

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

MAY 27, 2003

President McGehee called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 PM, on Tuesday, May 27, 2003, 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, William Valko, Alan Clanin and Charles Spinks. Staff members present were Manager/Secretary Norman L. Hunt, Attorney Ronald Van Blarcom, Engineer Fred Hanson, Field Supervisor Don Wagner and Office Manager Karl Drew.

MINUTES OF PREVIOUS MEETING: On a motion by Director Spinks and a second by Director Valko, the minutes for the Regular Meeting of April 22, 2003 were unanimously approved as submitted.

PUBLIC COMMENTS: None.

PROGRESS REPORT ON PINECREST, CHAMOIS AND FELSEN WELLS: Manager Hunt reported that high radioactivity levels were detected in the water samples taken from Chamois Vertical Well. New samples have been taken and the District is waiting for the results from the new tests. Radioactivity levels are treatable with an ion exchange process. Running Springs Water District has a couple of wells that are being treated for high radioactivity levels. Manager Hunt and a couple of District employees visited the Running Springs wells to see the treatment equipment that they use. District staff is researching alternatives for treatment in case the District has to treat the water from the Chamois Well for radioactivity. The test results from the Pinecrest Vertical Well show normal radioactivity levels and the radioactivity results for the Felsen Vertical Well have not been received by the District.

The District has received information regarding the requirements to install power to the Pinecrest and Felsen Vertical Wells from the power company. The District has received the necessary permits from the County to install the power conduit from Bernard Drive to the Felsen well site. No permit is required for the Pinecrest well since the conduit will not be installed in the County right of way. Work to install the conduit and pull boxes will be starting soon.

PROGRESS REPORT ON CHILLON AND SAXON STORAGE TANKS: Manager Hunt reported that the work that the District had to do at the tank sites is completed. The painting contractor is expected on site soon to complete the coating and painting of the tanks.

REPORT ON CRESTLINE-LAKE ARROWHEAD WATER AGENCY MEETINGS REGARDING REQUEST FOR SUPPLEMENTAL WATER FROM LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT: Manager Hunt had no new information to report on this item.

There was some discussion regarding the requests made by Lake Arrowhead Community Services District to Crestline-Lake Arrowhead Water Agency.

SEELEY CREEK WATER MAIN CROSSING AND EASEMENTS: Manager Hunt reported that he had met with Mr. DeRepentigny regarding the District's offer to pay for an easement to cross his property. It appears that the District has come to terms with him regarding the easement. Manager Hunt has also talked with Mr. Hill regarding the easement crossing his property and he is in agreement with the terms of the District's offer. The District will proceed with the required environmental work that needs to be completed before work can start.

RESOLUTION NO. 331, DETERMING THE APPROPRIATION LIMITATION FOR FISCAL YEAR 2003-04: Office Manager Drew discussed the proposed resolution with the Board. The proposed resolution uses "the percentage change in California per capita personal income from the preceding year" as the "change in the cost of living" factor and the "change of population within the county in which it is located" as the "change of population" factor. The proposed Appropriation Limitation for fiscal year 2003-04 is \$785,350.

On a motion by Director Huckell and a second by Director Spinks, the Board adopted Resolution No. 331, determining the Appropriation Limitation for fiscal year 2003-2004 to be \$785,350, on the following roll call vote:

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

RESOLUTION NO. 332, AMENDING RESOLUTION NO. 222, AUTHORIZING INVESTMENT IN THE LOCAL AGENCY INVESTMENT FUND: Office Manager Drew reviewed the proposed resolution with the Board. The Board adopted Resolution No. 222 in 1984 authorizing investment in the Local Agency Investment Fund (LAIF). The original resolution lists certain individuals filling certain positions that were authorized to order deposits or withdrawals of monies in LAIF. The original resolution also established the account in the name of the Crestline Village County Water District.

The proposed resolution updates the names of the individuals listed in the original resolution and instructs LAIF to change its records to reflect the current name of the District, Crestline Village Water District. The following individuals and positions are listed in the resolution as authorized to make deposits or withdrawals to LAIF:

C. N. McGehee, President, replacing Lalo A. Codona
Norman L. Hunt, General Manager
Karl B. Drew, Office Manager, replacing Joseph A. Chapman

On a motion by Director Clanin and a second by Director Valko, the Board adopted Resolution No. 332, amending Resolution No. 222, on the following roll call vote:

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

RESOLUTION NO. 333, DECLARING THE INTENT OF THE DISTRICT TO JOIN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY: Office Manager Drew discussed the proposed resolution with the Board. The District currently participates in the Special Districts Workers Compensation Authority (SDWCA) for workers compensation insurance coverage. During the past year, SDWCA has moved to merge with the Special District Risk Management Authority (SDRMA). The merger has been completed and becomes effective July 1, 2003. To continue our current coverage into the next year, the District needs to adopt the proposed resolution before July 1, 2003.

Staff has contacted ACWA-JPIA about obtaining workers compensation insurance coverage from them as an alternative to SDRMA. The process to change to ACWA-JPIA takes about four months complete, so this is not an alternative at this time. The District will review this alternative later in the year and make a change next July if it is beneficial to the District.

On a motion by Director Huckell and a second by Director Spinks, the Board adopted Resolution No. 333, declaring the intent of the District to join the Special District Risk Management Authority and authorizing execution and delivery of a fifth amended and restated Joint Powers Agreement related thereto, subject to the review of District legal counsel, on the following roll call vote:

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

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION; PURSUANT TO SUBDIVISION (a) OF SECTION 54956.9; GABLE vs. COUNTY OF SAN BERNARDINO (San Bernardino Superior Court Case No. SCV 39629): The Board entered into closed session at 3:31 PM to discuss this matter. The Board returned to open session at 3:35 PM. No action was taken during closed session.

Attorney Van Blarcom left after the Board had finished discussing the above matter.

REMOVAL OF DEAD AND/OR INFESTED TREES: Manager Hunt discussed the current situation with the Board. It appears that the work to remove dead and/or infested trees will be completed by a combination of District crews, Pilot Rock crews and private contractors. In any case it will be the District's responsibility to dispose of the slash that would be created by the tree removal process. Manager Hunt feels it would be best to purchase a chipper to take care of the slash. The Board

reviewed and discussed proposals for the purchase of two different chippers. The Board did not take any action on this matter and asked that it be reviewed at the next meeting.

A LANDSCAPING GUIDE FOR MOUNTAIN HOMES: Manager Hunt reviewed the new landscaping guide with the Board. The District has the guides for sale to its customers for \$2.00 each, plus postage if the guide is mailed. The original estimated cost for the guides was \$2.31 each. The actual cost is \$1.85 each.

DECLARE THREE VEHICLES AS SURPLUS: Manager Hunt asked the Board to declare the following vehicles as surplus, authorize him to advertise the availability of the vehicles and establish minimum bids for the vehicles.

1991 Ford F-150, Minimum Bid: \$2,300

1993 Ford Ranger Super Cab 4x4, Minimum Bid: \$3,200

1996 Chevrolet Blazer 4x4, Minimum Bid: \$6,200

On a motion by Director Spinks and a second by Director Clanin, the Board unanimously declared the above vehicles as surplus, authorized Manager Hunt to advertise the availability of the vehicles and established the minimum bids for the vehicles.

PROPOSAL TO PURCHASE HIGHER GAS MILEAGE VEHICLE: Manager Hunt discussed with the Board a proposal to purchase a higher gas mileage vehicle to be used for checking the water system. The "system" truck is used seven days a week and gets the most mileage on it. The truck that is currently used for this purpose gets about 8.9 miles per gallon. Manager Hunt has recently discovered a vehicle that appears to be well suited for use as a system vehicle and is rated at 21 mpg city and 24 mpg highway driving. If the new vehicle will get twice the mpg that the current truck gets, it would save about \$1,900 annually in fuel costs. The District has budgeted \$25,000 for a new vehicle this year.

After discussion, on a motion by Director Huckell and a second by Director Clanin, the Board unanimously approved the purchase of a Honda Element at a price not to exceed \$21,444 plus tax.

ACWA AND ACWA-JPIA SPRING CONFERENCE REPORTS: Director Huckell reviewed with the Board and Staff, his written report on the meetings he attended at the ACWA Spring Conference on May 7-9, 2003. President McGehee also reviewed with the Board and Staff his written report on the meetings he attended at the ACWA-JPIA Spring Conference on May 5-6, 2003.

MANAGER'S REPORT: There was a brief discussion regarding the monthly financial, investment and water production reports. Office Manager Drew discussed with the Board a letter received from Philip Angelides, State Treasurer, regarding the safety of funds on deposit with the Local Agency Investment Fund during the current state financial crisis. State Treasurer Angelides assured the District that he would oppose any statutory changes that would not protect the District's funds on deposit with LAIF.

DIRECTORS' REPORT: President McGehee discussed with the Board the possibility of rescheduling the June Board Meeting. No change was made to the scheduled meeting date.

As there was no further business, the meeting was adjourned at 4:50 PM. The next Regular Meeting is scheduled for Tuesday, June 17, 2003 at 3:00 PM.