

LAMONT PUBLIC UTILITY DISTRICT REGULAR MEETING MINUTES

Monday, August 28, 2017 6:00 P.M.

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

1. Call to Order/Roll Call

- a. Board President Cruz called to order the regular board meeting at 6:07 pm on Monday, August 28, 2017 at the office of the Lamont Public Utility District. All five Board Members were present. Director Prado arrived a few minutes late, but did not miss anything substantial that would impact District business. Staff present included General Manager/District Secretary Scott Taylor, Finance Officer Wendy Swope and District Engineer Dan Cronquist.

2. Pledge of Allegiance – Led by President Cruz.

3. Board Member Announcements –

- a. President Cruz requested an informational agenda item be placed on the agenda requesting an update, from the insurance company attorney representing the District, of the finalization of a lawsuit filed against the District entitled *Sanchez v. LPUD*.

4. Public Comment

- a. No public comments. President Cruz acknowledged members of the Kern County Grand Jury present at the meeting.

5. Staff Announcements – Information Only

- a. General Manager informed and advised Board that at the next meeting there will be an agenda item to adopt a resolution to submit a construction application for grant funding for the El Adobe consolidation project.
- b. General Manager announced there will be a community event celebrating Latin Independence Day including a parade, booths, vendors, music and alike. A day long community celebration. GM Taylor invited all board members to attend and participate.
- c. GM Taylor informed the Board that upon broadening the scope of recruitment via the RFQ process for District Counsel, only four law firms express interest in the District Counsel position. GM Taylor advised that the District spent \$1490 to broaden and expand the recruitment beyond the local area originally directed by the Board.

6. Consent Agenda

- a. Director Prado requested to have the minutes from July 24, 17 regular meeting and August 9, 2017 special meeting pulled from the consent agenda. Director Prado stated the minutes do not correctly reflect the words of a public speaker. She stated the public speaker never mentioned her and Director Hernandez by name, only as board members. Director Prado stated she wanted to check the audio tape of the meeting to determine if the public speaker mentioned those words meaning naming her and Director Hernandez by name. Director Prado said she was referring to the minutes that state Director Prado and Director Hernandez are attacking one person all the time. Director Prado stated the public speaker never mentioned names. Director Prado wants to see how we can change the reflecting of the minutes. Director Prado also stated she wanted the difference of the reports in the CalPERS calculations in the minutes. Finance Officer Swope stated the information is not in the minutes because as she had stated during the actual meeting, CalPERS had not finished their adjustments and calculations thus they are no numbers to provide which is why the minutes are devoid of that data. Director Prado then stated she was not referring to CalPERS but to healthcare deductions that were corrected due to malfeasance by the previous office manager.
- b. GM Taylor explained that Board meeting minutes are a summary of the “action” taken by the Board. GM Taylor read the portion of the minutes that indicated the CalPERS calculations have not been completed and that a report would be provide in the future upon completion of the corrections. GM Taylor asked Director Prado if that was what she was talking about. Director Prado indicated yes. Director Prado requested that the numbers related to the corrections of CalPERS be included in the minutes. However, Finance Officer Swope stated the calculations are not completed thus there are no numbers available to include.
- c. Director Prada said she understands that action minutes are a brief description of what action was taken by the Board. She stated she wants the words to reflect exactly what occurred in the meeting. She said the “words in the minutes do not reflect the words correctly in the minutes.” GM Taylor stated he summarizes the audio of the meeting into the minutes. He said it would be extremely difficult for him to type out the meeting word for word. He re-stated that he summarizes the meeting into the minutes and that it is not a word for word reflection. Director Prado stated she “is finding a lot of words that are hear to that day.” She said “I want to words to reflect the words that we mention. A lot of words I mention is not correctly the words.” GM Taylor again explained that he summarizes the audio and does not type a word for word transcription.
- d. Director Hernandez stated there is a point here that I wrote down and it does not reflect the same. There is something that is not accurate. Director Hernandez stated under Board member announcements under July 24 minutes.
- e. Director Sanchez stated he wanted to inform the Board members that the minutes need to be approved in a timely manner. He said the “minutes need to be posted in a timely manner and that all this clarification is preventing us from complying with the law.”

- f. President Cruz stated that is why we make motions here to approve.
- g. GM Taylor invited each board member to come to his office and sit and listen to the audio with him and make the corrections to the minutes that board members feel was not summarized accurately or felt needed to be included in the minutes. Director Prado said she cannot do that and that she recommend fixing the minutes.
- h. Director Sanchez clarified that items B and C are being removed from the consent calendar. Director Prado stated yes and a motion to approve less item B&C was made.
- i. Consent calendar approved as amended 5-0.

7. Regular Agenda

- a. Action to Sign Contract Amendment for General Manager as Previously Agreed Upon and Directed by Board.
 - i. President Cruz stated the wording in the amendment is the same as last time. GM Taylor stated the re-drafted amendment is in the packet at the end of the staff report and drafted as directed by the Board at the previous meeting. President Cruz stated he did not like the wording of the contract amendment item C which stated “(c) An evaluation shall be conducted of the General Manager in November 2017. During the term of this agreement and following a Board evaluation rating of satisfactory performance, the General Manager salary shall receive a salary increase to be determined by the Board at that time, effective at the beginning of the next pay period after November 1st, 2017.” GM Taylor stated the amendment was drafted exactly as directed by the board and reflects what the board agreed to during the last change of the amendment. GM Taylor stated he would change the amendment if the Board wishes. GM Taylor also stated the amendment was reviewed by District Counsel before presentation to the Board.
 - ii. President Cruz stated he does not want anything to reflect a salary increase in the November review. GM Taylor stated that the amendment does not reflect a salary increase. It states a “salary increase to be determined by the board” which could be anything between zero and as much as decided. President Cruz stated he wanted item C removed completely and then stated to re-word it. GM Taylor asked President Cruz what he wanted it to say. GM Taylor reminded the Board that the amendment was drafted and reviewed by the District Counsel. President Cruz said the next evaluation will be in November. He said how often is your evaluation? GM Taylor stated the Board agreed to an evaluation in May 2017 and then a review in November 2017. President Cruz asked what the original contract says. GM Taylor stated the original contract states an evaluation at 6 months and then 12 months after that.

- iii. President Cruz stated he wants to follow the terms of the original contract. GM Taylor stated that is not what the entire Board agreed upon at his May 2017 review. GM Taylor stated that in May, June and July 2017, all 5 board members agreed to a review in November 2017. That's why it is included in the amendment. President Cruz stated "well we haven't signed the amendment." President Cruz stated he said he did not want another evaluation in November. He said bring the amendment back and he and I can "get together and talk about it." GM Taylor said, "You and I just met on Friday and talked about it and what you are saying now is different than what you said on Friday in my office."
- iv. Director Prado said she spoke to District Counsel and asked "if the District be having something and how we can evaluation because in the past we evaluation and the difference in the evaluation now." She requested to look at something for the evaluation. She requested perhaps to have an evaluation form. Director Prado stated a form was used for a previous District Manager. GM Taylor stated he looked and searched for an evaluation for used for previous GM's and was not able to locate anything within District records.
- v. GM Taylor stated he is very confused, since this affects him personally, because the discussions previously had with this Board which was agreed upon both in open sessions and in closed sessions is what the Board said they wanted and is reflected in the amendment. He stated that the Board agreed to provide him with an increase now and then a review and revisit in November. He stated that even President Cruz said that to him outside after the June meeting. And then now the Board is saying they don't want anything in the review and go back to May 2018 as the original contract read. Taylor however this is an amendment to the original contract to which all of you agreed. GM Taylor said yes, you can go back to the original contract. But GM Taylor said, the amendment is what we agreed to, then that is what we agreed on. President Cruz stated "but we didn't sign it so." GM Taylor said, "of course you can do that to me." "You didn't sign it so too bad for me. But that is not how we agreed to do things."
- vi. Director Prado stated for clarification she does not want to approve the contract because she has legal concerns. She said she talked to legal counsel for the District and the counsel said to come back to speak with GM Taylor. GM Taylor stated that when Director Prado spoke to legal counsel she asked if she could change her mind, even though she agreed to the amendment, since the amendment has not been signed. And the answer is yes. Director Prado said she wanted to make sure this is what she wanted to move the

District forward. GM Taylor stated for him the issue is that the amendment has been discussed, agreed upon and then changed and then agreed upon. This occurred 3-4 times. And now the Board is un-agreeing. GM Taylor stated he will attempt to draft an amendment that can be agreed upon and finalized.

vii. Director Prado stated the legal counsel left a closed session early and that is why she called the attorney. GM Taylor explained again that the special counsel is interim and has other permanent clients he must serve and that the Board was aware of the conflict of schedules. GM Taylor stated that the Board can postpone a decision or not agree to anything until they confer with Counsel. However, in this instance Counsel drafted and reviewed the amendment and the Board members have been doing this a long time, been on the Board a long time on the board and that GM Taylor knows what the Board told him and agreed to regarding his contract amendment and the amendment reflects that agreement. Yet now he is being told something different and will try to draft the agreement with yet again something different.

viii. Director Sanchez stated in all fair to GM Taylor, the Board has agreed and been changing the agreement for the past 3-4 meetings and stated when is this going to end. Director Sanchez stated the Board has a responsibility to come prepared with recommendations or changes. He stated the Board started this process back in May and that the Board had already agreed a couple of times and after we agree board members have a discussion with the general manager and change their agreement when those discussions should be held at a Board meeting where everyone can participate. He stated that is his recommendation.

ix. A motion was made to bring the GM contract amendment back to the next board meeting. Approved 5-0.

b. Approve Restructuring of District Eliminating Office Manager Position, Adding an Administrative Assistant Position, and Modifying Selected Positions to Exempt Status.

i. Director Prado stated that we don't have the legal counsel present, she wanted to confirm and make sure there is no legal problem with reorganizing the District. GM Taylor stated no there is no problem. The District has the legal authority to restructure whenever necessary or determined to be in the best interest of the District. Further GM Taylor stated he consulted with legal counsel before placing the item on the agenda

because he anticipated Director Prado asking that question and having concerns. More importantly, GM Taylor stated that if there were legal problems or legal issues, he stated he would have never brought the item to the Board.

- ii. GM Taylor stated he anticipated Director Prado's concern about the office manager position. He stated the position is currently vacant and has been vacant for several a couple months. GM Taylor stated there is no need for an office manager position within the District and is an unnecessary financial burden with no benefits to the District. Director Prado stated she is fine with eliminating the position understanding there is no legal requirement preventing the District from reorganizing and re-structuring.
- iii. GM Taylor stated that staff looked at the needs of the organization as a whole and the needs of the District in terms of staffing and labor force. Taylor stated currently there an overwhelming need for administrative support within the District. Currently, all of the administration work including HR, risk management, document management and retention, and a host of other duties is being conducted by either the GM or the Finance Officer. This is overwhelming and detracts from the critical duties those two management positions hold.
- iv. GM Taylor recommended adding an administrative assistant position at a salary of \$35,000-\$45,000 per year to assume much of those day to day administrative functions. This is a large cost savings for the District while simultaneously obtaining additional labor assistance to facilitate the proper functioning and compliance of the District.
- v. Further, GM Taylor recommended restructuring the Water Supervisor and the WWTP Supervisor to exempt status. This would significantly reduce the overtime paid to those traditionally management positions.
- vi. Director Sanchez thanked staff for bringing the restructuring of the District to the Board. He stated this is something that has needed to be done for some time and that it makes financial sense. He further stated that GM Taylor provides the detailed, analyzed information necessary for the Board to make the appropriate decision for the District.
- vii. A motion to approve restricting the District as outlined was approved 5-0.

- c. Authorize General Manger to Enter into an Agreement with AECOM to Begin Process for a New Administration Building.

- i. Information was provided by Engineer Dan Cronquist regarding the construction of a new administration building. Cronquist provided data and information on a pre-engineering steel style building and for the construction of a modular style building. Cronquist provide the pros and cons for each building. Cronquist stated approval of this agenda item was for the preparation of the proposal for RFP for the new building. Once the RFP process was complete, the details would be brought back to the Board for selection of a contractor to construct the building.
 - ii. Board approved the authorization for the GM to enter into an agreement with Aecom to begin the RFP and proposal process for a new administration building. Motion approved 5-0.
- d. Authorize General Manager to Purchase Accounting and Billing Software.
- i. GM Taylor and Finance Officer Swope provide information to the Board on the acquisition of new accounting and billing software. Staff provided several options from various software companies that would fit the needs of the District. Staff shared the annual costs of the software, initial purchase costs, and conversion capabilities. Board agreed that new accounting and billing software was critical and also demonstrated compliance with the findings of a Grand jury report.
 - ii. Motion to approve purchase of Black Mountain Software was approved 5-0.
- e. Authorize General Manager to Enter into an Agreement to Conduct Rate Study.
- i. Staff presented financial information and analysis to the Board supporting the need for a rate study and possible rate increase for the District. Staff shared that the last rate study for the District had been conducted over 10 years ago and without such a study and potential increase, the District would be in dire financial straits within three years. Staff provided proposals to the District including costs, process for conducting the rate study, timelines, and approaches including several public meetings for public input.
 - ii. Director Prado asked if the rate study would include commercial and agricultural property as well. Engineer Cronquist stated that the rate study would apply to all water users and customers of the LPUD. Further, the study would include other fees charged and assessed by the District.
 - iii. President Cruz asked how our current rates compare to other water districts. Engineer Cronquist stated LPUD charges one of the lowest rates among all water districts within Kern County.

iv. A motion was made to approve a rate study. Approved 5-0.

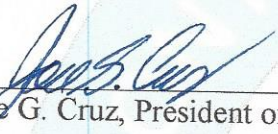
f. Closed Session: Meeting Regarding Potential Litigation

i. No reportable action. Informational only.

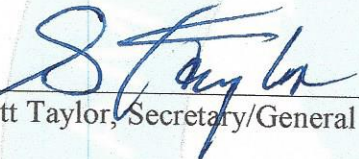
Adjournment

A motion was made by Director Prado and seconded by Director Hernandez to adjourn the Regular Meeting of the Board of Directors of the Lamont Public Utility District, held on Monday, August 28, 2017 at 7:50pm. Approved. 5-0.

ATTEST:

X 

Jose G. Cruz, President of the Board

X 

Scott Taylor, Secretary/General Manager

