

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

**Date/Time:** February 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  
Mark Pattison  
Terri Elwess

**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 3:00 p.m. by Chairman Philippe.

**Approval of Agenda**

Vice Chairman Shubnell made a motion to accept the Agenda. Director Fairbanks seconded. Chairman Philippe called for a vote. Motion passed with a vote of 5-0.

**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**

Director Winsten made a motion to accept the Consent Calendar. Secretary Nelsen seconded. Chairman Philippe called for a vote. Motion passed with a vote of 5-0.

Second District Supervisor, Janice Rutherford and Field Representative, Charles Rangel introduced themselves to the Board and thanked them for the invitation to the meeting. They also expressed their interest in the Crestline area and Crestline Sanitation District.

**Discussions:****New Business****3. Discussion and Possible Action concerning Directors Terms of Office**

Legal Counsel, Steven Kennedy discussed with the Board terms of office. Secretary Nelsen made a motion to have the two Board Members, Nelsen and Winsten with the lowest amount of election votes to hold the two year term of office and the remaining three Board Members, Shubnell, Fairbanks, and Philippe to hold the four year term of office. 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.

**4. Discussion and Possible Action concerning Resolution 014 for Crestline Sanitation District Employees for Dedication and Hard Work During the Severe Storm Events of December 2010**

District Manager, Kathy Whalen presented the Board with Resolution 014 for the Crestline Sanitation District Employees. Chairman Philippe made a motion to accept Resolution 014 as presented. Vice Chairman Shubnell seconded. Chairman Philippe conducted open discussion on the subject. Chairman Philippe called for a vote. Motion passed with a vote of 5-0.

**5. Discussion and Possible Action concerning Online Banking and Credit Card Payments**

District Manager, Kathy Whalen presented the Board with Online Banking and Credit Card Payments information. Vice Chairman Shubnell made a motion to start the set up process of making payments through our website and when office staff is available to start debiting accounts using ACH. Director Fairbanks seconded. Chairman Philippe conducted open discussion on the subject. Vice Chairman amended the motion to approve District Manager, Kathy Whalen to set up online banking through our website. Chairman Philippe called for a vote. Motion passed with a vote of 5-0.

**6. Discussion and Possible Action concerning Capital Improvement Projects**

District Manager, Kathy Whalen presented the Board with a Capital Improvements Projects Chart showing proposed projects, pricing and proposed years. Chairman Philippe conducted open discussion on the subject. Discussed modifications and yearly totals will be made to the CIP as needed and will be presented at our future meetings. No action was taken.

## **7. Discussion and Possible Action concerning California Bank & Trust Investment Plan**

Chairman Philippe requested financial information of Crestline Sanitation District from CPA, Phil Waller, of R.A.M.S. concerning the subject. CPA Phil Waller presented financial information to the Board recommending \$5,000,000.00 may be invested in California Bank & Trust Investment Plan. Director Winsten made a motion to follow the recommendations of CPA, Phil Waller to invest \$5,000,000.00 with California Bank & Trust Investment Plan, keep a balance of \$250,000.00 in the checking account and the balance in an interest bearing account (sweep account). Secretary Nelsen seconded. Chairman Philippe conducted open discussion on the subject. Chairman Philippe called for a vote. Motion passed with a vote of 5-0.

## **Old Business**

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

District Manager, Kathy Whalen stated we sent LAFCO any requested information needed and we are waiting for State Parks to draft an agreement. Pilot Rock would like to keep agreement same as was with County, but with Crestline Sanitation District. We have received signed agreement with Las Flores Ranch. When all State Park agreements are in place, LAFCO will at the March 16, 2011 meeting will modify the sphere for Crestline Sanitation District

### **9. Discussion and Possible Action concerning Houston Creek & Seeley Creek Plants Salt Chlorination System**

District Manager, Kathy Whalen stated we will be issuing specifications for the Salt Chlorination System for formal bids in order to issue a purchase order and contract. A Salt Chlorination System justification was included in Board packets per their previous request.

## **Reports**

### **10. Monthly Financial Review**

CPA, Phil Waller presented the Board with the Monthly Financial Reports. Chairman Philippe conducted open discussion on the subject. Mr. Waller announced he has concerns with Data Streams accounting software, but hopes to work through the issues and will report back to Board with results within the next few months.

### **11. Committee Reports**

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

Secretary Nelsen reported District Manager, Kathy Whalen will report on this subject in her report.

### **12. 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, Ms. Whalen had contacted Wyatt Troxel of IRM to develop the scope of work for influent testing. Since the scope of work received back from Mr. Troxel seemed to be too extensive, comments were sent back from Ms. Whalen and Secretary Nelsen for further negotiations and comments.

All other Manager Status Reporting was discussed previously during the meeting.

### **13. CPA Firm Report**

CPA, Phil Waller of R.A.M.S. reported he had contacted County of San Bernardino Special Districts Finance Department concerning the equipment pool. The response received was there is no other shared equipment to be distributed to Crestline Sanitation District. Chairman Philippe conducted open discussion on the subject. Legal Counsel, Steven Kennedy recommended a meeting be set with our District Staff and our ad hoc Transition Committee to meet with County of San Bernardino Special Districts Department.

### **14. Legal Counsel Report**

Legal Counsel, Steven Kennedy announced the 2011 Form 700's is due on April 1, 2011. The Board requested Recording Secretary; Terri Elwess email them the new Form 700's to be completed.

### **Directors Comments**

Chairman Philippe announced he attended the CSDA Seminar for being a Board Member. Chairman Philippe reported the seminar was very well done and encouraged all Board Members to attend a CSDA Seminar. Chairman Philippe is planning on attending the Board's Role in Finance on February 25, 2011 in Mira Loma.

Chairman Philippe requested the Board start thinking about the Budget Planning Cycle and the Agreements with the Employees with the District Manager, Kathy Whalen.

Director Fairbanks announced we need to keep up with the State's local programs and Southern California Edison's smart meters being installed.

### **Correspondence/Information**

None reported.

### **Future Agenda Items**

Secretary Nelsen requested from Legal Counsel formal procedures to meet with District Manager for a Personnel Evaluation. Legal Counsel, Steven Kennedy responded the meeting should be held in a Closed Session with the District Manager and the Board only, with Agenda as a Special Meeting and is usually held before or after the Regular Board Meeting.

**Adjournment**

Vice Chairman Shubnell made a motion to adjourn. Chairman Philippe seconded. Chairman Philippe called for a vote. The Vote passed 5-0. Meeting adjourned at 5:17 p.m.

Matthew R. Philippe Date: 3/10/11  
Matthew Philippe, Vice Chairman

ATTEST:

Ken Nelsen Date: 3-10-11  
Ken Nelsen, Secretary