

FRAZIER PARK PUBLIC UTILITY DISTRICT
4020 Park Drive - Frazier Park, CA 93225
MINUTES FOR THURSDAY, SEPTEMBER 8, 2016
Gipson/Schoenberg 3/0/0 - Director Garcia absent, Seat 5 Vacant
Minutes Approved on October 27, 2016

1. Call to Order: 6:08pm.

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

2. Discussion/Vote/Adjust Agenda if Necessary.

Motion: Move that we table for the next Regular Meeting in November the following Items: #13 - Discussion/Possible Vote on Cold Springs Canyon Property (because we don't have any additional information); #14 - Discussion/Possible Vote on FPPUD 48hr Notice/Service Lock-Off Policy (because it hasn't been amended further at this point); #15 - Discussion/Vote on Quote from Telstar for Telemetry (because we're not prepared to move forward on it); and #19 Discussion/Vote on Contract with Tom Dodson for Work Related to the Lake of the Woods/Frazier Park Regional Project (because he never sent us his contract). Additionally, I would like to remove Item #18 - Discussion/Vote on CSA Software Solutions' Tech Support because we don't need it.

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

Motion: Move that we move Item #11 up to between #8 and #9, and take a brief recess immediately after #11, so anyone who wishes to be able to leave, can.

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

3. Public Comments - Present: John Van Den Bergh, Patric Hedlund, Gunnar Kuepper, June Schmidt, Bill Hopper, Tommy Hastings, and about 4 other members of the public.

A member of the public, who identified herself only as Tonya, wished to address the Board. Her first concern was that her friend, who owns a vacation cabin, but doesn't reside here, had a water bill showing 44,000 gallons of water use. She also expressed that the public has a right to vote on Directors, but she has never heard of an election. She went down to the courthouse to obtain information on the Board and noted that: No one provided a physical address; none of the forms are notarized except that of Rebecca Gipson, which was notarized by her daughter, Sabrina Gipson (Ms. Tonya cited this as a conflict of interest); and the only elected Board Member is Frank Durso. When questioned by Director Schoenberg as to what her actual issue was, Ms. Tanya responded, "Fraud, water theft, money laundering, those kinds of things." Director Schoenberg asked if she has any proof of her allegations.

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Ms. Tonya explained there was no seal on any documents she got from the court, and the July 24, 2015 issue of The Mountain Enterprise said, the water for the Frazier Mountain pot farm was provided compliments of the Frazier Park Public Utility District.

The Board, District staff, and newspaper staff had several responses to her claims and allegations. Director Schoenberg explained that, in order to be elected, a Director has to go in front of the Elections Officials. At that time, a notary is present to notarize the sworn statement, as well as when a Director is appointed at the FPPUD office and sworn in. No one can sit on the District Board unless they are sworn in, and it is notarized.

Patric Hedlund explained, her comment in the news article was meant to be facetious. It did not claim the FPPUD provided the water.

General Manager (GM) Jonnie Allison invited Ms. Tonya, more specifically the owner of the property in question, to stop by the District office during normal business hours to address the billing issue, and request the meter be reread. If the reading is found to be correct, there could possibly be a leak. A meter won't spin unless water is actively passing through it.

In regard to the issue of court documents not being notarized, Director Garcia explained his experience with the process. His seat is up for election this year. In order to be placed on the ballot, he needed to go to the County seat in Bakersfield, to the balloting officials, and request that his name be put on the Ballot. He filled out the forms, and proved who he was. He asked the elections official if he needed to take the document to be notarized. This person explained, as election officials, they are allowed to certify upon presentation of identification, that you are who you say you are. Director Garcia explained to Ms Tonya that, if she had asked the officials at the time she requested the documents, they would have given her the same explanation. All of her questions regarding election documents need to be addressed with elections officials.

In conclusion, GM Allison suggested acts of criminality should be reported to the Sheriff's department, and the elections allegations should be taken to the elections office. The Board invited her to remain for the rest of the meeting to learn, and to look at the District Website for Minutes from previous meetings.

4. Report of Officers - None.

5. Board Member Initiatives - None.

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6. Manager's Report.

GM Allison reported, there were two main line repairs and five after hours call outs. Since the last meeting, an additional slab was poured for the well and the anchor was set. Lumber was purchased from Lowe's, and by next week the construction can begin on the well house. An exorbitant amount of GM Allison's time has been spent going around town, talking to people, and news reporters, about concerns going around the public.

a. Discussion/Vote on Paving Repairs.

GM Allison received a repair quote for paving. As per the usual method, he waited until there were a number of repairs needed, so they can be done all at once. Eight repairs are needed, including repairing the FPPUD parking lot. The quote is for \$8,700.

Motion: Move that we approve funding for the expenditures of the eight paving repairs that Jonnie is speaking of.

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

b. Admin. Asisst. Report.

Tiffany Matte reported Dee Jaspar will be ready to update the Board on the Map, cost estimate, and Scope of Work for the Special Meeting on September 15th.

7. Ad Hoc Committee Report.

Director Schoenberg and Neyman met with John Van Den Bergh from RCAC, and went over the District financials. This information was used to form the Water Rate Study.

8. Report on Other Water Board Meetings Attended - None.

11. Discussion/Update/Vote on the Condition of Frazier Park Pond.

GM Allison reported he went to a meeting with State Parks Department, Friends of the Park, news media, and the public. Everyone there was working together to find a solution for the water level in the pond. The County said, through an email chain, that they are looking into what it would cost to dredge and line the pond, and any other options they may have to do something.

Ms. Tonya asked how an 800,000 gallon pond could dry up in a span of only two months.

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GM Allison explained the pond is fed by a natural spring. In 1994, a spring was piped and routed in, to restore levels that had dropped back then. That pipe hasn't had water come out of it in years, which shows water has been subsiding for a while. The pond dried up during a period of historic drought. Other than supposition on Facebook, there has been no scientific fact or indication that the new FPPUD Well 6 has had anything to do with the change. Every expert on the matter that has been spoken to, has deemed it a result of the drought.

Director Schoenberg reminded the public that on the Board meeting of August 25th, there was a vote to stop selling water to Lake of the Woods, and see if there was any impact to the water level in the pond. Two weeks into this experiment, the water levels are continuing to drop. She expressed that she doesn't feel comfortable running any other experiments that might hurt the town, like shutting down Well 6. Ultimately, the pond belongs to Kern County Parks, and is under their jurisdiction.

John Jones, a member of the public in attendance, wished to address the Board with his concerns. He explained, there is not enough money in this town to keep the pond full of water. If it were to rain again, and the bottom of the pond were to have been sealed, the water supply to the pond would be cut off. This would kill the pond. The best option, in his opinion, is to leave it alone so that, when it does rain again, the pond will hopefully come back.

GM Allison assured Mr. Jones he will pass that information back to the Parks Department. Director Schoenberg expressed her desire, although it is very expensive, to have a water basin study done by someone new, to compare with the information we have now, and see if the science matches.

Motion: Move that we recess at this point so that anyone who wishes to go may, but I invite you to stay for the other discussions, if you are willing.

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

Began Break: 7:08pm.

Return from Break: 7:20pm.

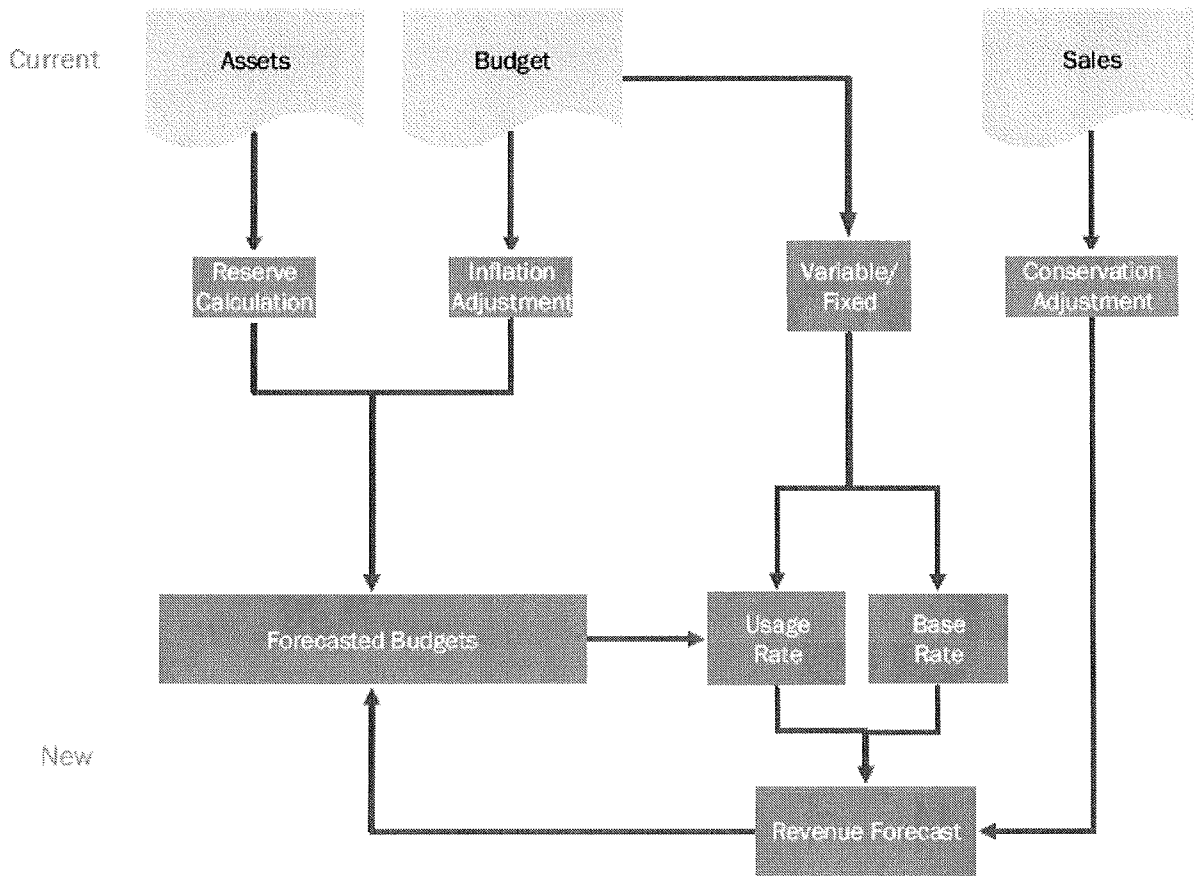
9. Discussion/Vote on Prop 218 Rate Study.

John Van Den Bergh introduced himself. He works for Rural Community Assistance Corporation (RCAC), a company that gets grants from the Federal and State Government to provide help to water systems like the FPPUD. One of the ways they help is by providing rate studies. Mr. Van Den Bergh has been doing these studies for about five years, and has completed dozens, and dozens of them.

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He has previously been a board member, and a general manager of a water system. The goal is to do a rate study, then move into an implementation of those rates through the Prop 218 process.

Mr. Van Den Bergh provided the following chart in the *Water Rate Study prepared for Frazier Park Public Utility District*, August 2016, page 7 fig. 1, to explain how he arrived at the suggested increase.



His final calculations showed \$472,687.08 as the amount of money that needs to be saved every year in order to continue to maintain the operations of The District, obtain necessary equipment, and create emergency reserves. Finally, a rate structure was created in order to achieve this financial goal.

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Exhibit 5

Meter Size	Base Charge for Year 1	Year 2	Year 3	Year 4	Year 5
		10.0%	10.0%	10.0%	10.0%
3/4"	\$55.00	\$60.50	\$66.55	\$73.21	\$80.53
1"	\$92.00	\$101.20	\$111.32	\$122.45	\$134.70
1.5"	\$183.00	\$201.30	\$221.43	\$243.57	\$267.93
2"	\$293.00	\$322.30	\$354.53	\$389.98	\$428.98
3"	\$580.00	\$638.00	\$701.80	\$771.98	\$849.18
4"	\$910.00	\$1,001.00	\$1,101.10	\$1,211.21	\$1,332.33
6"	\$1,832.00	\$2,015.20	\$2,216.72	\$2,438.39	\$2,682.23

Inactive meter: 1/3 of the monthly Base Charge.

Usage Rate

Year 1	Year 2	Year 3	Year 4	Year 5
	10.0%	10.00%	10.0%	10.0%
\$2.60	\$2.86	\$3.15	\$3.46	\$3.81

Mr. Van Den Bergh explained, it is now time for the Board to decide whether or not to accept the rates and move forward with the Prop 218 process. He also reminded the Board they have a fiduciary responsibility towards the community to provide clean water. This responsibility does not include finding out how the public is going to come up with the money. If the FPPUD does not raise rates, there will come a time when it can no longer supply drinkable water.

Following the presentation was a lengthy discussion, where the Directors expressed their own concerns about how this rate increase would affect the small businesses and property owners of the town.

Motion: Move that we accept the Rate Study by Mr. Van Den Bergh, and plan to begin a Prop 218 process.

Garcia/Durso 4/0/1, Motion Passed - Director Schoenberg abstain.

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Director Schoenberg explained, the reason she abstained was that she worked on the ad hoc committee for this process, and provided a lot of the numbers that went into the rate study. If there were mistakes, she felt it better to not be adamant one way or another on the vote.

John Van Den Bergh assured everyone he has reviewed all the numbers, and they seem reasonable. He did not find anything that he would consider questionable. His standard is to be able to defend the rate study numbers in front of a judge, and he feels he can do that.

- Notices for the public hearing will go out on September 22, 2016.
- The date for the protest hearing was set for December 8th, 2016. This provides more than the 45 day minimum Prop 218 requirement for the public to protest the rate increase.
- The effective date for the rate increase was set to be January 1, 2017.
- Public meetings were tentatively scheduled for October 15th and November 10th.

Motion: Move that we extend the meeting to finish business.

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

Meeting extended at 9:00pm.

Motion: Move to take a break at 9:00pm.

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

Return from Break: 9:15pm.

10. Discussion/Vote on Record Retention Policy.

Motion: Move that we table this discussion/vote until the October meeting.

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

11. Discussion/Update/Vote on the Condition of Frazier Park Pond - Moved per adjustment of the Agenda.

12. Discussion/Vote on Groundwater Basin Authority (SGMA).

Bill Hopper was asked to give a report on the meeting held by Tejon-Castac Water District in which other water agencies on the mountain were invited to attend. He reported Tejon expressed interest in being the management agency for the basin because they have the clerical, and the legal staff to do it.

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This would effectively give them management over the water in the aquifer, and the ability to limit, or allocate, how much water each company gets.

Director Schoenberg reiterated her view that there is no reason currently, to engage in this Act because the small water districts in the area are a very low priority on the State's mandate. Only by joining with Tejon, would we become a high priority. Going forward at this time would only benefit Tejon and their ability to continue to develop their real estate projects.

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

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

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

16. Accounts Payable and Financial Information.

Bookkeeper Linda Sheldon reported she will be meeting with the auditors on September 14th, at the District office, to go over information for the 2015 audit.

The balance on all accounts is \$861,730.50. She noted the reconnect fees jumped last month from the average \$200 - \$300, to \$1,300.

Motion: Move to pay our bills.

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

17. Reexamination/Re-Vote on Medical Benefits for Retirement.

In the meeting on July 14, 2016, the Board discussed with Linda Sheldon the requirements to qualify for a 4% discount on monthly insurance premiums. JPIA policy was unclear on its specifications, and the need to provide medical benefits for retired employees. The Board understood at that time, it was necessary to pay 50% of medical premiums for retirees in order to qualify for the incentive rate. JPIA later clarified that it was not. The Board agreed, based on new information, not to offer the retirement benefit. There was no need to rescind the original motion to approve the incentive rate as it didn't specifically mention the medical benefit.

18. Discussion/Vote on CSA Software Solutions' Tech Support - Removed from the Agenda.

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19. Discussion/Vote on Contract with Tom Dodson for Work Related to the Lake of the Woods/Frazier Park Regional Project - Tabled.

20. Discussion/Vote on FPPUD Credit Card Processing Fee.

Because the District is not yet using the new terminal from California Bank & Trust, this item will be carried over to the next Regular Meeting.

21. Discussion/Vote on Creating a Public Records Request Form and Establishing a Fee for Copies.

Admin. Assistant Tiffany Matte provided the Board with a draft of a public records request form. The form also establishes a fee for copies, if requested. The Board agreed a form for the public to fill out was not necessary, but a form can be used by the office to track a request and make sure it is fulfilled. According to the FPPUD's contract with American Business Machines, the District is charged \$0.085 per copy.

Motion: Move that we set the rate at \$0.08 per copy.
Schoenberg/Gipson 5/0/0, Motion Passed.

The Board directed Tiffany to change the form so that it is just a tracking sheet for office use.

22. Discussion/Vote on the FPPUD Bylaws and Rules and Regulations.

Motion: Move that we table #22 until October.
Gipson/Durso 5/0/0, Motion Passed.

23. Discussion/Vote on How Information is Disseminated to the Board.

Director Schoenberg expressed her concern that important information is not being taken to the Board consistently. Some of the time, someone will hear something, but that information is not reported in the meetings. The Board agreed to be more diligent to provide information to the Board at the Item in the Agenda dedicated to the report of officers.

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24. Review and Approve Minutes for 07/14/16, 08/11/16 and 08/25/16.

Motion: Move that we approve the Minutes for July 14, 2016 with the possibility for amendments for typos or other errors that need to be corrected.

Gipson/Durso 3/0/2, Motion Passed - Directors Garcia and Schoenberg abstain.

Motion: Move that we approve the Minutes for August 11, 2016 with the possibility for amendments for typos or other errors that need to be corrected.

Gipson/Durso 4/0/1, Motion Passed - Director Schoenberg abstain.

Motion: Move that we approve the Minutes for August 25, 2016 with the possibility for amendments for typos or other errors that need to be corrected.

Gipson/Garcia 4/0/1, Motion Passed - Director Schoenberg abstain.

25. Discussion/Vote on Future Agenda Items.

Special Meeting September 15, 2016

Pre-Planning Meeting September 22, 2016

Regular Meeting October 13, 2016:

- Continue the discussion on the record retention policy.
- Carry over the discussion/vote on the credit card processing fee.
- Carry over the discussion on the Bylaws and Rules and Regulations.

26. Adjournment.

Motion: Move to adjourn.

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

Meeting adjourned: 10:36pm.

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



Tiffany Matte, Clerk of the Board



Attest: Rebecca Gipson, Secretary

seal