

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

Date/Time: April 14, 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.

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

Vice Chairman Shubnell made a motion to accept the Consent Calendar. Director Fairbanks seconded. Director Winsten stated concerning the Meeting Minutes on March

10, 2011 during the Directors Comments; to remove “and Legal Counsel, Steven Kennedy”, as he attended the facilities tour alone. Chairman Philippe called for a vote as amended. The motion passed with a vote of 5-0.

Discussions:

New Business

4. Discussion and Possible Action concerning Resolution 016 for Cal TRUST

Investment Banking

Director Winsten made a motion to approve Resolution 016 for Cal TRUST Investment Banking. Chairman Philippe seconded. Chairman Philippe conducted open discussion on the subject. The Board decided this subject will be further discussed at our next Special Meeting on April 21, 2011 for possible action.

5. Discussion and Possible Action concerning Resolution 017 for 457 Governmental Deferred Compensation Plan for Crestline Sanitation District Employees

Secretary Nelsen made a motion to adopt Resolution 017 for a 457 Governmental Deferred Compensation Plan for the Crestline Sanitation District Employees. Director Winsten seconded. Chairman Philippe conducted open discussion on the subject. Chairman Philippe called for a vote. Motion passed with a vote of 5-0.

6. Discussion and Possible Action concerning Letter to CAO of County of San Bernardino concerning Special Districts Reserve Account

District Manager, Kathy Whalen and Legal Counsel, Steven Kennedy reported to the Board updated information with the County of San Bernardino Special Districts concerning the subject. Chairman Philippe conducted open discussion on the subject. The Board decided this subject will be further discussed at our next Special Meeting on April 21, 2011 for possible action.

Old Business

7. Discussion and Possible Action concerning Award of Contract for Houston Creek & Seeley Creek Treatment Plants Salt Chlorination

Director Winsten made a motion to approve the contract agreement with Process Solutions for \$375,000.00. Secretary Nelsen seconded. Chairman Philippe conducted open discussion on the subject. Director Winsten amended his motion to approve the contract agreement with Process Solutions for \$375,000.00 and authorize General Manager, Kathy Whalen a 10% contingency for any change orders. Secretary Nelsen seconded. Chairman Philippe called for a vote. Motion passed with a vote of 5-0.

Reports

8. Monthly Financial Review

CPA, Phil Waller presented the Board with the Monthly Financial Review for March 2011. Chairman Philippe conducted open discussion on the subject.

9. Committee Reports

a. Rules & Regulations Committee (ad hoc)

District Manager, Kathy Whalen stated Wyatt Troxel of IRM is reworking the scope of work and will resubmit as soon as possible.

10. District Manager Report

District Manager, Kathy Whalen reported the Operations Staff is continuing with routine maintenance of the treatment plants and the treatment plants are meeting constituent limits of waste discharge requirements even though three (3) are still intermittent high flows. The contract for the Houston Creek and Seeley Creek Disinfection Systems will be awarded today to Process Solutions; the sole bidder. Collection System inspections are continuing after winter rain events and erosion areas are being repaired. Collection System Staff are gearing up for good weather repairs. Collection System Season Help is needed as she would like to hire two (2) extra help positions to work for about seven (7) months. The two (2) extra help positions will be paid \$12.00/hour for 15 pay periods, total cost would be \$28,800.00. There are no benefits associated with extra help positions.

District Manager, Kathy Whalen also reported on the following subjects:

Concerning Contracts:

State Department of Recreation and Parks (Cleghorn WWTP); Kathy Weatherman hopes to have the agreement this week. Cal Fire Pilot Rock; Operations Manager, Mark Pattison spoke with Stan Owens on 4/14/11 and he stated the contract is with their Regional Engineer Joe Aguirre for review; then will go to the Contract Approval Dept. in Fresno or Sacramento. Chairman Philippe conducted open discussion on the Cleghorn WWTP. The Board decided the Cleghorn WWTP Generator will be discussed at our next Special Meeting on April 21, 2011 for possible action.

Concerning Rules and Regulations; Wyatt Troxel of IRM has responded and is amending the scope of work for the influent testing.

Concerning LAFCO; Kathleen Rollings-McDonald has continued Crestline Sanitation District service review to September.

Concerning Investment Banking:

California Bank & Trust; the Board approved \$5,000,000.00 was transferred to Crestline Sanitation District's portfolio on 3/23/11. Our April 1, 2011 statement reflected an interest earning of \$10.96. The Local Agency Investment Fund (LAIF) account was opened on 4/7/11. The account information was received by mail on 4/12/11, and on 4/13/11 the Board approved \$200,000.00 was transferred into the account. The Cal TRUST account will be opened once Resolution 016 is approved by the Board and then the Board approved \$800,000.00 will be transferred into the account.

11. CPA Firm Report

CPA Phil Waller of R.A.M.S. will be setting up a meeting with DataStream and Crestline Sanitation staff to address software issues.

12. Legal Counsel Report

Legal Counsel, Steven Kennedy questioned if he need attend the Special Meeting on 4/21/11. The Board requested Legal Counsel to be present at the Special Meeting to be held on 4/21/11 during the discussion and possible action concerning the Cleghorn WWTP Generator.

Directors Comments

Vice Chairman Shubnell requested any documentation for the Board Meetings be sent by email to them at the earliest time possible.

Correspondence/Information

None reported.

Closed Session

Conference with Legal Counsel – Anticipated Litigation

Initiation of Litigation Pursuant to Governmental Code Section 54956.9 (c)

One Potential Case

Announcement of Closed Session Actions

No reportable action taken.

Future Agenda Items

Future Agenda Items to be discussed at the Special Meeting on 4/21/11 are:

Resolution 016 for Cal TRUST Investment Banking

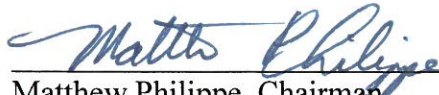
Letter to CAO of Co of San Bernardino concerning Special Districts Reserve Account

Cleghorn WWTP Generator

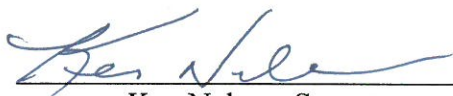
Budget Workshop

Adjournment

Vice Chairman Shubnell made a motion to adjourn. Secretary Nelsen seconded. Chairman Philippe called for a vote. The Vote passed 5-0. Meeting adjourned at 5:13 p.m.

 Date: 5/12/11
Matthew Philippe, Chairman

ATTEST:

 Date: 5-12-11
Ken Nelsen, Secretary