

**FRAZIER PARK PUBLIC UTILITY DISTRICT**  
**4020 Park Drive, P.O. Box 1525, Frazier Park, CA. 93225**  
**REGULAR MEETING MINUTES FOR THURSDAY, FEBRUARY 14, 2019**  
**6:00PM**

Schoenberg/Gipson 5/0/0  
Minutes Approved on April 11, 2019

**1. Call to Order: 6:00pm.**

**a. Pledge to the Flag.**

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

**2. Discussion/Vote/Adjust Agenda if Necessary - No change.**

**3. Public Comments.** Present: Three representatives from BHK Accountancy Corporation, and three members of the public.

The public was given the opportunity to address the Board. Public comments are limited to five minutes.

**4. Report of Officers:**

**President:** No report.

**Vice-President:** No report.

**Secretary:** No report.

**Treasurer:** No report.

**Member at Large:** No report

**5. Board Member Initiatives - None.**

**6. Manager's Report.**

General Manager (GM) Jonnie Allison reported 176 work orders were accomplished in January, and the crew has been working hard.

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**a. Discussion/Vote on Quotes for Rehabilitation of Well #5.**

Well #6 has been providing water to the whole town while Well #5 is offline for rehabilitation work. GM Allison is working on filing a DIR for the project. Because it is a maintenance project, and parts can't be shipped to well companies, it doesn't have to go out for bid. Bakersfield Well & Pump provided a quote for \$47,373.19. This work should make the well last another 10 years.

**Motion: Move that we approve the quote for the rehab work on Well #5 with the addition of the cost of the DIR.**

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

**b. Administrative Assistant's Report.**

Tiffany Matte reported she received a response from the Special District Leadership Foundation (SDLF) regarding the transparency certification application. It was approved provisionally, provided the Board of Directors renew their AB 1234 Ethics Training. That will need to be completed as soon as possible, or the application will be denied due to the Board being out of compliance.

**7. Ad Hoc Committee Reports: Meeting of Local Water Companies; SGMA; Depreciation of Assets; Contract with Lake of the Woods.**

The January meeting of the local water companies was canceled, the next one is scheduled for February 20th.

There is no meeting scheduled for the GSA that includes Lebec and Tejon-Castac water companies.

The ad hoc committee reviewing the depreciation of FPPUD assets has not met.

The ad hoc scheduled a meeting with Lake of the Woods at the FPPUD office to go over the service contract, but no representatives from Lake of the Woods attended.

**8. Accounts Payable and Financial Information.**

Bookkeeper Linda Sheldon reported the total cash balance in all accounts is \$1,430,772.10. The Revenue/Operating account has \$217,420.34. Checks were cut for the regularly occurring invoices and reviewed by the Board for accuracy.

The USDA sent the annual report on balances due and interest paid. Linda was able to reconcile the report to the District's records.

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Director Neyman suggested that, since the monies are available, funds for the reserve requirement for Loan #2 be transferred all at once, instead of in the normal monthly increments.

**Motion: Move that we transfer the funds to satisfy the reserve requirement as one lump sum.**

**Neyman/Garcia 5/0/0, Motion Passed.**

**Motion: Move that we pay our bills.**

**Neyman/Garcia 5/0/0, Motion Passed.**

**9. Presentation/Vote on Audited Financial Statements for Fiscal Year 2018.**

The representatives from BHK provided a draft report of the July 2017 - June 2018 audit, and gave an overview of the financial statements. No issues were identified during the course of the audit (a clean/unqualified audit opinion). The auditors did note that because of the rate increases, the District showed a positive operating income. The previous years have always shown an operating loss.

The Board wanted to amend wording in the description of the USDA bonds. It won't change any financial information or the results of the audit. The text will be sent when it is confirmed and added to the final draft.

**Motion: Move that we approve the draft of the audit, with amendments that are going to come in regard to the bonds.**

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

GM Allison was directed to bring Scott Westall from BHK back to the office to help the District implement their recommendation regarding reconciling Accounts Payable to the RVS billing system.

**10. Discussion/Vote on Appointing an Ad Hoc Committee to Research the New Regulations for Service Disconnection.**

These regulations don't go into effect until 2020. Because there are several projects for ad hoc committees, the Board asked that this be tabled until the regular meeting in May.

**Motion: Move that we table this until May.**

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

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**11. Discussion/Vote on Appointing an Ad Hoc Committee to Review the Contract with Lake of the Woods.**

Although Directors Neyman and Schoenberg have been working on the contract under Board direction, they were never officially voted in as an ad hoc committee.

**Motion: Move that we appoint the ad hoc committee of Brahma and Lisa to review the contract with Lake of the Woods.**

**Gipson/Garcia 3/0/2, Motion Passed - Directors Neyman and Schoenberg abstained.**

**12. Discussion/Vote on Contract with Lake of the Woods.**

A meeting was scheduled between GM Allison, the FPPUD ad hoc committee, and representatives from Lake of the Woods. The purpose of the meeting was to discuss the details, and terms of the contract. Although no one was present at the meeting from Lake of the Woods, some of the cost figures were worked out for Frazier Park. After discussing it further, members from Frazier Park and Lake of the Woods came to the conclusion that it would be best not to move forward with a maintenance agreement for the Lake of the Woods water system.

**Motion: Move that we rescind (we don't go forward with) the contract with Lake of the Woods.**

**Neyman/Garcia 4/1/0, Motion Passed - Director Schoenberg voted no.**

**Motion: Move we disband the ad hoc committee for the discussion of the contract with Lake of the Woods for maintenance.**

**Gipson/Garcia 3/0/2, Motion Passed - Directors Neyman and Schoenberg abstained.**

**Motion: Move we take a break at 7:28pm.**

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

**Returned from break: 7:39pm.**

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**13. Discussion/Vote on Emergency Preparedness for the District and the Mountain Communities.**

GM Allison purchased a satellite phone as approved by the Board. The monthly charge is \$45.00, not \$35.00 as originally thought, in order to have a U.S. based phone number.

Further discussion about purchasing supplies will be carried over to the next regular meeting.

**14. Fill Out/File Form 700 - Statement of Economic Interests.**

The Board filled out and signed their Form 700s. They will be filed at the District office per the FPPUD's Conflict of Interest Code.

**15. Discussion/Vote on Resolution FP-20190214-01: Annual Rotation of Board Positions.**

This resolution was written to replace Resolution #500. Its purpose is to add the positions of Vice President, Treasurer, and Secretary to the annual rotation, as well as specifying a time period of one year off, before a position can be taken again, after serving a full term.

**Motion: Move that we approve Resolution FP-20190214-01.**  
**Neyman/Schoenberg 5/0/0, Motion Passed.**

**16. Discussion/Vote on Resolutions #503 & #534 Regarding the USDA Bonds.**

While working on the 2018 audit, BHK found a discrepancy between the wording of the USDA Bond, and the Resolutions that came from them. The bonds and resolutions for both USDA loans (2004 and 2011) were drafted by Nossaman, LLP. The Board directed Tiffany to try and get in touch with them. This item will be carried over until the next regular meeting.

**17. Discussion/Vote on Bylaws and Rules and Regulations.**

Item #6 of the Bylaws was updated to reflect the wording from Resolution FP-20190214-01.

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**Motion: Move that we adopt the amended resolution for the Bylaws and Rules and Regulations for February 14, 2019 with the new wording.**  
**Schoenberg/Neyman 5/0/0, Motion Passed.**

**18. Review and Approve Meeting Minutes for 01/10/2019.**

**Motion: Move that we approve the minutes for Thursday, January 10, 2019, with the possibility for additional amendments for typos or other errors that we may not have caught or that may need to be corrected.**  
**Neyman/Schoenberg 5/0/0, Motion Passed.**

**19. Discussion/Vote on Future Agenda Items.**

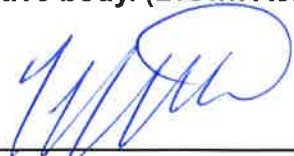
Regular Meeting March 14, 2019:


- Carry over appointing an ad hoc to research new regulations for disconnection of service, until May.
- Carry over the discussion on emergency preparedness.
- Carry over discussion/vote on resolutions #503 and #534.

**20. Adjournment.**

**Motion: Move that we adjourn.**  
**Gipson/Garcia 5/0/0, Motion Passed.**  
**Meeting Adjourned: 8:34pm.**

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

  
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**Tiffany Matte, Clerk of the Board**

  
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**Attest: Lisa Schoenberg, Secretary**

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