

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

DATE: December 15, 2015

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, Director, arrived at 5:38 p.m.  
Steve Keefe, Director  
Bill Thompson, President  
John Wurm, Vice President

***Board Members Absent:***  
Ryan Gross, Director

***Others Present:***  
Leo Havener, General Manager  
Joseph Byrne, General Counsel  
Lindsay Puckett, General Counsel  
Matt Brooks, Operations Manager  
Catherine Cerri, Finance Manager  
Kathleen Field, Board Secretary  
Aida Hercules, District Engineer  
Natalie Potter, Human Resources Manager  
Mountain News  
Alpenhorn News  
Members of the Public - 2

The Meeting was called to Order at 5:30 p.m. by Bill Thompson, 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**

Mr. Byrne requested to add Closed Session Item Conference with Legal Counsel – Anticipated Litigation, Significant exposure to litigation pursuant to paragraph (2) of

subdivision (d) of Section 54956.9, one case. Mr. Bryne stated that the item came up subsequent to the posting of the agenda; requires immediate consideration and a vote of the Board to add the item to the agenda.

Director Keefe **MOVED** and Vice President Wurm **SECONDED** to add Closed Session Item Conference with Legal Counsel – Anticipated Litigation, significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9, one case.

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

### **PUBLIC COMMENT**

Public comment was heard from Al Vogler.

### **INFORMATION AND DISCUSSION ITEMS**

#### **1. Fiscal Year 2014/2015 Annual Financial Statement Audit Results.**

Mike Zizzi from Leaf & Cole, LLP Certified Public Accountants, stated that the financial statements were presented fairly in all material respects and conformed to the United States of America generally accepted accounting principles. The independent auditor's presentation covered the following:

- Report on Audited Financial Statements
- Management's Responsibility
- Auditor's Responsibility
- Auditor's Opinion
- Standards Followed
- Audit Procedures Performed
- Summarization of Comparative Information
- Management's Discussion and Analysis
- Required Supplementary Information
- Statement of Cash Flows
- Investment Income
- Long-Term Debt
- Capital Assets
- Operations
- Governmental Accounting Standards Board (GASB 68 and 71)

Mr. Zizzi responded to questions from the Board.

**CLOSED SESSION**

The Board, Mr. Havener, Ms. Hercules, Mr. Brooks, Mr. Byrne, and Ms. Puckett went into Closed Session at 5:52 p.m. to discuss Closed Session Item 1.

**1. Conference With Legal Counsel – Anticipated Litigation**

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 (1 case)

**OPEN SESSION**

The Board came out of Closed Session at 6:22 p.m. Mr. Byrne reported that there were no reportable actions taken in Closed Session.

**ACTION ITEMS**

**2. Consider Receiving and Filing the District Fiscal Year 2014/2015 Comprehensive Annual Financial Report.**

Ms. Cerri presented the recommendation to accept, file and authorize the distribution of the Comprehensive Annual Financial Report for fiscal year 2014/2015.

Following Board consideration, Director Boydston **MOVED** and Director Keefe **SECONDED** to receive and file the District Fiscal Year 2014/2015 Comprehensive Annual Financial Report.

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

**3. Consider Adopting Resolution No. 2015-14 Making Findings That (1) The Hesperia Farms Solar Photovoltaic Project Constitutes Electrical Generation Facilities and (2) There is no Feasible Alternative to the Project Location, Rendering City of Hesperia Zoning Ordinances Inapplicable Pursuant to Government Code Section 53096; Adopting Final Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program Under the California Environmental Quality Act; and Approving Project.**

- a) President Thompson opened the Public Hearing 6:24 p.m.
- b) Ms. Puckett made a statement as to the proper notification of the Public Hearing.

- c) Ms. Puckett made a statement as to the purpose of the Public Hearing.
- d) Ms. Hercules acknowledged and thanked the individuals involved with the solar project. Ms. Hercules presented the recommendation to adopt Resolution No. 2015-14.
- e) Ms. Hercules reported the District received timely written comments from Mojave Desert Air Quality Management District, and San Bernardino County Public Works Department and the District addressed the comments. A written letter was also received from the State Clearing House in the letter they stated that the District complied with all of the CEQA procedures. The District review process closed on December 7, 2015, however, the District received comments on December 14, 2015, from the City of Hesperia. Ms. Hercules stated that she responded by email to the author of the letter, but did not receive a response back. Ms. Hercules stated that the City of Hesperia in their letter mentioned that they did not receive the CEQA documents. Ms. Hercules advised the Board that District has proof of delivery that the CEQA documents were delivered to the City of Hesperia and also responded to the letter via email. Ms. Puckett stated that the two agencies that provided timely written comments received written notice of the hearing was provided to the agencies. The District just received late comments from the City of Hesperia, so they did not receive direct notice. Ms. Puckett added that the City of Hesperia and the District had a disagreement with the interpretation of the Government Code provision allowing the District to find that the solar project exempt from the City's zoning ordinances, specifically the solar ordinance. Ms. Puckett referred to the memorandum in the agenda packet. Ms. Puckett stated that staff in conjunction with Legal Counsel determined that the exemptions were supported, and there was factual support for the post findings that there is no feasible alternative for the project. There was no new issue raised under CEQA that would require recirculation of the Negative Declaration and all environmental effects have been analyzed, and comments were responded to in the CEQA documents.
- f) Oral Public Comment was heard from Al Vogler regarding the proposed solar project. Mr. Vogler asked the Board to table the item for further consideration and restudy for an alternative solar project site.
- g) No Board member discussions.
- h) President Thompson closed the Public Hearing at 6:36 p.m.
- i) There were no Board member comments.

Following Board consideration, Director Boydston **MOVED** and Director Keefe **SECONDED** to adopt Resolution No. 2015-14 Making Findings that (1) The

Hesperia Farms Solar Photovoltaic Project Constitutes Electrical Generation Facilities and (2) There is no Feasible Alternative to the Project Location, Rendering City of Hesperia Zoning Ordinances Inapplicable Pursuant to Government Code Section 53096; Adopting Final Mitigated Negative Declaration and a Mitigation Monitoring and Reporting Program Under the California Environmental Quality Act; and Approving Project.

Ms. Field took a roll call vote as follows:

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

**4. Consider Approving a Revised Salary Schedule with Cost of Living Adjustment Effective January 1, 2016.**

Ms. Potter presented the recommendation to approve a revised salary schedule with the Cost of Living Adjustment, effective January 1, 2016, in accordance with CalPers requirements.

Following Board consideration, Director Keefe **MOVED** and President Thompson **SECONDED** to accept the revised salary schedule.

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

**5. Consider Designation of Two Representatives and the General Manager to the Arrowhead Lake Association and Lake Arrowhead Community Services District Interface Committee.**

The recommendation was made to designate two representatives and the General Manager to the Arrowhead Lake Association and Lake Arrowhead Community Services District Interface Committee.

Director Keefe **MOVED** to continue with the same representatives.

Brief discussion.

Director Keefe **MOVED TO AMEND** the motion and President Thompson **SECONDED** to designate Steve Boydston, John Wurm and Leo Havener to the ALA/LACSD Interface Committee.

**CARRIED:** **AYES:**        **Boydston, Keefe, Thompson, and Wurm**

**NOES:       None**  
**ABSTAIN:   None**  
**ABSENT:     Gross**

### **BOARD MEMBER COMMENTS**

Vice President Wurm commented on the water shortage and water storage facilities. Vice President Wurm remarked that there was a possibility that there would be an initiative on the June 2016 ballot that would redirect the bullet train monies for water storage.

Director Boydston addressed some of the public comments heard regarding the Hesperia Solar Project. Director Boydston commented that the District is undertaking the Solar Project only to benefit the ratepayers and at some point level off paying for the utilities.

President Thompson thanked everyone for their hard work.

### **ADJOURNMENT**

President Thompson **MOVED** and Director Keefe **SECONDED** to Adjourn the meeting. The meeting Adjourned at approximately 6:48 p.m.

*Kathleen Field*

Kathleen Field, Board Secretary