

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

DATE: September 28, 2021

TIME: 5:30 p.m.

PLACE: Via Teleconference
<https://global.gotomeeting.com/join/732179141>
+1 (872) 240-3311 access code 732-179-141

LACSD Board Room
27307 State Hwy. 189, Suite 104
Blue Jay, CA 92317

ATTENDANCE: ***Board Members Present:***
Steve Boydston, Vice President
Steve Keefe, Director
Robert Morris, Director, joined at 5:33 p.m.
John Wurm, President

Board Members Absent:
Ryan Gross, Director

Others Present:
Catherine Cerri, General Manager
Joseph Byrne, General Counsel
Lindsay Puckett, Special Counsel
Mike Blackwood, Field Operations Manager
Matt Brooks, Operations Manager
Kathleen Field, Board Secretary
Marc Lippert, Public Programs Supervisor
John O'Brien, Finance Manager
Natalie Potter, Human Resources Manager
Scott Schroder, Engineering Manager
Members of the Public – None

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.

AGENDA POSTING CERTIFICATION

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 28, 2021, Regular Board Meeting agenda as presented.

PUBLIC COMMENT

No written or oral public comments were received.

AWARD PRESENTATION

President Wurm presented the Government Finance Officers Association’s (GFOA) Distinguished Budget Presentation Award to Mr. O’Brien.

CONSENT CALENDAR

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

1. Approval of Meeting Minutes.

August 24, 2021 Regular Board Meeting Minutes

Director Keefe **MOVED** and Vice President Boydston **SECONDED** to approve the August 24, 2021, regular Board meeting minutes as presented.

Ms. Field took a roll call vote as follows:

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

INFORMATION AND DISCUSSION ITEMS

2. Departmental Reports.

a. Update on the District Corporate Yard, Project No. 177

Ms. Cerri reported that she received notice today from the County Planning Commission that the District Corporate Yard Project will be on the County Planning Commission's October 7, 2021, agenda. She has not received any opposition to the project and feels that it will pass; adding Mr. Thornton would like to start the project right away.

b. Operations Manager's Report

Mr. Brooks reported that water consumption, lake draw, wells to system, and CLAWA water purchase were all similar to last year. Starting on October 1, 2021, the District will purchase approximately 140 – 150 acre feet of CLAWA II water, reserving some water for the Spyglass Project. At year-end 2020, 1275 acre feet of water was withdrawn from the Lake. If everything ends similar to last year, after subtracting the 150 acre feet of CLAWA II water, he was anticipating 1125 acre feet of Lake withdrawal, leaving a portion of the water allotment in the Lake for Lake level. Mr. Brooks responded to questions regarding water usage during 2019. Mr. Brooks also stated that staff was waiting to hear back from the contractor regarding Groundwater Well No. 2. Mr. Schroder provided an update on the Blue Jay Groundwater Well, stating that the geohydrologist reported that they drilled down to 420 feet, and there were additional issues with equipment breaking. However, the project was back up and running. Ms. Cerri added, the first pump test, the fracture was up to 35 mpg, and since then, they have found two more fractures.

3. District Education Video Presentation.

Mr. O'Brien stated in the past; we had the calendar contest to increase awareness on water conservation. Due to the lack of response due to Covid-19, the calendar contests did not happen. The funds were re-deployed to a still image educational video. He commented that he and Mr. Lippert came up with the whiteboard video to accomplish the same message and answer ratepayer questions. Mr. Lippert stated that one of the challenges is the numerous time-consuming phone calls that Customer Service receives from part-time homeowners. A typical question, for example, was why the fixed fees are so much. He added the video might be a good tool for Customer Service to use in answering questions. Mr. Lippert expressed appreciation to Steve Keefe, who provided some drone photos and video.

4. General Manager's Report.

Ms. Cerri commented that the water usage decrease in August might be attributed to the Governor's Order to reduce consumption by 15% and might be claimed for water conservation. Lake level was more than six feet low, long-term projections from the State Water Board show a wet December, and January through March 2022 look dry.

ACTION ITEMS

5. Consider Approving CalPERS Pension Unfunded Accrued Liability Funding Option.

Mr. O'Brien stated that the Unfunded Accrued Liability (UAL) represents the difference between historical projected returns from investments within the District's pension plan versus the actual return on investments. In September of 2019, the Board reviewed and considered several options for paying down the District's UAL. The District decided to make five annual payments of \$1.7 million to pay down the outstanding liability and save a projected \$13,680.00 in interest. Mr. O'Brien pointed out several broader economic matters that appeared since the last payment, which included economic consequences related to the Covid-19 virus, a slight uptick in payment delinquencies offset by an increase in consumption, and rising costs. CalPERS fiscal year 2020-21 investment returns were in excess of its stated discount rate of 7%, the discount rate applied to future calculations will be reduced by .20%. The District can expect to be required to fund a slightly higher contribution rate in the fiscal year 2022-23. The recommendation was to approve a single lump sum payment of \$1,700,000.00 towards the District's CalPERS Pension UAL to be disbursed as soon as administratively possible. Mr. O'Brien responded to questions.

Director Morris **MOVED** and Vice President Boydston **SECONDED** to approve a single lump-sum payment of \$1,700,000.00 towards the District's CalPERS Pension Unfunded Accrued Liability.

Ms. Field took a roll call vote as follows:

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

6. Consider Approving the Purchase of One New Replacement Pump for Lift Station #7.

Mr. Brooks reported that Lift Station #7 was located on the shore of Lake Arrowhead and pumps wastewater from the Lake Arrowhead Basin to the Willow Creek Wastewater Treatment Plant. This lift station is one of the District's higher volume lift stations and will often use two and sometimes all three duty pumps during periods of heavy demand and or storm surcharges. The pump has sustained internal damage to the electric motor and was put out of service indefinitely. District staff will be installing the replacement submersible pump. The recommendation was to approve the purchase of one new HOMA replacement pump at a cost of \$24,984.34 freight and tax included, from Multi W Systems, Inc. He added that the replacement pump was an unbudgeted item. Mr. Brooks responded to questions.

Director Keefe **MOVED** and Vice President Boydston **SECONDED** to approve the purchase of one new HOMA replacement pump at a cost of \$24,984.35 freight and tax included, from Multi W Systems, Inc.

Ms. Field took a roll call vote as follows:

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

7. Consider Approving the Purchase of One New 150kw Diesel Generator for the Corporation Yard and One New 200kw Diesel Generator for North Bay Intakes.

Mr. Brooks commented that funds for the generators were from the Cal OES Community Power Resiliency Allocation to Special District Program Grant for \$300,000.00 that Ms. Cerri applied for and received. The grant money can be used for generators, generator supplies, and radio communications. The recommendation was to purchase two generators; one for the future Corporation Yard and one for the North Bay Intakes or Bernina Water Treatment Plant. The fiscal impact would be \$163,725.44 freight, tax, and AQMD permit included for both generators, leaving a balance of approximately \$133,000.00 to purchase handheld radios, mobile radios, and repeaters. The grant funds must be expended by March 31, 2022.

Director Keefe **MOVED** and Vice President Boydston **SECONDED** to approve the purchase of one new stationary 150kW diesel generator for the Corporation Yard at a cost of \$46,007.71 and one new trailer mounted 200kW diesel generator to be used at North Bay Intakes or Bernina Water Treatment Plant at a cost of \$117,717.73 freight, tax and AQMD Permit included, from Quinn Power Systems through Sourcewell.

Ms. Field took a roll call vote as follows:

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

8. Consider Voting for the Association of California Water Agencies (ACWA) Region 9 Board of Directors.

Ms. Cerri reported that the vote was for the ACWA Region 9 Board of Directors by either voting for individual candidates or the Nominating Committee's recommended slate. The recommendation to the Board was to vote for the Nominating Committee's recommended slate. Ms. Cerri responded to questions.

Director Keefe **MOVED** and Vice President Boydston **SECONDED** to vote for the ACWA Region 9 Board of Directors in concurrence with the Nomination Committee's recommended slate.

Ms. Field took a roll call vote as follows:

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

9. Consider Adoption of Resolution No. 2021-11 to Continue Virtual Meetings Pursuant to AB 361.

Mr. Byrne reported that there has been an Executive Order in place during the pandemic that essentially suspends certain provisions of the Brown Act, allowing legislative bodies to meet virtually. Mainly, AB 361 allows board members to participate remotely without posting their location or allowing the public to access the location they're participating from, which would be required under normal Brown Act conditions. The Executive Order expires on September 30, 2021. Assembly Bill 361 goes into effect on October 1, 2021, and this essentially allows the District to make a decision if they want to have virtual meetings under certain conditions. There are three parts to be met: (1) A declared state of emergency and, (2) state and local officials have imposed or recommend measures to promote social distancing, and (3) meeting in person would present imminent risks to the health and safety of attendees. The decision before the Board is a resolution making these findings as of October 1, 2021, and would allow the first meeting in October to be held virtually. Pursuant to the law, every 30 days the Board would reconsider their position or reaffirm the resolution. He emphasized that this is only possible during a declared state of emergency. In response to a question, he stated that this could be placed on the consent calendar at future meetings.

Director Keefe **MOVED** and Vice President Boydston **SECONDED** to adopt Resolution No. 2021-11 to continue remote meetings in October based upon the continued state of emergency for COVID-19 and find that (1) state and local officials have imposed or recommend measures to promote social distancing; and (2) meeting in person would present imminent risks to the health and safety of attendees.

Ms. Field took a roll call vote as follows:

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

BOARD MEMBER MEETINGS

No Board members requested to attend any meetings.

BOARD MEMBER COMMENTS

There were no Board member comments.

CLOSED SESSION

Immediately following the announcement of the closed session, President Wurm announced that he would be recusing himself from item 4, stating that he represented Arrowhead Woods Architectural Committee, Inc. as their attorney. The Board, Ms. Cerri, Mr. Byrne, Ms. Field, and Ms. Puckett went into the Closed Session to discuss items 1-4 at 6:07 p.m.

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. CIVIDS2019176

Ms. Puckett departed the closed session at approximately 6:37 p.m. and Ms. Field departed the closed session at approximately 6:38 p.m.

2. Public Employee Performance Evaluation

Title: General Manager

Ms. Cerri departed the closed session at approximately 6:45 p.m.

3. Conference with Labor Negotiators

Agency Designated Representative: Joseph Byrne, General Counsel

Unrepresented Employee: General Manager

Ms. Cerri and Ms. Field returned to the closed session at approximately 7:00 p.m. President Wurm departed the meeting at approximately 7:01 p.m.

Conference with Real Property Negotiators

Property: Groundwater in Connection with Properties in Arrowhead Woods

Agency Negotiators: Catherine Cerri, General Manager

Negotiating Parties: Arrowhead Woods Architectural Committee, Inc.

Under Negotiation: Price and terms of payment

OPEN SESSION

The Board came out of Closed Session at approximately 7:13 p.m. Mr. Byrne announced that there were no reportable actions taken in Closed Session pursuant to the Brown Act. President Wurm returned to the meeting at approximately 7:14 p.m.

ACTION ITEM

10. Consider Amendment to General Manager Employment Agreement.

Mr. Wurm announced the consensus of the Board was to give a retroactive raise to the General Manager of an additional three percent retroactive to January 1, 2021, through December 31, 2021, and effective January 1, 2021, for a total increase for 2021 of 3.6 percent.

Director Keefe **MOVED** and Vice President Boydston **SECONDED** to give a retroactive raise to the General Manager of an additional three percent retroactive to January 1, 2021, through December 31, 2021, and effective January 1, 2021, for a total increase for 2021 of 3.6 percent.


Ms. Field took a roll call vote as follows:

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

ADJOURNMENT

Director Keefe **MOVED** and Vice President Boydston **SECONDED** to adjourn the meeting. The meeting was adjourned at approximately 7:17 p.m.

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



Kathleen Field, Board Secretary