

LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS

DATE: September 24, 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
Ryan Gross, Director
Steve Keefe, Director
Robert Morris, Director
John Wurm, President

Board Members Absent:
None

Others Present:
Catherine Cerri, General Manager
Joseph Byrne, General Counsel
Mike Blackwood, Field Operations Manager
Matt Brooks, Operations Manager
Tony Carricaburu, Mechanical Maintenance Supervisor
Kathleen Field, Board Secretary
John O'Brien, Finance Manager
Matt O'Kelly, Operations Supervisor
Natalie Potter, Human Resources Manager
Elizabeth Wells, Customer Service Supervisor
BNC Consultants
Members of the Public -26

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 September 24, 2019 Regular Board Meeting agenda as presented.

PUBLIC COMMENT

There was no Public Comment.

SPECIAL RECOGNITION

1. Recognition of the Water Conservation Calendar Contest Winners.

Ms. Wells stated that the theme for the calendars was vision 2020 and there were 46 entries. Lake Arrowhead Community Services District staff selected the contest winners and were judged on the message of the water conservation, creativity, originality, neatness, and artistic ability. Ms. Wells introduced the contest winners and they were presented their award certificates and gift bags.

CONSENT CALENDAR

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

2. Approval of Meeting Minutes.

August 13, 2019 Regular Board Meeting Minutes

August 27, 2019 Special Board Meeting Minutes

3. Consider Declaration of Eight (8) Fleet Vehicles as Surplus Equipment, and Plan for Disposal of Surplus Equipment.

Director Gross MOVED and Director Keefe SECONDED to approve Consent Calendar Items 2-3 as presented.

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

INFORMATION AND DISCUSSION ITEMS

4. Departmental Reports.

- a. District Engineer's Update on the District Corporation Yard Project No. 177**
- b. Finance Manager's Report – Preliminary Fiscal Year 2018-19 Financial Results**
- c. Human Resources Manager's Report - Update on the District's 2020 Employee Benefits Package**
- d. Operations Manager's Report**

The General Manager and Department Managers went over their reports that were distributed in the agenda packet and responded to questions posed by Board members.

5. CalPERS Pension Unfunded Accrued Liability (UAL) Options.

Mr. O'Brien stated that the Board requested that additional scenarios on how the District could handle the Unfunded Actuarial Liability (UAL) be provided and went over the background information on the UAL. Mr. O'Brien's presentation covered three pension analysis scenarios which were the current schedule, a single lump sum contribution, and a five-year schedule. He also presented future trends that could affect the UAL. Mr. O'Brien's recommendation to the Board was option 3, making five annual payments of approximately \$1,700,000.00 each, maintaining flexibility, and saving the District approximately \$13,680,000.00 in interest over the projected 25-year life of the UAL. Board members posed a series of questions and Mr. O'Brien responded to the questions. Mr. O'Brien asked the Board for direction and the Board requested that option 3 be brought back for their consideration.

6. General Manager's Report.

Ms. Cerri did not have additional information to add to the General Manager's Report that was distributed in the agenda packet.

ACTION ITEMS

7. Consider Approving a Contract Amendment No. 1 for Additional Architectural and Engineering Services with SGH Architects.

Ms. Cerri reported that there had been some adjustments and changes to the District's Corp Yard design including additional reporting on the cost analysis. None of the

additional architectural and engineering services were in the original Request for Proposal. SGH Architectural was asking for an amendment to the contract in the amount of \$75,000.00 to cover the costs for the changes. Ms. Cerri responded to questions.

Following Board consideration, Director Keefe **MOVED** and Director Morris **SECONDED** to approve Amendment No. 1 to the contract with SGH Architects.

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

8. Consider Approval of Build Out Costs to Frontier Communications to Install Fiber Optic Cable for Communications at Grass Valley Wastewater Treatment Plant.

Ms. Cerri reported that the communications at the Grass Valley Wastewater Treatment Plant were inconsistent and unreliable. Prior quotes from other providers, including Spectrum had been much higher. Ms. Cerri received a revised quote from Frontier Communications noting the cost difference was \$32,000.00. The new quote cost was \$98,000.00, and not budgeted. Ms. Cerri responded to a series of questions posed by Board members regarding what specific services would be provided. Director Keefe motioned to approve up to not to exceed \$100,000.00 on this particular project subject to Best Best & Krieger approving the contract. Subsequently Mr. Keefe withdrew the motion. Board members suggested that a contract be brought back stipulating the specific services being provided by Frontier.

9. Consider Approval of Contract with Zenner Stealth Meter Interface Unit Replacement Project No. 0221.

Ms. Wells presented the recommendation for the purchase of 3,407 Zenner Stealth Meter Interface Units to replace the Datamatic Fireflies that were no longer under warranty. Ms. Wells reported that the meter interface units needed to be replaced before they failed and valuable data was lost. Ms. Wells responded to questions.

Following Board consideration, Director Morris **MOVED** and Director Keefe **SECONDED** to approve the purchase of 3,407 Zenner Stealth Meter Interface Units to replace the Datamatic Fireflies that are no longer under warranty.

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

10. Consider a Contract with BNC Construction, Inc. for the Grass Valley Wastewater Treatment Plant Operations Building Upgrade Project No. 201.

Mr. Brooks presented the recommendation to award a construction contract for the Grass Valley Wastewater Treatment Plant Operations Building Upgrade Project No. 201 to BNC Construction. Mr. Brooks reported that the Operations building at the Grass Valley Wastewater Treatment Plant Facility was more than 30 years old and needed updating. Mr. Brooks went over the scope of the project. Mr. Brooks pointed out that the fiscal impact would be \$188,560.00 noting that the total amount budgeted for was \$300,000.00; however, the project would be completed in two separate phases. The phase presented accomplishes over 50% of the original scope. Mr. Brooks responded to questions and introduced two representatives from BNC Construction remarking that they could answer any questions that the Board might have.

Following Board consideration, Director Keefe **MOVED** and Director Gross **SECONDED** to award a construction contract for the Grass Valley Wastewater Treatment Plant Operations Building Upgrade Project No. 201 to BNC Construction for their low responsive and responsible bid of \$188,560.00 and authorize the General Manager to execute the contract with BNC Construction and approve change orders for the Project during the course of construction as required, not to exceed 15% of the original construction contract amount.

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

11. Consider Approving Purchase of Two (2) New Fleet Vehicles.

Mr. Brooks stated, for Board consideration, was the purchase of two new fleet vehicles. There were no questions on the purchase of the two new fleet vehicles as described in the Board memorandum that was distributed in the agenda packet.

Following Board consideration, Director Keefe **MOVED** and Director Morris **SECONDED** to approve to buy the two trucks.

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

BOARD MEMBER MEETINGS

No Board members requested to attend any meeting.

BOARD MEMBER COMMENTS

There were no Board member comments.

CLOSED SESSION

The Board, Ms. Cerri and Mr. Byrne went into Closed Session at 6:29 p.m. to discuss items 1-3.

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: (Two cases)

3. **Conference with Real Property Negotiators.**
Property: APN 0345-133-20
Agency negotiator: Catherine Cerri, General Manager
Negotiating parties: Billie Hendrixson and Sam Drake
Under negotiation: Price and terms of payment

OPEN SESSION

The Board came out of Closed Session at approximately 6:52 p.m. Mr. Byrne announced that the Board gave direction by unanimous vote to initiate litigation on one matter and that additional information, upon inquiry, be disclosed after the litigation formally commences.

ADJOURNMENT

Director Keefe **MOVED** and Director Gross **SECONDED** to adjourn the meeting.
The meeting adjourned at approximately 6:53 p.m.

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

ABSTAIN: None
ABSENT: None

Kathleen Field
Kathleen Field, Board Secretary