**KEYES COMMUNITY SERVICES DISTRICT**

**BOARD OF DIRECTORS MEETING**

**Date: Tuesday, April 26, 2016**

**Time: 6:00 p.m.**

1. **Call to Order.**

The meeting was called to order at 6 pm.

1. **Pledge of Allegiance.**
2. **Roll Call.**

Present were President Parker, Vice President Bernal, Director Alexander, Director Jones and Director Landers. Also present were General Manager Ernie Garza, Board Secretary Michelle Harris, Attorney Rod Atteberry and Engineer Lee Fremming.

1. **Public Comment on Agenda and Non-Agenda Items.**

None.

1. **Consent Agenda.**

**A) Approve Minutes of March 22, 2016.**

**B) Approve Warrant Register for April 26, 2016.**

There was a motion to accept the consent agenda by Director Landers and a second by Director Alexander. Director Landers(M), Director Alexander(S), President Parker(AYE), Vice President Bernal(AYE) and Director Jones(AYE).

1. **DISCUSSION/POSSIBLE ACTION ITEMS**

**A) Discussion and Possible Action to choose a KCSD Logo.**

District Secretary Michelle Harris went over the two logos that were brought back to the Board to choose from. The Board chose Logo A. Board Secretary Michelle Harris presented Mr. Maciel with the two cameras that were bought for his 8th grade Journalism class and a Certificate of appreciation to the class and to the two individuals that were responsible for designing the logo. All of the Board Members agreed on Logo A except Director Jones. There was a motion made to accept logo A by Davie Landers and a second by Vice President Bernal. Director Landers(M), Vice President Bernal(S), President Parker(AYE), Director Alexander(AYE) and Director Jones(NOE).

**B) Discussion and Possible Action to approve the Consolidation Project Water Service Agreements.**

General Manager Garza spoke to the Board regarding the Water Service Agreements and the conditions that are lined out in them. They all have the same information except for the names on the agreement. The Water Service Agreements have all been approved by Lafco and signed by the property owner. This will allow the General Manager to be able to sign and execute the Water Service Agreement Outside District Boundaries with the Faith Home Teen Ranch, Countryside Mobile Estates, Green Run Mobile Estates, and Mobile Plaza Mobile Home Park. There was a motion made to give General Manager Garza the authority to authorize the signatures. Director Landers(M), Vice President Bernal(S), President Parker(AYE), Director Alexander(AYE) and Director Jones(AYE).

**C) Consider approving Supplemental Agreement with the Union Pacific Railroad and adopting Resolution 2016-510.** Engineer Fremming has been able to contact someone at the Union Pacific Railroad that has issued a Supplemental Agreement for License. The agreement was issued contingent upon the understanding that the District would abandon 75' of 12" main, install a new manhole and connect 15'of 12" pipe to the existing force main. There was a motion made to accept the Supplemental Agreement with the UPRR and adopt Resolution 2016-510 by Director Landers and a second by Director Alexander. Director Landers(M), Alexander(S), President Parker (AYE), Vice President Bernal (AYE), and Director Jones (AYE).

**D) Discussion and Possible Action to adopt Resolution 2016-510, Resolution approving and authorizing execution of Supplemental Agreement with Union Pacific Railroad Company. See item C.**

Moved to be part of Item C.

**E) Discussion and Possible action to adopt Resolution 2016-508, a Reimbursement Resolution that is between Keyes CSD and State Water Resources Control Board.**

There is a Financial Security Package that requires two Resolutions to be passed. This talks about how to be reimbursed for expenditures paid prior to the issuance of the funding agreement. There was a motion made to adopt Resolution 2016-508 by Vice President Bernal and a second by Director Landers. Vice President Bernal(M), Director Landers(S), President Parker(AYE), Director Alexander(AYE) and Director Jones (AYE).

**F) Discussion and Possible Action to approve Resolution 2016-509, A Resolution Authorizing the GM or Designee to sign Financing Agreement, Amendments and Certifications, Approve Claims for Reimbursements, Execute Budget and Expenditure Summary, Sign the Final Release Form, Sign the Certification of Project Completion and Pledging and Dedication Net Water Revenues to Payment of DWSRF Financing.**

This is the second Resolution that needs to be adopted giving the General Manager the authority to sign the documents associated with this package. Engineer Fremming also informed the Board that this is also dedicating the water revenue to pay the loan portion of the funding agreement. There was a motion made to adopt Resolution 2016-509 by Vice President Bernal and a second by Director Landers. Vice President Bernal(M), Director Landers(S), President Parker(AYE), Director Alexander(AYE) and Director Jones.

1. **Items from General Manager.**

**A) Maintenance Staff Report**

General Manager Garza presented the Maintenance Report for Maintenance Foreman, Michael Jones. California is still experiencing severe drought. On February 2, 2016 the SWB adopted an extended and revised emergency regulation to ensure that urban potable water conservation continues through October 2016. Our water usage for 2016 has decreased 25%. There were 97 valves exercised and routine maintenance was completed at all the lift stations.

**B) Financial Statements**

The financial statement look good, although there are a few line items that are over budget. We believe that is due to being placed in wrong accounts so we are going to do some research. We are working on the Preliminary Budget and will have it to present to you at next month's Board Meeting.

1. **Staff Comments.**

**A) Lee Fremming**

Marques Pitts sent and e mail that said once this Financial Package is in and these two Resolutions there will be some credit department reviews. He said they are considering two funding agreements, one for the consolidation project and one for the arsenic project. They also wanted Lafco completed and that has already been done. General Manager Garza said that since we are shovel ready for the arsenic project he thinks that two funding agreements would be great. The only thing that Lee can see to be a problem with that is the grant funding is divided up. Director Landers asked if we know when things are going to get started. Engineer Lee Fremming said that he didn't know. Attorney Rod Atteberry said that he received an e mail that stated it could be a few months so he is thinking maybe June.

**B)** Attorney Rod Atteberry said that Kurtis Keller will no longer be with us he has moved onto another job.

1. **Director Comments**

Director Landers said that the MAC discussed having a spring clean up. They have contacted Vito Chiesa's office and he is willing to give them the funds to hold this event. He is now working on setting up a meeting with Bertolotti to get them to come out and also finding the person in charge of the property at the end of 7th and Nunes to see if we can use their property.

1. **Open Session Disclosure Regarding Closed Session Items pursuant to Government Code Section 54957.7**

Closing Open Session at 6:31 pm.

1. **CLOSED SESSION**

**A. Public Employee Performance Evaluation pursuant to Government Code Section 54957**

 **TITLE: General Manager**

**B. Conference with Labor Negotiator pursuant to Government Code Section 54957.6**

 **Unrepresented Employee: Ernie Garza**

**C. Conference with Legal Counsel-Existing Litigation pursuant to Government Code Section 54956.9**

 **Name of Case and Case Number:, Keyes Community Services District v. The Dow Chemical Co., it al.,**

 **San Bernardino Superior Court, Judicial Council Coordination Proceeding No. 44335, case no. CGC-13-528088.**

1. **Open Session Report on Closed Session Pursuant to Government Code Section 54957.1**

Convened Open Session at 7:10 p.m., No Reportable Action on Items A, B or C.

1. **Discussion and Possible Action regarding General Manager Compensation.**

There was a motion made to move General Manager Garza from Step 3 to Step 4 by Director Landers and a second by Director Alexander. Director Landers(M), Director Alexander(S), President Parker(AYE), Vice President Bernal(AYE) and Director Jones(AYE).

1. **Adjournment:**

There was a motion made to Close the meeting by Vice President Bernal and a second by Director Landers. Vice President Bernal(M), Director Landers(S), President Parker(AYE), Director Alexander(AYE) and Director Jones(AYE).

**Minutes taken by: Michelle Harris**

**Minutes typed by: Michelle Harris**