

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

**Date/Time:** August 9, 2018 – 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 Chairwoman  
Ken Nelsen, Director  
Sherri Fairbanks, Director  
Jack Winsten, Director

**Board of Directors Absent:**

None

**Crestline Sanitation District Employees Present:**

Rick Dever, General Manager  
Ron Scriven, Operations Manager  
Dawn Grantham, Fiscal Asst., Recording Secretary

**Others Present:**

Steve Kennedy, Legal Counsel; Brunick, McElhaney, & Kennedy  
Brad Welebir, Financial Consultant; R.A.M.S.

**Call to Order**

The meeting was called to order at 3:01 p.m. by Chairman Philippe and was proceeded by the Pledge of Allegiance.

**Approval of Agenda**

Director Fairbanks motioned to approve the Agenda. Director Winsten seconded the motion.

AYES: Chairman Philippe, Vice Chairwoman Shubnell, Director Nelsen,  
Director Fairbanks, Director Winsten

NOES: None      ABSTAIN: None      ABSENT: None

**Public Comment\***

None

**Approval of Consent Calendar**

Director Winsten motioned to approve the Consent Calendar, seconded by Director Fairbanks.

AYES: Chairman Philippe, Vice Chairwoman Shubnell, Director Nelsen,  
Director Fairbanks, Director Winsten

NOES: None      ABSTAIN: None      ABSENT: None

## **New Business**

**Item 3** – Farm Management Plan was tabled for a future meeting, no further discussion.

**Item 4** – The Cooperative Project Agreement with the State of CA Department of Parks and Recreation for the Cleghorn WWTP Force Main Project was approved 5-0-0. Discussed were time, costs, and environmental concerns.

AYES: Chairman Philippe, Vice Chairwoman Shubnell, Director Nelsen,  
Director Fairbanks, Director Winsten

NOES: None      ABSTAIN: None      ABSENT: None

**Item 5** – Discussion was conducted regarding the fourth year of the five-year plan for rate increases, which was approved in 2015 through a Prop 218 process. The Directors stated the reasons for the need to continue with the plan. The Districts' equipment and facilities have surpassed the life expectancy by ten to twenty years and are beginning to fail. These items can no longer be repaired and need to be replaced and upgraded. A Master Plan is set to be completed soon, which will show areas of emergency. The Director's noted that even with the rate increases the District will still have to borrow loans or bonds to complete the projects. Questions and concerns came from four different members of the community. Mr. Craig Swanson was first to speak, stating he did not want another increase, but that it also sounded dangerous to have a sanitation district not taken care of. Ms. Sandra Swanson was the second to speak. She noted that the big increase is hard to pay, for all the seniors to pay. Next to speak was Mr. Steven Farrell, asking if the rate increase was a fixed amount or could it be variable. Legal Counsel Kennedy responded, stating that it was up to amount on the rate increase notice or less than, which would have to be by vote if they wished to decrease it. Mr. Farrell asked if the District would continue to sell its' water as with the Hwy 138 Project. Chairman Philippe stated the District has it available when a company would need it, but the water is not tertiary. The last person to speak was Ms. Cheryl Best. She stated that the increase would cause her hardship as she is on a fixed income, as well as other seniors. After discussion amongst the Directors regarding the 8% increase versus a lesser amount, Director made a motion to reduce the increase to a 5%, Vice Chairwoman Shubnell stated that that still seemed high to her, but she would second the motion.

AYES: Vice Chairwoman Shubnell, Director Fairbanks

NOES: Chairman Philippe, Director Nelsen, Director Winsten

ABSENT: None, ABSTAIN: None

Since the vote was 2-3-0 it did not pass, therefore the fourth-year rate increase would stand at 8%. This will bring rates from \$45.29 to \$48.91 monthly, billed bi-monthly, beginning November 1, 2018 and reflect on the January 1, 2019 bill.

### **Financial Consultant Report**

**Item 6** – July 2018 financials were presented to the Board. Financial Consultant Welebir stated that he is assisting in looking for loans and bonds. He also noted that the District reserves are \$3,000,000 under what the districts' policy states.

### **Legal Counsel Report**

**Item 12** – No report was given.

### **General Manager Report**

**Item 13** - Report was presented by General Manager Dever.

### **Directors Comments**

\*Director Winsten thanked Staff for there work. He also stated he was glad to see the public come in and voice their thoughts.

\*Vice Chairwoman Shubnell agreed with Director Winsten. She noted that the would be a community meeting at Rim High School to discuss a fire tax for those who live in the incorporated areas.

\*Chairman Philippe noted that there was good communication at this meeting and that rate increases are not easy.

\*Director Fairbanks stated that prior to the District becoming independent the General Manager would merely fill out a form for the County Board and turn it in, so it was nice to be able to discuss items. She mentioned that the District will continue the effort to keep costs down.

### **Future Meetings**

Regular Meeting – September 13, 2018 at 3:00 p.m.

### **Future Business**

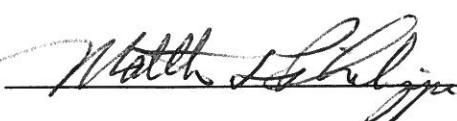
Master Plan – Final Draft

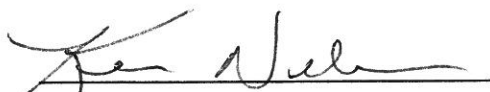
Farm Management Plan

Ad Hoc Committee for Financing Options

### **Adjournment**

Meeting adjourned 4:37 p.m.

APPROVE:  DATE: 9/13/18

ATTEST:  DATE: 9-13-18