

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

DATE: February 26, 2019  
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  
Robert Morris, Director  
John Wurm, President

***Board Members Absent:***  
Ryan Gross, Director  
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  
Aida Hercules-Dodaro, District Engineer  
John O'Brien, Finance Manager  
Matt O'Kelly, Operations Supervisor  
Natalie Potter, Human Resources Manager  
Elizabeth Wells, Customer Service Supervisor  
Michael Stephens, SGH Architects  
Members of the Public - 1

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. 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 26, 2019 Regular Board Meeting agenda as presented.

## PUBLIC COMMENT

There was no Public Comment.

## CONSENT CALENDAR

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

### **1. Approval of Meeting Minutes.**

January 22, 2019 Regular Board Meeting Minutes

### **2. Consider Accepting the Water Stations Paving-Seal Coating Project No. 184 as Complete.**

Vice President Boydston **MOVED** and Director Morris **SECONDED** to approve Consent Calendar Items 1- 2 as presented.

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

## INFORMATION AND DISCUSSION ITEMS

### **3. Departmental Reports.**

a. Finance Manager's Fiscal Year 2018-19 Financial Statements and Cash and Investment Report for the Quarter Ended December 31, 2018.

b. Operations Manager's Report

Mr. O'Brien referred to the Finance Manager's Report provided in the agenda packet and commented that the District continues to operate in a strong financial position.

Mr. O'Brien pointed out that operating revenues as of December 31, 2018, was \$220,000 or 3% over budget while overall operating expenses were 8% below budget

for the same period. Interest rates continue to climb and is good news for the District's investment portfolio. The vast majority of the District's investment portfolio was required to be invested in debt instruments that pay interest based on current interest rates. Mr. O'Brien responded to questions. Mr. Brooks referred to the Operations Manager's Report that was distributed in the agenda packet. Mr. Brooks pointed out the precipitation totals within the District ranged from 23"—25" February 1 – 19, 2019. Due to the rainfall received in a short amount of time, and heavy rainfall on top of existing snow pack the wastewater system was stressed to the maximum. Two separate "controlled discharges" occurred from the Grass Valley Wastewater Treatment Plant (GVWWTP), one uncontrolled "spill" from GVWWTP, and two Category 1 Sanitary Sewer Overflows (SSO) within the collection systems. The incidents were reported to the California Office of Emergency Services and Lahontan Regional Water Quality Control Board as required. District Staff was still in the process of gathering data and information as a result of the storm event incidents. Mr. Brooks referred to a series of pictures and explained in detail the incidences, staff response, and resolution to potential issues created by storm events in the future. Mr. Brooks stated that staff worked 24 hours during the storm events. Staff responded to a series of questions regarding the uncontrolled spill and the Category 1 SSOs. Ms. Cerri referred to an email included in the correspondence packet from a customer who had an SSO. The email acknowledged Staffs outstanding efforts. Ms. Cerri and Board members also acknowledged the efforts of staff. Vice President Boydston suggested that District staff efforts during the storm events be recognized by the District. Mr. Brooks commented on flooding at the North Bay Pump Station, noting that the Bernina Water Treatment Plant was ready to be put back on-line as soon as the flooding issue at the North Bay Intake Pump Station was resolved. Ms. Hercules-Dorado went over the details regarding flooding and potential solutions.

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

Ms. Hercules-Dorado referred to the Board memorandum on the yearly review of Ordinance No. 65, Water Connection Policy and reviewed the same. Staff did not recommend any changes to Ordinance No. 65.

**5. General Manager's Report.**

Ms. Cerri informed the Board that California Special Districts Association (CSDA) Board of Directors was calling for nominations for the CSDA Board of Directors. Ms. Cerri asked that any director interested on being on the CSDA Board to let her know. Ms. Cerri stated that she would like to submit a letter of support for Assembly Bill 510 being sponsored by CSDA. The Assembly Bill would modernize records retention policies for video monitoring recording. Currently the video monitoring records are retained for one year and the District had to purchase a server to manage that much data. No objections were heard from the Board. Ms. Cerri in response to a Water Tax question responded that the bill died. Mr. Byrne commented that the

Water Tax Bill died but felt that the Water Tax Bill would be resurrected. President Wurm asked to be updated on the Water Tax Bill.

### **ACTION ITEMS**

**6. Consider Approving Additional Appropriation of Funds for the District Corporation Yard, Project No. 177.**

Mr. Stephens from SGH Architects went over in detail the schematic design and the schematic phase for the corporate yard. Ms. Cerri referred to the LACSD Corporation Yard budget estimate in the agenda packet and reviewed the same. Mr. Stephens and staff responded to a series of questions posed by the Board members. Discussion continued. District staff was asked to bring back additional information on annual operations, maintenance costs, and building alternatives. SGH will provide an energy analysis.

Vice President Boydston **MOVED** to approve the additional appropriation of funds for the District Corporation Yard, Project No. 177. The motioned failed due to lack of second.

**7. Consider Approving a (3) Three-Year Renewal Contract with Dropcountr.**

Ms. Wells presented the recommendation to consider a three -year renewal contract with Dropcountr. Ms. Wells reported that the District elected to purchase a Pilot Program with Dropcountr in 2015. The contract had been renewed annually and the contract would expire February 2019. Ms. Wells went over the background information, fiscal impact, and the app capabilities.

Following Board consideration, Director Morris **MOVED** and Vice President Boydston **SECONDED** to approve a (3) Three-Year Renewal Contract with Dropcountr for \$52,500.00.

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

**8. Consider Approving First Amendment to Professional Services Agreement to Van Lant & Fankhanel, LLP for Financial Auditing Services.**

Mr. O'Brien presented the recommendation to approve a first amendment to the professional services agreement to Van Lant & Fankhanel, LLP for financial auditing services. Mr. O'Brien reported that the District was required to have an annual audit performed each year in accordance with the government auditing standards. The

fiscal impact would be \$20,500 for each of the Fiscal years 2018-2019 and 2019-2020.

Following Board consideration, Director Morris **MOVED** and Vice President Boydston **SECONDED** to approve the First Amendment to Professional Services Agreement to Van Lant & Fankhanel, LLP to extend financial auditing services for fiscal years 2018/2019 and 2019/2020.

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

### **BOARD MEMBER MEETINGS**

No Board members requested to attend any meeting.

### **BOARD MEMBER COMMENTS**

There were no Board member comments.

### **CLOSED SESSION**

The Board, Mr. Byrne, and Ms. Cerri went into Closed Session at 7:29 p.m. to discuss items 1-2.

- 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. CIVDS160201
- 2. Conference with Legal Counsel – Anticipated Litigation.**  
Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code section 54956.9: (One case)

### **OPEN SESSION**

The Board came out of Closed Session at approximately 7:55 p.m. Mr. Byrne announced that there were no reportable actions taken in the Closed Session.

**ADJOURNMENT**

President Wurm **MOVED** and Vice President Boydston **SECONDED** to adjourn the meeting. The meeting adjourned at approximately 7:56 p.m.

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

Kathleen Field  
Kathleen Field, Board Secretary