

FRAZIER PARK PUBLIC UTILITY DISTRICT
4020 Park Drive - Frazier Park, CA 93225
MINUTES FOR THURSDAY, JANUARY 12, 2017. 6:00pm
Schoenberg/Kelling 4/0/1 - Director Gipson abstain
Minutes Approved on February 9, 2017

1. Call to Order: 6:08pm.

a. Pledge to the Flag.

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

2. Discussion/Vote/Adjust Agenda if Necessary.

Motion: Move that we relocate #14 - Discussion/Vote on Harassment Training, #16 - Accounts Payable, and #17 - Vote on Customer Fees, to after #6 - Board Member Initiatives.

Schoenberg/Kelling 4/0/0, Motion Passed, Director Gipson absent.

3. Administer Oaths of Office for Directors - Seat 1, and Seat 3.

Due to the absence of the Board Secretary, Lisa Schoenberg, Treasurer of the Board of Directors (Seat 4), administered the Oath of Office to Gerald Garcia (Seat 1), and Brahma Neyman (Seat 3).

4. Public Comments - None. Present: Deborah Jensen, and Dave Warner.

5. Report of Officers:

President: Director Neyman reported, he and Director Schoenberg participated in a conference call with FPPUD attorney Ernest Conant. This call addressed the Annexation Initiation Resolution. Details of the discussion will be covered during Agenda Item #12.

Vice-President: None.

Secretary: Absent.

Treasurer: Director Schoenberg reported she has still been unable to update the website, however, the possibility of a new website will be discussed later in the Agenda. Transfers to the USDA accounts have not yet been made.

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The \$25,000 previously transferred to the Revenue account, from the General Fund, to prevent a negative balance, has not yet been returned. Director Schoenberg will hold off paying it back for now, because of a new payment due JPIA, also for \$25,000.

Member at Large: None

6. Board Member Initiatives.

Director Neyman would like the Board to have a discussion on streamlining the Board Meetings in order to be able to work through Agenda items faster. He would also like to ensure Board packets arrive ahead of the meetings so Directors have the time to review it at home.

14. Discussion/Vote on AB 1661 Harassment Training.

The Law offices of Young Wooldridge offered to hold this training at the FPPUD office at a cost of \$500. Online training is also available, at a cost of \$22 per certificate.

Motion: Move that we have Tiffany make the arrangements, pay the cost, and sign up all the Directors, and Jonnie, for the AB 1661 Harassment Training online, and also ensure that all the Directors take that in a timely manner.

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

16. Accounts Payable and Financial Information.

Bank balances total \$775,212.47. Those balances include the bank transfers that have not yet been made.

The District received the final audit report from BHK. Tiffany sent it to those who were requesting it, including the Kern County Controller's Office.

The audit fees charged to District accounts in error have still not been corrected by the bank.

Motion: Move that we go back to Board Member Initiatives because of new information.

Schoenberg/Kelling 4/0/0, Motion Passed - Director Gipson absent.

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6. Board Member Initiatives.

Director Neyman would like to look into where FPPUD money is being held, and how much. In case of a financial meltdown, District assets needs to be secured in more than one institution. Sherri Timms from California Bank & Trust will be invited to the next Board Meeting to address this issue.

16. Accounts Payable and Financial Information.

Bookkeeper Linda Sheldon will be preparing 1099s. They are due at the end of the month. Director's Fees for 2016 will be reported on the 1099 as Miscellaneous Income. The next invoice for Bookkeeping will include the extra \$75 for the out of pocket costs incurred in the preparation of the tax forms.

Motion: Move that we pay our bills.

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

17. Discussion/Vote on Customer Fees for Credit Card Transactions.

The Board has set policy that \$2.50 per \$99, be charged to the customer, for using their credit cards to pay their bills. Tiffany Matte and Linda Sheldon used the first full invoice from Merchant Services to determine the average cost to the District, per credit card transaction, for the month of December. It came out to about \$1.70. GM Allison recommended a flat \$2.00 per transaction for now, and look at the cost again when the next invoice is generated. To be conservative, the Board agreed lowering the cost to a flat rate of \$2.50 per transaction.

Motion: Move that we keep the fees as they are, however, we eliminate the need to charge again [for transactions] over \$99, and that we revisit this periodically to ensure we are not overcharging or undercharging customers.

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

7. Manager's Report.

a. Discussion/Vote on Application for Water Service Installation.

A Customer has requested water service on 4242 Maple Trail. The District would be able to provide water via the 6" C900 pipe running past that location.

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Motion: Move that we approve a new water connection on 4242 Maple Trail to provide water service to this new resident.

Garcia/Kelling 4/0/0, Motion Passed - Director Gipson absent.

The FPPUD has been cutting checks two to three times per month, and is still running into issues with late payments. Companies sending invoices no longer give 30 days to pay. By the time the District receives the invoices, there is only, on average, about 16 days to pay. GM Allison recommended that four bills be paid online, via credit card, so that the District can collect on the Visa reward, and ensure the payments are never late. The payments will still be available for the Board to review via the Regular Meeting financials. The bills to be paid online would be AT&T, T-Mobile, Southern California Edison, and the Southern California Gas Company. The credit limit on the card would need to be raised to accommodate the increase in monthly charges. These changes will be reflected in the Resolution discussed under Agenda Item #10.

There were two mainline breaks on ¾" lines. There were 10 after hours call outs due to the freeze. There was a power failure that required the generator to be used to keep water tanks full.

Motion: Move that we now place Item #18 at the current place.

Schoenberg/Kelling 4/0/0, Motion Passed - Director Gipson absent.

18. Discussion/Vote on Streamline Website Builder for Special Districts.

Sloane Dell'Orto from Streamline gave a presentation to the Board, via phone and web conferencing, giving a website building demonstration. The cost to the District would be \$150 per month for web hosting, unlimited support tickets, unlimited uploads, and unlimited upload storage space.

Motion: Move that we approve Streamline Website Builder for Special Districts.

Garcia/Kelling 4/0/0, Motion Passed - Director Gipson absent.

Motion: Move to take a 10 minute break at 7:54pm.

Kelling/Garcia 4/0/0, Motion Passed - Director Gipson absent.

Return from break: 8:05pm.

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7. Manager's Report.

b. Discussion/Vote on Repair or Replacement of Work Trucks.

One of the District's trucks had a catastrophic engine failure that is estimated to cost \$6,000 to \$7,000 to replace. The drive train is also ready to fall apart. The other two trucks also have major problems that would not be worth the money to fix. GM Allison shopped around, and looked at several brands of pickup trucks. He provided three written quotes to the Board. After testing the different trucks, it was his opinion, the Toyota Tacoma was built the best, the best value for the money, and would best serve the District's needs. The cost for three 2017 Toyota trucks would be approximately \$90,000.

Director Schoenberg recommended taking money from the General Fund and purchasing the vehicles with cash. This would eliminate the interest payment on a loan, and provide the most bargaining power.

Motion: Move that we go forward with the Toyota Tacomas, and that Jonnie get the best price he possibly can, that we have a maximum of \$90,000, that we take the money out of the General Fund, and that we come up with a formula to reimburse the General Fund from the Revenue Fund.

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

In regard to the rate increase, GM Allison checked the Resolution from the 2014 increase, and it stated nothing about how the charges were to be billed. Because of that, there would be no need to create a new Resolution to change the billing from gallons, back to cubic feet. An example of the new billing will be published in the local newspapers, so customers understand the change.

c. Administrative Assistant's Report - None.

8. Ad Hoc Committee Report.

The committee is continuing to research and move forward on finding information on the Sustainable Groundwater Management Act (SGMA).

9. Report of Other Water Board Meetings Attended - None.

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10. Discussion/Vote on Resolution FP-20170112-01 - Resolution for Change of Officers of the District and Authorized Banking.

Board positions will remain the same, but can be revisited in six months when the new Board member will be eligible to hold a position. Changes to the Resolution were recommended in the discussion during Item #7 - Manager's Report.

- A line will be added allowing GM Allison to pay 4 specifically named bills (AT&T, T-Mobile, Southern California Edison, and the Southern California Gas Company) by credit card.
- A line item to increase the Visa credit limit to \$15,000 (\$14,000 for GM Allison, \$1,000 for Tiffany).
- The previous Billing Clerk will be removed, and the current Billing Clerk added.
- In the line regarding Director's signatures, add an item for the exception of bills paid by credit card.

Final approval of the Resolution will be carried over to the meeting on December 19th.

Motion: Move that we place Item #12, and #13 right now, and move #11 further down.

Schoenberg/Kelling 4/0/0, Motion Passed - Director Gipson absent.

12. Discussion/Vote on Annexation Initiation Resolution.

The most recent draft of the Resolution was provided to the Board for review. There was a need to clarify the timeline for annexation, in relation to the Planning and Construction Phases. Legal council recommended moving forward with the Resolution, and finding a way to delay the completion of annexation with LAFCo. Should any cost be incurred during the course of the project, an assessment could be charged to Lake of the Woods to cover it.

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

Schoenberg/Garcia 4/0/0, Motion Passed - Director Garcia absent.

The signature line of the Resolution will be changed to the Board President, and Clerk of the Board.

Ernest Conant confirmed the Notice of Exemption will be approved under this Resolution, and will not have to be approved separately.

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Motion: Move that we approve “A Resolution Initiating Proceeding for Reorganization Consisting of Annexation of Parcels Described in Attachments and Corresponding Amendment to the District’s Sphere of Influence”, Resolution FP-20170112-01, with the needed changes to the signature area, and including the attached Notice of Exemption.

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

The Notice of Exemption was signed. Dave Warner will file the notice with the County on Tuesday.

13. Discussion/Vote on Draft Municipal Service Review (MSR).

Director Schoenberg would still like to confirm whether or not Lake of the Woods and Frazier Park are located in the same groundwater basin.

During the review of the maps contained in the document, an issue was found with the definition of the District’s boundaries. This map has already been submitted to County for approval so Dee Jaspar will be contacted to address the boundary.

Dave Warner also had revisions he would like to see made to the MSR. This item will be carried over to the next meeting.

11. Discussion/Vote on the Results of the Grand Jury Report.

Motion: Move that we table the Discussion/Vote on the results of the Grand Jury Report, that we all go home and read it, that we add whatever comments we need, and we bring those comments to the meeting on the 19th.

Schoenberg/Kelling 4/0/0, Motion Passed - Director Gipson absent.

15. Discussion/Vote on Bylaws and Rules and Regulations.

Motion: Move that we table #15 until February 9th.

Schoenberg/Kelling 4/0/0, Motion Passed - Director Gipson absent.

19. Review and Approve Meeting Transcripts for 10/15/2016, and 11/10/2016 and Minutes for 12/08/2016, and 12/22/2016.

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Motion: Move that we pass the Minutes for Thursday, December 8, 2016 - Regular Meeting, with the possibility for amendments for typos, or other errors that need to be corrected.

Schoenberg/Kelling 4/0/0, Motion Passed - Director Gipson absent.

Motion: Move that we pass the Minutes for Thursday, December 8, 2016 - Special Meeting with the amendment [given], and with the possibility for amendments for typos, or other errors that need to be corrected.

Schoenberg/Garcia 3/0/1, Motion Passed - Director Kelling abstain, Director Gipson absent.

Motion: Move that we pass the Minutes for Thursday, December 22, 2016 - FPPUD/Lake of the Woods Pre-Planning Meeting, with the possibility for amendments for typos, or other errors that need to be corrected.

Schoenberg/Kelling 3/0/1, Motion Passed - Director Garcia abstain, Director Gipson absent.

Motion: Move that we table the transcript for Saturday, October 15th, 2016 to the next Regular Meeting.

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

20. Discussion/Vote on Future Agenda Items.

Special Meeting January 19, 2017:

- Final approval of Resolution FP-20170119-01.
- Continue the discussion/vote on the MSR.
- Continue the discussion/vote on the results of the Grand Jury Report.

Pre-Planning Meeting January 26, 2017:

Regular Meeting February 9, 2017:

- Discussion with California Bank & Trust regarding District accounts.
- Continue the discussion/vote on the Bylaws and Rules and Regulations.
- Approval of Meeting Transcripts for 10/15/16, and 11/10/16.

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21. Adjournment

Motion: Move that we adjourn.

Kelling/Garcia 4/0/0, Motion Passed - Director Gipson absent.

Meeting adjourned: 11:06pm.

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



Tiffany Matte, Clerk of the Board



Attest: Brahma Neyman, President

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