**KEYES COMMUNITY SERVICES DISTRICT**

**BOARD OF DIRECTORS**

**Date: Tuesday, September 25, 2018**

**Time: 1:00 p.m.**

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

1. **Call to Order.**

The meeting was called to order at 1:00 p.m.

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

Present were President Landers, Vice President Robertson, Director Bernal, Director Alexander and Director Jones. Also present were General Manager Garza, Attorney Andy Pinasco, Attorney Rod Attebery, Maintenance Supervisor Michael Jones, Engineer Lee Fremming and Cynthia Ortega took the place of Board Secretary Michelle Harris.

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

Dominic Farinha, Field Representative for Congressman Jeff Denham, from the Modesto District Office attended the Board Meeting. He stated that the House of Representatives passed Congressman Denham Legislative to authorize financing in new water and sewer departments as part of The Water Resources Development Act. This has provided brand new tools for financing and building Central Valley Infrastructure. In 2011 the median household income was $47,000. The new median household income has risen to $60,235 which is a sign that the economy is in the right direction.

1. **Consent Agenda.**
	1. **Approve Minutes for the August 28, 2018 Meeting.**
	2. **Approve Warrant Register for September 25, 2018.**

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

1. **DISCUSSION/POSSIBLE ACTION ITEMS**
2. **Discussion and Possible Action Regarding Acquisition of County Surplus Parcel.**

The County presently owns the property at Horn Way and Casaba Way. This property used to serve as a storm water detention basin before upgrades to the storm water system eliminated the need and use for it. Because of its proximity to the wellsite No.7 and the new transmission lines to the Arsenic Treatment Facility, it has the potential to serve as a new wellsite and replacement for well No.7. We have asked our legal counsel to contact Stanislaus County regarding the possible acquisition of said property. Per Legal Counsel Andy Pinasco there are 2 options in acquiring the property. The 1st is County Surplus where the property will go out to designated agencies and to public bid, the highest bidder will be awarded the property. Keyes Community Services District is not one of the designated agencies. The 2nd would be Eminent Domain the County is providing the appraisal value for the parcel. The County has appraised the property at $110,000. The cost to drill a test well on the property is approximately $80,000 to $120,000. The testing can be done at any time. There was a motion made to acquire the property through eminent domain by President Landers and a second by Director Jones. President Landers(M), Director Jones(S), Vice President Robertson(AYE), Director Bernal(AYE) and Director Alexander(AYE).

1. **Discussion and Possible Action to Adopt Resolution 2018-531, A Resolution Delegating the Authority to Negotiate and Accept, on Advice of District Legal, the easement.**

A Temporary Construction Easement and Right of Entry from Green Run Mobile Estates for use in construction of the Keyes Community Services District Water System Consolidation Improvements Project. There was a motion made to adopt Resolution 2018-531 by Director Bernal and a second by Vice President Robertson. Director Bernal(M), Vice President Robertson(S), President Landers(AYE), Director Alexander(AYE) and Director Jones(AYE).

1. **Discussion and Possible Action to Purchase Water Meters.**

The price to purchase 100 meters and the ORION Cellular LTE endpoints was quoted at $34,832.89 by National Meter. This price includes software and training. General Manager Garza was informed that anything over a $25,000 expenditure may need to go out for 3 bids. General Manager Garza will be discussing this matter with legal counsel if there is a need to go out to bid. There was a motion made to purchase water meters by Director Alexander and a second by Vice President Robertson. Director Alexander(M), Vice President Robertson(S), President Landers(AYE), Director Bernal(AYE) and Director Jones(AYE).

1. **Discussion and Possible Action to Approve Resolution 2018-532, A Resolution in Support of Management Decision Letter.**

There was a motion made to approve Resolution 2018-532 by Director Bernal and a second by Director Alexander. Director Bernal(M), Director Alexander(S), President Landers(AYE), Vice President Robertson(AYE) and Director Jones(AYE).

1. **Items from General Manager.**

**A. Financial Statements**

There was Financial Statements included with the Agenda for the board to

 review.

**B. Maintenance Staff Report.**

Per Supervisor Mike Jones work at well 9 has been completed enough that they could assist the contractor in completing the required tests for startup. Bacti tests were completed and the well was brought back into service. They will be completing all the water quality tests that have been delayed by construction. Work on well 7 has started with most of the demo done and some of the new piping and equipment has been installed. Work continues the server closet, with the AC unit needing to be completed as well as painting.

**C. Jacobs Progress Report.**

The Jacobs Progress Report had the Budget Status, Work Performed and Critical Issues. The project schedule is very tight

**D. LAFCO Out of Boundary.**

General Manager Garza spoke about the protest that was received from the City of Turlock for the water service that was requested from Price Ford and Best Western. He sent a letter giving them an explanation of the total capacity of our wells and the estimated maximum capacity of the ATF Plant that is currently being constructed. The City of Turlock was supposed to follow up on the letter and they have yet to do so. During the meeting the agreement that was made for the Golden State Road properties was that any property North of Barnhart will not be opposed by The City of Turlock.

**E. CBI Update.**

Regarding the Dewatering and System projects delay. CBI is requesting the engineer retract or revise the comment pertaining to a substitution such that we can proceed with procurement of the Dewatering System. The review comment verbiage, as currently written, inherently holds the contractor responsible for other potential liabilities that could arise which may fall outside the contractor’s scope of responsibility. It’s requested that the revision be produced in a timely manner as the Dewatering System is the critical path, resulting in project delay as shown in the August schedule. Per the August project schedule update, the delay in approval of the Dewatering System has resulted in a 3-month delay

to the project. CBI will compute the damages associated with this delay and Submit separately as per 00700 GENERAL CONDITIONS. This was written to the response from the letter dated September 12, 2018 from Clark Brothers. The first submittal for the Dewatering equipment was returned on December 29, 2017. The submittal was found to be incomplete and did not contain enough information to provide an adequate review. In making this determination, the information that was included in this submittal was evaluated, and it was noted that the submitted equipment specifically lacked the high-pressure wash and automation as well as all the components and functionality that is required by the contract documents. The second submittal was returned on February 19, 2018. Jacobs contacted the manufacturer, as well as the manufacturer’s references as a part of the review process. The manufacturer informed us that the submitted model is not available with the automated pressure washing system, automated shaking, and other functionality required by the specifications. This was communicated as such in the review letter along with clarification of the design intent for this equipment. RFI #50 was returned on March 13, 2018 and provided additional clarification. On July 26, 2018. Jacobs facilitated a tour of the City of Lathrop Arsenic Treatment Facility for the KCSD staff and your Project Manager, Mr. Mark Zan to have a better understanding of their dewatering system. Following this visit, Jacobs presented and discussed with the District the pros & cons of what was being proposed by you as an acceptable product considering it meets a substantial portion of the performance requirements as provided in the contract documents. Based on this discussion with the owner, the Jacobs design team relaxed several of the specification’s performance requirements related to providing a fully automated dewatering system. With respect to your schedule delays, your August 18, 2018 schedule updated has major schedule flaws, so the float calculations are incorrect and therefore is not an acceptable schedule. The General Manger wanted the Board to be aware of this situation because, there can be a serious delay.

**F. Kate Kurey Report for Annual Disadvantaged Business Enterprise Form UR 334.**

Per General Manager this form needs to be completed by October 10, 2018. Engineer Lee Fremming to get in contact with Kate Kurey to have those forms submitted.

**G. Office Layout.**

General Manager spoke about the office layout that was provided to the Board. There were no questions asked.

**H. Special Meeting October 11, 2018**

There will be a Special Meeting on October 11, 2018 at 8 am to award the lowest bidder for the Consolidation Project.

1. **Staff Comments.**
	1. **Lee Fremming.**

The Water Transmission and Distribution Systems Improvements Project still has some few items left to complete. They are not major items, but still need to be completed. The Consolidation Project is scheduled for bid on October 3rd. at 2pm. There will be a special board meeting on October 11, 2018 at 8:00am to consider awarding the Consolidation project contingent upon the SWRCB approval.

1. **Director Comments**

Vice President Robertson said there is several sprinklers broken at the park by Bonita Ranch. President Landers said, he will contact the County to have that taken care of. President Landers said that on October 18th at 6:00 will be the Community Night Out. The Sheriff Department will be out there as well as The Fire Department. There will be BBQ. It will be held at the parking lot of KCSD. The Church will also be setting up a table to hand out information. Following the Community Night out the MAC Meeting will be held at 7:00pm . On October 20, 2018 there will be the Community Clean up. Bertolotti will furnish the trucks and bins., the County will be paying the tipping fees. Volunteers are needed

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

Open Session Disclosure Regarding Closed Session began at 2:02pm.

1. **CLOSED SESSION**
	1. **Public Employee Performance Evaluation pursuant to Government Code Section 54957
	TITLE: Legal Counsel**
2. **Open Session Report on Closed Session Pursuant to Government Code Section 54957.1**

Open Session Report on Closed Session Resumed at 2:14pm.

1. **DISCUSSION/POSSIBLE ACTION ITEMS**
	1. **Discussion and Possible Action Regarding changes to Legal Counsel contract**

There was a motion made to approve the revised Legal Services contract between KCSD and Neumiller and Beardslee by Director Alexander and a second by Director Bernal. Director Alexander(M), Director Bernal(S), President Landers(AYE), Vice President Robertson(AYE) and Director Jones(AYE).

1. **Adjournment**

There was a motion made to adjourn at 2:16 pm by Director Alexander and a second by Director Bernal. Director Alexander(M), Director Bernal(S), President Landers(AYE), Vice President Robertson(AYE) and Director Jones(AYE).

**Minutes taken by: Michelle Harris**

**Minutes typed by: Cynthia Ortega**