. for the Inflow and Infiltration Manhole Rehabilitation 2016 Project No.

151, which was found to be non-responsive and award a contract for the construction to Sancon Technologies, Inc. for their low responsive and responsible bid of \$69,510. Authorize the Interim 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 not to exceed 15% of the original contract amount. Or reject all bids and re-advertise the project pursuant to Public Contract Code section 20166. Ms. Hercules-Dodaro and Mr. Campbell responded to questions.

Following Board consideration, Director Keefe **MOVED** and Director Boydston **SECONDED** to accept Sancon's bid for the construction of the Inflow and Infiltration Manhole Rehabilitation 2016 Project No. 151, authorize the Interim 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 not to exceed 15% of the original contract amount and reject all other bids.

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

8. Consider Awarding a Construction Contract for Stater Brothers Manhole Installation Project No. 152.

Ms. Hercules-Dodaro presented the recommendation to award a contract for the construction of Stater Brothers Manhole Installation Project No. 152 to TryCo General Engineering for their low responsive and responsible bid of \$23,780 and authorize the Interim 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 not to exceed 15% of the original contract amount.

Following Board consideration, Director Gross **MOVED** and Director Keefe **SECONDED** to award a contract for construction of Stater Brothers Manhole Installation Project No. 152 to TryCo General Engineering for their low responsive and responsible bid of \$23,780.00. Authorize the Interim 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 not to exceed 15% of the original contract amount.

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

9. Consider the Purchase of Eight (8) New Compressors for Wastewater Lift Stations.

Mr. Brooks presented the recommendation to purchase eight new Quincy compressors for the Wastewater Lift Stations based upon the low bid of \$16,550.56.

Following Board consideration, Director Keefe **MOVED** and Director Gross **SECONDED** to approve the purchase of eight new Quincy compressors based upon the low bid of \$16,550.56

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

BOARD MEMBER MEETINGS

No Board member requested approval for attendance at any meetings of other organizations, seminars, conferences and other meetings.

BOARD MEMBER COMMENTS

Director Boydston suggested documenting and notifying the City of Hesperia that Lake Arrowhead Community Services granted permission to use the Hesperia property as a heliport during the Blue Cut Fire. Director Boydston asked if the Grass Valley Wastewater Treatment Plant had a fire perimeter cleared and if there was a sprinkler system. Mr. Books responded.

Director Gross suggested asking permission from the Forest Service to put in some type of recycled irrigation outside of the Grass Valley Wastewater Treatment Plant fence line and include the irrigation in the special use permit renewal.

CLOSED SESSION

The Board, Ms. Cerri, Mr. Campbell, Mr. Brooks, Ms. Hercules-Dodaro, Mr. Deiter, Mr. Snarr, and Mr. Thornton went into Closed Session at 6:10 p.m.

- 1. Conference with Labor Negotiators.**
Pursuant to Government Section 54957.6
Agency Designated Representatives: Catherine Cerri, Interim General Manager, Natalie Potter, Human Resources Manager, and Scott Campbell, General Counsel
Employee Organization: Utility Workers' Union of America, Local 557

- 2. Conference with Real Property Negotiators.**
Property: 0329-031-04
Agency negotiator: Catherine Cerri, Interim General Manager

Under negotiation: Price and terms of payment

3. Conference with Real Property Negotiators.

Property: 0330-011-25

Agency negotiator: Catherine Cerri, Interim General Manager

Under negotiation: Price and terms of payment

4. Conference with Real Property Negotiators.

Pursuant to Section 54956.9

Property: APN 033330127

Agency Negotiator: Catherine Cerri, Interim General Manager and Scott Campbell, General Counsel

Negotiating Parties: Arrowhead Lake Association

Under negotiation: Price and terms of payment

5. Conference with Legal Counsel – Anticipated Litigation.

Significant Exposure to Litigation pursuant to Paragraph (2) Subdivision (d) of Section 54956.9

Number of cases: Five

6. 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. CIVDS 1602017

7. Conference with Labor Negotiators.

Agency Designated Representatives: Scott Campbell, General Counsel and the Board of Directors

Unrepresented Employee: General Manager

8. Public Employee Appointment.

Title: General Manager

Mr. Dieter and Mr. Thornton departed the Closed Session at approximately 7:00 p.m. Mr. Brooks, Ms. Hercules-Dodaro, and Mr. Snarr departed the Closed Session at 7:15 p.m. Ms. Potter went into closed session at 7:15 p.m. and departed the Closed Session at approximately 7:25 p.m.

OPEN SESSION

The Board came out of Closed Session at approximately 8:00 p.m. Vice President Wurm stated that they were proud and pleased to announce that the Board unanimously asked Catherine Cerri to serve as the permanent General Manager of the Lake Arrowhead Community Services District and were grateful that she accepted and looked forward to a lengthy, productive and mutually beneficial tenure.

ADJOURNMENT

Vice President Wurm adjourned the meeting at approximately 8:02 p.m.

Kathleen Field

Kathleen Field, Board Secretary