

LAMONT PUBLIC UTILITY DISTRICT REGULAR MEETING MINUTES

Tuesday, January 22, 2019 6:00 P.M.

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

1. Call to Order/Roll Call

- a. Board President Jose Cruz called to order the regular board meeting at 6:03pm on Tuesday, January 22, 2019 at the office of the Lamont Public Utility District. All board members were present except for Director Prado who was absent. Staff present included General Manager/District Secretary Scott Taylor and Finance Manager Brent Walker.

2. Pledge of Allegiance – Led by President Cruz.

3. Board Member Announcements –

- a. Director Sanchez commented on the need for response by Board members and Board president when attempting to schedule a special meeting of the Board.

4. Public Comment

- i. Elatario Abundes commented on the potential rate increase stating he understands the need and importance of the increase, but that he wishes that it “not be too much.”
- ii. President Cruz responded indicating the District has not increased District rates in over 11 years; that it is time and that the District should have done it a long time ago.
- iii. Director Sanchez commented that many regulations and rules have been imposed on the District that increases costs to provide water.

5. Staff Announcements – Information Only

- a. General Manager provided information regarding change orders related to GAC treatment at Well #17.
- b. General Manager reported that District Counsel could not make the meeting due to serious traffic accident which prohibited travel on the freeways.

6. Consent Agenda

- a. Director Gonzalez motioned for approval of consent calendar as presented. Motion seconded by Director Sanchez. Approved 4-0.

7. Regular Agenda

- A. Consideration and Information: Update on State issued TCP and Arsenic compliance order update provided by Tricia Wathens, State Water Board Senior Manager.

- i. General Manager invited Ms. Wathens to speak to the Board and provide information on the currently issued compliance orders regarding compliance of TCP and Arsenic in District wells.
- ii. Ms. Wathens provided her credentials and stated that currently, the LPUD is in violation of State standards for TCP and arsenic. She provided compliance dates and deadlines and explained the various milestones associated with the compliance orders. Ms. Wathens further explained that any necessary treatment, well construction, equipment installation must be also completed by the compliance dates mandated in the orders.
- iii. Ms. Wathens stated that funding is available in the form of grants and loans, but only for those Districts that can show genuine viability for the funding.
- iv. Ms. Wathens clearly communicated the seriousness of the compliance orders and the seriousness of the State Water Board in obtaining compliance and the substantial consequences for non-compliance.
- v. Board members sought clarity on issues and concerns. Board expressed understanding of need to obtain funding and resolve compliance orders. Board members also responded to questions from public attendees.
- vi. Information Only. No action taken.

B. Action to approve Mid-Year Budget Review and Adjustment.

- i. General Manager presented information regarding current budget based on actual revenues and expenditures to date. General Manager stated original approved budget is now approximately \$4 million deficit. The explanation for the deficit was the lack of implementation of a projected rate increase as defined in the 2018 Rate Study and approved by the Board. Further increases to the deficit included the addition of a GAC treatment system at well #15 not included in the original budget.
- ii. General Manager stated that with the new software and separate water and sewer funds, staff will be able to provide improved detailed budget projections, based on past budget actuals that were not previously available.
- iii. Director Gonzalez motioned for approval of the revised mid-year budget. Seconded by Director Alonso. Motion passed 4-0.

C. Action to Modify and Implement Adopted Rate Increases.

- i. General Manager provide a brief history of event regarding the imposition of a rate increase for LPUD, including the Board's request to bring the item back a third time for consideration of modifying the rates and implementation of any rate chosen.
- ii. General Manager provided the Board with 3 potential options in modifying the rate increase amount different from that amount recommended in the 2018 Rate Study. General Manager stated that any reduction in the proposed rate increase would result in a deficit in projected required operating revenues. These options were reviewed and discussed by the Board.
- iii. Director Sanchez presented a 4th option of reductions in the rate increase. All options are similar with the differences being the variances in proposed rates.

- iv. Discussions were had amongst the Board members relative to the various modifications to the rate increase values.
- v. Board provided responses to questions from the public attendees regarding the implementation of the proposed rate increases.
- vi. Director Sanchez made a motion to implement the rate increases effective February 1, 2019 with the following changes to the per unit water rate for 2018-19 and 2019-20 to \$1.00 and \$1.10 respectively. The remaining years would remain the same as originally proposed. Further Director Sanchez motioned to modify the monthly wastewater rate for 2018-2019 to \$25.40 per month and for 2019-20 to \$28.50 per month. The remaining years would remain as originally proposed.

- 1. Motioned Seconded by Director Gonzalez. Roll call vote occurred.
- 2. Directors Cruz, Sanchez and Gonzalez – Yes. Director Alonso – No. Motion passes 3-1.

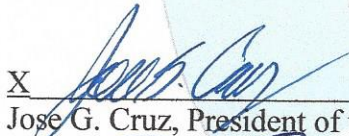
D. Action to Approve Issuance of Will Serve Letter for 8220 Panama Road.

- i. General Manager presented information relative to a request for a will serve letter for a residential development project consisting of the construction of a 500 square foot mother-in-law unit.
- ii. Director Gonzalez motioned for approval. Seconded by President Cruz. Motion passes 4-0.

Adjournment

A motion was made by Director Gonzalez and seconded by Director Sanchez to adjourn the Regular Meeting of the Board of Directors of the Lamont Public Utility District, held on Tuesday, January 22, 2019 at 9:02 pm. Approved. 4-0.

ATTEST:

X 
Jose G. Cruz, President of the Board

X 
Scott Taylor, Secretary/General Manager