

PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT

SPECIAL BOARD MEETING – April 15, 2009

Phelan Community Center

4128 Warbler Road, Phelan

MINUTES

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

Board Members Absent: None

Called to Order

President Morrissette called the meeting to order at approximately 7:01 p.m. The flag salute was conducted.

Roll Call

All Board Members were present.

1. Approval of Agenda

Mr. Johnson asked for the Boards approval to take a ten minute recess after the approval of the agenda to commemorate the five year anniversary of the beginning of the formation of the District. Mr. Bartz requested that the Board remove the Existing Litigation Closed Session. Vice President Anderson moved to approve the Agenda with the above changes. Director Roberts seconded and all were in favor.

2. Public Comments

None

3. Consent Calendar

Vice President Anderson asked to pull Items 3b and 3c for discussion. Mr. Bartz requested the RC Foster bills be removed from Item B to be placed on a future agenda. Vice President Anderson moved for approval Items 3a, 3d and 3e; the remaining Consent Items. Director Fahrlender seconded and all were in favor.

4. Consent Items

Vice President Anderson questioned Item 3b's invoicing by High Desert Underground (HDU). Vice President Anderson asked for a rough idea of what has been completed in the District. Mr. Bishop stated the valves have been completed from north of Phelan Road and East of Johnson. He stated Zone G has been completed as well.

ACTION ITEM: Mr. Bishop stated a map can be provided for the Board at the next Board meeting.

Vice President Anderson asked what exactly is being done. Mr. Bartz stated they are raising the valves, marking them, etc. Director Johnson clarified that this is an initial pass to get them all up to speed.

Vice President Anderson asked what kind of mapping is being done with this project. Mr. Bartz stated the District will be GPSing the valves as well as the hydrants. The hydrant valve crew is keeping track of them on a map as they go through.

Vice President Anderson asked for a running total on the cost of the project with the amount of the project that has been completed on an ongoing basis.

ACTION ITEM: Provide a running total on the Valve Project and the amount of the project that has been completed on an ongoing basis.

Director Johnson stated, in his opinion, the Board is micro managing the General Manager in a public forum. Director Fahlender felt it was his understanding that this was their only chance to address these items. Director Johnson stated the bills can be questioned in the staff's office. Vice President Anderson stated he felt he was educating Board members on items he felt should be brought up.

Vice President Anderson questioned what had been done on Invoice 372 from HDU. Mr. Bartz stated the inspector has a daily log on what has been done. Vice President Anderson asked for further clarification on the bills in the future. President Morrissette suggested these Invoices be reviewed in the Engineering Committee. Director Roberts agreed.

In regards to Invoice 385 from HDU, Vice President Anderson asked if the Invoice should be billing for a percentage rather than individual items. Mr. Sandwick stated it could be done either way and explained the billing.

President Morrissette suggested the Board discuss in the future what they would like to see in the bills in order to have some uniformity.

In regards to Invoice 384 from HDU, Vice President Anderson asked if there is a breakdown for the projects. Mr. Bartz stated the District has a break down. Director Roberts suggested the Engineering Committee could create a better format for the Board to see the status of the projects.

ACTION ITEM: More detail to be provided on the Contractor bills.

ACTION ITEM: Engineering Committee to create a better format for the Board to see the status of the projects.

Director Johnson moved to approve Item 3b on the agenda. Director Roberts seconded and all were in favor.

Vice President Anderson asked what Railroad Management Company was. Mr. Bartz stated anytime water lines go under railroad tracks, there are easements that need to be paid on an annual basis.

ACTION ITEM: Mr. Johnson asked for easement to be added under the comments for Railroad Management Company.

Director Fahlender asked about the late charges on the credit cards. Mr. Bartz stated staff is looking into that item.

Vice President Anderson moved to approve Item 3c on the agenda. Director Fahrlander seconded and all were in favor.

5. Presentations/Appointments

a. RC Foster Report on District PRV Stations

Gary Bright gave a presentation to the Board to show the Board some of the issues they have come across in doing the maintenance of the PRV Stations. He stated approximately 60% of the valves were not working. Mr. Bright recommended servicing all PRV Stations the first year and again the second year; therefore, the District will know for the future which ones need to be done every year and which ones can be done every other year.

A discussion took place regarding the percentage of work that has been completed and additional work that will need to be done.

A discussion took place regarding the water savings that will be seen by the District as a result of the valves being serviced as well as a savings in energy costs.

Director Roberts asked if there is a hierarchy of items that should be done or if they all tied together. Mr. Bright stated they were all tied together.

Mr. Bartz asked if Mr. Bright recommended the District evaluate the flow control valves and the boosters and wells; and if the District did not do that, what could some of the issues be. Mr. Bright explained how the system worked and explained the additional energy the system uses and the additional work the system would be doing in order to pump the water.

Director Fahrlander asked if these issues will keep RC Foster from being able to fulfill the current contract. Mr. Bright stated it will not.

Director Roberts asked if the items that are being noted on the Invoices were completed. Mr. Bright stated they were completed.

Mr. Sandwick explained there are three types of valves. The work being done now is on the PRV's, which is the first step. The two other valves will need to be two other projects.

Mr. Bartz stated there will be a summary of the work completed and the work that needs to be completed at the next Board meeting.

6. Continued/New Agenda Items

a. Resolution 2009-05 (Amending 08-01) – A Resolution of the Board of Directors of the Phelan Piñon Hills Community Services District Adopting a Conflict of Interest Code.

Mr. Kennedy reviewed Resolution 2009-05 with the Board and summarized the changes made from Resolution 2008-01. Director Johnson asked if this needs to be reviewed annually. Mr. Kennedy stated the District is not technically required to review it every year; however, there were major changes this year. Director Johnson moved approval of the Item. Vice President Anderson seconded and all were in favor.

b. Resolution 2009-06 (Amending 08-04) – A Resolution of the Board of Directors of the Phelan Piñon Hills Community Services District Establishing Policies for its Relations among Directors and with Staff.

Mr. Kennedy reviewed Resolution 2009-06 with the Board and summarized the changes made from Resolution 2008-04. Vice President Anderson moved approval of the Item. Director Fahrlender seconded and all were in favor.

c. Resolution 2009-07 – A Resolution of the Board of Directors of the Phelan Piñon Hills Community Services District Initiating Procedures to Fix, Adjust, Levy and Collect Stand-by and Availability Fees for Water Services for 2009/2010.

Mr. Kennedy reviewed Resolution 2009-07 with the Board. Mr. Kennedy strongly recommended not increasing stand-by charges and explained the process that would need to be gone through in order to increase the Districts charges would be quite extensive. He noted staff is not recommending an increase. Vice President Anderson asked if this could be noticed with the Budget. Mr. Bartz stated it could be coordinated with the Budget if the Budget is complete. Mr. Kennedy recommended adoption of the Resolution. Vice President Anderson moved approval of the Item. President Morrisette seconded and all were in favor.

d. Annual Review of Resolution 08-02 – A Resolution of the Board of Directors of the Phelan Piñon Hills Community Services District Establishing Policies for its Compensation, Reimbursement and Ethics Training.

Mr. Kennedy stated this is an annual review of Resolution 08-02 and staff has not made any recommendations on changes.

Director Johnson asked if 1.2.1 (a) would allow a Board member that attends a Committee meeting, but is not actually a member of the Committee, to be compensated. Mr. Kennedy stated his concern was whether that would be a day of service being provided.

Director Johnson asked if a written report was required for Item 1.2.1 (c) or if it could be oral. Mr. Kennedy stated the written report can be in the form of minutes being provided to staff. A discussion took place regarding the same for Item 1.2.1 (e).

Director Johnson moved approval of the Item as is. President Morrisette recommended increasing the amount for Breakfast from \$10 to \$15. Vice President Anderson seconded and all were in favor.

e. Annual Review of Resolution 08-03 – A Resolution of the Board of Directors of the Phelan Piñon Hills Community Services District Setting Compensation for the Board of Directors.

Mr. Kennedy stated this is an annual review of Resolution 08-03 and staff has not made any recommendations on changes. Vice President Anderson favored leaving the compensation at five days. Director Johnson favored moving the amount of Compensation days to six. Director Johnson moved to change the amount of Compensation days to six. Director Roberts seconded. Johnson, Morrisette and Roberts were in favor, Anderson was against and Fahrlender abstained. The motion was approved.

f. Solid Waste Powers

Director Fahrlender asked the Board to move towards collecting Solid Waste Powers and explained the requirements. A standard application form needs to be put into LAFCO. The

application fee is \$4,125.00. Director Johnson stated there are other options that could be pursued if the Board wished such as AB 939 of Waste Diversion. Mr. Kennedy recommended the Board adopt a motion to instruct staff to move forward and bring the application to the Board for approval. Vice President Anderson moved to approve the item, Director Johnson seconded and all were in favor.

ACTION ITEM: Prepare application for Solid Waste Powers and place on future Board Agenda.

g. Purchase of Default Tax Property – Discussion and Possible Action

Mr. Bartz briefed the Board on the list of default tax properties for potential purchase. Staff did not find anything suitable for the Districts use. Staff recommends not pursuing anything further unless the Board wished. The Board agreed with staff.

A discussion took place regarding the Transition Habitat Conservancy and obtaining property in the area they want to acquire.

h. Consider Letter of Support for LAFCO's Alternate Special District Position

Mr. Bartz stated Mr. Smith requested a letter of support at the last Board meeting. Mr. Bartz asked if the Board would like staff to draft a letter of support. Director Fahrlender questioned the amount of time he would have available to work with this Board. Vice President Anderson stated he has known him for several years and from what he knows he has done a good job in everything he's gotten involved with. Mr. Bartz stated an additional letter was received from someone else yesterday. A discussion took place regarding the Board having additional options to recommend someone. The Board agreed to place this item on the next agenda.

ACTION ITEM: Bring additional information to the Board at the next Board meeting for LAFCO's Alternate Special District Position.

i. Water Supply Opportunity

Mr. Dahlstrom addressed the Board regarding an agreement for sharing water between Golden State Water and the District through an interconnection in Zone G in the event of an emergency. Mr. Dahlstrom reviewed the Outline of Water Supply Partnership Opportunity provided to the Board in the Meeting Packet. Mr. Bartz briefed the Board on the discussions that have taken place at prior meetings with Golden State Water and what the District will need to do in order for this agreement to take place. A discussion took place regarding this item being addressed in the Districts Master Plan. Mr. Dahlstrom stated what his District needs is a firm commitment from a water district for their hearing in May. Mr. Dahlstrom stated additional fees for the District could be included in the agreement. Vice President Anderson asked Mr. Bartz if he felt the District could move forward with this without a Master Plan. A discussion took place regarding recouping the additional costs to the District in order to do this. Board consensus was to move ahead and instruct staff to meet with Golden State Water to draft a letter of support with the review of each Districts attorney. The Board agreed the draft would be presented to the Board at the May 6, 2009 Board meeting. Directors Anderson and Johnson suggested any incremental costs to supply Golden State Water would be recouped.

7. Committee Reports

- a. **Engineering Committee** – Director Roberts stated the Engineering Committee met and are moving ahead with the proposals for the Master Plan which would be tied into the 2010 Urban Water Management Plan. The PRV Stations were also discussed. Director Johnson asked if a public meeting was required for the Urban Water Management Plan.

ACTION ITEM: Mr. Kennedy to advise the District if a public meeting was required for the Urban Water Management Plan

- b. **Parks, Recreation & Street Lighting Committee** – Director Roberts stated the next meeting is May 6, 2009. There was not a meeting this month.
- c. **Finance Committee** – Director Johnson summarized the written report that was submitted to the Board. Director Johnson stated the Committee recommended two presentations to the Board from Auditors at the May 6, 2009 Board meeting.
- d. **Building Committee** – Vice President Anderson stated the Committee met with Mr. Wauhob the Architect. Mr. Wauhob will present the Committee with two different options for building at the next Committee meeting.
- e. **Adjudication Committee (ad hoc)** – Director Roberts stated the Adjudication Committee met and will bring forward any information at a future closed session.
- g. **Emergency Preparedness (ad hoc)** – President Morrisette stated they are looking at the Districts plan to see if changes will be needed.

8. General Manager's Report

Mr. Bartz added that he just received information on the LAFCO Alternate Special Districts Position and it will be provided in the next Board meeting packet.

Mr. Bartz reviewed his written report with the Board on the Water Purchases and Leases.

Mr. Bartz asked the Board for a date to have the Board Workshop. He also suggested moving the second Board meeting in May up a week because it coincides with the ACWA Conference and two Board members as well as the General Manager are scheduled to attend. Mr. Kennedy is unavailable on May 13, 2009. Director Johnson suggested meeting May 27, 2009. Mr. Bartz stated there will not be a Watermaster meeting that day. Board consensus was to have the meeting on May 13, 2009 without the presence of Mr. Kennedy. The Board agreed to schedule the Board Workshop on Saturday, May 2, 2009 for an all day session. A discussion took place regarding the information given to the Board for the Workshop.

9. Reports**a. Directors**

Johnson – Nothing further to report.

Fahlender – Thanked the Board for putting up with his questions.

Anderson – Stated he will continue to ask questions at the meetings. He stated it is not always convenient to contact Mr. Bartz.

Roberts – Nothing further to report.

b. President's Reports –

President Morrissette stated he submitted a written report and spoke about the AWAC Expo he attended and recognized the staff that participated and thanked them for their work.

10. Correspondence/Information

None

Set Agenda for Next Meeting

Regular Board Meeting – April 15, 2009

- Annual Review of Resolution 08-02 – A Resolution of the Board of Directors of the Phelan Piñon Hills Community Services District Establishing Policies for its Compensation, Reimbursement and Ethics Training.
- Annual Review of Resolution 08-03 – A Resolution of the Board of Directors of the Phelan Piñon Hills Community Services District Setting Compensation for the Board of Directors.
- Review of PRV Stations and Possible Action
- Presentations from Auditors & Action
- Golden State Water Agreement
- Letter of Support for LAFCO's Alternate Special District Position
- Solid Waste Management

The meeting was adjourned for the closed sessions at approximately 10:15 p.m.

The Closed Session for CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION was removed from the agenda.

Closed Session – Conference with Real Property Negotiators

(Government Code §54956.8)

Properties: 10433 Mountain Road, Piñon Hills, CA
 District Negotiator: Mr. Bartz/Mr. Kennedy
 Negotiating Parties: Piñon Hills Chamber of Commerce
 Under Negotiation: Price and terms of payment

Closed Session – Conference with Real Property Negotiators

(Government Code §54956.8)

Properties: 4037 Phelan Road, Suite D-1, Phelan, CA
 District Negotiator: Mr. Bartz/Mr. Kennedy
 Negotiating Parties: EDENNIS, LLC
 Under Negotiation: Price and terms of payment

Announcement of Any Reportable Closed Sessions Actions

There were no reportable actions to report from the above Closed Sessions.

Adjourn - With no further business, the meeting was adjourned at approximately 11:17 p.m.