

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

OCTOBER 19, 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, October 19, 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, Alan Clanin, Charles Spinks and James Gonzales. Staff members present were Manager/Secretary Norman L. Hunt, Attorney Ronald Van Blarcom, Engineer Fred Hanson and Office Manager Karl Drew. Absent was Field Supervisor Don Wagner.

Manager Hunt announced that James Gonzales had been appointed to fill the vacancy on the Board of Directors at the Special Meeting held at 2:00 PM on October 19, 2004. Manager Hunt swore Director Gonzales into office prior to the beginning of the Regular Meeting.

MINUTES OF PREVIOUS MEETING: On a motion by Director Clanin and a second by Director Spinks, the minutes for the Regular Meeting of September 21, 2004 were unanimously approved as corrected.

PUBLIC COMMENTS: None.

PINECREST WATER STORAGE EXPANSION PROJECT - PUBLIC HEARING: Attorney Van Blarcom reviewed with the Board the Order of Procedure for the Public Hearings and the Adoption of the proposed Mitigated Negative Declarations for the Pinecrest Water Storage Expansion project.

President McGehee opened the public hearing at 3:03 PM. Secretary Hunt reported that notice of the public hearing had been given in the form and manner required by law. Before accepting any comments from the public, President McGehee asked staff to review and summarize the documents that were made available to the Board in connection with the hearing. Attorney Van Blarcom reviewed the following documents with the Board:

- Notice of Proposed Negative Declaration
- Proof of Publication in The Sun, a daily newspaper printed and published in the County of San Bernardino
- Notice Letter and Distribution List
- Initial Study / Mitigated Negative Declaration
- State Clearinghouse Acknowledgement Letter
- Comment Letters:
 - San Bernardino County Public Works
 - South Coast Air Quality Management District
 - California Department of Fish and Game
- Responses to Comments

- Historical Information Letter regarding access to tank site across U.S. Forest Service land
- Mitigation Monitoring Program
- Notice of Determination / Certificate of Fee Exemption

Attorney Van Blarcom also reviewed the Board Findings that are required prior to approval of the project. The findings cover the following items:

- Consider Initial Study and Negative Declaration
- Consider comments and all other record documents
- Mitigated Negative Declaration reflects the independent judgment and analysis of the District
- On the basis of the whole record, there is no substantial evidence that the project will have a significant impact on the environment
- Consider and adopt the Mitigation Monitoring Program
- Find that the project is “de minimis” in its effect on fish and wildlife

President McGehee then opened the meeting for any comments from the public. There were no members of the public present and no comments were received. The public hearing was closed at 3:23 PM.

Director Huckell made the following motions:

1) “I move that this Board has considered the Initial Study and Mitigated Negative Declaration for the Pinecrest Water Storage Expansion Project and that those documents reflect the independent judgment and analysis of the District. This Board has also reviewed the comment letters and all of the other documents in the record of proceedings. All of the documents that comprise the record of proceedings shall be kept in the custody of the Secretary of the Board. On the basis of the record before this Board, I find that there is no substantial evidence that the Pinecrest Water Storage Expansion Project will have a significant impact on the environment.”

2) “I move that the District adopt the Mitigation Monitoring Program for the Pinecrest Water Storage Expansion Project.”

3) “I move that this Board find, on the basis of the record before us, that the Pinecrest Water Storage Expansion Project is de minimis in its effect on fish and wildlife and direct the staff to file the Certificate of Fee Exemption.”

4) “I move that this Board approve the Pinecrest Water Storage Expansion Project and direct staff to proceed with the development of the storage tanks for the benefit of the District and its customers.”

The motions were seconded by Director Clanin and were unanimously approved by the Board of Directors.

PINECREST WATER STORAGE EXPANSION PROJECT - SITE DEVELOPMENT:

Manager Hunt reviewed the site development plans with the Board.

- Phase I of the project is the site grading to develop a tank pad that will accommodate the construction of two (2) 1.0 million gallon (MG) water storage tanks. The estimated cost is \$175,000 with work to begin as soon as possible. The Board is scheduled to select a contractor at the next Board meeting.
- Phase II will be the construction of the first 1.0 MG storage tank. The estimated cost is \$750,000 and the work is schedule to begin next summer.
- Phase III will be the construction of the second 1.0 MG storage tank. The estimated cost will be similar to the cost of Phase II. This tank will be constructed sometime in the future based on the District's needs and the availability of funds.
- After Phase III is completed, the existing 0.25 MG storage tank will be abandoned and removed.

There was a general discussion of the benefits of having expanded storage at the Pinecrest site. This site is the highest location in the District and can supply water from the east end of the District all the way to the west end of the District.

REQUEST FOR REDUCTION IN WATER SERVICE REINSTATEMENT CHARGES, RAY NUNEZ, 566 ELECTRA DRIVE, ACCOUNT NO. 91-9005-00: Mr. Nunez had requested an opportunity to personally address the Board at this meeting. Mr. Nunez was not present at the meeting. Office Manager reviewed Mr. Nunez's request with the Board.

The water service for this property was deactivated in April 2002 as a result of nonpayment of the water bill for over 5 years. The last payment received on this account was in December 1996. An amount equivalent to the amount of a new service connection fees is required to reinstate the water service. This amount is currently \$1,890.

Mr. Nunez currently has some health issues, including cancer, which is creating a financial hardship for him. He is requesting that the Board reduce the amount necessary to reinstate the water service.

The Board reviewed the correspondence between Mr. Nunez and the District regarding this matter. After discussion, on a motion by Director Huckell and a second by Director Clanin, the Board unanimously denied Mr. Nunez's request for an adjustment to the water reinstatement charges.

REMOVAL OF THE STEWART RANCH WATER STORAGE TANK: Manager Hunt reported that the Stewart Ranch Storage Tank had been removed and that the District had received a certification from the contractor that the steel had been properly disposed of. The District has not yet received the informal appraisal on the tank lot, since the realtor that the District has been working with has been out of town.

MAINLINE REPLACEMENT PROJECTS, AROSA DRIVE: Manager Hunt reported that the final paving for this project was completed. The County did participate in the full width paving. Office Manager Drew reported that the contractor that did the paving had directly billed the District and the County for their portions of the total paving costs.

TYLER SMITHSON, PROPOSED LAND EXCHANGE AT BROOKSIDE WELL SITE:

Manager Hunt reviewed the proposed land exchange that involves property owned by Tyler Smithson. A portion of the District's road going to the Brookside Well crosses a corner of the property owned by Mr. Smithson. He would like to exchange the 0.26 acres of his property where the road is located, for 0.26 acres of District property that adjoins the northwest corner of his property. The Board took no action on this matter at this time.

MAIN STREAM TOWERS, LLC: Manager Hunt gave a brief report on this item. He has been unable to meet with the representative for Main Stream Towers to discuss the proposal. Attorney has some concerns regarding the proposed lease agreement. There was no action on this matter and the Board did not enter into closed session to discuss it.

MANAGER'S REPORT: Manager Hunt reported that the District had received a preliminary proposal from Municipal Finance Corporation regarding the proposed refinancing of the 1993 Water Revenue Bonds. By refinancing these bonds, the District could save over \$85,000 over the next 8 ½ years. Staff will investigate this proposal.

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

DIRECTORS' REPORT: President McGehee inquired about attending the ACWA-JPIA conference in November. There was general discussion regarding the attendance of the ACWA and ACWA-JPIA conferences November 29 through December 3, 2004. There was general agreement that all Board members could attend these conferences.

President McGehee requested that the date of the next meeting be changed due to a scheduling conflict. The date of the next regular meeting was changed to November 9, 2004 at 3:00 PM.

As there was no further business, the meeting was adjourned at 5:04 PM. The next Regular Meeting is scheduled for Tuesday, November 9, 2004 at 3:00 PM.