

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

SEPTEMBER 16, 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, September 16, 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, Kenneth Stone, Alan Clanin, and Steven Farrell.

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

Also present was Jay Zercher of Rogers, Anderson, Malody & Scott.

MINUTES OF PREVIOUS MEETINGS: On a motion by Director Stone and a second by Director Clanin the minutes of the Regular Meeting of August 19, 2008 were unanimously approved as corrected.

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

PUBLIC COMMENTS: None

PRESENTATION OF AUDIT REPORT FOR FISCAL YEAR 2007-08: The District's Auditor, Jay Zercher, of Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, presented the audit report for the fiscal year ending April 30, 2008. The audit report includes an unqualified opinion from the auditor stating that the financial statements fairly present the financial position of the District.

Mr. Zercher reviewed and discussed the various financial statements, schedules and notes in the audit report with the Board. The District is in a good financial condition with a ratio of current assets to current liabilities of 9.19:1 as compared to 8.79:1 for last year. This ratio has increased from 3.51:1 to 9.19:1 over the past six years. The auditor's minimum guideline for this ratio is 1.5:1.

The District had an Operating loss of \$536,798. In the previous year, the District had an Operating Income of \$442,548. The change in the Operating Income is mainly due to purchasing more supplemental water during the year and the change in retirement systems from a money purchase pension plan to PERS, which included a side fund payment of \$500,000.

On a motion by Director Clanin and a second by Director Farrell, the Board unanimously accepted the audit report for fiscal year 2007-08 as presented.

ATTENDANCE AT ACWA AND ACWA/JPIA FALL CONFERENCES, LONG BEACH, WEEK OF DECEMBER 1-5, 2008. On a motion by Director Clanin, and a second by Director Huckell, the Board unanimously approved the attendance of these conferences for the General Manager and any directors desiring to attend. President McGehee is planning to attend the ACWA/JPIA conference and Director Farrell is planning to attend the ACWA conference.

CONSIDER CHANGES TO ON-CALL AND 9/80 WORK SCHEDULE FOR REGULAR EMPLOYEES. The District's on-call policy currently provides for two people to be scheduled on-call each week. Staff recommended that the second on-call position be eliminated on a trial basis. Staff also recommended that the on-call pay be brought closer in line with the industry standard. As a separate part of this agenda item, an alternate work schedule for the District was discussed. The District's normal work week is Monday through Friday, 7:30 am to 4:30 pm. The alternate 9/80 work week would allow the District office and accompanying services to remain open for customer service until 5:00 pm, Monday through Thursday, and until 4:30 pm on Friday. Staff requested that the alternate work schedule be approved on a six-month trial basis. A discussion ensued and the general consensus was to eliminate the second on-call position, increase the on-call pay from \$105 per week to \$350 per week, and to move to the 9/80 work schedule. After the six month trial basis, the District will examine the benefits and effectiveness of the programs and report back to the Board.

UPDATE ON STORAGE TANK REHABILITATION. General Manager Drew stated that the storage tank rehabilitation contract has been signed and work is expected to be completed by the end of November, 2008.

MANAGERS REPORT: General Manager Drew reported that he has been in discussion with District Engineer Fred Hanson regarding the fixed network meter reading quotation. Due to the uniqueness of each system, it is difficult to send out a specific request for quotation, as each supplier has used their own particular components. Staff will develop a more generic request, from which the District will evaluate the responses received for features desired.

General Manager Drew also informed the Board that the District has replaced approximately 70 water services in the Lake Gregory area, leaving roughly 20 more to be done. He advised that the California Budget has been submitted to the Governor, and it appears that no Prop 1A funds or reallocation of Special District funds will be required this year.

DIRECTORS' REPORTS: There were no Director's reports.

As there was no further business, the meeting was adjourned at 5:30 p.m. The next regular meeting date is changed to Tuesday, October 14, 2008 at 3:00 pm.