



# Phelan Piñon Hills Community Services District

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**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT  
REGULAR BOARD MEETING  
October 7, 2009 – 7:00 p.m.  
Phelan Community Center  
4128 Warbler Road, Phelan, CA 92371**

## MINUTES

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

**Board Members Absent:** None

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

### Call to Order

President Morrissette called the meeting to order at 7:05 p.m. and the Pledge of Allegiance was conducted.

### Roll Call

All Board Members were present.

President Morrissette thanked all in attendance for their work with the Sheep fire.

President Morrissette spoke about the passing of District employee Ray Ruppel and the Board took a moment of silence on his behalf.

### 1. Approval of Agenda

Mr. Bartz asked to move the Closed Session for the Antelope Valley Groundwater Adjudication to the beginning of the meeting immediately following the approval of the agenda. Director Johnson moved the approval of the agenda, Vice President Anderson seconded and all were in favor.

### 2. Public Comment

Dan MacDonald spoke to the Board regarding Snowline School District. He stated Snowline School District has a survey online for Community Members to complete to give the Board of Directors direction on budget cuts. Mr. MacDonald also thanked the District for helping him with the use of a water meter for High Desert Hustlers.

Ken Bendier spoke to the Board regarding a Recreation Center for the Community and the need to have one in the District.

Rowena McDermott spoke to the Board in support of instituting a Parks and Recreation Master Plan.

Nancy Cosgrove spoke to the Board regarding parks for the District. She stated there are grants available to purchase parks; however, to maintain a park, the Community needs to consider taxing themselves.

A Gentleman from Sunset Little League spoke about the need for parks in the District. He agreed that the Community needs to consider taxing themselves to pay for the parks.

### **Adjourn**

The Board adjourned for the Closed Session at 7:30 p.m.

### **Closed Session – CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION** (Government Code: Subdivision (a) of Section 54956.9)

Antelope Valley Groundwater Cases, Judicial Council Coordination No. 4408, Santa Clara County Superior Court, Case No. 1-05-CV-049053

Included Actions:

- *Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.*, Los Angeles County Superior Court, Case No. BC325201
- *Los Angeles County Waterworks District No. 40 v. Diamond Farming Co.*, Kern County Superior Court, Case No. S0-1500-CV-254-348
- *Wm. Bolthouse Farms, Inc. v. City of Lancaster*, Riverside County Superior Court Case, No. RIC 353840
- *Diamond Farming Co. v. City of Lancaster*, Riverside County Superior Court, Case No. RIC 344436  
*Diamond Farming Co. v. Palmdale Water District*, Riverside County Superior Court, Case No. RIC 344668

**The Board reconvened at 7:41 p.m.**

### **Announcements of Any Reportable Closed Session Actions**

There were no reportable actions to report.

#### **3. Consent Items**

Director Roberts moved to approve the consent items. Director Johnson seconded and all were in favor.

#### **4. Matters Removed from Consent Items**

None

#### **5. Presentations/Appointments**

a. None

#### **6. Continued/New Agenda Items – Action Items**

##### **a. Review and Possible Approval of Agreement with Golden State Water**

Mr. Bartz briefed the Board on the Agreement with Golden State Water. Mr. Kennedy noted that part of the verbiage he sent to Golden State Water was not included in the Agreement and he noted that items were also added.

Director Fahrlander moved the Board reject this Agreement. Vice President Anderson asked if the District could supply the 100 acres-feet of water that Golden State Water is requesting. Mr. Bartz felt the District could provide the 100 acres-feet of water. Mr. Bartz noted that there is a stipulation in the Agreement that the District can notify Golden State Water if the 100 acre-feet of water are not available.

Mr. Bartz recommended this item be tabled and taken back to Golden State Water. Director Johnson stated there is a motion on the floor. Director Fahrlander withdrew his motion.

Mr. Kennedy stated the changes to the Agreement were not provided to him by Golden State Water as he had been working on the Agreement with their attorney. Mr. Dahlstrom apologized to Mr. Kennedy for not presenting him with the changes in the Agreement prior to its submission to the District. Mr. Dahlstrom then addressed the Board and explained the changes made to the Agreement by Golden State Water.

Director Roberts suggested this item be brought to the Engineering or Finance Committee. Mr. Kennedy stated he needs to know if the Board would like language in the Agreement regarding Golden State Water District paying for the Engineering Study. Director Johnson stated he is worried about the impact to the District's system. Director Fahrlander stated the District should be clear on the fees for the Attorney as well.

Mr. Bartz agreed with Director Roberts that this item should go to the Engineering Committee. Director Roberts moved to forward this item to the Engineering Committee. Director Johnson seconded the motion. All were in favor. The Board agreed that the Committee will have the verbiage for the Engineering Study put back into the Agreement as well as the price of the study. Once that information is in the Agreement the Committee will review the Agreement before it goes back to the Board for approval.

**ACTION ITEM:** Mr. Bartz to obtain the price of the Engineering Study from ID Modeling for the Agreement.

**b. Review and Possible Approval of Proposal for Parks and Recreation Master Plan**

Candida Neal presented the Board with a revised proposal for a Parks and Recreation Master Plan. She stated the deadline for the first grant is March 31, 2010. Ms. Neal briefed the Board on the process for applying for the grants. Director Johnson thanked Ms. Neal for her quick turnaround with the changes the Parks, Recreation and Street Lighting Committee requested at yesterday's meeting.

Director Fahrlander asked Ms. Neal about her background. Ms. Neal gave the Board a summary of her background.

A discussion took place regarding the scoring procedures for the grants. Ms. Neal stated the District would need to pick a park site that would score the best for the grant process.

Vice President Anderson asked if any of the architectural concepts were included in the proposal. Ms. Neal stated architectural concepts were included in the proposal. She stated they would be involved with choosing a site, phasing and conceptual design.

A discussion took place regarding a sustainable design for the park which will help with the scoring process for the grant. Director Roberts asked if this would give the District operating costs for the park. Ms. Neal stated they would be looking at overall costs.

Director Johnson stated his concern is the Parks and Recreation Master Plan. He stated that the most important item the District needs out of this is the Parks and Recreation Master Plan.

Director Fahrlander stated the initial proposal for this was \$78,500 and now it is \$62,000. He asked where these funds will be coming from. Mr. Bartz stated this was not in the budget; however, there are contingency funds available for this project.

Dale Schinke spoke to the Board regarding the facilities available in the Community. He stated it would be imperative that the Board consider the other elements of the District besides Water such as the Parks. He agreed with Director Johnson that a park plan needs to be created.

Jill Bays from Transition Habitat Conservation (THC) announced their two properties have closed escrow. She gave the Board a brief summary of the progress THC has made. She urged the Committee to come up with a visionary Parks Master Plan.

Bert Bays spoke to the Board regarding a Parks Master Plan. He expressed to the Board that this is the next step in moving forward with the Community Plan. He noted that the District needs a Parks Master Plan to apply for grants.

Roberta Dewey seconded everything stated by Jill and Bert Bays. She stated she is also in favor of moving forward with a Parks Master Plan. She stated working with other agencies such as THC will help in obtaining grant funding. She hoped the Board will think about the THC's concept of open space as they make their decisions.

Richard Sailor stated he moved his family out here in 1980. He spoke about the importance of the open space concept and stated it is very fundamental to our human spiritual experience.

President Morrissette stated the Parks, Recreation and Street Lighting Committee was challenged to come up with a parks plan. He stated this was a step in that direction and encouraged the Board to not jump ahead and worry about how the parks were going to be funded.

Director Roberts asked if the Parks Committee will be a part of this. The Board agreed they would. He asked how the THC would be a part of this. The Board agreed this was to be determined. Director Roberts stated he is concerned with the overall budget.

A discussion took place regarding the \$50,000 that was removed from the parks budget.

Alex Brandon stated he didn't recognize the proposal as a Parks Master Plan. Ms. Neal stated they structured this proposal to give a Summary Master Plan for the Grant Application Process.

Director Johnson stated he received four e-mails regarding this agenda item. Three were in support of providing this plan and one was against it. Copies of the e-mails were provided to the Board members.

Ms. Neal explained to the Board that the proposal entails a Summary Master Plan and not a State's definition of a Parks Master Plan. Director Roberts suggested obtaining a proposal for a full Parks Master Plan along with the Proposition 84 Grant. Ms. Neal stated there would not be enough time to complete a full Master Plan within the time period necessary

for the first grant cycle. Director Roberts stated the full Master Plan would not need to be completed in order to make the first grant cycle.

Mr. Bartz briefed the Board on the intent of the original agenda item. He stated the Board can direct Ms. Neal to come back to the Board with a comprehensive Master Plan. Ms. Neal stated this would be more comprehensive and expensive. She stated it may be more cost effective to proceed with the Summary Master Plan.

Director Fahrlender asked Ms. Neal how many Master Plans she has done. She stated she has worked for other firms that have done them; however, her firm has only done one.

Mr. Kennedy was asked if the Board could take action on this item. Mr. Kennedy stated his analysis is that this is within what was agendized and the Board could take action. Director Johnson stated the Board could ask staff to analyze the budget for the funds.

President Morrisette suggested this item be tabled. Director Roberts stated that would be what he suggests. Director Roberts stated he would like to see staff research this further. The Board agreed to table the item.

**ACTION ITEM:** Ms. Neal to submit a proposal for a complete Parks Master Plan and the Proposition 84 Grant.

c. **Consider Contract Extension with High Desert Underground**

Mr. Bartz briefed the Board on extending the contract with High Desert Underground (HDU). He stated the District has \$4,496 left in the original contract.

Mr. Bartz briefed the Board on the costs of prevailing wage.

Vice President Anderson asked which documents in the handout were provided by HDU and which were provided by staff. Mr. Bartz reviewed the pages with Vice President Anderson.

Director Fahrlender stated he hasn't seen any analysis on the shape the system was in and whether the District needs to re-analyze the position taken. Director Johnson stated he believed the direction of the Board was to go through the entire system.

Director Johnson asked what it will cost to finish the remainder of the system. Mr. Sandwick stated it is difficult to say what it will cost to finish the remaining 30% because of the difficulties that the crew comes across locating the valves. He stated that his crew is pulled off to help the District staff. Director Johnson stated his understanding was that HDU's crew was to work exclusively on the valve program.

A discussion took place regarding the need for additional staff and the Boards need to separate the valve crew from the staff needs.

**ACTION ITEM:** The Board asked for staff to bring the costs of overtime worked by staff and the amount of time HDU's crew is used to assist staff back to the Board for their review.

After discussion, the Board agreed to direct HDU to continue the valve work until this item comes back to the Board in two weeks.

**ACTION ITEM:** HDU and Staff to come back to the Board with the amount necessary to finish the Valve Maintenance.

d. **Discussion on Retirement Systems**

Mr. Bartz reviewed the process staff and the Board has gone through regarding the Employee Retirement Package and the options available for the District.

A discussion took place regarding the different Retirement System options available to the District. Director Fahrlander stated he would like to see a two step system; one for current staff and one for new employees. Mr. Bartz stated CalPERS does allow for amending the contract for a different retirement option for new staff.

President Morrisette suggests the District move ahead with the un-pooled option B presented to the Board at this time.

Vice President Anderson asked Mr. Kennedy if the Board has a choice to go to other options with respect to the Board's previous decisions. Mr. Kennedy stated the Board does have latitude and discretion with new hires. Mr. Bartz stated the Staff will bring the Employee Manual section on retirement back to the Board with any changes once the Board has made its decision.

e. **Approval of Resolution #2009-13 – Resolution of Intention to Approve a Contract between the Board of Administration CalPERS and the PPHCSD**

Director Johnson moved approval of Resolution #2009-13 based on an un-pooled plan. Director Roberts seconded the motion and all were in favor.

f. **Decision on reporting of Board Stipends – 1099 vs. W-2**

Mr. Bartz stated it came to the attention of staff that the Board never made a decision at the last meeting regarding this item. A discussion took place regarding the IRS's opinion. Mr. Kennedy recommended staff does not go against the District's Auditor's opinion to file by W-2's. After discussion, the Board agreed to continue filing by W-2's.

g. **Approval of Purchasing Policy**

Mr. Kennedy reviewed the Purchasing Policy with the Board. The Board had a discussion regarding the definition of relative under Section 10, Item B. The Board agreed to define relative by spouse or dependent child. Director Johnson stated he felt the definition should be mother, father, brother, sister, son or daughter. President Morrisette moved to accept the Purchase Policy with the definition of relative as spouse or dependent child. There was no second to the motion; therefore, no changes will be made to the Purchasing Policy.

h. **Approval of Tank Inspections**

Mr. Bartz briefed the Board on the approval of Tank Inspections. Vice President Anderson motioned to accept staff recommendation to use Inland Potable Services on the Tank Inspections. Director Fahrlander seconded and all were in favor.

7. **Committee Reports**

a. Engineering Committee (Standing) – Director Roberts stated the Engineering Committee has not met since the last meeting. Staff has been asked to push the next meeting back because of a conflict in meeting schedules.

b. Street Lighting & Parks Committee (Standing) – President Morrisette stated the Committee met last night. There were discussions regarding the funding and the funding process for Proposition 40. He stated it appears the grant can be transferred to the District. Mr. Bartz stated the District is going to determine if the property can be purchased by the District and reimbursed by the grant funds. Director Johnson stated they also talked about

- recommending to the Board that the CERT Program be added to the Committee as well. After discussion, the Board agreed to add the CERT Program to the Committee.
- c. Finance Committee (Standing) – Director Johnson stated the meeting will be rescheduled so they can meet with the Auditors.
  - d. Building Committee (Standing) – Vice President Anderson stated the Committee is scheduled to meet next week.
  - e. Adjudication Committee (Ad Hoc) – Director Roberts stated they attended a meeting today regarding the Adjudication.
  - f. Emergency Preparedness Committee (Ad Hoc) – President Morrissette stated Ms. Bishop is in the process of updating the policy.
  - g. Solid Waste Powers (Ad Hoc) – Mr. Bartz will schedule a meeting with Kathleen McDonald regarding the Solid Waste Powers.

**ACTION ITEM:** Mr. Bartz to schedule a meeting with Kathleen McDonald regarding Solid Waste Powers.

#### 9. General Manager's Report

Mr. Bartz stated Well #3 is down and the bids are due to the District Friday. He stated the water level monitoring has been completed. Mr. Bartz also stated the emergency generator was set up in Zone G as back up for the Sheep fire; however, it was not needed. In regards to the AMR installation, Zone G is complete and the test run in reads ran at 93% accurate. The PRV Stations are complete.

#### 10. Reports

##### a. Director's Report

**Anderson** – Vice President Anderson stated a customer asked him why there wasn't a read date on the bill. Staff stated the dates were on the bills.

**Johnson** – Director Johnson expressed his concern that the OESTE Subarea Committee has been canceled the last two meetings.

**Fahlender** – Nothing further to report.

**Roberts** – Director Roberts suggested the District continue to move forward on purchasing water rights.

- b. **President's Report** – President Morrissette stated he has noticed that the Board gives a lot of direction to staff. He stated they need to remember to keep in mind the staff has a full load so they need to have patience in receiving the information.

#### 11. Correspondence/Information

**Set Agenda for Next Meeting – October 21, 2009**

- Approval of High Desert Underground Contract Extension
- Approval of Emergency Preparedness Policy
- Approval on Well #3 bids
- Approval on Well #12 bids
- Approval of Golden State Water District Agreement

**Adjourn**

The Board adjourned for the Closed Sessions at 10:33 p.m.

**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

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

(Government Code §54956.8)

Properties: APN# 3098-081-01 & APN# 3098-071-05/APN# 3098-321-01

District Negotiators: Mr. Bartz/Mr. Kennedy

Negotiating Parties: Harry Marinelli/Nancy Cosgrove

Under Negotiation: Price and terms of payment

**The Board reconvened at approximately 11:42 p.m.**

**Announcements of Any Reportable Closed Session Actions**

There were no reportable actions to report.

**Adjourn**

With no further business, the meeting was adjourned at 11:43 p.m.

Board approved the above Minutes on October 21, 2009:

\_\_\_\_\_  
Al Morrissette, President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Debbie Bishop, Board Secretary

\_\_\_\_\_  
Date