

FRAZIER PARK PUBLIC UTILITY DISTRICT

4020 Park Drive - Frazier Park, CA 93225

MINUTES FOR THURSDAY, JANUARY 14, 2016

Garcia/Gipson 3/0/1 - Director Neyman abstain, Director Schoenberg absent

Minutes Approved on February 11, 2016

1. Call to Order: 6:02pm.

Roll Call of Directors: Durso, Gipson, and Schoenberg - Director Neyman absent.
Director Garcia present as the chairperson.

2. Discussion/Vote/Adjust Agenda as Necessary.

Motion: Move to adjust the Agenda so Item #4 is between Items #8 and #9, unless the bookkeeper arrives before we get there, in which case we'll move it to wherever we are at in the Agenda.

Schoenberg/Gipson 4/0/0, Motion Passed - Director Neyman absent.

3. Public Comments - Present: Don Coleman, Rodney Maston (BHK) and Patrick Hoffman (BHK).

Mr. Coleman explained he has spoken to a number of people he knows in the Frazier Park area about the Lake of the Woods (LOW) annexation. Almost all of them have confirmed the need to be a "good neighbor" but would like to know, "What is in it for me?" and "Will my water bill go down?". Mr. Coleman also inquired about the voting rights of the people of Frazier Park in regards to this issue.

Director Garcia responded first by reiterating the response people have, comes from ignorance, because they don't come to meetings to get information. Although Frazier Park will not be gaining water from this merger, it will still be an equitable arrangement. Those on water service in LOW, should a merger take place, would then be making water payments to the FPPUD. This increase in income could then be used to maintain and improve our water system.

Director Schoenberg further explained there is another potential benefit for Frazier Park. We are currently considered a disadvantaged community. LOW is now classified as a severely disadvantaged community. Should the FPPUD join with LOW and one other water system, the state of California would open up the possibility of up to \$13 million of grant money. In regard to annexation, the people of Frazier Park do not have an actual vote. They will, however, be polled. If everyone is opposed to this, it would not be right for the Board, in good conscience, to continue moving forward.

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General Manager (GM) Jonnie Allison added that the hydrogeologist confirmed there is water enough for both communities. There will be additional meetings to help educate the public to the benefits of annexation. He also confirmed LOW was approved for a \$1.3 million grant to install new meters and make improvements to their current system. They plan to begin breaking ground on these improvements in April.

-The Bookkeeper arrived; the Board continued on in the Agenda to Item #4.

4. BHK Presentation - Completion of 2014 Audit. Discussion/Vote/Sign as necessary.

Mr. Patrick Hoffman provided a draft report on the July 2013 - June 2014 audit and gave an overview of the financial statements. No issues were identified during the course of the audit (a clean audit opinion). The Board identified an error on the first page where the Directors and positions were described. The correct information will be researched and provided back to BHK. There was also a need to verify the dates for rates described were correct for June, 2014.

Motion: Move to accept the audit for July, 2013 - June, 2014 with any amendments we still need to make (Directors page, possible date on page 26, and manager's report and analysis).

Schoenberg/Durso 4/0/0, Motion Passed - Director Neyman absent.

Motion: Move to revisit Item #2 and move Item #13 to between Items #4 and #5.

Schoenberg/Gipson 4/0/0, Motion Passed - Director Neyman absent.

13. Accounts Payable and Financial Information.

Bookkeeper Linda Sheldon reported total cash balance is \$1,052,424.17. BHK will go over journal entries with Linda and make any additional entries or corrections. Director Schoenberg made a note to change the description in the check to the U.S. Forest Service from "Annual Ranger District Fees" to "Annual Land Use Fees".

Motion: Move to pay the bills with the correction as described.

Schoenberg/Gipson 4/0/0, Motion Passed - Director Neyman absent.

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5. Report of Officers:

President: None

Vice President: None

Secretary: None

Treasurer: Director Schoenberg reported she came in and made some adjustments to the monthly deposits into the USDA Reserve Fund. An extra payment was made by mistake but can be easily corrected. Automatic payments were set up through October, 2016. Monies came in from the State and were transferred for payments to Directors for Pre-Planning meetings held during June and July.

Member at Large: None

6. Board Member Initiatives - None

7. Manager's Report.

GM Allison reported there was 1 after-hours call out, 1 main line leak repair and 112 service orders were accomplished.

Tree trimming is now complete. The trees look great and he was very happy with the company.

The well design has come back and is now out for bidding.

A quote has not come in yet for the Rate Study. The company explained a lot of their work has time requirements that are all hitting now. They don't believe they can get started on the study until March. A quote should be ready in the next week or two.

GM Allison passed out a flyer for leadership training requested by JPIA. There is no guarantee that if he applied, he would make it into the class. The cost is about \$1,400 with food and materials included. Most of the classes are webinars, with a few exceptions which take place in Shafter. Because these classes are so close, there would be no need to pay for a hotel room.

The Board believes these classes would be a great idea and directed the GM to apply for the training.

GM Allison explained that he is in the process of buying a house, so he cashed in his once a year, 40 hours of vacation time to help with that process.

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a. Discussion/Vote on New Connection.

A new connection was requested for the address of 3425 Illinois Trail. As there are houses all around with connections, the main line should come close enough to create a tie-in. The Board expressed concerns over paying for a main line extension and setting an undesirable precedence. GM Allison clarified there would not be a need for an extension, but only the possibility of an enlargement to the incoming water flow.

Motion: Move to approve the new connection for 3425 Illinois Trail with an amendment that wording is put in stating; if it's found costs exceed original estimates, additional money would be needed.

Schoenberg/Gipson 4/0/0, Motion Passed - Director Neyman absent.

8. Ad Hoc Committee (Capital Improvements for Rate Study) Report.

The ad hoc committee has not met due to Director Neyman being out of town. He and Director Schoenberg will continue to work on this project when he returns. This item was tabled until the next Regular Meeting.

9. Continue Discussion/Reading of the Brown Act.

Tabled due to an absent Director.

10. Board of Directors Bond - Signing for Director Durso.

This item will be carried over to the next Regular Meeting so a notary can witness the signature.

11. Discussion/Possible Vote on Cold Springs Canyon Property.

GM Allison explained he found a letter that contained information about the house being built (lot and track numbers) and forwarded the information to FPPUD attorney Neal Meyers. He and Admin. Asst. Tiffany Matte are still in search of the file that is supposed to contain all of the information on Cold Springs. Quad Knopf conducted the land survey and will be called to get a copy of that report.

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12. Discussion/Possible Vote on Reimbursement for Directors Review of Financials.

This item was carried over from the previous meeting due to a lack of quorum. Directors Neyman and Schoenberg have worked as an ad hoc to insure financials and payout requests for Pre-Planning meetings are accurate. The Board agreed previously this is necessary and saves time during meetings.

Director Schoenberg recused herself from the room during the discussion and vote.

Motion: Move to pay the ad hoc committee for going over the financials.

Gipson/Durso 3/0/1, Motion Passed - Director Schoenberg abstain, Director Neyman absent.

14. Discussion/Possible Vote on Updates to the FPPUD Website (Financials, Minutes, Etc.)

The Board discussed what information they would like to have up on the FPPUD website. Director Garcia suggested having some information available on the main page and a link to an archive page for previous information. This could be done for both the Minutes and the Financials. Director Schoenberg will try to put in 3 years of Minutes on the meeting pages and will work on how to create an archive page. For now, financials will be put on one at a time until archive capabilities are created.

Motion: Move to pass what is needed to increase the website capabilities as discussed by the Board this evening.

Durso/Gipson 4/0/0, Motion Passed - Director Neyman absent.

15. Discussion/Possible Vote on Consolidation Vs. Interconnection with Lake of the Woods - Tabled until next Special Meeting.

16. Review and Approve Minutes for 12/10/15 and 12/17/15.

Motion: Move to accept the Minutes for December 10, 2015 with the possibility of critical amendments for spelling, punctuation and small details.

Gipson/Schoenberg 3/0/1, Motion Passed - Director Durso abstain, Director Neyman absent.

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Motion: Move to accept the Minutes for December 17, 2015 with the possibility of critical amendments for spelling, punctuation and small details.

Durso/Gipson 4/0/0, Motion Passed - Director Neyman absent.

Oral Announcement Prior to Closed Session (54957.7(a)): A representative of the legislative body to orally announce the items to be discussed in closed session prior to any closed session meeting.

(54954.5(e)) Public Employee Performance Evaluation.

Title: Administrative Assistant to the General Manager/Clerk of the Board.

17. CLOSED SESSION pursuant to Gov't Code Section (54957).

(54954.5(e)) Public Employee Performance Evaluation.

Title: Administrative Assistant to the General Manager/Clerk of the Board.

Director Garcia announced closed session at 8:32pm.

Returned from closed session at 8:40pm.

Actions in Closed Session (54957.1(a)) 54957.7(b)):

Director Garcia announced that in closed session the performance evaluation was reviewed. The Board Directed GM Allison to give a wage increase as discussed.

18. Discussion/Vote on Future Agenda Items.

Items to be carried over to the next Regular and Special Meetings as discussed. The next Special Meeting will be on January 28, 2016.

Adjournment.

Motion: Move to adjourn.

Gipson/Durso 4/0/0, Motion Passed - Director Neyman absent.

Meeting Adjourned: 8:42pm.

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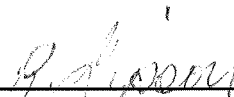
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At every regular meeting, the legislative body shall provide the public with an opportunity to directly address the body on any item of interest to the public before or during the legislative body's consideration of the item that is within the subject matter jurisdiction of the legislative body. (Brown Act Code Sec 54954.3(a)).



Tiffany Matte, Clerk of the Board



Attest: Rebecca Gipson, Secretary

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