

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

DATE: May 23, 2017

TIME: 5:30 p.m.

PLACE: LACSD Blue Jay Board Room
27307 St. Hwy. 189, Ste. 104
Blue Jay, CA 92317

Teleconference Location
2545 E Parleys Way
Salt Lake City, UT 84109

ATTENDANCE: **Board Members Present:**
Steve Boydston, Director
Ryan Gross, Director
Bill Thompson, President, via teleconference
John Wurm, Vice 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
Jessica Brown, Finance Manager
Kathleen Field, Board Secretary
Aida Hercules-Dorado, District Engineer
Mark Lopez, Customer Service Supervisor
Natalie Potter, Human Resources Manager
Andy Baldwin, RMC
Members of the Public - 1

The Meeting was called to Order at 5:31 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

Ms. Cerri requested to change the agenda order, moving Action Item 14 to the first Action Item. The Board by general consensus approved the May 23, 2017 Regular Board Meeting agenda as changed.

PUBLIC COMMENT

There was no Public Comment.

CONSENT CALENDAR

Vice President Wurm recused himself from the approval of the May 1, 2017 Special Board Meeting Minutes. Listed on the Consent Calendar were the following items for approval:

1. Approval of Meeting Minutes.

April 25, 2017 Regular Board Meeting Minutes

May 1, 2017 Special Board Meeting Minutes

2. Consider Approval of Job Description for the Mechanical Maintenance Supervisor.

Director Gross **MOVED** and Director Boydston **SECONDED** to approve the April 25, 2017 Regular Board Meeting Minutes and approve the Job Description for the Mechanical Maintenance Supervisor.

Ms. Field took a roll call vote as follows:

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

Director Gross **MOVED** and Director Boydston **SECONDED** to approve the May 1, 2017 Special Board Meeting Minutes as presented.

Ms. Field took a roll call vote as follows:

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

RECUSED: Wurm

INFORMATION AND DISCUSSION ITEMS

3. Departmental Reports.

a. Finance Manager's Report – Fiscal Year 2016-17 Financial Statements for the Quarter Ending March 31, 2017

Ms. Brown reported that overall as a result of operations revenues, and expenses were performing as anticipated; revenue was 9% -10% higher compared to the same period last year primarily due to a 20% increase in consumption. Operating expenses as of March 31, 2017, were 4 % higher than the prior year and 9% below budget. There were increases in Workers Compensation and contracts; there were decreases in health insurance, outside services, electricity, and utilities. Ms. Brown pointed out that the Department Managers have begun to report out on their performance outcomes and will report out the performance measures at year-end.

b. Operations Manager's Report

Mr. Brooks gave an update on water delivered for April 2017, noting that the numbers were similar to last year. Water consumption delivered to the distribution systems was 8% higher compared to last year. Lake withdrawals were down due to Bernina Treatment Plant being down for tank recoating. Mr. Brooks responded to questions.

4. Lake Arrowhead Community Services District Emergency Preparedness.

Mr. Brooks stated that this item was in response to a question posed by a Board member regarding what the District was doing to promote and increase pressure for fire suppression in the District's system. Mr. Brooks referred to challenging fire scenarios and major storm events which the District experienced. As a result of the events, the District developed or updated existing Standard Operating Procedures. The District also created Lake Arrowhead Community Services District Emergency Preparedness Procedures. Mr. Brooks added that the District identified critical valve(s) at each water tank sites that would isolate the tank(s) if necessary in the event of an emergency. The District has taken steps to identify where and how to connect different pressure zones together. Mr. Blackwood and Mr. Brooks talked about interconnecting the different pressure zones together in the event of an emergency. Mr. Blackwood and Mr. Brooks responded to questions. President Thompson thanked the staff for their efforts on improving the system.

5. California Sanitation Risk Management Authority "CSRMA" Insurance Program Update.

Ms. Potter presented an update on the risk pooled liability insurance program with the California Sanitation Risk Management Authority (CSRMA). Ms. Potter stated that a

marketing comparison would be presented at the next Board meeting. Ms. Potter responded to questions on dividends. A Board member suggested that staff include the Special District Risk Management Authority (SDRMA) as a comparison.

6. Low-Income Rate Assistance Program.

Mr. Lopez reported that staff was looking at a rate assistance pilot program for low-income families as an option to assist community members. District staff researched similar programs at other water districts and developed a program that could assist low-income customers with their fixed water/sewer rates. Mr. Lopez went over some program options and the fiscal impact. Also discussed, was that Prop 218 did not allow the District to utilize income from rates to subsidize a group of customers and that the policy was being reevaluated under Senate Constitutional Amendment No. 4. A discussion ensued, and concerns were expressed with the program options presented. A Board member asked that staff keep the Board advised of the legislative updates on what is available and would be required of the District.

7. 2017-18 Supplemental Water Fee Update.

Ms. Brown provided the Board with an update on the Supplemental Water Fee (SWF) program and requested direction from the Board on how to proceed with the 2017-2018 levy amount. Staff responded to questions. Board members asked if language could be added to the Supplemental Water Fee Annual Notice regarding the programs and projects that are funded by SWF and historical detail on the collection of the SWF.

8. General Manager's Report.

Ms. Cerri reported that the North Bay Intake Pump Station Replacement construction contract was going out to bid the week of May 29, 2017. Ms. Cerri pointed out that Lake Arrowhead was chosen as the subject by a researcher at UNLV for a project funded by the US Bureau of Reclamation for a Hydrologic Study of Lake Arrowhead.

ACTION ITEMS

9. Consider Adopting Resolution No. 2017-08 Amending Board Policies Manual Section 4.0 Board Member Compensation and Rules and Regulations Regarding Payment of Compensation.

Ms. Cerri presented for Board consideration the adoption Resolution No. 2017-08 amending Board Policies Manual Section 4.0 changing Board member compensation from \$50.00 to \$100.00 per meeting.

Following Board consideration, Director Gross **MOVED** to adopt Resolution 2017-08 Amending Board Policies Manual Section 4.0 Board Member Compensation and Rules

and Regulations Regarding Payment of Compensation. The motion failed due to lack of a second.

10. Consider Approving Lake Arrowhead Community Services District Private Lateral Compliance Policy.

Mr. Blackwood presented the staff recommendation to adopt the proposed Lake Arrowhead Community Services District Private Lateral Compliance Policy. The proposed policy would satisfy the remedial measures in the settlement agreement and is consistent with the requirements of the settlement agreement between Lake Arrowhead Community Services District and California River Watch. Discussion ensued. The Board did not take action on the proposed policy and requested that staff make revisions to the point of sale provisions and bring it back for future Board consideration.

11. Consider Approving Purchase of the Pacific Tech Valve Exerciser/Vacuum Machine.

Mr. Blackwood presented the recommendation to purchase the Pacific Tech Valve Exercise/Vacuum machine from Pres Tech Equipment Company for \$47,213.31. Mr. Blackwood explained this was a two-part purchase, the truck cab and chassis was approved by the Board on February 28, 2017. The total cost of the truck bed with the valve exerciser and vacuum installed would be \$89,993.69.

Following Board consideration, Director Boydston **MOVED** and Director Gross **SECONDED** to approve the purchase of the Pacific Tech Valve Exerciser/Vacuum Machine from Pres Tech Equipment Company for \$47,213.31.

Ms. Field took a roll call vote as follows:

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

12. Consider Approving the Purchase of Two Replacement Pumps for Lift Station # 14 Deer Lodge Park.

Mr. Brooks presented the recommendation for the purchase of two new replacement pumps for Wastewater Pump Station (WWPS) # 14 Deer Lodge Park from Xylem Inc, at a cost of \$27,015.13. Mr. Brooks reported that the purchase of the two new pumps for WWPS #14 Deer Lodge Park was part of a project that when finished, would upgrade all pumps, valves, electrical equipment, and re-coating of the dry pit of the WWPS #14 in Deer Lodge Park.

Following Board consideration, Director Gross **MOVED** and Director Boydston **SECONDED** to approve the purchase of two replacement pumps for Lift Station # 14 Deer Lodge Park from Xylem Inc. for \$27,015.73.

Ms. Field took a roll call vote as follows:

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

13. Consider Approving Purchase of Meters from Zenner USA.

Mr. Lopez presented the recommendation to purchase meters from Zenner USA to begin the process of replacing old meters with high throughput. The fiscal impact to replace 3,400 meters of different sizes including other hardware would not exceed \$350,000. Mr. Lopez stated that the replacement of the meters would help billing with non-revenue water losses; inflow and infiltration and would help when reporting to the State regarding water loss and Best Management Practice report. Mr. Lopez informed the Board that staff will complete a scope of work for the installation of the meters by an outside contractor and the cost would be part of the budgeted amount.

Following Board consideration, President Thompson **MOVED** and Director Boydston **SECONDED** to approve the purchase of meters from Zenner USA not to exceed \$350,000.

Ms. Field took a roll call vote as follows:

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

14. Consider Awarding a Professional Engineering Services Contract for the Sewer Model Update and Calibration Project No. K021.

Ms. Hercules presented the recommendation to award a professional engineering services contract for the sewer model update and calibration project No. K021. Staff responded to Board member questions. Discussion ensued. Board members requested that staff request a scope definition on “Results of computer model calibration” in the Cease and Desist Order from Lahontan. The approval of the contract was contingent on Lahontan’s review.

Following Board consideration, Director Gross **MOVED** and Director Boydston **SECONDED** to award a professional services contract for the Sewer Model Update and Calibration Project No. K021 to RMC for their low responsive and qualified proposal of \$344,174; and authorize the General Manger to execute the contract.

Ms. Field took a roll call vote as follows:

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

BOARD MEMBER MEETINGS

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

BOARD MEMBER COMMENTS

There were no Board member comments.

CLOSED SESSION

Vice President Wurm recused himself from Closed Session Item 2, due to his previous representation of Mr. Grossman. The Board, Mr. Byrne, Mr. Blackwood, and Ms. Cerri, went into Closed Session at approximately 7:12 p.m. to discuss items 1-3.

- 1. Conference with Legal Counsel – Anticipated Litigation.**
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (2 cases)

- 2. Conference with Real Property Negotiators.**
Property: 333-694-06
Agency negotiator: Catherine Cerri, General Manager, and Joseph Byrne, General Counsel
Negotiating parties: Grossman, Sherwin A&A E Rv Tr-Estate of
Under negotiation: Price and terms of payment

- 3. 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

Vice President Wurm departed the Closed Session at approximately 7:20 p.m.

OPEN SESSION

The Board came out of Closed Session at approximately 7:25 p.m. Mr. Byrne announced that there were no reportable actions taken in the Closed Session.

ADJOURNMENT

The meeting was adjourned the at approximately 7:26 p.m.
Vice President Wurm **MOVED** and Director Boydston **SECONDED** to adjourn the meeting.

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

Kathleen Field
Kathleen Field, Board Secretary