

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIII D of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

CM = Community Member.

[...] = Words not audible on the recording.

Director Neyman: Welcome to the Public Utility District Frazier Park Special Meeting, Thursday December 8, 2016 at 6pm. Hearing on the proposed increase of base rate charge and consumption fee increase in compliance with Article XIII D of the California State Constitution. We'll stand and do the Pledge of Allegiance.

FLAG SALUTE

Director Neyman: I'd like to welcome everybody here tonight. The meeting is for counting the protest votes, and discussion on the Prop 218 increase. During, we will have a public comment period, which you will be able to come up to... Please come up to the stand, and we'll limit your share to five minutes. I will be using a timer. At five minutes, then you'll have to conclude what you're saying and take a seat. So, we can go from here. Okay, roll call of the Directors.
Director Schoenberg.

Director Schoenberg: Here.

Director Neyman: Director Gipson.

Director Gipson: Here.

Director Neyman: Director Garcia.

Director Garcia: Here.

Director Neyman: And Director Neyman, and we will be filling the fifth position, which is vacant, tonight, and that'll be in another meeting. Also, in any public comments, it has to all be to do with the Prop 218. If you have any other public comments for the Board, you'll have to wait 'till after this meeting, 'cuz then we'll be having our normal business meeting, and at that time you can come up and make more public comments. But, this first meeting is strictly for the Prop 218. So, at this time, we're just 'gunna do a summary of the proposed increase, and I've asked

FRAZIER PARK PUBLIC UTILITY DISTRICT

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John, he's from RCAC, John Van Den Bergh, and I'd like to welcome you. Thank you for coming.

John Van Den Bergh: Thank you. I'll give you a little, short synopsis as to what we went through to come up with these rates.

Director Neyman: Turn to the audience, so they can hear you.

CM: Can you speak a little louder, please?

John Van Den Bergh: The purpose of these rate increases is, to make sure that you have clean water. For now, and into the future. That's the only purpose of raising... Increase in the rates. And we looked at all the assets, all the pieces of equipment that is necessary to provide that water to you. And we figured out, through lots of discussions, how much, how soon we have to replace these pieces of equipment. Then we talked about how we going to pay for that replacement. And it can be done with a grant, a loan, or cash. And usually, there's always some cash component involved. So with that information, we were able to calculate as to how much money we have to put aside every year in reserves, to be able to replace the pieces of equipment that are 'gunna wear out. We also looked at the budget. And the budget I just took from the budget that was approved by the Board before. I just adjusted it for inflation a little bit. And then we went through the budget and looked at all the expenses. And there's two kinds of expenses, Fixed Expenses and Variable Expenses. Fixed expenses are the same if you sell a large amount of water or not. Like insurance. That stays the same. And Variable Expenses are like electricity. When you produce more water, you 'gunna be charged for more electricity. So, the goal is to cover the Fixed Expenses with your base charge. The amount that you pay every month. That is stable. Every month the same. And that money goes to the Fixed Expenses. And then the usage charge covers the Variable Expenses. So, then we came up with a rate that balances our budget. And our budget includes those reserve charges. And that's how we came up with the rate. Now, the way we distributed those fixed charges, came up with the base rate, is based upon the size of the meter. And the reason why that is based on the size of the meter, is because a large meter can draw a lot of water. The larger the meter, the more water goes through. And, so it's the potential of water that you could draw through your line, that determines your base charges. And it is a pure mathematical formula. It's pure mathematical as... There's no judgment involved, just calculation, because a 6" meter is much larger, can draw much more water, than a smaller meter. And that's how we distributed those fixed charges.

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CM: Can I ask you a question while you're in the middle of that?

John Van Den Bergh: Is that okay?

Director Neyman: Yeah.

Director Schoenberg: Have him come up so we can hear, because we do a transcript.

CM: What difference does it make if 20 gallons of water runs through a ¾" pipe, or 20 gallons of water runs through a 6" pipe?

GM Allison: Sir, we need you at the podium, there's a microphone up there.

CM: I think everybody can hear me. What difference does it make if 20 gallons of water runs through a 1" pipe, or 20 gallons of water runs through a 6" pipe? It still costs the same. You're selling a commodity. The commodity is water. Whether it goes through a ¾" pipe, a 6" pipe, or whatever, there should be no difference. There should be no difference... The possibility that it might use more, you're still 'gunna pay for the water through a 6" pipe, like you're 'gunna pay for water through a ¾" pipe.

John Van Den Bergh: Imagine everybody in this District has a ⅝" meter. Just imagine. A ⅝" meter. This infrastructure, all the pipes, all the tanks, all the pumps, would be much, much, much smaller. It's because we have large meters, that the system has to be designed for a much larger capacity. And it is that, what you're maintaining.

CM: What... You're still not answering the question. You're paying for a commodity. 20 gallons of water going through a 1" pipe costs the same as 20 gallons of water going through a 6" pipe. So why is there the difference in the size of pipes, for actual cost? For minimum cost?

John Van Den Bergh: You're paying for two things. You're paying for the water, and the potential of having more water when you need it. That is what you're paying for.

CM: There is no potential, because you're selling a commodity. Buy a gallon of milk, you get a gallon of milk. You buy a gallon of gas, you get a gallon of gas. No matter what size opening it goes through.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
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TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

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GM Allison: Yeah but, what he explained is, that if you're fixing 4" pipe, it's a heck of a lot cheaper than if you're fixing 6, 8, or 10" pipe. And because we have to have a 10"...

CM: How many are 6?

GM Allison: We only have one 6" meter in town. Just so you know, but...

CM: How many?

GM Allison: One.

CM: And that's at the elementary school?

GM Allison: That's at the school.

CM: What are the average size pipes going to residents?

GM Allison: The pipes still for the fire protection and everything have to be 6", but everything going everywhere else has to be 10. But what he's saying is it's a lot more...

Many people speak at once

Director Schoenberg: He asked what the residences are.

CM: [...], or Dollar General?

GM Allison: No. 2".

CM: Okay.

GM Allison: And, well, not to get off track but, I seen a thing on here where it says everybody's got to be 1" meters, that's not true. The rumor a couple years ago was that everybody was 'gunna have to go to 1" meters for new construction. Everybody I've talked to at the County says that hasn't gone through. That isn't true. So everybody's still staying ¾", unless you have a business and you need a 1" line.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

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CM: How often do you maintain a 6" line?

GM Allison: How often? Constantly, constantly. I'll tell you what, constantly. We're constantly fixing... These guys right here are constantly fixing the 6" lines, that are old steel lines, that are blowing apart. Constantly. And it costs a lot for everyone of them clamps. Some of our clamps are \$400, \$500 for one clamp. So that's what he's getting at. It costs a lot to run the company, and that's what he's saying. That you have to base the rates on what it costs to keep the company in order.

CM: Don't you get grant money for that kind of stuff?

GM Allison: The last time we got a grant, we got a grant/loan. \$2.1 million loan, and we're paying roughly \$150,000 a year, to pay back on that loan. That's the problem. That's why we're trying to get a \$13 million grant with no loan attached right now, to try to fix a lot of our pipeline, for the Lake of the Woods annexation. So we don't have to pony up that money. Because historically, we have to pay the majority of it. Even when they give you money, generally, there's something attached. We'll give you one...

CM: I think Lake of the Woods ought to pay for their own d*mn waterline. And if we're...

GM Allison: They are.

CM: ... pumping it up there...

GM Allison: They are, they got a...

CM: Then why are we paying higher rates...?

GM Allison: We're not. The two have nothing to do with each other. That's where everybody's confusing things. This rate, John refused to entertain even the notion about the annexation. Because the annexation is still two or three years away. The annexation cannot be figured in these rates. We have to figure in these rates, for what it cost the water company right now, as it sits. It has nothing to do with Lake of the Woods. Hopefully, down the road, the cost will be spread out, because we'll have 400 more. We'll have \$13 or \$16 million worth of mainline replaced, and fixes put in. But as of right now, these rates are what we need to maintain our system.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
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TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

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CM: It's 'gunna kill the fixed income people in this town. There's too many people in this town who have fixed incomes, low income, are barely making it now.

GM Allison: But what happens if we can't keep the system together, and we can't get water to those people? People like my mom that's on fixed income. What do we do then, if we can't provide the water? That's the problem.

CM: [...]

Director Schoenberg: Okay, we're trying to do a transcript of this, and if it goes back and forth like that, there's no way that Tiffany is going to be able to write any of this stuff down. It's not going to be picked up by the microphone, so...

Director Neyman: I would ask that you let John finish his, and then we're going to have an open comment period...

Director Schoenberg: And they really need to come up there, so she can hear it.

Director Neyman: ... and so you'll come up to the podium. So at this point, let him finish what he's saying, and then if you have questions or you have comments that you 'wanna make, then one at a time you can come up and address us.

John Van Den Bergh: I don't have much more to say, but... So we looked at a forecast of the consumption, of everybody's consumption. And then [...] the new rates against that anticipated sales, to come up with a revenue number, which we plugged into our five year budget. So, that's how we came up with a balanced budget. We adjusted the rates to make sure that the budget balances. That's what I'm going to say. That all pretty well explains as to how we did it, and I must say that, the Board and staff, worked very hard on getting me the right numbers, and I am confident that the system, with these new rates, will have enough money to pay for the replacement of future components.

Director Neyman: Okay, thank you John.

Director Garcia: Thank you John.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

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TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

Director Neyman: Okay, we're on to #4 - Hearing on Increase in Base Water Rate and Water Consumption Charges. At this time, #a - We'll have an open hearing for the public participation, so if you have any comments, one at a time, you can come and address the Board.

Donald Eubank: Good evening, my name is Donald Eubank, I've been a Frazier Park homeowner for over 30 years. I've been a resident for the last two years since I retired from the army in September of 2014. I'm here to protest the proposed rate increases. Each one of you have a copy of my letter. I'm against the rate increases because I believe they are unfair, and unjustified. Frazier Park residents are not wealthy people. Our neighbor is actually listed in the census report, Lake of the Woods, as financially depressed, and we're very close to that ourselves. Many of the residents here are on fixed income, at or below the poverty level. I believe that the proposed rate increases will create financial hardships on me, my neighbors, and will severely impact, if not close, some of the local businesses. Most of all, I'm very disappointed. I'm upset with this notice that I received about the public hearing, because I believe this notice lacks integrity. It does not accurately report or reflect what the rate increases are going to be. It seems to me that there was an attempt here, to hide the reality of what's 'gunna happen. For example, base charge for year one, there's no number there. But for a ¾" meter, that is a 39% rate increase. For a 1" meter, it is a \$102%, in the first year. The numbers then say 10% across the board, but by year 5, for most of the residents who have ¾" hookups, the rate increases proposed, reflect \$103% rate increase. If you have a 1" hookup, it's a 194%. From \$45.71 to \$134.70. What about the businesses? And what about our school? What is 'gunna happen... You said that we only have one, 6" hookup. So I think we're probably overstating the case, of having a system... We can solve this real easily. We just tell Kern County, don't issue permits for any more 6" hookups. We have one. Our school. The reason why they have a 6" hookup is to supply sprinklers if there's a fire. And, we are telling them that their rate of \$204 is 'gunna go up nearly 800% next month? To \$1,832.00, and over five years, that's 1,209% rate increase. A 1,200% rate increase. Obviously the schools are going to have to cut some programs for our kids, dramatically. And I'm discouraged, and disappointed, that the Board did not disclose these real numbers, on this report.

Director Neyman: We did.

Donald Eubank: No, they are not disclosed. The first year it does not tell us that it's going to be a 39% rate increase. So charging residents who have a 1" metered system, more than residents who have a ¾" metered system, it's unfair, because as the gentleman has said, we're paying for a gallon of water... When I go to the gas station they don't charge me more if the

**FRAZIER PARK PUBLIC UTILITY DISTRICT
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TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

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hose is a ¾" hose, or less because it's not a 1" hose. I'm wondering if the Board believes that the school can continue to provide education, and businesses will be able to stay in business, with these kind of rates. We're not 'gunna be very friendly to local business with these kinds of rate increases. It seems to me, that the Frazier Park residents are being asked, by the Water Board, to pay for the sins of past leadership that accumulated \$3.5 million dollars of bond debt, or accepting grants with loans attached to them. I suggest a far more reasonable rate increase would be something that is close to the cost of living, like 2% or 3%, which Lebec Water Board is doing. And I suggest that we need to look at solar power. Maybe to help cover the cost of pumping the water out of the ground, so we don't have to pay so much in electric bills. And I'm suggesting better water management and restricting outdoor watering. And I have other comments about annexation, but I understand that's for another meeting, right?

GM Allison: Can I address a couple of them concerns?

Director Neyman: Yes, absolutely.

GM Allison: The last one first. We have restricted water. It's only allowed two days a week.

Donald Eubank: Further restrictions, I'm suggesting.

GM Allison: Also, the Board has been not covering the sins of the past, but every time that a rate increase was needed, we had meetings like this, and everybody on the Board lives here, and I don't know if you know it, but not one of these people is rich. They're all on fixed incomes too.

Donald Eubank: I'm talking about \$3.5 million dollars of bond debt.

GM Allison: Let me finish, I'll get to that. Every time the rate increases come up over the last 20 years, it's been, we can't afford to charge what we need. We can't afford to charge, so let's not do it. So we had a big old reserve. The fact is that reserve got whittled away, and whittled away, and whittled away to where now we don't have the reserve. And it wasn't from overspending, because we've tried to do everything. I've looked into solar, too costly. I've looked into solar, and you can't put it nowhere, because people are going to be upset. You need too big of a solar field, and if you notice the solar fields out off the 138, it's a big bone of contention. You can't just throw up a big solar field out here in the mountain, without everybody getting mad about it. Plus it costs a lot. The \$3.1 million, that wasn't a poor choice, that was a

FRAZIER PARK PUBLIC UTILITY DISTRICT

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TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

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necessary choice to get a free \$1 million, because when we finally were able to start that project, we had water tanks that were literally squirting water 15-20 feet out of the tank. It had already been fixed so many times, that there was no saving them anymore. So our water storage tank was just 'gunna fail, and big portions of the town were 'gunna be without water. We were able to attain that grant/loan, which is generally the only way you can get a loan, or a grant from the USDA, is with a loan attached. So you get free money, then you get money you got to pay back. And they give you 40 years to pay for it. So that was the best move we could get. We got four new water tanks, and we got a couple blocks of mainline.

Director Schoenberg: And Jonnie, it wasn't 80/20, we got a lot better deal than that.

GM Allison: Well I didn't say it was.

Director Schoenberg: I know but he's mistaken.

GM Allison: Yeah, we got the best rate that we could. Not anybody on here, I'm telling you, all of these Board Members, including myself, I have my mom who is... meets every criteria of fixed income. Disabled, she can't afford to pay the water rate. But the fact is, if we don't pay it, if each one of us don't pay it, this water system will fail. And when it fails, we ain't 'gunna be able to provide water to anybody. We work non stop trying to fix this system with pipe failures all the time. The last grant we got for a new well, that was necessary because the other one was so old it was failing, we get the grant, the estimates came in at \$800,000. The grant was \$500,000. So the District, these guys over here, had to finish the rest of it ourselves. Building the building, tying in the pipe. Everything costs so much now, it seems like when I turn on my faucet, that should be all there is to it. The supplying companies don't lower their rates. They raise them every single year. Edison, every single year. Our Edison bill is anywhere from \$4,000 - \$5,000 a month, just for Edison. The point being, not one of us feels good about this rate increase. Also, we hate the fact that the 6" meter is being charged so much, but the reason why we do a Rate Study with somebody like John Van Den Bergh... The study costs \$25,000, which we couldn't afford. The State decided to pay RCAC for us, to have John do it. He's the professional that does it all the time. He's got the formula. You have to be fair, you can't second guess and pick and choose what you wanna' do, because as soon as you take away from the school, it goes to you guys. Because the same amount of money is needed. So if you start taking off of the school, then you 'gotta add more to the rest. If we take off of the 1" businesses, we 'gotta add more to the ¾, and more to the 6". It's a catch 22.

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TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

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Donald Eubank: All I'm saying is, that suggesting a 40% rate increase for ¾" meters, 39%, is unfair. Nobody in this room got that kind of a raise this year. Nobody. None of you, none of us. And, what we're asking is that the Board be more responsible, bring it back to a cost of living. You know, my military pension, I got a 1% increase.

GM Allison: I understand that. But what I said was, it should have been increased every year for the last 20, and, since it wasn't, because like the last one, because the Board listened to everybody in the audience, and didn't want to make the hard choice, because they don't want to harm anybody in the District. They all live here. So, they made the hard choice, but they made the wrong hard choice. Said okay, well, we'll lower the rates. We will go ahead and adjust the rates. But these are the rates that we need, not the rates we want, but the ones we need. And if we adjust them again next year, we're 'gunna have the same problem. And if we wait two more years, it's 'gunna be even worse because we're not getting what we need.

Donald Eubank: Well the man said, was to balance the budget. And it seems to me that \$3.5 million of bond debt is more of the problem, that we're asking the residents to cover.

GM Allison: How would we fix those failing tanks, if we wouldn't have got the grant/loan?

Donald Eubank: Sir, what I'm saying is, is that the rate increases are too dramatic for the residents of Frazier Park. These are not wealthy people. Further, I'm suggesting to the Board, that a vote tonight is premature, because I went around and talked to my neighbors this week, and many of them don't know anything about this. They did not get the notice. So, I think the Board...

GM Allison and Director Neyman: [...]

Donald Eubank: Well, they're telling me they didn't get the notice.

Director Neyman: We mailed out to each APN number, each person that gets a bill, we mailed out one of these notices. To every individual who gets a bill on a regular basis.

Donald Eubank: Sir, I understand you did that. What I'm just saying, I'm talking to the residents, and they don't even know about this.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

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GM Allison: Well the problem is, a lot of people throw their mail away. But what I do know is, it has been exhaustively covered by The Mountain Enterprise, by GBU Photography, it's been the topic of my life for the last several months. I personally, who just work here, trying to do a good job, can't go to dinner without people from the public coming up and interrupting my dinner, to talk about it. So the message has been out for the last several months.

Director Gipson: And this is our third public meeting about it.

GM Allison: It has been out. It's unfortunate, but everybody has known about it, because everybody... Several people in this room right here have talked to me about it. So, I mean we've done the best we could with notifying everybody. We have this list here of everybody that we sent letters to.

CM: Then the Post Office isn't doing their job because a lot of people [...].

GM Allison: The Post Office asked me last month if they could get a copy of their bill because they lost it, so, you're right. But we can't control the Post Office, we can only have good faith in what we do, in sending them out.

CM: Thank you. The first letter that came out said that there hadn't been any increases for several years, and there's actually a 10% increase on the record for the base rate and for the usage, every year. And just two years ago there was a 50%, 60% increase, so that wasn't really disclosed in here. So, I agree. I think this was deceiving. The other thing that I'd like to point out that was... I had a couple of other points, is you mentioned Lake of the Woods is 'gunna take three years to annex. Well, right now, in three years, how many millions of dollars are we 'gunna pay in towards Lake of the Woods share, and maybe we'll build up that reserve, and then they're going to jump in and pay \$50 a month?

GM Allison: Absolutely nothing. I don't know how many more ways I can say it but, this has absolutely zero...

CM: But you said it has to be redone.

GM Allison: This has zero to do with Lake of the Woods. Not one penny of this rate increase goes towards Lake of the Woods in any way, shape, or form.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
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TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

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CM: Okay, but in three years, we'll have a percentage of the millions of dollars we're supposed to have saved up, and then he's going to redo his study, and his study is 'gunna say, oh you don't need as much money now. So then they're 'gunna have to come up with less money, while we came up with more money years earlier.

GM Allison: No, see you're missing the point. Lake of the Woods don't have to come up with less money, this is a joint venture with the State offering to give us money, with no loan attached, if we take over Lake of the Woods. This Rate Study is just to operate Frazier Park Public Utility District right now, our boundaries right now. What it costs us. It did not take into any consideration, anything in the future. And why? Because we cannot do that. We don't know if the funding is still 'gunna be there three years from now. We don't know if we're still 'gunna want it.

CM: Exactly, but we're 'gunna be paying the fees to get it, right?

GM Allison: What fees? We're not paying any fees, is what I'm telling you. We're not paying any fees, nothing is associated with Lake of the Woods.

CM: Well I don't believe when somebody says, down the road we might get you \$6 million, \$10 million, \$13 million. I don't believe that.

GM Allison: But that has nothing to do with it. That's just us hoping, that in the future, some of our... Like he said. The Board constantly says we cannot get another grant/loan, because we don't want to have to pay back that loan over 40 years. The only way to achieve that, is to hope that things like Lake of the Woods go through, so we get free money to help replace some of our stuff.

Donald Eubank: Well, I didn't know we were going to talk about annexation tonight.

Director Neyman: Jonnie, Lisa you had something you wanted to add? Director Schoenberg?

Director Schoenberg: Yeah, I wanted to say a couple things. One is that, the reason that this is so expensive, and I had some real issues with this, which was reflected in my vote, however, we're not counting any possible grant, or loan, or anything that we may get in the future. So this is based entirely on the fact that we may never get another grant, and we're not 'gunna annex, so it's not....

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3801 Park Drive - Frazier Park, CA 93225
SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
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TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

CM: I understand that. That's spelled out. That's in the letter.

Director Schoenberg: But then you're saying it has to do with Lake of the Woods, and it doesn't.

CM: Well, we'll see three years down the road, won't we?

GM Allison: I'd also like to point out...

CM: But I have two more...

Director Schoenberg: Can I say a couple... I'd like to be able to say one more thing.

Director Neyman: Okay, finish up Director Schoenberg.

Director Schoenberg: I didn't get to say to the last gentleman... The other thing is, the more we restrict outdoor watering, the more it hurts us, because actually this drought has totally hurt us, because we're not bringing in the amount of money we used to bring in. We're not... And also... I mean it has nothing to do with us, but nothing's selling in town here. No new construction, so we're not bringing new people into the company, and so we're not getting any of those funds we used to get. So a lot of funds we used to get, more water sold, more people coming in, we don't have anymore. So that's another thing, and then the 80/20 loans, even though that's what John's been talking about in the future, that that's what we would get because we're a Disadvantaged, as opposed to a Severely Disadvantaged Community, we've actually... The first grant/loan we got was 50/50. We got \$1 million grant, and \$1 million, well, slightly over, we took \$1 million loan, and then a \$400,000 loan, because we couldn't pay off everything, so, but it was close to 50/50, and then this last one was like $\frac{2}{3}$ and $\frac{1}{3}$. We got \$1 million, and we took a little over a \$2 million loan. So, it's never been 80/20. And, without those grants and loans, I don't know how we would have fixed any of the stuff that we fixed. We would've had to raise the rates astronomically to fix stuff. I've been on this Board a long time, and I've continuously voted for not raising the rates as much... Because I'm on a fixed income too. I get it. But the problem is, is that every time we don't raise the rates, we get further and further behind. And now with what's going on with not having extra construction, with not having extra water sales, because we've been restricting, rightfully so, because we needed to, but the more we restrict, the less that comes in. So we're in this bind where we... I don't know what else to do. And I'm very concerned about this. I brought up about the school, I brought up all

**FRAZIER PARK PUBLIC UTILITY DISTRICT
3801 Park Drive - Frazier Park, CA 93225
SPECIAL MEETING**

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

kinds of points, but the problem is, is that I don't really know, without this increase... You know, and I wanted to shuffle the numbers the way the Board used to shuffle the numbers, and that wasn't the right way to do it. You know, in the Board in the past, we've always gone, "Oh, we can't charge the school that much, so we'll just charge the school the same thing we're charging the $\frac{3}{4}$..."

CM: I really don't care what you charge the school, because the school has a budget for utilities. They just go to the Board and say our utilities are higher. For them to add people is a big deal. For them to meet utility needs, they can get that funding. Every County runs their budget the same way, and the rates go up, they get more money from the general fund. We will pay it, but it will get paid. So, it doesn't matter what you charge the school. I'm worried about all the people that are on a fixed income.

Director Schoenberg: I understand that. And I brought up the businesses too, but I'm just telling you that our choice is to raise rates in some way, and we had someone who is in expert instead of the way we did it in the past, because people were all upset about... Which wasn't the correct way to do it. We didn't have someone from the State coming in and telling us how to do it. You know, so it's that, or it's getting eventually taken over, I think, by another company, and then who knows.

Director Neyman: And they'll triple your rates.

Director Schoenberg: Well, I don't know what they'll do, but we won't have any control. So, I understand it, and you know, I even voted "no", because I had a real problem with this, and at the same time, it's like, I don't know how else to do this. A 3% increase is not 'gunna cover much of anything. And it's also not fair, I don't know how you... But the way that it was explained to us by the State, it's not... That's what we've done in the past.

CM: You've already got a 10% increase fixed every year, so why do you need more?

Director Neyman: We have not.

Director Schoenberg: We do not have a 10%...

GM Allison: I'd like to point out one other thing too.

FRAZIER PARK PUBLIC UTILITY DISTRICT
3801 Park Drive - Frazier Park, CA 93225
SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

Director Neyman: Go ahead Jonnie.

GM Allison: There's only like 70, 1" meters in this town. There's way fewer, only a few 2" meters. The businesses, the majority of the businesses in this town are off ¾" or 1" meters. It's not like we're going to shut down the town, because we're charging so much. The majority of the meters, by far, are ¾" meters. That's 'gunna hurt everyone of us, because we're all on ¾" meters, but that's part of the problem, is if there was more businesses with bigger meters, there'd be more money coming in, we could potentially charge less for ¾" meters, but that's not the case. So, we're kind of getting off track a little bit with, "the businesses are all going to fail". Because most of them, Don's, ¾" meter, they're not 'gunna fail. Most of the other businesses in town, they're not 'gunna fail.

CM: Other businesses in town that were 'gunna fail, already failed, so...

Director Neyman: Okay, Jonnie...

GM Allison: But, one other thing...

Director Neyman: Go ahead Jonnie.

GM Allison: ...this letter that we sent out, it seems like we're trying to hide things. What we've done is, we had a whole packet of a Rate Study that we've referred to countless times in the papers, in public meetings... We can't send out the whole Rate Study. We sent out the pertinent parts on that letter, that we could, and made it available by hanging the Rate Study in the library, the post office, the newspapers have it, we've had one sitting on our counter since the Rate Study first came up. We tried to disseminate everything as good as we could. Just to send out the letter, it cost us \$700... Well, actually more than that. It cost us over \$1,000 just to send out the one page letter. Because we had to send out so many of them. If we had sent out the Rate Study packet, we would be shooting ourselves in the foot. It would have been several thousand dollars. When we've asked people time and time again to come to these meetings, and this is what we get out of our public. We get a handful of people that come and talk. Everybody else just sits at home, and doesn't do anything about it.

CM: Can I get to my other point about it? The other point is...

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

Director Neyman: Let me say one thing. I'd like to say one thing. This study is solely based on us not annexing with Lake of the Woods. Okay, and if you've gotten information in the past, when we sent out for the... I'm talking about the annexation, in order for us to get any more monies, any more grant/loan money, our base rate has to be a minimum of like, \$54 a month, in order for the State to give us any more loans, because what they do is, they figure out that we have to be able to pay back the loan. So, if we get a, let's say \$3 million, that we're trying to fix a couple tanks, and maybe some piping. What people don't realize, is it costs millions and millions of dollars to fix the system. The system has not been fixed for 60 years. I mean, that's why they ended up taking the loans that we got, and we got some downtown piping, we got what, how many tanks did we get Lisa? Like five tanks. We were able to do five tanks, and we've done very little mainline replacement, and we've gotten a well, which was an emergency grant that we actually got. So, you know the public has to understand, and I understand where people are at, and I understand it is difficult, but if you look at your base rate, and you figure what your base rate... You figure your bill is maybe 'gunna be \$60 a month, that's basically \$2 a day for you to have clean water to flush your toilets, to do your laundry, to water your lawns, and I understand...

CM: You still can't drink it.

CM: There's no outdoor watering.

GM Allison: You can drink it. I drink it all the time.

Director Neyman: The thing is... Anyhow. Alright, we can't... Go ahead and finish your point, and then we'll have to move on to other people.

CM: The other thing is, I did plumbing probably for 15 years, so no offense, but a bean counter... Okay a bean counter is a person that does actuary accounting, and adjustments, and he figures out how long something is 'gunna last. You don't actually don't know how long a piece of stainless steel, or a piece of brass is going to last. They can last 100 years, okay. Different things last at different rates, and fail. And, until you live that life cycle, you'll know what your budget was, but you won't know by forecasting it on a computer. It won't be accurate. It's either going to be off over or under, right? Okay, that's about plumbing. And I've seen a lot of stuff last a long time, and I've seen some stuff not, but I wouldn't be scared about having an old infrastructure. I think a lot of it is scare tactics, to scare people.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

GM Allison: No, actually my guy is going to get a piece of pipe right now, that we just now pulled out of the ground, and it's not the rarity, it's the norm. Our pipe literally, the 6" pipe, the bottom of it, from the sand rushing across it, you could bend it with your fingers. The paper has published pictures of the pipe, and we only have certain sections that have PVC C900 in the ground, that they put in, in the 70s and 80s. The rest of our pipe has been in the ground a very long time, and it's all failing. We lose about a million gallons a month, to leaks in the pipes that never surface, to the ground.

CM: My last point was, I really feel that we're victims in the way that you want us to vote, because I see 20 people at each meeting, three meetings, that's 60 people that are here to complain. You have 1,300 paying customers. You're going to go on this voting system based on the people that don't participate, and don't show up, and you're going to say they voted "yes" to get your little increase.

GM Allison: Because that's the way the State mandated we do it.

CM: That's illegal. That's dishonest.

GM Allison: That's the way the State mandates it.

CM: I want 650 people to come in here and vote "yes", then I agree with you. Then I'll agree with them.

Director Garcia: How are you 'gunna get them here?

Director Neyman: We have to move on, so we're 'gunna move on to another...

CM: You don't think that's dishonest? Letting 60 people...

GM Allison: No, the State...

CM: ... be the only voice?

Director Neyman: John, will you answer that please?

John Van Den Bergh: Prop 218. You voted for that. That's how...

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

CM: I didn't personally, but okay.

John Van Den Bergh: Well, the people of California voted for Prop 218. That's what the proposition is.

CM: Which let's the Board make decisions without the public...

John Van Den Bergh: Which specifies as to how this letter has been written, according to Prop 218.

CM: 28% of people turn out to vote. How many people didn't even see this, or didn't read the newspaper?

GM Allison: But you're not letting him finish though.

John Van Den Bergh: We're following the rules. And that's been very clearly followed.

CM: But I feel it's like a casino. It's all in your favor. We would have to work really hard, to get everybody to say, 650 people don't vote. Let's vote for your raises and new equipment. The flip side. Let's flip it around. I will pay for the ream of paper, I will pay for the postage. Let's vote the opposite way, and we'll see how many votes you get. You won't get 100 votes for it.

GM Allison: Let me ask you something. What happens when people have not voted for nothing, and the system fails? What happens then?

CM: Things will work out.

GM Allison: You have a lot of answers, but you haven't got the key answer.

Diane Smallwood: My name's Diane Smallwood. I had a water spot in my front yard, out by the street, about that big, for about a year and a half. Then finally, it became about that big, and I called the water company. It had been a leak that had been leaking for a year and a half, but I didn't realize it. My house is built in 1928. That's how old the pipe was, under the ground. This is not a new, modern town. This is a very, very old town. Living on very old, old pipes. We have got to admit the fact that we're dealing with very old structure, that is going to give way. And with our water getting harder, and all the rest of that stuff, it's making our pipes get weak,

FRAZIER PARK PUBLIC UTILITY DISTRICT
3801 Park Drive - Frazier Park, CA 93225
SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

and lose even quicker. It took them overnight with a tractor, fighting the water, to keep it out of my garage, before they could find the part that they didn't have the money to buy, because they didn't have the supply, because nobody wanted to raise the rates so we could have supplies on the mountain. We lost all that water. They're trying to get supplies to save us water with water leaks. They're trying to get supplies, so they're not paying people to be out for 24 hours on the tractor, trying to keep water out of somebody's house, because the pipes are so old. We need to be a little bit reasonable here. Years over the past have failed us. We haven't kept up with what we need, but it's 'gunna be 1,000 times worse in another five years, if we don't start repairing things now. What are we 'gunna do, let our great, great grandchildren have no water, because we decided not to raise the rate? That's what our pipes look like.

Bill Wheeler: This right here was pulled out of the ground last week.

GM Allison: And if you notice, there's been two prior clamps put on the same section of pipe, and that's not... Like I said, this is very common everywhere in town.

Bill Wheeler: And under pressure, this is roughly 150 lbs...

GM Allison: If you look at it, you can literally move this pipe, bend it, because it's so thin. That's why it costs so much money to run the company. These clamps right here, \$200 at least.

CM: That piece, why didn't you just cut out the whole section of pipe, and put a piece of pipe in it?

GM Allison: Yeah, because it failed so many times, we didn't have a clamp big enough to leave it in the ground. We had to cut a section out, and put in a new piece, to try to do that.

CM: It's cheaper to buy that chunk of pipe, than to buy all them clamps. Those things don't work anyway.

GM Allison: Yeah, but the problem is...

Bill Wheeler: Okay, here's an explanation for you. If I were to do this all around town. We have valves that I can't shut off. How do you replace a pipe like this, 10", with 150 lbs of pressure? How do you do it?

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

CM: Why isn't there valves that you can shut off?

GM Allison: Because they've all failed.

Bill Wheeler: Because everything's been in the ground since the 30s.

Director Neyman: Because of the way they designed the system back in the 30s.

GM Allison: Plus, they've failed.

Bill Wheeler: That's the dilemma the field's under on an everyday basis. How do we do this? Technology is not there. It's there, millions and millions of dollars.

GM Allison: And so you know, we do replace stuff like this when we need to, but when it's just one leak, the fact is, that there's nobody that can even guess on how much money it would cost to replace everything in town. But we do know, that with the grants that we've had before, it costs an astronomical amount to replace mainline. What we have done, to try to cut costs, is we used to hire Santana and outside contractors to come in and do pipeline. We've been doing it as a crew, for the last five years. We've tried to cut the amount entirely, any outside contractors, so we could do it at a lot cheaper price. We don't have to pay prevailing wage, and all the rest of that stuff. But, sometimes it's cheaper to put on the clamp, because the pipe is bad for a mile, so you can't replace the whole mile, so we put a clamp on it. But then when it gets this bad, we got to just fail it, and take it out of the ground.

Diane Smallwood: I'm also on a limited income of Social Security and Disability. I get a whopping \$909 a month. Yes, at the end of that time, it's 'gunna hurt to pay the water bill, but at least, probably, with them making this raise, I'll have some decent pipes that come to my house, and I'll be able to have water. Instead of half the town broke down because they don't have a faucet to turn off to make the repairs, we need to start getting these repairs done ahead of time, so you don't have the months of water running out underground, like at my house. And I apologize if I took up more than five minutes.

Jackie Eubank: Hi, I'm Jackie Eubank. And I think probably the biggest thing is sticker shock. To jump almost 40% in one year. And I hear and I appreciate the fact that the Board has tried to keep the cost down over the years, but in a way it's kind of hurt us, rather than doing little increments each year, to boom, almost double the cost for this next year. And my family has lived on this hill since 1955, when water was \$10 a month, flat rate, unlimited water, nothing

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIII D of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

metered. So it's going up 550% over, you know, but we're talking 50 years too, but I'm just saying, sticker shock going from this year to next year, almost a 40% jump. That's significant. And, so that would be the thing is that, had this been, you know, even like, we have to do 20%, we do 15%, 15, and do it more gradually. I understand that we have an infrastructure that's got to be replaced. One of my questions is, with this reserve that's going to be built, prior to annexation, this is all going to Frazier Park Water District, and the gentleman just before me was talking about how, that you can estimate what costs are going to be, but if it's... You know, you may end up that it costs more, or you may have a greater reserve. So, prior to annexation, or when the annexation happens, and we've had, you know, the Frazier Park community has been putting in all of this money, and so if we've got a reserve, that shouldn't just go to annex Lake of the Woods. That should be a rebate coming back to the Frazier Park people.

GM Allison: Just so you know, the money, since this project started, the number one rule of the Board was, not one dime of this District's money, would be spent on the annexation. Not any money has been spent on the annexation at all. And, if it cost more money than we anticipated, Lake of the Woods, would pay the increased amount, not the existing District now. If they had to get loans or something to meet the criteria of the Board, to bring their system up to our standards, then they would have to pay a different rate than we pay here, in Frazier Park. Because their number one demand from the beginning, is the District right now, would not pay any increased amount, to provide them water.

CM: Who's paying for the water they're hauling up there in the trucks?

GM Allison: They are.

Director Neyman: They are.

CM: Are they paying for a percentage because [...] down in the tanks?

Donald Eubank: They're buying from Lebec right now.

Director Neyman: No.

Director Schoenberg: You guys told us we couldn't sell to them, so they're going with Lebec.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

GM Allison: No, they were buying it from Lebec for a while, then it came back to us for another reason that we don't need to get into. Later I'll talk to you at break, but... So we're selling them the water, the same way we would charge anybody else, and they're paying their monthly bill. They get the bill, they pay their bill. So they're...

CM: So they're not paying... Things are not tied in, they're taking out of our tanks, are they paying for a portion for infrastructure repair... ?

GM Allison: No

CM: ... Or are we selling to them by the gallon?

GM Allison: No, it's like if a contractor comes in and buys construction water. They pay for the truck to haul it...

CM: But they got meters. You don't have any meters on those trucks.

GM Allison: No, we have meters on the hydrant they fill up from. We meter it every month, and then we charge them per gallon.

Director Neyman: Lake of the Woods, right now, they've already secured a... I believe it's a \$1.4 million loan. They are putting in meters. They are replacing... They have a whole section that's really bad piping up there. They are putting in all new piping. All that stuff will be done by the end of 2017. At this current moment, we're in the process of submitting an application for Planning, for the annexation. Now this is the Planning Phase, basically, and that application is for \$1.2 million, which is basically, most of it goes to the engineers, because the engineers come, and they have to map out everything that we're 'gunna do. They've gotta do the test wells that we're 'gunna receive, and all that. So, that Planning Phase is going to happen within a two year period. And then at that point, when we go to annexation, or if we go to annexation, when we're able to get the construction money, then at that point, we will be doing a new Prop 218, and now you're 'gunna have 14... You're 'gunna have.... We have 1,300 customers, now you're 'gunna have like 1,700 customers. So then the cost of the actual system, the cost should come down. And we're looking at reevaluating everything at that time, and hopefully once that happens, and we've replaced, like, the transmission line going up, that's going to provide water up there, and we get a new tank out of the deal, and we get a new well out of the deal, that

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

should hopefully bring some of the costs down, so that we'll be able to reevaluate, and be at better rates. But, the initial rate, I don't see it ever going below \$55 for a base rate ever again.

Jackie Eubank: But five years from now, it's going to be 90-some dollars. So what I'm saying is that, as things progress, I know we need the reserves and things like this, but will it be reevaluated? That those of us who have carried the load in the increase, that if there's going to be some rebate, compensation, lower rates, or... I think Jonnie just said something about, that Lake of the Woods might be charged more than we would. So anyway, you know, for a time being. Basically, we in Frazier Park, are carrying the load right now. And it's 'gunna keep increasing. And, you know I understand the fact...

Director Neyman: But the money that's going in reserve is for fixing this system. It is for spending it on Frazier Park, to fix pipes, for new...

CM: You're not saying it's a new system. You're just 'gunna do the repairs spot-wise. [...]

Director Neyman: Right, but we have tanks that are 'gunna fail. We have equipment that we've been running on, like our vehicles, for what, five, seven years, something like that? They're all...

CM: Right, what I'm saying is I agree with her. You just said 55 was enough to meet their numbers. Why do we have to pay 98?

Director Neyman: What I'm saying is, that the rates are never 'gunna go below 55 again. That's all I'm saying. I'm saying with this initial rate, I don't know what the rate is going to be.

CM: I just know that once the rates go up, they never go back down.

Director Neyman: I don't know what the rate is going to be once we annex Lake of the Woods, and we have to do another Rate Study, and it will be evaluated. You're 'gunna have 1,700 more customers, the cost of everything... And then once you get the money, and you've spent the money, that part of the system has been fixed, that should bring the cost down for everybody.

CM: Is it 1,700, or is there only 400 people in Lake of the Woods?

Director Neyman: I believe it's 400 connections. It's either 3...

FRAZIER PARK PUBLIC UTILITY DISTRICT
3801 Park Drive - Frazier Park, CA 93225
SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

CM: So 400 plus 1,300.

Jackie Eubank: So basically I'm saying, okay, you're saying that the rate has to be at the 55 now, but it also proposes, like within five years, it's going to be at 90. And what I'm saying is, these reserves come in, our expenses are not as high, or whatever, if there's going to be a cap or an adjustment that says wait a minute, or they're 'gunna say, okay the Frazier Park people have carried this part of the burden, okay now we're annexing, and I know that right now we're just talking about here, but when we annex, if costs are lower or whatever, is there 'gunna be some benefit come back to Frazier Park, because of the.... You know?

Director Neyman: Director Schoenberg.

Director Schoenberg: Okay, so there's a couple of things. Number one, I do have a real problem with the rates going up astronomically like this. My hope is that if we are able to annex, which we're not going to even try to annex unless the State is going to pay for it, because we can't afford it, but if the State does come through with the money, and we do annex, we do another cost of living, and I know you're all saying the rates aren't 'gunna come down, but I'm not okay with paying like, a \$90 bill. You know, I'm on fixed income, I'm disabled, I'm not okay with that. So, I would hope that the Board, like does the exact same thing. We're not 'gunna... Some of the things that we included in our study were as though we're never going to annex. So, we have another tank that's failing right now. Parcel B. If we actually are able to annex, Parcel B gets taken care of by that money that comes in for the annexation. So now that money would come down, because we don't have to account for it in the study. We're 'gunna get another couple of wells, theoretically, if we get the money from the State. So that is not going to be part of that study, that you know, if we had to repair a well that we're not going to have to do now, because we're going to have a new well. So, it's a couple of tanks, hold on Jonnie, I know he wants to comment on it but... It's pipeline, it's tanks, there's a pipeline that goes all the way up Los Padres, so that we accounted for because we've got all these leaks on that. So that would not be a part of what we need to have money in reserve for anymore. So, I'm hoping it's not going to be \$90, because I don't know how I would pay that in five years. But, I'm hoping that we're able to, if the annexation comes through, we're able to balance it. If the annexation doesn't come through, this is also not including any grants that we might be able to like, beg for from the State. But the reason why we couldn't include that is as John was pointing out, we can't rely on that stuff. We've been really blessed up to this point. We have gotten grants. And, you know, I hope we keep getting a few more grants. And it wasn't crazy to take those grant/loans, because if we hadn't taken those, I don't know how we would've... We would have

FRAZIER PARK PUBLIC UTILITY DISTRICT
3801 Park Drive - Frazier Park, CA 93225
SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

all these failing tanks around town. So, I'm hoping that it does actually come down, that it does balance. And it wouldn't be a rebate, it would be that we reassess it, do another Rate Study, and the rates would not go up in this kind of steep curve.

GM Allison: I would like to point out though, that unfortunately, we only took into consideration one phase of upgrades to this system, in this budget right here. One phase. We need at least six for the system.

Donald Eubank: Six phases?

GM Allison: At least, because the amount of pipeline that needs to be replaced in this town. So, although my belief, which I'm not... My belief is, although we may get to a financial point where we wouldn't have to increase it the 10% every year, towards the end, as far as the cost diminishing, I don't see that. Because even though we hope to get grants with less loan attached, all the pipe needs to be replaced roughly at the same time. It all needs to be replaced now, with the exception of a few little neighborhoods. We're only taking into consideration the worst trails that are failing the most, but all of it needs to be replaced. So, the only reason I bring that up is that I don't want any of you, because I live with you guys, to come back in three or four years or five years and say, "You guys lied. You said that you were going to fix the system if we approve this." But this doesn't fix the whole system. This just helps us stay afloat to where we could fix the worst of it, and hopefully, there's plenty of money coming down the pike from the Feds and the State, to give us grants to fix other things.

Director Neyman: Tommy, you wanted to say something?

Tommy Hastings: Yeah, put it on for 30 seconds. I appreciate what you guys do, and I just want to say that I know it's a difficult position you guys are in. I do agree with this gentleman here, it's beside the point now, but I think the Prop 218 study, you're never going to get 51% of the people to vote that down. That being said, I think you guys were honest, and did your guys best due diligence to carry this out, but yeah, it's Frazier Park. The reality is, I don't want to insult my hometown here, but most people aren't going to read that. A lot of people probably threw it out, who knows, the Post Office, they are notorious for losing mail, without a doubt. I do think you guys probably could have done a little bit better of a job, and that's why we put that in the paper this week, or I put the OpEd in the paper about the rates. And Brahma, that was based on your number actually, in one of the Board Meetings, the 4,500 gallon per month average user. And I think that should have been put in there for people to see what the average

**FRAZIER PARK PUBLIC UTILITY DISTRICT
3801 Park Drive - Frazier Park, CA 93225
SPECIAL MEETING**

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

bill would be. And yeah, it's almost \$100 by 2021. So I think you guys could have done a little bit better job on that, I have no doubt this man put a lot of time and effort in that study, but in my opinion, it boils down to, it's a government type expense study, that's line by line. Whether it's one phase or six phases, Jonnie's done a great job at getting new equipment and securing stuff. And there's no doubt the District needs a dump truck. I would just ask you guys, and I would love to serve on the Board, but that little guy right there is the reason I didn't. The town's 'gunna hold your guy's toes to the fire. So, it's just like the pickup truck, sure they could use new pickups, but this is a small example of this study, the pickups and the ATVs included in the study, and the cost analysis on that, and the shelf life on them, I've driven those GM vehicles and you guys could drive those trucks another 10 years. And I bet Jonnie will get that out of it. And until stuff like that starts outweighing its lifespan, and you're spending more money into it than it's worth, you guys are going to have to keep that stuff. And I think as far as the Rate Study, it is very much so tied into Lake of the Woods, because this whole thing was a condition of annexing Lake of the Woods, and that's the reason we are where we're at. And that's where I disagree with Jonnie. So, had we never explored the option of annexing Lake of the Woods, we wouldn't have this Rate Study. Granted, we need the money, and I'll finish up Jonnie, give me a minute... I get it, you guys needs the pipes. I work in the mining type industry. I work for a private owned employer, and we're working with junk that's 30 years old, and we're trying to sell to the public. Unfortunately, this town, the townsfolk, that \$20 a month ain't 'gunna hurt me, I don't like paying \$100 in five years, but that won't hurt me too bad, but you guys are going to bare the brunt of this, and I don't envy you one bit. And the fact of the matter is, had it been on a ballot type setup, or where people voted, I don't know, maybe something more simplified, I have no doubt more than 650 people in this town are opposed to this. But that doesn't put you guys in a good position to repair the pipelines and everything else you need to supply clean water. That being said, the only point I wanted to make, is it is your guy's, obviously it has been mentioned... How do you say that word, fiduciary duty?

Director Neyman: Fiduciary responsibility.

Tommy Hastings: Yeah, to provide the residents of Frazier Park clean water, not the residents of Lake of the Woods, so, as of right now. That's all.

CM: I guess first of all I have a couple of questions. What I was hearing is you guys got three grants, and three loans, or is that true?

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

Director Schoenberg: Over the years we've gotten two grant/loans, and then we got two straight out grants.

CM: Okay, and how much of that is... I mean how much do you still owe on that? Is that available to the public?

Director Schoenberg: Yeah, everything we do is available to the public. We're a Public Utility District. I don't know the exact number right now, but it's quite a bit of it. It's over 40 years that we pay it back. The first one, I don't even remember the year that we got it, but I think it was 2008 or 2009? So we're still paying on that. We pay, like Jonnie was saying, it's about \$150,000 a year interest. Which is pretty good though, because we got those at like, one of them is at 2%, one of them is at 4%, and one of them is at like, 4.75% or something... Don't quote me on those numbers, but yes you can come in at anytime and look at all that paperwork. We have it.

CM: And we're allowed to know who you hired, where the money went, all that right?

Director Schoenberg: Yes, absolutely. We have to keep that all on file.

CM: Now, if I have a car loan, and I've got a house mortgage, and I need something, I would think ahead of time, okay, I can't afford all of it. I can't afford the mortgage, the house, and then the extras. So, I'm wondering, you're talking about getting another grant/loan?

Director Schoenberg: No.

CM: No?

Director Schoenberg: We're talking about getting another grant. The State is saying... Who knows if we'll get it, because it's taken us a really long time just to get the paperwork in. They very much want us to take over, to annex Lake of the Woods, so they're holding a little carrot, dangling a carrot, right now it's at \$13 million. Unfortunately, what we found is that, that still doesn't go that far. So, I mean, we'll see if that... I'm very uncomfortable going forward if that doesn't pay for the pipeline and all the stuff, because we have enough issues in this town, let alone putting money into... Even though it will, theoretically, help us in the long run, if we don't get that money, it doesn't make any sense to put it into annexing. But that's supposed to be with no loan whatsoever attached to it.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

CM: When you got the grant money, you got new tank and things, is it possible to do section by section of the water...? You know, like the electric company, they come, they do section by section, and then get it done eventually, right?

Director Schoenberg: Right, that's what this is. This is not the whole town, this is one little tiny section. Like, when John came, we only pulled out the very worst parts of town, so the one tank that's failing, which is Parcel B, and some of the parts of town that are really, really bad. Like we had Jonnie identify the very worst parts that are constantly leaking that we need to replace. That's all we're talking about with this. That's the problem is that we can never do more than... And even when we got that \$3 million it replaced, actually Jonnie corrected me, four tanks, but it really didn't replace that much. It replaced some tanks, it replaced a little bit of some hydrants, some pipeline, but it never seems to replace very much.

CM: On like the pipe you brought in with all the \$500, \$600 worth of clamps on it, how much does it cost for that piece of pipe?

GM Allison: I don't know per foot, what they're charging to do mainline replacement. I had the figure from the engineer, but, part of the problem is, what people have a hard time understanding is, by the time you start at the beginning, it's like we try to do meter replacements. Meters are supposed to be replaced every five years. By the time, you said you start in areas, by the time you start in one area, and you get the funding, and you go through town, by the time you get back to the start, it's time to start again. To go back around again.

CM: But you said it hasn't been done for 30 years. It's not 'gunna take you 30 years to go around town is it?

GM Allison: Absolutely, because...

CM: Really? 30 years?

GM Allison: ... because the funding is not there. If we could get unlimited funding, you know half a billion dollars, and have the contractors come in, and an army, and start replacing everything, sure, you could get it done. But, realistically, not any district in America has been able to do anything like that. So, it takes a long time to even do some of it. How long did it take us on the last project? A year and a half?

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

Director Schoenberg: Almost two years.

GM Allison: Almost two years of just construction time for four tanks, and a couple blocks of mainline. That wasn't all the paperwork, and all the funding that went up to that point. It takes a long time to have it engineered, it takes a long time to put it in the ground, it takes a long time to actually make it happen. It takes a few months to even get the tank built, they bolt them together. Pipeline like this, it takes an exorbitant amount of time. You don't even know what's in the ground. We recently found an 8" pipe we didn't know ran across somebody's yard until the people replacing poles drilled through it, and then we had, "Oh wow, look there's a pipe." Now we gotta fix it, because the pipes, the mapping is so old, or non-existent from the old days. You don't know so you gotta pothole, which takes one guy, full time, just trying to pothole to try and find out information the engineer needs. So, to answer your question simply, it is a monumental task.

CM: Right, so you knew that when, like years ago right? You've known that the whole time. I mean I knew that.

GM Allison: I've been here for seven years, and yes, I've known it that long.

CM: And you all know what it's like in the ground. I know that. I've done a lot of research.

GM Allison: And that's why we've gotten those grants when we could.

CM: So, I think 39% is out there. I think 20% would be a lot easier to swallow. I think that, perhaps that, I'm not criticizing, but maybe you could, I don't know, if you could get your budget better done, or... Because I see people around here, they build wells. They dig wells, they have tanks put in, and in just a matter of days it's all done. I know it's all a very small scale compared to what your water tanks are, but I'm just saying, it just...

GM Allison: Well what it is, when you get money from the Federal Government, free money for like the well, it takes a long time because... And it costs a lot more, because they have their regulations of what you have to do. You have to pay prevailing wage, it has to go out to bid, it has to go out... People have to have the bond, they have to... There's a lot of regulations that we wish we didn't have to comply with. We wish that we could just call JJ's Pumping, and drill us a hole, get it done for \$50,000, be done. The fact is, we can't do it like that. And as far as the budget goes, we've closed the office one day a week, a couple of years ago. We went to

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

4/10s, because we can accomplish more in four, ten day hour workdays. We've done everything we can to cut back on costs, we got little Polarises instead of replacing trucks, so we could use them a lot. It's cheaper to fix them, you know, put a \$50 tire on something, than \$150 tire on a truck. So we've done everything we can to cut back, but the reason why we can't do it 20%, is because that's not what the studies show we need in order to continue as a District. And it ain't going into... We're not benefiting. The District is benefiting by this rate increase.

CM: Well, it just seems like it's quite a bit of money all at once.

GM Allison: It is, and I personally wish I didn't have to pay it, but unfortunately I do.

CM: Is there 'gunna be any more talk about, in conclusion, the pond and what happened to the pond? I mean, I know that what they say, it's the drought, but I know a little better than that.

GM Allison: Well, I'll sum the pond up simply, because this has been...

CM: I mean, that's like a Frazier Park thing.

GM Allison: I'm not a pond expert. It startled me how fast the pond went down. We do know that when we were running two wells trying to keep up, because they were both failing a couple years ago, that it seemed to coincide with the pond drain, so there's got to be some tie in with our well, with the water flowing down in the spring. There's got to be some kind of correlation. But the experts say it's due to drought. The well that we put in is only 60 feet from the old well. The old well, also probably affected it, and to sum it up, $\frac{3}{4}$ of the town is fed off of that well. There is nothing we can do about that pond, to give it water, with the exception of, if there's concerned citizens that want to get on the County, who owns the pond, to run a pipeline, possibly, from our flouride well that we can't use anyway, then that would fill the pond. But other than that, nobody wants to do without water.

Director Neyman: Your time is up, and if you'd like to stay for the next meeting, and you want to ask a couple questions...

CM: One more thing. Okay you say things like, it was dug here, and then it was dug here. All you need is this much room before you hit water, so...

GM Allison: No, that ain't what I meant. What I meant...

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

Director Schoenberg: Can we bring this up at the next meeting, because we're totally off the Agenda? We have another meeting tonight right after this.

Michelle Penner: Hi. Michelle Penner, I'm a kindergarten teacher over at Frazier Park School, first and foremost, but I also serve as an Administrative Designee for Frazier Park School to represent the administrator who is unable to be here. So I have a letter that Rodney Wallace, who is our Superintendent of the El Tejon Unified School District, asked me to bring and to read. And it says, "Dear Frazier Park Public Utility District, I am submitting this letter of protest against the proposed rate increases for Frazier Park Elementary School, FPPUD accounts #4 and #1975, on behalf of the El Tejon Unified School District Board of Trustees. Increasing the monthly rate of account #4, over 800% in one year, from approximately \$205 per month, to over \$1,800 per month, will have a negative impact on the children of Frazier Park School. This would be a total of approximately \$21,000 per year, for a 6" pipe that is only used in case of a fire, and to my knowledge has not used a single drop of water for several years. This increase will result in the reduction of educational programs that may have been supplemented, added, or are in the planning stages. The El Tejon Unified School District requests that the Frazier Park Public Utilities District look at alternative increase schedules that do not negatively impact the children of our community. Reducing programs at Frazier Park Elementary School has been shown to reduce enrollment, meaning residents are choosing to move to a community that has a school able to offer a more diverse educational program. It will also have an effect on potential new Frazier Park residents, if the local school does not have the funds available to offer a wide range of educational programs. When deciding on raising the rates, please keep the children in mind. In summary, the El Tejon Unified School District votes account #4 - 'no', account #1975 - 'no'. Sincerely, Rodney Wallace." And that's the Superintendent of our School District. Okay, now I have to switch into another hat. Audrey Weingarten, who had to leave to attend our School Board Meeting, which is running right now, wanted me to ask, number one, does Frazier Park School have to maintain a 6" pipe just because it's there? Would it be possible to go to a smaller one?

GM Allison: I would like to add, if that 6" meter was isolated, which every month there's usage on it, so I don't know how it's plumbed at the school, but I believe that the school uses that for irrigation and watering as well. We could research that, but the fact is the other 6" meter, I said there was only one meter because we only bill one. The meter at the library is a fire meter. It doesn't get billed monthly. It's there just because it's dedicated for the fire suppression. The thought is, it will never be used unless there's a fire, so then we don't charge for that meter.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

Donald Eubank: How many inches is it?

GM Allison: It's a 6", but I didn't bring it up earlier because we don't bill for that. It just sits there. If the school's 6" meter was isolated entirely, just for fire sprinklers, then legally we would not bill for that meter. But the fact is, we have to read both meters every month, and there's usage on it. So if it was isolated, then you would save yourself a lot of problems, and a lot of money.

Michelle Penner: Okay, so is it a possibility to go to a smaller one?

GM: Yeah, I mean, see, we don't dictate the size of the meter. Typically when you get your building permit from the County, they're the ones that dictate what size of meters you need. If that meter was dedicated solely, and never had usage, I don't care what you do with the other meter. I mean, then you would just pay on the one meter, if you had enough flow. But you would have to have an engineer look at it and see what your water flow demands are for the rest of it. For your irrigation, drinking fountains, bathrooms, and all that stuff. If you guys came up with a solution that would make the 6" solely fire suppression, then that would save you the \$1,800 a month.

Michelle Penner: Okay, and maybe you answered that question. I teach kindergarten so a lot of this kind of is like...

GM Allison: Yeah, my nephew loves you. Mason.

Michelle Penner: Oh yeah, I love Mason. She asked, if rates are raised at Frazier Park School, why do we have to pay that \$1,800 a month if the sprinklers never come on and we don't use it? And you're saying that's because perhaps it's not isolated just for that.

GM Allison: Yeah, your meter the way it's set up right now, it's set up as a compound meter. If it's high flow, you turn on your sprinklers, it's flowing through the 6" meter. If it's low flow, flush a toilet or turn on a drinking fountain, it's going through the small meter. You would have to replumb that whole area, and dedicate a line to your fire suppression, for that to... Which ultimately, in the scheme of things, it would be cheaper to do that than it would be to pay a higher rate for all these years, and we wouldn't be required to maintain it. I don't know what that would do to the Rate Study, but legally that's what we do with fire suppression meters.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

Michelle Penner: Okay, so can I take back to the Superintendent that he could contact you or a member of the Board to discuss something like that? Or who decides...

GM Allison: I would be happy to discuss it with him. Absolutely. I know that we would have to have a discussion with probably Kern County, or whoever does the permitting, maybe, or just an engineer that says, yeah this is what we do, just separate it, and this is how it is, and then if we read the meter and it was dedicated, no usage... Because there should be zero usage on a fire suppression meter. You should never have any.

Michelle Penner: Okay, and then just as myself, a teacher at Frazier Park School, it's just devastating to hear, that yet again, our School District is going to take another financial hit. I mean, we have just over the years, had one mishap after another, and I really feel like we're starting to get back on our feet. Our ADA is up a little bit. Kids are coming in, and it's absolutely true that we will lose kids if we can't offer the programs that other schools do.

GM Allison: Well luckily, you might be able to fix that.

Michelle Penner: Well hopefully. I just do ask that you think of the kids as well.

GM Allison: I'll give you my card so you could have my cell phone number for him to call me about that.

Director Schoenberg: Jonnie, their other meter is a 2"?

GM Allison: I don't recall offhand. It's a 2"?

Bill Wheeler: It's a 2".

GM Allison: It's a 2", yeah.

CM: I was listening to a lot of this. You know, the cost of living increases that we get from our organizations, whatever job that we have, is not keeping up with inflation. He's talking about 3% a year, which would be 15% over the five years. And you're saying that that's not going to be enough to take care of what needs to be done with the water system. This is going to impact... The businesses are going to impact everybody. You gotta look at the big picture there, because the businesses are going to charge more for us, on all things. So this is kind of a spiraling type

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

thing, where you're raising the rates, we pay those rates, and then we also pay more for the businesses. And so, to me, I just wish that the water company could be a little bit... I was paying \$20 to \$30, my wife and I have been up here since 1989. And we were paying \$20, \$30. And then back, a few years ago, you raised the rates. Not a lot, but you raised them to almost \$40 for a ¾" line. And then, two years later, now you're jumping at 39%, and then eventually in five years, it's going to be 103%. That's a big hit on people with fixed incomes.

GM Allison: It is. And in the last study, I don't know if you came to the last time that we did it, it's been two and a half years since we raised those rates. The guy who did the study disagreed with the low amount that we charged. He said that we were... He lowered them because nobody wanted to raise the rates to people, but he said look, you're going to need to do another Rate Study in a year, because you're 'gunna have to raise them. Well, we couldn't afford \$25,000 a year ago, so now it's two and a half years later, which Tommy mentioned that we're doing it as a requirement for annexation, when in reality, it is a requirement for annexation, but that's not why we did it. Because a year before the annexation even became a thought, they told us, the last guy like John, told us you have to do a Rate Study in another year, because you're not 'gunna meet cost. So, that was the introduction to... You guys are going to have to start charging more, but we'll start easy on you now, and then it's going to have to gradually increase to where you meet cost.

CM: Now it's my understanding the annexation hasn't been approved yet.

GM Allison: Well, it's a multi-phase. The first thing they did, which, I'll take up not too much time, the first two years were spent on Pre-Planning, where the State said here's \$202,000 to study the feasibility of whether or not you have the water supply, and whether or not it can be done. We completed all of that, they said yes, you're good. Then we went into the Planning Stage. The Planning Stage will probably take two years. During the Planning Stage, they do things like drill test wells, they actually map out the system of what it would take, they figure out the problems and the solutions for everything. After that, then we go into the actual Construction Phase. Where they give us the money, we get the money in our account, and then we get the contractors that come out and start doing the work. So, that's why it's taking so long, is because each Phase has to go a certain step, according to the State, who's paying for it all.

CM: Well, I voted for the annexation.

GM Allison: Thank you.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

CM: The only problem I have with that now is, you know if you look at congress, when they pass bills, those bills, they don't give you back money. Once they pass a bill, they're taking money from you. They're not 'gunna redo it. I have a feeling that you're not 'gunna be able to do that. I mean with this annexation with Lake of the Woods, once they come in, and you're saying there's going to be more people to pay into the system, but...

Director Neyman: We have to do another Prop 218. That includes all of them and all the work that we did. So everything that we have fixed, everything that came within the annexation, that fixed our system, that helped our system, all those costs will go into a new study. And adding the extra people in there, and then we'll find out where our costs are at, and then we'll put the rates to that. Which hopefully, it will maybe decrease it. But like I said, I don't believe that it will ever be below \$55 as a base rate. I don't think it will ever go below that, to be honest with you.

GM Allison: The only way it could decrease it, is if we didn't do the 10% hike. I'm with you. Never has Edison called me up and said, hey you know what, we decided we don't need the money, we're 'gunna lower your bill.

CM: Never seen it happen.

GM Allison: And with the system being what it is, I'm sure that we're not going to be able to cut the bill. But what I do know is, the smaller the system, the more each person has to pay. Like Gorman for instance. They have 22 connections. Those 22 people have to pay to maintain their system, and their tank, and their well, and everything. The more people we get in our system, the less it will cost us to operate it. I'm not saying it's going to lower our bill, but it will lower the need to increase it in the future, if you have more people. Part of our problem is, every year the State comes up with a higher maximum contaminate level, or something else that they have to have us monitor for. 30 years ago, you didn't have to monitor for hardly anything in the water. Nowadays we monitor for everything. Every month, every three months, every year. We're on a schedule of monitoring, and not only do we pay the higher lab fees to test that water, we have to pay for the State to oversee the results, and input the results in their system. So all of our costs have exponentially increased from the suppliers, the State, and everybody else. That's where we're at right now. We're over regulated.

CM: I've got a question for you. Do you think that the businesses up here, we're 'gunna lose businesses up here because of the rate increase?

**FRAZIER PARK PUBLIC UTILITY DISTRICT
3801 Park Drive - Frazier Park, CA 93225
SPECIAL MEETING**

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

GM Allison: I honestly don't think so, because like I said earlier, if everybody was on a 6" meter, absolutely, they'd be failing. But the fact is, is a business meter you pay the same as a residential. We call it something different, but if it's a ¾" meter, they pay the same as a ¾" residential. The majority of the businesses are ¾" meters. They're going to be able to absorb a \$15 or \$20 increase. Which actually, just so you know, we guessed, the estimate is, the average bill will go up \$20 a month. The average bill right now, for residents, is \$45 a month. That's with water usage. It's almost \$40 a month, plus \$1.60 per 1,000 gallons of water. Most of the businesses don't take showers, they don't have lawns, so their average is going to be less than it is for you guys. So the businesses aren't going to be hurt any more than you are. The ones with the smaller meters aren't 'gunna be... and that's the majority of them. There's only, I think the hotel has a 2" meter I believe...

CM: What about the car wash?

GM Allison: The car wash has got a 1" meter. Don's, ¾" meter. Ace Hardware, Billy, Ace hardware has a 1"?

Bill Wheeler: 1".

GM Allison: 1" meter. So most of the businesses in town are only 'gunna be paying the ¾" rate or the 1" rate. So I do not feel like it's going to run the businesses out of business. If the school has to sustain that \$1,800 a month, I see that could really affect them.

CM: There could be layoffs, there could be a lot of things.

GM Allison: There could be a lot of problems, but now, luckily, since we talked about it, I think there's a resolution with the school issue. As far as the rest of the businesses, I don't see how it's 'gunna run them out. All they have to do is sell me one extra pack of cigarettes, and they could pay the difference on their water bill at Don's.

CM: Jonnie, another question. You had said...

Director Neyman: Your time is up, sir.

CM: Pardon?

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

Director Neyman: Go ahead and finish, but we need to finish up.

CM: You had said the ¾" pipes, are going to go to 1".

Donald Eubank: That's what I was told.

CM: Is that true?

GM Allison: Well, see that's what the rumor was a couple years ago. That. And that's what I started telling people. If you put in a new service, it's probably 'gunna be 1". I don't regulate that. The people that give the permits do. The last time I talked to the permitting people, because somebody had us put in a line up on Spruce, it was still ¾". So, they haven't changed that regulation for new building. Plus, we 'gotta be realistic here. I've been here seven years, we've put in two new services in seven years. So, even if the regulation went into effect, where you needed a 1" meter. I don't know how many people are going to be building anyway. Most of the lots are full. Most people buy an old house to fix it up, because it's a lot cheaper. So, I don't think that regulation even...

Donald Eubank: If a meter fails... Like if my meter fails, and I had to go down, get a permit for a new meter, I've been told that has to be 1".

GM Allison: To my knowledge, again, they have not changed that. But if you have a ¾" meter now, even if they change it to 1", that's for new construction. That's not for your existing meter. Your existing meter, we're 'gunna go out... You don't go down to the County, they have nothing to do with us going out and replacing your meter. Nothing. We don't go through...

Donald Eubank: You're going to replace it with a ¾" meter?

GM Allison: Absolutely. We do it all the time. We try to get, although lately we've had a lot going on, we try to get 20 meters done a month, whether they fail or they don't. And when they fail, the only thing they do is they stop working. They stop reading as well, they slow up, they slow up, then we replace your meter, and then you're mad because you got a higher water bill. But ultimately, it's on us to replace your meter, and they will always be a ¾" meter. There's people in town that have a 1" meter, an interesting note, from our last project the contractor ordered the wrong meters, and put in the 1" meters. But we still charge ¾" for those meters, because it wasn't their fault, and they had a ¾" meter prior.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

CM: This is what I want to tell you that, that happened with us, my wife and I. Because we were being charged, like, I think it was \$33 a month for four or five months. And I'm telling my wife, "what's going on here, why is it staying the same? Aren't we using water a little bit differently?" And so I called, talked to one of the ladies that was there, back a while ago. She's not there anymore, I don't think. And they came out and they put in another meter, but it stayed at the 39-whatever it is for a ¾". I guess we're a ¾", and it stayed at that. My concern is, if they go to a 1" pipe, that's a big jump. That's really a big hit for people specially on a fixed budget.

Director Neyman: We're not going to a 1".

GM Allison: I did talk at the time, and I asked them, if this regulation goes into effect, what does that entail? And they said new construction, is what it would affect. So if you bought a lot that didn't have a water source on it, and you put one in, if they enacted that regulation, then it would require a 1". The reason why they came up with the 1", is because they were going to make it mandatory to have fire sprinklers in housing. Since they haven't done that, you don't need the water flow. So no matter what their regulation comes down the pike, again if you have a ¾" meter now, you will have a ¾" meter after the regulation comes into effect.

CM: Okay, thank you.

Director Neyman: Thank you.

James Dott: Hi, I'm James Dott and I've had property here since 1966, 76, 67. So it's over 50 years. And I remember the day when it was a very nominal amount of money to pay for the water. And the last 15 years or so, we were told we had to buy, we bought, the meter to put to our house. Nothing was ever done with it. There was no water flow that went through that meter. So my question is, and we are weekenders, and this year's been a bad year because we have not been up here that much. Maybe once or twice a month, for an overnight, or maybe two nights. So our water use is really minimal. So we're paying this amount of money for access to water, they tell me, and then you pay for the water when you use it. But how do they know what you're using if they never use the meter? So I think this is really unfair to weekenders. Some are here longer than others, and I understand that, but if you run the water through the meter, and see how much water you actually used, there might be a big difference. And I've been up here, and I've seen these people who live here, and their lawns, and their sprinklers are going all day long. Now in my opinion, that's a waste of water. California, Southern California is desert area. And I don't care whether it's mountains or whatever. And

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIII D of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

they wanted to have lush lawns, where they have constant rain supply, like up north and back east. And those plants do not survive very well in this environment. So if they just eliminated and went with the normal, natural foliage, they wouldn't need all the water.

GM Allison: We read every meter, every month. If you're not using any water, we still read it regardless. If it's active, we read it. If it's not read, the computer makes us... It automatically adds estimated, so if the meter is not physically read, you'll see on your bill "estimated". Say there's a mean dog in the yard, and we can't access the meter. If you paid for your meter 15 years ago, I think it's been probably a little longer than that...

James Dott: This was when they first came out, and we had to pay it.

GM Allison: That's when they were first installed, and I believe that's how they did it.

James Dott: It was \$200.

GM Allison: The people that are watering all the time, their increase won't be an average of \$20 a month. Their increase is going to be \$30, or \$40 a month, because they're watering so much. You, that very seldom use it, your bill is 'gunna be \$55, not the averaged amount of \$65, or what have you. So the less you use, the less you're 'gunna pay. If it's a real hardship to pay your bill, you'll do like I did, and you'll let your lawn die, because you can't afford the water usage. Because up until this goes into effect, we have tiering. When I was watering my lawn every day, to try and keep the lawn alive a few years ago, I was paying tier 3, and I was paying a lot of money. I said hey, the grass ain't worth that, I'm 'gunna let it die. But like Lisa pointed out earlier, the way it's set up right now, when people restrict their water, if I went around and I was the water cop, and I give a citation for the guy watering his lawn, that's 'gunna cut back on revenue that we get to sustain us now. The drought has really affected almost every water company because of that. Everybody's cut back, and now they don't have the money coming in that they did, to pay their bills and fix pipe.

James Dott: Well I understand that, I just wanted to make sure the meters are being read.

GM Allison: Oh, they're being read. Like I said, anytime your meter has not been read, it'll say "estimated" on your bill. If there's snow, God willing, we can't find it, it might be estimated, or if we can't get in the yard. We still have... When they put in the meters back then, when you bought yours, for some ungodly reason, they put a lot of them behind houses...

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

James Dott: No, they put ours out on the street, and it's outside the fence.

GM Allison: So, it gets read, unless it says "estimated" on your bill.

James Dott: Okay, thank you.

GM Allison: And if you ever have a problem with your bill, you can always call me too.

Director Neyman: Okay, thank you. Is there any other public comments?

CM: How many of the letters have you received?

Director Neyman: We're 'gunna get to that process, if there are no more public comments at this time, we'll close the public participation portion of the hearing, and we'll move on to, basically, the majority protest process, which is explained, and I'm going to have Director Schoenberg explain the process for us.

Director Schoenberg: Okay, so as you know, as was pointed out by a few people, the way that this works is, it's a majority protest. So there has to be a majority of our connections that say "no", in order for the increase not to go through. That's not something we made up. A lot of people were pointing out how it's not fair. We have nothing to do with that. That's the State. They require us to do this exact process anytime there's any change to the system. Any kind of consumption change, any kind of rate increase, anything where we're changing the amount of money, we have to go through a Prop 218. So, that was voted by California voters, whenever, I'm not sure when. So that's what we're 'gunna do right now. And the way it works is that you have up until now, now did we... We're 'gunna have to, right after this, we're 'gunna do a final call for anyone who hasn't submitted, and all you need to do to submit, if you haven't already submitted something and you're sitting here, is you would write in your... It's just what it says on here, we just need your name, the protest is in writing, it just can't be verbally stated. So if you came up here and said something, but you didn't fill something out, you need to just fill out a piece of paper, and it needs to say that you're against the proposed rate increase, it needs to say your parcel number, or if you don't know that, just your account number and we'll figure it out, it needs to include your signature, and it can be renters or owners, it doesn't matter, but if both a renter and owner for the same property vote, whoever the "no" vote is, that's the one that counts. So if one person votes "yes", or doesn't vote, and then they other person... Or let's say

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

they both vote "no", it's not two "no's", it's just one "no" for that particular parcel. So, does anyone need further explanation on that? Yes.

John Van Den Bergh: A little correction there. It is not every customer that gets a vote, it's every parcel. So if you own two parcels, you can send in two protest votes. If you have 10 parcels, you can have 10 protest votes.

CM: You know I saw that in the newspaper, but on my property tax bill it doesn't show...

GM Allison: There's 2,620 parcels that we sent letters out to, that have votes.

Director Schoenberg: I'm sorry, what were you saying about your property tax bill?

CM: I have a double lot, and my wife has a quad lot. So, but I only filled out one, and I didn't notice that until it was in the newspaper, on the 28th page or something. And I looked on my property tax bill, and it doesn't show two separate ATN numbers to list, but I have multiple lots.

GM Allison: That's because at some point, somebody joined those lots. Like my father-in-law, they joined it, because it's cheaper in taxes. So you join those lots, and you become one APN. If you have them separate, and you pay separate taxes on each lot, then you have a separate APN number.

CM: Okay, so what I'm saying is, I should be able to vote for my six lots.

GM Allison: Only if you didn't join them. If you had six tax bills, you could vote on every one, because those are separate parcels. Once it becomes one...

CM: Most people's lots are combined though, they're hard to separate.

GM Allison: Well, I'm just saying, the way it works is, if you've joined them, now that becomes one vote, not six.

CM: So then you're saying the article in the paper was wrong about... That I can vote for multiple lots.

GM Allison: No, because you have multiple lots, because you have multiple bills.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

John Van Den Bergh: If you joined your lots, then you only have one lot.

CM: But if I sold the lot, and then put in water, then they would have a vote.

Director Schoenberg: Correct.

John Van Den Bergh: You can't sell a parcel unless... You have to subdivide it.

CM: But you could if you have multiple lots.

GM Allison: So if you had done that before this vote, you could have had six votes.

CM: But that's what I'm saying is, it's not clear, it wasn't brought up before. It was brought up too late for me to do the research to find separate APN numbers.

GM Allison: Well let me reassure you, if you researched it, I guarantee you, you wouldn't have chose to separate your six lots, and pay the money, and pay the taxes, just so you could get six votes.

Donald Eubank: But you said you could give the address, and they'll look up your APN number.

CM: I've been on the website today, before I got here. The newspaper I bought today, and the meeting's an hour from now so...

Director Gipson: We said it at the last meeting.

Director Schoenberg: How many tax... ?

Director Gipson: We stated it at the last meeting.

GM Allison: He only gets one tax bill, Lisa.

John Van Den Bergh: If you get one tax bill, you would get one vote.

Patric Hedlund: Can I just say something?

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

Director Neyman: Patric.

Patric Hedlund: I have been reporting so sensibly, about this issue for two years. I have produced maybe 60, 70, 80 articles, and we have gone into so much detail, and I get just totally dismayed. I am the editor of the newspaper. I work really hard to be able to provide the information you guys need to make good decisions. And this breaks my heart, when I hear people say these kinds of things. We didn't know. All I can do, is [...] do, which is working as hard as we can, to get you the information. If you don't read it, or you think like the School District, it does not apply to us, then I call them and say, hey do you guys know that you're 'gunna have these increases? And they get themselves down here at the 11th hour. I mean people have to pay attention. I'm sorry, I just had to get that out there.

CM: But the society has changed so much that it's hard to do that. [...] most difficult things, be here on a weeknight, be here at 5:00, be here at noon, write a letter. Who writes letters? Everybody texts everything.

Director Neyman: Alright, I understand.

Patric Hedlund: That's your fault.

Director Neyman: Thank you Patric.

Patric Hedlund: I'm sorry.

Director Neyman: So, at this point we're 'gunna have a final call for the written protest submittals, so if you didn't put in your submittal, you can do so at this time.

Director Schoenberg: So if you didn't understand, and you do have multiple parcels that are not joined, you can submit additional votes. If your parcels are joined, you cannot submit additional votes. Or if you did submit already, we won't be able to count them once we go through the list. We're 'gunna compare...

Patric Hedlund: If you already submitted, but they now know that they've got additional lots, they can write down...

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

Director Schoenberg: Yes, that's what I'm saying. Right now, if you actually have six parcels, and you only voted once, you can write right now, five more "no's".

Director Neyman: If you get six tax bills, then you know...

Director Garcia: And we have the assessor's parcels right here, if anyone wants to ask us that.

Director Schoenberg: Yeah, we can look up your information.

Director Neyman: We have the list right here, if you need that information.

Director Schoenberg: So we should probably give people... Maybe take a break and give people about 10 minutes, or 15 minutes to do that. I mean, is there anyone who hasn't submitted a "no" vote at this point, that would like to? Okay, so there's a couple people with other parcels, so can we take a break and allow people to fill that out before we proceed?

Director Neyman: Okay, I'll entertain that we take a 10 minute break.

Director Gipson: I'll make a motion we take a 10 minute break.

Director Garcia: I'll second.

Director Neyman: All in favor?

(Directors Together) Aye.

Director Neyman: We're breaking at 7:45 for a break. If you want to check, please check, and then we'll come back and reconvene the meeting.

--BREAK--

Director Neyman: Okay, we're reconvening the Prop 218 meeting at... Back from break at 8:10, and at this point we're at the final conclusion of the protest hearing, to proceed with the protest count. So we're on to #6: Count/Tabulate Written Protest - General Manager and Staff. Come up now, and we will count them.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

Transcript Approved on May 11, 2017

CM: You didn't call for my... You said you were going to call for them.

Director Schoenberg: Yeah, anyone who has not put in their protest, give it to them right now.

- Two members of the public were chosen to read the votes out loud. Water company staff tabulated the votes. -

Director Neyman: Okay, we have tabulated all the protest votes, there is a total of 62, so the Prop 218 passes. There's not a majority "no" vote.

CM: What was the number?

Director Neyman: 62.

CM: 62. I think I was pretty close when I said 20, 20, 20. I was at 60.

Director Neyman: Okay, so we're going to move on to #7 - Discussion/Possible Vote on Adoption of the Proposed Rate and Consumption Fee Increase.

Tiffany Matte: Which you've already done... The Resolution was already accepted and signed.

Director Neyman: So we don't have to take a vote?

Tiffany Matte: I defer to John.

John Van Den Bergh: If you passed the Resolution, that's it. If there are not enough protest votes, then the rates go into effect. I think you sent that in January.

Director Neyman: Yeah, we did that already in January. Okay, at this point, I would entertain a motion to adjourn the meeting.

Director Gipson: I will make a motion that we adjourn.

Director Neyman: Do I hear a second?

Director Garcia: I'll second that.

FRAZIER PARK PUBLIC UTILITY DISTRICT

3801 Park Drive - Frazier Park, CA 93225

SPECIAL MEETING

**Hearing on the Proposed Base Rate Charge and Consumption Fee Increase in
Compliance with Article XIID of the California State Constitution.**

TRANSCRIPT FOR THURSDAY, DECEMBER 8, 2016

Schoenberg/Gipson 4/0/1 - Director Kelling Abstain

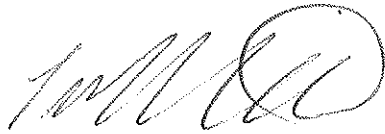
Transcript Approved on May 11, 2017

Director Neyman: Meeting adjourned, all in favor?

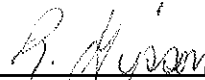
(Directors Together): Aye.

Director Neyman: Meeting adjourned at 8:56.

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