

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

**MAY 25, 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, May 25, 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, Field Supervisor Don Wagner and Office Manager Karl Drew. Absent was Engineer Fred Hanson.

MINUTES OF PREVIOUS MEETING: On a motion by Director Clanin and a second by Director Huckell, the minutes for the Regular Meeting of April 20, 2004 were unanimously approved as corrected.

PUBLIC COMMENTS: None.

SMITHSON OFFER TO SELL PROPERTY TO DISTRICT: Manager Hunt reviewed with the Board an offer by Tyler Smithson to sell land to the District. Mr. Smithson believes that the land is water bearing and would be of value to the District. Manager Hunt would like to have the District's consultants review the property before taking any further action on this matter. The District currently has some horizontal wells in the area.

On a motion by Director Huckell and a second Director Clanin, the Board authorized the expenditure of an amount not to exceed \$2,000 for Independent Geo-Environmental Consultants to review the property for potential well sites.

PROPOSED PINECREST II WATER STORAGE TANK: Manager Hunt had nothing to report on this matter.

SAN BERNARDINO COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN: The Disaster Mitigation Act of 2000 (DMA 2000) requires that local Hazard Mitigation Plans (HMP) be developed by local governments and approved by FEMA by November 1, 2004 for local governments to be eligible for future disaster mitigation funds administered by FEMA. The County Fire Department is coordinating the development of San Bernardino County's Multi-Jurisdictional Hazard Mitigation Plan which would include the County and any other local governments in San Bernardino County that wants to partner with the County in the development of the plan.

The County Fire Department is asking the District if we would like to partner with them in the development of the plan, and if the District does partner with them, if the District would like to purchase a license for the software program that the County is going to use to develop the plan. The cost of the software license for the District is approximately \$3,000.

The County is asking that the District respond to their questions by May 25, 2004. The District has just recently received this information and has not had time to gather more information about the County's program. The District will request an extension until June 15 to respond to the County's request. During that time staff will obtain more information about partnering with the County and the associated costs.

RESOLUTION NO. 337, DETERMINING APPROPRIATION LIMITATION FOR FISCAL YEAR 2004-05: 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 2004-05 is \$831,450.

On a motion by Director Clanin and a second by Director Valko, the Board adopted Resolution No. 337, determining the Appropriation Limitation for fiscal year 2004-05 to be \$831,450 on the following roll call vote:

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

RESOLUTION NO. 338, ADOPTING NEW WATER RATE SCHEDULES FOR THE CRESTLINE AND LAKE GREGORY DIVISIONS: Attorney Van Blarcom read the proposed resolution to the Board. The resolution increases the Monthly Charge for all meter sizes by \$2.00 per month and increases the consumption rate for the amount of water used in the Basic Allocation by \$.45 per one hundred cubic feet. The Excess Consumption Rate is established by the District's Water Conservation Ordinance, Ordinance No. 29, at 1 1/2 times the Basic Consumption Rate. Following are the new rate schedules:

**A. Water Rate Schedule - Crestline Division**

Water Conservation Program - Phase I general conservation measures in effect

Monthly Minimum Charge:

5/8 X 3/4	inch meter	\$17.50*
3/4	inch meter	18.50
1	inch meter	19.50
1	inch meter (Residential fire service)	21.75
1-1/2	inch meter	23.50
2	inch meter	28.50
3	inch meter	34.50
4	inch meter	57.50

\* 5/8 X 3/4 inch meter is standard for most residential accounts.

Quantity Rates:

Basic Allocation - 0 to 1300 cubic feet	\$4.20 per 100 cubic ft
Quantity in excess of 1300 cubic feet	\$6.30 per 100 cubic ft

**B. Water Rate Schedule - Lake Gregory Division**

Water Conservation Program - Phase I general conservation measures in effect

Monthly Minimum Charge:

5/8 X 3/4	inch meter	\$22.00*
3/4	inch meter	23.00
1	inch meter	24.00
1	inch meter (Residential fire service)	26.25
1-1/2	inch meter	28.00
2	inch meter	33.00
3	inch meter	39.00
4	inch meter	62.00

\* 5/8 X 3/4 inch meter is standard for most residential accounts.

Quantity Rates:

Basic Allocation - 0 to 1300 cubic feet	\$4.20 per 100 cubic ft
Quantity in excess of 1300 cubic feet	\$6.30 per 100 cubic ft

**C. Water Rate Schedule - Commercial Fire Services:** Commercial Fire Services have detector check meters to detect any water that passes through the fire service water line. The detector check meter is a 5/8 X 3/4 inch meter.

Monthly Minimum Charge:

Crestline Division - 5/8 X 3/4 inch meter	\$21.00
Lake Gregory Division - 5/8 X 3/4 inch meter	\$25.50

Quantity Rates:

Basic Allocation	\$4.20 per 100 cubic ft
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On a motion by Director Huckell and a second by Director Spinks, the Board adopted Resolution No. 338, adopting new water rate schedules for the Crestline and Lake Gregory Divisions, as amended, on the following roll call vote:

AYES: Directors McGehee, Huckell, Valko, Clanin and Spinks

NOES: None

ABSENT: None

ABSTAINED: None

**COST OF LIVING ADJUSTMENT FOR EMPLOYEES:** The Board reviewed the change in the Consumer Price Index (CPI) for the past year ending in April 2004. The average change in the two CPI indexes for the U.S. City Average is 2.2% and the average change in the change for the Los-Angeles-Riverside-Orange County area is 2.5%. Staff is recommending a 2.5% Cost of Living Adjustment for all employees, including the General Manager, effective June 5, 2004. This would increase annual wages by approximately \$19,200.

There was discussion regarding the proposed Cost of Living Adjustment and the overall employee benefit package. Director Huckell requested information regarding the gross wages and the employee benefits.

After discussion, on a motion by Director Huckell and a second by Director Clanin, the Board unanimously approved a 2.5% Cost of Living Adjustment for all employees, including the General Manager, effective June 5, 2004.

THREAT TO PUBLIC SERVICES OR FACILITIES: Consultation with District Legal Counsel, Ronald Van Blarcom and District Security Operations Manager, Norman Hunt: The Board did not enter into closed session and there was no discussion on this item.

MANAGER'S REPORT: Manager Hunt had reports on several issues that are pending in the State Legislature and locally.

State Budget Negotiations: Governor Schwarzenegger has announced an agreement with local governments that calls for them to contribute \$1.3 billion in fiscal years 2004-05 and 2005-06 to help resolve the state's budget crisis. In exchange, the local governments will receive constitutional protection for local property tax, sales tax and vehicle license fee revenue beginning in 2006. If this agreement is included in the state budget, the District would probably lose approximately 40% of its property tax revenues, approximately \$65,000 per year, for the next two years. After the two year period, the property taxes would be restored.

AB 3004, Eliminate Closed Session Exceptions Under the Brown Act: Attorney Van Blarcom briefly discussed with the Board three areas in the Brown Act that are currently allowed for a Board to meet in closed session that AB 3004 would eliminate. These areas are Anticipated Litigation, Real Property Negotiations and Legal Counsel Conferences regarding Litigation.

SB 1272, Special District Reform: This bill calls for special district reforms in several areas. The areas are Ethics Training, Audit Reform, Whistleblower Protection and Compensation Provisions. This bill failed to pass the Senate Appropriations Committee on May 20, 2004 and is not expected to be reconsidered this year.

Mandatory Landscape Standards for Consideration by San Bernardino County: Lake Arrowhead Community Services District (LACSD), in an effort to handle the water issues in their area, would like to have mandatory landscaping standards established for their area. They have passed landscaping regulations, but are not able to enforce them since they are not the land use authority for Lake Arrowhead. The County of San Bernardino is the land use authority. LACSD is now trying to have mandatory landscaping standards adopted by the County for the whole mountain area. Manager Hunt has attended a meeting regarding this matter. Not all the landscaping issues that exist in the LACSD service area are applicable to the rest of the San Bernardino Mountains and that is a concern for the other mountain communities.

There was discussion regarding the proposed mainline projects for the currently year. The District is planning to install approximately 3,130 lineal feet of mains. The Board also reviewed a schematic of the District's Water System and information about ongoing leak survey results.

There was a brief discussion regarding the monthly Financial, Investment and Water Production reports. Due to project deadlines, complete reports were not available.

DIRECTORS' REPORT:

ACWA AND ACWA-JPIA CONFERENCE: Directors McGehee and Huckell reviewed with the Board written reports they had prepared about the meetings that they attended at the conference during the week of May 3. There was some discussion about the meetings.

As there was no further business, the meeting was adjourned at 4:53 PM. The next Regular Meeting is scheduled for Tuesday, June 15, 2004 at 3:00 PM.