



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

DATE: December 10, 2024
TIME: 5:30 p.m.
LOCATION: LACSD Blue Jay Board Room
27307 State Highway 189, Suite 104
Blue Jay, CA 92317

Via Teleconference - Zoom

ATTENDANCE:

Board Members Present

Jacqueline Brown, Director
Steve Boydston, Vice President
Robert Morris, Director
John Wurm, President

Board Members Absent

Bruce Reynolds, Director

Others Present:

Catherine Cerri, General Manager
Amy Hoyt, General Counsel
John O'Brien, Finance Manager
Dustin Sims, Human Resources Manager
Scott Schroder, Engineering Manager
Matt Brooks, Operations Manager
Nathan Porter, Field Operations Manager
Bridget Ortiz, Customer Service Supervisor
Marisa Meads, Board Secretary
Mary Justine-Lanyon, Alpine Mountaineer
Members of the Public - 16

POSTING: This agenda was posted prior to 5:00 p.m. on December 5, 2024, at the District Board Room, District Office, and the District website.

1. CALL TO ORDER

The meeting of the Board of Directors was called to order at 5:00 p.m. by President John Wurm.

2. PLEDGE OF ALLEGIANCE TO THE FLAG

President John Wurm led those present in the Pledge of Allegiance to the Flag of the United States of America.

3. AGENDA POSTING CERTIFICATION

Board Secretary Meads certified the agenda was posted prior to 5:00 p.m. on December 5, 2024, at the District Board Room, District Office, and the District website.

4. ROLL CALL

Board Secretary Meads called the roll. Director Reynolds was absent; all other Board Members were present.

5. APPROVAL OF AGENDA (Additions and/or Deletions)

The Board, by general consensus, approved the December 10, 2024, Regular Board Meeting agenda as presented.

PUBLIC COMMENT

Oral public comment was heard from a community member who attended the meeting in person.

CONSENT CALENDAR

The following items were listed on the Consent Calendar for approval:

6. Approval of Minutes

November 12, 2024 Regular Board Meeting Minutes

7. Consider Adopting Resolution No. 2024-08 Setting Forth the Regular Board Meeting Schedule for 2025

8. Consider Accepting the Highland Sewer Replacement Project No. 214

A Roll Call vote was taken, the Consent Calendar was approved and Resolution 2024-08 was passed. There was no public comment received.

Director Morris **MOVED**, and Vice President Boydston **SECONDED**, to approve Consent Calendar items #6, #7, and #8 as presented.

CARRIED:

AYES: Brown, Boydston, Morris, Wurm

NOES: None

ABSTAIN: None

ABSENT: Reynolds

INFORMATION AND DISCUSSION ITEMS

9. Departmental Reports

a. Operations Manager's Report

Mr. Brooks reviewed the monthly update with the Board of Directors on water delivered in the current calendar year. After 11 months of this year, and 11 months of 2023, consumption was up 5.4 %. Lake draw through 11 months was down 158 acre-feet. Wells-to-System were down approximately 59 acre-feet versus last year, as the District has been without its largest producing well. This well is currently being rehabilitated and is receiving a new pump and motor, and will be going back on-line in the next few weeks. CLAWA purchases are up this year by 230 acre-feet versus last year. This is due to Cedar Glen Treatment Plant being off and the blending of finished drinking water. Recycled water delivered to the Country Club is up this year. Public comment was received.

b. Finance Manager's Fiscal Year 2024-25 Financial Statements and Cash and Investment Report for the Quarter Ended September 30, 2024

Mr. O'Brien presented the 2024-25 Financial Statements and Cash and Investment Report for the first quarter of the Fiscal Year. He commented there was nothing to add to the report, but he wanted to highlight two items. Revenue was slightly above budget while operating expenses were slightly below, with the exception of the increased CLAWA water purchases used for blending. In addition, the District concluded its periodic review with Fitch Rating Service, which determines the District's credit rating. This directly impacts the District's ability to issue debt and how the market views the 2016 Bond Issue. Fitch reaffirmed the District's *AA+ Rating with a Stable Outlook*.

This is the highest credit rating an organization the District's size can achieve. There was no public comment received.

10. PFAS Update

Mr. Brooks provided the PFAS update, and he reviewed new testing results that were received since the last Board meeting. These samples were required quarterly raw water samples from North Bay, Well #1, #2, #8, which are the wells that are online. The results were in-line with previous quarterly samples. Mr. Brooks commented that District staff met with N2W, and 30% plans have been submitted to the District for the Bernina Water Treatment Plant. Plans for Cedar Glen Treatment Plant were received back on November 4, 2024. The District has reviewed both sets of designs and sent comments back to the engineers. The District is currently waiting to schedule a meeting with the State Water Resources Control Board, Division of Drinking Water, to review the new designs. The District also met with the Division of Drinking Water on December 5, 2024, to discuss the project. Mr. Brooks was asked questions by the Board, and there was public comment received.

11. American Water Works Association (AWWA) Annual Water Audit Update

Ms. Ortiz reported on the Annual Water Audit update. She explained that Water Loss Regulation Senate Bill 555 requires all urban retail water suppliers to conduct this annual audit - a water loss assessment with a software system provided by the American Water Works Association and assistance with a water audit validator. The State Water Resources Control Board developed water loss standards that became effective in 2023. The standard set for the District was 20 gallons of real losses per connection, per day, which was met in 2023 and also in 2024 at 19.8 gallons. There was public comment received.

12. Water Use Efficiency Objectives

Ms. Cerri stated that in 2018, water conservation legislation was passed that created Water Use Efficiency Objectives that regulate water suppliers to calculate a water budget. The District budgets for residential indoor, residential irrigation, commercial irrigation, and water loss. This is the first year the District is held to the regulations and required to first calculate the Water Objective and then review actual use. The Water Objective budget in 2024 was 1,203 acre-feet, and the District met the budget. The 2025 budget will be 1,140 acre-feet, which is lower than this year. Water use is up this year, so the District is watching carefully to make sure they meet the budget. The issue with the current calculation is that the State Water Board is under the assumption that the District only services 7,000 people for residential water use.

Due to our wavering population, the District will apply for a Seasonal Population Variance. There was no public comment received.

13. General Manager's Report

Ms. Cerri attended the Association of California Water Agencies (ACWA) conference and spoke with the General Manager for the Santa Ana Water Shed Project Authority. Due to the Line Fire burn scar, cloud seeding will be postponed for the remaining water year. To date, the District has processed 133 rebates for at-home PFAS removal filters. Ms. Cerri noted that the next Board Meeting will not be until January 28, 2025. There was no public comment received.

ACTION ITEMS

14. Consider the Election of Officers for the Positions of President and Vice President to the Lake Arrowhead Community Services District Board of Directors

Ms. Cerri stated that the Board of Directors annually elects the Officer positions, President and Vice President of the Board, to serve for the upcoming 2025 year. She noted these two positions also serve on the Executive Committee. President Wurm opened the election for the Board President and Vice President. There was no public comment received.

Vice President Boydston **MOVED** to nominate John Wurm for the Board President position, and Director Brown **SECONDED** the nomination to elect John Wurm as President to the Lake Arrowhead Community Services Board of Directors.

CARRIED: **AYES:** Brown, Boydston, Morris, Wurm
 NOES: None
 ABSTAIN: None
 ABSENT: Reynolds

President Wurm **MOVED** to nominate Steve Boydston for the Board Vice President position, and Director Brown **SECONDED** the nomination to elect Steve Boydston as Vice President to the Lake Arrowhead Community Services Board of Directors.

CARRIED: **AYES:** Brown, Boydston, Morris, Wurm
 NOES: None
 ABSTAIN: None
 ABSENT: Reynolds

15. Consider the Designation of Two Representatives, One Alternate, and the General Manager, to the Arrowhead Lake Association and Lake Arrowhead Community Services District Interface Committee

Ms. Cerri stated that the Board of Directors annually designates two representatives, and one alternate, and the General Manager, to serve on the Arrowhead Lake Association and Lake Arrowhead Community Services District Interface committee for the upcoming 2025 year.

Following board consideration, Vice President Steve Boydston **MOVED**, and Director Morris **SECONDED**, to approve the designation of President John Wurm and Director Bruce Reynolds as the two representatives, and Director Jacqueline Brown, as the alternate representative, to the Arrowhead Lake Association and Lake Arrowhead Community Services District Interface Committee for 2025.

CARRIED: **AYES:** Brown, Boydston, Morris, Wurm
 NOES: None
 ABSTAIN: None
 ABSENT: Reynolds

16. Consider Approving the Fifth Amendment to the Employment Agreement Between the Lake Arrowhead Community Services District and Catherine Cerri, General Manager

General Counsel Amy Hoyt proposed the Fifth Amendment to the General Manager Employment Agreement. During the last board meeting, a performance evaluation was conducted as well as a discussion of a proposed merit-based salary increase of 5% due to General Manager Catherine Cerri's exceptional performance. There was no public comment received.

Director Morris **MOVED**, and Director Boydston **SECONDED**, to approve the Fifth Amendment to the Employment Agreement between the Lake Arrowhead Community Services District and Catherine Cerri, General Manager.

CARRIED: **AYES:** Brown, Boydston, Morris, Wurm
 NOES: None
 ABSTAIN: None
 ABSENT: Reynolds

17. Consider Approving a Revised 2025 Managers, Supervisors, and Confidential Employees Unit (MSCEU) Salary Schedule

Ms. Cerri said Salary Schedules must be Board approved every year for CalPERS and other various requirements. The CPI was 4.8% for the Managers, Supervisors, and Confidential Employees Unit (MSCEU), and the revised 2025 Salary Schedule reflects this. No public comment was received.

Director Morris **MOVED**, and Vice President Boydston **SECONDED**, to approve the revised 2025 Mangers, Supervisors, and Confidential Employees Unit (MSCEU) Salary Schedule.

CARRIED: **AYES:** Brown, Boydston, Morris, Wurm
 NOES: None
 ABSTAIN: None
 ABSENT: Reynolds

18. Consider Approving a Revised 2025 Utility Workers Union of America, Local 557 Salary Schedule

Ms. Cerri stated that this is very similar to the last item, but this item is for the Utility Workers Union of America, Local 557. The current contract was based on the CPI but has a cap of 4%, and the revised 2025 Salary Schedule reflects this. No public comment was received.

Director Morris **MOVED**, and Director Brown **SECONDED**, to approve the revised 2025 Utility Workers Union of America Salary Schedule.

CARRIED: **AYES:** Brown, Boydston, Morris, Wurm
 NOES: None
 ABSTAIN: None
 ABSENT: Reynolds

19. Consider Awarding a Procurement Contract for the Corporation Yard Interior Doors Project No. 253

Mr. Schroder provided background for the purchase of the interior doors, which were not included in the original Corporation Yard contract. This procurement contract is for the purchase of 17 various commercial interior doors with hardware. These doors are per the approved plans and will comply with standards and regulations. On October 3, 2024, the District went out to bid for a contractor to construct and install interior doors. There were two estimates received. One estimate was for over \$100,000 and included the doors, hardware, and installation. The second estimate was from RBI to provide the doors only with no installation. District staff decided to move forward with the installation of the doors themselves,

and President Wurm thanked them for saving the rate payers money. Director Morris commented at the savings of \$60,000 to the District for having staff do the installation themselves. The fiscal impact and cost associated with approving a procurement contract with RBI is \$39,183 and is included in the 2024-25 Fiscal Year budget. The total project cost is estimated to be \$47,804, including the cost of the procurement and additional cost for engineers, inspections, and other related cost. Public comment was received.

Director Morris **MOVED**, and Vice President Boydston **SECONDED**, to approve the procurement contract with RBI for the Corporation Yard Interior Doors Project No. 253 and to authorize the General Manager to execute the contract.

CARRIED: **AYES:** Brown, Boydston, Morris, Wurm
 NOES: None
 ABSTAIN: None
 ABSENT: Reynolds

At 6:32 p.m. Vice President Boydston left the meeting and was absent for voting on items #20 and #21.

20. Consider Awarding a Contract for Installation of Drywall and T-Bar for the Corporation Yard Project No. 253

Mr. Schroder said that this project was also not part of the original building contract. This project went to bid, and one bid was received from Jeff Corcoran Drywall, Inc. The cost associated with this bid is \$97,800, plus 15% contingency of \$14,670. The total project is estimated to cost \$136,213, and is included in the Fiscal Year 2024-25 budget. This includes the cost for construction and \$16,871 for engineers, inspections, and other related cost. Funds will come from the Capital Improvement Fund 210. Public comment was received.

Director Morris **MOVED**, and Director Brown **SECONDED**, to approve the contract with Jeff Corcoran Drywall, Inc. for installation of Drywall and T-Bar for the Corporation Yard Project No. 253 and authorize the General manager to execute the contract and to approve change orders not to exceed 15% of the original contract amount.

CARRIED: **AYES:** Brown, Morris, Wurm
 NOES: None
 ABSTAIN: None
 ABSENT: Boydston, Reynolds

21. Consider Awarding a Contract for I&I Manhole Rehabilitation 2024 Project No. 258 and File a Notice of Exemption Finding that the Project is Categorically Exempt in Accordance with the California Environmental Quality Act

Mr. Schroder stated that this is an annual project where our field crews locate manholes that are leaking, have broken shelves, or have issues with infiltration, and repair or replace them. This is part of the District's efforts to improve the aging wastewater collection system and comply with the Cease-and-Desist Order (CDO) through the Lahontan Regional Water Quality Control Board. This project includes 20 manholes and went out to bid on October 7, 2024. Two contractors responded that had previously completed past construction projects for the District. The lowest and most responsive bidder was Ayala Engineering at the cost of \$141,935, plus 15% contingencies of \$21,290, for a total of \$160,225. The total project budget is \$125,000 and is included in the Fiscal Year 2024-25 budget. The total project cost is estimated at \$173,161 which includes the cost of construction and \$12,936 for engineering, inspections, and other related cost. Funds are provided from the Wastewater Fund 210. No public comment was received.

Director Morris **MOVED**, and Director Brown **SECONDED**, to approve the contract to Ayala Engineering for the I&I Manhole Rehabilitation 2024 Project No. 258 and file a Notice of Exemption finding that the project is categorically exempt in accordance with the California Environmental Quality Act, and authorize the General Manager to execute the contract and to approve change orders not to exceed 15% of the original contract amount.

CARRIED:

AYES: Brown, Morris, Wurm

NOES: None

ABSTAIN: None

ABSENT: Boydston, Reynolds

BOARD MEMBER MEETINGS

There were no Board Member meetings to report on.

BOARD MEMBER COMMENTS

Director Morris commented on PFAS and possible sources. He also commented that the District continues to do all they can to provide clean drinking water for ratepayers.

ADJOURNMENT

There being no further business, Director Morris **MOVED**, and Director Brown **SECONDED**, to adjourn the meeting. The meeting adjourned at approximately 6:46 p.m.



Marisa Meads, Executive Secretary