

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

JUNE 20, 2006

President McGehee called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 pm, on Tuesday, June 20, 2006, 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, Charles Spinks and Kenneth Stone. Absent was Director Alan Clanin.

Staff members present were Manager/Secretary Norman L. Hunt, Attorney Ronald Van Blarcom Engineer Fred Hanson, Field Supervisor Donald Wagner and Office Manager Karl Drew.

Also present was Steven Farrell.

MINUTES OF PREVIOUS MEETINGS: On a motion by Director Stone and a second by Director Spinks, the minutes of the Adjourned Regular Meeting of May 23, 2006 were approved as submitted.

PUBLIC COMMENTS: None.

PINECREST WATER STORAGE EXPANSION PROJECT: Manager Hunt reported that the contractor is currently working on compacting and grading the oil sand within the ring walls for the two new tanks. The shop priming of the steel has been started and the tank erection crew should soon be moving on-site. It is estimated that it will take 5 to 6 weeks to erect the two tanks. Coating of the tanks will occur after the tanks have been erected.

URBAN WATER MANAGEMENT PLAN: A "screen check" of the Urban Water Management Plan (UWMP) was distributed to the Board and staff. The "screen check" is mostly complete with some adjustments still to be made to the supply and demand data. Information from the Crestline-Lake Arrowhead Water Agency's UWMP will be incorporated into the District's plan when the Agency's plan is completed. There was general discussion regarding the draft plan.

The current schedule for the UWMP is for the engineers to incorporate into the plan any comments received from the Board and staff during the next two weeks and to have a draft plan available for public review at the July meeting.

RESOLUTION NO. 353, AMENDING CERTAIN PROVISIONS OF THE DISTRICT'S RULES AND REGULATIONS PERTAINING TO MISCELLANEOUS CHARGES: Manager Hunt and Attorney Van Blarcom reviewed the proposed resolution with the Board. The proposed changes to the charges are based on the current costs for performing the services. Following is a summary of the changes.

- a. Discontinuance of Service - Increases the Reinstatement Charge to \$275 for all meter sizes from 5/8" to 1".

- b. Tampering with District Property - Increases the Meter Removal Fee to \$250.
- c. Meter Tests - Requires a field test to be completed prior to completing a certified meter test. The field test will be completed at no charge to the customer. A deposit of \$50 will be required for a certified meter test. If the meter registers more than 2% fast, the deposit would be returned to the customer. If the meter registers 2% fast or less, the customer will be billed for the actual cost to have the meter tested, with the deposit to be applied against the actual charges.
- d. Fire Flow Certification - The charge for preparing a Fire Flow Certification is increased to \$50.00.
- e. After Hours Charge - When District personnel are called out after regular working hours and the customer is determined to be responsible for the service call, the customer shall pay the actual cost of District labor, materials and equipment.

On a motion by Director Spinks and a second by Director Stone, the Board adopted Resolution No. 353, amending various miscellaneous charges on the following roll call vote:

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

SPECIAL DISTRICTS ELECTION FOR REGULAR AND ALTERNATE LAFCO

MEMBERS: The Board reviewed the ballot information that was received from the Local Agency Formation Commission (LAFCO). The ballot is for the Regular and Alternate Special District Members on LAFCO. The Regular Member candidates are Bob Colven from Big Bear City Community Services District and Gerald Smith of Baldy Mesa Water District. The Alternate Member candidates are James V. Curatalo of Cucamonga Valley Water District and Gerald Smith of Baldy Mesa Water District. After discussion, on a motion by Director Huckell and a second by Director Stone, the Board unanimously voted for Gerald Smith as the Regular and Alternate member.

REQUEST FOR REVIEW OF ACCOUNT, HUSAM ADBULKARIM, 690 FOREST SHADE,

ACCOUNT NO. 36-1696-00: Mr. Adbulkarim sent a letter asking the Board to review the charges on his water account. The Board reviewed the account activity, charges and correspondence between the District and Mr. Adbulkarim. Following is a brief summary of the information regarding this account.

- Mr. Adbulkarim is out of state and has a property manager who manages his property.
- The property was rented to Helen Hardy in September or October 2005. The tenant left the property in January 2006 and left a closing bill of \$78.85.
- In February 2006 there was a water leak at the property which resulted in a bill of \$646.32.
- The owner's accumulated bills remained unpaid and a Delinquency Charge of \$72.93 was added to the account on April 20, 2006.

- The service was locked off for non-payment on April 26, 2006 and a \$40.00 Non-payment charge was added to the account.
- A payment of \$877.18, which brought the account current, was received on May 19, 2006.
- Mr. Adbulkarim had previously requested that the District shut off the water in December 2005. He was advised at that time that the District was unable to comply with his request since the property was occupied by the tenant.
- The District does not shut off the water between tenants or when there is an ownership change. Water service is rendered on a continuous year-around basis.

Mr. Adbulkarim is disputing the bill of \$646.32 for the water leak, the delinquency charge of \$72.50 and the non-payment charge of \$40.00. He states that the District was negligent in following its own policies to protect him from abuse by the tenant. He also appears to feel that the water usage and late fees were incurred by the tenant.

After discussing the information presented regarding this account, the Board found that the charges and the procedures followed by District personnel were in accordance with the District's Rules and Regulations for Water Service. It is the property owner's responsibility to maintain and operate their on-site water system. Notices are sent annually to customers, advising them to use their own shut off valve to turn off the water to their property when it is vacant, especially during the winter months.

On a motion by Director Huckell and a second by Director Stone, the Board unanimously denied the waiver of any of the disputed charges. Also, in accordance with the District's policy of granting a 10% adjustment for a large water bill caused by a leak, the Board further instructed staff to apply an adjustment of \$64.63 to the account.

COST OF LIVING ADJUSTMENT FOR EMPLOYEES: The Board reviewed the change in the Consumer Price Index (CPI) for the past year ending in April 2006. The average change in the two CPI indexes for the U.S. City Average is 3.6% and the average change in the change for the Los-Angeles-Riverside-Orange County area is 4.6%. Staff is recommending a 4.0% Cost of Living Adjustment (COLA) for all regular employees, including the General Manager, effective June 3, 2006. This would increase annual wages by approximately \$30,000.

After discussion, on a motion by Director Stone and a second by Director Spinks, the Board unanimously approved a 4.0% Cost of Living Adjustment for all regular employees, including the General Manager, effective June 3, 2006.

MANAGER'S REPORT: Manager Hunt discussed with the Board a list of properties, owned by the District, that are currently unused. He is in the process of having some of the properties appraised and will bring a recommendation to the Board at a future meeting to have some of these properties declared surplus. He also noted that Lots 70 & 99, Tract 2744, which were declared surplus at the March 28, 2006 Board meeting, are in fact lots that are owned by the District to protect the Jewell 64 horizontal well. When the Board is asked to declare these other properties surplus, they will also be asked to rescind their action declaring lots 70 & 99 surplus.

Manager Hunt also reported that District personnel were doing some maintenance and updating work at the Old Mill Springs site. The old manifold piping was being replaced and several of the old horizontal wells were being rodded out. Production for the 15 wells located at this site is estimated to have increased to over 100 gpm.

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 4:15 pm. The next meeting is scheduled for Tuesday, July 18, 2006 at 3:00 pm.