



Phelan Piñon Hills Community Services District

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PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT SPECIAL REGULAR BOARD MEETING

April 12, 2011– 6:00 p.m.

Phelan Senior Center
4128 Warbler Road, Phelan, CA 92371

MINUTES

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

Board Member Absent: None

Staff Present: Don Bartz, General Manager
Lori Lowrance, Administrative Manager
Allyson Beran, Board Secretary

1. **Call to Order**

President Fahlender called the meeting to order at approximately 5:43 p.m. and the Pledge of Allegiance was conducted.

2. **Roll Call**

All Board Members were present.

3. **Public Comment**

None

4. **Fiscal Framework Workshop**

3. **PPHCSD Reserve Policy**

Ms. Lowrance hoped to select reserve levels tonight based on the board's input. The Board discussed if the suggestions were minimum or maximum levels, or a range. Discussion took place regarding where to put excess funds if necessary, such as Capital Improvements. President Fahlender and Director Anderson suggested establishing a level that is both goal and policy, and percentages above and below that serve as a minimum and maximum. Ms. Lowrance stressed that the District needs to create a sustainable policy and clarified why that is necessary. The Board discussed what an acceptable percentage would be for shortage and overages. Director Johnson stated that the only way money is generated is through fees from operations. Ms. Lowrance also stated that the District will also see an influx of revenue during high growth years such as those experienced in the past. Capital projects addressed in the Master Plan must also be addressed. Director Roberts also stated that inflation needs to be kept in mind as well. After several years of inflation the reserves can be wiped out. Director Johnson suggested that this discussion should also take place on a multi-year plan and that the formula being addressed is for the District as whole and not just water operations, and that the addition of other revenue generating services will have an impact on the budget levels.

Ms. Lowrance reminded the Board that this is a living document that will be readdressed every year and changes can be addressed at that time. Director Johnson agreed that there is no urgency at this time as the reserve policy for the current year has already been passed. It needs to be noted that there will also be ongoing, residual projects that will come up on an annual basis, just based on the nature of the business. It was also brought up that those items should be addressed under 1B. Property, Plant and Equipment Replacement Reserve and that if the reserve is used up, it should be replenished and how that replenishment should occur. Director Roberts suggested that we should look into paying for those projects as we go, similar to what other districts are doing. Johnson suggested looking at it as a risk position. What level of risk is the board comfortable with? First focus needs to be the water Master Plan, and then the capital improvement Matrix. Ms Lowrance recommended postponing the Fiscal Framework Policy meeting until after the Master Plan and Matrix have been finalized and the Board agreed. The next fiscal workshop is to take place in June after the Engineering Committee has fine tuned the matrix.

The Board discussed having Budget workshops, meetings and public hearing in May and June, to be approved no later than the second meeting in June.

ACTION ITEM - Ms. Lowrance to send link to the entire board of the “Little Hoover” commission sent to her by President Fahrlander.

5. Adjourn

With no further business, the meeting was adjourned at 6:45 p.m.

Board approved the above Minutes on April 6, 2011:

Joe Fahrlander, President	Date
Debbie Bishop, Board Secretary	Date