

# LAMONT PUBLIC UTILITY DISTRICT REGULAR MEETING MINUTES

Monday January 23, 2017 6:00 P.M.

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

## 1. Call to Order/Roll Call

- a. Board President Cruz called to order the regular board meeting at 6:02 pm on Monday, January 23, 2017 at the office of the Lamont Public Utility District. All Board Members were present. Staff present included General Manager/District Secretary Scott Taylor, District Counsel Alan Peake, District Engineer Dan Cronquist, Finance Officer David Chalupa and District Interpreter Ricardo Sanchez.

## 2. Pledge of Allegiance – Led by President Cruz

## 3. Board Member announcements –

- a. None.

## 4. Public Comment

- a. None.

## 5. Staff Reports

- a. District Counsel – None.
- b. District Engineer – None.
- c. General Manager:
  - i. GM Taylor reported a typo on the minutes from December 13, 2016 Board meeting. The title of the project associated with the court ordered issuance of a Will Serve Letter is for 9001 Weedpatch Highway, not the Mckee Pipeline project. Minutes were corrected and properly reflect the appropriate name for the project.
  - ii. Taylor reported on the recovery and receipt of \$10, 518.27 due from Ferguson Plumbing that had in held in their possession for approximately 18 months.
  - iii. Taylor overlooked introducing the new Finance Officer, David Chalupa at the beginning of the meeting. Taylor introduced Mr. Chalupa to the Board, provided

a brief summary of Mr. Chalupa's background and credentials. The Board welcomed Mr. Chalupa to the District.

## 6. Consent Agenda

- a. A motion by Director Prado seconded by Director Sanchez to approve the consent items.  
Approved 5-0

## 7. Regular Agenda

### a. Adopt Negative Declaration for Water and Sewer Master Plan.

- i. District Engineer, Dan Cronquist reported on the need to adopt a Negative Declaration for the Water and Sewer Master Plan. The negative declaration is part of the Master Plan and thus by definition does not create an environmental impact. The negative declaration is a requirement of the State for the Master Plan and thus needed Board approval.
- ii. No public comments were received on the negative declaration.
- iii. Motion by Director Sanchez, seconded by Director Gonzalez to approve adoption of the Negative Declaration. Approved 5-0

### b. Status of Water Conservation. Report and Information Only.

- i. District Engineer, Dan Cronquist reported on the conservation efforts of the LPUD customers. Overall state required reduction is 20% by year 2020. Currently, LPUD reduction is 37%. Residential use is 43% of overall District consumption. Industrial consists of three industrial users. Grimmway having two and Kernridge as the third one. Industrial use is 16% of total consumption of water. President Cruz inquired into whether the District will allow watering from two days a week to three days a week given reduction has been good. GM Taylor indicated he wanted to postpone making that decision based on several factors including SGMA regulations.
- ii. Director Prado indicated she would like to see a rate study for the District in the near future.
- iii. No vote required. Information Only.

### c. Authorization to Issue Well #17 GAC System RFP.

- i. District Engineer, Dan Cronquist reported the construction plans and specifications for the treatment of TCP for Well #17 are completed. Cronquist further reported that the RFP for the treatment system has been

completed. The next step in the process is for the Board to authorize the issuance of the RFP to potential manufacturers of the treatment system.

- ii. Motion by Director Prado, seconded by Director Sanchez for approval. Approved 5-0.

d. Approval of Water Supply Assessment for Recology Composting.

- i. District Engineer, Dan Cronquist reported the Water Supply Assessment (“WSA”) is simply an advisory document and that no requirement to actually provide water exists. The purpose of the WSA is part of the Environmental Impact Report (“EIR”) necessary for Recology to expand and renew their composting permit. The WSA essentially provides that the District has the right to extract groundwater and thus so does Recology. This assessment further provided the ability for Recology to continue to extract groundwater, via a pre-existing well, in association and in compliance with SGMA. Recology will be responsibility for any future fees or taxes as a result of the extraction groundwater by Recology.
- ii. Motion by Director Prado, seconded by Director Sanchez to approve the adoption of the WSA. Approved 5-0.

e. Authorization to issue a Will Serve Letter for Recology.

- i. District Engineer, Dan Cronquist reported the need to issue a Will Serve Letter to Recology as part of the EIR associated with Recology’s operating permit and expansion. The District currently provides effluent water to Recology. Moreover, Recology also currently utilizes the well on the property for their composting process. The well is metered and the WSL is a formality relative to monitoring the amount of water used and for SGMA compliance related matters. Further, Recology will be responsible for their pro-rated share of fees and costs associated with the potential need for purchasing water in the future to comply with SGMA regulations.
- ii. Motion by Director Sanchez, seconded by Director Gonzalez to approve the issuance of WSL. Approved 5-0.

f. Contract Change Order No. 5 Solar Power Project.

- i. District Engineer, Dan Cronquist reported the need for a contract change order as the result of Borrego finding a large piece of concrete below the ground surface while excavating for the installation of the solar project. The County inspector required Borrego to remove the concrete debris including compacting the soil and conducting testing of the pylon installation. Borrego

had no prior knowledge of the concrete and therefore had no ability to include it in the original contract price. As a result, a change order is necessary to cover the costs of the concrete removal and compaction process.

- ii. Motion by Director Prado, seconded by Director Gonzalez to approve the contract change order No. 5. Approved 5-0.

g. Contract Change Order No. 3 WWTP Aerated Lagoon #1 Sludge Removal Project.

- i. District Engineer, Dan Cronquist reported the need for a contract change order related to the time delay associated with the sludge removal from Lagoon #1. This change order is no cost to the District and strictly addresses a 50 day time extension for performance by GSE.
- ii. Motion by Director Sanchez, seconded by Director Gonzalez. Approved 5-0.

h. Contract Change Order No. 4 WWTP Aerated Lagoon #1 Sludge Removal Project.

- i. District Engineer, Dan Cronquist reported that the performance of the original contract for the sludge removal is almost complete. However, Lagoon #1 has approximately 3400 tons more of sludge than originally estimated. This additional sludge is attributed to several factors including the cleaning of the sewer lines.
- ii. GSE has agreed to take over the entire project including the hauling and tipping fees associated with the removal of the under-estimated sludge in the lagoon. Liberty Composting has fulfilled their contract agreement and GSE has agreed to assume the hauling and tipping duties associated with the remaining sludge removal. Additional costs equate to \$805,000. Other options existed such as waiting or modifying aeration equipment. Those options are much more costly than continuing with the project under this change order.
- iii. Director Cruz inquired as to whether the District has funding available to pay for the additional sludge removal. General Manager Taylor advised there is funds available in the settlement money from the TCP settlement agreement. However, additional funds would be necessary in the future to continue to service and maintain the TCP treatment equipment.

- iv. Director Sanchez inquired as to whether there are any restrictions on the use of the TCP settlement funds. Attorney Peake stated no restrictions exist on the use of funds.
  - v. Motion by Director Gonzales, seconded by Director Sanchez to approve the change order allowing continuance of the sludge removal. Approved 5-0.
- i. Well 17 Encroachment of Land.
- i. General Manager Scott Taylor informed the Board of an encroachment on to District land at the Well 17 treatment site. A neighboring parcel has encroached on the land by 3.5 feet. Taylor indicated the encroachment does not necessarily impede the mobilization and movement of large trucks delivering product to the site. However, an additional 3.5 feet would increase the ease of trans-versing the site.
  - ii. Upon discussion of several options, the Board directed staff to communicate with the property owner regarding the encroachment issue in an effort to obtain voluntary compliance by the property owner to remedy the encroachment on District property.
  - iii. Director Cruz and Director Sanchez recommended a “friendly” approach to the property owner explaining the situation regarding the encroachment and attempt to remedy the property issue.
  - iv. Director Cruz inquired as to the legality of providing permission to be on the land. Counsel Peake stated that the District would provide permission to use the land with the caveat that we could redact that permission in the future.
  - v. Director Cruz directed staff to make contact with the neighboring property owner and bring back the results of the discussion and negotiations to the Board for additional consideration and potential action.
  - vi. Matter tabled to a future Board Meeting pending discussions with property owner.
- j. Implementation of Plan “B” Project for Effluent Water.
- i. General Manager Taylor reported on the need to move forward in some capacity regarding the plan B project mandated by the State regarding an alternative source for effluent water currently being utilized by Recology. Taylor provided information regarding the opportunity to obtain cost free land to relocate the Tipton Kangaroo Rats (“TKR”). Time is of the essence for this

option given that demand for no cost relocation land is at a premium from other agencies in a similar situation i.e.: the need to relocate a particular endangered species. Taylor further stated that the physical relocation process for the TKR would cost approximately \$435,000.

- ii. A second option included waiting for a period of time before beginning the project in an effort to locate and obtain a funding source for the Plan B project. This waiting period potentially would cause the loss of no cost relocation lands, thus requiring the District to purchase land at a 2:1 ratio. This cost for the land alone would exceed \$1 million. Further, the second option would still require the additional \$435k for the physical relocation aspect of the TKR.
- iii. The Board had a discussion regarding the two options and opted to proceed with the Plan B option number 1 thereby authorizing the removal of the TKR utilizing the cost free land sharing process at a cost of approximately \$435,000. This would allow Recology to begin the rehabilitation of the land for farming of fodder crops.
- iv. Motion by Director Prado, seconded by Director Sanchez to move forward with the Plan B implementation as discussed. Approved 5-0.

k. Board of Director's Handbook.

- i. This item was on a previous agenda and the Board requested it be brought back to this meeting. At the request of General Manager Scott Taylor, it was suggested to table this item to allow the Board to further read and analyze the handbook and make notes of their suggested changes to the handbook in more detail. Further, Taylor suggested that each Board member make their recommended changes and submit them to the General Manager. The General Manager would then compile all of the suggested changes for consideration of the Board as a whole to be discussed at a future board meeting.
- ii. Item tabled to be brought before the Board at a future board meeting.

l. Will Serve Letter for 1116 San Emidio.

- i. General Manager Scott Taylor informed the Board of a request for a WSL for 1116 San Emidio. Taylor advised that all fees and costs have been paid

including the special district sewer assessment. Kern County Building Dept. approval is pending the issuance of the WSL.

ii. Motion by Director Sanchez. Seconded by Director Prado. Approved 5-0.

m. Close Unused Bank Account at Bank of the West.

i. General Manager Taylor reported that the District has an open account at Bank of the West that is not being utilized yet is accruing unnecessary fees. Taylor requested the authority to close the account and move the remaining funds to Wells Fargo where the District now does business.

ii. Motion by Director Gonzalez. Seconded by Director Sanchez. Approved 5-0.

n. Authorize Payment of Bills Every Two Weeks and Add General Manager as a Signor on District Accounts.

i. General Manager Scott Taylor informed the Board of the District's current practice of paying bills once a month due to the board meeting schedule. Taylor informed the Board that as a result of only paying bills once a month, the District is habitually late on payments and as a result is charged unnecessary late fees and interest charges. Taylor recommended the Board authorize the General Manager the ability to pay bills every two weeks or as needed to avoid unnecessary late fees and interest charges and to improve and increase the District's credit and bond rating.

ii. Further, Taylor requested the Board add the General Manager as a signor on the District's bank accounts. This would increase the efficiency of payment of bills and would relieve the complexity of locating two board members to sign checks. Taylor informed the Board that two signatures would still be required on all checks, but adding the General Manager as a signor would facilitate ease in now only having to locate one board member as opposed to two.

iii. Motion by Director Prado, seconded by Director Gonzalez. Approved 5-0.

o. Authorize General Manager to Approve Change Orders Not to Exceed \$10,000 within Project Budget.

i. General Manager Scott Taylor informed the Board of various change orders associated with current construction projects with the District. Taylor advised that, often, the change orders are no cost yet still require Board approval. This

process, in many instances, delays projects and hampers efficiency of project completion.

ii. Board modified the authorization to not to exceed the budgeted for the project. Taylor further stated the change order authorization was limited not to exceed \$10,000.

iii. Motion by Director Prado, seconded by Director Gonzalez. Approved 5-0.

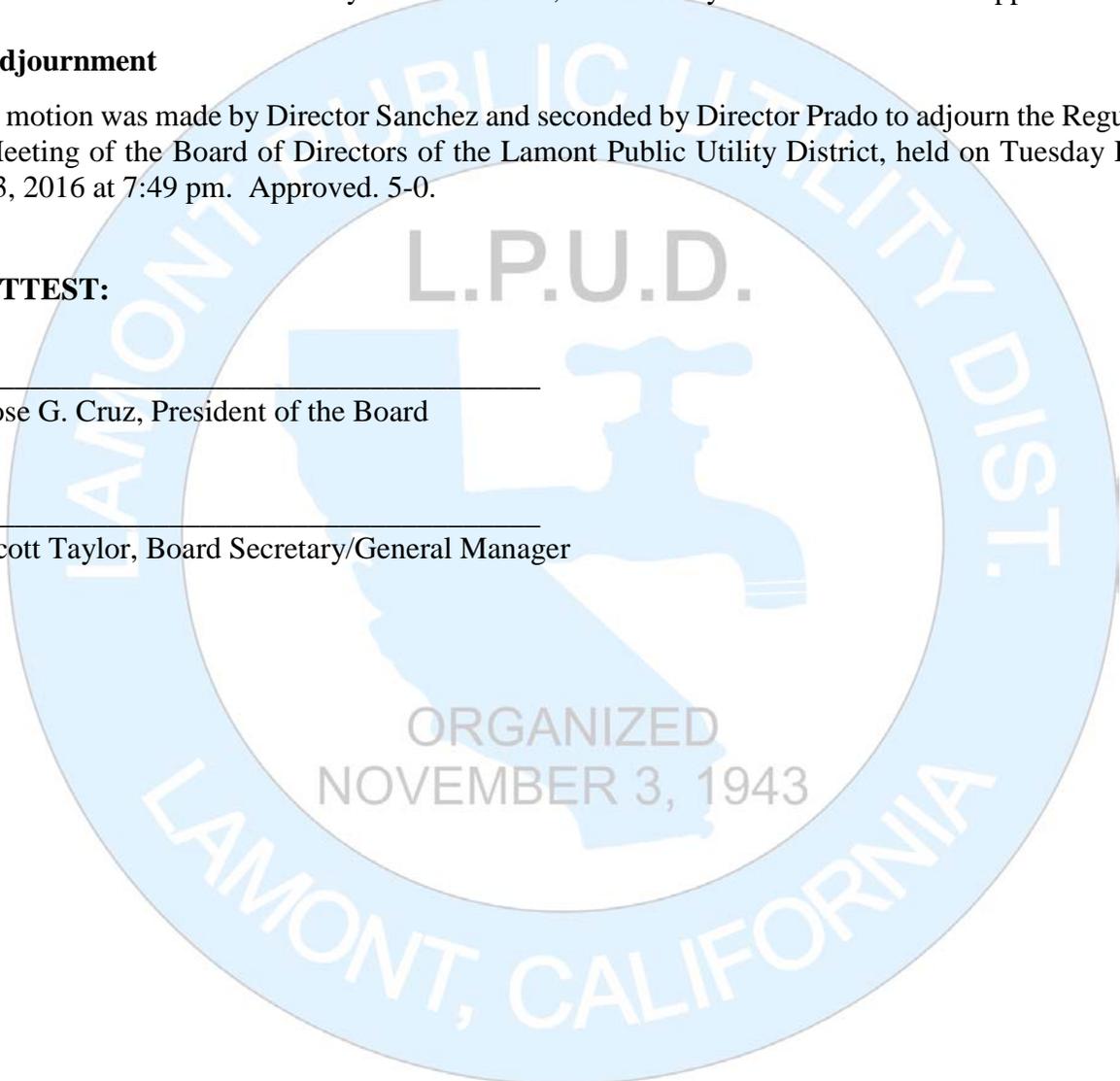
**Adjournment**

A motion was made by Director Sanchez and seconded by Director Prado to adjourn the Regular Board Meeting of the Board of Directors of the Lamont Public Utility District, held on Tuesday December 13, 2016 at 7:49 pm. Approved. 5-0.

**ATTEST:**

X  
\_\_\_\_\_  
Jose G. Cruz, President of the Board

X  
\_\_\_\_\_  
Scott Taylor, Board Secretary/General Manager

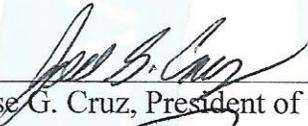


- i. General Manager Scott Taylor informed the Board of various change orders associated with current construction projects with the District. Taylor advised that, often, the change orders are no cost yet still require Board approval. This process, in many instances, delays projects and hampers efficiency of project completion.
- ii. Board modified the authorization to not to exceed the budgeted for the project. Taylor further stated the change order authorization was limited not to exceed \$10,000.
- iii. Motion by Director Prado, seconded by Director Gonzalez. Approved 5-0.

**Adjournment**

A motion was made by Director Sanchez and seconded by Director Prado to adjourn the Regular Board Meeting of the Board of Directors of the Lamont Public Utility District, held on Monday, January 23, 2017 at 6:48 pm. Approved. 5-0.

**ATTEST:**

X   
\_\_\_\_\_  
Jose G. Cruz, President of the Board

X   
\_\_\_\_\_  
Scott Taylor, Board Secretary/General Manager

