

LAMONT PUBLIC UTILITY DISTRICT REGULAR MEETING MINUTES

Monday, January 26, 2015 6:00 P.M

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

1. Call to Order/Roll Call

Board President Prado called to order the regular meeting at 6:03 pm on Monday, January 26, 2015 at the office of the Lamont Public Utility District. All Board Members were present. Staff present included General Manager/District Secretary Nick Turner, District Counsel Alan Peake, and District Interpreter Mario Sanchez.

2. Pledge of Allegiance – Led by President Prado

3. Board Member announcements

Director Sanchez thanked everyone for attending the meeting and welcomed any comments that the public has.

4. Public Comment

Five community members from Parent Partners, an organization from Lamont, shared with the Board some issues that they have with CR&RR and provided a list of recommended revisions to be included in the lease amendment with Recology.

Juan Lopez expressed his concern regarding the water meter at his house not being read by Staff. He stated that his water bill for November 2014 was a lot higher than usual. He states that he even has his landscape irrigation turned off and the bill is still high. The General Manager responds and states that Staff already explained to Mr. Lopez, the reasoning for the high bill. Mr. Lopez' water meter is read by Staff every month. The reason the bill was abnormally high for the month of November 2014, was because the water usage for October 2014 was under read substantially by District Staff. Mr. Lopez' bill for the month of October 2014 was approx. half of what it is expected to be based on last year's usage and his monthly trend of water usage. Therefore, when the meter was read correctly in November 2014, Mr. Lopez' bill included nearly two months worth of water usage. Mr. Lopez' bill is correct as billed. Director Sanchez states that meter reading has been an ongoing problem for the District. Director Sanchez requests Staff to bring back to the Board information on upgraded meters that take reading automatically or take a photo of the readings.

Gustavo Aguirre Sr. states that CRPE has raised funds to prepare an independent study into possible Plan B options for the District. This study, when complete, will be presented to the Board of Director by California Endowment.

6. Staff Reports

A. District Counsel – Nothing Reported

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B. District Engineer – Nothing Reported

C. General Manager

1. AB1234 Training – The General Manager notified the Board of free ethics training on the web thru CSDA until March 2, 2015.
2. SDRMA is offering Free Webinar on “Introduction to Special District Finances for New Board Members”, Feb 26, 2014, 10am-12pm.
3. Aqua4All Press Release – The Board is informed that the Aqua4All program is hosting a press release event at the Lamont Park on January 29th at 10:00am. Gustavo Aguirre, who was present at the meeting, passed out a flyer for the event in Spanish only.
4. Approval of District’s 2014 UWMP – The General Manager reports that the State Department of Water Resources completed their review of the District’s 2014 UWMP and found that it addressed the requirements of the California Water Code. The District is required to prepare a 2015 update, which will be addressed with the Board later this year.
5. Water Use Restrictions - Water use in December dropped by 8.39% as compared to December 2013. Gallons/capita/day dropped to 80.28 GPCD.
6. Unauthorized Pay Centers – The Board is notified that the District does not have any authorized pay centers. La Mexicana Grocery Store is not authorized by the District to collect payments on behalf of the District but is doing so. The store is then not paying those customers bills on time which is then resulting in shut offs and late charges.
7. Den Monitoring performed by MESA is complete with no endangered species found present. The potential Dens have been collapsed or filled with slurry. Staff is monitoring the site daily and filling in any new holes as they appear.

6. Consent Agenda

Director Sanchez requests that the meeting minutes for December 16, 2014, Consent Item 6Bi be pulled for minor revisions.

Director Cruz requests that Consent Agenda Item #6Eii be pulled due to location of his property to this project.

Director Hernandez requests that Consent Agenda Item #6Eiv be pulled due to location of her property to this project.

Motion to approve all items on the Consent Agenda excluding Items 6Bi, 6Eii and 6Eiv.

First Motion–Director Sanchez

Second Motion–Director Cruz

Approved. All in favor. Vote 5–0

Motion to approve Consent Agenda Item #6Eii.

First Motion–Director Sanchez

Second Motion–Director Gonzalez

Approved. Vote 4–0, Director Cruz abstained.

Motion to approve Consent Agenda Item #6Eiv.

First Motion–Director Cruz

Second Motion–Director Gonzalez

Approved. Vote 4–0, Director Hernandez abstained.

7. Regular Agenda (6:40am)

- A. Report and Possible Minute Action: Consideration and possible adoption of the Board Meeting Calendar for the 2015 calendar year; General Manager, Nick Turner

The General Manager reports that a proposed Board Meeting Calendar for 2015 has been included in the Board packets for consideration by the Board. Board meetings for 2015 are scheduled for the fourth Monday of each month except for May, November and December. Board meetings during these months have been changed due to a holiday.

Director Sanchez proposes to change the March meeting to March 30th due to a conflict with his schedule. Proposed dates for Regular Board Meeting are as follows:

<u>Month</u>	<u>Day</u>	<u>Day of Week</u>
January	26	Monday
February	23	Monday
March	30	Monday
April	27	Monday
May	26	Tuesday
June	22	Monday
July	27	Monday
August	24	Monday
September	28	Monday
October	26	Monday
November	30	Monday
December	21	Monday

Motion to approve the Board Meeting Calendar for the 2015 calendar year

First Motion–Director Sanchez

Second Motion–Director Cruz

Approved. All in favor. Vote 5–0

- B. Report and Possible Minute Action: Selection of Finance and Capital Projects Committee Members; General Manager, Nick Turner

The General Manager states that with two new Board Members for the Finance and Capital Projects Committees.

Motion to select Directors Sanchez and Gonzalez for Finance Committee and Directors Cruz and Hernandez for Capital Projects Committee

First Motion–Director Cruz

Second Motion–Director Gonzalez

Approved. All in favor. Vote 5–0

C. Report and Possible Minute Action: Consideration and approval of Public Records Retention and Destruction Policy; General Manager, Nick Turner

The General Manager reports that this item was previously presented to the Board of Director at the District’s December 16, 2014 board meeting. This item is being brought back to the Board for consideration and possible approval. Included in the Board agenda packet was a DRAFT Resolution No. 426 which is the Records Retention and Destruction Policy. This policy provides guidelines governing the retention and disposal of District records. The policy establishes how long certain District documents are to be retained before being destroyed. For example, board meeting agendas are to be kept for three (3) years before being destroyed, whereas board meeting minutes are to be kept indefinitely. The policy also ensures that the District is in compliance with legal and regulatory requirements.

Director Sanchez requests language be added requiring the Board of Directors be informed as to specifics of the records that Staff proposes to destroy and the dates they are being destroyed.

Motion to approve Resolution No. 426 a Public Records Retention and Destruction Policy.

First Motion–Director Sanchez

Second Motion–Director Gonzalez

Approved. All in favor. Vote 5–0

D. Report and Possible Minute Action: Analysis of credit card payment option for customers over the past six months and possible implementation of payments online; General Manager, Nick Turner

The General Manager states that the Board of Director asked that an analysis of credit card use be brought to the Board after 6-month utilizing the service. Beginning June 24, 2014, the District began accepting payments from customers via credit cards and debit cards. The debit and credit card payment option has been well received by those customers that have used it. Credit and debit card use has remained on a slow, but gradual increase over the past six months. In the board agenda packet, are the total card transactions and associated fees tabulated monthly. Fees are averaging around 1% of each transaction. Remember that fees charged are not passed onto the customer but rather are paid for by the District. Currently approx. 6% of payments made to the District are by use of a credit and debit card. According to Bank of America, our card service provider, it is typical that only 30% of a

company/businesses overall transaction count is made via credit cards. Staff is optimistic that credit card use will continue to rise as customers become aware of the payment option.

Staff also receives a great deal of interest in making payments online through the District website. Staff is currently looking look into what it would take to add this service. From previous conversations with our credit card service provider, it is a simple as adding a link on our website to a secure site with Bank of America. Staff will provide more details when it is received from Bank of America.

Information Only. No action taken.

- E. Report and Possible Minute Action: Consideration and approval of Contract Change Order No. 2 for the Well #13 Site Improvements Project to Brough Construction Inc. in the amount of \$655.53; District Engineer, JT Gardiner

Director Hernandez abstains from the discussion due to the proximity of her residence to the project location.

The District Engineer reports that the Contractor found a block of concrete between the tank and fence buried about one deep down. This change order is the Contractors costs to remove that concrete.

Motion to approve Contract Change Order No. 2 for the Well #13 Site Improvements Project to Brough Construction Inc. in the amount of \$655.53.

First Motion–Director Sanchez

Second Motion–Director Gonzalez

Approved. Vote 4–0, 1-abstained (Dir. Hernandez)

- F. Report and Possible Minute Action: Consideration and approval of Contract Change Order No. 3 for the Well #13 Site Improvements Project to Brough Construction Inc.; General Manager, Nick Turner

The General Manager states that this change order includes three items for consideration by the Board.

The first proposed change order item is the addition of a safety climb and handrail to the water storage tank at the Well #13 site. The storage reservoir at Well #13 tank needs to be enhanced with some safety features to prevent a person from falling from the ladder and top of the tank. The tank needs a ladder with a “safety climb”. This mechanism adds a feature that will catch a person if they fall from the ladder and prevent them from falling all the way to the ground. Also, the tank needs handrail around a top portion of the tank to prevent a person from falling off the tank while performing maintenance activities. Staff access the roof of each storage tank every couple of months to perform needed maintenance such as the inspection of the roof screens and hatch, and to make visual inspections of the roof. Liquid Vision accesses the roof every three years for an internal tank inspection. Electricians access the roof frequently to inspect the electrical components, i.e. mixer and level indicator. That cost estimate received from the Contractor is in the amount of \$17,568.45.

The second proposed change order item is the addition of corrosion protection for the tank. There are different ways to help prevent corrosion. One method is the installation of sacrificial anodes on the inside the tank. Sacrificial anodes are highly active metals, such as magnesium, that are used to prevent a less active material surface, such as steel, from corroding. The sacrificial anode will be consumed, or corroded, in place of the metal it is protecting. The typical life expectancy of an anode is 10 years, according to Farwest Corrosion Products. The cost estimate received from the Contractor to install the required sacrificial anodes for this size tank is in the amount of \$7,927.50. The existing bolted steel tank has an epoxy coating that is used to prevent corrosion. Alternatively, the epoxy coating, which is currently inspected every three years by Liquid Vision, can be patched when areas of corrosion are identified. If installed properly, a typical recoating should last up to 20 years. According to our latest tank inspection report received from Liquid Vision, the only significant corrosion of concern is on the bottom of the tank and on a 4 and 6-inch tank outlet, all of which have been recoated as part of this project. Staff recommends continuing to perform the regular tank inspections and perform recoating as needed. At some point in the future, if corrosion seems to be uniform across the tank surface, the Board could consider recoating the entire tank.

The third proposed change order item is a potential remedy for the noise coming from the well motor. Staff has looked into the Board's concern about noise coming from the well motor at the Well #13 site. The noise is most prevalent during the wind up of the motor during startup. Once the motor is up to speed, the noise level drops significantly. Note that this noise is not uncommon for this type of well motor. There are several different options to consider to address this potential area of concern. The 1st option is installing an enclosure around the well. The enclosure would be removable so that the well can be worked on. It is likely that the enclosure would need temperature control to prevent the motor from overheating, considering that it is enclosed in a structure. Staff did contact several supplier and obtained approx. costs of between \$30,000 to \$40,000 not including the foundation and electrical work. Another option is to replace the pump and motor with a submersible one. With the motor being 400+ feet underground, any noise coming from the motor is eliminated. The downside of this option is the cost. Staff obtained a preliminary quote on a submersible pump. Approx. \$125,000. Staff notes that it is not necessary that this work be included as part of the Well #13 Site Improvements Project. Staff suggests continuing to look into solutions to the noise and bring it back at a future meeting.

Staff recommends approving only the Safety Climb and Handrail item, in the amount of \$17,568.45.

The Board asks that Staff bring back to the Board information about the safety climb and ladder and information on possible motor replacement at a future meeting.

No motion taken.

- G. Report and Possible Minute Action: Approval of Contract Change Order No. 2 for the Tank Demolition Project to NSM Recycling in the amount of \$783.00; General Manager, Nick Turner

The General Manager states that this contract change order corrects a mistake on CCO #1. The amount received for recycled scrap metal was over stated by \$783.00.

Motion to approve Contract Change Order No. 2 for the Tank Demolition Project to NSM Recycling in the amount of \$783.00

First Motion–Director Gonzalez

Second Motion–Director Cruz

Approved. All in favor. Vote 5–0.

H. Report and Possible Minute Action: General Manager Reports; General Manager, Nick Turner

Director Prado requests that a weekly update from the General Manager on activities taking place within the District be provided to the Board including construction activities and field activities.

Motion to have General Manager provide weekly updates to the Board of Directors detailing the weekly activities

First Motion–Director Gonzalez

Second Motion–Director Cruz

Approved. All in favor. Vote 5–0.

I. Report and Possible Minute Action: Consideration and approval of CEQA document for the implementation of Plan “B” for effluent disposal; District Engineer, JT Gardiner

The District Engineer presents the completed CEQA documents for the implementation of Plan B for effluent disposal. The CEQA document has been circulated through the State Clearinghouse and the District received comments from both the Fish and Wildlife Department and the State Water Resources Control Board. Those comments have already been addressed. Copies of the comments and the District’s responses are included in the Appendix of the document. The finding is that the project poses no significant threat to the environment provided that the mitigation measures are implemented. There is a Habitat Conservation Plan for this parcel that will need to be followed.

Gustavo Aguirre Sr. requests a copy of the environmental document to be provided to the CRPE who intends on preparing an analysis of Plan B options.

Director Sanchez asks if there are any significant findings resulting from the study. The District Engineer states that a biological survey was performed on the parcel. Also, the California Recourses Information System determined that there are no historical resources on the site.

District Engineer confirm that this document clears the District to begin implementing Plan B.

The General Manager clarifies that this document does not provide approval to apply effluent but it does provide approval to begin the land remediation work.

Motion to adopt the findings of the CEQA document and Issue the Notice of Determination

First Motion–Director Sanchez

Second Motion–Director Cruz

Approved. All in favor. Vote 5–0.

- J. Report and Possible Minute Action: Consideration and approval of Title 22 Update for the implementation of Plan “B” for effluent disposal; District Engineer, JT Gardiner

The District Engineer reports that this item is the possible adoption of the Title 22 report required for the implementation of the Plan B for effluent disposal. It is required by the Regional Water Quality Control Board (RWQCB) in order to apply effluent to the property. The report analyses the operation of the treatment plant, the quality of the effluent and how the system will operate to discharge the treated effluent to that property. Upon approval, this report will be submitted to the RWQCB for review.

Director Sanchez asks for more information about the contingency plan included in the Title 22. District Engineer states that this section of the report is acknowledging that there is a contingency plan in place for the WWTP to follow should the effluent quality limitations be exceeded.

Motion to approve the adoption of the Title 22 Update for the implementation of Plan B for effluent disposal

First Motion–Director Sanchez

Second Motion–Director Cruz

Approved. All in favor. Vote 5–0.

- K. Report and Possible Minute Action: Consideration and approval of Contract Change Order No. 4 for the Bernard Ave and Palm Ave Waterline Relocation and Valve Installation Project to Brough Construction Inc. in the amount of \$1,683.35; District Engineer, JT Gardiner

Director Cruz abstains from the discussion due to the proximity of his property to this project.

The District Engineer states that this Contract Change Order includes a decrease in costs due to a valve being smaller than previously thought and additional costs associated with the removal and replacement of C&G and traffic signal at Valve #16.

Motion to approve Contract Change Order No. 4 for the Bernard Ave and Palm Ave Waterline Relocation and Valve Installation Project to Brough Construction Inc. in the amount of \$1,683.35

First Motion–Director Sanchez

Second Motion–Director Hernandez

Approved. Vote 4–0, 1-abstained

- L. Report and Possible Minute Action: Consideration and approval to release project retention to NSM Recycling for the Reservoir Demolition Project in the amount of \$4,912.97; General Manager, Nick Turner

The General Manager reports that the Notice of Completion for this project was filed on December 1, 2014. Per the contract, retention is to be released 40 days following the filing of the Notice of Completion.

Motion to approve the release of project retention to NSM Recycling for the Reservoir Demolition Project in the amount of \$4,912.97

First Motion–Director Sanchez

Second Motion–Director Cruz

Approved. All in favor. Vote 5-0

M. Report and Possible Minute Action: Possible relocation of the fencing on the northerly side of the WWTP and removal of debris from illegal dumping; General Manager, Nick Turner

The General Manager reports that, recently, illegal dumping of debris at the northeast corner of the District's WWTP property has become a serious problem. Items such as couches, concrete, and trash litter the location where a house once stood on the northeast corner of the District's WWTP property. As recently as two weeks ago, the body of a stolen pickup was dumped on site. The area is secluded, bounded by almond trees to the north, elevated wastewater treatment ponds to the south and grape vineyards to the east, which make this area prone to illegal dumping. The nearest county maintained road is ½ mile away in all directions. Included in the Board Meeting agenda packet are some photos of the dumping site. Staff contacted the Kern County Waste Management Division and Kern County Code Compliance regarding this problem. Staff was informed by County Staff that the County will only clean up debris illegally dumped within County rights-of-way, which this is not. Staff has already begun the removal of the debris from the property. Once the area is cleaned, we are concerned that illegal dumping will continue. As a possible solution, Staff is proposing that the northerly fence line, which surrounds the northerly wastewater treatment ponds, be relocated to the north property line. This will prevent access to District property in this area, therefore preventing illegal dumping on District property. Staff obtained two quotes for this proposed work. The lowest quote was received from Reliance Fence Company Inc. in the amount of \$17,959. Staff recommends approving the quote received from Reliance Fence and proceeding with the fence relocation. In the future, any illegal dumping will be within Kern County rights-of-way or on an adjacent property and it will be the responsibility of another party to remove and dispose of the debris.

Director Sanchez suggests cleaning up the property and possibly removing the trees which are providing a cover for the illegal dumping.

Director Cruz suggests fencing the in the area.

Director Sanchez asks how much of the existing fence is the fencing company going to reuse. The General Manager states that all the existing chain link will be reused with new posts being installed.

Motion to approve the quote received from Reliance Fence Company to relocate the chain link fencing on the northerly side of the WWTP for the amount of \$17,959.

First Motion–Director Cruz

Second Motion–Director Gonzalez

Approved. All in favor. Vote 5–0.

- N. Report and Possible Minute Action: Possible: Consideration and approval to provide PG&E with \$2,000 deposit for design fees to install street lighting on existing poles; General Manager, Nick Turner

The General Manager states that at our December board meeting, the Board of Directors was informed that Staff had submitted a formal request to PG&E for the installation of 26 new streetlights to be installed on existing power poles at various locations around the Lamont and Weedpatch communities. In the past, additional street lights have been designed and installed by PG&E at no cost to the District. PG&E has always required a deposit to begin the process of designing and installing new street lights, typically \$500-\$1,000 for 2 to 3 proposed new streetlights. According to Staff, this deposit has always been refunded to the District. In this case, due to the quantity of street lights being requested, that being 26, PG&E is requesting a \$6,000 deposit. PG&E has split the District up in to three areas, each requiring a \$2,000 deposit. Staff anticipates that the deposit will be refunded as has happened in the past, but PG&E will not guarantee that it will be refunded. Staff is recommending that the Board approve payment of a \$2,000 deposit to PG&E for the installation of the street lights in Area 2. Once we know whether or not the deposit will be refunded, the Board can decide whether or not to proceed with the other two areas.

The Board requests that the item be tabled to a future meeting for Staff to bring back information about LED lights and any types of incentives programs that may be available through PG&E.

No action taken. Item tabled to next meeting.

- O. Information Only: Amendment to Lease Agreement with CR&RR regarding property located at APN 185-300-14, 185-350-53, 185-350-54, 185-350-55 and 185-350-16 and possible change in Lessee to Recology Inc.; District Counsel, Peake

District Counsel states that this is an information only item with no action by the Board. This is the public’s opportunity to provide any comments on the item. Counsel notes that we already had some comments on this item during the public comment section of the meeting.

Information Only

8. Closed Session

Motion to go into Closed Session

First Motion–Director Sanchez

Second Motion–Director Cruz

Approved. All in favor. Vote 5-0

- A. Discussion with real property negotiators, Mr. Peake and Mr. Turner, regarding real property currently leased to CR&RR (APN 185-300-14, 185-350-53, 185-350-54, 185-350-55 and 185-350-16) Government Code §54956.8 concerning terms and conditions of the lease
- B. Pending litigation LPUD/Community Recycling vs. Kern County; Government Code § 54956.9 (d)1.
- C. Pending litigation Lamont PUD vs. The Dow Chemical Company, etal; Government Code § 54956.9 (d)1.

Motion to go into Open Session

First Motion–Director Sanchez

Second Motion–Director Gonzalez

Approved. All in favor. Vote 5-0

9. Report on Closed Session

- D. Discussion with real property negotiators, Mr. Peake and Mr. Turner, regarding real property currently leased to CR&RR (APN 185-300-14, 185-350-53, 185-350-54, 185-350-55 and 185-350-16) Government Code §54956.8 concerning terms and conditions of the lease

Information was provided, and a negotiation committee was established including President Prado and Vice President Sanchez.

- E. Pending litigation LPUD/Community Recycling vs. Kern County; Government Code § 54956.9 (d)1.

Information was provided, no action was taken.

- F. Pending litigation Lamont PUD vs. The Dow Chemical Company, etal; Government Code § 54956.9 (d)1.

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

Adjournment (7:45pm)

A motion was made by Director Gonzalez and seconded by Director Cruz to adjourn the Regular Board Meeting of the Board of Directors of the Lamont Public Utility District, held on Monday, January 26, 2015 at 6:00 pm. Approved. All in favor. Vote 5-0.

ATTEST:

x 

Director Prado, Board President
Lamont Public Utility District

x 

Nicholas Turner, Board Secretary/General Manager
Lamont Public Utility District