



Phelan Piñon Hills Community Services District

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**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING
April 7, 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
Al Morrissette, Director

Board Member Absent: None

Staff Present: Don Bartz, General Manager
Debbie Bishop, Board Secretary
Chris Bishop, Operations Manager

Call to Order

President Johnson called the meeting to order at 7:13 p.m. and the Pledge of Allegiance was conducted.

Roll Call

All Board Members were present.

1. **Approval of Agenda**

Mr. Bartz stated there was no need for a closed session tonight. Director Morrissette moved to approve the Agenda. Director Anderson seconded the motion. All were in favor.

2. **Public Comment**

None

3. **Consent Items**

Director Morrissette 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. None

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

a. **Discussion and Possible Action regarding Cooperation between PPHCSD and Snowline School District**

Mr. Patterson, Director of Snowline School District (School District), gave the Board an overview of the current status of the School District.

Mr. Patterson stated the School District cut 2.2 million from their budget in 2008/2009. He stated an additional 5.5 million was cut from the 2009/2010 budget. He also noted additional changes that are

being made to the budget for the 2010/2011 budget for an additional 4 million dollars. A total of 12 million dollars in budget cuts have been made.

Mr. Patterson asked if there is anything collaboratively the School District and the District can do together regarding the parks. He noted they can get Sheep Creek Water for a fourth of the cost of what they get from the District. He asked the Board to consider if there is any way the School Districts water bill can be reduced. He also asked if there is any way the School District and the District can salvage the use of the Schools fields for sports and other Community events.

Director Anderson asked what percentage of the School Districts budget was reduced in 08/09 and 09/10. Mr. Patterson stated it was roughly 20%.

Mr. Bartz stated the District has been working with the School District with Water Conservation Programs. He stated Mojave Water Agency is also looking at an additional program. President Johnson stated he spoke to Mr. Lowrance today who indicated there have been several discussions between the District and the School District.

Director Anderson asked how many kids were lost in ADA last year. Mr. Patterson stated there were approximately 350 that were lost last year and they expect approximately 150 kids this year.

Vice President Fahrlander stated he could sympathize with the teachers that are losing their jobs. He noted that the timeframe does not give the District time to hold meetings to make the budget deadline. He felt there should be some cooperation between the two Districts to get through the next several years.

Director Morrissette felt the Districts should work together at every given opportunity.

President Johnson stated he and Mr. Patterson had a discussion about the District purchasing additional water from Sheep Creek Water and the District would route the water to the School District at the Districts cost. Director Morrissette stated his concern is that it would look like the District is giving the School District a special rate.

A discussion took place regarding a possible agreement between the District and the School District for the use of the fields as additional park facilities. Director Anderson noted that sports have commented that they are able to pay for the use of fields for their programs.

Vice President Fahrlander asked Mr. Bartz if the District could supply water from Sheep Creek Water District to the Schools in three months. Mr. Bartz felt the District could do it through a transfer of water at 6a.

The Board agreed to refer this item to the Engineering Committee and staff can contact Sheep Creek Water District to see if they have any water available.

b. Discussion and Possible Action regarding Resolution #2010-13; Electing to be Subject to Public Employees' Medical and Hospital Care Act and Fixing the Employer's Contribution for Employees and the Employer's Contribution for Annuity and Different Amounts

Mr. Bartz briefed the Board regarding the Resolution #2010-13. Mrs. Bishop explained Resolved (b) through (d) to the Board.

Director Roberts stated the Resolution indicates the \$105.00 contribution is a maximum contribution. Mrs. Bishop stated she clarified that the \$105.00 is the minimum contribution the District would need to pay on behalf of an employee.

Mr. Bartz stated Mrs. Bishop met with staff and reviewed the plans with staff.

Vice President Fahrlander expressed his concern regarding the requirement of the District to pay towards the Employees and the Annuity Contributions. He stated he would feel better voting for this if there was a CalPERS Representative that came to the Board and answered their questions.

Mr. Bartz asked if staff could pose Mr. Fahrlander's questions to CalPERS and have them answer in writing.

ACTION ITEM: Staff to ask CalPERS if the District is obligated to pay CalPERS \$800 towards an employee's medical if that is what they pay for staff even though the Resolution stated a maximum of \$105.00. Staff to also ask if the District would also be obligated to pay \$800 a month towards an annuitants benefit. The Board asked that CalPERS respond in writing.

Director Anderson asked if the District could offer other Medical Benefits while under the CalPERS contract. Mrs. Bishop stated her understanding was that the District would be obligated to offer the CalPERS Medical Insurance to staff for the five years the District would be locked into the contract.

Vice President Fahrlander asked if the District would be obligated to continue to offer CalPERS Medical Benefits to employees in the future. A discussion took place with Mr. Kennedy regarding the Districts obligation and why Districts look into offering additional tiers to their employees so there isn't the vesting that can occur on a certain plan over time.

Vice President Fahrlander would like to know if an employee can make a claim that they are invested in the CalPERS Medical Plan after the five years should the District decide to leave CalPERS' Medical Plan.

ACTION ITEM: Staff to inquire on staff's ability to claim vesting in the CalPERS Medical Plan if the District decides to change Medical Plans after the five years.

The Board agreed this item would come back to the Board for further discussion once staff has obtained the answers to the Boards questions.

c. **Discussion and Possible Action regarding Surplus Property**

Mr. Bartz briefed the Board on the equipment the District would like to surplus.

Director Morrissette asked if the equipment does not sell, right away, what will happen to it. Director Anderson stated his experience has been that they sell the equipment for whatever they can get. Director Roberts stated it didn't make any sense to do this if the District does not get a choice in the amount the equipment sells for.

Director Roberts stated he would prefer to go into a situation where the District has some control over what the items sell for.

Director Anderson expressed a concern with the amount of recycling the District has and the dollar amounts. Mr. Bishop stated the District has requested a check issued to the District per load. The Board suggested staff ask for a cashier's check.

Director Morrissette motioned to approve the recommendation for the sale of the equipment. Director Anderson seconded the motion and all were in favor except Director Roberts.

Director Anderson suggested weighing the bins of dirty brass at the transfer station.

Director Anderson motioned to approve the recommendation to dispose of the brass using the vendor with the best qualified price at the time of disposal with the Directors concerns in mind. Director Morrissette seconded the motion and all were in favor.

d. **Discussion and Possible Action regarding Election for Regular LAFCO Member and Alternate LAFCO Member**

Mr. Bartz briefed the Board on the LAFCO Election.

Director Anderson motioned to vote for Bob Smith for Alternate Special District Member. Director Morrissette seconded the motion and all were in favor.

Vice President Fahrlander motioned to vote for James Curatalo for Regular Special District Member. Director Anderson seconded the motion and all were in favor.

- e. **Discussion and Possible Action regarding a second tier of CalPERS Retirement for New Employees**
Mr. Bartz briefed the Board on the tiers for CalPERS Retirement.

President Johnson stated he is opposed to a second tier.

Vice President Fahrlander asked the Board to make a recommendation to pay the \$200.00 per actuarial for the two options presented to the Board.

Director Roberts noted CalPERS is insolvent and he has seen benefits for a General Manager for at 2% @ 60 which is lower than what the District is offering 2.5% @ 55.

Director Morrisette stated he has seen many Districts that are offering better formulas than the District is offering for retirement benefits. He stated he does not want to see staff being paid on different levels.

Vice President Fahrlander stated the District needs to be fiscally responsible and look into the costs for the District.

President Johnson stated the highest difference between the plans is \$2,000 a year per employee. He stated he does not want to degrade the quality of the Districts employees. Director Roberts stated the problem he has is that CalPERS is going to go belly-up and have to raise their rates to compensate.

Director Morrisette noted that he doesn't see the District hiring many employees in the next 10 to 20 years. He asked why the District should segregate the employees.

A discussion took place regarding making a decision on the tiers at a later date. Mr. Kennedy stated there would not be a problem legally to make the decision when the District looks at hiring again, because the decision would not be related to the employee, it would be related to the District financially.

The Board agreed Mr. Bartz will not hire anyone that would be affected by the retirement system until the Board has made a decision on the Retirement tiers. This item will be brought back to the Board at a later date.

- f. **Discussion and Possible Approval of Engagement Letter for Auditing Services; Charles Z. Fedak & Co.**

Mr. Bartz briefed the Board on the Engagement Letter for Auditing Services by Charles Z. Fedak & Co.

Vice President Fahrlander motioned to approve the item. Director Roberts seconded the item and all were in favor.

7. **Review of Action Items**

Mr. Bartz stated he had nothing new to report.

8. **Committee Reports**

- a. **Engineering Committee (Standing)** – Director Roberts stated the next meeting is April 14, 2010.

- b. **Parks, Recreation & Street Lighting Committee (Standing)** – Director Morrisette stated they met yesterday. He noted the Committee is waiting for the Mr. Kennedy's direction on the fees for the Community Centers. This item will be placed on a future Board Agenda. Director Johnson stated they spoke about a possible amphitheater for the Phelan Park. Mr. Lowrance will put together options to be presented to the Committee.

- c. **Finance Committee (Standing)** – Director Johnson stated they met last week to review the Budget.
 - d. **Building Committee (Standing)** – Director Anderson stated they met last week and came up with more direction for the Architect so he can come up with a concept.
 - e. **Adjudication Committee (Ad Hoc)** – Director Roberts stated they are meeting two days a week every other week plus additional Committee Meetings. The District is in the process of hiring a Consultant.
 - f. **Solid Waste Powers (Ad Hoc)** – Vice President Fahlender stated the District does not have to take over the transfer station; however, it does have to come up with a service plan.
 - g. **Legislative & Grant Committee (Standing)** – Vice President Fahlender stated Mr. Bartz is working with Mr. Packard on a national level. The Committee will continue to make inquiries whenever funds are available.
 - h. **Mission & Vision Statement Committee (Ad Hoc)** – Director Roberts stated a meeting has been set up for this week.
9. **General Manager's Report**
A written report was provided to the Board. Mr. Bartz stated Well #3 will not be usable. Director Roberts stated it could be a monitoring Well.
10. **Reports**
- a. **Director's Report**

Anderson – Director Anderson stated he has enjoyed President Johnson's efforts in keeping the meetings moving forward.

Fahlender – Vice President Fahlender has nothing further to report.

Roberts – Director Roberts stated the District has purchased land, submitted for grant funds for parks and made a lot of effort to move the parks forward. He noted the Community will need to start moving forward with park funding efforts.

Morrisette – Director Morrisette stated he was at the Caltrans meeting last night and stated it appears the widening of Highway 138 will not affect the District. He stated there was Ethics Training in Helendale and asked who attended. Director Roberts attended it. Several of the Board Members still need to do their Ethics Training. Director Morrisette suggested trying to obtain grant funds for a Nature Education Center.
 - b. **President's Report** – President Johnson stated he would like to hear any suggestions the Board Members may have to keep the meetings moving. He stated the Parks Advisory Committee did discuss funding efforts by the Community. He stated at some point the Board will need to reconstitute the Committee. He asked the Board Members to think about how this should be done.

Director Morrisette suggested the Board go paperless and use laptops and the Board agreed to address this at a future meeting.

11. **Correspondence/Information**
None

Set Agenda for Next Meeting – April 21, 2010

- Presentation regarding State of the Utility Address by Susan Peterson of Southern California Edison – 10 min.
- Discussion and Possible Action regarding Draft of Fees for the Community Centers
- Discussion and Possible Action regarding Resolution #2010-13; Electing to be Subject to Public Employees' Medical and Hospital Care Act and Fixing the Employer's Contribution for Employees and he Employer's Contribution for Annuitants and Different Amounts

- Approval of Water Uses for the 2008/2009 Water Year.
- Discussion on use of laptops for the Board Directors.
- Annual Review and Possible Action regarding Resolution #2009-06; Establishing Policies for its Relations among Directors and with Staff
- Annual Review and Possible Action regarding Resolution #2009-08; Establishing Policies for its Compensation, Reimbursement, and Ethics Training
- Annual Review and Possible Action regarding Resolution #2009-09; Setting Compensation for the Board of Directors

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

With no further business, the meeting was adjourned at 9:42 p.m.

Board approved the above Minutes on April 21, 2010:

_____ Date

Charlie Johnson, President

_____ Date

Debbie Bishop, Board Secretary