

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

**Date/Time:** October 14, 2010 - 3:00 p.m.

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

**Board of Directors Present:**

Matthew Philippe, Chairman  
Ken Nelsen , Secretary  
Sherri Fairbanks  
Jack Winsten

**Board of Directors Absent:**

Penny Shubnell, Vice Chairman

**Crestline Sanitation District Employees Present:**

Kathy Whalen  
Mark Pattison  
Terri Elwess

**Others Present:**

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

**Call to Order**

The meeting was called to order at 3:00 p.m.

**Approval of Agenda**

**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 4-0.

**Discussions:****Old Business****4. Discussion and Possible Action to Develop District Website**

District Manager, Kathy Whalen reported the District website is [www.crestlinesanitation.com](http://www.crestlinesanitation.com) and is only informational at this time. Board of Director's Meeting Agenda's and Meeting Minutes can and will be posted on the website. Payments made online through the website, District news articles, and posting District projects were discussed.

**New Business****5. Discussion and Possible Action concerning a Policies and Procedures Manual for Purchasing**

Legal Counsel, Steven Kennedy previously sent the Board a Policies and Procedures Manual for Purchasing for their review. Chairman Philippe conducted open discussion on the subject. Secretary Nelsen made a motion to adopt the Crestline Sanitation District Purchasing Policy and Procedures with the amendments for competitive bidding total amount not to exceed \$25,000.00 and the General Manager will designate staff for purchases not to exceed \$2500.00. Chairman Philippe seconded. Chairman Philippe conducted further open discussion on the subject. Chairman Philippe called for a vote. Motion passed with a vote of 4-0.

**6. Discussion and Possible Action concerning an Investment Policy**

CPA, Phil Waller presented the Board with a Statement of Investment Policy and Procedures for Crestline Sanitation District. Director Winsten made a motion to accept the Statement of Investment Policy and Procedures. Director Fairbanks seconded. Chairman Philippe conducted open discussion on the subject. Chairman Philippe called for a vote. Motion passed with a vote of 4-0.

**7. Discussion and Possible Action concerning the Executive ad hoc Committee**

Chairman Philippe conducted open discussion on the subject. Director Winsten made a motion to terminate the Executive ad hoc Committee and all Agenda items proposed by the Board Member be sent to the District Manager for posting by the Recording Secretary. Chairman Philippe seconded. Chairman Philippe called for a vote. Motion passed with a vote of 4-0.

**8. Discussion and Possible Action concerning a Financial Review Workshop**

Chairman Philippe requested a Financial Review Workshop to review Crestline Sanitation District's financials historically to the present. A date and time was set for the Workshop of Thursday, November 4, 2010 at 3:00 p.m. CPA, Phil Waller will make and

bring financial informational workbooks of Crestline Sanitation District for the Board to review at least a week before the meeting.

#### **9. Discussion and Possible Action concerning Director's Compensation**

Legal Counsel, Steven Kennedy presented the Board with the statutory requirements for Board Members concerning Director's Compensation. Additional requirements include adopting Policies for Compensation, Reimbursement and Ethics Training including definitions. Chairman Philippe requested Steven Kennedy bring Resolutions and additional requirements to the next meeting.

#### **Reports**

##### **10. Committee Reports**

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

Ad hoc Committee reported they have briefly gone over some of the reports and policies, but need to meet and discuss in more detail.

##### **11. District Manager Report**

District Manager, Kathy Whalen reported on all Treatment Plants and maintenance in the District. Projects outstanding were discussed; Bernard Drive Sewer Main, Electrical Vault @ Houston Creek, New Maintenance Building Generator Connection and SSMP's. Effective, November 1, 2010, office hours will change to 8:00 a.m. to 4:30 p.m. Contracts with the State Department of Recreation and Parks (Cleghorn WWTP) and Los Flores Ranch are being worked on at the present and will be brought back to the Board for approval.

##### **12. CPA Firm Report**

CPA, Phil Waller, reported we have established general and payroll accounts with California Bank and Trust. Payroll will be done with Acorn Bookkeeping next week. We have received \$500,000.00 from the County of San Bernardino. Mr. Waller is working on Financial Reports with District Manager, Kathy Whalen and staff for the next Board Meeting. The audit from the County of San Bernardino for 2009 has not yet been released.

##### **13. Legal Counsel Report**

Legal Counsel, Steven Kennedy reported he will bring a Conflict of Interest Code, and Resolutions pertaining to the Form 700's.

#### **Directors Comments**

Director Fairbanks commended the District Manager, Kathy Whalen and staff for the cost saving they are generating being reported within the District.

Chairman Philippe reported Crestline Sanitation District has been paying the salary for the Crest Forest Municipal Advisory Council (MAC) Secretary and the Board of Supervisor's are requesting Crestline Sanitation District continue to. Chairman Philippe conducted open discussion on the subject. The Board requested District Manager, Kathy Whalen contact the Board of Supervisor's office and state Crestline Sanitation District feels they should not be expected to pay the full salary of the MAC Secretary.

**Correspondence/Information**

Two letters were sent to the County of San Bernardino from Crestline Sanitation District. One stating Crestline Sanitation District will be taking over all current projects and the other requesting funds being transferred into our new bank account.

**Future Agenda Items**

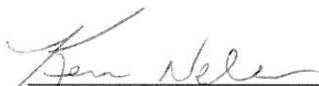
Chairman Philippe announced the next Regular Meeting will be changed from Thursday, November 11, 2010 to Thursday, November 18, 2010 at 3:00 p.m. due to November 11, 2010 being Veteran's Day, a holiday and the District office will be closed.

**Adjournment**

Chairman Philippe made a motion to adjourn. Secretary Nelsen seconded. Chairman Philippe called for a vote. The Vote passed 4-0. Meeting adjourned at 5:16 p.m.

 Date: 11/18/10  
Matthew Philippe, Chairman

ATTEST:

 Date: 11-18-10  
Ken Nelsen, Secretary