

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF CRESTLINE VILLAGE WATER DISTRICT**

**APRIL 15, 2008**

President McGehee called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 pm, on Tuesday, April 15, 2008, at the regular meeting place of said Board at its office in Crestline, California.

ROLL CALL: Present were President C. N. McGehee, Directors William Huckell, Alan Clanin, and Kenneth Stone.

Staff members present were General Manager Karl Drew, Attorney Ronald Van Blarcom, Field Supervisor Donald Wagner, and Office Manager Joyce Barkley. Absent was Engineer Fred Hanson.

Also present was Steven Farrell.

MINUTES OF PREVIOUS MEETINGS: On a motion by Director Stone and a second by Director Clanin the minutes of the Regular Meeting of March 18, 2008 were unanimously approved.

APPROVAL OF CASH DISBURSEMENTS: The Board reviewed the Cash Disbursements for the month of March 2008. On a motion by Director Stone and a second by Director Clanin, the cash disbursements for March 2008 were unanimously approved.

PUBLIC COMMENTS: None.

EXECUTIVE SESSION: Pursuant to Government Code Section 54957.6 the Board entered into closed session at 3:08 pm to discuss the employment agreement for the General Manager, Karl Drew. Attorney Van Blarcom was the agency designated representative. The Board also discussed retirement health benefits for employees hired after September 21, 2005. The Board returned to open session at 3:39 pm. Attorney Van Blarcom reported that action will be taken in open session on both executive session items.

CONSIDER PERFORMANCE EVALUATION AND SALARY INCREASE FOR GENERAL MANAGER: On a motion by Director Stone and a second by Director Clanin, the Annual Evaluation of General Manager Drew with a five percent salary increase retroactive to March 1, 2008 was unanimously approved.

CONSIDER RETIREMENT AND SURVIVING FAMILY MEMBER HEALTH BENEFITS FOR EMPLOYEES HIRED AFTER SEPTEMBER 21, 2005: On a motion by Director Stone and a second by Director Huckell it was unanimously approved that retirement and surviving family member medical health benefits for employees hired after September 21, 2005 be reinstated and set to 25% vested after 10 years of service,

with an additional 2.5% benefit accrued for each additional year worked thereafter to a maximum of 100%.

LETTER OF RESIGNATION FROM DIRECTOR SPINKS: The Board reviewed Director Spinks letter of resignation from the Board of Directors. Mr. Spinks is establishing his legal residency in the state of Arizona. The Board directed staff to prepare a Resolution of Appreciation for Director Spinks in gratitude for his service. Attorney Van Blarcom informed the Board of the process for filling a vacant Board position. The current Directors have 60 days to appoint another Director, or they can choose to hold a special election. If neither option is exercised the County Board of Supervisors will appoint someone to the position. A discussion ensued and the Board agreed they will appoint someone within the allotted time frame. General Manager Drew will post the Notice of Vacancy for a minimum of fifteen days and it is the intention of this Board to fill this vacancy at the Regular Board Meeting on May 20, 2008.

RESOLUTION NO. 367, LOCAL AGENCY INVESTMENT FUND SIGNATURE AUTHORITY: General Manager Drew reviewed the proposed resolution with the Board. With the resignation of Director Spinks and the addition of Joyce Barkley as Office Manager, the District needs to update the signature authority. The three authorized signatures are Board President C.N. "Bud" McGehee, General Manger Karl Drew, and Office Manager Joyce Barkley.

On a motion by Director Stone and a second by Director Clanin, the Board adopted Resolution No. 367, amending the District's Local Agency Investment Fund Signature Authority on the following roll call vote:

AYES: Directors McGehee, Huckell, Clanin, and Stone  
NOES: None  
ABSENT: None  
ABSTAINED: None

VINEYARD BANK SIGNATURE CARDS: This item was tabled until the Board vacancy has been filled.

REVIEW UNCOLLECTIBLE ACCOUNTS FROM 2002: General Manager Drew discussed with the Board the accounts that have balances older than five years. He requested that the Board write off the balances for 11 closed accounts and no abandoned accounts from 2002 totaling \$530.27. The total amount of \$530.27 represents approximately 0.02% of the water sales in fiscal year 2001-02.

On a motion by Director Clanin and a second by Director Huckell, the Board unanimously approved the writing off of the unpaid balances of \$530.27 from 2002.

PROPOSED CASH BUDGET FOR FISCAL YEAR 2008-09: Office Manager Barkley discussed the proposed cash budget for fiscal year 2008-09 with the Board. There was general discussion regarding the proposed cash budget and the adjustments made since the last meeting. There is no recommendation for a rate increase. There was discussion

regarding the proposed capital expenditures and reserve accounts. The major scheduled capital expenditure is \$1,000,000 to begin the Meter Replacement Program and implementation of a Radio Meter Reading System. The District is also budgeting \$150,000 to begin preliminary work for the replacement of the old Beacon I water storage tank and \$167,000 to anchor Beacon II water storage tank. The budget for replacement of three older vehicles was also discussed.

On a motion by Director Huckell and a second by Director Clanin the Board unanimously adopted the cash budget for fiscal year 2008-09.

RESOLUTION NO.368, ESTABLISHING WATER AVAILABILITY ASSESSMENT FOR FISCAL YEAR 2008-09: General Manager Drew discussed the proposed resolution with the Board. There is no change in the amounts of the proposed assessments from prior years. On a motion by Director Stone and a second by Director Clanin, the Board adopted Resolution No. 368, establishing the water availability assessment for fiscal year 2008-09 at Thirty Dollars (\$30.00) per acre for the first acre or portion thereof plus Fifteen Dollars (\$15.00) per acre over one acre for all unimproved property, or Fifteen Dollars (\$15.00) per acre for the first acre or portion thereof plus Fifteen Dollars (\$15.00) per acre over one acre for all improved property within the District, on the following roll call vote:

AYES: Directors McGehee, Huckell, Clanin, and Stone

NOES: None

ABSENT: None

ABSTAINED: None

ACWA/JPIA ALTERNATE DIRECTOR: The ACWA and ACWA/JPIA Spring Conferences are scheduled to be held during the week of May 5, 2008 in Monterey, CA. Last month the Board unanimously approved the attendance of General Manager Drew at this event. In order for Manager Drew to represent the District at the JPIA portion of the conference he needs to be appointed as an alternate JPIA director.

On a motion by Director Stone and a second by Director Huckell, the Board unanimously appointed General Manager Karl Drew as the JPIA Alternate Director.

LOCAL AGENCY FORMATION COMMISSION SPECIAL DISTRICTS ELECTION FOR REGULAR AND ALTERNATE LAFCO MEMBERS AND A SECOND BALLOT FOR METHOD FOR CONDUCTING SPECIAL DISTRICT SELECTION COMMITTEE BUSINESS: The District received the above ballots on April 14, 2008 after the agenda for the April 15, 2008 board meeting had been posted. The Board does not meet again until after the voting deadline of May 5<sup>th</sup>. On a motion by Director Stone and a second by Director Clanin it was unanimously determined that the information had been received after the agenda was posted, action was needed before the next board meeting and this item was added to the agenda.

On a motion by Director Stone and a second by Director Huckell, the Board of Directors voted to elect Kimberly Cox as the Regular Special District Member of the Local Agency Formation Commission of San Bernardino County on a 3 to 1 vote with Director Clanin voting no.

On a motion by Director Stone and a second by Director Clanin, the Board of Directors unanimously voted to "Routinely conduct the business of the Independent Special District Selection Committee by an all mail process as outlined in Government Code Section 56332(c)(1).

**MANAGER'S REPORT:** General Manager Drew reported that the Ford Hybrid is in production and is scheduled for delivery during the week of April 28, 2008. He also noted the Dept. of Health Services has revised the Water Works standards and the minor changes may effect our storage calculations and size of mains. He stated that our new tanks will already meet these new standards. Manager Drew brought the Board up to date on the status of our tank jobs. Beacon I site needs to be anchored, but replacement may be more efficient. He will meet with Engineer Fred Hanson to discuss the feasibility of increasing the tank size. The Beacon II tank will require anchoring. The master plan calls for a second tank to be built at the Zurich Tank site. The second tank will need to be constructed prior to anchoring the first tank.

**DIRECTORS' REPORTS:** There were no Director's Reports.

As there was no further business, the meeting was adjourned at 4:40 pm. The next meeting is scheduled for Tuesday, May 20, 2008 at 3:00 pm.

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Secretary, Karl B. Drew