



Phelan Piñon Hills Community Services District

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**PHELAN PIÑON HILLS COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING
September 16, 2009 – 7:00 p.m.
Phelan Community Center
4128 Warbler Road, Phelan, CA 92371**

MINUTES

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

Board Members Absent: None

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

Call to Order

President Morrissette called the meeting to order at 7:05 p.m. and the Pledge of Allegiance was conducted.

Roll Call

All Board Members were present.

1. Approval of Agenda

Mr. Bartz asked to remove the Closed Session for the Antelope Valley Groundwater Adjudication from the Agenda. President Morrissette noted Dale Schinke stopped by before the meeting began and stated he will try to make it back before the meeting is over to express his thanks to the Board. Vice President Anderson moved to accept the Agenda with the above changes. Director Roberts seconded and all were in favor.

2. Public Comment

Harry Wright addressed the Board and commented that the District will receive revenue from the Meter Replacement Program and he thanked the District for doing this.

3. Consent Items

Regarding the September 2, 2009 Regular Board Meeting Minutes, Vice President Anderson clarified page 2, item 4 the motion was accepted with the adjustments that needed to be made according to Mr. Kennedy. Mrs. Bishop clarified that on Item 2, the first sentence under Public Comments should read "Terry Berret from St. Vincent De Paul Society" not "Terry Beret from St. Episcopal Society." Director Fahlender clarified that he voted no on Item 6A. Director Johnson moved approval of the Consent Items with the above changes. Director Roberts seconded and all were in favor.

4. Matters Removed from Consent Items

None

5. Presentations/Appointments**a. Presentation from Transition Habitat Conservancy (THC)**

Mrs. Bays thanked the District for the letter of support for the acquisition of two properties for the Transition Habitat Conservancy. She gave the Board an updated on the status of the THC's conservation project. She noted their projects and goals follow the Community Plan. Their goal is to put together the thousand acre park and eventually turn over title to the District and/or joint management of the Park shared by THC and the District. THC would like to participate in the Parks Master Plan as well as have their project a part of the plan. Eventually they would like to copyright grants for funding in order to score higher for funding. Mrs. Bays stated Conservation Easements will need to be placed on the land acquired for the project. THC would like the District to consider allowing them to place the properties in the District's name. Mrs. Bays asked each of the Board Members to set time aside to see the details of their project.

Director Fahlender asked if any of the grants they have received cover ongoing operation costs. Mrs. Bays stated most of the monies they have requested have not been for acquisition. She stated they will continue to seek these grants with the DISTRICT.

Vice President Anderson asked if the grants that have been received would help offset the administrative costs for the District to take care of the land. Mrs. Bays stated she will have to check into their insurance.

President Morrisette asked Mrs. Bays to explain mitigation funding. Mrs. Bays stated mitigation funding will be a component in this project. This is when a developer is required to preserve a portion of land for preservation as part of their project. Policies will need to be put into place in order for the THC to be able to accept donated land.

Director Roberts asked how much of the land is in the Sheep Creek Wash. Mrs. Bays stated approximately 250 acres.

Director Johnson explained the necessity for the District to pursue the Quimby Act. Mr. Bartz stated Mr. Kennedy is working on that issue.

6. Continued/New Agenda Items – Action Items**a. Approval of Fee Structures for Community Centers**

Mr. Bartz briefed the Board on the proposed rates for the Community Centers. He stated the District looked at the actual costs that it takes the district to operate the Centers. The Phelan Center is used approximately 95 hours a month at the cost of \$42.30 an hour or \$4,000 a month. The proposed fee schedule is to help offset the costs. A discussion took place regarding the amount of time the District uses the Centers. Mr. Bartz stated the Districts use was part of the above figures. Vice President Anderson stated he would like to see the fee schedules from other Districts to see what they charge for the different types of categories.

Ken Bender spoke to the Board regarding the District raising the fees in order to get more business. He doesn't understand how that works. He asked the Board to figure out a way to work with the businesses using the Community Centers. He also asked the Board to consider other options as well as advertise the parks more.

David Johnston spoke about the Karate class and its affordability for his family. He stated this is the only affordable thing for his kids. He asked the Board to reconsider raising the rates for the Community Centers.

Rowena McDermott spoke about the affordable Karate class they give at the Community Center. She thanked the Transition Habitat Conservancy for speaking at the meeting earlier and she thanked Director Fahlender for his comment regarding defraying costs. She explained how costly this increase would be to them. She stated they could rent a suite for the amount of the proposed fees, but they would like to work with the District. She suggested the District consider renting the Community Centers out on a percentage basis.

Harry Wright stated he received a brochure in the mail regarding the Meter Change-Out Program. He noted the back of the flyer and how it advertised the Community Centers. He stated his child attends the Karate class at the Community Center and asked the District not to take the Karate classes away from the kids. He suggested keeping the rates low for the programs in order to help them get established.

Monica Gowdy stated she is the wife of the other local Karate Teacher in the area. She stated she believes the rate is fair. She stated their rates are higher than the Karate class in the Community Center for the same reason the District wants to raise the rates; the cost of the building.

President Morrisette read a letter from Eric Johnston to the Board that was presented by Rowena McDermott. He offered his support in any efforts to work collaboratively with the District to establish a Parks and Recreation Program.

A discussion took place regarding the preliminary budgeted amount of \$50,000 that was removed from the preliminary budget for a Parks and Recreation Program. Director Anderson stated the District is working with a lot of unknowns in its first year. He stated the District is working with a deficit right now. He noted the District is supporting all of these programs by not breaking even with all its costs. He stated the District is working on a lot of deficits it has received and felt several Board members felt the District was not ready to take on the Parks and Recreation Programs.

Mr. Bartz stated the District's attorney, Mr. Kennedy, stated there could be a conflict with subsidizing a local business. He stated Mr. Kennedy recommended the District charges stay based on the costs of running the Centers.

Director Fahlender motioned to table this item until other options are looked into. President Morrisette asked Director Fahlender to let the Board know what other options he would like to see the District review. Director Johnson seconded the motion and all were in favor.

Director Johnson spoke about the need to have a Parks and Recreation Master Plan. He asked that this item be placed on the next agenda. President Morrisette agreed to place this item on the next Agenda.

ACTION ITEM: Place Parks and Recreation Master Plan on the next Board Meeting Agenda.

Vice President Anderson asked Mr. Bartz to collect suggestions from the Board Members for a Parks and Recreation Master Plan.

ACTION ITEM: Mr. Bartz to collect suggestions from the Board Members for a Parks and Recreation Master Plan.

b. **Approval of New Employees**

Mr. Bartz explained this was brought back to the Board a couple of months ago. Mr. Bartz stated the District looked at several different options and briefed the Board on those options. Mr. Bartz stated the District needs these employees and it has the funds budgeted to fill the positions.

Director Fahrlander asked about the amount of time the Meter Readers will be saving with the new radio read meters. A discussion took place regarding the workload of the current employees and the proposed new employees.

The Board took a few minutes to allow Mr. Dale Schinke to make a presentation to the Board from the Kiwanis Club. He thanked the Board for the District's participation in the fireworks display and presented the District with a plaque.

Director Johnson stated if these staff members are brought in, he will be very reluctant to bring on more staff in the future. Mr. Bartz stated he didn't foresee a need for any additional staff other than these.

Director Roberts stated he believed a substantial amount of savings in personnel time will be seen between the Meter Replacement Program and the Chlorinator change outs. He stated the District is moving too fast with all these structural deficits to see how these changes will affect the District. Mr. Bartz stated he is not opposed to hiring contractual services if the Board will allow the District to do that at this time. Director Roberts suggest the Board assess the needs for a contractor at that time.

Director Fahrlander stated he would be more apt to hire contracted services for the next four months, during the Meter Replacement Program, and reassess the need for more staff at that point.

A discussion took place amongst the Board members regarding their concerns that the District has a structural deficit at this time and that the District doesn't know what its normal operation costs will be.

President Morrisette suggested this item be tabled. He also suggested the Board establish a Committee to address the benefit items that need to be addressed at this time.

Mr. Bartz recommends the District postpone the hiring of staff right now and consider the hiring of contractual work until the District has a better idea of where it stands.

Director Roberts suggested addressing hiring a contractor once the current contracted work has been completed.

The Board agreed to table this item at this time.

c. **Purchase of Well Covers**

Mr. Bartz reviewed the purchase of Well Covers with the Board and the bids that were received. Mr. Bartz recommended the Board moved forward on the purchase of the Well Covers.

A discussion took place regarding closing the fourth side of the covers with chain-link. Mr. Bartz stated staff can add the chain-link at a later time if necessary.

Director Roberts asked what the wind rating is for these structures. Mr. Bishop stated he would have to check into the wind rating.

Vice President Anderson motioned to take staff's recommendation. Director Fahrlander seconded the motion and all were in favor.

d. **Discussion of Board Stipends - 1099 vs. W-2**

Mr. Waller spoke to the Board regarding the reporting of the Board compensation. He stated the IRS wants the District to report the Board compensation by W-2. He noted currently the reporting is split 50/50 between reporting by 1099 and by W-2. He stated his firm recommends reporting by W-2. Mr. Waller stated in the past their firm has defended against reporting by W-2; however, they have lost their most recent case. Director Roberts asked what is required to be taken out of their compensation for tax purposes. Mr. Waller stated Federal, Social Security, State Income Taxes, State Disability Insurance are required.

e. **Approval of Cellular Phone Allowance/Stipend Policy**

Mr. Bartz briefed the Board that the District is not complying with the IRS rules in regards to its cell phone policy. He reviewed the proposed policy with the Board. Director Johnson moved approval of the staff recommendation. Vice President Anderson seconded and all were in favor.

7. **August Disbursements**

Director Roberts asked if 4311 referred the cell phone package above. Mr. Bartz stated it did.

8. **Committee Reports**

- a. Engineering Committee (Standing) – Director Roberts briefed the Board on the status of the Wells and the Chlorinators.
- b. Street Lighting & Parks Committee (Standing) – This Committee has nothing further to report since the last meeting.
- c. Finance Committee (Standing) – Director Johnson stated the Auditors recommended the District report the Enterprise Funds separate from the Government Funds. He stated a summarized form of this will be presented to the Board. If any Board member would like to see the detailed report, it will be made available. The Financial Statements will be distributed at the next Board meeting.
- d. Building Committee (Standing) – This Committee has nothing further to report since the last meeting.
- e. Adjudication Committee (Ad Hoc) – Director Roberts reported they attended a meeting in Lancaster and there is another one scheduled on the September 23, 2009. Director Johnson suggested Mrs. Bishop e-mail the Board Members notices of the meetings.

ACTION ITEM: Mrs. Bishop to e-mail the Board Members notices of the Adjudication meetings.

- f. Emergency Preparedness Committee (Ad Hoc) – President Morrissette stated he will get the corrections to Mrs. Bishop by this Friday.

The Board asked that the Solid Waste Powers be added to this item.

ACTION ITEM: Add Solid Waste Powers to the list of Committee's on the Agenda.

9. **General Manager's Report**

Mr. Bartz provided a written report and gave a brief review of the Meter Replacement Project.

Director Fahrlender asked for a timeline on the Audit, Automatic Meter Read System and the Master Plan showing where they should be, where they are and a dollar amount if there are any outstanding variables.

ACTION ITEM: Provide the Board with a timeline on the Audit, Automatic Meter Read System and the Master Plan showing where they should be, where they are and a dollar amount if there are any outstanding variables.

10. **Reports**

a. **Director's Report**

Anderson – Director Anderson asked if there is someone the District is paying at a meeting, can they be moved up in the Agenda. Mr. Bartz stated staff will attempt to move those items up when forming the Agenda as well as move those items up on the Agenda at the meeting.

Johnson – Director Johnson stated he completed his Board Instruction.

Fahrlender – Director Fahrlender asked for a running report on where the District is with the Grants.

ACTION ITEM: Mr. Bartz to supply a running report on where the District is with the Grants.

Roberts – Director Roberts had nothing further to report.

b. **President's Report** – President Morrissette thanked Director Johnson for his time spent in the Dunk Tank with him at Phelan Phun Days. President Morrissette thanked Director Anderson for all the hard work he did on the Phelan Phun Days.

11. **Correspondence/Information**

President Morrissette stated Mike Stevens from Mojave Water Agency (MWA) spoke to the District a few months ago regarding their New Legislative Outreach Program. President Morrissette suggested the District send a letter of support to MWA for the program.

ACTION ITEM: Mr. Bartz to send a letter of support to MWA for the New Legislative Outreach Program.

A discussion took place regarding the options the District has in joining CalPERS.

Set Agenda for Next Meeting – October 7, 2009

- Parks and Recreation Master Plan
- Review of Contract for Contractual Services
- Discussion on Retirement System
- Presentation from TIAA-CREF
- Closed Session for Office Property

Adjourn

The Board adjourned for the Closed Sessions at 10:20 p.m.

Closed Session – Conference with Real Property Negotiators

(Government Code §54956.8)

Properties: APN#3066-331-26/APN #3066-441-05, 06 & 07/APN #3066-221-29 & 33/ APN#3066-221-25

District Negotiators: Mr. Bartz/Mr. Kennedy

Negotiating Parties: Lee & Associates/Kevin Anderson/Harry Marinelli/Zimbro Realty

Under Negotiation: Price and terms of payment

Closed Session – Conference with Real Property Negotiators

(Government Code §54956.8)

Properties: APN# 3098-081-01 & APN# 3098-071-05/APN# 3098-321-01

District Negotiators: Mr. Bartz/Mr. Kennedy

Negotiating Parties: Harry Marinelli/Nancy Cosgrove

Under Negotiation: Price and terms of payment

Announcements of Any Reportable Closed Session Actions

There were no reportable items to report.

Adjourn

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

Board approved the above Minutes on October 7, 2009:

Al Morrissette, President

Date

Debbie Bishop, Board Secretary

Date