



Phelan Piñon Hills Community Services District

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**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING
June 19, 2013
Phelan Community Center
4128 Warbler Road, Phelan, CA 92371**

MINUTES

Board Members Present:	Charlie Johnson, President Alex Brandon, Vice President Joe Fahlender, Director Al Morrissette, Director Mark Roberts, Director
Board Member Absent:	None
Staff Present:	Don Bartz, General Manager Lori Lowrance, Administrative Services Manager Ernesto Araiza, Operations Manager Allyson Beran, Acting Board Secretary Kimberly Ward, Temporary Employee

BOARD MEETING – 7:00 P.M.

Call to Order

President Johnson called the meeting to order at 7:00 p.m.

Boy Scout John Joris led the meeting in the recitation of the Pledge of Allegiance.

Roll Call

All Board Members were present.

1. Approval of Agenda

Mr. Bartz asked to move Item 6g to 6a and Item 6i to 6b. Director Brandon motioned to approve the Agenda. Director Morrissette seconded the motion. All were in favor and the motion passed.

2. Public Comment

a. General Public

None

b. Community Reports

- County Supervisor – None
- Fire – None
- School District – None
- Sheriff – None

3. Consent Items

Vice President Brandon stated Item 10a under “Brandon,” on the June 5, 2013 minutes, needs to be amended to say, “Vice President Brandon stated he attended the School District employee retirement luncheon community event where the PPHCSD resolutions were presented.”

President Johnson stated Item 2a needed to be amended to say “Pheelin’,” not “Feeling.” He also stated Item 6b, second paragraph, should include notice that an Ad Hoc Committee was established with Vice President Brandon and Director Morrissette to work with Staff.

Director Roberts queried what Payment Number 10543 “Mouse pad order” in the May Disbursements was for; Ms. Lowrance confirmed they were for marketing purposes at the upcoming Phelan Phamily Phun Day event.

Director Roberts motioned to approve the consent items as amended. Director Morrissette seconded the motion. All were in favor and the motion passed.

4. **Matters Removed from Consent Items**
None

5. **Presentations/Appointments**
None

6. **Continued/New Agenda Items – Action Items**
Note: Item 6g was discussed first, followed by Item 6i.

a. **Discussion and Possible Action Regarding Resolution #2013-08; Establishing a Policy Regarding Invocations at Meetings**

Mr. Bartz stated the Policy was discussed at the June 5, 2013 Board Meeting where revisions were made to the Policy. It is the recommendation of Staff for the Policy to be approved.

The following typos were noted:

- On page 56, in the fourth Whereas, “establisha” should say “establish a.”
- On page 58, item 3c, the last line should say “field,” not “filed.”
- On page 58, item f, “theDistrict’s” should say “the District’s.”

Mr. Kennedy noted the adoption date on page 60 should be June 19, 2013. No substantive changes were made.

Director Morrissette motioned to adopt the Policy as amended. Vice President Brandon seconded the motion. All were in favor and the motion passed.

b. **Public Hearing on 2013/2014 Budget**

President Johnson opened the Public Hearing at 7:35 p.m.

1) **Secretary’s report on written protests, objections, and comments.**

Mr. Bartz reported that no written protests were received on the Proposed Adoption of the Final Budget for 2013/2014.

2) **Attorney’s report on action taken prior to this hearing.**

Mr. Kennedy reported the Notice of Hearing was published in the Mountaineer Progress on June 6, 2013 and June 13, 2013. Compliance with all legal requirements for the hearing were within the manner and time specified in the Government Code.

3) **Staff’s report.**

The Budget was discussed at the meetings held on February 27, 2013 and March 20, 2013. The Board directed staff to utilize the following assumptions for the budget: Increase in water revenues of 6%, as this figure was used in the rate study; increase in expenses of 3% based on COLA, except where actual adjustments are known and additions were determined; increase in Salaries and Benefits of 2% for a possible merit increase.

The preliminary Budget was prepared and presented to the Board at special workshop meetings on May 22, 2013 and May 29, 2013. Staff implemented the changes identified to

the proposed Budget. The Hearing Notice was advertised, as required by law. A copy of the Budget was provided to the Directors and made available in the District office and online for public review.

The budget reflects the changes made as directed at the special meeting. The results of the Budget, after the changes, are as follows:

- Net Income Water Operations = (\$750,135)
- Net Income Government Funds Budget = \$691,427
- Net Income Total Budget = (\$58,708)
- Projects & Capital Purchases = \$2,631,440
- Net Reduction of Cash From Activities = \$1,641,887

4) Public Comments, Protests, and Objections.

Ms. Nicole Slapper asked if the 6% increase was passed. President Johnson stated that the Board authorized a revenue increase whereby the fixed portion went up while consumption charges went down for a total increase of 6%, the maximum allowed under Proposition 218.

Ms. Slapper stated that she does not understand why more people are not upset by the rate increase.

Director Roberts motioned to close the Public Hearing. Director Morrissette seconded the motion. All were in favor and the Hearing closed at 7:41 p.m.

c. Discussion and Possible Approval of the 2013-2014 Budget

Mr. Bartz stated the Board reviewed the draft Budget and Staff made changes, as recommended by Board and Committees over several months.

Director Brandon addressed the audience regarding the budget process.

A discussion took place regarding assumptions on page 76, line 10, page 78, line 105, and page 79, line 150 of the Budget. It was decided the solar assumption should be removed due to the fact the savings realization will not occur during the 2013/2014 Fiscal Year; it was noted there would be no net impact on the bottom line.

A discussion commenced regarding the financing of the solar project. It was determined a special meeting was needed to discuss financing and lending terms.

ACTION ITEM: Schedule a meeting to discuss financing and lending terms for the solar project.

A discussion was held about the impact purchasing water rights had on the Budget.

President Johnson motioned to approve the 2013/2014 Budget with the possible solar impacts removed. Director Brandon seconded the motion. All were in favor, with the exception of Director Morrissette, and the motion passed.

d. Discussion and Possible Adoption of Resolution #2013-09; Establishing an Appropriations Limit for Fiscal Year 2013/2014

Ms. Lowrance briefed the Board on the Resolution and recommended for the Board to approve it.

A discussion commenced regarding population growth and how the figure was derived; Ms. Lowrance explained how the figure was calculated.

Director Roberts motioned to adopt Resolution #2013-09; Establishing and Appropriations Limit for Fiscal Year 2013/2014. Director Morrissette seconded the motion. All were in favor and the motion passed.

e. **Public Hearing on Delinquent Water User Charges**

President Johnson opened the Public Hearing at 7:58 p.m.

1) **Secretary's report on written protests, objections, and comments.**

Mr. Bartz reported that no written protests were received on the Delinquent Water User Charges.

2) **Attorney's report on action taken prior to this hearing.**

Mr. Kennedy advised the Board that the Hearing for Delinquent Water User Charges typically occurs in July for charges that become delinquent as of July 1.

Ms. Lowrance stated any payments received before July 1, 2013 would be removed from the delinquencies.

Mailing of Notices, as well as Publishing of Legal Notices had already occurred in a manner and time specified in the Government Code.

Mr. Kennedy advised the Board that the best practice would be to republish the Notice and to continue to the Hearing to a future meeting in July 2013; the Board decided not to republish the Legal Notices.

ACTION ITEM: Change Section 1, Item a, of the Resolution back to July 1, 2013.

3) **Staff's report.**

Ms. Lowrance reported the Delinquent Water User Charges Report was filed with the Secretary on June 6, 2013 which detailed 144 accounts amounting to a total of \$27,906.16.

Ms. Lowrance stated the Delinquent Water User Charges Report reflects each affected parcel of real property and the amount of charges and delinquencies for each affected parcel for the year.

4) **Public Comments, Protests, and Objections**

There were no public comments.

Vice President Brandon motioned to close and continue the Public Hearing to the July 17, 2013 Board Meeting. Director Morrisette seconded the motion. All were in favor and the Hearing closed at approximately 8:08 p.m.

f. **Discussion and Possible Approval of Resolution #2013-10; Confirming, or Modifying and then Confirming, the Report of Delinquent Water User Charges for the Purpose of Collecting Said Charges on the San Bernardino County Tax Roll**

Mr. Kennedy suggested a write-off policy be created for smaller liens.

Board consensus was to make a determination following the continued Public Hearing on July 17, 2013.

g. **Discussion and Possible Action Regarding 2013/2014 Property, Liability, and Worker's Compensation Insurance**

Mr. Bartz briefed the Board on this item; Staff recommended for the Board to remain with SDRMA.

Director Roberts pondered the motivation behind remaining with SDRMA and Mr. Bartz gave justification. Mr. Bartz also indicated there were active cases.

Mr. Chris Pinero from Inland Counties Insurance Services recommended the Board consider Alteris as the future insurance provider, citing customer service issues and lack of inverse condemnation in SDRMA's policy. Mr. Bartz informed the Board that there are no customer service issues and inverse condemnation is included in SDRMA's policy.

Vice President Brandon moved to approve the Staff recommendation to remain with SDRMA. Director Morrissette seconded the motion. All were in favor, with the exception of Director Roberts, and the motion passed.

h. Discussion and Possible Approval of the Final Engineer's Report for Standby Charges

Mr. Bartz recommended for the Board to approve the Engineer's Report for Standby.

It was noted the stamped Report had not yet been received.

A discussion took place regarding the legal requirements to adopt the Report.

Mr. Kennedy asked for the dates indicated on the face page of the Report to be removed as they are not necessary.

ACTION ITEM: Remove dates from the Final Engineer's Report for Fiscal Year 2013/2014.

It was decided to continue this item to the July 17, 2013 Board Meeting when the final, stamped Report has been delivered.

i. Status Update of Solar

Mr. Bartz updated the Board on the current status, stating: Mr. Whatley from SunPower has provided a schedule for the project, the CEQA is in progress, Mr. Tom Dodson is reviewing the documents, and soil testing has been completed with no major issues discovered.

The San Bernardino County moratorium on solar projects was discussed with the possible impact it will have on the District's project. Mr. Kennedy suggested a meeting with County Counsel. It was decided to conference with County Counsel on the matter.

ACTION ITEM: Meet with County Counsel regarding solar moratorium.

President Johnson clarified that the project will not be completed in the next fiscal year.

Vice President Brandon expressed concern of the cost of deviating from the timeline. It was decided to continue with the CEQA.

A discussion commenced in regard to the manufacturing location of the solar panels. Director Fahrlander indicated a preference for panel manufactured in the U.S.A. Mr. Bartz stated that staff can request to purchase panels made at the San Jose factory.

7. Review of Action Items

None

8. Committee Reports

a. **Engineering Committee (Standing)** –The Committee met July 12, 2013, and reviewed system repairs, Smithson Springs, and flood control water retention. President Johnson attended the Mojave Water Agency's meeting to discuss the master plan. Additional items discussed were the Highway 138 widening project, well motors, Dairy property wells, water quality reports from Dairy wells, and production potential of Dairy wells. At the next meeting, the Committee will review the hydrographs; President Johnson noted that, at a glance, they are flat.

b. **Parks, Recreation & Street Lighting Committee (Standing)** – The Committee will meet on July 11, 2013.

ACTION ITEM: Change Meeting date on PPHCSD website.

- c. **Finance Committee (Standing)** – The Committee met on June 11, 2013. They discussed the Budget, balance sheets and statements, and held a preliminary discussion about the solar project.
 - d. **Government Affairs Committee (Standing)** – The Committee met on June 12, 2013, and discussed the Directors’ report from the previous meeting concerning activities at State level and meeting with Representatives. When Mr. Bartz returns from vacation, they will plan additional meetings with legislators.
 - e. **Waste Management Committee (Standing)** – The Committee will meet on June 20, 2013.
 - f. **Adjudication Committee (Ad Hoc)** – The Committee has not met. The legal team is trying to get input from the Committee for what the District should recommend for next phase of trial. The next hearing is June 27, 2013.
 - g. **Surplus Inventory Committee (Ad Hoc)** – The Committee has met and have no figures to report. Mr. Bartz stated he will have a meeting at the Dairy in July about getting rid of Dairy equipment. The shade structures at the Dairy have been removed and were given away in exchange for removal.
 - h. **Alternative Energy Committee** – The Committee will meet when Mr. Bartz returns from vacation.
 - i. **El Mirage Annexation Committee** – The application has not been filed with LAFCO; they are finishing the application to include 3 Dairy properties.
9. **Staff and General Manager’s Report**
Well 5 is back on line and has a 1 year warranty.

A discussion took place regarding pump warranties.

10. Reports

a. Director’s Report

Roberts – None

Brandon –Vice President Brandon had questions concerning Pinon Hills Park.

ACTION ITEM: Mr. Bartz to provide the cost of the erosion control plan.

ACTION ITEM: Find out if the structural calculation for the basketball hoop is/was necessary.

Vice President Brandon was elected to the Association of San Bernardino County Special Districts (ASBCSD) and attended his first Board meeting June 17, 2013; his term expires in November, 2014. The meeting discussed improvements to CEQA.

Fahrlender – None

A discussion was held about Vice President Brandon’s appointment to the ASBCSD.

Morrisette – At the June 10, 2013 Wrightwood MAC meeting, Field Representative Ken Anderson spoke about the County Budget and said all County fees are going up as well as property taxes.

San Bernardino County Fire will be bringing the fee-based ambulance transport subscription service back in July, 2013.

- d. **President’s Report** – President Johnson stated the Board was not notified of some ASBCSD meetings. Staff stated they had emailed ASBCSD requesting the Directors be notified.

11. Correspondence/Information


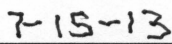
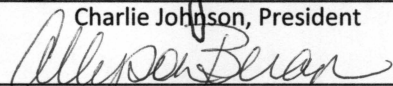
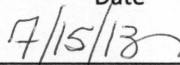
None

Set Agenda for Next Meeting – The next Board Meeting is July 3, 2013.

- Add District Dollars to Agenda.
- Add Catastrophic Customer Side Failure Insurance to Agenda.

Adjourn

With no further business, the Board Meeting was adjourned at 8:47p.m.

 _____ Charlie Johnson, President	 _____ Date
 _____ Allyson Beran, Administrative Technician II	 _____ Date