

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

DATE: February 27, 2018

TIME: 5:30 p.m.

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

ATTENDANCE: **Board Members Present:**
Steve Boydston, Vice President
Steve Keefe, Director
John O'Brien, Director
John Wurm, President

Board Members Absent:
Ryan Gross, Director

Others Present:
Catherine Cerri, General Manager
Joseph Byrne, General Counsel
Mike Blackwood, Field Operations Manager
Jessica Brown, Finance Manager
Kathleen Field, Board Secretary
Aida Hercules-Dorado, District Engineer
Marc Lippert, Water Operations Supervisor
Natalie Potter, Human Resources Manager
Members of the Public - Four

The Meeting was called to Order at 5:30 p.m. by President Wurm 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 February 27, 2018 Regular Board Meeting Agenda as presented.

PUBLIC COMMENT

Public Comment was heard from public members regarding the development of a six-acre property adjacent to Lake Arrowhead Community Services District Blue Jay Office; what affect the development might have on water quality, and on a property being developed on Grass Valley Road. Board members and staff briefly responded to questions regarding concerns about who was responsible for regulating the development of the properties, and who would be providing water and sewer services.

CONSENT CALENDAR

1. Approval of Minutes

January 23, 2018 Regular Board Meeting Minutes

2. Consider Approving Investments Transactions for February 2018.

3. Approving Temporary Transfer of the 2016/2017 Carryover Right from the District's Free Production Allowance (FPA) in the Mojave Basin for Water Year Ending September 30, 2017.

Director Keefe MOVED and Vice President Boydston SECONDED to approve Consent Calendar Items 1-3 as presented.

CARRIED: **AYES:** Boydston, Keefe, O'Brien, and Wurm
 NOES: None
 ABSTAIN: None
 ABSENT: Gross

INFORMATION AND DISCUSSION ITEMS

4. Departmental Reports.

- a. District Engineer's Progress Report – North Bay Intake Pump Station Replacement Project No. 072**
- b. Finance Manager's Fiscal Year 2017-18 Financial Statements for and Cash and Investment Report for the Quarter Ended December 31, 2017**
- c. Operations Manager's Report**

A video was displayed as part of the progress report on the North Bay Intake Pump Station Replacement Project. The Department Managers gave brief overviews of their reports that were distributed in the agenda packet and responded to Board member questions.

5. The Fiscal Year 2018-19 and 2019-20 Budget Planning.

In addition to the Board memorandum distributed in the agenda packet, Ms. Brown presented a PowerPoint presentation on the fiscal year 2018-19 and 2019-20 budget planning. The presentation covered the following; the budget planning calendar; 2017-18 projected operating results, inflationary assumptions for water and wastewater revenue, personnel expense, and the preliminary budget for fiscal years 2018-19 and 2019-20. Ms. Brown responded to questions on personnel expenses.

6. Yearly Review of Ordinance No. 65, Water Connection Policy of the Lake Arrowhead Community Services District.

Ms. Hercules-Dodaro referred to the Board memorandum on the yearly review of Ordinance No. 65, Water Connection Policy and reviewed the same. Ms. Hercules-Dodaro responded to questions regarding recirculating fire sprinkler systems. Two members of the public posed questions regarding the data table on page 51 and 52 of the agenda packet. Ms. Hercules-Dodaro responded by stating that the total number of 57 represented requests for service availability letters, not water permits issued in 2017. There were no recommended changes to Ordinance No. 65.

7. Update on Lake Arrowhead Community Services District Strategic Plan.

Ms. Cerri reported that in 2006, the District developed a comprehensive Strategic Plan that compiled information from the studies and public input that the District conducted at that time. Some details had changed, much of the content was still relevant and valuable. Staff was preparing the current budget and wanted to ensure that the budget was in alignment with the goals and vision of the Board. Staff was not recommending any changes to the Mission Statement, Values, Vision and Priorities. Ms. Cerri referred to the priorities and goals that were distributed in the agenda packet and asked for Board input. Public comment was heard from a public member on passive loss of water. Ms. Cerri referred to page 83 of the agenda packet and went over what the District was doing and future projects to reduce water loss. A public member talked about indirect potable reuse. Ms. Cerri referred to page 82 of the agenda packet, containing a short analysis on recycled water capacity which had information on indirect potable reuse and groundwater indirect potable reuse. There was a discussion regarding recycled water projects and water loss. Members of the public asked about water quality as it related to the flight path over Lake Arrowhead and the potential impact on Lake Arrowhead water from the jet fuel. Ms. Cerri responded that the District continually tests the lake water.

8. General Manager's Report.

Ms. Cerri did not have any additional information to add to the General Manager's Report distributed in the agenda packet. Ms. Cerri encouraged attendance at the Lake Arrowhead Community Services District Open House on March 14, 2018.

ACTION ITEMS

9. Fourth Public Hearing Regarding the Proposal to Establish District Boundaries for District-Based Elections.

President Wurm opened the public hearing for the proposal to establish District boundaries for district-based elections at 6:39 p.m. Ms. Field gave a statement as to the proper noticing of the public hearing and that the draft maps were made available on the District's website on February 2, 2018. Ms. Field stated the Board was conducting the public hearing for the proposal to establish district boundaries for district-based elections and to receive any additional input regarding the proposed Lake Arrowhead Community Services District Map and the switch from an at-large to a district-based election system. Ms. Cerri remarked that this was the last opportunity for public input on the proposed district maps and noted that at the February 12, 2018 Board Meeting the proposed map was the LACSD "Orange" Map. There was no public input. President Wurm closed the public hearing at 6:39 p.m.

10. Public Hearing to Consider Adopting Resolution No. 2018-01 to Establish a District-Based Election System, Defining District Boundaries and Scheduling Elections Within the Districts.

President Wurm opened the public hearing at 6:40 p.m. to consider adopting Resolution No. 2018-01 to establish district-based election system, defining district boundaries and scheduling elections within the districts. Ms. Field gave a statement to the proper noticing of the public hearing and stated that the drafts maps were made available on the District's website on February 2, 2018. Ms. Field further stated that the Board was conducting the public hearing to receive any additional input regarding the proposed Lake Arrowhead Community Services District (LACSD) Map and the switch from an at-large to a district-based election system. Ms. Cerri reported that the item before the Board for consideration was the adoption of the LACSD District "Orange" Map and the sequence of elections. Ms. Cerri informed the Board that District staff contacted the Registrar of Voters to get the fiscal impact for the 2018 election but the finance department was still working on the 2018 election costs. Ms. Cerri pointed out that in 2017 the Board approved to switch from odd-year election to even-year election and this might lower the cost, as well as if a candidate runs unopposed there would not be an election, and it was possible that district-based elections could cost more. There was no public input. President Wurm closed the public hearing at 6:42 p.m. Ms. Cerri responded to questions from Board members regarding boundary changes. Mr. Byrne clarified that the district-based election system would start in November 2018, and that the discussion for Board consideration was on the LACSD "Orange" Map.

Following Board consideration, Director Keefe **MOVED** and Director O'Brien **SECONDED** to adopt Resolution No. 2018-01 adopting the District "Orange" Map as a

guidebook establishing the district-based election system, defining district boundaries and scheduling elections within the districts.

Ms. Field took a roll call vote as follows:

CARRIED: **AYES:** **Boydston, Keefe, O'Brien, and Wurm**
 NOES: **None**
 ABSTAIN: **None**
 ABSENT: **Gross**

11. Consider Budget with Arrowhead Lake Association for Fiscal Year 2018/2019 Joint Lake Operations Costs.

Ms. Cerri presented the Fiscal Year 2018/2019 Budget with Arrowhead Lake Association for Joint Lake Operation Costs in the amount of \$52,442. Ms. Cerri stated per the Memorandum of Understanding the agencies were required to work together on the budget. Ms. Cerri pointed out that this item was not an authorization for expenditures and there would be no cost sharing on projects that did not comply with public contract law. The expenditures will be brought back to the Board next year.

Following Board consideration, Vice President Boydston **MOVED** and Director Keefe **SECONDED** to approve the Fiscal Year 2018/2019 Cost Sharing Budget in the amount of \$52,442 for watershed activities with Arrowhead Lake Association in compliance with the 2007 Agreement Regarding Protection of Beneficial Uses of Lake Arrowhead and related Memorandum of Understanding.

CARRIED: **AYES:** **Boydston, Keefe, O'Brien, and Wurm**
 NOES: **None**
 ABSTAIN: **None**
 ABSENT: **Gross**

12. Consider Nominations for the Positions of Regular Special District and Alternate Special District Members on the Local Agency Formation Commission (LAFCO).

Ms. Cerri explained that this was the opportunity to nominate a Board member for the positions of Regular Special District and Alternate Special District Members on the Local Agency Formation Commission. Mr. Byrne went over composition and function of LAFCO. There was a brief discussion. Director O'Brien declined the nomination for the Alternate Special District Member made by Director Keefe.

Following Board consideration, Director Keefe **MOVED** and Director O'Brien **SECONDED** to nominate Steve Boydston for the position of Regular Special District member.

CARRIED: **AYES:** **Boydston, Keefe, O'Brien, and Wurm**

NOES: None
ABSTAIN: None
ABSENT: Gross

13. Consider Nominations for the Positions of Regular and Alternate Special District Members on the Countywide Oversight Board for Redevelopment.

Ms. Cerri presented the recommendation to consider nominations for the positions of Regular and Alternate Special District Members on the Countywide Oversight Board for Redevelopment. There were no nominations. No action was taken on this item.

14. Consider Allocation of Mojave Basin Votes for Subarea Advisory Committee.

Ms. Cerri presented the recommendation to consider the allocation of the Mojave Basin votes for the Subarea Advisory Committee of the adjudicated Mojave Water Basin to Bobby Boytor.

Following Board consideration, Director Keefe **MOVED** and Vice President Boydston **SECONDED** to allocate 3,290 Mojave Basin votes for the Subarea Advisory Committee of the adjudicated Mojave River Water Basin to Bobby Boytor.

CARRIED: AYES: Boydston, Keefe, O'Brien, and Wurm
NOES: None
ABSTAIN: None
ABSENT: Gross

15. Consider Approving the Purchase of Replacement Parts Necessary for the Bernina Water Treatment Plant Adsorption Clarifiers.

Mr. Lippert stated for Board's consideration was the approval for the purchase of parts for the Bernina Water Treatment Plant adsorption clarifiers. Mr. Lippert informed the Board while North Bay Intake Pump Station was offline, staff took the opportunity to perform maintenance activities at the Bernina Water Treatment Plant. During the maintenance staff found parts that needed to be replaced. Mr. Lippert noted that the adsorption clarifiers have been in service for approximately 30 years, were proprietary in nature, and this was an unbudgeted item.

Following Board consideration, Director Keefe **MOVED** and Director O'Brien **SECONDED** to approve the purchase of eight media retention screens and four magnesium anodes for the Bernina adsorption clarifiers at the Bernina Water Treatment Plant.

CARRIED: AYES: Boydston, Keefe, O'Brien, and Wurm
NOES: None

ABSTAIN: None
ABSENT: Gross

BOARD MEMBER MEETINGS

No Board members requested to attend a meeting.

BOARD MEMBER COMMENTS

There were no Board member comments.

CLOSED SESSION

The Board, Mr. Byrne, and Ms. Cerri went into the Closed Session at approximately 7:00 p.m. to discuss Items 1-4.

- 1. Conference with Labor Negotiators.**
Pursuant to Government Section 54957.6
Agency Designated Representatives: Catherine Cerri, General Manager, and Joseph Byrne, General Counsel
Employee Organization: Utility Workers' Union of America, Local 557
- 2. Conference with Labor Negotiators.**
Pursuant to Government Section 54957.6
Agency Designated Representatives: Catherine Cerri, General Manager, and Joseph Byrne, General Counsel
Employee Organization: Managers, Supervisors and Confidential Employees Unit
- 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
- 4. Conference with Legal Counsel-Anticipated Litigation.**
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (One case)

OPEN SESSION

The Board came out of Closed Session at 8:00 p.m. Mr. Byrne announced that no reportable action was taken during the Closed Session.

ADJOURNMENT

Director Keefe **MOVED** and Vice President Boydston **SECONDED** to Adjourn the meeting. The meeting was Adjourned at approximately 8:01 p.m.

CARRIED: **AYES:** **Boydston, Keefe, O'Brien, and Wurm**
 NOES: **None**
 ABSTAIN: **None**
 ABSENT: **Gross**

Kathleen Field
Kathleen Field, Board Secretary