

**Crestline Sanitation District  
Regular Board of Directors Meeting  
P. O. Box 3395  
Crestline, CA 92325-3395  
(909) 338-1751**

**Date/Time:** March 10, 2011 - 3:00 p.m.

**Place:** Crestline Sanitation District Office  
24516 Lake Drive  
Crestline, CA 92325

**Board of Directors Present:**

Matthew Philippe, Chairman  
Penny Shubnell, Vice Chairman  
Ken Nelsen, Secretary  
Sherri Fairbanks  
Jack Winsten

**Crestline Sanitation District Employees Present:**

Kathy Whalen, District Manager  
Mark Pattison, Operations Manager  
Terri Elwess, Recording Secretary

**Others Present:**

Steven Kennedy, Legal Counsel of Brunick, McElhaney & Beckett  
Phil Waller, CPA, R.A.M.S.

**Call to Order**

The meeting was called to order at 3:03 p.m. by Chairman Philippe.

**Approval of Agenda**

Director Winsten made a motion to accept the Agenda. Secretary Nelsen seconded. Chairman Philippe called for a vote. Motion passed with a vote of 4-0.

**Public Comment**

*Comments made by members of the public are representative of their views and opinions only. Claims and assertions made during Public Comment are accepted without regard to accuracy and are accepted in accordance with Public Comment rules as outlined in state law. Statements made by the public during Crestline Sanitation District Board of Directors meetings do not necessarily reflect the views or opinions of individual Board of Directors or the council as a whole.*

**Public Comments:**

No Public Comments were made.

**Consent Calendar**

Chairman Philippe made a motion to accept the Consent Calendar. Secretary Nelsen seconded. Chairman Philippe called for a vote. Motion passed with a vote of 4-0.

(Director Fairbanks arrived late to meeting.)

**Discussions:****New Business****4. Discussion and Possible Action concerning County of San Bernardino Special Districts Pooled Equipment**

Legal Counsel, Steven Kennedy announced to the Board he emailed Jeff Rigney of County of San Bernardino Special Districts for a meeting date to discuss pooled equipment. The response he received from Mr. Rigney was to have a pre-meeting conversation on the subject matter for more detail before a meeting would be scheduled. District Manager, Kathy Whalen presented the Board with detail expenditure transaction listings for pooled equipment from 2007-2010. Chairman Philippe conducted open discussion on the subject. Chairman Philippe requested Legal Counsel, Steven Kennedy to send a letter to the County of San Bernardino Special Districts requesting a meeting to receive explanation on these detail expenditure transactions listed.

**5. Discussion and Possible Action concerning Scheduling Date for Closed Session concerning Labor Negotiations for Employees**

Chairman Philippe conducted open discussion on the subject. A date and time of Friday, March 18, 2011 at 1:00 p.m. was set for this meeting. Legal Counsel, Steven Kennedy will attend this meeting.

**6. Discussion and Possible Action concerning Scheduling Date for Closed Session concerning Public Employee Performance Evaluation**

Chairman Philippe conducted open discussion on the subject. A date and time of Friday, March 18, 2011 at 1:00 p.m. was set for this meeting. Legal Counsel, Steven Kennedy will attend this meeting.

**7. Discussion and Possible Action concerning Scheduling Date for Budget**

Chairman Philippe conducted open discussion on the subject. A date and time for a Budget Workshop was scheduled for Thursday, April 21, 2011 at 3:00 p.m. CPA of R.A.M.S., Phil Waller will attend this meeting. All interested are invited to attend.

**Old Business****9. Discussion and Possible Action concerning Capital Improvement Projects**

District Manager, Kathy Whalen stated bids are due back for the Salt Chlorination Project on March 25, 2011. Chairman Philippe conducted open discussion on the subject.

## **10. Discussion and Possible Action concerning LAFCO – Service Review and Sphere of Influence Update**

District Manager, Kathy Whalen stated she received an email from Kathleen Rollings-McDonald of LAFCO stating they are continuing Crestline Sanitation District until their April meeting as we still do not have signed agreements with Pilot Rock, State Parks or with Cleghorn. We are still waiting on the signed agreements back from Pilot Rock, State Parks and Cleghorn. District Manager Whalen is also working on a letter to LAFCO requesting they add the function of recycled water.

## **Reports**

### **11. Monthly Financial Review**

CPA, Phil Waller presented the Board with the Monthly Financial Reports for February 2011. Chairman Philippe conducted open discussion on the subject. CPA Waller stated he would like to work with the financials one more month and meet with DataStream before giving his recommendation on our accounting software. The Board requested the meeting date and time be posted so they could attend if available.

### **12. Committee Reports**

#### **a. Rules and Regulations Committee (ad hoc)**

Secretary Nelsen reported they are still waiting on results from District Manager, Kathy Whalen with Consultant Wyatt Troxel.

### **13. District Manager Report**

District Manager, Kathy Whalen reported all treatment plants are operating normally, stating all the flows were back down to normal in January after the December storms.

Concerning the Rules and Regulations, District Manager Whalen still has no response from Consultant Wyatt Troxel of IRM concerning the scope of work for influent testing. Wilson So of So & Associates Engineering, Inc. was also contacted with no comments received back to date. Secretary Nelsen requested District Manager Whalen contact the ad hoc Committee if no response has been received within three (3) weeks to be further discussed for resolution.

Secretary Nelsen requested a meeting with the Regional Water Quality Board. Chairman Philippe conducted open discussion on the subject.

District Manager, Kathy Whalen contacted California Bank & Trust concerning the Board approved Wealth Management Investment and they are preparing the forms to be signed.

CPA, Phil Waller, upon receiving new information, recommended the Board open an account with Cal TRUST, along with LAIF and California Bank & Trust Wealth Management. Director Winsten made a motion due to the need for immediate action and due to the new information received to add to the current Agenda discussion and possible action concerning Cal TRUST Bank. Vice Chairman Shubnell seconded. Chairman Philippe called for a vote. Motion passed with a vote of 5-0.

## **New Business**

### **8. Discussion and Possible Action concerning Allocation of Reserve Investment Accounts**

CPA, Phil Waller recommended the Board open an account with Cal TRUST, LAIF, California Bank & Trust Wealth Management and an interest bearing account with California Bank & Trust. Chairman Philippe conducted open discussion on the subject. This subject will be put onto the Agenda for discussion and possible action at the Special Meeting planned for March 18, 2011 at 1:00 p.m. during the Open Session part of the meeting. The Board requested District Manager, Kathy Whalen contact all listed banks and request they attend and bring all information for processing at the Special Meeting on March 18, 2011.

### **14. CPA Firm Report**

CPA, Phil Waller of R.A.M.S. had no further to report.

### **15. Legal Counsel Report**

Legal Counsel, Steven Kennedy reminded the Board the 2011 Form 700's is due on April 1, 2011.

### **Directors Comments**

Director Winsten reported that he and ~~Legal Counsel, Steven Kennedy~~ had toured the facilities and encouraged all to set up appointment with Operations Manager, Mark Pattison.

Vice Chairman thanked Operations Manager, Mark Pattison for putting together the Annual Report as she found it well done.

Chairman Philippe reported that he and Vice Chairman Shubnell had attended a Financial Workshop for Board Members and encouraged the other Board Members to attend one.

Chairman Philippe requested the Financial Reports be sent to the Board Members at least two (2) days prior to the Regular Board Meetings for review.

### **Correspondence/Information**

None reported.

(Director Winsten and Director Fairbanks left early from the meeting.)

### **Future Agenda Items**

CPA, Phil Waller stated the employees are requesting a 457 Deferred Compensation Plan.

**Adjournment**

Secretary Nelsen made a motion to adjourn. Vice Chairman Shubnell seconded.  
Chairman Philippe called for a vote. The Vote passed 3-0. Meeting adjourned at 5:02  
p.m.

Matthew Philippe Date: 4/14/11  
Matthew Philippe, Vice Chairman

ATTEST:

Ken Nelsen Date: 4-14-11  
Ken Nelsen, Secretary