



Phelan Piñon Hills Community Services District

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**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING
July 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
Lori Lowrance, Administrative Services Manager

Call to Order

President Johnson called the meeting to order at 7:02 p.m. and the Pledge of Allegiance was conducted.

Roll Call

All Board Members were present except Joe Fahrlander arrived late.

1. Approval of Agenda

Mr. Bartz asked to remove the Closed Sessions for the Adjudication. Director Anderson moved to approve the Agenda as amended. Director Morrissette seconded the motion. All were in favor.

2. Public Comment

None

3. Consent Items

Director Anderson asked to move Agenda Item 3d to Agenda Item 4. Vice President Fahrlander motioned to approve Consent Items 3a, 3b and 3c. Director Morrissette seconded the motion. All were in favor.

4. Matters Removed from Consent Items

On page 5 of the Balance Sheet, Director Anderson asked about the large increase in the "Accrued Payables." On page 6 of the Balance Sheet, he asked about the "Payable Liabilities" for "Retirement Withholding Payable." Director Anderson asked why there is a large amount on hold. Mr. Bartz felt that was an amount set aside for payout for a deceased employee. He will check with Ms. Lowrance when she returns from vacation and report back to Director Anderson. Director Anderson motioned to approve the item. Director Morrissette seconded the motion and all were in favor.

ACTION ITEM: Mr. Bartz to clarify the following questions with Ms. Lowrance and report back to Director Anderson:

- On page 5 of the Balance Sheet, Director Anderson asked about the large increase in the "Accrued Payables."
- On page 6 of the Balance Sheet, he asked about the "Payable Liabilities" for "Retirement Withholding Payable"

5. Presentations/Appointments

None

6. Continued/New Agenda Items – Action Items**a. Discussion and Possible Action Regarding CSDA Proposed Bylaws Amendment Ballot**

Mr. Bartz briefed the Board on CSDA's Proposed Bylaws Amendment Vice President Fahrlander motioned to approve the amendments as presented. Director Anderson seconded the motion and all were in favor.

b. Discussion and Possible Action Regarding CSDA 2010 Board Elections

Mr. Bartz briefed the Board on the CSDA 2010 Board Elections. Director Morrisette recommended voting for Kathy Tiegs. Director Anderson stated he was leaning the same way. Director Morrisette motioned to support Kathy Tiegs. Director Anderson seconded the motion and all were in favor.

c. Discussion and Possible Action Regarding Personnel Manual Update

Mr. Bartz stated staff believes the Personnel Manual should be addressed in Section 3 and Section 4 for clarification.

Director Anderson commented that the ranges continue to move when the COLA is adjusted. Mr. Bartz stated that is correct. A discussion took place regarding employees who salaries end up being above or below the COLA rate. Director Morrisette felt this might be outside the scope of the agenda item.

Vice President Fahrlander moved to approve the item with the caveat that this item come back to the Board to discuss the procedures for employees salaries above or below the change of the COLA rate. President Johnson suggested changing the last sentence in Section 3.7 to read, "In some cases, employees may be paid at a rate below the listed salary range for their job classification."

President Johnson motioned to approve the changes to the Personnel Policy Manual. Director Anderson seconded the motion and all were in favor.

d. Discussion and Possible Action Regarding the Lease or Purchase of Office Facilities

Mr. Bartz briefed the Board regarding the lease or purchase of office facilities. Mr. Bartz stated he met with the Planning Department and there is a possibility of placing a temporary building on either the current Phelan Community Center site or the site for the new office building.

Mr. Bartz reviewed the costs of the two options presented to the Board as well as the pros and cons for each option.

Director Morrisette stated he took the opportunity to look at the modular office building. He stated some improvements have already been made to the modular and he felt an asset to the modular is that it could be used elsewhere or sold.

Mr. Bartz showed the Board a floor plan of the modular.

Director Anderson stated he was concerned that other options, that fall in-between these options, are not being provided. Vice President Fahrlander stated he has similar concerns as Director Anderson. He noted he would like to see both staffs' and the Boards' visions for the future of the District.

A discussion took place regarding Mr. Bartz is estimate of \$27,500 for Furniture. Mr. Bartz noted that the furniture in the modular could be used in the new building.

President Johnson stated he is in favor of the modular office because staff has been in a space that is too small for a while. He also noted that the modular could be moved to another location or sold. He stated this option would be cost avoidance for the future. President Johnson stated he felt other option is too expensive for the square footage.

Director Roberts stated if it was absolutely necessary for additional space, then he felt the modular building was most attractive. Director Roberts asked if there were other improvements that needed to be made that were not included in the cost estimate. Mr. Bartz explained that he met with the Planning Department and briefed Director Roberts on the possible locations for the modular building. He also stated the actual costs for any improvements would be less than what was estimated. President Johnson clarified that the estimate presented was a not to exceed amount. Mr. Bartz agreed.

Director Anderson asked if the Sheriff's Department would have an immediate need to use some of the space in the modular. A representative from the Sheriff's Department felt they would like to keep everyone centralized; however, they could give it some consideration. President Johnson asked if they could use storage space at the modular office. He felt that might be a more viable option. President Johnson asked if he had seen the plans and if he was ok with them. He stated he has seen the general concept and so far there is probably some tweaking they can do, but it looks pretty good so far. He stated their biggest concern is finances for them. They would like to keep the costs at what they are currently paying. He stated they do not have the finances to justify paying more. He stated if there are onetime costs for the Sheriff's Department that could be a problem. President Johnson suggested he get in touch with the Building Committee to discuss the finances.

Director Anderson stated this building could never be permanent unless there are plans made for the building to be installed permanently. A further discussion took place regarding installing the building permanently. Mr. Bartz stated all improvements would need to be made if the building would be installed permanently. Director Anderson stated there are no line items for CUP or Architectural costs. Director Anderson felt these items needed to be added to the estimate and stated he felt the District is not ready for this. Director Anderson stated he is concerned regarding this building being made permanent and volunteered to go to the Planning Department with staff to get a clarified answer. He stated there could be other options for the District if this building could be made permanent.

Director Roberts stated the Helendale CSD purchased the exact same type of modular office for their permanent office structure.

Vice President Fahrlander stated he would like to see this item go to the Building Committee for clarification.

Director Morrisette stated he was at a school board meeting when they discussed moving their modulares. He stated it was a school code that prohibited them from moving the modulares, not the Planning codes.

Director Morrisette stated he remembers the Board telling staff that these are the two options that the Board wanted to look at. He felt these issues should have been looked at months ago. Director Morrisette felt the modular aspect would be the most appropriate way to go and noted that it would bring the customers to the new location. He felt the Board needed to make a decision.

Director Roberts stated that assuming the building could be used as a permanent structure elsewhere, what has been stated is correct and that it is necessary for more office space; the modular office building makes sense to him. He noted the time and effort it will take for staff to set up an additional office.

Director Anderson commented that if this is being considered a last minute decision, than that means it was brought to the Board at the last minute. He noted the Building Committee has been sitting idle the last few months. He said he was not going to make a last minute decision and felt that every option should be brought to the table. He stated he felt there should be size options and didn't feel a decision should be made tonight.

Vice President Fahrlander felt there are two major things that need to be clarified; can the modular be made permanent and under what circumstances? He also indicated that plans with the Sheriff's

Department need to be discussed as well. He stated he would like to defer this item to get those clarifications.

Director Roberts asked if there is a Board consensus that a permanent building would be built at the site. There was consensus. His suggestion was to move forward with a temporary structure at the location. He also felt the District needs to get a better idea of the time it will take to get the CUP. Mr. Bartz stated he believed the Planning Department will allow the District to put a temporary building up for 24 to 36 six months with one year extensions for up to five years. He stated the Planning Department indicated the District could get the CUP in a short period of time. Director Roberts stated he needed clarification because of his past experiences with obtaining a CUP.

Director Anderson stated the District will be subject to improvements if it puts the temporary modular on the site and decides not to build the permanent building.

President Johnson motioned that the Board approve staff's recommendation. Director Morrisette seconded the motion. Vice President Fahlender clarified that he agrees the District bought the land for an office building and for Community use. He said he doesn't have a problem with the timing either. He stated he does have a problem with the size of the building. Director Anderson felt if the Board moved forward at this point, it would cost more in the long run. Director's Morrisette and Johnson voted yes. Director's Fahlender and Anderson voted no. Director Roberts voted no and asked for this item to be brought back at the July 21, 2010 Board Meeting with the estimated cost and timeframe for the CUP, determine if the building can be made permanent and an estimate of the costs to keep the temporary building on the site if the District decided not to build the new building. The motion failed.

ACTION ITEM: Staff to supply the Board with the estimated cost and timeframe for the CUP, determine if the building can be made permanent and an estimate of the costs to keep the temporary building on the site if the District decided not to build the new building at the July 21, 2010 Board Meeting.

Director Anderson asked if there are other options on other buildings. Mr. Bartz stated he has a meeting scheduled next week with another supplier.

ACTION ITEM: Mr. Bartz to obtain additional options for a temporary office.

e. Discussion and Possible Action Regarding the Enterprise Management System

Mr. Bartz stated this item was on the agenda this evening in case any Board Members had any questions. There were no questions.

Vice President Fahlender clarified that he has in no way come to a decision to purchase an Enterprise Management System. Director Anderson stated the fact that this item is moving forward does not mean that he has answered all the questions in his mind and that he will continue to ask questions. He reiterated what Vice President Fahlender stated and said that there is no final decision that has been made at this point. President Johnson stated they are both correct; however, he stated it is unfair to staff to hold questions to the last meeting. He asked that staff is given an opportunity to know the questions and get the answers of the questions.

f. Discussion and Possible Action Regarding the Proposal for the Amphitheater for the Phelan Park

Mr. Bartz briefed the Board regarding the Proposal for the Amphitheater for the Phelan Park. He noted that Mrs. Bishop was unable to find any information in the past minutes regarding the use of funds to purchase park property. Vice President Fahlender stated those conversations took place in Closed Sessions; therefore, they would not be in minutes. He felt the Board might recall those conversations. Director Morrisette stated those conversations did not take place because the District did not have the funds yet.

Director Roberts asked how often the Amphitheater would be used. A discussion took place regarding the possible use for the Amphitheater. President Johnson noted the current program for movie nights could have been done at the Amphitheater. A discussion took place regarding the use

of staff for the events at the Amphitheater. A discussion took place regarding the use of Wrightwood's Amphitheater and the use of outside organizations for the programs.

Director Anderson asked where this expenditure would be placed in the Budget. Mr. Bartz stated the Board would have to make a decision as to whether this item would come out of Capital Improvements or the Reserves. President Johnson stated an adjustment could be made in the Capital Improvements if those funds are not used in their entirety.

Director Anderson stated he had no intention of the money from San Bernardino County going to on-going operations of the park. He stated his intentions were all along for those funds to go to the purchase of property. He stated he would not have approved the purchases of the two park properties if that were the case. Director Anderson stated he is concerned regarding other expenses the District might have in Parks and Recreation when considering the items that are coming up such as the District's new plan and the new building.

Director Morrisette briefed the Board on the costs of the Amphitheater and reminded them that there are funds that were donated to the District for park improvements.

President Johnson spoke about the history of the funds from Supervisor Mitzelfelt's Office. He stated he cannot recall anytime where there was a conversation about the funds to pay off the property. He stated the question before the Board is whether it wants to improve the park.

Mr. Inocentes spoke to the Board regarding the Amphitheater. He stated he was a Board Member at a San Diego Water District. He wanted the Board to know that the Amphitheater will cost the District money. He gave the Board a history of what they encountered.

Vice President Fahrlander stated he has no problem with an amphitheater, but stated he has an issue with the timing and the funding.

With no motion before the Board, this item was not passed.

7. Review of Action Items

Mr. Bartz reviewed the Action Items with the Board and reported:

- The Hydrant Valve Maintenance Program will start back up as time permits.
- Staff is still working on the Edison Kilowatt hours.
- A report was received from Edison regarding Well #5. The Well was running at 30% efficiency and is now running at 70% efficiency.
- In regards to a software demonstration to the Board, Mr. Bartz stated there are currently some changes that are being made regarding the computer support so this item will be addressed at a later time.

ACTION ITEM: Ms. Bishop to distribute the information for the GM Evaluation.

8. Committee Reports

- a. **Engineering Committee (Standing)** – Director Roberts stated the Engineering Committee did not meet last month.
- b. **Parks, Recreation & Street Lighting Committee (Standing)** – President Morrisette apologized for not making last night's Committee Meeting. The Committee agreed there was no need to reschedule that meeting.

Director Anderson asked where he should vocalize his questions regarding the Committee's activities. Mr. Kennedy stated this would be the appropriate time to do so. A discussion took place regarding the ability to approach staff with questions. Mr. Kennedy stated there is nothing prohibiting Board Members from approaching staff if there is a question for staff.

Director Anderson asked for clarification regarding the use of staff time for the Movie Nights. Mr. Bartz stated there is minimal staff time involved. He also stated some park funds were used to place

an ad in the newspaper. Director Morrisette stated the Board approved \$1,000 for the program in February.

Director Anderson stated there was talk about having dances. A discussion took place regarding the Committee's discussions of possibility having a dance program. A discussion also followed \$10,000 in the budget for potential programs.

Director Anderson commented on the CERT Program stating it looks like it is moving forward. He stated he agrees with the CSD providing facilities. He is concerned with it going farther than that.

- c. **Finance Committee (Standing)** – President Johnson stated the Committee met earlier in the month and the next Committee Meeting has been canceled.
- d. **Building Committee (Standing)** – Director Anderson stated the next meeting is scheduled for July 14, 2010 at 5:00 p.m. He stated at the last meeting the Sheriff's Department was pleased with the plans that were being presented. He stated they started to approach the issue of the funds for the Sheriff's Station. He stated they will need to continue to hammer out the size and other issues with the building.

President Johnson stated he has concerns regarding the Gym and how it would be funded. He stated he would like to see the Gym be Phase II.

- e. **Adjudication Committee (Ad Hoc)** – Director Roberts stated they are making good process.

President Johnson stated he would like to have a line added in the General Manager's report showing a year to date of what is being spent on the agreement with the principals. Vice President Fahrlander explained to President Johnson that the Board agreed to pay the bill for the agreement with the principals at a meeting that President Johnson was absent from.

ACTION ITEM: Mr. Bartz to add a line to his GM Report showing the running total of what has been paid towards the Adjudication.

- f. **Solid Waste Powers (Ad Hoc)** – Mr. Bartz stated he met with Stan Hoffman, who has been in touch with another consultant, and they are in the process of putting together a proposal. The proposal should be given to the District next week.
- g. **Legislative & Grant Committee (Standing)** – Director Morrisette stated that President Obama made a comment about 2 Billion Dollars being approved for solar projects. He suggested the District check into these.

Director Roberts asked about the status of the Park Grants that Director Morrisette was working on. Director Morrisette stated the Grants were completed and submitted July 1, 2010.

Director Anderson asked if the Board could receive a breakdown of what Mr. Packard is doing for the District.

ACTION ITEM: Staff to give the Board a Breakdown on what Mr. Packard is doing for the District.

9. **General Manager's Report**

Mr. Bartz briefed the Board on the plan for the tank repairs and stated the plan will be coming to the Engineering Committee soon.

Mr. Bartz gave the Board an update on the tanks and the repairs program.

Mr. Bartz gave the Board an update on the Districts water supply. He stated the District has not had to borrow water this summer. This is the furthest into the summer the District has gone without having to borrow water and the system is currently full and keeping up with the demand.

Mr. Bartz stated the District is going out for Bid Proposals for site clean-up for the new office site location next week.

A discussion took place regarding a backflow/cross connection program. Mr. Bartz stated the District is in the process of training staff and contacting the affected customers.

Director Anderson asked if the District contacted the County regarding inviting the public to do a community clean-up at the new office site location.

A discussion took place regarding the registers that were replaced in the new meters.

The Water Master Plan should be ready in September 2010. Mr. Bartz stated the Urban Management Plans are being delayed because of changes that are being made at the state level.

10. Reports

a. Director's Report

Morrisette – Director Morrisette had nothing further to report.

Anderson – Director Anderson asked if, once a year, a list of all vendors and their expenditures could be given to the Board electronically.

He stated he read and understands President Johnson's written report and felt a short amount of time each week should be allocated to the policies.

Fahlender – Vice President Fahlender had nothing further to report.

Roberts – Director Roberts stated it would be worthwhile for the Board to look at some type of priorities for the General Manager. Director Anderson asked if Mr. Bartz had the ability to share with the Board what he does.

b. **President's Report** – President Johnson thanked the Board Members for reviewing his written report. He stated he would like to see the Table of Contents for the Policies and Procedures to be brought to the next meeting for the Board's review. Director Roberts stated he felt a Committee should be established to work on them. Director Morrisette felt a Committee would be of value. President Johnson agreed to form a District Policy Review Committee. President Johnson and Director Morrisette will form the Committee. President Johnson stated he has a table of contents

11. Correspondence/Information

President Johnson asked if anyone would like to volunteer for a position on the CSDA Committee. There were no volunteers.

Mr. Bartz shared a story with the Board regarding the use of the new meter data logs in regards to stolen water.

Set Agenda for Next Meeting – July 21, 2010

- Presentations of Enterprise Management System – Start at 5:30 p.m.
- Discussion and Possible Action Regarding the Lease or Purchase of Office Facilities
- Closed Session for Phelan Senior's Lease

Future Board Meeting

- Table of Contents for Policies and Procedures – 1st meeting in August
- Discussion regarding the three tiered rate structure
- Discussion of Reformation of the Citizen's Advisory Committee

Adjourn

The meeting was adjourned at 9:56 p.m. for Closed Session

Closed Session – Conference with Legal Counsel/Anticipated Litigation
Significant Exposure to Litigation pursuant to government code 54956.9(b)
One potential case

Meeting Reconvened

The meeting was reconvened at approximately 10:35 p.m.

Announcement of Reportable Action from Closed Session

There were no reportable actions to report.

Adjourn

With no further business, the meeting was adjourned at 10:40 p.m.

Board approved the above Minutes on July 21, 2010:

Charlie Johnson, President

Date

Debbie Bishop, Board Secretary

Date