

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

Date/Time: October 13, 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, General Manager
Mark Pattison, Operations Manager
Terri Elwess, Recording Secretary

Others Present:

Steven Kennedy, Legal Counsel, Brunick, McElhaney & Beckett

Call to Order

The meeting was called to order at 3:01 p.m. by Chairman Philippe. Chairman Philippe commented on how well the posting of the Agenda and Board Packet was to view on the company website.

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:

A written public comment received into the District office was distributed to all. This public comment had concerns about ad hoc committees along with Consultants hired by the District

should be working for and with the General Manager and not dealing directly with the Board.

An example was given; the writing of the Personnel Rules was questioned as to why the Board would be writing these procedures as this is a responsibility of the General Manager.

Consent Calendar

Vice Chairman Shubnell made a motion to approve the Consent Calendar. Director Winsten seconded. Chairman Philippe called for a vote. The motion passed with a vote of 5-0.

Special Report

3. California Bank & Trust Wealth Management Update with Sr. Vice President, Regional Director, Roy Grimes

Sr. Vice President, Regional Director Roy Grimes presented the Board and public in attendance with an update on the Districts investments with them and stated all is going quite well as the previous monthly reports have shown. Chairman Philippe conducted open discussion on the subject.

Discussions:

Old Business

4. Discussion and Possible Action concerning Crestline Sanitation District participating in a Forensic Audit with PPHCSD and Helendale

Chairman Philippe reported CPA, Phil Waller and Randy Booker of County of San Bernardino Special Districts Department have a meeting scheduled next week.

5. Discussion and Possible Action concerning Personnel Rules for Crestline Sanitation District

Director Fairbanks reported the ad hoc committee had concerns and contacted Legal Counsel concerning this subject and was advised to bring the previous discussed items of concern to the full Board for discussion. The two areas of concern are: wage increases and hiring practices. Chairman Philippe conducted open discussion on the subject. It was agreed by the Board for the ad hoc committee to meet with the General Manager concerning the Personnel Rules and present a final draft to the full Board for approval.

6. Discussion and Possible Action to Discharge from Accountability for Sewer Use Fees – Certain Inactive Debit Balance Accounts

General Manager, Kathy Whalen presented the Board with a revised list of inactive accounts with delinquent balances still due requesting these balances be written off. Chairman Philippe conducted open discussion on the subject. Vice Chairman Shubnell made a motion to approve the action to Discharge from Accountability for Sewer Use Fees – Certain Inactive Debit Balance Accounts. Chairman Philippe seconded. Chairman Philippe called for a vote. The motion passed with a vote of 5-0.

New Business

7. Discussion and Possible Action concerning acceptance of Smith Marion & Co., LLP for Financial Annual Audit

General Manager, Kathy Whalen presented the Board with the selected proposal from the three (3)

selected accounting firms, CPA, Phil Waller provided for the Financial Annual Audit; Smith Marion & Co., LLP. Chairman Philippe conducted open discussion on the subject. The General Manager has had no contact with any of the three (3) accounting firms. Director Winsten made a motion to table the acceptance of an accounting firm for the Financial Annual Audit until next week to give General Manager, Whalen time to contact the three (3) accounting firms and bring back to the Board her recommendation. Director Fairbanks seconded. Chairman Philippe called for a vote. The motion passed with a vote of 5-0. A Special Board Meeting will be held next week on Thursday, October 20, 2011 for General Manager Whalen to present to the Board her recommendation concerning the accounting firm selected for the Financial Annual Audit.

8. Discussion and Possible Action concerning Resolution No. 12 – Establishing Policies for its Compensation, Reimbursement, and Ethics Training

Director Winsten requested the Board review this Resolution for possible amendment as he felt the Board Packets and documents review time should be included in the compensation definition as a “day of service”. Legal Counsel, Steven Kennedy reviewed with the Board Resolution No. 12. Director Winsten made a motion to include in the compensation of a “day of service” the reviewing of documents. Chairman Philippe seconded. Chairman Philippe conducted open discussion on the subject. After this discussion, Director Winsten withdrew his motion.

9. Discussion and Possible Action concerning the Sunshine Ordinance No. 2010-001

Legal Counsel, Steven Kennedy presented the Board with a possible change in this Ordinance with the “2.4 Posting” section to include the posting of the Board Packets onto the District website. Chairman Philippe conducted open discussion on the subject. A revised Ordinance will be on the Consent Calendar for approval at our next Regular Board Meeting.

10. Discussion and Possible Action concerning RFP for CCTV Vehicle System

General Manager, Kathy Whalen presented the Board with a RFP for the CCTV Vehicle System. Secretary Nelsen made a motion to authorize General Manager Whalen to post the RFP for the CCTV Vehicle System. Director Fairbanks seconded. Chairman Philippe conducted open discussion on the subject. Chairman Philippe called for a vote. The motion passed with a vote of 5-0.

11. Discussion and Possible Action concerning Authorization for Replacement Vehicle

General Manager, Kathy Whalen presented the Board with information to purchase a Replacement Vehicle for the District. Vice Chairman Shubnell made a motion to authorize General Manager Whalen to purchase a Replacement Vehicle for the District as presented. Director Winsten seconded. Chairman Philippe conducted open discussion on the subject. The Board requested General Manager Whalen research a vehicle under \$25,000.00 and without the extra options. After this discussion, Vice Chairman Shubnell withdrew her motion.

12. Discussion and Possible Action concerning Letter received from Mr. Steven Peck concerning Sewer Service

General Manager, Kathy Whalen presented the Board with the letter received and

information pertaining to Mr. Steven Peck's property. Chairman Philippe conducted open discussion on the subject. The Board agreed since Mr. Peck had signed the Permit for Connection to Sewer System and had connected to the Sewer System on 5/13/10; whereas the Permit states in red "sewer user fees are applicable upon date of connection to the sewer system", only one option was open to him according to the Rules and Regulations of Crestline Sanitation District. Mr. Peck may request the District disconnect the property from the system at this time and when ready to reconnect, he can apply for a Permit to Connect and pay for the disconnection and reconnections costs in addition to another connection fee in the amount of \$3,959.90.

13. Discussion and Possible Action concerning Mutual Indemnification Agreement with Crestline Village Water District

General Manager, Kathy Whalen presented the Board with draft copy of a Mutual Indemnification Agreement with Crestline Village Water District. Legal Counsel, Steven Kennedy is reviewing this agreement. Chairman Philippe conducted open discussion on the subject. Director Winsten made a motion to authorize General Manager Whalen to execute a Mutual Indemnification Agreement with Crestline Village Water District upon concurrence with our Legal Counsel. Secretary Nelsen seconded. Chairman Philippe called for a vote. The motion passed with a vote of 5-0.

Reports

14. Monthly Financial Review – August 2011 – (no report given by CPA Firm – copy of Financials presented for review only – CPA to present Quarterly to Board)

A copy of the August 2011 Financials was distributed for all to review.

15. Committee Reports

a. Rules & Regulations Committee (ad hoc)

Secretary Nelsen reported the ad hoc committee sent a draft copy of the Rules and Regulations to the General Manager, Kathy Whalen for review at this time and stated they will be meeting to review together and should be able to put onto the Agenda at our November meeting for Board review.

16. General Manager Report

General Manager, Kathy Whalen reported the Manager's Status Report for October 13, 2011; copy of details was provided for all at the meeting. Chairman Philippe conducted open discussion on the subject. Ms. Whalen also announced we have just received the signed agreement from the State of California, Department of Parks and Recreation for the Silverwood Lake State Recreation Area, Cleghorn Wastewater Treatment Plant.

17. Financial Consultant Report

None was reported.

18. Legal Counsel Report

Legal Counsel, Steven Kennedy announced he will be on vacation next week and will not be able to attend the Special Board Meeting next week.

Directors Comments

None reported.

Correspondence/Information

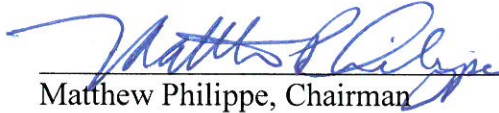
None reported.

Future Agenda Items

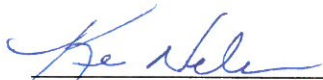
A Special Board Meeting will be scheduled for next Thursday, October 20, 2011 to discuss the Annual Financial Audit.

Adjournment

Vice Chairman made a motion to adjourn. Chairman Philippe seconded. Chairman Philippe called for a vote. The Vote passed 5-0. Meeting adjourned at 5:19 p.m.

 Date: 10-10-11
Matthew Philippe, Chairman

ATTEST:

 Date: 10-11-11
Ken Nelsen, Secretary