

FRAZIER PARK PUBLIC UTILITY DISTRICT

4020 Park Drive - Frazier Park, CA 93225

MINUTES FOR THURSDAY, MARCH 10, 2016

Garcia/Schoenberg 5/0/0

Minutes Approved on April 14, 2016

1. Call to Order: 6:08pm.

Roll Call of Directors: Durso, Gipson, Neyman and Schoenberg.

Director Garcia present as the chairperson.

Also present: Jonnie Allison, Tiffany Matte and Linda Sheldon.

2. Discussion/Vote/Adjust Agenda if Necessary.

Motion: Move that The Brown Act, Agenda Item #8 be moved to behind Item #17.

Durso/Gipson 5/0/0, Motion Passed.

Member of the public Linda Robredo asked that Agenda Item #16, Discussion/Vote on New Water Service Connection Fee, be moved up to the top.

Motion: Move that we move (Agenda Item) #16 to between #7 and #8, before we take a recess.

Schoenberg/Neyman 5/0/0, Motion Passed.

3. Public Comments - None. Present: Linda Robredo.

4. Report of Officers:

President: None

Vice-President: Director Neyman reported that he, Director Schoenberg, and General Manager (GM) Jonnie Allison went to the bank (California Bank & Trust) to discuss the possibility of new services like taking over the credit card terminal, e-banking and an electronic check scanner. They recommended the bank do a presentation to the Board once they have numbers to present. The bank requested information from the FPPUD in order to better assess the services they can provide and to give a quote.

Secretary: None

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Treasurer: Director Schoenberg reported that meeting information is up on the website, with the exception of the financials, which did not get sent out electronically. All of the Minutes through January, 2016 are available on the FPPUD website, with 3 years available to view. The reports from Dee Jaspar & Assoc. on water demands and availability, minus the images, are now available to view on the "Manager's Report" tab of the web page.

Member at Large: None

5. Board Member Initiatives:

Director Neyman expressed the thermostat in the FPPUD office is old and not programmable. He would like to see a new thermostat installed so that heating and cooling does not have to come on nights and weekends when no one is in the office. This could save money for the District.

GM Allison responded by pointing out there is a brand new thermostat installed and programmed for 7 days. The heating temperature will be reduced to 60 degrees after 4:30pm and will raise back to the higher temperature at 5:30am, before the office opens.

6. Manager's Report.

GM Allison reported there was 1 mainline leak last month. Since the District is still shorthanded, meter changes and work orders have been reduced. A candidate for the available field position was sent down to Bakersfield for drug testing, the results will hopefully be back on Friday and the worker ready to start on Monday.

a. Discussion/Possible vote on credit card for Admin. Assistant.

GM Allison would like to split off \$1,000 of his credit limit to Admin. Assistant Tiffany Matte to have a credit card with her name for when she needs to order stuff, pay for community meetings or anything else of that nature. She has also been added to the account at Ace Hardware for any shipping that needs to go out.

The Board unanimously approved the request.

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b. Admin. Assist. Report.

Tiffany Matte reported she ordered and received a podium, extra microphone and a microphone extension cord for use at community meetings held in the park's recreation building. It would also be useful for meetings held at the FPPUD office. This will aide in hearing community members input when transcribing the meeting minutes. Also ordered and received was a transcription foot pedal and software to make the process for transcribing community meetings more efficient.

7. Ad Hoc Committee Report.

Director Schoenberg reported, she and Director Neyman have not come in to do work on the Capital Improvement Plan as this was specifically requested by the first company that gave a quote for a Water Rate Study. Now there is the possibility of working with another company instead. The Ad Hoc committee did come in to look over the payout requests from Dave Warner and Dee Jaspar and found a couple of mistakes. The documents were corrected and signed.

16. Discussion/Vote on New Water Service Connection Fee. (Moved per adjustment of the Agenda.)

This Agenda Item was requested by Linda Robredo, she addressed the Board for the discussion of this topic. She explained, due to an economic drop in real estate value and new construction, money the FPPUD collected from new connections fees, subsequently decreased significantly. There is a value in new water service. Now, we're moving toward the direction of collaborating with Lake of the Woods and providing water service to people outside of Frazier Park. In Lake of the Woods, 30% of their lots are flat, buildable lots that have not had water available to them because they were classified as a "dry lot". These lots will become immediately buildable after the Districts join together. She believes this will cause a "land grab" if the cost of new water service is so low and a building moratorium until debts were paid, would not be stomached at any level. What Frazier Park does have control over is raising the rates of new connections to the FPPUD system from the current level of \$8,000, up substantially, even to as high as \$30,000. If this were to be accomplished before the hook-up of Frazier Park and Lake of the Woods, it would cause a slow down to the land grab for buildable lots.

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Linda Robredo also explained she would like to see improvements from all of our communities. There are many very old, dilapidated buildings that have water service available to them. There is a benefit to having them torn down and rebuilt. Should the new connection fee be increased significantly, there would be more value in acquiring old buildings and reconstructing them, then there would be in building on a virgin piece of land. She described her suggestions as being preventative in regard to a land grab in Lake of the Woods, and as an opportunity to raise the value of everyone's community by renewing the properties that need to be rebuilt. This is something within the ability of the District and would need to begin soon, as it takes time for any governmental process to happen. Waiting until after annexation would make this process considerably more difficult. A final benefit to raising connection fees would be to encourage other systems, as well as private well owners, to join during this process as the cost for waiting and joining later would be significantly greater.

Director Garcia responded to her ideas by clarifying, should Frazier Park join together with Lake of the Woods, "dry lots" would not become automatically buildable. Each new service connection would have to be requested to the Board by application, and would be approved/disapproved on an individual basis.

Director Schoenberg pointed out that this would be an appropriate time to address this as the FPPUD is currently looking into a Water Rate Study and a new connection fee increase would have to be included in the study in order to be changed. In regard to the people who haven't joined into the system at the point when we annex, there would be no way to know the cost to enter the system until the Planning Phase begins and a study into the cost was conducted.

GM Allison added, there are lots all around Frazier Park that don't have meters also. They can have meters if the owners wanted and requested it, but none have. In the past 6 ½ years there has only been 1 request for a new service connection because builders have said \$8,000 is too high of a cost. Just because we take over Lake of the Woods and there is water available to them, there is no reason to think that they would get a housing boom either. If we were to raise rates, and there were to be an increase in construction, granted it would help get rid of old houses, but we would be shooting ourselves in the foot from any potential revenue which would help in keeping monthly billing costs down.

Linda Robredo addressed the responses. The reason behind asking for a rate increase last time was because the "boom" had ended and everything flattened out. The reason there has been only 1 new connection is because of the bottomed out real estate market, when there was so much inventory on the market, no one was building. The District, in the past, got used to extra money coming. When it stopped, rates had to be raised to meet financial needs. The goal is to avert a potential problem while we have the chance, by setting the standard of what the value is of having water service in our District.

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GM Allison reiterated, as a Public Utility, the FPPUD can't raise rates without justification. There was justification when the connection fee was increased to \$8,000. There is no way to justify the cost at \$20,000 until a new study is conducted should we take over a new system.

Linda Robredo concluded her discussion by stating she is putting it out for preemptive consideration for the Board to adopt, evaluate and see how far one can justify an increase to the new connection fee.

8. Continue Discussion/Reading of the Brown Act - Moved until after Agenda Item #17.

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

Director Durso returned his notarized Bond Application previously during the week and it was mailed off for processing.

10. Discussion/Possible Vote on Water Rate Study.

GM Allison received 2 more quotes for a rate study, one from Provost & Pritchard, the other from GEI. The least expensive option is now Provost & Pritchard, the company recommended by Ernest Conant and used by Tejon-Castac Water District for their rate study. He has been in communication with Jesse Dhaliwal about the high cost of the study, who then involved Lawrence Sanchez. Mr. Sanchez believes he can initiate RCAC to do the study for the District, paid for by the State. GM Allison, in the meantime, will hold onto the quotes received until it is confirmed the State will, in fact, pay for the study.

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

GM Allison spoke with Neil Meyers and gave him the go ahead to proceed based on Board direction. He is currently working on getting in contact with owner who is restricting FPPUD access.

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

The service lock-off notice was not developed, this item will carry over to the next Regular Meeting Agenda.

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13. Accounts Payable and Financial Information.

Bookkeeper Linda Sheldon explained, her computer has not been functioning properly and so she was not able to get all of the financials ready for the meeting. The local PC repair company will be coming out to address the issue.

Current cash balance for all FPPUD accounts is \$833,182.98. She looked into the budget line item titled "Pre-paid Water" as requested by the Board. It is an auditor's adjustment from 2012-2013 for an overlap in payments received. This adjustment ensures income matches expenses at the end of the fiscal year. This number will be adjusted again when the 2014 and 2015 figures are received from the auditors.

2 out of 3 year end reconciliations were received for USDA loans. The 2 that came in did reconcile to FPPUD records for loan principal and interest paid. As soon as the final year end statement comes in, she will work on that reconciliation.

Motion: Move to pay the bills.

Schoenberg/Durso 5/0/0, Motion Passed.

14. Discussion/Vote on Resolution FP-20160310-01 : Resolution for Change of Officers of the District/Authorizing Banking.

Tiffany Matte went over the change to the resolution where she is added and authorized to make payments using the California Bank & Trust Visa Card.

Motion: Move to take a break at 7:23pm.

Gipson/Neyman 5/0/0, Motion Passed.

Returned from break: 7:33pm.

The Board referenced Resolution #500 for the process of rotating Board positions by seat number. The positions were offered to each Board member in order, according to seat number, and were either accepted or declined.

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Resolution FP-20160310-01

Officer positions as of March 10, 2016 are as follows:

Gerald Garcia	Vice President	Seat 1
Rebecca Gipson	Secretary	Seat 2
Brahma Neyman	President	Seat 3
Lisa Schoenberg	Treasurer	Seat 4
Frank Durso	Member at Large	Seat 5

Administrator for online banking:

Lisa Schoenberg	Treasurer	Seat 4
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Alternate Administrator for online banking:

Brahma Neyman	President	Seat 3
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Motion: Move that this motion be adopted.

Schoenberg/Neyman 5/0/0, Motion Passed.

15. Discussion/Vote on Issuing the Contract for Well 6.

The bid came in for Sansone at \$189,750, which exceeds the budget by \$31,000. Dee Jaspar & Assoc. wants to issue the contract but immediately do a change order and remove bid items #4 (well motor) and #5 (well pump) from the contract. This will bring the cost back under budget. The motor and pump will be taken out of Well 3 and rebuilt to be used for Well 6.

Motion: Move that we approve the contract with Sansone for Well 6 for \$189,750 with the stipulation of an immediate change order to remove bid items #4 and #5, reducing the contract amount to \$124,300.

Neyman/Schoenberg 5/0/0, Motion Passed.

17. Review and Approve Minutes for 02/11/16, 02/18/16 and 02/25/16.

Motion: Move to pass the Minutes for February 11, 2016 with the possibility of critical amendments for spelling, punctuation and small details.

Gipson/Durso 5/0/0, Motion Passed.

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Motion: Move to pass the Minutes for February 18, 2016 as the standard Minutes then pass a full transcription and place both on the website, as long as the 2 completely coincide.

Schoenberg/Neyman 5/0/0, Motion Passed.

Motion: Move to pass the Minutes for February 25, 2016 with minor corrections that have been stated by Lisa and any other minor corrections.

Neyman/Durso 5/0/0, Motion Passed.

- 8. Continue Discussion/Reading of The Brown Act.** (Moved per adjustment of the Agenda.)

Director Schoenberg expressed her opinion that the Board should continue on in the reading of The Brown Act.

Motion: Move to table The Brown Act until next meeting.

Neyman/Durso 4/1/0, Motion Passed - Director Schoenberg no.

- 18. Discussion/Vote on Future Agenda Items.**

For the Pre-Planning Meeting on March 24, 2016 an Agenda Item will be included for an update on the Planning Grant and Timeline Extension.

Adjournment.

Motion: Move to adjourn.

Gipson/Durso 5/0/0, Motion Passed.

Meeting Adjourned: 8:17pm.

At every special meeting, the legislative body shall provide the public with an opportunity to address the body on any item described in the notice before or during consideration of that item. Taken from the Brown Act Statutes 54954.3(a)



Tiffany Matte, Clerk of the Board



Attest: Rebecca Gipson, Secretary

seal