

FRAZIER PARK PUBLIC UTILITY DISTRICT
4020 Park Drive - Frazier Park, CA 93225
MINUTES FOR THURSDAY, JULY 14, 2016
Gipson/Durso 3/0/2 - Directors Garcia and Schoenberg abstain
Minutes Approved on September 8, 2016

1. Call to Order: 6:08pm.

Roll Call of Directors: Durso, Gipson, and Schoenberg - Director Garcia absent.
Director Neyman present as the chairperson.
Also present: Jonnie Allison, Tiffany Matte and Linda Sheldon.

2. Discussion/Vote/Adjust Agenda if Necessary.

There was a need to add an Item to the Agenda for this meeting. The Board President, Director Neyman, read aloud The Brown Act section 54954.2(b). He then publicly identified the item to be discussed:

-Proposed Municipal Services Review - Kern County LAFCo contract with Stan Hoffman & Associates.

This item needed to be discussed at this meeting due to time restraints on the Pre-Planning schedule. Signing this contract is necessary in order to begin the annexation process. The need for a discussion/vote was brought to the Board's attention subsequent to the posting of the Agenda.

Motion: Move that we add the proposed Municipal Services Review for Kern County LAFCo contract, which deals with the Frazier Park and Lake of the Woods water supply project, Stanley Hoffman's contract, to the Agenda, based on the fact that it was brought to our attention after the Agenda was posted, that there is an immediate need for us to sign this contract in order to move forward with the proposed LAFCo annexation process, to be added after Agenda Item #2. Schoenberg/Gipson 4/0/0, Motion Passed - Director Garcia absent.

The Board identified another Item that needed to be added to the Agenda for this meeting. The Board President, Director Neyman, read aloud The Brown Act section 54954.2(b). He then publicly identified the item to be discussed:

-A letter dated July 14, 2016 to Lawrence Sanchez, Associate Sanitary Engineer, in regard to Frazier Park Funding Agreement #SR-12013L007, the Revised Budget #3.

Motion: Move that we add, additionally, to the Agenda, the ability to vote on the letter to Lawrence Sanchez with the revised budget. Schoenberg/Gipson 4/0/0, Motion Passed - Director Garcia absent.

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2.1 Letter to Lawrence Sanchez with Revised Budget #3.

Motion: Move that we vote to accept the letter to Lawrence Sanchez and allow the President of the Board, Director Neyman, to sign this letter and to send it off asking for the funding adjustment.

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

2.2 Proposed Municipal Service Review - Kern County LAFCo contract with Stanley Hoffman & Associates.

The Board reviewed the contract and made changes that included fixing typos and changing the net from 30 days to 75 days. The cost of the contract is \$18,500.

Motion: Move that we adopt and sign the contract whose subject matter is Proposed Municipal Services Review for Kern County LAFCo, Frazier Park/Lake of the Woods Water Supply Project, Stanley R. Hoffman and associates in the amount of \$18,500.

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

3. Public Comments - None. Present: Bill Hopper.

4. Report of Officers:

President: None.

Vice-President: None.

Secretary: None.

Treasurer: Director Schoenberg explained she will be reporting on her work on the Budget, as well as the Prop 218 Rate Study under her Ad Hoc Committee report. She was not able to get the Agenda up on the website before the meeting.

Member at Large: None.

5. Board Member Initiatives - None.

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6. Manager's Report.

General Manager (GM) Jonnie Allison explained, he doesn't have an amount determined for "Water Sold" in his report this month. This was due to a misread being finalized into the end of month processing. Everything will be corrected and an accurate report will be generated at the end of the month.

There were 10 after hours call outs. There was a large leak on East End. The power company was putting in a new pole and hit a 6 inch steel pipe what was not shown on any of the maps. The crew was able to stop most of the water that was flowing but GM Allison will be contacting the company that did the hot tap for the new well, and see if they can hot tap a valve into the line without shutting it down.

a. Admin Assistant's report.

Tiffany Matte updated the Board on information from Kern County Elections. She called them and verified they do intend to publish the Notice of Election in The Mountain Enterprise. The nomination period for those running for office begins this Monday and will run through August 12th.

7. Ad Hoc Committee Report.

Director Schoenberg reported she and Director Neyman met with John Vandenburg from RCAC, the gentleman handling the Water Rate Study. During the course of the meeting they realized there was a question as to whether the assets being reported in the monthly financials were up to date or correctly identified. The ad hoc committee will work on putting together an updated list to submit to RCAC in the next week. They will then work on a more detailed record over the next few months for the auditors.

8. Report on Other Water Board Meetings Attended.

Director Schoenberg attended a presentation by Tejon Ranch Company (TRC) on their new development at the bottom of the Grapevine. She expressed her personal concerns that there was nothing in the DEIR that addressed the new community's needs for medical care, schooling, or safety provisions. Residents would possibly have to look toward the Mountain Communities or Arvin to meet those needs.

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Motion: Move to take a 10 minute break at 6:54pm.
Durso/Gipson 4/0/0, Motion Passed - Director Garcia absent.
Return from break: 7:12pm.

9. Discussion/Vote on Reimbursement to Directors for Travel Costs to the Water Boards Leadership Institute.

Director Neyman asked for reimbursement for the cost of travel to Visalia to attend a Water Boards Leadership Institute presented by Self-Help Enterprises. Bill Hopper, a Board Member of Lebec County Water District, is also attending the same class. They will be taking turns driving to the class and proposed that each Board reimburse their respective member. This will cut down on the cost for each District.

Motion: Move that we reimburse the Directors for travel costs to the Water Boards Leadership Institute, paying for every other class.
Gipson/Schoenberg 3/0/1, Motion Passed - Director Neyman abstain, Director Garcia absent.

10. Discussion/Vote/Reading of the Brown Act.

Based on the fact that the Board viewed a Brown Act Training class on June 30, 2016, new Board Members were able to get a basic understanding, and new information was learned, Director Schoenberg feels this Item can be removed from the Agenda, but added back in 6 months to revisit.

Motion: Move that we remove The Brown Act from the Agenda, but add it back on in six months for continuing training. Additionally, to table Agenda Items #11-15.
Schoenberg/Gipson 4/0/0, Motion Passed - Director Garcia absent.

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

12. Discussion/Possible Vote on FPPUD 48hr Notice/Service Lock-Off Policy - Tabled.

13. Discussion/Vote on Quote from Telstar for Telemetry - Tabled.

14. Continued Discussion on Groundwater Basin Authority - Tabled.

15. Discussion/Vote on Meeting Dates with Tejon Ranch - Tabled.

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16. Accounts Payable and Financial Information.

The current balance on all accounts is \$839,081.99.

USDA funds were received at the end of June for the construction project. Bookkeeper Linda Sheldon explained those checks have been cut now, since she will be on vacation during the next meeting. The checks have been dated June 30, 2016 to ensure they are accounted for in the same fiscal year as the funds received.

The bank has refunded fees charged in error to the Construction Account.

Linda reported she has been in touch with Scott from BHK. He is working on putting together the audits for fiscal years 2015 and 2016, at the same time. She is hoping to have all the information needed to him by the middle of August.

The new rates for employee health insurance came in. The rates for vision and dental did not change, but medical increased by 12%. JPIA does offer an incentive program that gives a 4% discount in rates if certain qualifications are met. The District meets almost all of the qualifications, but would have to agree to pay 50% of an employee's monthly health care premium after they retire. The Board calculated the cost to provide retirement insurance, which wouldn't start for another 15 years, versus the savings from a 4% discount for six employees now (about \$5,000 per year). They agreed that, because of the deficit in the operational budget that exists now, it would be better to save money now and pay out later when the District has a more stable budget.

Motion: Move that we adopt the ACWA/JPIA incentive rate and fill out the application and send it in.

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

Motion: Move that we pay our bills with the one adjustment to the retention for Sansone and the corrections to the Directors fees, where the amounts were accidentally swapped.

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

17. Discussion/Vote on 2016-2017 Budget.

The Board read through the proposed budget line by line for the projected numbers, and made adjustments as needed, based on the profit and loss statement provided in the financials.

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Motion: Move to extend the meeting to finish business at 8:52pm.
Schoenberg/Gipson 4/0/0, Motion Passed - Director Garcia absent.

Motion: Move that we approve the 2016-2017 budget with the caveat that Linda will be looking up the category 63560 - Insurance, letting us know two of those numbers, and the Board will give a vote of confidence to fix that, also to make any changes needed to payroll.

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

18. Discussion/Vote/Approval of Pre-Planning Grant Claim #7.

A final copy of Claim #7 was not received. This item will be tabled until the Pre-Planning meeting on July 28th.

Motion: Move to table Item #18.

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

19. Approval of Dee Jaspar & Associates Invoice #16-05026.

The Board discussed this invoice from Dee Jaspar & Associates for attending a meeting with Tejon Ranch Company (TRC). Both the District and Dee Jaspar were invited by TRC. Director Schoenberg stated she believes submitting this invoice to the FPPUD is a direct conflict of interest. The Board agreed billing should be submitted to TRC.

Motion: Move that we do not approve Dee Jaspar & Associates Invoice #16-05026 because I believe it is a direct conflict of interest and it is not our invoice to pay.

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

20. Discussion/Vote on Resolution FP-20160714-01 - Planning Application and Funding Agreement.

The Board read this Resolution out loud, but was not comfortable with the wording giving authority to the Board President to approve claims. Tiffany Matte will contact Carlos Bravo of Self-Help Enterprises and have the wording corrected as discussed. This Item will be carried over to the next Pre-Planning Meeting.

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21. Discussion/Vote on Resolution FP-20160714-02 - Authorizing Kern County to Act as the Agent in the Collection of Taxes.

This Resolution was read out loud. Tiffany Matte noted the wording for this Resolution has not changed from last year, with the exception of the date changing for the tax year and an updated list of delinquent accounts. Because the Resolution for the Planning Application was not approved, the name of this Resolution will be changed to FP-20160714-01.

Motion: Move that we approve Resolution FP-20160714-01 in the matter of: Water availability or standby charges assessment; Delinquent accounts assessment; Resolution authorizing Kern County to act as FPPUD's agent in the collection of assessment taxes for the 2016-2017 tax year.

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

22. Discussion/Vote on Bulk Water Sales.

GM Allison suggested the Board adopt the 1.4 ¢ per gallon bulk rate. This is the same rate Lebec County Water District charged Lake of the Woods for supplying water.

Motion: Move that we charge 1.4 ¢ per gallon on bulk water sales, until such time we do the Prop 218 Rate Study, which may find that our bulk water sales should be less or more than, based on actual hard facts.

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

23. Discussion/Vote on Conflict of Interest Code - Biennial Review.

This item is still under review by FPPUD attorney Ernest Conant, and is not yet available for vote. Tiffany Matte provided available documents to the Board, regarding the last time the District made changes to the code, for review.

Motion: Move to table this until the next meeting.

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

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24. Discussion/Vote on Revision of FPPUD Bylaws.

Motion: Move that we adopt this revision of our FPPUD Bylaws on #5 only, which changes our meetings to a Regular Meeting on the 2nd and 4th Thursdays of each month at 6pm. generally at the FPPUD main office or at a place designated in the call by the Board President and consistent with current law.

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

25. Discussion/Vote on Record Retention Policy.

The Board expressed at a previous meeting the need to have a Record Retention Policy. Tiffany Matte reported the District has a policy in place, approved as Resolution #511. Director Schoenberg wanted this item carried over to the next Regular Meeting for discussion.

Motion: Move that we table this until the next Regular Meeting.

Durso/Schoenberg 4/0/0, Motion Passed - Director Garcia 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: Operator 2 and Bookkeeper.

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

(54954.5(e)) Public Employee Performance Evaluation.

Title: Operator 2 and Bookkeeper.

Director Neyman announced closed session at 10:10pm.

Returned from closed session at 10:20pm.

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

Director Neyman announced in closed session the Board directed GM Allison to use his discretion on pay increases.

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27. Review and Approve Minutes for 06/09/16, 06/23/16 and 06/30/16.

Motion: Move that we approve the Minutes for June 9, 2016 with the possibility for amendments for typos or other errors that need to be corrected.
Gipson/Durso 4/0/0, Motion Passed - Director Garcia absent.

Motion: Move that we approve the Minutes for June 23, 2016 with the possibility for amendments for typos or other errors that need to be corrected.
Gipson/Durso 4/0/0, Motion Passed - Director Garcia absent.

Motion: Move that we approve the Minutes for June 30, 2016 with the possibility for amendments for typos or other errors that need to be corrected.
Gipson/Durso 4/0/0, Motion Passed - Director Garcia absent.

28. Discussion/Vote on Future Agenda Items.

Pre-Planning Meeting July 28, 2016:

- Carry over the Resolution for the Planning Grant.
- Carry over Approval of Pre-Planning Claim #7.

Regular Meeting:

- Carry over the Discussion/Vote on the Conflict of Interest Code.
- Carry over the Discussion/Vote on the Record Retention Policy.

29. Adjournment.

Motion: Move to adjourn.

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

Meeting Adjourned: 10:40pm.

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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

seal