

# LAMONT PUBLIC UTILITY DISTRICT REGULAR MEETING MINUTES

Tuesday December 13, 2016 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 6:03 pm on Tuesday, December 13, 2016 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, and District Interpreter Mario Sanchez.

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

## 3. Election of Officers of the Board

- a. President Cruz conducted the election of the officers and received nominations for President of the Board. President Cruz was re-elected to continue as President of the Board.
- b. President Cruz received nominations for Vice President of the Board. Director Hernandez was elected as the Vice President of the Board.

## 4. Board Member announcements –

- a. Director Prado commented on attending “How to Be an Effective Board Member” training in Tehachapi. Director Prado stated that she, Director Hernandez, and General Manager Scott Taylor attended. Director Prado stated it was useful good training. Director Prado also thanked GM Taylor for driving to the training. Director Hernandez echoed Director Prado’s comments.
- b. Director Sanchez requested that a budget study session/strategic planning session be scheduled in the near future to address and analyze the proposed FY 17/18 budget for the District. Director Sanchez stated that study sessions provide the Board with an opportunity to review and discuss the budget well in advance of its adoption. Director Sanchez indicated he has experienced this process within other public organizations and believes it is necessary for the District.

## 5. Public Comment

- a. None

## 6. Staff Reports

- a. District Counsel – None.
- b. District Engineer – None.
- c. General Manager:
  - i. GM Taylor reported on the receipt of \$1.6 million in continued reimbursement for the solar project from California Energy Commission.
  - ii. Taylor reported on the receipt of the Writ of Mandate from the Court regarding the issuance of the Will Serve Letter for the McKee pipeline project. Taylor reported that the Will Serve letter has been issued in compliance with the Writ of Mandate.
  - iii. Taylor provided an update on the Utility One position recruitment indicating numerous qualified applications have been received and the recruitment process will continue to fruition including the ultimate hiring to fill the position, bringing the District to full staff in terms of the Water and Sewer staffing needs.

## 7. Consent Agenda

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

## 8. Regular Agenda

- a. Contract Change Order No. 4 Solar Power Project.
  - i. District Engineer, Dan Cronquist reported on the need to issue a change order to pay for the fees for connection to the PG&E power grid. The fees are reimbursable as part of the overall project budget.
  - ii. Motion by Director Gonzalez, seconded by Director Prado to approve the change order. Approved 5-0
  - iii. Request by Directors Prado and Sanchez to discuss the District's policy regarding Board Members contacting staff on service matters.
- b. Change Order No. 2 and Progress Pay Estimate No. 4 associated with WWTP Aerated Lagoon One Sludge Project.
  - i. District Engineer, Dan Cronquist reported on the need to issue a change order to pay for the demobilization fees of the sludge removal equipment as the result of Liberty Composting issuing a stop work notice and refusal to continue to accept the sludge. Cronquist also reported the need to approve PPE No.4 for GSE, contractor

conducting the sludge removal. Cost includes demobilization and remobilization of the sludge removal equipment.

1. Motion by Director Prado, seconded by Director Sanchez to approve the change order. Approved 5-0

c. Fairfax Neighborhood Pipeline Project – AECOM Contract Change Order No.1.

- i. District Engineer, Dan Cronquist reported on the requirement of USDA for the District to conduct soils compaction testing for the project to provide independent verification that the compaction is being done correctly. Cronquist suggested the Board approve Aecom, via a change order, to hire BSK & Associates to do the testing at no additional mark-up. BSK has done work for the District in the past and their work has been satisfactory. The cost to retain a soils testing company would be covered by the USDA grant. Further it would alleviate additional general counsel costs by eliminating the need for additional contract negotiations and review by general counsel.
- ii. Director Sanchez stated he would like to see proposals from other engineering companies, potentially seeking a local soils engineering company.
- iii. Director Hernandez inquired to confirm the cost of the soils compaction testing would be reimbursable via the USDA grant. Cronquist confirmed it would.
- iv. President Cruz inquired if the District or Aecom have had prior experience utilizing BSK. Cronquist confirmed BSK has done work on Well 19 as well as other projects within the District.
- v. Motion by Director Prado, seconded by Director Hernandez to approve the change order. Approved 3-2. President Cruz, Director Hernandez and Prado voted AYE. Director Sanchez and Gonzalez voted NAY.

d. State Controller's Office Invoice for Conducting Audit.

- i. General Manager, Scott Taylor reported on the receipt of the invoice from the State Controller's Office (SCO") for the audit they conducted. Taylor explained he reviewed the billing and felt the invoicing of labor hours was inaccurate.
- ii. Taylor further explained he contacted the SCO and questioned the hours providing reasonable grounds and supporting information for questioning the invoice.
- iii. Taylor reported the response from the SCO indicating the SCO stood by their invoice, providing little or no reasonable explanation of the labor hour discrepancies, and that no adjustments would be made, thereby triggering the necessary approval of payment of the invoice.
- iv. Taylor reported that the funding for the invoice was not budgeted and therefore would need to be taken from reserves.

- v. Motion by Director Prado, seconded by Director Gonzalez to approve payment of the invoice. Approved 5-0.
- e. LPUD Board of Director's Handbook.
- i. GM Taylor reported that a Board of Director's handbook was prepared at the direction of the Board. The handbook was provided to each board member in advance of the meeting for review and possible adoption.
  - ii. President Cruz requested the handbook agenda item be tabled and brought back to the next meeting for adoption thereby allowing additional time for board members to read, review and digest the handbook.
  - iii. Director Sanchez agreed with President's Cruz recommendation.
  - iv. Item to be placed on the January agenda.
- f. Update on Efforts to Join Kern River GSA.
- i. GM Taylor reported that the Kern River GSA ("KRGSA") has resolved its issues with the County regarding the GSA overlay concerns. The KRGSA and the County have entered into an MOU allowing the KRGSA to move forward in compliance with State SGMA requirements.
  - ii. The resolution between KRGSA and the County now opens up the opportunity for LPUD to join the KRGSA thereby facilitating LPUD's ability to comply with SGMA requirements in the future.
  - iii. KRGSA indicated that a preliminary cost estimate would be approximately \$2.50 per land acre. LPUD currently encompasses approximately 2740 acres equating to approximately \$6750.
  - iv. This information was provided as an update to an agenda item from previous board meetings.
- g. Modification of Finance Officer Job Description and Approval for the General Manager to Hire an Interim Finance Officer.
- i. GM Taylor reported that on the first recruitment, zero resumes had been received for the finance officer position. Taylor equated this poor response to the required CPA credential requirement.
  - ii. Taylor stated the position was re-advertised utilizing additional recruitment resources omitting the requirement of the CPA credential from the recruitment advertisement. Taylor reported that 11 resumes had been received to date, and anticipated additional resumes to be received before the closing date of December 23, 2016.

- iii. Taylor speculated the increase in response to be attributable to the removal of the CPA requirement from the job posting. In that vein, Taylor requested the Board to modify the Finance Officer job description and eliminate the requirement of CPA credentials.
- iv. Director Sanchez recommended removing the CPA requirement but including “CPA desirable” in the recruitment posting.
- v. Motion by Director Prado, seconded by Director Hernandez authorizing elimination of the CPA required credential from the Finance Officer job description. Approved 5-0.
- vi. GM Taylor continued to report on the possibility of hiring an interim Finance Officer until a permanent hire could be found. Taylor reported that one of the applicants withdrew his application because he was a PERS retiree and could not accept a full time permanent position. Taylor stated that this person was well qualified with significant experience and a CPA credential.
- vii. Taylor recommended the Board approve the hiring of an interim finance officer consistent with PERS retiree guidelines and further recommended the Board authorize Taylor to enter into an employment agreement without additional Board approval given that time is of the essence in addressing the finances of the District.
- viii. Motion by Director Prado, seconded by Director Gonzalez. Approved 5-0.

**9. Closed Session** – Pursuant to California Government Code Section Gov’t Code §54956.9(d)(4). Potential Initiation of Litigation.

a. Report on Closed Session.

- i. Information was provided to the Board.
- ii. Board provided direction to Staff. Vote: 5-0.

**Adjournment**

A motion was made by Director Gonzalez 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 7:26 pm. Approved. 5-0.

**ATTEST:**

X  
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 Jose G. Cruz, President of the Board

X  
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 Scott Taylor, Board Secretary/General Manager