

PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING
July 9, 2008 – 7:00 p.m.
Snowline Joint Unified School District
Curriculum Building
4075 Nielson Road, Phelan
AGENDA

1. **Call to Order** – Pledge of Allegiance
2. **Roll Call**
3. **Approval of Agenda**
4. **Public Comment** – Under this item, any citizen may address the Board on any issue not on the agenda. No action can be taken on subjects not on the agenda. Citizens wishing to address the Board regarding an agenda item may do so when the item is being addressed. If you wish to address the Board please complete a Comment Card and present it to the Board Secretary. Each speaker is requested to be brief in their remarks. The chair may limit the time to 5 minutes for comments.

Consent Calendar

5. Approval of Board Action – June 18, 2008 Special Meeting Minutes & June 25, 2008 Regular Meeting Minutes
6. Approval of PPHCSD Expenses Paid by Special Districts

Presentations and Awards

7. Presentation by Jill Bays, President of Transition Habitat Conservancy

New Business Agenda Items

8. Contract for General Manager – Board Approval
9. Purchasing Procedures – Discussion Only
10. Investment Strategy – Board Approval
11. CalPERS Prior Service Agreement – Board Approval

12. Committee Reports

- Engineering Committee
- Street Lighting & Parks Ad Hoc Committee
- Finance Committee
- Building Ad Hoc Committee

13. **Reports** (Brief oral reports on subjects not covered by this agenda. No action may be taken.)

- President's Report
- Director's Report
- Interim General Manager's Report

14. **Announcement of Any Reportable Closed Session Actions**

15. **Set Agenda for Next Meeting – July 16, 2009**

- Special Meeting Agenda for July 16, 2008 - 1 Hour Workshop by MWA/Kirby Brill
- Agenda for July 23, 2008
 - i. Amendment to Sunshine Ordinance reflecting change in meeting place to Phelan Community Center
 - ii. Proposal for Real Estate Agent(s) for Potential Park Property – Board Action
 - iii. General Manager Interviews
 - iv. Closed Session
 - v. Hire a General Manager
- Future Agenda Items
 - i. Board Review of Stand-By Fees for Resolution to be voted on in July
 - ii. PPHCSD/SCWD Engineering Report & Timeframe for Completion of Work

16. **Adjourn**

Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above-agendized public meeting should be directed to the District's Interim General Manager at (760) 868-1212 at least 24 hours prior to said meeting.

PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT
SPECIAL MEETING – June 18, 2008
Snowline Joint Unified School District
Curriculum Building
4075 Nielson Road, Phelan
MINUTES

Board Members Present: Mark Roberts, President
Charlie Johnson, Vice President
Mike Adams
Ken Anderson
Al Morrissette

Board Members Absent: None

1. Call to Order and Flag Salute

President Roberts called the meeting to order at 7:00 p.m.

2. Roll Call

All Board members were present.

President Roberts asked Mr. Kennedy if he could address the approval of the agenda. Mr. Kennedy stated it was on the original draft of the agenda; however, it was removed because you are not allowed to add to the agenda of a Special meeting. Mr. Kennedy stated President Roberts could go ahead and address an item on the agenda.

President Roberts asked Mr. Bartz about a conversation they had regarding a Special Board meeting for item six on the agenda. President Roberts further stated he agreed to the one agenda item; however, asked that no other items be included because of the late date in scheduling the meeting and the inability of the other Board members to review or discuss different agenda items. He stated he also asked Mr. Bartz to call him back. Mr. Bartz did not call him back. Mr. Bartz stated there was a need to add additional items in order to get the CSD's bank account. Mr. Bartz apologized for not calling Mr. Bartz back. President Roberts asked if he believed this is the way things should have been handled. Mr. Bartz stated he believed there was a need to add the item number four to the agenda. President Roberts explained he had no knowledge of the additional items on the agenda until Tuesday night when he got home from work and there was an e-mail with this agenda. President Roberts stated the Board is supposed to have time to analyze and discuss the agenda items. Mr. Bartz agreed with him and stated the agenda would not be put together like this in the future. Mr. Kennedy stated the typical process is the Board sets forth specific agenda items, but in normal day to day operations, issues come up that the Board is not part of, nor are they supposed to be. He stated it was the opinion of the Board staff that certain issues came up and needed action of the Board. He stated the Board can take as much time to consider these items

as it wishes. The formulation of the agenda is something staff felt was necessary to bring to the Boards attention now. President Roberts agrees the day to day work is not a part of the Boards work. He mentioned the situation with the Fireworks being put on the last agenda and the fact that the Board had not made any discussions on how much money has been budgeted for these types of items. He felt some agenda items have been pushed at an inappropriate time.

Vice President Johnson stated he felt that what the Board is seeing tonight with the agenda is a GM doing his job. He believes it is part of a GM's job to bring up important issues to the Board. He stated the comment about reviewing the budget was incorrect. President Roberts stated he said there was no discussion as to where monies would come from for items such as the fireworks. Vice President Johnson apologized for putting it on the agenda if it upset him. Mr. Kennedy stated Board members, as well as staff, should be able to put items on the agenda. He stated he felt there are two scenarios going on here. President Roberts was concerned about the Fireworks being on the agenda for the last meeting and that is a policy issue for the Board. The second is the formation of this agenda. He didn't see anything that is in violation of the law and he didn't see any inconsistent with normal Board procedure. Mr. Bartz stated he agreed 100% that he should have called President Roberts back and apologized and promised that it will not happen again. Vice President Johnson stated none of the Board members have been in this position before and he feels what's going on here is the Board is learning the process. Director Anderson asked if they want to postpone an item, when is the best time. He stated it could be done either at that time or in the beginning of the meeting. President Roberts asked for clarification on the situation for the consent item at the last meeting. Mr. Kennedy stated the consent items can be approved a one time or an item can be removed for discussion. He thought someone had motioned only one item at the last meeting. Director Anderson asked if an agenda item can be added to the consent calendar at the beginning of a meeting. He stated it could. Mr. Johnson clarified that if something was non-controversial and somewhat routine in nature, it could be in the consent items. Mr. Kennedy agreed.

3. Public Comment

Dave Roberts followed up on the research for the park property, he presented Mr. Kennedy with a draft Consulting Agreement and an Associate Proprietary Consultants Agreement for his confidential review. He asked if it would be appropriate for him to contact the GM to move this before the next meeting. Vice President Johnson stated he felt he should go to the GM Mr. Bartz. Mr. Roberts asked Mr. Bartz his availability. Mr. Bartz stated he is available any reasonable hour.

4. Presentation by Rogers, Anderson, Malody & Scott LLP and Resolution Designating Public Depository for Miscellaneous Public Accounts and Authorizing Withdrawal of Public Moneys – Board Action Required

Phil Waller of Rogers, Anderson, Malody & Scott LLP gave a presentation to the Board explaining he was originally engaged by LAFCO and in a recent meeting with Mr. Bartz this week they discussed the procedures for transferring funds from the County to the CSD. He stated after opening the account, the PPHCSD will need to request the transfer of the moneys.

Mr. Waller explained the requirements necessary for the PPHCSD to receive the funds. He stated at the next meeting, the Board will approve a Resolution that will approve these requirements. Mr. Kennedy briefed the Board on the procedures for establishing the bank account. He stated a concern he has about moving too quickly is how a non employee of a District can be bonded. He felt this should be tied to the appointment of the GM. He stated the Resolution that is before the Board now is an interim Resolution to be executed before the other Resolution can be done.

Director Adams asked about insuring the money. Rosella Bernal, Branch Manager for Desert Community Bank (DCB) stated there are two things that have to occur on the banking side. One is to waive the collateral of \$100,000. The other is the Bank is required by the State to set aside the amount of monies that the CSD estimated would be deposited in their account. It's called contract of moneys. Ms. Bernal spoke about the constant auditing the bank has to go through to ensure the money and explained the obligation they have for that.

Mr. Waller stated the first step is to have a bank account set up for the deposit of the money. This will allow for the deposit of a small amount of money to keep the District going. Director Anderson asked what Mr. Waller's role is in this. He stated he is operating under High Desert Underground (HDUG). Mr. Waller says he prefers to work directly with the customer and would like to give the PPHCSD his proposal for what he can do for them as a Financial Consultant at the next meeting. Vice President Johnson asked if this is something the Board would like to have on the next agenda. President Roberts asked the schedule for bringing on the GM. Vice President Johnson stated they will have the top ten candidates to the Board at the next meeting as promised. Mr. Waller stated he felt his proposal could not be presented to the Board until a GM is chosen; therefore, he will continue to serve the Board in his current capacity.

Director Morrisette asked when the information can be given to the Board members. Vice President Johnson stated they would try to have it to the Board members by Friday, or Monday at the latest. The Board agreed the interview could possibly be done at the July 9th meeting assuming the candidates are available.

Director Anderson moved to adopt the Resolution #08-06. Vice President Johnson seconded the motion.

Vice President Johnson stated there is a form that needs to be filled out with the approved signers for the account. The consensus was IGM Bartz as well as President Roberts and Vice President Johnson would be the signers. Director Anderson revised the motion to include the signers above. Vice President Johnson asked if it is typical to have two signers on the account. Mr. Kennedy stated it is at the Boards discretion. Director Anderson recommended going with the two signatures for now. Mr. Bartz stated he would request the two signatures, his and one of the Board members.

All were in favor and the adoption of Resolution #08-06 was approved.

A discussion took place regarding the inability to provide DCB with the amount of money that will be deposited in the account at this time.

5. GM Report

Mr. Bartz provided the Board with a written update as to where they are with the transition and then gave them a brief overview.

Vice President Johnson asked how the two-way radios were purchased. Mr. Sandwick stated there are certain things they have to purchase to get things going. He stated he will purchase them and then submit for reimbursement. Director Anderson asked if normally the items would be presented before purchase. Mr. Bartz stated it is in most cases; however, in this case the PPHCSD Board has contracted with HDUG to perform a specific task. Mr. Sandwick stated this is an emergency situation so he has to purchase these items in order to take over the system. Director Anderson stated he is questioning policy, not the purchases, and asked Mr. Kennedy if this is normal. Mr. Kennedy asked how much the purchase was. Director Anderson stated a little over \$10,000. Mr. Kennedy stated the Public Contracts Code required going out to bid for anything over \$25,000 so they are still within the code; otherwise, the purchasing policies are up to the Board. President Roberts asked for a list at the next meeting.

Vice President Johnson asked how the District will be getting the work out to their customers regarding the emergency line. Mr. Bartz stated once there is a physical address and phone number they will be printed up and presented to the customers. Mr. Sandwick stated they like to send out refrigerator magnets, they are a huge success.

Vice President Johnson asked if there would be any cost for the extraction of the data from Special Districts billing system. Mr. Bartz stated there would be. He stated Mr. Benitez had told him any costs associated for the transition will be charged to the CSD and they will receive a bill.

Vice President Johnson asked Mr. Bartz to explain the road block they have run into with the Special Districts Department. Mr. Bartz stated any meeting with the employees for transfer of data has to be submitted in writing to Mr. Benitez or Mr. Sutton. They are hopeful this will be a smooth transition. Mr. Bartz has put in a formal request for these meetings. Mr. Sandwick added they have had wonderful cooperation from the field level.

Vice President Johnson stated he received a call from Mr. Rigney this afternoon regarding the CIP's and will need to discuss that with Mr. Bartz at some point. He stated Mr. Rigney stated either the CSD could arrange for the County to continue on the projects or the CSD can take them over. Mr. Bartz stated they currently do not have a list of all the projects to determine which way to go. They are working on collecting the information. Mr. Bartz stated he would appreciate any help they could get to speed up this process. Vice President Johnson stated he would make a call to Mr. Sutton.

Mr. Johnson stated he received a call from a gentleman that stated the County will be taking his water meter. Mr. Bartz and Mr. Sandwick have taken care of the issue and ordered water meters for the District.

Mr. Sandwick stated there has been extraordinary support from other water districts in the area. Mr. Johnson stated he would like a list of those so he can send them a thank you letter.

Director Anderson asked for a list of any materials purchased on behalf of the CSD. Mr. Bartz stated he will have that list at the next meeting.

ACTION ITEM: Mr. Sandwick to provide a list to Vice President Johnson of the other water districts that have provided support.

ACTION ITEM: Mr. Bartz to provide a list of assets/materials purchased on behalf of the CSD.

A discussion took place regarding well 9 and rehabbing it.

Vice President Johnson stated Mr. Rigney also stated the current lunch program grant has been reapplied for. Mr. Rigney needs to know how it will be administered. Also, Mr. Rigney asked about the two part time employees working at the Parks. Mr. Bartz stated they have a meeting scheduled with those employees tomorrow.

6. Closed Session – Conference with Real Property Negotiators
(Government Code §54956.8)

Properties: 4365 Phelan Road, Phelan, CA

District Negotiator: Mr. Kennedy

Negotiating Parties: Lawrence Benson

Under Negotiation: Price and terms of payment

7. Announcement of Any Reportable Closed Session Actions

There were no reportable closed session actions to report.

8. Authorization of Funding for Interim General Manager (HDUG) to set up PPHCSD Office – Board Action Required

Mr. Bartz stated the main item is setting up the office.

Director Anderson moved to empower Mr. Bartz to look into possibilities of obtaining a site for lease at the Stater Brothers shopping center and to move forward as quickly as possible negotiating the lease for the District. Director Adams seconded and all were in favor.

9. Adjourn

The meeting was adjourned at approximately 9:45 p.m.

PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT

REGULAR MEETING – June 25, 2008 Snowline Joint Unified School District Curriculum Building 4075 Nielson Road, Phelan MINUTES

Board Members Present: Mark Roberts, President
Charlie Johnson, Vice President
Mike Adams
Ken Anderson
Al Morrissette

Board Members Absent: None

1. **Call to Order and Flag Salute**

President Roberts called the meeting to order at 7:01 p.m. and the Flag Salute was conducted.

2. **Roll Call**

All Board members were present.

3. **Approval of Agenda**

Mr. Kennedy asked that the following items be added to the agenda:

- Letter of Authority from PPHCSD to allow Mr. Bartz to obtain information on their behalf from Special Districts
- Senior Lunch Program
- Transfer of Property

Vice President Johnson moved the agenda be approved with the above additions. Director Morrissette seconded the motion and all were in favor.

4. **Public Comment**

Jeanne Corsaro from the Union Bank of California asked the CSD to consider them for their banking. They would like to have a representative from their bank give the Board a presentation. She presented the Board members with packets for their information.

Jeanne Corsaro, President of the Phelan Chamber of Commerce spoke to the Board about the Phelan Family Fun Days. She invited the CSD to join them on September 13, 2008 and asked for a sponsorship from the PPHCSD equal to the Kiwanis Club (\$3,000).

Vice President mentioned the Board had approved memberships to the Phelan and Piñon Hills Chambers and asked if they had been done. They have not been completed; therefore, Mr. Bartz was asked to follow through.

ACTION ITEM: Mr. Bartz to join the Phelan and Piñon Hills Chamber of Commerce's on behalf of the PPHCSD.

Consent Calendar

5. **Approval of Board Action**

6. **Approval of PPHCSD Expenses paid by Special District – none at this time.**

Vice President Johnson moved to approve the items on the Consent Calendar. Director Anderson seconded and all were in favor.

Presentations and Awards

7. **Presentation from Perry Dahlstrom, Golden State Water Company (GSWC)**

Perry Dahlstrom gave the PPHCSD Board a presentation regarding reliable water supply alternatives.

Vice President Johnson asked what wells in the Los Angeles County could pump water into the PPHCSD's system. Mr. Dahlstrom stated they have access to Mountain High's water wells. Mr. Dahlstrom stated three of the four wells are estimated to pump 750 gallons each. The fourth well does not work.

President Roberts asked if GSWC would be willing to participate in the Engineering Studies for the project. Mr. Dahlstrom stated they would and he believes Sheep Creek Water District (SCWD) would also be interested.

Director Morrissette asked if a CIP project deals with a hard connection at Tank 6. Mr. Stone stated there is a CIP for a Booster Station at Well 6 and Mr. Oravetz had stated that a hard connection could be included.

Vice President Johnson asked if the funding for the project was going to come from the Wrightwood customers. Mr. Dahlstrom stated the cost would be spread through several districts.

Vice President Johnson asked for an estimate of the cost to drill the well at GSWC's Rapture Road property. Mr. Dahlstrom stated it will cost approximately 1 to 1.2 million.

Vice President Johnson stated he felt the PPHCSD, GSWC, SCWD and Mountain High should meet to discuss this issue.

President Roberts clarified that GSWC's Directors have dedicated 6 million to the project but they are currently at a standstill. Mr. Dahlstrom stated their issue is to get an agreement in place so they can move forward.

Continued Agenda Items

8. Allocation of Proposition 12 & 40 Funding to Complete Piñon Hills Park

Mr. Kennedy briefed the Board regarding the Piñon Hills Chamber of Commerce Lease and the Proposition 12 and 40 funds. Vice President Johnson asked what the Chamber's concerns were with the lease. Mr. Kennedy stated he believed the reason the Chamber did not want to sign the lease is because of insurance issues. Vice President Johnson asked Nancy Cosgrove, President of the Piñon Hills Chamber of Commerce, to speak. She stated they have new Board members and there has been some discussion as to whether they should give the PPHCSD the property or lease it. She asked the PPHCSD Board to allow her to review the contract so she can call a Board meeting within the next week.

Director Morrissette suggested combining Proposition 12 and 40 funds and leave it up to Mr. Kennedy to present the document to the state. The Board agreed.

Dave Roberts stated Ms. Cosgrove alluded to giving the PPHCSD the property for the park. Vice President Johnson stated that is correct; however, it may create other issues such as leasing back to the Chamber.

Michael Palecki asked Mr. Kennedy about combining the Proposition 12 and 40 funds. He asked if this is a change in the County administering the funds. Mr. Kennedy stated the County would still administer the funds.

9. Proposal for Real Estate Agent(s) for Potential Park Property

Mr. Kennedy briefed the board and distributed a one page Consulting Agreement to the Board members. Dave Roberts stated he spoke to Mr. Bartz to see if he has any changes to the agreement and Mr. Bartz stated he had no further changes at this time. Director Adams asked why there needs to be an agreement. Vice President Johnson explained that multiple agendas could increase the price and normal real estate fees would be higher than the 1% he is willing to charge. He felt it is better to stabilize the price and save the CSD money. Director Adams stated this is a public meeting so it's all out in the open. Director Morrissette explained that this was a Board decision to go into one particular direction. Director Adams expressed his concern about a binding contract. Mr. Roberts pointed out the last sentence in paragraph six on the contract stating any billing not satisfactorily negotiated or agreed to be paid will be forgiven and this service contract will be suspended. A discussion took place regarding the reason for a contract.

Ms. Hemmingway asked if the Board agreed to work with one entity in order to search for property. Director Morrissette stated that was the direction of the Board at the last meeting. She stated her opinion as a real estate broker is that the CSD might be short changing themselves if

they lock into one real estate agent. She stated there will be avenues, people, parcels that one person may not know about. She stated driving prices up today as a demand does not happen because the market is at a low. Vice President Johnson asked the normal Broker fees for a piece of land. She stated they have done them as low as 2% and as high as 10%, it's negotiable. Director Anderson asked if she found problems with six different agents sending letters to one property owner. She stated even if there were 10, what if the seller didn't like one person's letter they might respond to the other. Director Anderson clarified that a real estate agent has access to the MLS and wouldn't be limited in that way.

Director Anderson informed the Board that there is still some possibility of the original property still working and feels that they may be able to work something out with that property in time.

Vice President Johnson asked Mr. Rigney if the funds were stable or if it was possible for the funds to go away. Mr. Rigney explained the \$500,000 Proposition 40 funds are there for the PPHCSD but it has a timeline. He stated they have until March 2011 to fully spend that money. Mr. Rigney stated the additional \$400,000 is coming from the 1st District to augment the Proposition 40 funds; therefore, if the Proposition 40 funds are lost, it would be up to a discussion with the 1st District with the remaining \$400,000.

Director Anderson stated he had some discussions with the property owner who has had health issues and stated his intent is to try to complete that project. Vice President Johnson asked if the property was still for sale. Director Anderson stated it was.

Morrisette asked for the information on the property to be submitted to the Park Ad Hoc Committee so they can work with the owner of the property. Mr. Kennedy stated it would be in appropriate for Director Anderson to provide the information to the committee as a whole. It would be a violation of the Brown Act. He felt Director Anderson was appropriate in bringing this to the attention of the Board as he did. Director Morrisette agreed with Director Anderson about bringing the information to the Board. Vice President Johnson asked Mr. Anderson to go ahead and give him the Director Morrisette the information.

A discussion took place regarding the Consulting Agreement. Vice President Johnson stated he was in favor. Director Morrisette stated he sees positives and negatives in both directions and stated it's up to the Board. Director Anderson suggested the Board give him two months to work with the owner of the original property to get an agreement. There was no Board response.

President Roberts moved to continue this item to the July 23, 2008 meeting. Director Roberts seconded the motion. All were in favor.

New Business Agenda Items**10. General Manager Résumé's and Matrix of Top 10 Candidates**

Vice President Johnson briefed that Board on the résumé's received and asked the Board to narrow the list to three or four candidates and to call a special meeting for the interviews. Mr. Kennedy stated it is permissible to discuss candidates in a special meeting; however, the interviews must be public. Director Anderson asked about narrowing the candidates down. Mr. Johnson asked for each Board member's top 3 or 4 choices. President Roberts stated he placed calls to check on the candidates. President Roberts voted for Bartz, Dickinson, Larson, Lovelady and Maestas. Director Anderson voted for Bartz, Dickinson, Lovelady, Reddick and Snyder. Director Adams voted for Bartz, Dickenson and Lovelady. Director Morrissette voted for Bartz, Dickinson and Young. Vice President Johnson voted for Bartz, Dickinson and Reddick. Director Anderson suggested the Board go with the Boards top four choices. The Board agreed the top four candidates are Bartz, Dickinson, Lovelady and Reddick.

The Board agreed that Mr. Kennedy will do the background checks on the candidates including a credit check and DMV report. Vice President Johnson will set up the interviews with the candidates and gather their salary information. Director Anderson asked if Mr. Kennedy could draw up an employment contract for the General Manager. The Board agreed.

ACTION ITEM: Vice President Johnson will set up the interview and gather the candidates' salary information.

ACTION ITEM: Mr. Kennedy conduct background checks on the candidates and draw up an employment contract for the General Manager which will be agendized for reviewed by the Board at the July 9, 2008 meeting.

Director Anderson asked the Board if they wanted to make a decision about relocation expenses. The Board agreed to address this issue at the time of an offer if necessary.

The Board discussed designating a time for the interviews for the candidates. Mr. Kennedy stated the Board can ask the candidates to leave the room until the time of their interview; however, it is a public meeting so they can choose to remain in the room. The Board agreed to schedule the interviews in half hour intervals. The interviews are not to exceed a half hour. Mr. Lovelady will be interviewed first due to his location and it will be a phone interview. Vice President Johnson will also talk to Mr. Lovelady regarding relocating to the Phelan area.

ACTION ITEM: Vice President Johnson will talk to Mr. Lovelady regarding relocating to the Phelan area.

Dave Roberts asked if the Board ruled out using outside GM's for the interviews. Mr. Kennedy stated peer reviews would not be public meetings. Director Morrissette stated his concern about

the peer interviews extending the time it will take to hire a GM. The Board agreed they could handle the interviews at this time.

Michael Palecki commented on the selection of the date and time of the meeting and noted how late in the evening it would go. The Board agreed to begin the meeting at 5:00 p.m. with the first interview beginning at 5:30 p.m.

11. CalPERS Agreement and Resolution

Mr. Bartz stated this issue is not ready for Board Action. He recommended bring this back at the next meeting for action on a Prior Service Agreement. Vice President Johnson recommended the Ad Hoc Committee make a recommendation to the Board regarding what level of retirement the PPHCSD would be offering to their staff and what the budget impact would be. Mr. Bartz agreed and stated the Prior Service Agreement would not be separate from that. Director Anderson suggested a separate Ad Hoc Committee. Mr. Bartz noted an Ad Hoc Committee can only work on one specific item. Director Johnson suggested forming a Standing Finance Committee. Mr. Kennedy noted the Standing Committee will need to conduct their meetings publicly and will be subject to the Brown Act. A discussion took place regarding the ability to bring a non Board member into the Standing Committee as an advisor. The Board agreed to convert the Ad Hoc Finance Committee to a Standing Finance Committee. Director Anderson recommended the Finance Committee schedule their meeting prior to the Board meetings. Directors Morrissette and Johnson will serve on the Standing Finance Committee.

12. Procedures for Applying Special Assessment to the Tax Roll

Mr. Kennedy briefed the Board on the procedures for applying Special Assessments to the tax roll. He suggested the Board instruct Mr. Bartz to fill out all necessary paperwork to accomplish applying the Special Assessments to the tax roll and leave the ability for property owners to claim exemptions to the Board. Director Adams asked about the availability of services and the Districts requirement to have a building permit. Mr. Kennedy stated this is a tricky issue and he has seen cases where stand by charges have been upheld where the lines were not there because the District was willing to put in those lines. President Roberts suggested the Board direct Mr. Bartz to begin the process. The Board agreed.

13. Options for Depositing of District Funds

Mr. Bartz recommended this item be differed to the Finance Committee. The Board agreed. Director Anderson asked that they include consideration of Union Bank of California.

14. Letter of Authority from PPHCSD to allow Mr. Bartz to obtain information on their behalf from Special Districts

Mr. Kennedy distributed copies of the draft letter to the Board members. Mr. Kennedy recommended the Board sign the letter allowing Mr. Bartz to obtain information on their behalf from Special Districts. Vice President Johnson moved to approve the letter. Director Anderson seconded the motion. All were in favor.

15. Senior Lunch Program

Vice President Johnson explained the current grants run out June 30, 2008. The funding is in place for the next year through the County. Vice President Johnson explained there are a lot of issues in changing to have this administered through the CSD. Vice President Johnson and Director Morrissette recommend the Board that they continue the program, have the County continue to administer the funds and make a decision at a later date for fiscal year 08/09. Mr. Rigney indicated there will be some administrative fees and he estimates those fees to be approximately \$5,000 a year. Vice President Johnson also recommended the CSD pay for the administration fees out of their budget so it would not take monies away from the Senior Lunch Program. Mr. Rigney stated he would work up the cost and get it to the Board.

Director Morrissette stated the Board will need to consider hiring a grant writer in the future.

A discussion took place regarding the CSD paying the administrative fees to serve the Senior Lunch Program.

Rich Warmouth spoke about the administrative charges being taken out of the lunch program and how it would affect his ability to buy food for the program.

Director Anderson moved to approve the item and that the District uses its funds for the administrative fees. This recommendation is for the 08/09 fiscal year. President Roberts seconded the motion. President Roberts, Vice President Johnson, Director Anderson and Director Morrissette voted to approve. Director Adams voted no. The motion was approved four to one.

Director Anderson spoke about monies needing to be set aside for these issues. Vice President Johnson commended that this is a Community Services District that has monies received in property taxes that they can allocate to park and recreations. Director Adams stated he has a problem taking monies from everyone and allocating them to only benefits a few people.

16. Transfer of Property

Mr. Kennedy distributed an e-mail from County Counsel to the Board members indicating the Board of Supervisors approved the transfer of properties to the PPHCSD. The County needs individual certificates of acceptance by the CSD in order to record the deeds. Mr. Kennedy attached a Resolution and draft Certificate of Acceptance to the e-mail distributed that would indicate the Board accepts the property interest from the County. Director Anderson moved to accept them as written. Director Morrissette seconded the motion. All were in favor.

17. Committee Reports

- **GM Search Committee** – Nothing to report.

- **Engineering Committee**

Director Morrissette questioned the need for an Engineering Committee. He feels Bartz and Sandwick will be getting an overview of the system on behalf of the Board; therefore, there would no longer be a need for the committee. Director Anderson asked Mr. Kennedy if setting up the Ad Hoc Committee's was at the President's discretion. Mr. Kennedy stated it was but Board consensus could overrule the decision. Mr. Bartz commented there will be a number of items for the Engineering Committee to address and recommended a Standing Engineering Committee be formed so they can prioritize items and bring them to the Board for action. The Board agreed. President Roberts and Director Anderson will serve on the Standing Engineering Committee.

- **Street Lighting & Parks Committee**

Director Morrissette asked if there were any questions on the written report in the packet. Vice President Johnson stated he received an e-mail from Edison and stated he gave them the PPHCSD's information to change all the streetlight bills to the CSD's name and address. He stated he got a response within hours that it was completed. Mr. Rigney stated they also requested the changes. Mr. Rigney reported the park bench has been replaced, the wood chips have been redone, the small rock bollards have been moved, and the handicap access is about 90% done. He expects that will be done within a week.

- **Finance Committee** – Nothing to report.

- **Building Committee** – Nothing to report.

18. **Reports** (Brief oral reports on subjects not covered by this agenda. No action may be taken.)

- **President's Report**

President Roberts stated he received a letter in the mail from the USDA. He stated they met with the County and there is a vulnerability assessment and an emergency plan due within 90 days. President Roberts gave the letter and his mailbox key to Mr. Bartz to take over.

- **Director's Report**

Vice President Johnson gave Mrs. Bishop his mailbox key. Vice President Johnson gave the permit for the kitchen at the Community Center to Mr. Bartz. He also stated there is the issue of scheduling the two Community Centers. He was provided with calendars from the County and passed them along to Mrs. Bishop. The phone number needs to be posted at both facilities.

Director Morrissette stated a member of the COP's mentioned that during times of extreme weather that there would be a possibility of the Community Centers being open as a place for people to run to. Director Morrissette stated it would need to be on the agenda and he could get more information. He stated this would be something they would run.

- **General Manager’s Report**

Mr. Bartz reported:

- They are in the process of completing the utilities transfer to the CSD.
- The phone lines and internet access are going in at the Oasis yard.
- They have reviewed a number of construction projects with the County and are ready to take those over.
- They have reviewed the vehicle list. There is \$403,950 available in cash and they will make recommendations on the equipment needed and bring it to the Board.
- The letter approved tonight will allow them to move forward with other projects they are working on.

Director Morrissette stated Mr. Bartz mentioned the CIPs. He asked if they were planning on taking over all of them or some of them. Mr. Bartz stated they had a meeting yesterday with the County and feel they can take over all of the projects as they stand right now. The County is still compiling some of the information on the projects.

Vice President Johnson stated earlier something was mentioned about the permits to run the District. Mr. Bartz stated the State Health Department requires a permit to run the District. He stated the Health Department is aware and there is a meeting scheduled July 2, 2008. He believes there won’t be any problems getting the permit and they are aware there is not a permit at this point. Mr. Sandwick stated they had the same issue with Helendale. A discussion took place regarding the permit and the fact that it should have been transferred by the County.

- **Interim General Manager’s Report**

Mr. Rigney gave a handout to the Board members of a letter from the Director stating services from the County will end June 30, 2008, a letter is needed for permission to give information to Mr. Bartz, a permit was needed to run the system, and reiterated the County will help the CSD in any way necessary. Mr. Bartz stated there will be issues that will overlap and there will be some expenses as these items are completed.

19. **Closed Session – Conference with Real Property Negotiators**

(Government Code §54956.8)

Properties: 4365 Phelan Road, Phelan, CA &
4037 C-1 Phelan Road, Phelan, CA

District Negotiator: Mr. Kennedy

Negotiating Parties: Lawrence Benson/Muriel Benson & Rob Kurth/Jeremy Schmidt

Under Negotiation: Price and terms of payment

20. **Announcement of Any Reportable Closed Session Actions**

There were no reportable actions taken in the Closed Session.

21. **Set Agenda for Next Meeting** – July 9, 2008

- Presentation by Jill Bays, President of Transition Habitat Conservancy
- General Manager’s Contract

The following item will be scheduled for a Special Meeting on **July 16, 2008**:

- Workshop from Kirby Brill of MWA re: Water Issues

The following items will be added to the agenda for the **July 23, 2008** meeting:

- Amendment to Sunshine Ordinance reflecting change in meeting place to Phelan Community Center
- Proposal for Real Estate Agent(s) for Potential Park Property – Board Action
- General Manager’s Interviews
- Closed Session
- Hire a General Manager – Board Action

The following items will be added to the agenda at a future date:

- PPHCSD/SCWD Engineering Report & Timeframe for Completion of Work
- Stand-by Fees for Board Review & Resolution

22. **Adjourn**

With no further business before the Board, the meeting was adjourned at 11:12 p.m.

Pinon Hills Phelan Community Service District Accounts Payable/ June 2008

VENDOR	DOC DATE	DOC ID	OPERATIONS AMT	TRANSITION AMT	OBJECT CODE	DATES OF SERVICE/REASON
Securitas Security Serv.	06/06/08	PV 105 051158-9306	1,448.78		2445	5/2-5/7/08 Security Service
Consolidated Electric	06/03/08	PV 170 Z0394-9307	457.94		2870	Meter panel
Shamrock	06/03/08	PV 170 Z1207-9308	260.00		2445	bee treatment
Goodspeed	06/03/08	PV 170 Z2174-9309	788.00		2953	May 2008 fuel
Goodspeed	06/04/08	PV 170 Z2174-9316	3,311.13		2953	May 2008 fuel
A-1 Portables	06/04/08	PV 170 9312	132.77		2895	5/29-6/25/08 portable rental
Shamrock	06/05/08	PV 170 Z1207-9314	65.00		2445	bee treatment
Albert Morrissette	06/02/08	PV 170 6310	1,000.00		2135	April & May 2008 Stipend
Salvador & Sofia Garcia	06/02/08	PV 170 6313	157.44		2190	Closed Account
Daily Press	06/02/08	PV 170 6306		409.14	2080	Manager Ad
LA Times	06/02/08	PV 170 6307		875.00	2080	Manager Ad
AT&T	06/09/08	PV 135 6334	4.61		2090	Long distance 04/25-05/25/08
Verizon	06/09/08	PV 105 6343	27.17		2090	Phone 05/25-06/25/08
Petty cash	06/09/08	Doc #1337	15.85		2330	Certified letters
Petty cash	06/09/08	Doc #1338/RT19702		50.00	2135	P.O. Box
Petty cash	06/09/08	Doc #1338	8.32		2305	
Petty cash	06/09/08	Doc #1338	16.14		2870	
Real Estate Services		RT20126/RT20130	260.00		2445	Easement Release
201 Charge back		RT20170/20174	3,592.02		2135	3rd/4th Qtr Chargebacks
Engineering Resources		07567-01	3,813.00		2445	
May Inventory Chargeback		RT19699	9,471.49		2870	Inventory Material
201 Charge back		RT20178	1,577.40		2870	3rd/4th Qtr Chargebacks
CAL CARD		RT20276	107.10		2870	CAL CARD Allen
			26,514.16	1,334.14		

POSTED

6/17/2008

6/18/2008

6/18/2008

6/18/2008

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6/13/2008

6/13/2008

6/17/2008

6/16/2008

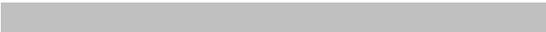
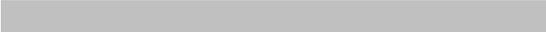
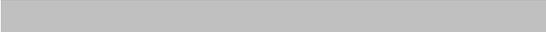
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EMPLOYMENT AGREEMENT

THIS AGREEMENT, entered into as of _____, 2008, is by and between PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT, a self-governing special district formed under California Government Code Section 61000 et seq. (“Employer”), and _____, an individual (“Employee”). Employer and Employee agree to the following terms and conditions of employment:

1. Period of Employment.

- (a) Basic Term. Commencing on the date of this Agreement, Employer shall employ Employee for a period of _____ (__) years (the “Term Date”), as extended under Section 1(b), unless Employee is terminated sooner in accordance with Section 4 below. As used herein, the phrase “Employment Term” shall refer to the entire period of employment of Employee by Employer hereunder, whether for the periods mentioned above or whether extended or earlier terminated as hereinafter provided.
- (b) Renewal. This Agreement shall be automatically renewed for an additional _____ (__) year period on the Term Date and on each anniversary thereof, unless one party gives to the other advance written notice of non-renewal at least sixty (60) days prior to such date. Either party may elect not to renew this Agreement with or without cause, in which case this Section 1(b) shall govern Employee’s termination and not Section 4 [except for Employee’s termination obligations set forth in Section 4(g), which shall remain in effect].

2. Duties and Responsibilities.

- (a) Position. Employee shall serve as the General Manager for the Employer. In that capacity, Employee shall perform all services, acts, and functions necessary or advisable to lawfully manage and conduct the business of Employer in accordance with all legal requirements and the policies, procedures, rules, and regulations established by Employer’s Board of Directors, and subject to the direction, prior consent, and subsequent ratification of Employer’s Board of Directors. Employee shall devote his best efforts and full-time attention to the performance of his duties and shall report directly to Employer’s Board of Directors.
- (b) Availability and Work Schedule. During the Employment Term, Employee shall perform all services required by this Agreement at Employer’s headquarters during Employer’s regular business hours, unless Employee’s presence at other locations or during different times is necessary to fully and completely perform the duties of the position assumed by Employee. In addition, Employee shall maintain his permanent residence in an area that is in close proximity to

Employer's headquarters, and shall otherwise be available to Employer 24 hours a day by telephone, pager, or other equipment furnished by Employer for this purpose.

- (c) Prohibited Activities. Except upon the prior written consent and express approval of Employer's Board of Directors, Employee (during the Employment Term) shall not (i) borrow on behalf of Employer any amount of money during any fiscal year; (ii) spend or obligate Employer's funds in amounts in excess of the sums budgeted for expenditure by Employer's Board of Directors; (iii) accept any other employment; (iv) engage directly or indirectly in any other business, commercial, civil, or professional activity, whether or not pursued for pecuniary advantage, that is or may be competitive with Employer, that might create a conflict of interest with Employer, or that otherwise might interfere with the business of Employer or any Affiliate of Employer; or (v) accept any position with an outside agency without prior approval of Employer's Board of Directors. An "Affiliate" shall mean any person or entity that directly or indirectly controls, is controlled by or is under common control with Employer.
- (d) Representations. Employee represents and warrants (i) that he is fully qualified and competent to perform the responsibilities for which he is being hired pursuant to the terms of this Agreement; and (ii) that Employee's execution of this Agreement, his employment with Employer, and the performance of his proposed duties under this Agreement shall not violate any obligation he may have to any former employer (or other person or entity), including any obligations with respect to proprietary or confidential information of any person or entity.

3. Compensation.

- (a) Salary. Employer shall pay Employee a salary at the rate of \$_____ per year during the Employment Term in accordance with Employer's duly established practices. Employer may, but is not obligated to, increase Employee's salary as deemed appropriate by Employer's Board of Directors in the exercise of its sole discretion upon completion of its annual review of Employee's job performance.
- (b) Car Allowance. An auto allowance of \$_____ per month will be provided to Employee by Employer during the Employment Term.
- (c) Benefits. During the Employment Term, Employee shall be entitled to receive full contribution by Employer to Employee's retirement account with the Public Employees Retirement System, as well as all other benefits provided by Employer to its exempt employees in accordance with Employer's standard policies. As Employee becomes eligible therefor, Employee shall have the right to participate in and to receive benefits from all present and future benefit plans specified in

Employer's policies and generally made available to similarly situated employees of Employer. The amount and extent of benefits to which Employee is entitled shall be governed by the specific benefit plan as amended. Employee also shall be entitled to any benefits or compensation tied to termination as described in Section 4. Nothing stated in this Agreement shall prevent Employer from changing or eliminating any benefit during the Employment Term as Employer, in its sole discretion, may deem necessary or desirable. No statement concerning benefits or compensation to which Employee is entitled shall alter in any way the term of this Agreement, any renewal thereof, or its termination. All compensation and comparable payments to be paid to Employee under this Agreement shall be less withholdings required by law.

- (d) Vacation. Employee shall be entitled to _____ (__) days vacation time for the first calendar year during the Employment Term without loss of compensation. For each subsequent calendar year during the Employment Term, Employee shall be entitled to an increase of _____ (__) days vacation time from the number of vacation days to which Employee was entitled during the prior year without loss of compensation. Employee may be absent from his employment for vacation only at such times as Employer's Board of Directors shall determine from time to time. Unused vacation time shall be carried over in accordance with the policies established by Employer's Board of Directors. Employee will have the option to sell back up to _____ (__) days of vacation time per calendar year in lieu of vacation time off.
- (e) Professional Dues and Conferences. Employer shall pay all reasonable travel, lodging, and entrance fees and costs associated with Employee's attendance at conferences and seminars, as well as payment of annual dues levied by professional organizations and community affiliation costs that receive prior approval by Employer's Board of Directors.

4. Termination of Employment.

- (a) By Death. The Employment Term shall terminate automatically upon the death of Employee. Employer shall pay to Employee's beneficiaries or estate as appropriate any compensation then due and owing, including payment for accrued, unused paid time off, if any. Thereafter, all obligations of Employer under this Agreement shall cease. Nothing in this section shall affect any entitlement or Employee's heirs to the benefits of any life insurance plan or other applicable benefits.
- (b) By Disability. If by reason of any physical or mental incapacity, Employee has been or will be prevented from properly performing his duties under this Agreement for more than twelve (12) weeks in any one (1) year period, then to the extent permitted by law, Employer may terminate the Employment Term,

pursuant to Section 4 (c), below, upon two (2) weeks advance written notice. Employer shall pay Employee all compensation to which he is entitled up through the last business day of the notice period; thereafter, all obligations of Employer under this Agreement shall cease. Nothing in this Section shall affect Employee's rights under any applicable Employer disability plan.

- (c) By Employer For Cause. At any time, and without prior notice, Employer may terminate Employee for cause (as defined below). Employer shall pay Employee all compensation then due and owing for the period prior to termination, thereafter all of Employer's obligations under this Agreement shall cease. "Cause" shall include, but not be limited to, unsatisfactory performance, misconduct, moral turpitude, failure to follow policies or procedures, material breach of this Agreement, excessive absenteeism, unlawful conduct off the Employer's premises or during non-working time (which may affect the Employee's relationship to his job and/or the Employer's reputation or good will in the community), layoff pursuant to a bona fide reduction in force, and to the extent permitted by law, unavailability for work due to disability for more than twelve (12) weeks in any one (1) year period (subject to the Employer's rights to deny reinstatement to Employee who shall qualify as a "key employee" to prevent substantial and grievous economic injury to its operations).
- (d) By Employer Not For Cause. Employer may dismiss Employee without cause notwithstanding anything to the contrary contained in or arising from any statements, policies, or practices of Employer relating to the employment, discipline, or termination of its employees. Employer shall pay Employee all compensation then due and owing for the period prior to termination, plus a lump sum cash payment equal to Employee's base salary prorated over the remaining balance of the unexpired Employment Term, or over a period of six (6) months, whichever is less, and thereafter all of Employer's obligations under this Agreement shall cease.
- (e) By Employee Not for Cause. At any time, Employee may terminate his employment for any reason, with or without cause, by providing Employer thirty (30) days advance written notice. Employer shall have the option in its complete discretion to make Employee's termination effective at any time prior to the end of such notice period, provided Employer pays Employee all compensation due and owing through the last day actually worked, plus an amount equal to the base salary Employee would have earned through the balance of the notice period, not to exceed thirty (30) days; thereafter, all of Employer's obligations under this Agreement shall cease.
- (f) By Employee for Good Reason. At any time, Employee may terminate his employment for good reason (as defined below) by giving (30) days advance written notice to Employer. "Good Reason" shall be any material breach of this Agreement by Employer that remains uncured at the end of the above notice

period. Employer shall have the option in its complete discretion to make Employee's termination effective at any time prior to the end of the above notice period, provided Employer pays Employee all compensation due and owing through the last day actually worked and through the balance of the notice period (not to exceed thirty (30) days). In the event that good reason is found to exist pursuant to Section 6 of this Agreement, the maximum amount that Employer shall be liable to Employee therefor shall be a monetary sum equal to Employee's base salary prorated over the remaining balance of the unexpired Employment Term, or over a period of six (6) months, whichever is less, which shall be in lieu of any damages under this Agreement for any alleged breach. Thereafter, all of Employer's obligations under this Agreement shall cease.

(g) Termination Obligations. Employee agrees that all property, including without limitation all equipment, tangible Proprietary Information (as defined below), documents, records, notes, contracts, and computer-generated materials furnished to or prepared by Employee incident to his employment belongs to Employer and shall be returned promptly to Employer upon termination of Employee's employment. Employee's obligations under this subsection shall survive the termination of his employment and the expiration of this Agreement.

5. Proprietary Information. "Proprietary Information" is all information and any idea pertaining in any manner to the business of Employer (or any Affiliate), its employees, agents, contractors, or consultants, which was produced by any employee of Employer in the course of his or her employment or otherwise produced or acquired by or on behalf of Employer. Proprietary Information shall include without limitation, trade secrets, protocol ideas, inventions, processes, formulas, data, know-how, software and other computer programs, copyrightable material, plans, strategies, customer lists and information, financial reports, and the contents of documents protected from disclosure under the California Public Records Act, Government Code Section 6250 et seq., or other provisions of applicable law. All Proprietary Information not generally known outside of Employer's organization, and all Proprietary Information so known only through improper means, shall be deemed "Confidential Information." During his employment by Employer, Employee shall use Proprietary Information and shall disclose Confidential Information only for the benefit of Employer and as is necessary to perform his job responsibilities under this Agreement. Following any termination of employment, Employee shall not use any Proprietary Information and shall not disclose any Confidential Information except with the express written consent of Employer. By way of illustration and not in limitation of the forgoing, following termination, Employee shall not use any Confidential Information to solicit Employer's customers or to compete against Employer. Employee's obligations under this Section shall survive the termination of his employment and the expiration of this Agreement.

6. Arbitration.

- (a) Arbitrable Claims. All disputes between Employee (his attorneys, successors, and assigns) and Employer (its Affiliates, shareholders, directors, officers, employees, agents, successors, attorneys, and assigns) of any kind whatsoever, including without limitation all disputes relating in any manner to the employment or termination of employee and all disputes arising under this Agreement (“Arbitrable Claims”), shall be resolved by arbitration. All persons and entities specified in the preceding sentence (other than Employer and Employee) shall be considered third-party beneficiaries of the rights and obligations created by this Section. Arbitrable Claims shall include but are not limited to contract (express or implied) and tort claims of all kinds, as well as all claims based on any federal, state, or local law, statute, or regulation, excepting only claims under applicable worker’s compensation law and unemployment insurance claims. Arbitration shall be final and binding upon the parties and shall be the exclusive remedy for all Arbitrable Claims, except that the Employer may at its option seek injunctive relief and damages in court of any breach of Section 5 of this Agreement. **THE PARTIES HEREBY WAIVE ANY RIGHTS THEY MAY HAVE TO TRIAL BY JURY IN REGARD TO ARBITRABLE CLAIMS.**
- (b) Procedure. Arbitration of Arbitrable Claims shall be in accordance with the Employment Dispute Resolution Rules of the American Arbitration Association (“AAA Employment Rules”) except as provided otherwise in this Agreement. In any arbitration, the burden of proof shall be allocated as provided by applicable law. Either party may bring an action in court to compel arbitration under this Agreement and to enforce an arbitration award. Otherwise, neither party shall initiate or prosecute any lawsuit or administrative action in any way related to any Arbitrable Claim. All arbitration hearings under this Agreement shall be conducted in San Bernardino County, California. The Federal Arbitration Act shall govern the interpretation and enforcement of this Section 6. The fees of the arbitrator shall be split between both parties equally.
- (c) Confidentiality. All proceedings and all documents prepared in connection with any arbitrable claim shall be confidential and unless otherwise required by law, the subject matter thereof shall not be disclosed to any person other than the parties to the proceedings, their counsel, witnesses, and experts, the arbitrator and if involved, the court and court staff.
- (d) Continuing Obligations. The rights and obligations of Employee and Employer set forth in Section 6 of this Agreement shall survive the termination of Employee’s employment and the expiration of the Employment Term.

7. Notices. Any notice under this Agreement must be in writing and shall be effective upon delivery by hand, upon facsimile transmission to the number provided below (if one is provided), or three (3) business days after deposit in the United States mail, postage

prepaid, certified or registered and addressed to Employer at the address below or to Employee at the last known address maintained in Employee's personnel file. Employee shall be obligated to notify Employer in writing of any change in his address. Notice of change of address shall be effective only when done in accordance with this Section.

Employer's Notice Address:

Board of Directors
Phelan Pinon Hills Community Services District

_____, CA 9____

FAX Phone No.: (____) ____-____

8. Action by Employer. All actions required or permitted to be taken under this Agreement by Employer, including without limitation, exercise of discretion, consents, waivers, and amendments to this Agreement, shall be made and authorized only by Employer's Board of Directors. The failure of Employer to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by Employee shall not be deemed a waiver of that term, covenant, or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.
9. Integration. This Agreement is intended to be the final, complete, and exclusive statement of the terms of Employee's employment by Employer. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the employment of Employee by Employer, and it may not be contradicted by evidence of any prior or contemporaneous statement or agreements. To the extent that the practices, policies, or procedures of Employer now or in the future, apply to Employee and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.
10. Amendments. This Agreement may not be modified or amended except by a writing signed by each of the parties hereto. Failure to exercise any right under this Agreement shall not constitute a waiver of such right.
11. Assignment. Employee shall not assign any rights or obligations under this Agreement. Employer may upon prior written notice to Employee assign its rights and obligations hereunder.
12. Severability. If a court or arbitrator holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.
13. Attorneys' Fees. In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

14. Governing Law. This Agreement shall be governed by and construed in accordance with the law of the State of California.
15. Interpretation. This Agreement shall be construed as a whole according to its fair meaning and any uncertainty or ambiguity contained herein shall not be interpreted against the party responsible for the drafting of this Agreement. The captions or sections and subsections of this Agreement are for reference only and are not to be construed in any way as a part of this Agreement.
16. Employee Acknowledgment. Employee acknowledges that he has had the opportunity to consult legal counsel in regard to this Agreement, that he has read and understands this Agreement, that he is fully aware of its legal effect, and that he has entered into it freely and voluntarily and based on his own judgment and not on any representations or promises other than those contained in this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers as of the date first written above.

EMPLOYER

By: _____
President, Board of Directors
Phelan Pinon Hills CSD

ATTEST:

By: _____
Secretary
Phelan Pinon Hills CSD

EMPLOYEE

By: _____
[Name]