


LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT

M E M O R A N D U M

DATE: NOVEMBER 12, 2019

TO: BOARD OF DIRECTORS
Lake Arrowhead Community Services District

FROM: 
CATHERINE CERRI, General Manager

SUBJECT: GENERAL MANAGER'S REPORT

A. RECOMMENDATION

This is an information item only.

B. REASON FOR RECOMMENDATION

This is an information item only.

C. BACKGROUND INFORMATION

Strategic Plan Scorecard Fiscal Year 2018-2019

In Fiscal Year 2018/2019, the District made some great improvements and had some challenges as well. The attached Strategic Plan Scorecard illustrates the progress made on some of the most important initiatives.

Public Health & Safety

There were no drinking water concerns in FY 2018/2019. All lead and copper results were below the action level. Testing was conducted at the local public schools for the first time this year. A corrosion control study is being conducted to determine the ideal corrosion inhibitor for our system and water profiles.

Throughout the year, staff responded within one hour to all emergencies. Unfortunately, there were some wastewater discharges, mostly due to heavy weather.

Regulatory Compliance

The District has been able to stay within state mandated water withdrawal constraints due to lower demand. There were some wastewater effluent violations throughout the year which is why staff are working with Dudek to create a plan to

improve the treatment process. Indoor water conservation and lower flows have exasperated this problem.

While the wastewater plant did have controlled discharges this year, the volume entering the plant never exceeded the I&I CDO standards. The District will need to be able to demonstrate compliance under a 100-year storm scenario and is working to evaluate the actual capacity of the outfall line.

Fiscal Management

The District has continued to maintain strong financial results with some of the best debt ratios in the industry according to benchmarking from AWWA. With the Board's help, the District has been able to avoid additional debt and still replace aging infrastructure. This has resulted in a debt service coverage ratio (net operating income/debt service) of 6.63 which is well above the national 75th percentile of 3.38. Controllable operating expenses for FY 2018/2019 were maintained at 2% over the prior year. Current efficiency projects include converting the payroll system into Caselle to reduce processing costs. In addition, a plan has been put in place to manage the District's pension liability.

Certain projects such as the North Bay Pump Station and the Grass Valley Step Screen were finally completed after long delays. Including these two projects, the CIP budget was exceeded by 13% for the year. The five-year average met the goal of replacing assets in an amount equal to depreciation plus 10%.

Resources & Environmental Management

The District is making the best use of the water that is withdrawn from Lake Arrowhead by staying within the withdrawal limit of 1,566 acre-feet per year while limiting consumption and reducing non-revenue water. To add to its water supply, the District is starting the design process for the first singular groundwater well at the Blue Jay Administration Building. This will be a good test case to determine if this type of water source will be cost effective. Also, the District made great strides in the improvement of its Infrastructure Leak Index due to improved metering of distribution water. The District is also working on two studies to determine the best use of the District's treated wastewater. Additionally, efforts to offset electricity costs with a renewable energy project are ongoing.

Customer Service & Organization Development

The District continues to receive multiple commendations for its excellent customer service in the office and in the field. All of the staff believe that we are providing a public service to our community in whatever capacity we are working. We are striving to keep the public educated about our initiatives through newsletters and social media. We are also reducing the potential for sewer blockages through proactive maintenance. These efforts and attitudes maintain a positive, fulfilling work environment that results in higher retention and lower workplace accidents.

Lake Update

The level of Lake Arrowhead is approximately 2.7 feet below full. The last time the lake level was this high on the first of November was in 2011. This time last year, the lake was almost 10 feet low. With normal precipitation, the lake could be full by mid-February. This is assuming 1.4” of lake level for every 1” of rain. This ratio can change depending on the intensity of the rainfall and ground saturation.

The next board meeting is scheduled for December 10, 2019.

D. FISCAL INFORMATION

This is an information item only.

E. ENVIRONMENTAL IMPACTS

This is an information item only.

F. ATTACHMENTS

Fiscal Year 2018/2019 Strategic Plan Scorecard

FY 2019

Priorities and Goals	Status	Comment
A. Public Health & Safety		
1. Maintain 100% drinking water compliance.		
2. Maintain one-hour response to disasters and system emergencies.		
3. Achieve zero wastewater plant spills.		Heavy weather
4. Maintain <3 Category 1 overflows in wastewater collection system per year.		2 Cat 1 SSO's
5. Ensure 1,500 GPM fire flow for any two-hour duration.		
B. Regulatory Compliance		
1. Achieve 100% compliance with SWRCB Order WR 2006-0001 (1,566 AF withdrawal limit).		Managing demand side
2. Achieve 100% compliance with wastewater effluent quality requirements.		Working with Dudek
3. Achieve 100% compliance with Regional Water Quality Control Board requirements for I&I, by 2026.		Currently in compliance
C. Fiscal Management		
1. Maintain rates that are equitable and support necessary operations, debt service, and approved capital projects.		
2. Ensure that all capital projects do not exceed 15% of CIP budget and 20% of planned duration.		
3. Ensure that costs are competitive with those of "like districts" or utilities.		
4. Increase workplace efficiencies to reduce costs.		IT projects
5. Ensure Pension Costs are manageable long-term.		Plan to pay down UAL
6. Increase non-operating revenue and grant opportunities.		Investment income
7. Replace aging infrastructure at a 5 year rolling average rate of depreciation +10% to avoid spikes.		FY 18/19 10.2%
D. Resources & Environmental Management		
1. Manage water demand and supply in compliance with SWRCB Order WR 2006-0001.		BJ well in process
2. Increase cost effective groundwater supply to 250 AF/yr by 2021, 400 AF/year by 2026.		0.68 in FY 18/19
3. Improve Leak Index to 1.25 by 2021.		Studies in progress
4. Achieve 100% beneficial use of District's treated wastewater, by 2025.		FY 18/19 lower than PY
5. Limit average annual increase in water demand to population growth + 1%.		Solar in progress
6. Initiate renewable energy projects to reduce costs.		
E. Customer Service		
1. Achieve and maintain 90% customer satisfaction.		Need to conduct survey
2. Reduce the potential for wastewater system blockages and in-home wastewater spills.		Proactive maintenance
3. Improve customer knowledge of District projects and programs.		Newsletter, social media
F. Organization Development		
1. Maintain a positive work environment that results in maximum employee contribution to District Goals.		
2. Maintain sufficient talent and expertise to accomplish District work.		
3. Achieve zero lost days due to workplace accidents, every quarter.		