

# LAMONT PUBLIC UTILITY DISTRICT REGULAR MEETING MINUTES

Monday, February 23, 2015 6:00 P.M.

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

## 1. Call to Order/Roll Call

Board President Prado called to order the regular meeting at 6:00 pm on Monday, February 23, 2015 at the office of the Lamont Public Utility District. All Board Members were present except Direction Cruz and Director Hernandez. Staff present included General Manager/District Secretary Nick Turner, District Counsel Alan Peake, and District Interpreter Mario Sanchez. Director Cruz arrived to the meeting at 6:16pm. Director Hernandez arrived to the meeting at 6:28pm.

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

## 3. Board Member announcements

Director Sanchez thanked the General Manager for the weekly progress report.

Director Gonzalez asked the General Manager what are his typical work hours? The General Manager states 8:00am to 5:15-5:30pm, Monday thru Friday. The General Manager states that he typically works on the weekends as well. District Counsel states that the General Manager is an exempt employee, not an hourly employee, therefore he is not paid extra for working overtime.

## 4. Public Comment

No public comments.

## 6. Staff Reports

A. District Counsel – Nothing Reported

B. District Engineer – Reported that patch paving on the Hall Rd and Bernard Ave Waterline Relocation Project will begin the week of March 2<sup>nd</sup>. Director Sanchez requests that we make sure that the permanent pavement is installed properly so that potholes don't reappear.

C. General Manager

i. The General Manager reports that Lamont Storm Water District has requested that the District make available an "Are you Ready Kern" flyer for the District's customers. The flyers were provided in English and Spanish by the Kern County Emergency Services. There is not enough flyers received to include them in with the District's monthly bills, therefore copies will be available at the District office.

ii. SDRMA is offering a Free Webinar on "Introduction to Special District Finances for New Board Members", scheduled for Thursday February 26, 2014 at 10am-12pm.

- iii. The General Manager reports that Staff would like to begin the solar discussion again. Staff proposes to schedule Special Board Meeting to have presentations by those companies that submitted solar proposals.
- iv. An update on Water Use Restrictions was provided. The District's water use in January 2015 was basically the same January 2013. The gallons/capita/day usage dropped to 81.47 GPCD.

## 6. Consent Agenda

The General Manager notes the addition of Payment #1 to Evoqua for the purchase of equipment to be installed as part of the TCP treatment at Well #18. The Terms of Payment in the Contract with Evoqua specify 10% of the project costs is due upon receipt and acceptance of the order.

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 Item 6Eiv.

First Motion—Director Sanchez

Second Motion—Director Gonzales

Approved. All in favor. Vote 4–0, Director Cruz absent

### Motion to approve Consent Agenda Item #6Eiv.

First Motion—Director Sanchez

Second Motion—Director Gonzalez

Approved. Vote 3–0, Director Hernandez abstained, Director Cruz absent.

## 7. Regular Agenda (6:17pm)

- A. Report and Possible Minute Action: Consideration and approval of managements responses to the auditor's findings and possible adoption of year ending June 30, 2014 audited financials; **General Manager, Nick Turner**

The General Manager introduces District auditor Patrick Paggi from Daniels, Phillips, Vaughn and Bock and that he will present the Financial Statement for year ending June 30, 2014.

Mr. Paggi states that these are the audited financial statement for both year ending June 30, 2014 and June 30, 2013. These audits are comparative.

Mr. Paggi states that the auditor's opinion, as stated on Page 2 of the audit report, states "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Lamont Public Utility District as of June 30, 2014 and 2013, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America."

Mr. Paggi states that this is a clean and unqualified opinion, which is the best opinion the auditor can issue on these financial statements.

Mr. Paggi goes over the audit page by page presenting the key points to the Board.

Mr. Paggi notes several auditor findings in the audit but states that District Staff has already taken steps to rectify these. This is a very good improvement from the previous audits.

Director Sanchez requests a more detailed explanation of the findings. Mr. Paggi explains that if there are findings, management is required to respond to any findings stating how they plan to rectify the finding. The auditor reviews the response to verify that it make sense.

The General Manager states that both of these finding were rectified some time ago and the necessary procedures have been in place for more than six month now.

Director Sanchez asks Mr. Paggi to elaborate on why the District continues to be out of compliance for audit years 2010-2012. Mr. Paggi states that the District is now in compliance. The 2009-2012 audits were filed late because they were not completed in the past in a timely manner. The 2013 and 2014 audits were filed in accordance with State audit requirements.

**Motion to approve management's responses to the auditor's findings and adoption of year ending June 30, 2014 audited financial statements**

First Motion–Director Sanchez

Second Motion–Director Gonzalez

Approved. All in favor. Vote 5–0

**B. Report and Possible Minute Action: Consideration and approval of online payment options; General Manager, Nick Turner**

The General Manager reports that Bank of America is the financial institution that currently handles credit card payment transactions for the District. Staff contacted Bank of America regarding accepting credit card payments online via the District's website. Bank of America confirmed that they do offer an online payment option. Bank of America merchant services representatives states that setting up online payments is relatively simple. A proposed fee schedule from Bank of America was provided to the Board Members at the meeting. Credit card transaction fees will be 1.99% of bill + 0.20. Currently the District is paying 1.89% of the bill. The 0.10% increase is because VISA views this type of transaction as a higher risk transaction as compared to in office credit card transaction. There is a one-time setup fee of \$99. The total monthly fee of \$19.95 plus \$0.20 per day plus \$16.00 plus \$0.05 per transaction is equivalent to \$40-\$50 depending on the number of transactions. District's web site provider "Ugly Duck Marketing" would add a credit card payment page to the website. The payment page would require customer to enter typical information, similar to an online retail purchase. The payment page would then link to Bank of America for payment verification.

Director Sanchez asks legal counsel if there is any way to pass these fee on to the customer. Legal counsel states that the District could if the fee is included in a future rate study. If requires a prop 218 vote.

Director Sanchez states that he supports the online payment option for the community. He suggests pursuing a future rate study to include these fees as fees paid for by the customer.

Director Prado requests that after six months of offering online payments, Staff bring the item back to the Board with a report on the service.

**Motion to approve the setup of online customer payments using Bank of America**

First Motion–Director Gonzalez

Second Motion–Director Sanchez

Approved. All in favor. Vote 5–0

**C. Report and Possible Minute Action: Consideration and approval of quote received from Superior Tank for improvements to tank safety at the Well #13 site in the amount of \$12,986; General Manager, Nick Turner**

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

The General Manager states that at the District’s January 26, 2015 board meeting, Staff proposed the installation of several safety features on the tank at the Well# 13 site. These improvements can be broke into two main groups, worker safety and unauthorized access.

The first two features help protect persons authorized by the District to use the tank ladder to access the top of the tank. One is a Fall Protection Safety Climb which is needed to catch a person should they fall while climbing the tank ladder. The second is a handrail and kick plate which is needed to help prevent a person from falling off the tank while on top of the tank performing maintenance activities.

The other features help prevent unauthorized persons from accessing the top of the tank. A ladder enclosure is needed to prevent unauthorized individuals from accessing ladder to climb the tank. A wire mesh is needed around the ladder to prevent unauthorized individuals from accessing the ladder from above the ladder enclosure.

Pictures of the proposed features was included in the board meeting agenda packet. The General Manager notes that these very same features were recently installed on the Well #5 tank and are currently being installed on the Well #19 tank site.

The General Manager states that OSHA Standards 29 Code of Federal Regulations 1926.1050-60 states:

“To prevent employees from being injured from falls, employers must provide a guardrail and toe board around every open-sided platform, floor or runway that is 4 feet or higher off the ground or next level.” The tank at the site is 26 feet high.

“Employers must install all stairway and ladder fall protection systems required by these rules and ensure that their worksite meets all requirements of the stairway and ladder rules before employees use stairways or ladders.”

“Fixed ladders must be provided with cages, wells, ladder safety devices or self-retracting lifelines where the length of climb is less than 24 feet (7.3 m) but the top of the ladder is at a distance greater than 24 feet (7.3 m) above lower levels.”

As Staff reported previously, Staff accesses the roof of each water 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 and electricians access the roof frequently to inspect the electrical components, i.e. mixer and level indicator.

These safety upgrades are important for the protection of the District's Staff and contractors working for the District. Staff presented a quote obtained from Superior Tank to furnish and install these safety features in the amount of \$12,986.00. The safety of our Staff is a top priority. Staff recommended approving the quote received from Superior Tank for this work. At a minimum, Staff recommends the installation of the Fall Protection Safety Climb, Handrail & Kick Plate and nonskid surface. The cost for these items is \$8,658.

Director Gonzalez states that the Board should go to the site to check out the situation. He notes that the eyewash wasn't working and the pipe is leaking. The General Manager states that the eyewash was damaged by the Contractor during construction and it is being repaired. Director Gonzalez demonstrates how to use a safety harness and presents a design he came up with to be considered in lieu of the safety features presented as part of this item.

Director Gonzalez states that he hasn't heard of any accidents at the tank in over 20 years. The General Manager states that it only takes one accident and someone gets hurt. That is what everyone says before an accident happens. Safety is Staff's primary concern.

Director Sanchez asks if the District has any records of the tanks being vandalized. The General Manager states that he is not aware of any.

Director Sanchez requests to schedule a site visit to the Well#13 site.

Director Sanchez requests that the item be tabled for further discussion.

**No motion. Item tabled to next board meeting.**

- D. Report and Possible Minute Action: Consideration and approval of quote received from NSM Recycling Inc. for the removal of trees located at northeast corner of WWTP in the amount of \$5,500; **General Manager, Nick Turner**

The General Manager states that at the District's last regular board meeting, Staff reported to the Board that illegal dumping was taking place at the northeasterly corner of the WWTP. The illegal dumping is taking place on District property which is not currently fenced into the WWTP. The Board voted in favor of relocating the northerly fence line to the property line to reduce the public's accessibility to this area of the property.

At the District's last regular board meeting, the Board expressed the desire to have the trees in the vicinity of the illegal dumping removed to reduce the sheltering effect the trees have on the area, therefore further reducing the attractiveness of the area for illegal dumping.

Staff obtained quotes from five tree removal companies. The lowest quote was received from NSM Recycling in the amount of \$5,500. Staff recommended approving the lowest bid received from NSM Recycling in the amount of \$5,500 and proceeding with the tree removal before the fencing is relocated.

Director Sanchez states that he feels that we need to clean up this area.

Director Prado states that she agrees with the need for the tree removal.

**Motion to approve the quote received from NSM Recycling Inc. for the removal of trees located at northeast corner of WWTP in the amount of \$5,500.**

First Motion–Director Sanchez

Second Motion–Director Cruz

Approved. All in favor. Vote 5–0

**E. Report and Possible Minute Action: Consideration and approval of CalTRUST agreement for investment of District funds; **General Manager, Nick Turner****

The General Manager reports that Staff was unable to get a finance committee meeting set up prior to this meeting so Staff requests that the Board table this item to our next meeting.

Staff notes that Lyle from Wells Fargo forwarded me a comparison of funds in LAIF vs the different accounts that CalTRUST offers. This document was provided to the Board Members.

Staff will be contacting Director Sanchez and Director Gonzalez to set up a finance committee meeting within the next week or so.

**No action necessary. Item tabled to a future meeting after finance committee has met.**

**F. 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 stated that Staff has contacted the District's PG&E representative regarding any available incentive programs available for the installation of LED street lighting. Unfortunately, she has been unsuccessful at finding an incentive program for the replacement of HPS bulbs with LEDs primary because the District doesn't own the lights. The PG&E representative is still looking into it.

Staff notes that if the Board is still interested in the 26 additional streetlights, the District still has the option of paying the \$2000 deposit for each of the three sections of town and moving forward with the design phase. Staff states that it is likely that the deposit will be refunded.

In addition, the District's PG&E account representative, Gwenetta Marshall, was able to get the existing street lighting within Lamont put on a list of street lighting to be replaced with LEDs at no cost to the District. According to the PG&E representative, this is not a 100% sure thing yet, but it is about a 98% sure thing. This would involve the replacement of over 280 high pressure sodium bulbs with LED bulbs. This doesn't include the 27 lights on Main Street that are part of PG&E's other project, which are already being replaced with

LEDs. Once this project is final, the District's PG&E representative will attend a District Board meeting to present this project to the Board.

**Motion to approve payment to PG&E for the deposit associated with the proposed installation of 26 new streetlights throughout the community in the amount of \$6,000 made in three separate \$2,000 payments.**

First Motion–Director Cruz

Second Motion–Director Gonzales

Approved. All in favor. Vote 5–0

- G. Report and Possible Minute Action: Consideration and approval of Contract Change Order No. 5 for the Bernard Ave and Palm Ave Waterline Relocation and Valve Installation Project to Brough Construction Inc.; **District Engineer, JT Gardiner**

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

Item tabled to next meeting because costs were not received from Brough Construction for this item.

**No action. Item tabled to future meeting.**

- H. Report and Possible Minute Action: Consideration and approval of Contract Change Order No. 1 for the Well #5 Emergency Generator Project to Brough Construction Inc. in the amount of (\$1,000) credit; **District Engineer, JT Gardiner**

District Engineer reports that this is a deductive change order to remove a fall protection safety climb from the project. A fall protection safety climb was specified for the tanks interior ladder, but a ladder doesn't exist.

**Motion to approve Contract Change Order No. 1 for the Well #5 Emergency Generator Project to Brough Construction Inc. in the amount of (\$1,000) credit**

First Motion–Director Sanchez

Second Motion–Director Gonzalez

Approved. All in favor. Vote 5–0

- I. Report and Possible Minute Action: Consideration and approval of budget received from Growing Soils to provide the expert oversight by a soil scientist of the implementation of Plan B; **General Manager, Nick Turner**

The General Manager states that now that the Assignment of Leases and Amendment of Leases is approved, and the environmental document for the District's Plan B is complete, it is time to prepare to begin the implementation of Plan B for effluent disposal. The District's Plan B will be implemented by Recology under the direction of a District

consultant experienced in soil remediation. Attached is a proposed budget from Gary Kitzrow of Growing Soils to provide the expert oversight necessary to facilitate the land remediation process. Mr. Kitzrow is the soil scientist that has assisted Staff throughout the entire process of Amending of Leases. Mr. Kitzrow is the licensed soil scientist and soil classifier. Mr. Kitzrow prepared the Site Suitability Analysis while working for BeneTerra, although he is no longer working for BeneTerra. Mr. Kitzrow would be responsible for overseeing and directing all work performed by Recology during the land remediation process. The proposed budget received from Growing Soils for the first year of contract work is in the amount of \$74,160. Growing Soils budget includes all costs associated with his work including all soil sampling and chemical analyses.

Director Sanchez asks if this is the only proposal the District has for this work. The General Manager states that is correct. This proposal is from the soil scientist that has assisted the District throughout the negotiations process.

Director Sanchez asked if there is a conflict of interest being that Mr. Kitzrow worked for BeneTerra? District Counsel states no. Mr. Kitzrow is the person that signed the document and the only person at BeneTerra with the required expertise.

The Board requests that a consultant agreement be prepared and brought back to the Board for review and approval.

The Board requests that BeneTerra be contacted to determine if they are qualified to submit a proposal to perform this work.

**No action. Item tabled to future meeting.**

**J. Information Only: Flushing and vacuum truck for maintenance of District sewer system; General Manager, Nick Turner**

The General Manager bring this item before the Board for discussion purposes only. Staff would like the Board to consider the possible future purchase of a jetting and vacuuming truck to be used primarily for the maintenance of the District's sewer collection system.

Sanitary sewer systems contain solids, such as grit (for example sand, rock, coffee grinds, and egg shells) and FOG (fats, oils and grease), which do not dissolve into the waste stream. Solids may settle out of the waste stream when the velocity of the flow is reduced commonly below 2 feet per second. The buildup of solids can result in a sewer backup and potentially a sewer overflow if not cleared in time. Solids can cause damage to pumps when being sucked through them. In addition, solids pumped into the District's aerated lagoons results in dredging being required sooner than expected.

The District is required by the State to have in place and implement a Sanitary Sewer Management Plan (SSMP). The SSMP is a tool that designates required procedures to help prevent sanitary sewer overflows. One of the requirements of the State mandated SSMP is to clean one quarter of the sewer collection system per year, therefore cleaning the entire system once every four years. Because the District doesn't currently and hasn't owned its own sewer cleaning equipment, in 2013, the District opted to pursue a capital project to meet this State requirement. Over the past two years, the District has been in a contract with National Plant Services to clean the entire sanitary sewer collection system. This capital project will cost the District nearly \$600,000 when complete. In addition, portions



of the sewer cleaned nearly two years ago will require another round of cleaning in 2017, which could cost the District another estimated \$600,000, based on bids received in 2013.

The capital projects list included in the District's adopted 2014-15 annual budget includes the possible purchase of a jetting and vacuuming truck.

The General Manager states that there are many benefits to having this type of equipment. This equipment would provide the District with the ability to clean the sewer collection system as necessary to maintain a system free of blockages. In addition, the equipment provides the District with the ability to clean its hot spots itself. "Hot spots" in its sanitary sewer system require cleaning on a more frequent basis. Hot spots are areas in the sewer collection system where solids accumulate due to a less than desirable slope of the sewer pipe or where FOG typically builds up in the pipeline. These areas require cleaning more frequently to prevent sewer backups. Currently the District contracts with Roto Rooter to clean its hot spots and to assist the District when a sewer backup takes place. Contracting with Roto Rooter, Quick Rooter or another similar company for sewer cleaning services can be expensive. This equipment would provide immediate access to the necessary equipment required to clear a blockage rather than relying on the chance that Staff is able to find a company with a jetting and vacuuming truck that is available on short notice to assist the District. Sewer overflows can result in steep fines from the State. In the event of a sewer overflow, the equipment could be used to vacuum up the sewage spilled on to the street. This equipment could provide a real benefit at the WWTP. The headworks and splitter boxes could be cleaned of grit and solids buildup on a frequent basis preventing damage to pumps and to prevent short circuiting in the treatment process. This equipment is commonly used to locate for existing utilities prior to excavation. This is a clean and fast method of identifying the exact location of existing utilities, reducing the risk of hitting a mislabeled natural gas main or other potentially dangerous utility lines. The equipment could be used to excavate for a water or sewer pipeline or service repair. The use of this equipment to perform an excavation, speeds up the work and performs the work with little to no mess in the street.

This equipment can be used in many aspects of District's daily tasks. It is very common for public agency that operates sanitary sewer system to have one or more jetting and vacuuming trucks.

Staff has been researching this type of equipment for some time now. Staff has already met with the two companies that manufacture this type of equipment, Gap Vac and Vac Con. Staff has met with these companies on several occasions to discuss the specifics about the jetting and vacuuming equipment that each company offers. Both companies have brought their equipment to Lamont for a demonstration for District Staff. They both allowed District Staff to flush several sections of sewer collection system with the equipment. Both companies have their individual advantages but in general, they work the same. Both companies have offered to sell their demo trucks, which have low operating hours and mileage, for a discounted price. This equipment is custom ordered. New equipment can take as much as 8-months to manufacturer.

Both companies have provided cost estimates for their demo trucks as well as a new truck. The cost of the equipment depends on the size and individual features on the truck. For example, The District could choose a larger clean water storage tank and larger debris tank, therefore reducing trips to a fire hydrant to refill or reducing trips to the WWTP to dump the debris tank during a sewer overflow. Or the water and debris tanks could be constructed

of carbon steel or stainless steel. All these different features have their individual benefits but they all add cost too. The typical price of this type of equipment varies between \$300,000 to \$425,000.

A jetting and flushing truck is a piece of equipment that is necessary for a sewer collection system operator to own. Because we are a public agency, we have the ability to utilize the bids obtained from another public agency's public bid process to purchase the equipment without having to go through the bid process ourselves. This guarantees a competitive price. Staff is looking for some direction from the Board on how the Board would like Staff to proceed with this item.

Director Prado requests that Staff bring back this item with more information.

Director Cruz states that he supports the purchase of this type of equipment.

Director Cruz suggests that the companies present their equipment to the Board.

Director Hernandez requests additional manufacturers and quotes.

Director Sanchez states his support for the purchase of this equipment. He requests that Staff be cross trained, i.e. multiple staff obtaining Class B licenses.

**No Action. Direction given by Staff.**

**K. Information Only: Possible upgrade of water meters; General Manager, Nick Turner**

The General Manager states that at the last board meeting, there was a claim that the water meters are not being read properly. During that meeting, Director Sanchez requested that Staff look into water meters that are more automated.

The General Manager states that Staff looked into upgrading water meter approximately 6-months ago. There are different options although Staff has yet to find a meter that involves a photo of the reading.

Director Sanchez suggests looking into upgrading the District's water meters to an electronic style, possibly installing them one section at a time.

The General Manager states that quotes received to date for radio reading capable meters is approx. \$220 each. Estimated cost to replace all meters is between \$800,000 and \$1,000,000.

The Board requests more information on meter replacement, including a plan.

**Information Only.**

**L. Information Only: Information/Documentation to be included in monthly board meeting agenda packet or otherwise provided to the Board; General Manager, Nick Turner**

The General Manager states that this item is being brought before the Board because there was discussion of it at our last Board meeting. There was a claim that the documentation being provided is not necessary or extensive. The General Manager agrees that the documentation being included in the board packets is extensive but was specifically requested by previous Boards. If the Board is interested, Staff can change information

being included in the Board Packets. The General Manager notes that the financial proceeds that are in place require that Staff prepare all the documentation, such as bank reconciliations or bill pay packet, and that these documents will continue to be prepared regardless of whether or not they are included in the board meeting agenda packets.

Director Cruz suggests that all the same information be included in the packets so that the Board can discuss it.

Director Sanchez states that his concern is the amount of manpower required to assemble the board meeting agenda packet. He states that the District needs a financial officer in the office. The District would not have had all the findings in the audits if the District had a financial officer a long time ago.

Director Sanchez suggests including all the same documentation as are currently being done.

The General Manager states that other discussion topic under this item is documentation requests from the Board Members. Staff requests that if the Board has documentation they need, be specific as to what you are requesting. Broad documentation requests take lots of Staff's hours to assemble. The General Manager asks that Board whether or not the Board would like Staff spending the time gathering this information for Board Members.

Director Sanchez states that it is the Board responsibility to provide the necessary oversight of the District and he may request documentation to be prepared to provide this oversight. He states that he doesn't feel think that information requests of one Board Member need to be provided to all Board Members. He states that the oversight is important.

#### **Information Only**

#### **M. Information Only: Methods of Communications with Board Members; General Manager, Nick Turner**

The General Manager states that I bring this item before the Board to discuss how we can improve our method of communications. The General Manager states that he prefers to communicate with the Board on a regular basis via email. We could accomplish this by possibly upgrading the ipads to Wi-Fi capable ones. All members could be set up with a District email. Documentation, such as meeting agendas, could be downloaded from the District website by Board Members.

The Board requests that Staff bring back costs for upgrading ipads with service through AT&T.

#### **Information Only**

**Adjournment (8:24pm)**

A motion was made by Director Sanchez 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, February 23, 2015 at 6:00 pm. Approved. All in favor. Vote 5-0.

ATTEST:

x   
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Leticia Prado, Board President  
Lamont Public Utility District

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