

**FRAZIER PARK PUBLIC UTILITY DISTRICT**  
**3801 Park Drive - Frazier Park, CA 93225**  
**Frazier Park Area Water System Community Meeting**  
**TRANSCRIPT FOR THURSDAY, NOVEMBER 10, 2016, 6:00pm**  
Schoenberg/Gipson 5/0/0  
Transcript Approved on February 9, 2017

**CM** = Community Member.

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

**Director Neyman:** Welcome to the Frazier Park Public Utility District Prop 218 Community Meeting. November 10, 2016. We are starting at 6:20. I appologize for us starting late. Roll call of the Directors. Director Schoenberg.

**Director Schoenberg:** Aye, present.

**Director Neyman:** Director Gipson.

**Director Gipson:** Here.

**Director Neyman:** Director Garcia is absent, and Director Neyman's here, and Seat 5 is vacant. First thing we will do is we have to Pledge Allegiance.

**FLAG SALUTE**

**CM:** You haven't been saying it enough.

**Director Neyman:** It's been years. So, I'll get better, thank you. Statement from the Board. I'd like to welcome everybody here tonight. So we can have a good meeting, if you have a public comment, and you want to speak, please come up to the podium. We would ask that you limit your sharing to five minutes. I will have a timer, and at that time when it goes off, we would ask that you sit down. We would also ask if you could let him do his presentation first, there will be plenty of time for questions and answers. But, you know, if you really have to say something, then that's okay. So, we can go ahead at this point, number 3. Does anybody have any public comments at this point? Okay.

**Director Schoenberg:** You need to come up to the podium because we are going to be doing a transcript.

**Tonya Engelbrecht:** Okay, so obviously I have a few problems and issues. I was going through the Frazier Park Water District records, and this is kind of really disconcerting. It says that you are taking the Frazier Park Water District money and you are opening, it says, "... a retail

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lockbox. A physical lockbox located in San Diego, managed by California Bank and Trust. Payments would no longer be mailed to the FPPUD, but to this box."

**Director Neyman:** Excuse me. At this point, your public comments should be about the...

**Director Schoenberg:** No, they don't have to be.

**Director Neyman:** They don't have to be?

**Director Schoenberg:** Nope.

**Director Neyman:** Okay, then continue.

**Tonya Engelbrecht:** Well this is...

**Director Schoenberg:** Can we comment as you bring each one up so I know...? Because it's hard to remember them all, because you generally have a lot.

**Tonya Engelbrecht:** Yes, let me just finish just this paragraph, okay? It says, "The team in San Diego would collect the mail and input all of the items that come through. There is no cost estimate for this service as prices would change depending on how the lockbox is set up." But before I say that, why would you need a lockbox in San Diego?

**Director Schoenberg:** Can I answer that?

**Tonya Engelbrecht:** Yes.

**Director Schoenberg:** We do not have that. That was a suggestion. We brought in the woman from California Bank & Trust to bring us a number of different ways that we could improve our banking, and that was one of her suggestions, which we did not take.

**Tonya Engelbrecht:** Why would you even suggest a lockbox in San Diego?

**Director Schoenberg:** We did not suggest it, she did.

**Tonya Engelbrecht:** Then why would she?

**Director Schoenberg:** Because that is one of their services that they provide.

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**Tonya Engelbrecht:** Well at the last meeting, if you recall, when the Kern County Grand Jury was there, I had mentioned, you had said, that somebody, said that the bank was auditing the accounts, which is a little frightening.

**Director Schoenberg:** No, no, no. You repeat things very out of context. So can I answer that please?

**Tonya Engelbrecht:** Out of context? This is from your website.

**Director Schoenberg:** No...

**Tonya Engelbrecht:** Yes it is.

**Director Schoenberg:** May I answer that please? Yes, I know it's from our Minutes, but they're out of context. That was from the bank... So I'm 'gunna... Two things. One was, they're two completely separate issues. One is that Sherri Dumin came and addressed us about a number of things we could do. One was our new credit card machine, which we did end up getting, one was doing some kind of fancy check processing, which would have been very expensive, another was this lockbox where people could send payments. We didn't adopt anything except for the new credit card machine, which we have a contract for, which we would be happy to provide. So, on the second point, that... Read that again? I'm sorry.

**Tonya Engelbrecht:** Which part?

**Director Schoenberg:** The other thing that you brought up besides the... Oh, the audit.

**Tonya Engelbrecht:** The retail lockbox in San Diego?

**Director Schoenberg:** The audit has nothing... No, I just answered that...

**Tonya Engelbrecht:** ... Managed by California Bank & Trust, okay.

**Director Schoenberg:** No, I just answered that. Are you satisfied... Did I satisfactorily answer that?

**Tonya Engelbrecht:** I'm never going to be able to be satisfied with this Board. I mean that's obvious.

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**Director Schoenberg:** I understand that. Okay, can I answer the other point?

**Tonya Engelbrecht:** Which was the other point?

**Director Schoenberg:** So the other point is an audit. The bank did not do an audit of us, our auditors called the bank. We have separate auditors that we pay for, and they double check everything. So the bank charges a fee to give them all of our records, so that they can double check everything that we do. And that's what the audit fee is. And it was a \$15.00 audit fee, and they overcharged us a couple of times, because they charged, on one day, two audit fees on one of our accounts, and too much of an audit fee on another account. So, that's what we were talking about.

**Tonya Engelbrecht:** Okay. This is another one, I'm not sure the date because I pasted it, but I do have it. And it's from you, Director Schoenberg, "... made a number of bank transfers after the finances were reconciled. A transfer of \$700.00 from the Revenue Fund to the Capacity Pipeline Fund, for turning on an old connection. A transfer of \$2,744 from the Capacity Pipeline Fund to the Revenue Fund for a hydrant replacement. Three transfers in the amount of \$9,905.00 for 2011, 2012, 2013, and Replacement Fund per USDA requirements." Now, then it says [...], "... interest transfers into the USDA payment fund, which included \$25,908.00, for Loan #2, and \$19,018.75, and then \$7,300.21 for Loan #1." And then it goes on to say, "An auto transfer from the Revenue Fund into the two Reserve Accounts, for loan interest in the amount of \$603.77, and \$601.70." So, if these auto loan transfers... I mean all these trucks are really old, what's that about?

**Director Schoenberg:** No, that has nothing to do with an automobile. It is an automatic... I'm sorry, I'm getting angry.

**Tonya Engelbrecht:** Well...

**Director Schoenberg:** I'm going to try not to. Okay, it has nothing to do with an automobile. It has to do with an automatic transfer that I set up so that we don't have to transfer every month. So, our funds are automatically transferred... You know at the bank when you, like, pay bills ahead of time? That's what we're doing. We're doing an auto transfer for \$600 - whatever it is dollars each month to make sure we're not late on paying the USDA interest. And then all those other transfers, have everything to do with the USDA. They tell us exactly how much we have to pay, and stuff is transferred, except for the one you that you were bringing up that went from the... into the Pipeline Fee. What goes into... That's a bank account that we keep for repairing pipeline, so whenever we have, like if somebody buys into the system now, and we get that

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money, or if we fix a water hydrant, that money automatically goes into that pipeline fund so that we can pay for pipeline repair.

**Tonya Engelbrecht:** Okay, well thank you for clarifying that. I have another issue. When I went to vote they said that I was a mail-in ballot. And I said, "excuse me, I don't do mail in." I've got all this identity theft, and mail fraud. So, on my provisional ballot, the Water District, the School Board, the Board of Supervisors, weren't on there. And not only...

**Director Neyman:** ...

**Tonya Engelbrecht:** Wait, wait, let me finish.

**Director Neyman:** I can explain...

**Tonya Engelbrecht:** Let me finish please.

**Director Neyman:** Okay, go ahead.

**Tonya Engelbrecht:** Um, no, they were missing from the ballot. I went to the news station, and they said, "Are you the one that just called?" And I said "No, and praise Jesus somebody's paying attention". They're not on the ballot, and we already know, this is established from the first meeting that I was at. I'm sorry but it's true, it's true. Nobody's been notarized, nobody. Except for Garcia by Becky Gipson's daughter. That's illegal. That's illegal.

**Director Neyman:** All the filings are down with the Kern County Board of Election...

**Tonya Engelbrecht:** That's where these came from...

**Director Neyman:** Excuse me. Excuse me. Just wait a second please, because you keep bringing this up, and I'm telling you, that if you have a problem you need to go talk to the Kern County Board of Elections. And, during the time period from the beginning August, the seat boards were opened, we ran in the paper, for people to go down to the Board of Elections, and put in their paperwork if they wanted to run for office. Gerry Garcia went down for seat #2, I believe it was...

**Tonya Engelbrecht:** Well it says Office 1.

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**Director Neyman:** ... I went down for Seat #1, and put in the paperwork to run for elections. Nobody else went down from this town, and put in paperwork. So when that happens, the Board of Elections automatically just appoints you for another term. And at that point, they don't even put it on the ballot, and that's why it is not on the ballot.

**Tonya Engelbrecht:** He said he was running, and he should be on the ballot.

**Director Schoenberg:** That has nothing to do with us. We can't put ourselves on the ballot, that's Kern County Elections.

**Tonya Engelbrecht:** Right, so there's a problem there.

**Director Schoenberg:** So talk to them.

**Tonya Engelbrecht:** I actually have talked to Elections in Sacramento about this issue.

**Director Schoenberg:** Okay, well talk to them again, but they would have to change the rules for Kern County.

**Tonya Engelbrecht:** And you can't have Becky Gipson notarizing people. I'm sorry...

**Director Schoenberg:** Becky Gipson didn't notarize anyone.

**Rebecca Gipson:** I didn't.

**Tonya Engelbrecht:** Your daughter. I mean your daughter.

**Rebecca Gipson:** My daughter is a Notary Public, and she was hired.

**Tonya Engelbrecht:** You can't do it, it's a conflict of interest.

**Director Neyman:** Alright, your time is up, and we need to move on. Does anybody else have any other public comments at this time?

**Tonya Engelbrecht:** (Addresses the public) If anybody wants to look I have copies, so there's no questioning me.

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**Director Neyman:** Okay, no further public comments? Okay, I'd like to introduce John Van Den Bergh from RCAC. He's here to give a presentation on the Rate Study, and the rate increase. So, I'd like to welcome John, and the show is yours.

**John Van Den Bergh:** Thank you. Thank you. First of all, I'd like to apologize for being late.

**CM:** [...], I'm glad you're here safely.

**John Van Den Bergh:** Thank you. I work for RCAC, and RCAC stands for Rural Community Assistance Corporation. If you've been here last time I was here, you 'gunna be bored because it's the same presentation. RCAC stands for Rural Community Assistance Corporation, and what we do, we're based in Sacramento, and we help small, rural communities with their issues in relation to water, sewer, and housing also, actually. I work in the Utility Division, and we have about 50 consultants, and when a water district has an issue with something, they pick one of us out to solve the problem. My specialty is Rate Studies. I've been doing Rate Studies for five or six years now, and I've done dozens, and dozens of them. And, our funding comes from the State, so there is no charge for doing this Rate Study. Rate Studies usually cost about \$25,000, and you got it for free. And the reason why you got it for free is, because you're what the State calls a Disadvantaged Community.

**CM:** A what?

**John Van Den Bergh:** A Disadvantaged Community. A community that does...

**CM:** Thank you.

**John Van Den Bergh:** Yeah, your income is 80% of the State Median Household Income. We help water systems stay in compliance with all the issues as they come up. So, why do we do a Rate Study? There are several reasons why we do a Rate Study. First of all, you've got to stay solvent. If you don't stay solvent, you're not going to have water. That's the important part. The next thing is that, Rate Studies are required by the State, when the District is applying for funding. And, you are applying in the future for some funding, so we getting the Rate Study done. Get that out of the way. Right now, your affordability is 1.25%. Which means that, the average water user here, pays 1.25% of their income for water. Okay? According to the State, that's not enough. You should try to pay a little bit more into it. And they're shooting for 1.5% - 4%. So what we're trying to do in this Rate Study, we're trying to bring it up at least to 1.5%. Okay, consequences of not raising rates enough. Of course, if you don't have enough money to pay your bills, you're going to eat up your reserves. You're very lucky to have a substantial

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amount in reserves. Previous boards have put money aside, put that in reserves, so that's a good thing to have. Unfortunately, it's not enough. So, when your rates are not high enough, the first thing that's going to happen is you eat into your reserves, and that's not a good idea. That runs out, you're not able to pay your bills, then you're not able to maintain your system, which is a big problem because then you're out of compliance, and you won't be able to get clean water. Another thing that happens when you don't raise rates enough, there is extra pressure from the State to consolidate with neighboring systems. Let me explain that a little bit. I'll come back to this. Pressure from the State to consolidate. I have to be careful now. The State doesn't like to have too many small systems. They prefer that systems consolidate. It's easier for them, it is cheaper for the customers also to have consolidated systems. Then, if consolidation doesn't work, the last thing that can happen is, that the State takes over. Basically, the bankruptcy of your water system. Where the State, it takes over, and then either manages the system, or sells the system to a private company. And then you lose complete control over your own house. Okay, reduction in reserves. There are four kinds of reserves that are important for your water system. Debt Reserve, which is basically dictated by the lender. They say, okay, if you want to borrow money from us, you have to have so much put aside, and you're compliant with that. That's a good thing. Operating Reserves are the money that you have to keep in your checking account to make sure that you can pay the bills. You keep it in the checking account, just like your own checking account. Money comes in, money goes out. There should be some cushion, that's called an Operating Reserve. And you're fine with that, your District is good. Emergency Reserve, you should have some money in a savings account, when something breaks, that you can immediately draw from, if something would break. If a pump goes out, you should have money, you cannot wait for Sacramento to send you money, you should have it in the bank. And you do have that, and that's great. But what you don't have is Capital Reserve. You don't have enough money to replace all the pieces that will wear out. You don't have the money for that, to replace that. And that's that biggest reason why the rates are 'gunna go up. To put money aside. I'll stop periodically for questions, so hold on a second. Hold on a couple of minutes. When we come to a good stopping point. Hold on to your question. The second reason, inability to pay bills, cash flow problems. In this system we should have about \$127,000.00 in Operating Reserves. You have that, and that's good. And you should have an Emergency Reserve, and you have that. That's good. Inability to maintain the system. The main responsibility of this Board is to provide clean water to you. That's their job. To provide clean water, and they have to do everything they can to provide clean water to you. And that includes, collecting enough money, so Jonnie can do his job. And, if there is not enough money, Jonnie won't be able to maintain the system. So, you would have service interruptions. You have non-compliance with the Safe Drinking Water Act. This is really important. The District can get fined for not providing you with clean water. And, if they cannot maintain the system, they 'gunna be out of compliance, eventually, with the Safe Drinking Water



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Act. I'm working with a water system south of Palm Springs. They got fined half a million dollars for 112 households. Can you imagine that? That's terrible. 112 households got fined \$480,000.00. We got it down to \$250,000.00, but that's the bottom. People will have to pay. That's because they were not maintaining their system. It was a sewer district. A sewer line broke, spilled sewage, \$480,000.00 fine. This is serious. I'm very concerned about that. So, we need to provide a way to maintain your system. Fines, we talked about that. Legal actions, you can be sued also. The District can be sued, the Board can't be sued.

**CM:** Because of the Board, the District can be sued.

**John Van Den Bergh:** The District can be sued, not the Board.

**CM:** I know. We all pay for what mistakes people make.

**John Van Den Bergh:** That's right, that's right. Fines. These people, south of Palm Springs, they 'gunna have to come up with the money. I'm doing a Rate Study for them, and it's going to be horrible for them. Luckily, you're not in that place. Okay, pressure to consolidate. Whenever you apply for funding, the State will require a study to consolidate. Now, consolidation... The pressure is on for consolidations, but if your system is well run, if your Board works fine, if you're not running in the red, the State is going to leave you alone. But they have the stick, and they can require... No, they will require the consolidation study, they may not push you into it. Consolidation doesn't have to be with a local system. They might say, you should consolidate with this system, in Castaic for example. They could do that.

**CM:** They already have. I'll leave that one alone, but...

**John Van Den Bergh:** That's another good reason to take care of yourself, by having the money put aside so you can run your system. If you run your system well, the State is not going to push you. But if you don't, they will. So, if Frazier Park would be non-compliant with the Safe Drinking Water Act, which you are compliant with, but if you were not, if you didn't have a functioning Board, if you don't balance your books, you're going to be pushed into consolidation. Finally, receivership. Basically, it's bankruptcy of a public entity like this PUD, and that's what happened to Flint. They will force you to come into compliance without public input, force consolidation, your management [...] to a private investor. That's the worse case scenario. You don't want that.

**CM:** [...]

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**John Van Den Bergh:** Yep, right. Well, not only do they want profit, they don't listen to you. Here you have a Board from local people, imagine if you had to go to Sacramento to complain about the rates. Okay, this is a good place to have any questions that you have.

**Director Neyman:** Can you come up to the podium?

**Director Schoenberg:** We're trying to transcribe everything, can you come to the podium?

**Director Neyman:** So you can come to the podium Linda, thank you.

**Linda Robredo:** I'm Linda Robredo, and you stated that we have funds for three of the four items. The fourth item was Capital Reserves. And then you went on, and on, and on about the fear tactic of the State taking over if we don't have enough funds to cover all four items. What you didn't explain, and left out there as a subjective guess, that I would like you to explain right now, is the Capital Reserves is to replace components of our system, because of age and such, is what I'm understanding. The question is, how long, and how much?

**John Van Den Bergh:** Okay. We spent, with staff and the Board, many meetings going through that, and I can skip to the slides if you want.

**Linda Robredo:** It's a number I'm asking. For how long are we supposed to have enough reserves? We have an aging system. This is a little old community, our system is aging. We are all well aware of that, and so, my question is a number question. How much money do we have to have, to be in compliance, for how many months, or how many years, of these types of age related repairs?

**John Van Den Bergh:** What we did was, we...

**Linda Robredo:** They're looking for a number for us to be in compliance...

**Director Schoenberg:** He has an actual chart.

**John Van Den Bergh:** I have a lot of numbers.

**Rebecca Gipson:** It's coming up in the presentation.

**CM:** It'll be coming up in the presentation if you wait a minute.

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**John Van Den Bergh:** I'll give you a little...

**Linda Robredo:** This will come up?

**John Van Den Bergh:** Yes.

**Linda Robredo:** Thank you, I'll wait for your answer then.

**Director Neyman:** And I'd like to say that it's not fear tactics. He's giving information that can happen, and will happen, if our system fails, or if we fail to provide a safe clean water for the community, or if there's service interruptions because the pipes go, the tanks go, or whatever the other issues are. So, it's not a fear tactic, we're just providing information as to one of the reasons, and why the study had to be done.

**Linda Robredo:** I understand that, and where I'm coming from is, based on your information earlier, is that we are a financially qualifying district for this State to gift us your services. So the Rate Study. I understand that. And then you stated that we have 1.5%, or... We were below the 1.5 of our income, is that income based on the low income qualifier? And, if it is, then I'm a little bit concerned that we're going to be back here again, that's one thing. Because if the economy improves, then income rises... These are subjective numbers that move around. So, we've been here before. We approved a rate increase before, and it really was needed, and at that time, our Board instructed us that we would be reviewing this in a few years, which is what is happening right now, and it's completely appropriate. So, one of those things that was left out there last time, is exactly this, the Capital Reserve. And, the reason why the Capital Reserve last time, a few years ago, was so depleted, was because of the reaction of the stalled housing market, where our Board had utilized all of the extra building to keep things propped up, and then when that just stopped, the reserves kind of dried up, because that component was stopped. And it was a qualifier to say, we need to raise our water rates, and the community agreed, and it got raised and such. So, my point of asking for this specifically, and I will not leave here tonight without that answer, is that this is exactly the same reason from a couple of years ago, that was offered. And here we are again using the same reason, where our Board has been excellent in making sure the other three are covered, and we have this unanswerable number thing, of how much money we have. The other item, is part of asking for grants, and part of agreeing to combine our systems with Lake of the Woods, because they're in need...

**Director Neyman:** Let me interrupt you...

**Linda Robredo:** ... is this. Is that we would be able to get money to...

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**Director Neyman:** We will get to that Linda.

**Linda Robredo:** ... to fill in this problem of...

**Director Neyman:** Linda, Linda...

**CM:** They'll answer that in a minute.

**Director Neyman:** We will answer that Linda...

**CM:** They will get to that.

**Director Neyman:** ... if you be patient for a minute...

**Linda Robredo:** Sure.

**Director Neyman:** ... you will get all those answers.

**Director Schoenberg:** Can I just make one comment?

**Director Neyman:** Director Schoenberg.

**Director Schoenberg:** We were given a higher recommendation like last time, we were given a recommendation to charge more, and the Board was so concerned about charging more, that we didn't do... I mean we came to an agreement with not putting in as much capital improvement with the person who was doing our assessment last time, and that was a big mistake, because now it's even more. So, I mean, we were really painstakingly careful to put in, pretty much everything we could think of this time, and he's got a whole chart of that, but that was one of the issues last time, is that we were... And this time it's a lot of money too, so we were just... It's hard to tell you guys a big amount because... It's hard for me. I live here, and I look at the amounts, and I go, "Oh my gosh, how am I going to pay that?"

**Linda Robredo:** Could I request that when these amounts, these numbers are presented to us, that they be posted on the website, because by the time the lady read the sixth number, I was like, lost. And if you start hammering us with a gazillion numbers, and expect us to retain it, that's just not fair. Please put those types of things on the website.

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**Director Schoenberg:** If John will allow me to, I can put a link to the entire presentation. Am I able to do that?

**John Van Den Bergh:** You have my full report.

**Director Schoenberg:** Right.

**John Van Den Bergh:** Which is public information. You can put that.

**Director Schoenberg:** So we'll just put the report. We'll scan the report and put that on the website.

**Linda Robredo:** Okay.

**GM Allison:** I have the printed copies of the slideshow on the counter of the water company too. So, I can print it for you too.

**John Van Den Bergh:** The important document would be the Rate Study itself. Then they have all the information, instead of just pieces.

**Linda Robredo:** I'm interested in this Capital Reserve thing, because this is the second time we're coming back to it. And it's probably something that we'll come back, every couple of years, and say this is what we need to build, and fix now. And that's how it is with an old system.

**John Van Den Bergh:** Another person had a question.

**Tonya Engelbrecht:** So, since we're a Public Utility District, we have a right to, for example, we just got I don't know how much money for doing the wells. I think they're scheduled for \$13,000,000 is that correct?

**Director Schoenberg:** No, that's for Lake of the Woods. That's for the annexation.

**Tonya Engelbrecht:** Oh, that's for the... But you did recently get...

**Director Schoenberg:** We got \$500,000.

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**Tonya Engelbrecht:** \$500,000. Is there any way that you could put a line item, since we have a right to know that, of what cost went where, and how much was spent on what project, drilling the well, etc.? I mean we have a right to know those financials.

**GM Allison:** Everything was accounted for, and verified by the...

**Tonya Engelbrecht:** I want to see it in black and white though.

**GM Allison:** That's what I'm trying to say. Plus by the USDA accounted for every [...].

**Director Neyman:** You could come by the office and fill out a public records request, and we can provide that information.

**Director Schoenberg:** Right, but I think what we can do, is we could see if Linda, if our bookkeeper would be willing to just put the project information. Because we don't have that anywhere. I have it partially on the website, but it's not everything. It hasn't been updated since the last USDA. So it doesn't have this last well, I don't think, and I don't think it breaks it all down by numbers.

**GM Allison:** Just FYI, the \$500,000 didn't even cover our well. So, when you do account for all of it, you'll see we had to reuse an old well. We had to reuse an old motor. We had to pour our own extension of the slab. The District had to do all the piping to tie it in ourselves, because there wasn't enough money. And the crew also had to build the building over it, because the \$500,000 was about \$300,000 shy of what the estimates were.

**Tonya Engelbrecht:** Well didn't, I don't know if this is true, but I did read it in the Enterprise, and Dan Padilla I believe, wrote it. Weren't there like 300 pipes that were just layed?

**GM Allison:** No.

**Tonya Engelbrecht:** I'm pretty sure that was... It was in the letter to the Grand Jury. And Patric...

**GM Allison:** Well [...] to the Grand Jury, it was erroneous.

**Tonya Engelbrecht:** Well, Patric printed it so, it's really hard to say what's real.

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**GM Allison:** It was erroneous. All the Enterprise printed on that, was your letter to the Grand Jury.

**Tonya Engelbrecht:** No, no, no, no no. This was, I think his name was Dan Padilla, or something like that.

**Director Schoenberg:** No, that's over the course of... That was talking about the Downtown... That's all the grants, I think we've gotten in the last...

**Tonya Engelbrecht:** There were 300 pipes mentioned. And there was also that pipe that's not on the map. Which is kind of a really disturbing... The six inch pipe that Edison hit, it was in the records, I brought it up at the last meeting.

**GM Allison:** But what about it not being on the map though?

**Tonya Engelbrecht:** It's not on the map. How do you hit a pipe that's not on the map? Why is it not on the map?

**GM Allison:** It was put in the ground in the '60s, and it's not translated on any blueprints.

**Tonya Engelbrecht:** Okay. And you know, I never did let you answer what's the reason that there was nobody on the Board for the provisional ballots for The School Board, The District, the Supervisors?

**Director Neyman:** I don't know about the School Board, whether they had anybody running or not. All I know is about the Water Board.

**GM Allison:** Nobody ran. It's a simple question. Nobody ran against the two people that were on the Board. The two people that were up for reelection, nobody went down and said, "I want to run against these guys." And if there's nobody to run against them, who would they put on the ballot?

**Tonya Engelbrecht:** Well, Gerry Garcia's appointment says that he was from 2012 to 2016.

**GM Allison:** Exactly.

**Tonya Engelbrecht:** That's four years.

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**GM Allison:** So then...

**Tonya Engelbrecht:** It's 2016 now.

**GM Allison:** Let me finish. So then when his term was up, if you would have wanted to run against him, you would have been on the ballot. Tonya is running against Gerry Garcia, and everybody would have voted. But you never did that, so nobody ran against him. So they just reinstate his term, so we still have a Board. That's what happened.

**Tonya Engelbrecht:** Well, I mean I think we would all like to see financials of where the State money went. I mean I think that's appropriate...

**GM Allison:** Well that's Federal, just so you know.

**Tonya Engelbrecht:** ... I think it's fair, or Federal, okay. State, Federal...

**CM:** Are you going to pay for all that extra paperwork?

**Tonya Engelbrecht:** It should already be there Dianne. You know, if they're doing their books properly, it would be already on there, okay.

**Director Schoenberg:** We are doing our books properly.

**CM:** You're way over your five minutes.

**Tonya Engelbrecht:** Well, you keep interrupting so...

**Director Schoenberg:** But we can look into some more condensed, easier to read... Because we have all the financials, but they're very thick.

**Tonya Engelbrecht:** Because people did get new houses, new trucks, right after the disbursement.

**Director Schoenberg:** New houses and new trucks?

**Tonya Engelbrecht:** Come on Schoenberg, come on.

**Director Schoenberg:** Really?



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**Tonya Engelbrecht:** Get it out there. Yes, you want to go with the public records on that?

**Director Schoenberg:** Yes, I do. I'd like to see them.

**Tonya Engelbrecht:** Okay, I'll get them when I can pull up the home records, and the auto loans, and horrible purchases.

**Director Schoenberg:** Okay.

**CM:** Hi, this all applies to the rates and rate structure, eventually. In the notes that they put out, they said 100% of the fixed expenses should be covered by the base charges. Can you say which ones of these is base and which one is... later? Okay, that's fine.

**Director Schoenberg:** I think you should just go to the charts so that people understand.

**John Van Den Bergh:** All right. Rate increase. We have the rate increase over five years. And a new Rate Study will be done when the proposal, if the proposal to consolidate with the neighboring water system goes through. It will require another Rate Study. So, if that happens in two years, then there will be a new Rate Study in two years. If that doesn't happen, there will probably be a new rate structure in about five years. We recommend that a Rate Study be done every five years. So, this Board is 'gunna have to make some really tough decisions. And, it's really important that you look at these rates, and don't let them get out of hand. Meaning that instead of having these big increases every ten years, you should have smaller increases over a period of time. So, what we do when we start a Rate Study, we want to make sure that the rates provide you with a sustainable cash flow that you need. The rates should be fair. Meaning that nobody should be singled out for a different rate. And that's why Prop 218 was voted on, where it was laid out pretty clear as to what can go into a Rate Study and what cannot, and how the rates get implemented, and giving you an opportunity to protest those rates. So, that's the fairness part of it. Conservation. Yes, we want to make sure that we conserve water, and rates can help a little bit with conservation of water. And it must be justifiable. Justifiable, meaning that all the money that is collected from rates, has to be justified by the expenses. It's very, very important. And that's one of the nice things of Prop 218 here in California. I do Rate Studies in Washington, and in Washington the Board just picks a number for the rate. It doesn't work here in California. Every penny that is being collected is justified. Okay, so this is how it works. The yellow boxes, and I'll show you some reports, the yellow boxes is information that I received from staff. A list of all the assets. I got a budget, and I have sales information. From the assets we calculate the reserves, and I'll go through that. I'll show you how the reserves are calculated. So from the assets we calculate the reserves, and we're going to create a five year

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budget. Five years. From the current budget, I adjusted it for inflation, and some of the information goes into the five year forecasted budget. Also, and this is what you asked for, the expenses of the budget, we 'gunna split those between fixed, and variable expenses. Fixed expenses are like insurance. That doesn't change. If you sell twice as much water, you still have the same amount that you pay for insurance. But electricity for example, that goes up and down with how much water you sell. So that's a variable cost. So, from the variable portion, we calculate the usage rate. So many dollars per 100 cubic feet. You use cubic feet here, right?

**Director Schoenberg:** Um, yes.

**John Van Den Bergh:** And from the fixed expenses, you create the base rate.

**Director Schoenberg:** We use cubic feet, but it's a little confusing right now, which we need to change the actual... It asked us in the last Rate Study to change the billing to gallons, but we're 'gunna change it back, because it's very confusing.

**John Van Den Bergh:** Okay. So, then with this preliminary rate, we look at the sales, how much gallons that you sell, we 'gunna use a little adjustment. We use these rates to create a revenue forecast. We plug that in. If our budget balances, then we picked the right rate. If it doesn't balance, you go through this circle several times. And we went through this circle several times with the Board to make sure we had the right rates. So, the first thing is the assets, we 'gunna calculate the reserves. I promised we'd get to it. Okay. It gives you an idea. This is just a small portion. You don't need to read this. If the District can put this on the website, it's in there.

**Director Neyman:** You can come get a copy Linda.

**John Van Den Bergh:** And this goes on for pages, and pages, and pages. And what we did was, we looked at each individual piece. For example, this '93 dump truck. It used to cost \$26,000.00. The normal lifespan of that truck is 10 years, so it's 13 years passed its normal life. So we should replace that in about a year. Currently, that truck cost \$47,000.00. In a year it probably will cost \$48,000.00. And we discussed this with staff, we going to pay 20% cash, and the rest we 'gunna finance that. That means if you want to come up with 20% cash, in one year, we have to put \$8,000.00 away. Every bit, all the other things, over a hundred different items. We looked at each piece, each piece, and we figured out how soon we have to replace that. Some pieces are going to last another 50 years, but some pieces only will last five years. So, if you want to replace that trailer in five years, and we 'gunna pay 20% cash, and we 'gunna get a

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loan for the rest, we have to put \$173.00 away every year. So, each piece we calculated as to how much money we have to put aside.

**Director Neyman:** And you notice that a lot of the items are years, and years, and years, and years passed any kind of lifetime.

**John Van Den Bergh:** Whenever you see a negative number, meaning that it's way passed its normal lifetime. We should have replaced that sooner. Yes.

**Director Schoenberg:** And we had to come up with this, not counting... Even though we've been blessed to get a number of grants, and some loans. We had to kind of think of it as just loans, because we can't guarantee that we'll get grants. We may still get grants, in which case when we go through, and reexamine this, we may be able to adjust it for whatever grants we're able to get. But this doesn't include anything with Lake of the Woods. So, if we do get the Lake of the Woods grant money, then this could get adjusted. But right now...

**Director Neyman:** Because we'll have to do a new Rate Study.

**Director Schoenberg:** ... right now, it's not counted in at all.

**Director Neyman:** So a new Rate Study would be done... excuse me John. A new Rate Study would be done at the time, if we get the grant money, we go forward with the construction, and then it would be relooked at again to reassess the rates, to see if the rates can come down.

**Linda Robredo:** Okay, this is one page of many pages? Lisa, what's the bottom line?

**John Van Den Bergh:** I cut that off.

**Linda Robredo:** I know.

**Director Neyman:** I think you'll get there, right?

**John Van Den Bergh:** I'm not sure if I have... I can show it to you if you're really interested.

**Linda Robredo:** Well I'm wondering are we talking about thousands, hundred thousands, millions, hundred millions... ? What's the bottom line?

**John Van Den Bergh:** The bottom line of this annual reserve requirement...

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**Linda Robredo:** Yes.

**John Van Den Bergh:** It's \$450 - some thousand dollars. Every year, you put \$450,000.00 away.

**Linda Robredo:** For Capital Reserves. That's the number.

**John Van Den Bergh:** For Capital Reserves. Yes.

**Linda Robredo:** Yearly, annually.

**John Van Den Bergh:** Yes, and I might be off by a few thousand. About \$450,000.00.

**CM:** They won't give us any grant money because we'll have too much money sitting in the bank.

**John Van Den Bergh:** No, not at all. What we assumed is, in this case, we 'gunna come up with cash for this truck, but for this item here, well that's not a good example. For this well here, we 'gunna put 20% cash in, 50% grant, and 65% loan. We looked at each item, and figured out how we 'gunna finance it. If it's a grant, or loan, or cash. So we really spent a lot of time. A lot of thinking went into this. Staff spent a lot of time on this.

**Director Schoenberg:** Can you just answer this gentleman's... He didn't ask a question at the podium, but what he was saying is, that if we raise money, and we have that much money in the bank, that that will not allow us to get grants. So, I was just trying to say...

**CM:** \$450,000 times five years, is what, \$2.5 million dollars? \$3 million?

**John Van Den Bergh:** Well remember, you 'gunna take money out of it to replace things too. It's not going to climb that high.

**Director Neyman:** And the other thing is there's a financial requirement. When you go for a grant, it does have to do with what you have in the bank, it has to do with whether you're able to pay back the loan. Because as a Disadvantaged Community, you normally get like an 80% grant, and a 20% loan that you have to pay back. And then there's stipulations as to you have to put so much away, and that's what's happened with our other loans that we've done with the other projects that we have done to do some of these upgrades. And so, then they're 'gunna look at your finances, and they'll say, "Well your rates are not high enough", or "you don't have

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enough money to pay these loans back, so we won't even give you a grant, because you don't have the money."

**GM Allison:** So in other words, we're not 'gunna have too much money to get the grants.

**Director Neyman:** Right, that's my point.

**GM Allison:** That's the bottom line.

**Tonya Engelbrecht:** Excuse me, is mutual part of this? 'Cuz I read that it said...

**Director Schoenberg:** Can you come up here again? It's just hard for our person to transcribe.

**Tonya Engelbrecht:** ... Mutual, this was like a... and Patrick never responded, but she wrote in The Mountain Enterprise, "... Mutual will consolidate with the District, and no longer operate as a water company." And she never responded to my written request for an explanation of exactly what does that mean, and I'm assuming mutual, is that right across the way here? I don't know, what's mutual? She said, "Mutual will..."

**Linda Robredo:** Lake of the Woods Mutual Water Company.

**Tonya Engelbrecht:** Oh, so that's what... She said, "will consolidate with the District, and no longer operate as a water company." I didn't understand what that meant.

**Director Schoenberg:** If we consolidate.

**Director Neyman:** When, and if the annexation goes through, and when and if we're able to get the grant money that they're offering, and we're able to do it, at that time, we will have an annexed Lake of the Woods, and they will become part of our District, and they will be our customer, and they will cease to exist as a company. And all their assets and everything becomes part of Frazier Park Public Utility District.

**John Van Den Bergh:** Any more questions on this capital replacement? Okay.

**Linda Robredo:** We have an accumulation of loans, based on our ability to pay that 20% when the USDA gives us 80...

**Director Schoenberg:** Those were 50% at that time.

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**Linda Robredo:** Whatever it is, we have an accumulation of loans. So I just wanted to ask this, because it's my understanding of it. Personally, this is personal, I like working with people that plan ahead so you have money instead of having to take a loan to play catch up. Okay, so I'm getting a feel that this \$450,000.00 per year, deposited in the Capital Reserve concept for Frazier Park Public Utility District, because we have such an old, antiquated, that we've been working very hard to build up and correct, but we're talking about looking into the future of having that money, rather than having to take more loans in the future, potentially. Is that what...? Because we have loans that we're paying...

**Director Schoenberg:** Right, here's the problem.

**Director Neyman:** Director Schoenberg.

**Director Schoenberg:** He's only accounting for about 20% cash on most of these. So we would still be taking loans...

**Director Neyman:** Or grants.

**Director Schoenberg:** I mean, a tank alone... Like we have some tanks on here to replace. A single tank's 'gunna chew up an entire year of our capital improvement. So...

**Linda Robredo:** That's playing catch up from...

**Director Schoenberg:** Right, if you don't want us to play catch up, your water rates are going to be unbelievably high. There's no way...

**Linda Robredo:** I'm not saying don't play catch up, I realize we have an old system, and there were a number of years that, you know, if it ain't fixed, you don't have to do anything. And now we're playing catch up because we have an old system. This is reality, this is today. So, I'm just wondering, kind of about the balance of what we... the weight of our loans, and this necessary Capital Reserve \$450,000.00 a year, that we need to generate every year, for the grants to move forward, and then we would be applying for grants at maybe the 80/20?

**Director Neyman:** Just to say something Linda. Our current rates are covering our current loans...

**Director Schoenberg:** Our past loans.

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**Director Neyman:** ... Our past loans that we have. So that's not even accounting for any kind of improvements, or future improvements for the system.

**Linda Robredo:** And what this is, is the future improvements of what is today.

**Director Neyman:** Yeah.

**GM Allison:** And also, I'd like to point out, that only one aspect of the Capital Improvements, there's only one phase of pipeline repair that was even reasonable, or rational to put on there. We need about six phases of pipeline replacement. So just because we're doing fine over the next few years, or better, don't mean that we have the money to fix everything in the system. That's what we're hoping to get grants for in the future, but, like every other water district, it's old, it all needs to be replaced.

**Linda Robredo:** So, in the big picture here, I'm kind of big picturing here, is if we can get this approved, for instance, to raise the rates so that we generate this \$450,000.00 annual for Capital Reserves, that puts us in good stead for the State to potentially grant us an 80% loan, where we would be taking a loan...

**Director Neyman:** As long as our income remains as a Disadvantaged Community.

**GM Allison:** And the Federal Government.

**Director Neyman:** Right.

**GM Allison:** And it's also 'gunna help...

**Linda Robredo:** And if they had the money to give us.

**Director Neyman:** And that changes yearly according to the government. They do a certain calculation, and the State of California says this is your Median Income. And then once they do, like the census or, we could do a study to see where we're at. Now there's two sides to that. That if you do an Income Study, and people answer it honestly, and you get it, it could either end up being a good thing, because maybe we're Severely Disadvantaged, that could be a possibility. The other side of the coin is it could end up being above the Median Household Income, and then you don't qualify for really any grant money. Then it's totally on the community. So there's two sides to that.

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**GM Allison:** If Lake of the Woods does become part of our District, they're Severely Disadvantaged. So that would, in actuality, help us.

**Linda Robredo:** Okay, I know I'm hogging, I'm sorry. Trying to make progress here though.

**Director Neyman:** Your time's running, it's okay.

**Linda Robredo:** Is, this is something that we need to do on a yearly basis, to maintain that Capital Reserve so that we can start moving ahead. Do you, and the Board, think that this again, is a conservative number? Like a couple years ago where you didn't want to hit people over the head, because it hadn't happened in eight years, or something like that. But, this is kind of a moderate number, so that we're moving on a more financially healthy...?

**Director Neyman:** Director Schoenberg.

**Linda Robredo:** And that's the last question I'm 'gunna ask, interuptless.

**Director Schoenberg:** This is way less conservative, however, it still doesn't account for, like Jonnie was saying, we only accounted for the very worst, of the worst part of our system. We haven't even explored all the other parts of the system that we haven't potholed or anything. We just accounted for the stuff that we absolutely know has to be changed in the next five years. Five to ten years.

**Tonya Engelbrecht:** Sorry, I just have one... Didn't you guys just get \$2 million in 2012 from the State? I know that they tore down that one water tower up off of Idaho Trail, at the back there. I know that one was torn down because I watched it. But didn't they get \$2 million, I think?

**Director Schoenberg:** We got more than... Well we got a \$1 million grant and we took out a \$2.1 million loan.

**Tonya Engelbrecht:** That was in 2012? I thought you got \$2 million.

**GM Allison:** No, it was prior to that, because we were done by 2012. We replaced four water tanks, two booster stations, and about three blocks of mainline.

**Tonya Engelbrecht:** Because when I first moved here, which was four years ago, I believe it was a \$2 million project from Governor Brown.



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**GM Allison:** No, that was a \$3.1 million project.

**Tonya Engelbrecht:** Oh, so you got \$3.1 million.

**GM Allison:** Total yeah.

**Tonya Engelbrecht:** Total, in 2012 though, or 13 even, actually...

**GM Allison:** We actually got it in 2008, or 2009.

**Tonya Engelbrecht:** No, no 'cuz I just moved here, so it had to happen when I moved here.

**GM Allison:** The project didn't happen [...] ...

**Director Schoenberg:** It wasn't completed until 2012.

**GM Allison:** The way grants work is, you get the grant, and it takes a long time for the project to actually be completed. When you moved in, we were still replacing the tanks. We replaced Well 5, Sam Young up by your house, Pine 1, and Pine 2, and Well 5 booster house.

**Tonya Engelbrecht:** Well I was completely under the impression that you got another \$2 million at that time, in 2012. I'm pretty sure, I'm 'gunna go look that up.

**Linda Sheldon:** The \$2 million came in, in 2011.

**GM Allison:** That's when it came in.

**Linda Sheldon:** Right. \$400,000 came in, in 2006, and \$1 million came in, in 2006.

**Linda Robredo:** Hooray, love it.

**John Van Den Bergh:** Okay, let's move on. Okay, we talked before, here it's \$447,000.00. That's the number. The total of all that money we have to put aside every year. And, if we do that, then we have money to replace all the pieces of the system, when they need to be replaced, and with the combination of cash, grant, and loan. Remember, this column here, when we replace something, we can either pay cash for it, get a grant, or a loan. Okay. So this \$447,000.00, if we do that, then we have the money according to the plan.

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**Linda Robredo:** It would be something the State would want us to do, to be self sufficient.

**John Van Den Bergh:** What you want to do, to be self sufficient. Okay, so here are the current rates. This is what you pay now, by the size of the meter, and it will go up according to this. What the big change is, is in the larger meters. They 'gunna have to pay substantially more. Remember now, where these base rates came from. There are fixed expenses that you are 'gunna cover with the base rate. And then the usage rate is our variable expenses. They go up from \$1.60 to \$2.60 per 1,000 gallons. All these numbers are 'gunna increase 10%, of each of the next four years.

**Director Neyman:** Just to put this in a different context so people can 'kinda think of it... The average bill currently is about \$45 a month, I would say, for most customers. Which, if you figure that out over a 30 day period, you're paying \$1.50 a day for water. For flushing your toilets, washing your clothes, watering your lawns. Doing all the things that you need to do.

**CM:** There's no outside watering.

**Director Schoenberg:** That's Lake of the Woods.

**Director Neyman:** Still, people do water outside. I'm just saying, for the use of water, you're paying \$1.50 a day. If you get up to the current base rate, when it goes up to \$55, which that would be most people, and you're probably going to have an average bill of \$60, I would say. So you're looking at \$2.00 a day. That's the difference in cost. So, you're basically going up about \$0.50 a day from what you currently pay now.

**Director Schoenberg:** The first year.

**Director Neyman:** The first year.

**Tonya Engelbrecht:** Don't commercial entities get water for a penny a gallon. Isn't that true? A penny a gallon for commercial?

**Director Schoenberg:** No, they're getting...

**Tonya Engelbrecht:** I'm not just talking about Frazier Park, I'm talking about as a rule.

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**Director Schoenberg:** No, our businesses pay based on the size of their meter. So, most households have a ¾" meter, most business have a 1" meter, there's some 2" meters. There is only one 6" meter in town. So, most of the companies have 1" meters.

**Linda Robredo:** Who has that 6" meter?

**Director Schoenberg:** The school.

**CM:** The high school?

**Director Schoenberg:** No, the elementary school. So, one of the things that was brought up is that potentially they should be having a smaller meter, but I don't think that they can, because of fire regulations. So, I'm not really sure about that. Yeah, I saw that number, and got very concerned.

**Director Neyman:** Yeah, he's 'gunna explain that. What the difference in that.

**John Van Den Bergh:** Okay, so if we go with these rates, we'll balance the budget, okay, and we're putting the \$447,000.00 away every year. It's not quite \$447,000.00 in the first year, but in the fifth year, we will be putting \$447,000.00 away. So, we're ramping up to that. So, in the fifth year we have enough funds set aside to maintain, and replace the water system. Every piece is accounted for, there will be enough money to replace the piece, if we assume that we were correct by saying, that percentage is 'gunna be grant, and that percentage is 'gunna be loan, and that percentage is 'gunna be cash. So, there is still a lot of work to be done, even after we have the \$447,000.00 away, because we're assuming we 'gunna get grants. It's 'gunna require grant applications. But at least we know which pieces of equipment we're 'gunna have to go get a grant for. And your affordability, right now it's 1.25, it's going to go up to 2.64, in the fifth year, which makes you eligible for grants.

**Linda Robredo:** Maintains our eligibility for grants.

**John Van Den Bergh:** Yes.

**GM Allison:** Unless of course a catastrophe like an earthquake or something like that happens and we need to use our reserves [...].

**Linda Robredo:** Right now, where we are, we're not eligible...

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**CM:** It's confusing, it's like we're paying 10 times what we should for water, but it's going to make us available for grants?

**Director Neyman:** It's the way the system is.

**CM:** The water in Bakersfield is \$10 with a connection fee.

**John Van Den Bergh:** Well, how many people is there?

**CM:** [...] as much water and it costs me like \$1.60 per 2000 gallons. I mean it's really high here already.

**John Van Den Bergh:** I know, but you live here in the mountains. It's a different thing, it's really a different situation.

**Director Neyman:** Well you also have probably 50 or 60 or I don't know how many people are in Bakersfield, but they're spreading the cost out over like 60,000 households, where we only have 1,300 households here. And that's the difference. We still have to maintain the system, and if we don't have the money... See, the money is coming from us as community members, it's not coming from the government, unless we're able to get a grant.

**CM:** Well I just know that areas I've had houses in, so I could name seven different areas that have lower water bills than us. So, what I'm saying is, what are the other communities paying with 1,300 customers?

**Director Neyman:** But I would also say there was a lady here the last time, and I know that Cal Rural Water, when the State came in and took over, they sold it to Cal Rural. They want to make a profit...

**Director Schoenberg:** Lake Isabella.

**Director Neyman:** Up in Lake Isabella, and a lot of those people are paying, probably \$200.00, \$300.00 a month. Their bill went up like eight times what they were normally paying.

**GM Allison:** To answer your question though. The problem is you can't compare a...

**Director Neyman:** It's apples and oranges.

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**GM Allison:** ... system that's got 1,300 connections with a system that's got 1,300 connections, because every system has their own set of problems. Some have to treat their water, some don't. Some have newer pipes than others. So it's like trying to compare apples to oranges, when you're trying to get a rate increase. Which is why we have an outside entity come in, instead of us or the Board coming up with a rate, we have an outside, non-biased entity, that looks at the system, what it takes to run it, and then they suggest the rates.

**Director Neyman:** Director Schoenberg.

**Director Schoenberg:** Can I just say, I tried to do a survey up here, just of all the comparable water companies...

**CM:** I know what I pay in [...], it's \$275 for the year. We would be at that in three months. In three months, in five years from now, you're going to be at \$300.00. It's 'gunna be really high. You'll build up some cash, but I think the cash should stay in people's bank accounts. 'Cuz you always will find a way to spend it all. Like any budget [...].

**Director Neyman:** You have to realize this system is 80 years old...

**CM:** New York's system is 200 years old.

**Director Neyman:** The system's 'gunna fail if we continue not to fix things.

**CM:** We have to worry about snow, we have to worry about the coldness, pipes breaking.

**GM Allison:** Yeah, we've never had the luxury of having more money than we need in the budget. Everything has been playing catch up. Trying to slap clamps on pipes that are failing, trying to replace booster pumps. We tried to put in a new well, and we had to reuse a pump that's from 1965, and try and rebuild it, and try and make it last, so we can have our new well.

**CM:** Well I understand that, but this study says we're replacing everything, right?

**Director Schoenberg:** No.

**GM Allison:** The trucks are failing, our dump truck is unusable, and the end of these five years, hopefully, we can just be at a regular water company, and be able to operate without trying to feel like we're drowning, like we are now.

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**Director Schoenberg:** His study is absolutely not replacing everything. His study is replacing all of the really...

**GM Allison:** Most critical.

**Director Schoenberg:** ...obvious things that we could come up with, like tanks that are critical, and pipes that are critical, but it's not replacing every tank in the system or every pipe in the system.

**CM:** So \$450,000.00, times five years, would just get you an operating system, nothing's brand new?

**GM Allison:** Well to give you an example...

**Director Schoenberg:** Some stuff's brand new.

**GM Allison:** ... like I said, we had \$3.1 million. We got four tanks and about three blocks of mainline. That's it for \$3.1 million. A well, a simple well, \$800,000 is what the quotes came in from the drillers. We got a \$500,000 grant, we made do with the rest of it. So, to answer your question, money... Everything to do with the water system, takes a lot of money. You mentioned New York. Don't think that they're just clear sailing either. Their system is failing as well. But the difference is, is you have millions of people paying into the water system that help spread that cost out. The smaller the system, the higher the cost per person. Which is one of the benefits of annexing in other water districts like Lake of the Woods, because now there's 400 more people paying into the system. But we can't take that into consideration when we're doing the Rate Study, because it's not a given. It's not a for sure thing.

**Director Neyman:** And like I said, we'll be doing a new Rate Study when and if we annex Lake of the Woods, so we can come up with new rates, and hopefully, my hope is that we're able to lower the rates some. But that's future, and I can't estimate that.

**GM Allison:** It will never be lowering the rates, just to be clear. It would be maybe not having to do the 10% increases, but it wouldn't be lowering these, because this is still what it takes to run this system.

**CM:** You have to maintain it.

**GM Allison:** So, you're never 'gunna say, "Okay, now we're going back down to \$30 a month.", because that's not going to happen.

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**Director Neyman:** Well no, I realize that.

**GM Allison:** I just want to be clear, because I don't want people coming back later on, saying, "Well, why didn't you lower the rates?"

**Linda Robredo:** And this is working towards trying to start becoming self sufficient. Because the system rode on, probably 50 years, without having to rebuild it.

**CM:** Well I guess I'm confused because the bill doubled two years ago, and there's a 10%...

**GM Allison:** It didn't double, it went up...

**CM:** It went up 60% about.

**GM Allison:** It went up \$6.01.

**CM:** But I'm saying it doubled two years ago, and now you have a fixed 10% increase every year, in seven years, the bill will be double again.

**GM Allison:** If he gets through the slide a little more, he'll show you what it will be in five years, I believe that's part of the slide.

**John Van Den Bergh:** No, I don't have... Do you want to see that?

**GM Allison:** Yeah, show him the slide of what it will be in five years if we have to continue. While he's looking for that slide, again I'd like to point out to you what we've been working with. We don't have shoring to keep our guys safe in the trenches. I have a three man crew out in the field that works themselves to death, because we can't afford more people. We have a dump truck that is a death trap, that I just had to red tag the other day because it's 'gunna kill one of my guys. We don't have the stuff that we need, just the basic necessities, to keep going as we are, let alone to improve the system. We have certainly not paid more than what we need to for anything. We've been making do, for a lot of years. These guys right here, all of my crew, make far below what every other water company, even on the hill. Point being, is this money is necessary to try to maintain our system correctly, instead of playing catch up, and trying to make do. We don't even have traffic plates to cover a trench, because they cost too much for us right now, on our budget. You got to think about that. These guys are putting their lives on the line to try and provide water. And that's not being melodramatic. We have one shoring box, to try to keep these guys safe, because we never have the money to do the things we need to do.

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**Linda Robredo:** A melodramatic question, do you have life insurance for your employees?

**GM Allison:** No. We have health insurance.

**Linda Robredo:** Why not?

**GM Allison:** Because we haven't had the money to do those sorts of things.

**Director Schoenberg:** We have work comp.

**GM Allison:** Yeah, we have workman's comp.

**Linda Robredo:** No, I'm talking about life insurance.

**Director Schoenberg:** No we've...

**GM Allison:** No, so it's literally a matter of for a lot of years, and I was one of them guys, where we've been doing the best that we possibly can, for the least amount of money, and we finally reached a point where we need to start doing something a little bit different than that. If we have a little earthquake, all these old pipes, which there's been plenty of pictures posted, the pipe is so thin in the bottom in most places, that you can grab it with your hands and wiggle that metal, because it's been in the ground so long.

**John Van Den Bergh:** Okay, the rates. For a ¾" meter, it used to be \$39.00, first year it's 'gunna go up to \$55, and the fifth year it's 'gunna go to \$80.00. And your \$2.60 per 1,000 gallons, is 'gunna go up to \$3.81 per 1,000 gallons.

**Linda Robredo:** Brahma, why did you say that the average bill was \$45.00, when...

**Director Neyman:** Well, I'm saying because you have to remember, right now, you've got your base rate, which is \$39.20, then the 1,000 gallons that you used, depending upon how much water you use, there's extra that goes on. And, most people's bills, the average bill, is about \$45.00 a month.

**Linda Robredo:** Thank you.

**Director Schoenberg:** The other thing that's happening is that the State told us we cannot do tiered water rates, so this Rate Study is no longer... The last Rate Study they hadn't changed



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the law, and you were allowed to do tiered water rates, now you're not allowed to do tiered water rates, so basically, there's only one consumption fee, so you pay a base rate, and then you pay per 1,000 gallons. So, right now, the average person uses between, what, about 1,000 gallons and 2,000 gallons? I don't know where Jonnie went. The average person uses under 2,000 gallons a...

**Tonya Engelbrecht:** They have me at 7,000, and I'm not even using 200. I can show you my bill. 7,000 gallons, I'm sorry. It goes from 200 to 7,000.

**Director Schoenberg:** Right, we've asked you for your bills...

**Tonya Engelbrecht:** I've got 'em. Oh yeah, just pull my audit, you'll see it. I gave it to you already.

**John Van Den Bergh:** Okay, you asked about what our reserves are going to be. We're starting out with about \$400,000.00 in reserves, and it climbs in five years to about \$1.2 million. Your budget in the first year will not balance. That's your expenses, that's your income. It will not balance, but in five years it will. And we're putting some money away for reserves. The blue is the reserves, that you add to reserves, so that yellow box keeps on climbing. The red is what you take out of reserves. The charges to reserves. So you 'gunna replace a few things this first year, and we 'gunna replace quite a few things in the fifth year. But your budget will balance in five years, and your reserves are where they're supposed to be.

**Linda Robredo:** It looks like the budget will balance in four years, and it will improve in year five. And because the budget is balanced in year four, it would be logical to go ahead and feel comfortable to say, "we're going to buy these things, and take from our reserves, and that...". Nobody likes red on a graph, so I'm going, "What's that red?". And that makes sense to me.

**John Van Den Bergh:** Well, it is money that goes out. And that's not all the money that you will be spending on the replacement. You 'gunna get a little bit of grants, you 'gunna get some loans. That's not in here.

**Director Neyman:** Yeah, everything is super expensive, unfortunately, when it comes to buying pipes. And then everything you do, pretty much everything you do, you have to have an engineer. So, that eats up a lot of money.

**CM:** And you don't know how much everything is going to go up in that five years.

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**Director Neyman:** Well we can replace some existing pipes, but certain ones... When you have a major project of replacement, you will have to have it engineered. But little areas we can do.

**Linda Robredo:** Does this include putting on more labor?

**Director Neyman:** Yes.

**Linda Robredo:** So this is hiring maybe another...

**Director Neyman:** One more person.

**Linda Robredo:** ... to be able to get this stuff implemented.

**Director Neyman:** Yes.

**Linda Robredo:** Instead of just putting fires out you'll actually...

**Director Neyman:** Yes.

**Director Schoenberg:** Because we've been more and more doing the work ourselves. Jonnie's actually gotten the crew trained in quite a bit of things that they weren't trained in before, so in the past we had to have Santana, or some outside company replace hydrants, or replace the things we couldn't do. Now we're doing hydrants ourselves, we're doing pipes ourselves...

**Director Neyman:** Which lowers the cost.

**Director Schoenberg:** ...we're doing some of the work on vehicles ourselves. You know, so whatever we can do ourselves we've been doing, but he still doesn't have quite a big enough crew to be able to do more major stuff.

**GM Allison:** We don't have the infrastructure like I went back to, the shoring, everything we need to do that stuff. You need a crew that's devoted solely to that, and then a crew that runs the rest of the Water District.

**Linda Robredo:** A crew is not one person, a crew would be more than one person.

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**GM Allison:** Yeah, really, we should have a four person crew minimum, or five, just to do mainline replacement. And then a three person crew to do all the rest of the stuff for running the water district.

**Director Neyman:** But we're not 'gunna be able to get to that level.

**GM Allison:** That's what I'm saying. We make do with what we have, and we do a good job of it.

**Director Neyman:** But in the future, one thing we're also 'gunna look at, at some point, is being able to replace the current meter system with the smart meters, because right now it takes, how long does it take Jonnie...?

**GM Allison:** A week.

**Director Neyman:** Like a week for the crew to go out and read meters.

**Linda Robredo:** I thought that was part of the potential of, in the consolidation...

**Director Schoenberg:** If we consolidate.

**GM Allison:** Well, that's not figured in, in the grant money, at least so far. The smart meters, that have been the topic of that is ...

**Director Schoenberg:** ... Lake of the Woods.

**Director Neyman:** Lake of the Woods...

**GM Allison:** ...Lake of the Woods got a \$1 million grant to replace...

**Director Neyman:** If we annex Lake of the Woods, we will have smart meters up in Lake of the Woods.

**GM Allison:** What I was saying is, they got a \$1 million grant for smart meters and mainline replacement, but us, when I got a quote it was \$350,000 to change out all our meters to smart meters in town so, now we're looking for grants. Which is another thing that we need to do is hire, employ a grant writer that can actively search out these grants for us. The people that we

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have now, don't have the time to devote to doing a lot more grants. They already got their hands full with what we got right now.

**Tonya Engelbrecht:** Can I ask why you guys go up to the meters every morning, over there, and then sometimes...?

**GM Allison:** You mean the tanks?

**Tonya Engelbrecht:** Yeah, over there.

**GM Allison:** You mean the tanks? It's a very simple reason. We have to go every day to make sure your water is clean and safe. We have to go up there every day to make sure there's chlorine in the water so you don't have bacteria, and you don't get sick. We have to go up there every single day to make sure that nobody's vandalized the tank. That is part of our job. We also go every day on the weekends. We can't just, not watch the...

**Tonya Engelbrecht:** Well, what do you do when you go up there?

**GM Allison:** We go up there, we check the residual of the tank to make sure there's chlorine going into the tank, we make sure that nobody's vandalized anything. Most of our sites we have to check the booster pumps to make sure that they're still operating. We make sure there's no leaks. We have to check the system continually if you want to have clean, safe water.

**Tonya Engelbrecht:** Well sometimes you go just there, and then down the hill, and sometimes you go to this one, you go to this one. So it's not really, it's not really consistent all the time. Sometimes the light's on in the middle of the night.

**GM:** It is consistent if you know the system. The system is, everything that produces water gets checked every single day. Once a week, or more, depending on what the situation is, we check every site. We have 12 water tanks, we have three water sources that we're using now, and two springs that we also use when the water quality is good. So we have to continually check them. I know that that's a bone of contention, that they go up to Sam Young all the time, but it's really in everybody's best interest that we go and make sure that everything's fine.

**Tonya Engelbrecht:** But sometimes you go from Sam Young to the other ones, sometimes you don't. Sometimes the light's on...

**GM Allison:** I just explained that.

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**Tonya Engelbrecht:** ...in the middle of the night half the times, I don't know what's going on in the middle of the night.

**GM Allison:** The light is always on up there...

**Tonya Engelbrecht:** No it's not, I look at it every day.

**GM Allison:** ... But it gets brighter when there's movement up there. That's when you notice it. Deer go up there, bears go up there, kids go up there, teenagers go up there, which is why we always check it. What would you prefer, that we not go to the tanks, and we just...?

**Tonya Engelbrecht:** No, I just asked...

**GM Allison:** Let me ask you something, do you read the papers and see all the boil notices that some districts have?

**Tonya Engelbrecht:** Which papers?

**GM Allison:** Any papers.

**Tonya Engelbrecht:** I read all the papers.

**GM Allison:** Anywhere in America. We have very few water quality issues and concerns with this district, because we check everything. Because it matters to us, because we all live here, and we all drink the water.

**Tonya Engelbrecht:** Just asking...

**GM Allison:** And that's why I'm telling you. I've answered that question before, but, we go there because it's for your best interest.

**John Van Den Bergh:** This system, the feeling I have, is that this system gets a lot of bad press. And a lot of people complain about it. What I have found, working with these people for six months now, is that they really are trying to do a good job, and they're doing a good job. They have been doing a very good job. They're sincere in trying to make do with what they have. I've not found anything that is really deficient with the system.

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**Tonya Engelbrecht:** Well actually, I just thought of something. There's a hydrant over there, off of... Right by The Mountain Enterprise. They've got an apparatus so they can just pull up a truck and pull water out of that hydrant. The apparatus stays there after the hydrant...

**GM Allison:** Yeah, that apparatus has a backflow device on it. It's for selling water, bulk water. Right now it's to Lake of the Woods, although they're not buying water, but the hydrant stays set up, with a backflow device, so that nothing can enter our system, as a safety measure.

**Tonya Engelbrecht:** Only on that one though?

**GM Allison:** That's the only one that we sell out of, because it's the easiest access and the best part of the system to pull water from.

**John Van Den Bergh:** I don't have anymore slides.

**Director Neyman:** Okay. Thank you John. Alright, we're at the question period. Does anybody have any further questions? If you'd like to come up to the podium, sir.

**CM:** I was wondering, are we now, or ever in the future, going to consolidate with Tejon Ranch? Are they getting our water now, or in the future?

**Director Neyman:** No, they're not getting our water.

**CM:** I read a newspaper clip that led me to believe they were.

**Director Neyman:** No, that... Go ahead, do you want to explain?

**CM:** It was a snippet.

**Director Schoenberg:** No, they are not getting any water from us. I don't believe right now they are getting any water from any company up on this hill. They have approached all of the water companies up on this hill, in order to better serve their developments that they're trying to do. Because they have to have some partnership with... I know Gorman, they've approached for the partnership with the project that they're trying to do off the 138, Centennial. They approached Gorman for the project that they're trying to do, which is right here on the other side of the freeway. They haven't approached us at all in concern with the project at the bottom of the hill, that's part of their district. So they've approached all the water companies, and there's been some information in the Minutes that have been taken out of context, and in the paper

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that were taken out of context. But basically, they invited us to a couple of meetings, and one meeting we were not invited to, but that was because there was a mistake made, but they've invited us to some meetings. At those meetings we came to no agreement on anything. They are very interested in us running a pipeline from there to here, and we have not considered that at this point.

**CM:** That would drain us wouldn't it? I mean...

**Director Neyman:** Well, let me explain something else with these meetings. This really has to do with the Groundwater Management Act, which is a new law that has been put in place. By the year... Within 20 years we have to have, for groundwater sustainability. And they have all these basins, from here all the way up to Sacramento established, where certain areas are in. And it costs \$1 - \$2 million dollars to do it, and it's high priority. Now we're low priority, so we, at this point, we don't have to be in the Groundwater Management Act. And what that is, they just created White Wolf, which is a basin on the other side, and they're with Arvin, and some other water company. So they're coming together to get a plan together, of how they're 'gunna manage the water that they currently have. In each community that comes together as a Groundwater Authority, diveys out the water.

**CM:** Yeah, White Wolf was mentioned in the snippet.

**Director Neyman:** Right, and White Wolf originally, I was up at a class, and basically what happened is, we got misinformation, when they said they included us in the White Wolf, which of course that came out, and everybody freaked out, because we had never had any discussions. But, we're not included in White Wolf, because that side of the freeway, and their basin down, is a high priority, that by 2020, they have to have a plan in place.

**CM:** Well, do they have their own water, or can we look to the future and see that they're probably 'gunna try and get ours?

**GM Allison:** Yeah, they have their own water. They have ancient water rights to the aqueduct. They've been water banking for years. And, when they approached us about running a water pipe up here, there's suspicions that they wanted our water, but really it was an offer to sell us water, because they're 'gunna be bringing in water, and taking it to a treatment plant by the Rest Area. So they felt like, well if we 'wanna get a grant, and we 'wanna run a pipe down there, and we ran out of water, we would have a source to buy water.

**Director Neyman:** A second water source.

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**GM Allison:** So that was that issue. We're having another meeting directly after this meeting for a lot of questions too. So, if we can stick to the 218 questions, then John won't have to stay extra long.

**CM:** I just had one more question, if I could? The \$13 million grant, is that dispensed incrementally, or... ? Because I heard we got \$500,000, I wondered where the other \$12.5 million went?

**Director Neyman:** No, the \$500,000 was an ECWAG, which came from the State to do the well. And we got that money, and we put in a new well, which is Well 6, up in the yard. It came from the Feds, USDA, excuse me. And the \$13 million will be given to us at the time when we go into construction, if we...

**GM Allison:** And that's from the State.

**Director Neyman:** That's from the State. And that comes from Prop 1 money, which once... Right now we've put in for a Planning Grant, because we did the Pre-Planning. Now they're doing a Planning Grant, which basically is laying everything out. What it's 'gunna cost, how it's 'gunna be done, all that information. Once that's in place, and that probably will take 18 months or more to do, then at that point we go to the State and say, "Hey, we're ready for Construction, give us the money."

**Linda Robredo:** Shovel ready.

**Director Neyman:** Right, shovel ready. And if they don't give us the money, we don't annex. If they give us the money, we will go through the process. And that will take another couple years.

**CM:** I just wondered how much of that \$13 million are 'gunna stay right here.

**GM Allison:** A lot.

**CM:** Most of it? 60%?

**GM Allison:** I mean a lot of it's 'gunna cost a lot to run the pipeline and the booster stations out there, but what it will give us for sure, is two new wells here, two more water sources, two booster stations. We figure to get the most bang for our buck, to run a mainline out of Los Padres, to try to do away with a lot of the old pipe that's already there. Kill two birds with one



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stone. And then, we're actually at about \$16 million that we're asking for. So the State's 'gunna give us [...]. So a lot of the money will be spent here, to improve this...

**CM:** Right, how much of that total is 'gunna be left here?

**Director Schoenberg:** It's two tanks also...

**GM Allison:** Yeah, it's two tanks as well.

**Director Schoenberg:** ...and those tanks are actually part of the calculation that we currently have. So that would take that money out of what we currently have been talking about, because if we have to replace those tanks on our own, they're quite expensive. But if they're replaced as part of that project, we would not have to pay for those two.

**GM Allison:** We can actually break that down, and we'll have it better for you at the annex meeting, which is next Thursday at 6:00 at the water company. You come, the engineer comes, he has the whole plan. The whole breakdown. It's a big project as you can imagine for that. So you're 'gunna have to come and talk to them about that.

**CM:** When you said a lot, would you say about 75% is going to stay here in Frazier Park? So we have to meter that up there.

**GM Allison:** For one thing, just so you understand, if we annex, they are 'gunna be Frazier Park. It's our district. We benefit from all of that. Their 400 meters are 'gunna be paying us. Their water system is our water system. So there's no separation between who's keeping it, because it will be all of us. It's our district. So, to answer your question, 100% of that money is going to stay with the Frazier Park Public Utility District.

**Linda Robredo:** It's going to be invested to the...

**CM:** Which is inclusive of Lake of the Woods.

**GM Allison:** To the Frazier Park Public Utility District.

**CM:** Okay, well alright, that's...

**GM Allison:** The boundaries are just 'gunna be extended a little bit further west...

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**CM:** Well let's hope we all... Do we see in the future going farther than Lake of the Woods, as far as annexing into the west?

**GM Allison:** I personally don't see that, simply because other water companies were offered to participate in this, they were not interested at all. Plus you got a logistical problem. They're too far away. Pine Mountain's too far away. It would cost millions of dollars just to try to run a pipe up there. So, it doesn't look like we'd be interested in that.

**Director Schoenberg:** Pinon Pines hasn't been interested, and Gorman hasn't been interested.

**CM:** Well that burns me up.

**Director Neyman:** Thank you.

**Director Schoenberg:** Can I just mention, before we forget, that the next meeting, that meeting, is a week ahead of time. So it's not the fourth Thursday, it's the third Thursday, because of Thanksgiving. So if you're trying to come, don't show up on the fourth Thursday.

**Director Neyman:** Because we'll be eating turkey. So, if there isn't any other questions...

**CM:** I want to know why you don't have a mechanic working on your trucks, and stuff, besides sending it down the road, or somethin'. Because you always have mechanics on duty. Work on your vehicles, work on your tractors, and stuff. They save you a lot more money to have somebody there.

**GM Allison:** It actually doesn't, because you have to pay health insurance, which is about \$2,000.00 a month, you have to pay Workman's Comp, you 'gotta pay the overtime. What we have done, this gentleman right here on the end, he is a mechanic. He does work on a lot of stuff. But the things that are too big, or too time consuming, we have to send them down.

**CM:** Okay. Because I mean, I worked down there in Tucson, I worked on trucks, midnight, don't matter what I was doing. I fixed tires, I fixed springs.

**GM Allison:** Yeah, granted. But like I said, our crew is not big enough already.

**CM:** Oh, I know that. What I'm saying is, if you got something broken down, I would rather have it fixed and be safe on the road, then it would be...

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**GM Allison:** Well, I would like to do that, but the dump truck has outlived its lifespan by years, and things like that cost a lot of money. When I was pricing dump trucks, a small dump truck, I mean a small one, \$50,000.00. So we have to do that. On the list, that was our top priority for the safety, was the dump truck. But we've been trying to make the work trucks last, because by having Billy work on them, all the guys work on their own trucks and try and keep them safe, but some things we just have to take to a shop.

**CM:** Okay. Well I was just 'kinda wonderin' because I...

**GM Allison:** It's a great idea if we could afford a full time mechanic, but we can't so...

**CM:** Well, what I used to do in Tucson, Arizona, I worked on trucks, and had another mechanic there with me. You know, it was only two of us. They didn't care. Boss walked in and says, "Hey, bust this spring out. I want it done tonight. I trust I'll be back on the road in the morning."

**GM Allison:** Yeah, well that's what we've been doing.

**CM:** I was just 'kinda wondering, if you got a truck broken down, let's get somebody to fix it right.

**GM Allison:** Well, we can't fix the dump truck. It would cost more to fix it than it would to replace it. You can't keep on throwing good money after bad. You just can't do it. You reach a point where you can't fix it right, for cheap enough money, to where it's not worth just buying a new truck. Just so you know, those little Polaris that we drive around, was to extend the lifespan of our trucks by a couple more years. That's already been three years since we did that. We try to use other things besides the trucks, to save the replacement of the trucks, but all of that stuff has to be replaced, and here we are.

**CM:** Okay. Well I just 'kinda wonderin' about it, because I'm sittin' there like, how hard is it to fix it, than it is to keep it goin'? 'Cuz I got a '75 Ford out there, and I just put in a brand new front end on that truck.

**GM Allison:** Too many things wrong with it. It needs a brand new motor, it needs new pins for the dump, it needs a new brake system, it needs electrical, I mean it's just got... We stretched it out as long as we can.

**CM:** Okay. Thank you.

**Linda Robredo:** Linda Robredo, again.

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**GM Allison:** Hi Linda.

**Linda Robredo:** Hey. Jonnie, you mentioned something that concerns me, and that is, that your employees are not being paid a rate to equal or... Please don't put me in the newspaper. Thank you. Please. I'm not interested in being in your newspaper. You mentioned something about that our employees, for Frazier Park Public Utility District, are being paid less than other district water people, doing what they do. If we can't afford to give them a pay raise, could the Board consider pricing out a perk such as life insurance to make it sweeter for them to stay?

**GM Allison:** Yeah, and actually the Board, so you don't get the wrong impression, the Board has been wonderful about doing what they can to bring stuff up. They recently, several months back, started a 401(k), which they're hoping that eventually they can start matching some of the 401(k). They've brought everybody's wages up more than what they were before. They've been trying to do the best they can, it's just with the money that we've had, they haven't been able to do that. But they have been steadily trying to increase everything. They've kept our health insurance, which has been the utmost importance to us. They've kept that. They haven't cut it, like a lot of Boards do. And they've brought the wages up more. It's just it's a slow process, and since we're so far behind, we can't do much more without bankrupting the company. So, they're certainly trying.

**Linda Robredo:** Okay, thank you.

**Director Neyman:** Thank you Linda. Did you have a question Tommy?

**Tommy Hastings:** Yeah, I'll be quick. I just have a few questions, maybe I didn't catch it the first time. The 1.25% of the income on the Disadvantaged Community, is that the base rate, or is that based on the average rate?

**John Van Den Bergh:** It's based on the average rate that people pay, comparing that against what the average Median Household Income is.

**Tommy Hastings:** And that number on the Disadvantaged Community, was it \$43,500.00 average income? Does that sound right?

**Director Schoenberg:** I think that's Severely Disadvantaged.

**John Van Den Bergh:** Severely Disadvantaged is like in the low 30's, and Disadvantaged is...

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**Director Neyman:** Around \$43,000.00 I think. Something like that. I don't know exact...

**Tommy Hastings:** I was doing some numbers, I was just trying to figure out if I was right or not. I did have a question for Jonnie. Is the Ford, is that a diesel dump truck?

**GM Allison:** No, it's gas.

**Tommy Hastings:** Oh okay. That's all.

**Director Neyman:** Okay, thank you. Is there any other questions? Okay, I'd like to thank John for coming out tonight. We appreciate you coming out. We're 'gunna adjourn from this meeting, and when we adjourn from this meeting, we're 'gunna take a 15 minute break, and then we're 'gunna start our other meeting. So, if you'd like to stay, you're welcome to stay, if you don't want to stay, you can go home. But I appreciate everybody coming out tonight, and thank you all for being participants in your community. I appreciate that. I would entertain a motion that we adjourn.

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

**Director Neyman:** Do I hear a second?

**Director Schoenberg:** Second.


**Director Neyman:** All in favor?

**All Directors:** Aye.

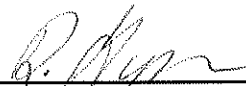
**Director Neyman:** Okay, meeting adjourned at 7:58.

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**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**

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