



Phelan Piñon Hills Community Services District

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**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING
January 27, 2010 – 7:00 p.m.
Phelan Community Center
4128 Warbler Road, Phelan, CA 92371**

MINUTES

Board Members Present: Charlie Johnson, President
Joe Fahrlander, Vice President
Ken Anderson, Director
Al Morrissette, Director
Mark Roberts, Director

Board Member Absent: None

Staff Present: Don Bartz, General Manager
Lori Lowrance, Administrative Services Manager
Debbie Bishop, Board Secretary
Steve Lowrance, Parks Lead

Call to Order

President Johnson called the meeting to order at 7:00 p.m. and the Pledge of Allegiance was conducted.

Roll Call

All Board Members were present.

1. Approval of Agenda

Mr. Bartz asked to remove the Closed Sessions for the Anticipated Litigation and the Antelope Valley Adjudication. Director Morrissette moved approval of the Agenda as modified. Director Roberts seconded the motion. All were in favor.

2. Public Comment

Susan Knight of Kiwanis Club spoke to the Board to seek the Board's opinion on the 4th of July fireworks and a summer program for Parks and Recreation. She stated Kiwanis would be interested in volunteering to help with the Parks and Recreation summer programs.

Anona Gasca thanked the Board for the opportunity to work on the Citizen's Advisory Committee. She also thanked Steve Lowrance for his help with the Citizen's Advisory Committee. She briefed the Board on the work the Citizen's Advisory Committee has completed.

3. Consent Items

Director Anderson motioned to approve the Consent Items. Director Morrissette seconded the motion and all were in favor.

4. Matters Removed from Consent Items

None

5. Presentations/Appointments

President Johnson presented Derrick Sandwick with Resolution #2010-02 in appreciation of the contributions made by the Sandwick family. Mr. Sandwick thanked the Board for the recognition.

6. Continued/New Agenda Items – Action Items**a. Approval of Park Ordinance #2010-01**

Mr. Kennedy stated this item was brought to the Board for regular discussion on January 6, 2010 and the changes that were recommended have been included in this Document. Mr. Kennedy stated unfortunately the statute requires that Ordinances be adopted at Regular meetings; therefore, he asked that this item be placed on the Agenda for approval at the next Regular Board Meeting. Director Anderson stated he felt this item was approached in a negative way and it would have been his philosophy to minimize restrictions and use a more common sense approach. President Johnson stated this item is intended by the Board to be managed by the General Manager with common sense as the number one priority.

b. Discussion and Possible Approval of Proposal from Packard Government Affairs

Mr. Bartz stated this item came to the Board previously from Ball Janik, LLP. The Board did not approve the contract at the time. The Legislative and Grant Committee has approved this item to come before the Board through Packard Government Affairs. Mr. Bartz stated he contacted Packard Government Affairs' references and briefed the Board on their successes. Mr. Bartz stated their contract is for \$2,500 a month and they split their fees for their expenses between multiple parties when they are representing multiple parties.

Director Anderson asked if Mr. Bartz asked the references when they applied for the grants. Mr. Bartz stated one grant was received in 2009 when they applied for it and they had been working on the other one for a couple years.

Vice President Fahlender stated he wasn't sure the Board couldn't get the same responses with the same resources. He feels the Board is a week or so premature with this item because there is a meeting scheduled next week with Buck McKeon's office.

Director Morrissette noted that there is a necessity of urgency because of the March 1, 2010 deadline to submit for the grant.

President Johnson stated the District may not receive funds the first or second year; however, he felt the District needs someone following up on behalf of the District.

Director Anderson stated he is not comfortable hiring a lobbyist, but he understands there is lots of money being given to local municipalities and some good projects that can be done through this process.

Director Morrissette stated there is a misconception regarding earmarks. He stated an earmark is taking the appropriated funds and marking them for a particular project. He stated a pork barrel is someone trying to get funds for themselves.

Director Morrissette motioned to approve the item. Director Roberts seconded and President Johnson and Directors Roberts and Morrissette voted in favor of the motion. Director Anderson and Vice President Fahlender voted against the motion. The motion passed.

c. **Discussion and Possible Approval of Change Order for High Desert Underground Service Contract**

Mr. Bartz briefed the Board on the progress of the Hydrant Valve Maintenance Program. The Board asked for this item to be placed back on the Agenda when it is approaching the end of the contract.

Mr. Sandwick stated he cannot give the Board an answer as to when this program would be complete. He stated this program is being done for the first time so he has nothing to base his estimate on. Mr. Sandwick stated because this program is taking longer than he estimated, they will lower their hourly rate.

Mr. Bartz stated that what Mr. Sandwick is asking for is for the Board to designate an amount to allow him to proceed for an additional month. Director Roberts felt the existing contract should be used up before the Board added to the contract. He recommended this item come back to the Board at the next meeting with an amount that the Board can make a decision on.

Director Anderson stated he is also concerned about adding additional projects and Mr. Sandwicks crew needs to stick with the Hydrant Valve Maintenance Project and not help District staff with other tasks. Mr. Bartz stated he agreed with Director Anderson. Vice President Fahlender also agreed with Director Anderson and Mr. Bartz. Director Anderson stated he is not comfortable with approving an open ended contract.

Mr. Bartz stated Ms. Lowrance gave him some quick figures and it looks like Mr. Sandwick will be at the end of his contract at the end of January. Director Morrissette suggested this item be placed on the agenda for the next meeting so the Board can get some viable numbers from Mr. Sandwick and District Staff.

President Johnson asked Mr. Sandwick and staff for estimated figures. Director Anderson asked for the number of valves and hydrants that were exercised.

ACTION ITEM: Staff to bring an estimated number of Hydrant Valves that need to be completed and an estimated fee to complete the work to the Board at the next Board Meeting.

ACTION ITEM: Staff to supply the number valves and hydrants that were exercised.

d. **Review of Mid-Year Budget**

Mr. Bartz reviewed the mid-year budget with the Board. A discussion took place regarding water sales. Mr. Bartz stated typically water sales are higher in the beginning of the year.

Director Roberts stated the electrical bill reflects the pumping of the Wells during the summer months. He asked Mr. Bartz if staff has compared this year's bills to last year's. Mr. Bartz stated staff is in the process of doing a comparison. Mr. Bartz also noted Edison increased their rates in September so it makes it difficult to compare the electrical costs. Director Anderson suggested comparing the Kilowatt hours along with the costs.

ACTION ITEM: Staff to compare the Edison Kilowatt hours and fees from this year with last years and bring the information back to the Board.

e. **Discussion and Possible Approval of 5-year Forecast Model (20 min.)**

Ms. Lowrance gave the Board a presentation on the 5-year Forecast Model and asked for the Board's direction for the budget process. Director Roberts suggested staff show the full 15% increase in water sales due to the Meter Change-out Program.

Vice President Fahrlander suggested cutting the budget where ever possible before making any increases to the Districts rates. He stated he would like to see all the efficiencies from all the changes the District has made to the system before making a decision to increase rates. Directors Morrisette and Roberts agreed with Vice President Fahrlander.

Director Roberts asked for the new efficiencies to be applied to the 5-year Forecast Model.

After further discussion the Board Ms. Lowrance clarified with the Board that they would like staff to proceed with the budget as they did last year by cutting costs. Director Roberts stated he would like to see both cutting costs and the efficiencies included in the budget. Director Anderson felt the District can reach a budget with cutting costs and the efficiencies and stated he did not want to see a rate increase. President Johnson stated the District has not had a rate increase in two years. He stated the reserves need to be replaced for future use and it's more prudent to do small rate increases than large increases. He felt the Board should consider small rate increases. Director Morrisette stated he attended a meeting in 1998 where the County increased the rates 38%. He agreed with President Johnson and felt the Board needs the right data in order to make a decision. Director Roberts noted the Meter Change-out Program has already initiated an increase to the customers this year.

Mr. Bartz summarized that direction staff is getting from the Board is to keep the budget tight and see where the efficiencies come out. The Board agreed.

President Johnson stated he would like a true forecast in February or March to see where the budget is going to come out. The Board did not have a consensus on this item.

f. **Discussion and Possible Approval of General Manager Goals**

President Johnson asked for comments from the Board regarding the General Manager Goals. Director Anderson stated he would like the comments the Board submitted to Ms. Bishop included into the Goals. Vice President Fahrlander stated he would like to see the additional Goals he suggested added to the General Manager's Goals. He stated he added to the Hydrant Valve Maintenance Goal to include an analysis of what has been done and how the District will move forward with the Hydrant Valve Maintenance. President Johnson stated he felt Director Anderson's changes were more general than goal oriented. After discussion, the Board agreed Director Anderson's goals will be incorporated into the General Managers Evaluation Form in the appropriate place.

g. **Discussion and Possible Approval of Resolution #2010-04; Establishing a Policy for District Reserves**

Mr. Bartz briefed the Board regarding Resolution #2010-04. He stated this is the same policy as the Board approved last year and that this is an annual review and approval of the policy. Director Anderson asked if the District meets all the goals. Ms. Lowrance stated the District is not. She noted a couple of instances where the District was placing amounts at the low end of the ranges into some of the reserve accounts. The Board agreed that the District has been able stay within the current guidelines. Vice President Fahrlander motioned to approve the item. Director Roberts seconded the item and all were in favor.

7. Review of Action Items (10 min.)

Mr. Bartz reviewed the Action Items with the Board. Vice President Fahlender asked if it was correct that a customer needs to be current in order to lock off the meter. President Johnson asked that this item be placed on a future agenda for discussion.

8. Review of December Disbursements

The Board had no comments.

9. Citizens Advisory Committee for Parks, Recreation & Street Lighting (15 min.)**a. Update by Steve Lowrance**

Mr. Lowrance gave the Board an update on the Citizens Advisory Committee Meeting and noted a question came up as to whether there could be a progressive tax assessment. Mr. Kennedy stated there is some recent legislation that allows for automatic increases without having to go back through a Proposition 218 process for a five year period; however, it may be only for water charges. He stated he would have to do further research. Mr. Lowrance stated the Committee also discussed a \$30 increase for three years. Mr. Bartz stated he questions an assessment for maintenance of the parks for three years; the maintenance would not go away after three years. Mr. Bartz suggested sending a mailing out to the District customers in order to obtain a consensus regarding the community's willingness to support a park financially.

Mr. Bartz stated he included a proposal for Bucknam and Associates to assist in this process and asked the Board for their comments. Director Roberts felt this item should be brought back as a separate Agenda Item. President Johnson stated this is within Mr. Bartz approval requirements; he is looking for Board comments. Director Morrisette stated he would like to see professional services and noted the deadline for the grant application is March 1, 2010. Vice President Fahlender asked if Bucknam and Associates can meet the deadline. Mr. Bartz stated he spoke to the Project Manager and he felt they could meet the deadline.

A discussion took place regarding the information being gathered by the Citizen's Advisory Committee. Rowena McDermott briefed the Board on the Committee's findings. She spoke about the possibility of splitting the grant application. She stated she would like to submit one grant application and have the District shine with its first grant application.

Director Anderson clarified that the Committee is proposing the District hire a grant writer to help write the grant. Ms. McDermott agreed. Director Anderson expressed his concern that the public opinion regarding the parks was accurately obtained. He stated he does not have the data that he needs to sign a resolution stating the District is going to maintain the park. Ms. McDermott stated she agreed the tax assessment needs more time and stated the park is designed to generate some of its own income.

b. Agenda's, Minutes, Etc.

Director Anderson asked President Johnson to explain his comment on the minutes from the Citizen's Advisory Committee. President Johnson stated he was suggesting, if the Board took on a position where the water operations would not be supported by property taxes, then some of the property taxes could support the park. Director Anderson stated his concern that the comment would be taken the wrong way. Mr. Lowrance stated the Committee did not take the comment the wrong way and that the Committee is looking for revenues to support the park.

Vice President Fahrlender state he wants to know exactly what the Community is looking for in the next five years as far as soccer fields, baseball fields, equestrian, etc.

Director Morrisette stated this item really should be agendized for a future meeting. He also stated in reviewing all the minutes online as well as the direction from the Board, he felt that there are a few items that still need to be addressed. He also felt the District should be the one to contact the State regarding the grant, not the Committee.

Ms. Gasca stated the State does not want to see a cookie-cutter off-the-shelf park. She stated an advantage the District has is a higher cost of living than other Communities because of the dirt roads and the commute down the hill.

The Board agreed to agendize this item for the next meeting.

Mr. Kennedy stated it was critical that the project description be something the Board has approved in order to begin the CEQUA process. He stated it is not that easy to change once it has been submitted. Mr. Kennedy also stated in order for a tax or assessment to be proposed, there has to be an analysis done for the assessment.

Mr. Bartz stated he will obtain additional information from the grant writer and the assessment engineer to bring to the Board at the next meeting.

10. Committee Reports

- a. **Engineering Committee (Standing)** – Director Roberts reported the Committee met on January 19th and the Minutes will be in next week's Board Meeting Packet. The next meeting will be the second Wednesday in February at 11:00 a.m.
- b. **Parks, Recreation & Street Lighting Committee (Standing)** – Director Morrisette stated the next meeting is February 2, 2010.
- c. **Finance Committee (Standing)** – President Johnson stated the Committee met and reviewed the mid-year budget.
- d. **Building Committee (Standing)** – Director Anderson stated the Building Committee has not met since the last report.
- e. **Adjudication Committee (Ad Hoc)** – Director Roberts stated they continue meeting with the principals in Palmdale and they continue to move forward.
- f. **General Manager Review Committee (Ad Hoc)** – President Johnson stated they will be meeting to consolidate the recommendations for the General Managers Goals.
- g. **Solid Waste Powers (Ad Hoc)** – Vice President Fahrlender asked to agendize the Solid Waste Powers so they can discuss this item in-depth. President Johnson suggested the second meeting in February.
- h. **Legislative & Grant Committee (Standing)** – Vice President Fahrlender stated they are meeting for the second time with a field representative from Congressman McKeon's office. They will be meeting the following Thursday with a field representative from Congressman Dryer's office. Vice President Fahrlender stated he is still trying to contact the State Senators office.

- i. **Mission & Vision Statement Committee (Ad Hoc)** – Director Roberts stated they are organizing their information to have a meeting.

11. General Manager's Report

Mr. Bartz submitted a written report and added that 4500 new radio read meters have been installed and 178 of the dead-end lines have been flushed.

12. Reports

a. Director's Report

Anderson – Director Anderson thanked the Citizen's Advisory Committee for all their work.

Fahlender – Vice President Fahlender had nothing further to report.

Morrisette – Director Morrisette stated he would like to see how the Solid Waste Powers would affect the use of the transfer station. He asked for Resolutions to be awarded to Reg Adams and Paul Davis thanking them for their voluntary services to the District. The Board Agreed.

ACTION ITEM: Prepare and Present Resolutions to Reg Adams and Paul Davis thanking them for their voluntary services to the District.

Roberts – Director Roberts stated the Board purchased land for parks and stated he hopes the District can make it work.

- b. **President's Report** – President Johnson also thanked the Committee for all the work they have done and noted the progress the Committee has made. He also asked the Board to give Susan Gates of News Plus a Resolution for her service to the Community.

ACTION ITEM: Prepare and Present a Resolution to Susan Gates of News Plus for her service to the Community.

13. Correspondence/Information

President Johnson stated Mr. Kennedy will be doing Ethics Training in Helendale on February 4, 2010 from 6:00 to 8:00 p.m.

Set Agenda for Next Meeting – February 3, 2010

- Resolution for CalPERS 457 Plan
- Discussion with the Kiwanis Club regarding 4th of July Fireworks and Summer Park and Recreation Programs
- Approval of Park Ordinance #2010-01
- Discussion and Possible Approval of High Desert Underground Service Contract
- Discussion regarding Parks Grant and Proposal from Bucknam & Associates.
- Solid Waste Powers

Future Board Meeting

- Board Policy for District Committees
- Discussion and Possible Approval of General Manager Goals
- District Policies and Procedures
- Request for Proposal for Enterprise Management System

Adjourn

The meeting was adjourned at 10:10 p.m. for the Closed Session.

Closed Session – Conference with Real Property Negotiators

(Government Code §54956.8)

Properties: APN#3066-331-26/APN #3066-441-05, 06 & 07/APN #3066-221-29 & 33/
APN#3066-221-25

District Negotiators: Mr. Bartz/Mr. Kennedy

Negotiating Parties: Lee & Associates/Kevin Anderson/Harry Marinelli/Zimbro Realty

Under Negotiation: Price and terms of payment

Announcements of Any Reportable Closed Session Actions

There was no reportable action in the Closed Session.

Adjourn

With no further business, the meeting was adjourned at 10:20 p.m.

Board approved the above Minutes on February 3, 2010:

Charlie Johnson, President

Date

Debbie Bishop, Board Secretary

Date