

LAMONT PUBLIC UTILITY DISTRICT REGULAR MEETING MINUTES

Monday March 27, 2017 6:00 P.M.

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

1. Call to Order/Roll Call

- a. Board Vice-President Hernandez called to order the regular board meeting at 6:01 pm on Monday, March 27, 2017 at the office of the Lamont Public Utility District. Four Board Members were present with President Cruz being absent. Staff present included General Manager/District Secretary Scott Taylor, District Counsel Alan Peake, District Engineer Dan Cronquist, and District Interpreter Ricardo Sanchez.

2. Pledge of Allegiance – Led by Vice President Hernandez

3. Board Member announcements –

- a. Vice President Hernandez stated this was her time officiating over a board meeting. She stated she wishes to apologize the people in attendance including staff, fellow board members, and the public if she makes a mistake.

4. Public Comment

- a. None.

5. Staff Reports

- a. District Counsel: - None
- b. District Engineer: - None
- c. Finance Officer: - Finance Officer was not present at this meeting.
- d. General Manager: - None

6. Consent Agenda

- a. Director Sanchez requested a correction to the minutes of the meeting on February 27, 2017. Specifically, Dir. Sanchez requested the word “leaking,” referring to significant amounts of additional costs the District has experienced in recent months, to be changed to “bleeding.” No objections from the remaining Board members.
- b. A motion by Director Prado seconded by Director Sanchez to approve the consent items with the change to the minutes as reflected. Approved 4-0

7. Regular Agenda

a. Well #19 Flooding and Corrective Action.

- i. District Engineer Cronquist reported on the details of the warranty work and the original design basis of well 19. Cronquist stated that the well pump had failed with the cause preliminarily being the failure of the pump bearings. The pump is covered under warranty and that process is continuing at no cost to the District.
- ii. Cronquist further reported that he and GM Taylor met with the Director of Engineering Services for Kern County who is also the Flood Plain Director for the County. Cronquist reported that we discussed with the County their plan to protect Lamont from future flooding from Caliente Creek. The County reported that they are currently conducting feasibility studies of flood control projects to prevent flooding from reaching Mountain View Road and Highway 184. The County indicated that study should be completed in the next few months with the hopes of spreading the water out so it doesn't reach Lamont and simply recharges back into the ground. Cronquist reported there is no damage to Well 19 from the recent flooding and the well site perform and functioned as it was intended. However there is about an inch of sediment that was brought to the site as a result of the water runoff.
- iii. Director Prado inquired as to the length of the warranty for Well 19. Cronquist informed that the warranty was for one year expiring in January 2017. However, the failure and warranty claim was placed before the warranty expired, thus the work should be covered. Director Prado clarified that after one year the District no longer has a warranty on Well #19 and Cronquist confirmed that was correct.
- iv. Director Sanchez stated that code section 17.48.320 does not prevent the site from being raised 24 inches to assist in flood prevention. Cronquist replied that had the District tried to raise the site 2 feet, the County would have prevented it and stopped the project entirely because of the impact to the environment including raising water levels on adjoining properties. Sanchez stated that the District is not creating water, just simply protecting the well. Cronquist replied that placing a wall around the entire property or raising the site, would redirect water onto adjoining properties because we would be preventing the water to flow through the well site, which is the natural path. A wall, at the time the well was built, would not have been approved and the County would have stopped the project.

- v. Director Sanchez requested a meeting with the County officials to confirm the statements regarding the prevention of redirecting water from the well site. Director Sanchez also stated that Aecom did not answer his question regarding whether Aecom took into consideration that the site and Lamont was in a flood plain. Director Sanchez stated he would like that question answered.
 - vi. Director Prado said the farmers have redirected water from their properties which has contributed to the flooding in Lamont. Director Sanchez stated he feels the design of the well is faulty and that issue needs to be addressed.
 - vii. GM Taylor stated he would attempt to schedule a meeting with the County and have the County attend a board meeting to discuss this issue.
- b. Plan B Recology Contract Update.
- i. GM Taylor reported that he reviewed the contract with Recology and was able to determine that District is in compliance with the terms of the agreement. The agreement provides for 3-4 years before the remediation of the land must occur. Taylor reported that the District entered into the agreement in 2015. Thus, worst case scenario is that the remediation must begin no later than 2019. Taylor reported the relocation of the TKR is in process and should be completed within a few months. Thus, allowing Recology to begin the remediation process, all within the 3-4 year timeframe.
 - ii. Director Sanchez inquired as to the need to clean up the language in the contract. General Counsel Peake shared the difficulty of having time specific language in the agreement due to the nature of the TKR relocation and the nature of land remediation. Director Sanchez mentioned the agreement included an annual report on the progress of the remediation. A review of the agreement did not reveal a requirement for an annual report. However, GM Taylor stated he would be happy to provide updates as he has done each month to the Board regarding progress in Plan B.
- c. Kern River GSA Sub Basin Modeling Agreement.
- i. GM Taylor reported this item is in conjunction with compliance with the SGMA requirements and the District's desire to join the Kern River GSA. As part of the process to begin compliance with SGMA regulations, the KRGSA requested the District's participation to develop a basin model identifying the amount of water recharge, water quantities, and water demands throughout the area.

- ii. The request for cost sharing is based on the size of the agency. For the District the cost is \$0.35 per acre or approximately \$980. GM Taylor further shared that agreeing to participate in the cost sharing allows for the District to participate and receive data from the model and further shows good faith that the District is interested and eager to join the KRGSA.
- iii. Director Prado inquired into whether this is a one-time cost, or will there will other costs associated with developing and ultimately joining the KRGSA. Engineer Cronquist responded indicating this is a cost for the model, however there most likely will be additional costs for other aspects and components of compliance with SGMA as it moves along. Director Prado asked if the cost sharing is for every month or for just this model. Cronquist replied the cost is a one-time cost for this model but that it is possible the model would be updated in future years with additional cost sharing for other items as the compliance process continues.
- iv. Motion by Director Prado, seconded by Director Gonzalez. Approved 4-0.

d. Single Audit Requirement.

- i. GM Taylor shared with the Board that the District received a notice from the State Water Resources Office indicating that a single audit is required to be filed with their office when an agency receives federal funding assistance in excess of \$500,000, whether it be a grant or a loan. GM indicated that the original agreement with Brown and Armstrong did not include single audits for FY 15 or 16. GM Taylor shared that he contacted Brown and Armstrong regarding the single audits and was informed that Brown and Armstrong wanted to charge additional monies in excess of \$10,000.
- ii. GM Taylor informed the Board that strong negotiations were had with Brown and Armstrong and questions were asked as to why the single audits were not included in the original engagement letter provided by Brown and Armstrong. Brown and Armstrong stated they were not focusing on single audits. GM Taylor reported that he did not accept that response because by definition, an auditing firm should know what audits are required of a public agency whether single audit or otherwise. GM Taylor reported that he had direct staunch discussions with Brown and Armstrong leading to the reduction in cost for the two audits at \$2000 each which is more in line with a fair and reasonable cost for the single audits.
- iii. Motion by Director Sanchez, seconded by Director Prado. Approved 4-0.

e. Scheduling of Budget Study Session

- i. GM Taylor requested the Board to choose a date for the budget study session. GM Taylor reminded the Board that Pres. Cruz is only available on Tuesday evenings. The Board discussed and the date of April 11, 2017 at 6pm was agreed upon and chosen. No formal action required.

f. Revision of Resolution 424

- i. GM Taylor stated the District received a letter from the County Elections Office requesting a revision of Resolution 424. 424 was a resolution permitting the county to conduct the election process on behalf of the Water District. However, the previous resolution omitted a provision for future election processes and also omitted reimbursement to the county for the cost of conducting the election process on behalf of the District. GM Taylor explained the reasoning for the revision of the resolution and also provided the Board with a draft copy of what the revised resolution would include. GM Taylor requested the Board adopt the new version of resolution 424 as amended.
- ii. Motion by Director Sanchez, seconded by Director Prado. Approved 4-0.

g. Revision of Number of Watering Days

- i. It was requested for the Board to consider the revision of the number of watering days for landscaping and plant materials and alike in Lamont. Currently, the District restricts watering to 2 days per week. However, with the recent rainfall, coupled with the recently proclaimed reduced-drought conditions, consideration for one additional watering day was requested. Further supporting this request is the fact that the Lamont area has exceeded its water conservation goals and percentage requirements.
- ii. Director Sanchez suggested adding Thursday as an additional day given the current allowable watering days are Tuesday and Saturday.
- iii. Director Prado stated she had no opposition to adding another watering day given her neighbor waters an extra day currently. Director Gonzalez also had no objection adding another watering day.
- iv. Motion by Director Sanchez, seconded by Director Gonzalez. Approved 4-0.

h. Sick Leave and Vacation Accrual Adjustments

- i. GM Taylor reported that in January 2017, it was brought to his attention that vacation and sick leave accruals were not being reported and documented correctly for staff. GM Taylor reported that the same staff member reported that the incorrect vacation and sick leave accrual was brought to the attention of the office manager previously, approximately a year ago with nothing being resolved. The staff member then brought it to me and requested that something be done to correct the incorrect accruals.
- ii. GM Taylor stated he requested the office manager to begin looking into the accruals based upon the complaint from line staff. A short time later Taylor reported a second staff member reported accruals were inaccurate and incorrect for him as well. GM Taylor began to ascertain what happened, how it happened and why it wasn't corrected sooner.
- iii. GM Taylor reported that how the inaccurate accruals occurred was via the inadequate set up of vacation and sick leave data. QuickBooks has a provision for setting up accruals, however it was not set up correctly and as a result additional vacation and sick leave above the correct amount was accrued when a staff member worked overtime and similarly, a reduction of vacation and sick leave below the correct amount was accrued if a staff member used vacation or sick leave.
- iv. GM Taylor indicated he was able to obtain records from the Office Manager of all staff members showing all of their leave time used, the current way the time was be accrued, and the current balances of leave from their date of hire. GM Taylor stated he spent many, many hours recalculating the correct vacation and leave time for each staff member from their date of hire. GM Taylor stated he created an excel spreadsheet to accurately track and calculate leave time of each staff member.
- v. GM Taylor stated that upon the accurate calculations for the leave time, all staff members but one received a nominal increase in vacation hours owed to each staff member. In relation to sick leave hours, all staff members received a substantial increase in sick leave hours after the correct calculations were conducted.
- vi. GM Taylor also commented on the maximum amount of sick leave that allowed to be maintained under current policy. Currently the policy allows for 72 hours of sick leave yet the maximum allowed to retain was 60 hours. Taylor commented that appeared to be a conflict. Further Taylor reported

that if a staff member was to be injured or got seriously sick, a week and a half of sick leave is too minimal.

- vii. GM Taylor provided fiscal impacts associated with paying out the additional sick leave and vacation time owed to staff. Those amounts equal \$8,305.91. In the alternative, Taylor recommended the Board approve an increase in the cap on sick leave at 160 hours. This would allow staff to have additional hours in the event of a serious injury or illness and it would alleviate the need for the District to pay out the additional leave time owed to staff as a result of the inaccurate and incorrect time keeping and accrual balances for the past 7 years. Thus, GM Taylor recommended the Board increase sick leave time cap to 160 hours.
- viii. Director Sanchez commented the amount of days required by law to provide to staff. Clarification was provided indicating that the District's sick leave policy would remain the same other than increased the maximum allowable accrual cap. Director Sanchez also commented that he recalls a previous general manager suggesting 160 cap on sick leave but doesn't recall why it was not followed through on. Director Sanchez stated he recognized the amount of labor and hours GM Taylor dedicated to the calculations and stated he has no objection to staff's recommendation.
- ix. GM Taylor stated that raising the cap to 160 hours would also communicate the Board is mindful and concerned for the needs of staff. Director Sanchez agreed.
- x. Director Prado stated she agreed as well and that no money would be coming from the District to cover the additional leave time.
- xi. Motion by Director Prado, seconded by Director Gonzalez. Approved 4-0.

Adjournment

A motion was made by Director Prado and seconded by Director Gonzalez to adjourn the Regular Board Meeting of the Board of Directors of the Lamont Public Utility District, held on Monday, March 27, 2017 at 7:17 pm. Approved. 4-0.

ATTEST:

X

Jose G. Cruz, President of the Board

X

Scott Taylor, Secretary/General Manager

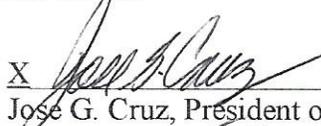
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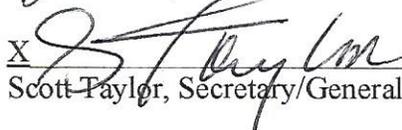
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