

LAMONT PUBLIC UTILITY DISTRICT REGULAR MEETING MINUTES

Regular Meeting

Monday, February 22, 2016 6:00 P.M.

Meeting Location:
District Office
8624 Segrue Road
Lamont CA, 93241

1. Call to Order/Roll Call

Board President Cruz called to order the regular board meeting at 6:01 pm on Monday February 22, 2016, at the office of the Lamont Public Utility District. All Board Members were present.

2. Pledge of Allegiance—Lead By President Cruz

3. Board Member Announcements

Director Gonzales announced that Parent Partners and a local working group has been pursuing side walk grants for the community and they recently were successful in securing \$1.43 million in sidewalk grants.

Director Sanchez welcomed the new Interim General Manager, Peter Cosentini, and the audience guests to the meeting.

President Cruz suggested the board engage in ethics training and brown act training. Staff stated we would bring information forward for the Boards' consideration. The President further inquired to see if the public can be involved. Staff said we would look at that option. Attorney Peake mentioned that our Risk Management JPA has ethics training available. He also stated that we would look at a Spanish version or possibly have Mario Sanchez help with translation.

4. Public Comment

Miguel Sanchez Jr. asked for clarification on where the McKee pipeline started and stopped. He also stated that at last month's meeting Director Prado feared for her life and for members of her family. He stated that this also came from Director Hernandez and President Cruz. He further stated that as a member of the Sanchez family, he thought that this was very disrespectful and that he and his family has not done anything to deserve these comments. He asked the Board members to please refrain from making these statements.

Danny Cortez, of 312 El Fuerte, stated that we should stop talking about the McKee pipeline because it is becoming a distraction. He stated that he thought the Board should work closer together and put this thing to rest. He questioned why the Board settled with the construction company. Why did the Board stop the faulty project, dig it up and reinstall it. Why did the pipe line only benefit just Director Sanchez and not the

community? Mr. Peake, Attorney for the District, told the Board he could address those questions. Mr. Peake said that in regards to the pipeline, the contractor had gone out of business and had no assets. So the District did not settle with the contractor but the bonding company. The project was not publically bid and it was put in incorrectly and Caltrans notified the District that the District had to pull the pipe out. The Board felt that if they had to spend more money on the project they might as well fix it and get a benefit from it, then just tear it out of the ground. Director Gonzales then asked if the Board approved the pipeline project and Mr. Peake stated that they approved the fix of the pipeline. A different contractor was hired to fix the pipeline. Director Gonzales asked if that was the cheap way to go and Mr. Peake said he did not know. Director Sanchez ask if the line was also put in because of the new water well #19. Attorney Peake then stated that he would recommend to Director Sanchez that he not comment due to the conflict of interest he has in the matter. Director Sanchez stated he appreciated and respected Mr. Peakes recommendation.

5. Staff Reports

A. District Counsel

Mr. Peake stated that the State conservation measures have been extended into 2016, however, there was now an opportunity to reduce our conservation goals with the introduction of weather factors and growth factors. The Interim Manager and the District Engineer will be working submitting the information which is due March 15 and could reduce our conservation goals from 28% to 25%.

B. District Engineer

The District Engineer had no report at this time.

C. General Manager

The new Interim General Manager stated that it was a pleasure to be here and looked forward to making a positive contribution to the Districts good works while he is here as the Interim General Manager. The Interim General Manager also stated the District has received the \$2.5 million dollar solar loan.

6. Consent Agenda

The minutes for the Regular Meeting of January 25, 2016 were pulled by Vice President Prado. The Vice President felt that certain things were missing. President Cruz asked if that was item B (1.) and the Vice President stated yes.

Motion to approve all items included on the Consent Agenda except B (1.)

First Motion—Direction Prado

Second Motion—Director Hernandez

Vote 5-0

7. Regular Agenda

- A. Report and Minute Action Approval of Various Recommendations concerning the Recruitment Process for the Permanent General Manager position. **Interim General Manager, Peter Cosentini**

Interim General Manager gave a report on the recruitment process including the nine steps in the process and other related issues. The topic areas and Board member comments were as follows:

1. Step 1. Advertisement of Position
2. Step 2. The Closing of the Application Process and the Paper Screening:
3. Step 3. Brief Interview with the Top 12 to 15 Candidates:
4. Step 4. Briefing of the Board on the Candidate Pool:
5. Step 5. Review of the General Manager Salary:
6. Step 6. First Interview with 8 Top Candidates with Two Panels:
7. Step 7. Second Interview with the Board and Optional Second Panel
8. Step 8. The Back Ground Process:
9. Step 9. Contract Negotiations and Execution of an Employment Agreement with the Lead Candidate.
10. The Issue of Travel Expenses:
11. Alternative to In-House Recruitment:
12. Project Budget and Appropriation:

The comments of the Board started with Director Gonzales asking if we could audit the office manager's salary in the process of reviewing the General Manager's salary. Mr. Cosentini advised that they were separate issues and should be considered separately. President Cruz advised Director Gonzales that we were just reviewing the salary of the General Manager and not the other position and that Director Gonzales was going off topic. Director Gonzales stated that he was just making his comment. President Cruz state that it was not appropriate because it was not related. Director Gonzales said that is what he understands.

Director Sanchez asked if we needed to add any qualifications to the job since they hire the Interim General Manager. Cosentini verbally reviewed the qualifications with the Board and felt that the qualifications were sufficient and that the job description also had latitude to accommodate candidates who had a little different education and experience but could clearly do the job. Director Sanchez wanted to make sure that they could hire someone with the administrative and accounting background he felt was important and necessary for the job.

Director Sanchez thought the field staff had the necessary water and sewer certificates to handle the systems.

Vice President Prado stated that she wanted a salary survey because there is a lot of concern in the community over the salary. Vice President Prado found it difficult to justify a high salary to the community without a survey that justified the high salary. President Cruz commented that we should look at other communities like East Niles, Arvin and other communities within a 100 miles. President Cruz restated the Manager's concern that they have to be careful not to price themselves out of range so they lose the better portion of their candidate pool. Vice President Prado felt comfortable at \$110,000 range and Director Hernandez felt comfortable at \$120,000 range. Mr. Cosentini also suggested that the Board may wish to create a range for their salary such as \$110,000 to \$150,000. This would give the board some latitude to move a bit if they found a candidate that really justified the higher end of the range. Director Sanchez suggested that the survey should also include a review of responsibilities of the General Managers and the size of the Districts.

Recommendations:

1. Board to give staff direction on whether you want to hire a recruiting firm or do the recruitment in-house, given the noted impacts.

President Cruse asked the Interim General Manager if he was capable of doing an in-house recruitment. Cosentini responded with a resounding yes.

Motion was made to do an in-house recruitment by the Interim General Manager for the new Permanent General Manager.

1st Motion—Prado

Second Motion—Gonzales

Vote 5-0 Approved.

2. If the Board wants to review the salary of the General Manager position, the Board should direct the Interim General Manager to do a salary survey and bring the issue back to the Board for discussion and possible action.

Motion was made to have the Interim General Manager do a salary survey and bring it back for Board consideration and action.

1st Motion—Sanchez

Second Motion—Prado

Vote 5-0 Approved

3. Approve the interview dates of April 30 and May 7.

Director Sanchez advised that he thought he may have a conflict on April 30th.

Motion was made that the interview dates will be April 30 and May 7, with the understanding that Director Sanchez will call within a week to advise if he has a conflict and if he does, the first interview will be on May 7 and the second and final round of interviews will be May 14

1st Motion—Sanchez

Second Motion—Gonzalez

Vote 5-0 Approved

4. Board needs to give staff direction on reimbursing reasonable travel and lodging expenses for the candidates invited to the final interview with the Board.

Vice President Prado expressed concern with travel expenses. President Cruz did not want to support air flights or hotels. However, after discussion, the Board was supportive of meals and mileage, pursuant to the District's Employee Hand Book and to use the distance of travel as a guide for the number of meals. For example, if a candidate was driving from Bakersfield we would not pay for any meals.

Motion was made to approve reasonable meals and mileage reimbursement, pursuant to the Districts Employee Handbook.

1st Motion—Sanchez

Second Motion—Gonzalez

Vote 5-0 Approved

5. Board to give direction on whether the Board wants a citizens'/stockholders' interview panel on the final day of interviewing.

President Cruz stated he would like members of the community to be involved. Vice President Prado wanted to see an employee from the District on the panel. Director Sanchez asked how the panel would work with the Board. Interim General Manager

explained the process and how it would work. Director Hernandez questioned the qualifications of the citizens or employees to be able to judge the good administrative skills of a manager. Mr. Cosentini explained that the community panel is to give feed back from their own perspective, as a citizen or employee. The panel can hold any member of the community that the Board wishes.

Motion was made to approve a Citizens'/Stockholders' Panel to give input to the Board during the final round of interviews. Interim General Manager will bring back the Citizens'/Stockholders' Panel concept at the next meeting for further examination and panel selection.

1st Motion—Hernandez

Second Motion—Gonzales

Vote 5-0 Approval

6. Board to appropriate a budget for an in-house recruitment process of \$6,200 or \$11,200 depending on whether the Board approves funds for reimbursing travel for the final candidates.

Motion was made to appropriate \$7,100 for the in-house recruitment, which includes reimbursement for reasonable meals and mileage.

1st Motion—Prado

Second Motion—Cruz

Vote 5-0 Approval

7. If the Board approves going with a professional recruiting firm, I would recommend the board direct the staff to bring back three proposals from three professional firms.

The Board choose to do the recruitment in house so the Board did not need to act further on this issue.

8. Approve the recruitment process as presented by the Interim General Manager and revised by the Board.

Motion was made to approve the recruitment process as presented by the Interim General Manager and revised by the Board of Directors.

1st Motion-Prodo

Second Motion-Cruz

Vote 5-0 Approved

- B. Report and Possible Minute Action:** On a request for a Budget Amendment of \$50,000 for an on call Engineering Services Amendment; District Engineer, **J.T. Gardiner, PE**

The District Engineer gave a report on the requested appropriation of \$20,000 for on call services and \$30,000 for management of the solar project.

Director Sanchez expressed concern about the additional funds being added to the budget. His bigger picture concern was the fact that he had asked several times for a budget report from the former General Manager and did not receive any information. Director Sanchez's concern is that the budget is a living document and needs to be reviewed and managed quarterly throughout the year. His specific concern is that if you do not monitor your expenditures throughout the year you can be over spending your budget by large amounts and not know it until you get to the end of the year, when it is too late to do anything about it. The Interim General Manager advised the Board that in the next 30 to 60 days he will be starting the budget process and will be looking at what kind of budget information the Lamont budget system currently holds. The Interim General Manager advised the Board that he would not be able to properly manage the solar project, given the in-house recruitment of the permanent General Manager. Mr. Cosentini also supported the additional allocation of funds for the on call engineering services. Director Sanchez wanted to clarify that we were approving another \$50,000 over and above what has been originally budgeted. Vice President Prado stated that if the District wanted to look at another Engineer we could. Director Sanchez said he was not talking about the Engineer but just the money. Pattie Poire of Grimmway farms ask to speak and asked if the \$50,000 was to the end of the year. Director Sanchez confirmed that it was.

Motion was made to approve the District Engineers requested appropriation of \$20,000 for on call engineering services and \$30,000 for the management of the solar project.

1st Motion- Prado

Second Motion—Sanchez

Vote 5-0 Approved

- C. Discussion only:** Legal Clarification of Attorney Gregory Kohlers Letter Regarding the McKee Pipe Line. **Director Gonzales**

President Cruz recommended that this item be taken off the agenda due to the fact that the item is under investigation. Mr. Peake confirmed that it was his understanding from the former General Manager, Nick Turner that the issue is under investigation. Mr. Gonzales stated that it was a misunderstanding, but President Cruz stated that he was entertaining a motion.

Motion was made to exclude item 7 (C) from the agenda.

1st Motion—Prado

Second Motion—Hernandez

Vote: 1 no vote from Director Gonzales, 3 yes votes from President Cruz, Vice President Prado and Director Hernandez, and one Abstention vote from Director Sanchez. Motion passes to take item 7 (C) off the agenda.

8. Closed Session

A. Potential initiation of litigation; Government Code §54956.9 (d)4, 1 case

The Board adjourned to closed session.

9. Open Session

Report from closed session

A. Potential initiation of litigation; Government Code §54956.9 (d)4, 1 case

Information was provided and by unanimous consent, direction was given.

Adjournment

Motion to adjourn the Regular Board Meeting of the Board of Directors of the Lamont Public Utility District, held on Monday February 22, 2016 at 6:00 pm.

ATTEST:

x _____

Jose G Cruz, Board President

Lamont Public Utility District

x _____

Peter Cosentini, Board Secretary/Interim General Manager
Lamont Public Utility District

