

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

DECEMBER 18, 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, December 18, 2001, at the regular meeting place of said Board at its office in Crestline, California.

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

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

PUBLIC COMMENTS: None.

PROGRESS REPORT ON FUTURE WELL SITES: Manager Hunt reported that the McMahan's, who had verbally accepted the District's offer for the purchase of their property, have reconsidered and have declined the offer. It is possible that the McMahan's declined the District's offer because it did not include giving them the first right of refusal if the District were to sell the property sometime in the future. There was considerable discussion on this matter. The Lankford's, who own the neighboring property, countered the District's offer of \$18,000 with a price of \$22,500 for their property. On a motion by Director McGehee and a second by Director Huckell, the Board unanimously authorized Manager Hunt to negotiate with the owners of both properties for the purchase of one lot with a maximum price of \$22,500.

There was a discussion about the two potential well sites in the Pinecrest Conference Center area. The people at Pinecrest have been very cooperative and paperwork to obtain the water rights on the three additional parcels that were originally overlooked has been initiated.

The Notice of Exemption for the drilling of the three monitoring wells is ready to be filed with the County Clerk of the Board of Supervisors.

MORMON SPRINGS VERTICAL WELL: Manager Hunt reported that the well pump had been replaced. After the pump was replaced, there were some wiring problems that had to be corrected. System Supervisor Wagner reported that since the well had been unused for several months, the radioactivity levels were high and the well was being flushed to bring the radioactivity levels down. The well should be online in January.

TELEMETRY SYSTEM: The Board was given a live demonstration of the new telemetry system that had been installed during the week of December 10, 2001. While there were some wrinkles to be ironed out, the system is simple to operate and seems to work well.

LAKE GREGORY WATER COMPANY PURCHASE NOTE: The next payment on the Lake Gregory Water Company Purchase Note is due on January 1, 2002. The Board had asked that the possibility of paying off the note be reviewed prior to the next payment. The remaining principal balance is \$60,000 and the interest rate is 7% per annum. The District is currently earning about 4.5% on its investments. If the note were paid in full at this time, the District would save about \$8,575 over the next 4 years. After a discussion about the District's finances, the Board asked staff to review the payoff of this note during the process of adopting the budget for the next fiscal year.

ACWA/JPIA AND ACWA CONFERENCE REPORTS: Director McGehee gave a brief report on the meetings he attended at the ACWA/JPIA Conference on November 26 and 27, 2001. Director Huckell also reported on the meetings he attended at the ACWA Conference on November 28 through 30, 2001.

MANAGER'S REPORT: Manager Hunt reported that the proposed development by the Royal Rangers of some of the Pinecrest property might require the construction of the second Pinecrest Storage Tank sooner than expected. This may cause the work to be done at the Beacon site to be deferred.

Manager Hunt reported on the Pavement Restoration Committee meeting that he attended at the ACWA Conference. He also reported that the LAFCO funding issue would soon be coming up for consideration.

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

DIRECTORS' REPORT: President Olson had some questions regarding the way that potential well sites are determined.

As there was no further business, the meeting was adjourned at 5:27 PM. The next Regular Meeting is scheduled for Tuesday, January 15, 2002 at 3:00 PM.