



Phelan Piñon Hills Community Services District

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**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING
March 17, 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
Mark Roberts, Director

Board Member Absent: Al Morrisette, Director

Staff Present: Don Bartz, General Manager
Debbie Bishop, Board Secretary
Chris Bishop, Operations Manager
Steve Lowrance, Parks Lead

Call to Order

President Johnson called the meeting to order at 7:01 p.m. and the Pledge of Allegiance was conducted.

Roll Call

All Board Members were present except Director Morrisette.

1. **Approval of Agenda**

Mr. Bartz stated the only Closed Sessions needed for tonight is the Anticipated Litigation. Director Roberts moved to approve the Agenda. Director Anderson seconded the motion. All were in favor.

2. **Public Comment**

None

3. **Consent Items**

Mrs. Bishop noted that there is a correction to the March 3, 2010 Board Meeting Minutes on Page 3, Item f, third paragraph, the word "Enterprise" should be replaced with "Reserve."

Director Anderson motioned to approve the consent items. Director Roberts seconded the motion. All were in favor.

4. **Matters Removed from Consent Items**

None

5. **Presentations/Appointments**

a. **Presentation of Resolution #2010-08; in Appreciation for the Contributions made by Reginald Adams**

Mr. Bartz presented Reginald Adams with a Resolution of Appreciation. Mr. Adams thanked the Board and stated he did not have one word of criticism for what the Board has done.

- c. **Presentation of Resolution #2010-09; in Appreciation for the Contributions made by Susan Gates**
Mr. Bartz presented Susan Gates with a Resolution of Appreciation. Ms. Gates stated she is just one of many people who were thrilled when the CSD was formed. She stated the work of the Board is greatly appreciated by the Community.
- c. **Presentation of Resolution #2010-08; in Appreciation for the Contributions made by Supervisor Brad Mitzelfelt**
Mr. Bartz presented Supervisor Brad Mitzelfelt with a Resolution of Appreciation. Supervisor Mitzelfelt congratulated Susan Gates and Reginald Adams for being recognized tonight and stated he had certificates for them as well and he will be mailing them to them. He thanked them for all they do for the Community. Supervisor Mitzelfelt thanked the Board and the Staff of PPHCSD for all they have done for the Community. He commended the Board for their professionalism in the formation of the District. Supervisor Mitzelfelt explained a matter that took place regarding funds that were set aside for the Districts parks. He stated the First District Office is covering the funds and presented a check to the District in the amount of \$300,000.

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

a. **Discussion and Possible Action regarding Modification of Customers Bill**

Mr. Bartz briefed the Board regarding the request for a modification to a customer's bill. He stated 11.4 acre feet of water was used during the period of the leak. Mr. Bartz briefed the Board on the costs of the water to the District.

Director Anderson asked if the formula Mr. Bartz used was based on whether the District will be able to lease replacement water at a reduced rate. Mr. Bartz stated no because the customer is in the Alta Subarea and it has been difficult for the District to lease water in the Alto Subarea.

Vice President Fahrlander asked if the customer contacted their insurance company. Mr. Bartz stated the insurance company rejected the claim.

Vice President Fahrlander asked if the District had any discretion in this item and wondered if this would be considered gifting public funds. Mr. Kennedy stated he spoke to Mr. Bartz and there was not any active negligence on the part of the property owner so he felt the District could have some discretion. He did not recommend waiving the bill totally. He suggested the bill amount be placed on a promissory note against the customer's house.

Director Roberts asked if they could get recharge credit for the water. Mr. Bartz stated he spoke to Mojave Water Agency and they stated credit has already been given to the District for 50% of the water use. Director Roberts asked if the customer noticed any difference in water pressure. Mr. Bartz stated the customer did not notice any difference in water pressure.

President Johnson suggested the water leak could be subject to the Districts costs for the water, not the replacement costs. Director Anderson also felt lower fees could be charged.

Director Roberts suggested charging the customer the Districts average cost of the water per acre foot.

The Board agreed to have Mr. Bartz do the calculations and figure out what the average cost per acre foot is to the District and present that amount to the customer and see what the customer's ability to pay the bill will be. If there are further issues, Mr. Bartz can bring this item back to the Board.

Reginald Adams suggested the District have an insurance plan available for the customers or have a reader that will notify the residence that there is a leak. Mr. Bartz stated there are readers available. The Board thanked him for his comments.

b. **Discussion and Possible Action regarding RFPs for Enterprise Management Accounting/Billing Software**

Ms. Lowrance briefed the Board regarding the RFP for Enterprise Management Accounting/Billing Software. She stated staff is recommending the Board authorize staff to prepare and submit an RFP

for the District's Enterprise Resource Management Software. Mr. Bartz recommended the Board form a Committee in the future to review the proposals when they come in.

Director Anderson asked what the figures Ms. Lowrance gave the Board members in the meeting packet are based on. Ms. Lowrance stated the District has talked to some vendors and was given estimates from them.

Director Roberts asked if the savings on the Enterprise Resource Management Software accounts for the interest income that might be generated over that period of time. Ms. Lowrance stated it did not.

Vice President Fahlender asked if the figures included paying staff for training time. Ms. Lowrance stated she could add those figures.

Director Anderson asked if the systems include upgrades. Ms. Lowrance stated the RFP will cover this. She stated normally it is included.

Ms. Lowrance stated part of the process is to check the references of the companies with similar Districts and conduct site visits.

President Johnson felt there should be a deadline in the Calendar of Events, a date should be given for the intent to bid, all questions asked by vendors should be shared amongst all vendors, having the vendors suggest an annual operating cost to run the software and the RFP should include a contact on the vendor's user group.

Mr. Kennedy stated he did have some questions regarding the RFP and stated there are some policy issues that may need to be addressed. He asked the Board's thoughts in regards to progress payments. President Johnson stated in his experience, there are usually progress payments. He suggested they be tied to hard deliverables.

Mr. Kennedy suggested the Board authorize staff to move forward with the RFP and authorize staff to work with him regarding the changes.

Vice President Fahlender asked if staff has gathered information on outsourcing all these items. Ms. Lowrance explained it would not be possible to outsource everything.

Director Roberts stated the schedule may be tight. Ms. Lowrance agreed and stated she will make adjustment to it. She asked the Board to assign a couple of Board members to assist in the process. President Johnson suggested the Finance Committee.

Director Roberts motioned to move forward with the RFP with the administrative changes discussed. Director Anderson seconded the motion. Vice President Fahlender asked to have a meeting to go over the RFPs. Ms. Lowrance stated she would like to narrow the choices down and have a couple of them give the Board a demonstration. All were in favor and the Item was passed.

c. **Discussion and Possible Action regarding Draft of Fees for the Community Centers**

Mr. Bartz briefed the Board on a Draft of Fees for the Community Centers. Mr. Kennedy stated he was impressed on how the Committee broke the fees down. He felt there is a justified reason for having Receptions, Birthdays, etc. at a higher rate. He felt the actual differential is tied to an actual cost.

Mr. Bartz apologized he mis-stated the fees. He explained the column labeled PPHCSD's Fees is the current fees the PPHCSD charges and the column labeled Wrightwood's Fees is what the District is proposing to change to.

A discussion took place regarding the differences in the Categories. Mr. Kennedy suggested he work with staff regarding the categories and bring a proposal to the Board.

Director Anderson stated he is concerned that the rates are substantially low and felt the fees should be a little more.

ACTION ITEM: Staff to compare the Community Center Fees to other local parks and work with Mr. Kennedy regarding defining the categories.

The Board agreed to bring this item back to the Board at a later date.

d. **Discussion and Possible Action regarding Resolution #2010-13; Authorize and changing the District's Current Odd-Year Election Date to an August All-Mail Ballot Election**

Mr. Bartz briefed the Board on Resolution #2010-13. Discussions took place regarding the turnout of voters by mail versus a regular election and the public perception of changing the vote to a mail ballot.

With no motion to approve the Resolution, the motion failed.

Director Roberts asked if there is a way to poll customers regarding their preference in voting.

e. **Discussion and Possible Action regarding Uncollectable Outstanding Balance Write Off**

Mr. Bartz stated staff is recommending the Board approve writing off the referenced outstanding balances due as uncollectable. President Johnson stated the County failed to handle these when they were acting on the Districts behalf. He suggested sending these items to a collection company. Mr. Bartz stated there are companies that can do this on a commission basis and some that will buy blocks of accounts from the District.

Director Anderson motioned to write off these items. Vice President Fahrlander seconded the motion. The Board agreed staff should look into a collection company to collect these debts. With all in favor, the motion passed.

7. **Review of February Disbursements**

The Board reviewed the February Disbursements and there were no questions.

8. **Review of Action Items**

Mr. Bartz briefed the Board on the Action Items. He reported:

- The water rights are on-going, the hydrant valve maintenance map has not changed.
- Staff is working on the Energy Efficiency figures
- All the property tax transfers are complete except Well #14
- The Districts contract with CalPERS does not allow the District to offer retirement options other than CalPERS
- A spreadsheet was distributed to the Board showing where the tax funds are currently being allocated.

9. **Committee Reports**

- a. **Engineering Committee (Standing)** – Director Roberts stated the next meeting is April 14th. The March Minutes will be placed in the Board Packet once they are approved.

A discussion took place regarding placing minutes in the Board Packet. The Board agreed to stamp the Board Minutes Draft from this point forward until they have been approved by the Board.

- b. **Parks, Recreation & Street Lighting Committee (Standing)** – This Committee has not met since the last meeting.
- c. **Finance Committee (Standing)** – President Johnson stated the Committee met and had a preliminary review of the Budget. They will meet again next Wednesday at 5:00 p.m. to review the budget in full.
- d. **Building Committee (Standing)** – Director Anderson stated they have not met since the last meeting.

- e. **Adjudication Committee (Ad Hoc)** – Director Roberts stated there was a meeting today. He stated a new mediator has been brought on Board and a change in the meeting days and times has been proposed.
- f. **Solid Waste Powers (Ad Hoc)** – Vice President Fahrlender stated this item has already been covered.
- g. **Legislative & Grant Committee (Standing)** – Vice President Fahrlender stated there have been discussions regarding whether earmarks will be allowed. Mr. Bartz stated grants have been requested from Senators Feinstein and Boxer as well.
- h. **Mission & Vision Statement Committee (Ad Hoc)** – Director Roberts stated they are putting the packet together for the meeting.

10. General Manager's Report

A written report was provided to the Board. Mr. Bartz reported:

- Pumping started at Well #3 today.
- The meter replacement program is finishing up. The school districts will be done over spring break.
- The leases for Watermaster have been obtained except for approximately 80 acre feet.

ACTION ITEM: Vice President Fahrlender asked for an "as of" date to be included with the figures supplied on the General Manager's Report.

Mr. Bartz stated there are a couple of parcels that might be good for the District to purchase from the tax sales and he briefed the Board on them.

10. Reports

a. Director's Report

Anderson – Director Anderson asked that all options come back to the Board for CalPERS Retirement.

Fahrlender – Vice President Fahrlender stated it would be beneficial to get the packages electronically.

Roberts – Director Roberts had nothing further to report.

- b. **President's Report** – President Johnson stated he attended the California Parks and Recreation Society Conference and briefed the Board on the Conference.

13. Correspondence/Information

President Johnson stated he received a letter from Mr. Brown. Mr. Bartz stated his meter was switched with his neighbors. The District is taking extra precautions with this. The billing issues were addressed.

President Johnson gave Mr. Bartz a letter from CPRS regarding a change in their bylaws.

President Johnson gave Mr. Bartz information on another grant option for the District.

Set Agenda for Next Meeting – April 7, 2010

- Resolution for CalPERS Health Benefits
- Presentation regarding State of the Utility Address by Susan Peterson of Southern California Edison – 10 min.
- Discussion and Possible Action regarding Surplus Property
- Discussion and Possible Action regarding Draft of Fees for the Community Centers
- Options for CalPERS Retirement

Future Board Meeting

- Discussion regarding Administration Building
- Discussion regarding the three tiered rate structure
- Discussion of Reformation of the Citizen’s Advisory Committee
- District Rules and Regulations

Adjourn

The meeting was adjourned at 9:39 p.m. for the Closed Session.

Closed Session – Conference with Legal Counsel/Anticipated Litigation
Significant Exposure to Litigation pursuant to government code 54956.9(b)
One potential case

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 10:35 p.m.

Board approved the above Minutes on April 7, 2010:

Charlie Johnson, President	Date
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Debbie Bishop, Board Secretary	Date
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