

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

MARCH 27, 2001

President Olson called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 PM, on Tuesday, March 27, 2001, at the regular meeting place of said Board at its office in Crestline, California.

ROLL CALL: Present were President David Olson, Directors William Huckell, C. N. McGehee, William Valko and Alan Clanin. Staff members present were Manager/Secretary Norman L. Hunt, Attorney Ronald Van Blarcom, Engineer Fred Hanson, Field Supervisor Robert Jobe and Office Manager Karl Drew.

MINUTES OF PREVIOUS MEETING: On a motion by Director McGehee and a second by Director Valko, the Board unanimously approved the minutes of the Regular Meeting of February 20, 2001 as submitted.

PUBLIC COMMENTS: None.

REPORT ON MORMON SPRINGS VERTICAL WELL: Manager Hunt reported that since the last Board meeting the well had again been disinfected and put back into service. After two weeks of being flushed and a week of being on line, the well has not had any further problems. The District is continuing to closely monitor this well.

PROGRESS REPORT ON FUTURE WELL SITES: Manager Hunt reported that the property owners of the proposed well site had not responded to the District's letter, which outlined the offer for the property. He telephoned them today and they are still interested in working with the District, but have been very busy recently. Manager Hunt is making arrangements to investigate other possible well sites.

REPORT ON NEW 1 MG CHAMOIS STORAGE FACILITY: Manager Hunt reported that work was restarting on the pump station building. The electricians were working at the site. It is estimated that the facility would be in operation in two months.

URBAN WATER MANAGEMENT PLAN UPDATE: Manager Hunt reported that the staff had received the "screen check" of the Urban Water Management Plan. Staff is reviewing the "screen check" and a final draft will be presented to the Board at next month's meeting. A public hearing will be held at the May Board meeting and the Plan should be adopted at that time. The Board was invited to review the "screen check" and to make any comments.

PROPOSAL TO PURCHASE THREE NEW VEHICLES: Manager Hunt reported that he had negotiated a price for the purchase of the three trucks with Fairview Ford. The negotiated price was \$66,967 plus taxes. On a motion by Director McGehee and a second by Director Valko, the Board unanimously approved the purchase of the three trucks for \$66,967 plus taxes. The utility body for the one truck will cost an additional \$5,710.

LOCAL AGENCY FORMATION COMMISSION (LAFCO) FUNDING - AB 2838: Manager Hunt reported that he and Director McGehee had attended a meeting held on March 15, 2001. The ad-hoc committee had presented another formula where all districts who had revenues in excess of \$15,000 would all pay a

flat rate estimated to be around \$2,900 per year. The two districts whose revenues were less than \$15,000 would pay \$500 each. This alternative was defeated when it was put to a vote. The committee is scheduled to meet again on April 4, 2001 to discuss other alternatives. Manager Hunt reported that he had sent a copy of the funding method that was adopted in Orange County to LAFCO for consideration.

RESOLUTION NO. 321, SUPPORTING CREST FOREST FIRE PROTECTION DISTRICT IN PROCESS OF APPLYING FOR FEDERAL GRANT: The Board discussed the Fire District's request for community support for their application for a federal grant for funds to purchase two new engines and a new water tender. These vehicles are to replace existing equipment. On a motion by Director Huckell and a second by Director McGehee, the Board adopted Resolution No. 321 on the following roll call vote:

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

DEPARTMENT OF HEALTH SERVICES, DRINKING WATER TREATMENT AND DISTRIBUTION SYSTEM CLASSIFICATION AND OPERATOR CERTIFICATION: Manager Hunt reviewed with the Board the changes made to the District's Water Treatment and Distribution System classification and the changes made to the Operator Certification program. In the past the District's employees were required to hold a Grade 2 Water Treatment certification. The Department of Health Services required Water Treatment Certifications, while Water Distribution Certifications were a voluntary program with the certifications being issued by the American Water Works Association (AWWA). Effective January 1, 2001, Water Distribution Certifications from the Department of Health Services are now also required.

Effective January 1, 2001, the District has been classified as a Treatment 1 and a Distribution 3 system. With this classification, the District's Chief Operator must hold a Treatment Grade 1 certification and a Distribution Grade 3, and the Field crews must have Treatment Grade 1 and Distribution Grade 2 certifications. As part of renewing the certifications every three years, all certificate holders are required to get a certain amount of continuing education hours to qualify for renewal.

The Board discussed the changes to the certification program. Also discussed was the possibility of making an "associate" AWWA certification available to the office staff. The Board was agreeable to providing continuing education for the employees and to making the "associate" certification program available.

PROPOSED MAIN REPLACEMENT PROGRAM, FISCAL YEAR 2001-02: Manager Hunt reviewed with the Board the proposed jobs for 2001-02. 4,065' of new mains are proposed with the possibility that more jobs may be added at a later date. Most of the jobs that are left are shorter jobs that include easements. There is approximately another 4,000' of mains left to do next year.

PRELIMINARY CASH BUDGET FOR FISCAL YEAR 2001-02: Office Manager Drew discussed the preliminary cash budget with the Board. Due to the continued below normal rainfall for the year, the District is expecting to purchase more supplemental water than it has during the current year. It is also possible that Crestline-Lake Arrowhead Water Agency may increase the price for supplemental water because of increased power costs. As a result, the preliminary budget includes a projected increase of \$160,000 for Purchased Water. Income from Operations is projected to be \$170,000 less than what was budgeted for the current year.

\$645,000 is budgeted for Discretionary Appropriations. \$162,200 is budgeted for the Main Replacement

Program, \$125,000 for Well Exploration and Development, \$100,000 for the beginning phase of the Beacon I Tank Upgrade/Replacement and \$75,000 for the Upgrade/Expansion of the Telemetry System. There is also \$27,000 included for the purchase of one of the trucks already approved by the Board that is not expected to be delivered until May 2001. The budget also includes \$25,000 for the proposed replacement of the Qantel computer system.

The preliminary budget does not include any changes to the water rates. Director McGehee asked about the \$4.50 differential in the monthly water charges between the Crestline and Lake Gregory areas. With the main replacement program nearing completion, the District needs to review the rates and possibly consider removing the differential. A final draft of the budget will be presented at the next Board meeting.

ACWA AND ACWA/JPIA SPRING CONFERENCE: Director McGehee would like to attend the ACWA/JPIA Spring Conference and Director Huckell expressed an interest in attending the ACWA Conference. The conferences are to be held in South Lake Tahoe during the week of May 7-11, 2001. On a motion by Director Clanin and a second by Director Valko, the Board unanimously approved Directors' McGehee and Huckell attendance at the conferences.

MANAGER'S REPORT: Manager Hunt reported on the progress of the installation of the white board and projector screen in the boardroom. The remaining component of the system that needs to be purchased is the projector. The projector costs about \$5,000. On a motion by Director Huckell and a second by Director McGehee, the Board unanimously approved the purchase of a projector for a price not to exceed \$5,500.

There was a brief discussion regarding the monthly financial and water production reports.

DIRECTORS' REPORT: None.

As there was no further business, the meeting was adjourned at 5:25 PM. The next Regular Meeting is scheduled for Tuesday, April 17, 2001 at 3:00 PM.