

PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT

**REGULAR MEETING – July 23, 2008
Snowline Joint Unified School District
Curriculum Building
4075 Nielson Road, Phelan**

MINUTES

Board Members Present: Mark Roberts, President
Charlie Johnson, Vice President
Mike Adams
Al Morrisette
Ken Anderson

Board Members Absent: None

1. Called to Order

President Roberts called the meeting to order at approximately 5:06 p.m. and the Pledge of Allegiance was conducted.

2. Roll Call

All Board members were present.

3. Approval of Agenda

Director Morrisette motioned to approve the agenda as it stands. Director Anderson seconded the motion and all were in favor.

4. Public Comments

Joe Fahrlander congratulated the Board members on their election. He reminded everyone that the 80% plus election was based on accountability not change. He hopes the Board will not just make change for change. Mr. Fahrlander also spoke about the Brown Act use for the selection of the General Manager. He asked for future consideration in allowing the public to participate and not just invoke that section of the Brown Act because they can; but, to allow the public to participate and stated what an impression that would make on the public. Mr. Fahrlander also spoke about the committees the Board has formed of the Board members. He suggested bringing people from the community in to participate in the committees.

Director Adams asked if the Board can bring community members in to participate in the committee members. Mr. Kennedy stated the Brown act allows for two board members to form a Standing Committee. He suggested the Board could create a "Blue Ribbon" committee that would act as a Standing Committee so anyone could attend.

Mr. Kennedy also addressed the issue of selecting the General Manager and the Brown Act. Mr. Kennedy explained the Board agendized the Closed Session so if the Board chose to go into Closed Session after the interviews, they could do so. He stated that doesn't mean the Board is required to do so.

Vice President Johnson asked about the two Standing Committee's already formed and their current make-up. Mr. Kennedy stated they are not formed to get around the Brown Act. He noted the Standing Committee's operate publicly. The Board could allow a public member to be on the committee; however, it could bring up issues with whether or not that member could vote. He urged the Board not to create an ad hoc committee of one Board Member and one public member.

Vice President Johnson asked if "Blue Ribbon" committee's are set up for single or double issues. Mr. Kennedy stated that was up to the Board; however, he did not recommend setting up a "Blue Ribbon" committee on an ad hoc basis.

Director Anderson asked how it would be if they added public members to a standing committee. Mr. Kennedy stated that is allowable; however, it would be questionable as to whether the non Board member would have voting rights. Director Anderson stated it is most transparent having the committees set up as they are with Board members, but allowing the public to attend the meetings and participate. Mr. Kennedy agreed.

President Roberts clarified that there can be a panel of public members that can advise the committee. Mr. Kennedy stated that is correct.

Director Anderson asked if the Board should approve the panel to advise the standing committee. Mr. Kennedy stated he would recommend it.

Dan MacDonald congratulated all the Board members. He stated he is representing a local horse club called the High Desert Hustlers. He stated they need to water the arena in order to have safe grounds. He noted when they used Zone L water, they had to put a \$1,500 deposit down on the meter and for each time they used the meter, they have to pay \$120 for the meter and \$60.00 for the permit. He asked the Board to agendize a possible waiver of the \$180 fees for the use of the meter for their show.

Vice President Johnson recommended asking the General Manager to address the issue and agendize this for a future meeting to address this issue. Director Anderson stated it would have to deal with nonprofit versus profit and how it's justified. Director Adams asked what their typical water usage was. Mr. MacDonald stated the most they would use is 6,000 gallons for a summer show. Mr. Bartz stated he felt this could be worked out at the office and didn't feel this item needs to be a Board Action Item. Vice President Johnson recommended he get his deposit back from the County. He also stated this is a policy issue and he's concerned about establishing policy. He would like to see this still brought back to the Board. President Roberts spoke about the need for the Board to review all of the County's Policies and Procedures. The Board agreed to readdress this issue at the August 13, 2008 meeting.

5. – 9. Interview for General Manager

Vice President Johnson explained Mr. Reddick withdrew his interest in applying for the position yesterday. Mr. Dickenson e-mailed Vice President Johnson at 3:06 p.m. today stating he had an evening meeting and therefore would be unable to make the interview. President Roberts asked Mr. Kennedy if the Board has done their due diligence on this. Mr. Kennedy stated the Board has gone over and above their legal requirements. Vice President Johnson stated the Board needs to figure out how they will proceed; however, personally, he is ok with Mr. Bartz being the full time General Manager. Director Adams stated he was too. Director Morrisette felt they should at least do the interview. Director Anderson stated Mr. Bartz is certainly qualified, has met all their criteria, submitted an application, and is available for the job. Vice President Johnson explained the process the Board went through to get to

this point and stated he is inclined to move forward with Mr. Bartz. Director Anderson stated, yes, move forward. President Roberts stated he also felt the need to move forward. The Board proceeded to interview Mr. Bartz.

Joe Fahrlander commented with the problems getting the candidates to show up at the interview, he wondered if the carrot was big enough. He heard the compensation package could have been a problem for attracting other candidates. He suggested giving him a large enough compensation package to keep Mr. Bartz at the PPHCSD. Vice President Johnson explained the research done to come up with what they have.

10. General Manager Employment Agreement

Vice President Johnson stated Mr. Bartz and Mr. Sandwick have done more in the last month than the County did in the last four months. He personally feels Mr. Bartz deserves a chance. The Board agreed it was unnecessary to go into closed session and turned it over to Mr. Kennedy to discuss the agreement for the General Manager. Mr. Kennedy stated the Board accepted the draft agreement for the General Manager at the last meeting. The term of the employment, renewal, salary, car allowance, vacation time, comp time, sick leave, etc. will need to be addressed. Mr. Kennedy stated he has a reline agreement from Mr. Bartz. Mr. Kennedy suggested Mr. Bartz meet with an ad hoc committee to negotiate filling in the blanks and bring the recommendations back to the next meeting. Vice President Johnson and Director Adams agreed to negotiate the contract as the General Manager Ad Hoc Committee. Director Anderson asked that the Committee work with Mr. Kennedy so he is also satisfied with the contract prior to it coming back to the Board. The Board agreed. Director Anderson confirmed Mr. Bartz would continue in Interim General Manager status until the agreement was finalized.

Mr. Kennedy recommended the Board motion to terminate the interview of candidate and instruct the GM Search Committee to enter into negotiations with Mr. Bartz on an employment agreement to serve as the Districts General Manager. Vice President Johnson moved, Director Adams seconded and all were in favor.

11. – 12. Consent Calendar

Vice President Johnson briefed the committee on the PPHCSD's current financial status. President Roberts asked to have the costs broke down by categories such as water, parks, projects, as well as utilities, maintenance, etc. Mr. Bartz stated they will be broken down in the future. Vice President Johnson moved the Consent Calendar. President Roberts seconded it and all were in favor.

13. Proposal for Real Estate Agent(s) for Potential Park Property

This item will be tabled for the next regular meeting – August 13, 2008.

Director Anderson asked if the Board should move forward with some direction. Mr. Kennedy stated it is a policy issue as to whether the Board wants to move forward with Mr. Roberts or not. Mr. Bartz stated he has had comments from a Real Estate Agent that suggested it be opened up to anyone available to get a good price in today's buyers market to. Director Anderson expressed his concern about having all the agents contacting the property owners. He feels a single agent is better. Vice President Johnson feels this would give the Board a person who is accountable as well as a single point of contact. Director Adams feels you limit your opportunity to get a good price with one person. Mr. Kennedy stated one of the other issues was the consulting agreement that Mr. Roberts has progress payments that the Board would be subject even if the deal doesn't go through. He felt it was a policy issue for the Board. Director Anderson asked if it was ok legally. Mr. Kennedy stated he didn't see any problem legally. Director

Anderson stated how substantially less his fees would be versus the industries standard fees. President Roberts stated he believes by funneling this in a narrower shoot, it will help the Board to move this along and it will be more constructive. He felt the costs are not exorbitant.

Director Anderson stated he has contacted the owner of the original property. He asked for another month to work with the property owner. He motioned to table this item for a month. Director Morrissette asked if Director Anderson was working on the same deal he was before. Director Anderson stated he was. Vice President Johnson asked if Director Anderson felt he would be ready to transfer the property in a month. Director Anderson stated Mr. House would like the property to be given to the community as a park. Director Anderson stated he does need to sell some property to keep his business going.

Director Morrissette mentioned the Board still needing to go through the Proposition 40 funds anyway, so he didn't have a problem postponing for a month. Vice President Johnson was also fine with postponing for a month. Director Morrissette seconded the motion and all were in favor. This item will be agendized for the August 27, 2008 meeting.

14. Purchasing Procedures

Mr. Kennedy briefed the Board on the Purchasing Procedures presented to the Board for approval. President Roberts asked if there are any time sequences as to when bids are to be approved. Mr. Kennedy stated there were no requirements. Vice President Johnson asked if there was an emergency situation, what discretion the GM has. Mr. Kennedy referred to section 8C and stated the Board would have to vote by four-fifths. He noted the Board can hold an emergency meeting to vote. He stated the Board could give the General Manager specific authority. Mr. Kennedy stated sections 4E and 5G allow the Board to go outside the biding process in emergency situations.

Director Anderson moved to accept the policy. Director Adams seconded and all were in favor.

Mr. Sandwick suggested giving the General Manager permission to make a decision if there is an emergency decision to be made if the Public Welfare is in stake. The Board agreed to direct Mr. Kennedy to draft a procedure for emergency situations. Mr. Kennedy will prepare a follow-up resolution for the Board's approval.

ACTION ITEM: Mr. Kennedy to prepare a follow up resolution for the Board's approval

15. Phelan Phun Days

Mr. Bartz briefed the Board members regarding the Phelan Phun Days. They are looking for a donation in the amount of \$3,000. Mr. Bartz felt this would be a good opportunity for community outreach. He announced that High Desert Underground (HDU) donated \$1,500 and recommended the Board match that amount.

Director Morrissette motioned to match HDU's donation.

Mr. Bartz recommended a policy be set for these items in the future. He suggested the Board determine an amount of money to go towards these functions and limit the number of functions per year. President Roberts agreed and stated this would be a onetime donation. Vice President Johnson stated there are three major community events they should participate in each year. He stated he asked questions regarding their budget for this event because he felt the Board should donate proportionately

to their budget. Director Anderson asked Mr. Bartz if it would be appropriate to refer the Boards approved budget to the General Manager to use the funds in appropriate ways.

Vice President Johnson seconded the motion and all were in favor.

16. Adoption of the new Sunshine Ordinance to reflect the change in meeting location to the Phelan Community Center

Mr. Kennedy briefed the Board on the new Sunshine Ordinance. Vice President Johnson moved to approve the amendment with the additions of the office to section 2.4 which stated the places the agenda will be posted. Director Anderson seconded the motion. A roll call vote was taken and Roberts, Johnson, Adams, Anderson and Morrissette voted yes. The motion was passed.

17. I-Bank Resolution #08-08

Mr. Waller briefed the Board regarding the Resolution regarding the I-Bank Loan and recommended the Board approve the resolution and assume the loan. President Roberts noted "Pinion" needed to be changed to "Piñon" in the resolution. Vice President Johnson moved to approve with the spelling corrections. Director Anderson seconded the motion and thanked Vice President Johnson for all the time he spent on this. All were in favor.

ACTION ITEM: Debbie Bishop to make the necessary changes and have Resolution #08-08 signed.

18. Committee Reports

Engineering Committee – President Roberts stated the Engineering Committee will meet with Mr. Bartz at 6:00 p.m. on the 4th Wednesday of the month at the Phelan Community Center.

Street Lighting and Parks Committee – Director Morrissette stated they were scheduled to meet; however, the agenda was not ready for posting in time to meet. He noted the need for a letter of support to be written for the Transition Habitat Conservancy Mr. Bartz stated he will work on that letter. The Street Lighting and Parks Committee is scheduled to meet the second Wednesday of the month at 2:00 p.m. in the office.

ACTION ITEM: Don Bartz to write a letter of support to the Transition Habitat Conservancy.

Finance Committee – Vice President Johnson stated the Finance Committee meets the first Wednesday of the month at 2:00 p.m. at the office. He then briefed the Board and public attendees on the discussions the committee had with local banks regarding investing the PPHCSD's funds. He stated he spoke to Union Bank regarding their minimum deposit limits being too high for the PPHCSD. Vice President Johnson stated they will discuss what they came back with at the next meeting. He noted they will not be making a recommendation until they consult with Mr. Waller.

Vice President Johnson explained to the Board an incident that took place regarding him requesting the June 30, 2008 Spend Downs from Mr. Booker. Mr. Sutton had stated that a request from Vice President Johnson would not be sufficient and Mr. Bartz had to resubmit the request under his name in order for the County to accept the request. Mr. Bartz explained that there will have to be a main point of contact for all requests to go through. He offered to be the main contact and he will take care of sending any requests.

Vice President Johnson stated the PPHCSD was presented with a bill for the I-Bank; however, Mrs.

Bishop discovered the County had already made that payment for PPHCSD out of their account. Vice President Johnson stated the PPHCSD is in the process of changing the signers for the accounts so no one from the County will have signing authority.

Building Ad Hoc Committee – This committee has been disbanded and will be removed from the agenda.

19. Reports

President's Reports – President Roberts thanked Mr. Bartz, HDU and everyone for taking over. He stated he was very grateful for the smooth transaction. He stated he believes the community has good access to the office location and feels it will serve the PPHCSD well.

Directors – Director Adams stated he had nothing further to report. Director Anderson stated he felt the Board should open up to some more public comments since a lot of people came in at 7:00 p.m. He also echoed President Robert's comments and thanked everyone for the great job they've done. Director Morrisette had nothing further to report. Vice President Johnson stated Derrick, Don and all 15 of the team have done more in three weeks then the County did in three or four months. He was so pleasantly surprised, because of the quality of people that came over, it's impressive to watch them take care of the customers and he has had comments of how pleasant the responses are to the customers. President Roberts congratulated Mr. Bartz in successfully succeeding his fellow applicants.

Interim General Manager's Report – Mr. Bartz thanked the Board for their support and stated it's been a pleasure to support the PPHCSD during this period. He thanked the Board for their confidence in them. Mr. Bartz then reported:

- They are working on the radio frequencies transfer.
- They have been doing continuous repairs to the system.
- Well 9 should be pumping by tomorrow.
- Repairs have been made to the SCADA system. They are in the process of evaluating what needs to be done in the future with the system.
- Four tanks are under construction and are all moving forward again.
- They met with Special District on the vehicle transfers. The PPHCSD has received information from Helendale that there are several pieces of equipment that was not on the original list. 55 to 95 thousand dollars more in equipment will be added to the pool for the PPHCSD. Out of the list, the PPHCSD is interested in a generator. They will take the rest in cash.
- There was minor flooding at the Piñon Hills Community Center during the recent rain falls.
- The PPHCSD will be actively reaching out to the community to see what can be done to get Disaster Preparedness up and running again since people would most likely be coming to the community centers if there is a disaster.
- The CSDA's Conference is coming up September 22-25, 2008 in Irvine. If Board members are interested in attending, please let Mr. Bartz know.
- There will be an AQUA Conference in December.

20. Set Agenda for Next Meeting

- Special Meeting Agenda for August 6, 2008
 - Tax Roll
 - Stand-by Fees for Board Review and Resolution
 - General Manager's Contract

- Regular Meeting Agenda for August 13, 2008
 - Policy for Fees for Water Meters
 - Resolution for Emergency Purchasing Procedures
- Regular Meeting Agenda for August 27, 2008
 - Presentation by Phil Waller of Rogers, Anderson, Malody & Scott, LLP
 - Potential Park Property
- Future Agenda Item
 - PPHCSD/SCWD Engineering Report & Timeframe for Completion of Work

Dave Roberts withdrew his contract for the Real Estate Agent for Potential Park Property.

Reginald Adams asked if there is a sound system at the Phelan Community Center. The Board stated there was.

21. Adjourn

With no further business, the meeting was adjourned at 7:56 p.m.