

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

NOVEMBER 18, 2008

Vice-President Clanin called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 pm, on Tuesday, November 18, 2008, at the regular meeting place of said Board at its office in Crestline, California.

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

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 were Dave Algranti of Webb Associates and Norman Hunt.

MINUTES OF PREVIOUS MEETINGS: On a motion by Director Stone and a second by Director Huckell the minutes of the Special Meeting of October 14, 2008 were unanimously approved.

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

PUBLIC COMMENTS: There were no public comments.

PROGRESS REPORT ON BEACON I AND II TANKS. Engineer Hanson reviewed the provided technical memo, discussing various information regarding the upgrading or replacing of the Beacon water storage tanks. Engineer Hanson recommended the upgrade of Beacon II tank for an initial estimated cost of \$370,000, including anchoring the tank. He also recommended replacing Beacon I tank at an estimated cost of \$418,000. Another option would be to remove Beacon I storage tank and have only one tank serving the Beacon pressure zone. General Manager Drew recommended beginning the process of refurbishment of Beacon II while deciding what to do with Beacon I. Manager Drew does not believe we should reduce the District's storage capacity at this time.

DISCUSS CONTRACT EXTENSION FOR NORMAN HUNT. Former General Manager Hunt's employment agreement with the District is set to terminate on December 1, 2008. The Board discussed whether there is a need to continue the contract for the next six months. While there is no pressing need, there is also no down-side to continuing the contract, and on a motion by Director Farrell and a second by Director Huckell it was unanimously approved to extend Norman Hunt's contract for six months, ending June 1, 2009.

CONSIDER INCREASE IN HEALTH BENEFIT PREMIUMS AND ADJUSTMENT TO MAXIMUM MONTHLY HEALTH BENEFIT. Office Manager Joyce Barkley reviewed the increase in ACWA Health Benefit premiums, effective January 1, 2009 with the Board. The average health premium has increased 8.42%. With a 3-1 vote, opposed by Director Huckell, on a motion made by Director Stone and a second by Director Farrell, a 4.21% increase in the maximum monthly health benefits paid by the District, effective January 1, 2009, was approved. The employees will pay the other 50% of the increase, or 4.21%. The maximum monthly health benefit will increase from \$1,144 per employee to \$1,192 at a total additional annual cost to the District of \$5,652.

DISCUSS THE NOVEMBER 13, 2008 GREAT SOUTHERN CALIFORNIA SHAKE-OUT DRILL. General Manager Drew discussed the District's participation in the November 13, 2008 earthquake drill. Staff felt the exercise was beneficial.

MANAGERS REPORT:

General Manager Drew reported on the status of the storage tank inspection and cleaning. The four tanks completed to-date look good inside – clean with very little corrosion.

Staff will keep the Board apprised of year-to-date Revenues. They appear to be running slightly lower than normal, likely based on several economic factors such as high gas prices and less tourism, better water conservation, and a mild summer season.

Measure "R" was passed in the local November election pertaining to the County of San Bernardino Sanitation District. Director Ken Stone was elected to the feasibility committee and believes they will commence work in January. Attorney Van Blarcom is investigating future possibilities that may arise with the District based on the passing of Measure R.

DIRECTORS' REPORTS: The Board discussed how long it has been since meter tests were run on our currently installed meters. The meters are nearing the end of their life expectancy. General Manager Drew stated that the Sensus meters appear to be stopping rather than slowing down, and that he will look into implementing a more formal testing program.

CANCELLATION OF REGULAR MEETING SCHEDULED FOR DECEMBER 16, 2008: Due to scheduling conflicts during the Holiday Season, the Board canceled the regular meeting scheduled for December 16, 2008.

As there was no further business, the regular meeting was adjourned at 4:41 p.m. The next regular meeting is scheduled for Tuesday, January 20, 2009 at 3:00 pm.