



Phelan Piñon Hills Community Services District

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**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT
SPECIAL BOARD MEETING
April 6, 2011 – 6:00 p.m.
Phelan Community Center
4128 Warbler Road, Phelan, CA 92371**

MINUTES

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

Board Member Absent: None

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

Call to Order

President Fahrlander called the meeting to order at 7:11 p.m. and the Pledge of Allegiance was conducted.

Roll Call

All Board Members were present except Vice President Roberts who will be here late.

1. Approval of Agenda

A discussion took place regarding the agendaizing of the Closed Session as Item 4. The Board agreed to leave the item there to see if it is needed.

Director Anderson suggested moving Item 10d to the very end of the agenda Items 10.

Director Anderson moved to approve the Agenda with the changes. Director Morrissette seconded the motion. All were in favor except Director Johnson.

2. Public Comment

Mr. Dan Whalen stated he spoke with Mr. Bartz regarding a project he is doing on Oasis Road. He stated there is a different in interpretation with how many meters need to be installed at the project. The District is interpreting the Regulations that there needs to be four meters, he is interpreting the Regulations that there only needs to be one meter per owner. Mr. Whalen stated they will not be separating the four units on the property because they cannot be separated. He offered to sign a waiver stating that to the Board. The Board agreed to place this item on the agenda for the next Board Meeting.

3. Interview Potential Special Counsel for Antelope Valley Adjudication

Mr. Bartz explained that the District is without representation due to the passing of the Districts Special Counsel Susan Trager. The following attorneys were interviewed by the Board to replace Ms. Trager.

- Michelle Staples, Law Offices of Jackson, DeMarco, Tidus, Peckenpaugh – Ms. Staples introduced herself stated her specialty is strategizing and offered her services to work with the Aleshire & Wynder, LLP or her office as the litigators. She gave the Board a brief look at her experience as well as her firms.

Vice President Roberts, who just arrived, asked if he needed to recuse himself because he does work for Ms. Staples.

President Fahrlender asked if her firm has worked on Adjudications. Ms. Staples stated they have and listed other adjudications.

Mr. Bartz asked if representation would be necessary by her for the Adjudication once it is settled. Ms. Staples stated there are occasions when there is continuing items that arise.

- Wes Miliband, Aleshire & Wynder, LLP – Mr. Aleshire introduced himself and the firm to the Board and stated they formed their firm to represent public agencies. He also briefed the Board on the Handout Mr. Miliband provided the Board. Mr. Wynder introduced himself to the Board and stated he does general litigation. Mr. Miliband introduced himself to the Board and stated he has had the pleasure to represent the District the last six months under Ms. Trager. He stated they are very interested in continuing to represent the District.

President Fahrlender asked about the possibility of their firm working with Ms. Staples. Mr. Aleshire stated they haven't seen a proposal from Ms. Staples; however, they would be willing to work with her if that were the District's wish.

Mr. Bartz asked if both firms would be willing to negotiate their fees. Both Firms stated they would.

Director Anderson asked if there would be an ongoing conflict for Vice President Roberts if the District chose Ms. Staples. Mr. Kennedy stated there would not; however, he advised the Vice President Roberts is not hired to do work for the District.

4. **Adjourn for Closed Session**

The Board agreed there was no need to have a Closed Session.

5. **Reconvene from Closed Session**

N/A

6. **Announcement of Reportable Action from Closed Session**

N/A

7. **Consent Items**

Director Anderson stated he had questions on Item 7e and asked to have it moved to Item 8a. Director Johnson motioned to approve the remainder of the Consent Items. Director Anderson seconded the motion. All were in favor.

8. **Matters Removed from Consent Items**

In regards to Item 7e, Director Anderson stated he is confused regarding the workshops in the conference being specific to general knowledge or direction for a Board Member. Director Morrissette stated the workshops are good for gaining knowledge and used as a sounding board on ideas. Director Johnson submitted to Director Anderson that everything in the Regulatory Track would be specific to the Board.

Director Johnson moved approval of the item. Director Anderson seconded the motion and all were in favor.

9. **Presentations/Appointments**

a. None

10. Continued/New Agenda Items – Action Items**a. Discussion and Possible Action Regarding Retaining Special Counsel for the Antelope Valley Adjudication**

Mr. Bartz stated this is the time where the Board can have a discussion on what type of representation the District will need. He noted at this point the District does not have representation and it will need it at one point or another.

President Fahrlender asked if it would be appropriate for Vice President Roberts to participate in the conversations with the attorneys regarding the adjudication. Mr. Kennedy explained that Vice President Roberts could participate in regards to commenting on the Adjudication case and what has occurred; however, he cannot comment on the selection of the attorney.

Director Anderson asked about negotiating the rates with the firms and retaining a firm. Mr. Kennedy stated it is the Board's pleasure on how they wish to proceed. Mr. Kennedy stated the retainer could come back to the Board for Board Approval. If Board did not approve, then staff could negotiate with another firm.

A discussion took place regarding the amount the firms would charge to get up to speed.

Director Anderson motioned to obtain Aleshire & Wynder, LLP and work towards negotiating the retainer. Director Morrissette seconded the motion. The roll call vote went as follows: Anderson - Yes, Director Morrissette - Yes, Director Johnson – Yes. The motion was passed.

b. Discussion and Possible Action Regarding Emergency Plugs at Four Additional Sites

Director Anderson stated Item 10d regarding the Purchasing Policy could be removed from the agenda. Director Johnson asked if Item G could be removed. Ms. Lowrance stated the Board wanted to move forward with that item.

Vice President Roberts asked that Item 10b be removed to the next meeting. Director Anderson stated he would like to address that item. Director Morrissette stated he would to.

Mr. Bartz briefed the Board on Item 10b and noted the information the Board asked for at the last meeting was provided in the handout and he summarized the information for the Board.

Director Johnson asked if the costs were for the generators only or does it include the installation of them. Mr. Bishop stated the costs are for the generators only and that the original costs for the installations would apply except the costs of the plugs. Mr. Bishop stated the additional installation costs would be approximately \$100,000 for the installation.

Skip Ewing spoke to the Board and explained the installation and costs for having the generators permanent. He also noted the theft of copper these days and suggested possibly building more mobile ones.

Vice President Roberts stated there are two bids and would prefer to see three. He stated he is also undecided if there should be more than one generator. He stated he is not ready to make a decision today.

Director Anderson asked if the District is under obligation to get three Bids. Mr. Kennedy stated staff has done what is required by the Policy. He stated the Board has the discretion to move forward or reject the bids.

Vice President Roberts stated the equipment would be available to rent through pump contractors in the case of emergencies. Mr. Bartz stated there are other agencies in the areas that have these generators as well and there would be a mutual aid in the case of an emergency.

Director Morrisette moved to approve the item. Director Johnson seconded the motion.

A discussion took place regarding advertising for the bids. Mr. Bishop stated he did not advertise for bids; therefore, the Board decided this item would need to be rebid.

Director Morrisette expressed his dissatisfaction that the procedures were not followed.

c. Discussion and Possible Action Regarding CalPERS for Future Staff

Mr. Bartz briefed the Board that staff has been asked to hold off on hiring new staff until the Board makes a decision regarding CalPERS. Staff has the need to hire a new staff member; therefore, staff is asking that the Board revisit this item.

Mrs. Bishop noted the New Chief Actuarial has given the District the option to add a second tier at a non-pooled rate. She was unable to obtain estimate rates because the District is new and the District's first actuarial is scheduled for this summer. CalPERS stated the rates the District was given for a second tier in the pooled option would have to be used as an estimate. Mrs. Bishop also noted the cost for an actuarial for the tiers is \$300.00 not \$200.00.

Director Anderson stated he felt the District needs a second tier to offer new employees. He felt while the District is looking at the tiers, he felt the District should do an actuarial for two tiers.

Vice President Roberts stated he read that the CalPERS system will be looked into by the state and asked how that would affect the new hires. Mr. Bartz felt they would be affected just as the current employees would. Director Johnson felt this conversation was interesting, but he stated it was not relevant to this item.

Director Johnson stated he is against two tiers and doesn't want to create dual benefit packages. He also noted it would be a strong disadvantage in the market place and felt the District could lose some really talented people.

Board consensus was to instruct staff to start the actuarial for the second tier.

Mr. Bartz asked if staff could move forward with hiring a new position with the knowledge that Board direction would be a second tier for any new hires. The Board agreed that the position available is not a new position so it can be filled at Mr. Bartz' discretion with the knowledge that a second tier is being researched for new employees.

Vice President Roberts recommended the District look at 2% @ 60 for the second tier.

e. Discussion and Possible Action Regarding Monthly Billing

Mrs. Lowrance briefed the Board regarding the option of switching to monthly billing. She stated the benefits are strictly for customer service reasons and not monetary.

A discussion took place regarding the District consolidating the meter reading and billing whether the District chooses to bill monthly or not.

After lengthy discussions, Director Johnson moved to go to monthly billing effective July 1, 2011. Director Morrisette seconded the motion.

Director Anderson noted he was not ready to make a decision at this time.

Directors Johnson and Morrisette voted for the item. Directors Fahlender, Anderson and Roberts voted no. The Board agreed to bring this item back at the next meeting.

f. Discussion and Possible Action Regarding Budget Assumptions for 2011/1012

Ms. Lowrance briefed the Board on the guidelines staff would like to prepare the 2011/2012 Budget.

President Fahlender stated he preferred staff did the budget first with their honest thoughts of what needs to take place.

Vice President Roberts stated he would like to see a 1.3% cost of living used and a 1% for Salary Increase.

Director Anderson stated he'd like to see a 1.5% cost of living, a 1% Salary Increase and a 0% cost increase.

President Fahrlender stated he would be willing to look at the same range as Directors Roberts and Anderson.

Director Johnson stated he'd like to find out if gas and food are included in Cost of Living. Director Johnson stated he would like to see water operations run neutral and would like to see a rate increase of 3% to 3.5%. He'd like a cost of living increase of 2% and a salary increase of 3%.

Director Morrisette stated he would like to see a rate increase and felt staff would need to determine both the rate increase and an expense increase. He agreed with Director Johnson that salary increase is needed and wanted to look at 2%.

Mr. Bartz summarized that staff will run the rates of a 0% and a 3% rate increase. For an expense increase staff will run rates at 1.5% to 2% depending on what the Districts costs are going to be. For salary increase staff will run rates at 1% to 3%.

g. **Approval of Resolution #2011-05; Reserve Policy 2010/2011**

Director Johnson moved to approve the item. Vice President Roberts seconded the motion and all were in favor.

h. **Discussion and Possible Action Regarding Outsourcing Printing, Inserting & Mailing of Bills**

Mr. Bartz introduced this item as an opportunity to save the District money and staff time.

Ms. Lowrance recommended the Fullerton mailing location.

President Fahrlender recommended having the Tyler Software set up so this can be done both in house and outsourced.

Director Johnson suggested staff gather information regarding the companies, their security, the terms of the contract and where is the outsourcing taking place.

11. **Review of Action Items**

Mr. Bartz had nothing further to report on this item.

12. **Committee Reports**

- a. **Engineering Committee (Standing)** – Vice President Roberts stated the next meeting is next Wednesday at 11:00 p.m.
- b. **Parks, Recreation & Street Lighting Committee (Standing)** – Director Morrisette stated they met yesterday and discussed the Quimby Act, the bus that the District could be inheriting from Special Districts, the budgeting of special programs, and a non-profit to help with raising funds for the special programs.
- c. **Finance Committee (Standing)** – Director Johnson stated they meet April 12th.
- d. **Building Committee (Standing)** – Director Anderson stated they have not met since the last meeting.
- e. **Adjudication Committee (Ad Hoc)** – President Fahrlender and Vice President Roberts briefed the Board on the upcoming meetings.
- f. **Solid Waste Powers (Ad Hoc)** – President Fahrlender stated there is a meeting with LAFCO on April 14th.

- g. **Legislative & Grant Committee (Standing)** – President Fahrlender stated they will be meeting this month.
- h. **General Managers Committee** – The Committee will be bringing back their recommendations to the Board the first Board Meeting in May.

13. **General Manager’s Report**

Mr. Bartz stated work has begun on the modular site and the office hopes to be moving the week of April 22nd.

14. **Reports**

a. **Director’s Report**

Morrisette – Director Morrisette had nothing further to add.

Johnson – Director Johnson stated Board Members should refrain from micro managing staff and Board members need to come to the meeting prepared.

Roberts – Vice President Roberts asked staff to look into a drop box for bills for the new location.

Anderson – Director Anderson suggested placing the minutes on the website so that they are in a separate area and are searchable. He stated he did notice the advertisement in the paper and asked if it was also in the local paper. He also noted it was a Technician II and stated it should be entry level so we can look for local people with simple qualifications.

- b. **President Fahrlender’s Report** – President Fahrlender thanked the audience for staying till the end of the meeting.

15. **Correspondence/Information**

Set Agenda for Next Meeting – April 20, 2011

- Discussion regarding Bus
- Issue Regarding Interpretation of Regulations regarding the number of meters required per housing.
- Discussion and Possible Action Regarding Monthly Billing
- Discussion and Possible Action Regarding Outsourcing Printing, Inserting & Mailing of Bills

Future Board Meeting

- **First Meeting in May** - Discussion and Possible Action Regarding General Manager’s Contract
- Discussion regarding the three tiered rate structure

Adjourn

With no further business, the meeting was adjourned at approximately 9:55 p.m.

Board approved the above Minutes on April 20, 2011:

Joe Fahrlender, President Fahrlender	Date
Debbie Bishop, Board Secretary	Date