**KEYES COMMUNITY SERVICES DISTRICT**

**BOARD OF DIRECTORS MEETING**

**Date: Tuesday, January 24, 2017**

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

**Place: Keyes Community Services District, 5601 7th St., Keyes, Ca.**

1. **Call to Order.**

The meeting was called to order at 6:00 p.m.

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

Present were President Parker, Vice President Bernal, Director Alexander, Director Jones and Director Landers. Also present were Engineer Lee Fremming, Maintenance Supervisor Michael Jones, Board Secretary Michelle Harris and attorney Katie O'Farrell. General Manager Garza was absent.

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

None.

1. **Consent Agenda.**

**A) Approve Minutes of December 20, 2016.**

**B) Approve Minutes of January 4, 2017.**

**C) Approve Warrant Register for January 24, 2017.**

There was a motion made to approve the warrant register 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).

1. **DISCUSSION/POSSIBLE ACTION ITEMS**

**A) Consider authorizing the District Engineer to complete the Foote Road Lift Station Replacement Project contract documents so that the project can be bid.**

Lee said that he needs to know if the Board wants to move ahead and if so how quickly. He said there is a little bit left on the electrical, he has a little bit stuff do and we need to get the conditional use permit. The conditional use permit is only good for a year. Director Landers asked if the conditional use is tied to finishing the paper work. Lee said no, he is not sure exactly how long the conditional use permit is good for and he does not want to have to get one and have it expire then have to reapply. Director Landers asked if we were going to tie this into the arsenic project also. President Parker said that it was part of the Prop 218 but it is separate funds. He is not sure exactly how much money there is available but there is money that was supposed to be set aside for this project. President Parker said he can see two things that he can see the Board doing 1) Tell the engineer to move forward or direct staff and have Michelle and Ernie come back with a set amount of funds and talk to Lee and see where we are at as a District as far as money. He knows that we have to move forward because it was part of the Prop 218 but he does not know exactly how much money has been set aside but Michelle and Ernie can find out. Davie said that he understands that but he was wondering if we can go ahead and finish the paper work and then hold until we decide to go out to bid. Lee said that he does not know for sure how long the conditional use permit is good for. He said that if the Board authorizes him to get the plans done he can check with the county to see how long the conditional use permit is good for. If there is a short fuse on it then we can hold up and not do that part for now we can at least get the plans done. If it is something that they can extend and it is going to take 2,3 or 4 years to get this thing set up as far as the funding then we can go ahead and wait on it until we need it. Director Landers asked if that means that we can't go out to bid until we get that permit. Lee said that he believes that what needs to happen is that Ernie has to budget for it. Lee said that his recommendation is that they approve the plans because it has been hanging around for a long time. Director Jones said that he feels we should push forward on it. He said that he doesn't want to wait another year, he feels that right now would be good because there is no construction going on se we will get a better price. Maintenance Supervisor Michael Jones said that it was in the Prop 218 but the question is, is there enough allotted in there? We may have to get a loan or a grant or match funds. We may not be prepared. Board Secretary said it is like with the water. We had to get grant funding and a loan to be able to finish the arsenic treatment project. We didn't have the money set asidebut we have the money to pay for the fees for construction. Mike Jones said that we may have the money to match funds but not the money to do the whole thing. Board Secretary Michelle Harris said that from the sound of the kick off meeting for the arsenic treatment project we are going to be paying for invoices and waiting to be reimbursed by the state. This could take quite some time and the amounts that we are going to be paying could be very large. We don't want to cut ourselves short and start something that you don't have the ability to finish. Director Landers asked if Lee if he had a ball park figure for the lift station. Lee stated the number that comes to mind is $850,000 but he will go back and check to be sure. Director Landers asked if we would have to wait for the bids to come in to be sure and Lee said that he was correct. Lee said that we could also go out for funding, Keyes is a disadvantaged community. There could be funding out there but the process takes time. Board Secretary Michelle Harris if we would have to turn that over to the state and let them know if we were to receive other funding and Lee said no, this is separate. There is a water SRF and a sewer SRF. There was a motion made for Lee to complete the project documents by Director Landers and a second by Director Jones. Director Landers(M), Director Jones(S), President Parker(AYE), Vice President Bernal(AYE), Director Alexander(AYE).

1. **Items from General Manager.**

**A) Maintenance Staff Report**

Maintenance Supervisor Michael Jones reported that there had been a ruptured service line off of Lucinda road repaired and had installed 3 new meters. He has reached out to Mike Lemmen from SFE Global out of Sacramento to find out what it would take to clean the Foote Road Force Main. They are going to have someone in our area come out and meet with us so they can provide us with a quote. He also said that he and Lee were talking about the possibility of removing valves and hydro flushing the line. He is going to contact some companies and see what it would take to do the hydro flushing. He was given a price of approximately $275.00 hr for cleaning by hydro flushing. He thinks it could possibly take up to 3 days to do which is about $6,000 where the pigging would be quite a bit more. He said the only other option is if we are able to move ahead with the Lift Station we could hold off for a time. He is not sure if they put pumps in that they will give us the flow that we need if there is restriction in the line. Lee said that Mike and him had talked about this before. If they increased the velocity in that line with new pumps it may carry some of the material out. Mike said that if it carries the material away then they may not have to cleat it. He said this leads to another deal, they received testing results back on the waste water from The City of Turlock. He said that since the heavy rain the FLOW had increased. The BOD's and SS went up really high also. In March of last year we received a penalty for $6,0000. He said that if he calculated the penalties correctly and he is pretty sure that he did we are looking at $40,000. The BOD went over 769 lbs a day and the SS went over 1400 lbs a day. Not all of the results are in for the BOD's. It may be slightly lower but he feels that it will be between $42,000 and $47,000 in penalties. The limits were raised up and we still went over back in March of last year. He said he can't guarantee where this is coming from but if the line needs to be cleaned and it is having any effect on it, it will pay to have it done. We kind of lean towards the truck was at the feed mill. They have the pit cleaned every 10 weeks which we received paper work on that. We have talked to City of Turlock and they are requiring that the paper work be forwarded over to us every time they have that done and then we forward the paper work to Turlock. Mike said that The City of Turlock was concerned about the standards that were used when the truck wash was put in. Mike said that they have also used a portable sampler and went out and put it in various spots and it is nowhere near what they are getting down there. He wants to put it in the one man hole that is off of Jessup Road and do it on the days they do their sampling and see if it matches up. That would kind of tell us if the line is dirty or there is some kind of infiltration going in there. If we are getting the same readings then maybe it is somewhere further back. Mike said that we need to start tracing it down because that is huge. Vice President Bernal asked why would the water cause the these things to be higher? Mike explained a few scenarios. Lee asked if he had gone down and used our sampler where they sample from. Mike said theirs is locked up so he hasn't done it in the same spot. Lee said that he needs to go out the same time they do and take samples. Have those samples sent off to an independent lab and then compare results. Lee said that he has a concern like Mike about the settling in the line where the material is built up in there. He said that stuff is breaking down so it's like a septic tank when it breaks down. Mike said he had the City of Turlock split their sample with us and we took it to the lab. It was very close to what their results were.

**B) 2016 Year End Report**

President Parker asked the Board to read over the State of the District and if there were any questions they could bring them back next month.

1. **Staff Comments.**

**A) Lee Fremming**

There was a kick off meeting for the arsenic treatment project on January 18th. They went over the funding and the requirements. The main thing that was discussed that there are 3 projects, 1. arsenic mitigation 2. transmission lines and distribution system and 3.consolidation project. He informed the Board that Ernie had asked him to be the project manager and I will be coordinating the different activities. There was talk about the $1.4 mil that has been spent already and the District will be reimbursed for. The other thing that we discussed is the way that the contractors are paid. There is a law that contractors are paid in 45 days and if you do not pay them there are eligible for interest. The state does not process their payment requests that quickly. The interest the contractors can charge is not eligible for state funding. A bridge loan or a line of credit is something that would work to pay the contractors so there are no penalties. There was a conference call this week and this was discussed and is being worked on. Pete is checking with the division of finance is Sacramento and we think that this will be eligible.

1. **Director Comments**

None.

1. **Adjournment**

There was a motion to adjourn the meeting at 6:28 p.m. by Director Alexander and a second by Director Landers. Director Alexander(M), Director Landers(S), President Parker(AYE), Vice President Parker(AYE) and Director Jones(AYE).

**Minutes taken by: Michelle Harris**

**Minutes typed by: Michelle Harris**