

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

MARCH 24, 2009

President McGehee called the Adjourned Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 pm, on Tuesday, March 24, 2009, 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, Kenneth Stone and Steven Farrell.

Staff members present were General Manager Karl B. Drew, Attorney Ronald Van Blarcom, Field Supervisor Donald Wagner and Office Manager Larrie Davis.

Also present were Anthony Trejo, Leo and Eleanore Bustillos, and Jim Bodie.

MINUTES OF PREVIOUS MEETING: On a motion by Director Stone and a second by Director Farrell, the minutes of the Adjourned Meeting of February 24, 2009 were unanimously approved as corrected.

APPROVAL OF CASH DISBURSEMENTS: The Board reviewed the Cash Disbursements for the month of February 2009. On a motion by Director Stone and a second by Director Clanin the cash disbursements for February 2009 were unanimously approved.

PUBLIC COMMENTS: None

REVIEW CUSTOMER CORRESPONDENCE, ELEANORE AND LEO BUSTILLOS: General Manager, Drew reviewed with the Board an informational packet that had been distributed to them. A copy of the package was given to Mr. and Mrs. Bustillos and Mr. Trejo at the meeting. The packet included the correspondence between the Bustillos' and the District, their account and meter reading history, and the service order cards for the property. In February, there was an abnormal amount of water consumption at the property, totaling 7800 cubic feet and a water bill of \$483.43. In accordance with District policy, an adjustment of \$48.34 has been applied to Mr. and Mrs. Bustillos' account.

Serviceman, Clark Stephens performed a "check for leaks" on 03/03/09 and was unable to locate any leaks at the property. When the inspection was done, the meter was not moving. There was discussion regarding different possibilities for the water use. Prior to this incident the Bustillos did not always turn the water off when they were not occupying the property. Notices are sent to all customers each year, advising them of freezing weather during the winter; notifying them of their responsibility of maintaining their on-site water system and advising them to use their shut-off valve to turn off the water when their property is vacant.

Mr. and Mrs. Bustillos want to prevent an incident like this from happening in the future and not knowing where the water went makes this difficult.

General Manager Drew suggested we perform a tank test to rule out meter inaccuracy. Field Supervisor Wagner will schedule the test in the next week.

The Board agreed to defer a decision until a tank test was performed.

ADOPT RESOLUTION NO. 374 , VINEYARD BANK SIGNATURE CARDS: General Manager Drew reviewed the proposed resolution with the Board. With the resignation of Office Manager Joyce Barkley and the subsequent hiring of Office Manager Larrie Davis the District needs to update the bank signature cards for the two checking accounts at Vineyard National Bank. The seven authorized signers for the accounts are Board Members C. N. “Bud” McGehee, William Huckell, Alan Clanin, Kenneth Stone, Steven Farrell, Secretary/General Manager Karl Drew, and Office Manager Larrie Ann Davis.

Two authorized signatures are required for withdrawal of funds from the checking accounts. One authorized signature is required to make transfers between any District accounts at Vineyard Bank and to make wire transfers to the District’s account with the Local Agency Investment Fund in Sacramento.

On a motion by Director Stone and a second by Director Farrell, the Board adopted Resolution No. 374, authorizing the accounts with Vineyard Bank, on the following roll call vote:

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

ADOPT RESOLUTION NO. 375, ARROWHEAD CREDIT UNION SIGNATURE CARDS: General Manager Drew reviewed the proposed resolution with the Board. With the resignation of Office Manager Joyce Barkley and the subsequent hiring of Office Manager Larrie Davis the District needs to update the bank signature cards for the two accounts, one checking and one savings account, at Arrowhead Credit Union. The seven authorized signers for the accounts are Board Members C. N. “Bud” McGehee, William Huckell, Alan Clanin, Kenneth Stone, Steven Farrell, Secretary/General Manager Karl Drew, and Office Manager Larrie Ann Davis.

Two authorized signatures are required for withdrawal of funds from the checking accounts. One authorized signature is required to make transfers between any District accounts at Arrowhead Credit Union.

On a motion by Director Stone and a second by Director Farrell, the Board adopted Resolution No. 375, authorizing the accounts with Arrowhead Credit Union, on the following roll call vote:

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

CONSIDER NOMINATIONS FOR THE POSITION OF ALTERNATE SPECIAL DISTRICT MEMBER OF THE LOCAL AGENCY FORMATION COMMISSION (LAFCO): On a motion by Director Stone and a second by Director Clanin, the Board unanimously approved the nomination of Director Farrell for the position of Alternate Special District Member of the Local Agency Formation Commission (LAFCO). Director Farrell will provide a resume in letter format to be included with the nomination.

REPORT ON METER REPLACEMENT AND AMI PROJECT: General Manager Drew led a discussion on his memo for the purchase and installation of a Fixed Network Meter Reading System and new water meters. Four fixed network systems were investigated in an effort to find the system that best meets our needs at the most competitive price. General Manager Drew recommended the purchase and installation of the Aclara Fixed Network Meter Reading system and the replacement of existing water meters with Neptune eCoder water meters. The purchase and installation of 4,900 meters is \$1,770,000 over a three year period. This amount includes \$50,000 for meter lids; although not all will need to be replaced. \$1,000,000 is included in the current budget for this project, with an additional \$500,000 allocated to this project in the proposed budget and the balance of the funds would be budgeted in the following year. General Manager Drew requested authorization to proceed with Measurement Control Systems (MCS) in implementing the replacement of the water meters and installing a fixed network meter reading system. He would like to pursue a year to year contract, in case financial difficulties due to the current economic environment arise.

Director Huckell suggested postponing the installation of the system until after the audit report for the current year is completed. Director Clanin expressed concerns about price differences if the project is delayed. There was general discussion regarding the current meter reading system and the need to implement a new system. The District is currently seeing an increase in the number of stopped meters, there is no new meters in inventory and used meters are now being refurbished and used, and the current handheld meter reading units are obsolete and can no longer be repaired.

On a motion by Director Huckell and a second by Director Stone the Board unanimously authorized the Aclara fixed network meter reading system and the replacement of the existing water meters with Neptune meters, but delayed implementation of the system until after the Board has an opportunity to review the audit report for the current fiscal year.

REVIEW DRAFT PROPOSED BUDGET FOR FISCAL YEAR 2009-10: The Board reviewed the first draft of the proposed Cash Budget for Fiscal Year 2009-10 which begins May 1, 2009.

The budget includes the replacement of an asphalt roller. There are no replacement parts available for the current Whacker roller and it can no longer be serviced by the dealer. The security system with key card upgrade was brought forward from last year's budget. We recently had a break in and need to upgrade our current security system.

Water revenues are down slightly, but with the current economic conditions, General Manager Drew did not include a rate increase in the budget, although there is a need to increase the rates to compensate for increased costs, along with the need to continue planning to equalize the

monthly charges for the two billing divisions. The budget will be brought back to the next meeting for further review and approval.

ATTENDANCE OF ACWA AND ACWA/JPIA SPRING CONFERENCE, SACRAMENTO, WEEK OF MAY 18, 2009: The ACWA and ACWA/JPIA Spring Conferences are scheduled to be held during the week of May 18, 2009 in Sacramento, CA. On a motion by Director Clanin and a second by Director Huckell, the Board unanimously approved the attendance of any director interested in attending these conferences. Director McGehee will be attending the ACWA/JPIA conference and Director Farrell is considering attending the ACWA conference.

MANAGER'S REPORT: General Manager Drew advised the Board that ACWA has entered into an agreement with National Geographic to produce four issues covering in particular water conservation. These issues are available at a cost of \$14,000 for 10,000 issues plus mailing of \$0.22 per copy. The District is not planning to purchase any of these issues.

General Manager Drew reported that all District employees attended a Red Cross CPR/First Aid Training class at the District office. The class was beneficial to all employees.

DIRECTORS' REPORTS: None

NEXT SCHEDULED BOARD MEETING: The next Regular Meeting of the Board of Directors will be held on April 21, 2009.

ADJOURNMENT: As there was no further business, the meeting was adjourned at 5:15 pm.