

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

MARCH 16, 2004

President McGehee called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 PM, on Tuesday, March 16, 2004, 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. Also present was Tyler Smithson, a property owner in the District.

MINUTES OF PREVIOUS MEETING: On a motion by Director Spinks and a second by Director Valko, the minutes for the Regular Meeting of February 17, 2004 were unanimously approved as corrected.

PUBLIC COMMENTS: None.

REQUEST FOR WATER SERVICE, SMITHSON DEVELOPMENT, APN 343-081-37: Manager Hunt reviewed with the Board a memo regarding Mr. Smithson's request for water service to his property. The property is a 24.97 acre parcel located next to the District's parcel where the Brookside Storage Tank is located. Mr. Smithson is interested in building a house on the upper portion of the parcel and then selling or subdividing the lower portion of the property. Crestline-Lake Arrowhead Water Agency (CLAWA) has a main that crosses the northeast corner of the parcel.

Due to the elevation of the area where Mr. Smithson wants to build his house, preliminary indications are that the District may not be able to economically serve water to the proposed house. CLAWA has a main that crosses Mr. Smithson's property and has indicated to Mr. Smithson that if he obtains a "Release Letter" from the District, CLAWA may be able to provide him with a water service.

Manager Hunt reported that the District needs to consider all of the possibilities for serving water to the property. There are other methods of serving the upper portion of Mr. Smithson's property that have not been considered. Attorney Van Blarcom reported that the District has a duty to serve the property and it appears that the District has the ability to serve the property.

Mr. Smithson reviewed with the Board, his plans for developing the property. His main objective is to build his personal home on about 10 acres located in the upper portion of the property. He has access to this area by an easement on a Forest Service road. He is also proposing a land trade with the District to straighten the property lines and to accommodate a District road that crosses a corner of the property. He would then like to dispose of the lower portion of the property by selling it to the District or by subdividing it and selling it.

There was considerable discussion regarding this matter. Engineer Hanson stated that if the District were not able to serve the property, then a "Release Letter" would allow CLAWA to serve the property.

The Board indicated that they are not favorable to issuing a "Release Letter" at this time. They asked Manager Hunt to research the different alternatives for serving Mr. Smithson's property. Manager Hunt will coordinate his research with Mr. Smithson.

SALE OF SURPLUS EQUIPMENT, DIESEL ENGINE POWERED PORTABLE BOOSTER PUMP: Manager Hunt reported that he had sold the surplus diesel powered portable booster pump to Rob Fawley for \$3,750. The pump was declared surplus in 2002. On a motion by Director Huckell and a second by Director Clanin, the Board unanimously ratified the sale of the pump.

PROPOSED PINECREST II WATER STORAGE TANK: Manager Hunt reported that it appears that the Royal Rangers project will not be approved by the County as it is currently submitted. Crestline Sanitation District has indicated that their system does not currently have the capacity required to serve the project as currently proposed.

2004 RATE AND FEES STUDY: Office Manager Drew has prepared a worksheet that indicates that at the current rate differential of \$4.50 per month, it will take approximately another five years for the additional improvements in the Lake Gregory area to be paid for. The worksheet has been sent to the District's Auditor for his review. There was general discussion regarding water rates.

RESOLUTION NO. 335, DESIGNATION OF APPLICANT'S AGENT FOR APPLICATION FOR PUBLIC ASSISTANCE TO FEMA AND OES FOR REIMBURSEMENT OF EXPENSES RESULTING FROM THE OLD FIRE: Office Manager Drew reviewed with the Board the proposed resolution. This resolution is required by FEMA and OES before any funds will be disbursed to the District. The resolution names the General Manager and Office Manager as agents of the District. On a motion by Director Clanin and a second by Director Spinks, the Board adopted Resolution No. 335 on the following roll call vote:

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

APPLICATION FOR EMERGENCY WASTE WOOD GRANT: Manager Hunt reported that the District has received the reimbursement of \$24,700 from the County of San Bernardino for the purchase of the brush chipper. Supervisor Biane has asked for a demonstration of the chipper and has asked that the District make the chipper available to the community. The supervisor's office has indicated that there is funding available to cover the expenses of using the chipper for community events.

EMPLOYEE HEALTH BENEFIT PROGRAM: Office Manager Drew discussed with the Board the proposed increase in the Health Benefits Plan Maximum. Insurance premiums have

increased an average of 17.6% from last year. The District has been able to terminate its Kaiser plan and obtain Kaiser insurance through ACWA Health Benefits. This results in a considerable savings for those employees that use Kaiser insurance. Staff has recommended a 7.5% increase to the maximum benefit, increasing it from \$920 per month per employee to \$990 per month per employee.

Office Manager Drew also requested that the Board change the District's Health Plan year to the calendar year since all of the medical health plans offered by the District are now provided by ACWA. ACWA's plan year for medical insurance is the calendar year. If the plan year is changed, the next open enrollment period would be in November and December.

There was considerable discussion regarding the continued significant increases in medical insurance premiums. With health benefits available to retirees, the future cost to the District could be very high.

On a motion by Director Huckell and a second by Director Valko, the Board unanimously approved a 7.5% increase in the Health Benefits Plan Maximum, increasing it from \$920 per month per employee to \$990 per month per employee, and changed the Health Benefits Plan year to match the calendar year. The Board asked staff to review the District's Health Benefits Plan and to make recommendations for possible changes before the next open enrollment period.

ACWA SPRING CONFERENCE: Director Huckell indicated that he would like to attend the ACWA Spring Conference in Monterey on May 5-7, 2004. As the District's JPIA Director, Director McGehee would also be attending the ACWA-JPIA portion of the conference. On a motion by Director Clanin and a second by Director Spinks, the Board unanimously approved the attendance of the ACWA Spring Conference by Directors Huckell and McGehee.

WATER SYSTEM VULNERABILITY ASSESSMENT: There was no discussion on this item.

MANAGER'S REPORT: Manager Hunt discussed with the Board a letter that was written to Senator Brulte in response to the introduction of SB 1414 by Senator Brulte to the State Senate on February 19, 2004. The bill states that it is Senator Brulte's intent to enact legislation to consolidate various local water agencies in Southern California. The District is concerned about the intent of SB 1414 and how it will impact the water agencies in the mountain communities. Manager Hunt also provided a copy of Crestline-Lake Arrowhead Water Agency's response to Senator Brulte.

There was a brief discussion regarding the monthly Financial, Investment and Water Production reports.

DIRECTORS' REPORT: None.

As there was no further business, the meeting was adjourned at 5:03 PM. The next Regular Meeting is scheduled for Tuesday, April 20, 2004 at 3:00 PM.