

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

**MARCH 20, 2007**

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 20, 2007, 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 Kenneth Stone.

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 were Dr. Deborah Glinka, Cat Robertson of the Crestline Courier-News and Steven Farrell.

MINUTES OF PREVIOUS MEETINGS: On a motion by Director Clanin and a second by Director Stone, the minutes of the Regular Meeting of February 20, 2007 were unanimously approved as submitted.

PUBLIC COMMENTS: Ms. Robertson asked some questions regarding the District's policy on how it handles customer accounts that have experienced large bills as a result of frozen water pipes. Since her questions seemed related to the agenda item regarding Dr. Glinka's water leak, Manager Hunt asked if she would hold her questions until that item was discussed since her questions might be answered during the discussion.

REVIEW OF WATER CHARGES RESULTING FROM WATER LEAK, DEBORAH GLINKA, 23395 CRESTVIEW LANE, ACCOUNT NO. 02-0468-00: Office Manager Drew reviewed with the Board an informational packet that had been distributed to them. A copy of the package was given to Dr. Glinka and Ms. Robertson at the meeting. The packet included the correspondence between Dr. Glinka and the District, her account history and a summary of 84 water accounts that had frozen water lines that resulted in leaks during December 2006 and January 2007. In January, Dr. Glinka had a water leak at her property that was a result of a frozen pipe. The leak ran for several days before being discovered and resulted in the loss of 30,700 cubic feet of water and a water bill of \$1,924.30. In accordance with District policy, an adjustment of \$192.43 has been applied to Dr. Glinka's account.

Dr. Glinka addressed the Board. She was not prepared to make a presentation to the Board as she had not been aware that this item was on the agenda for this meeting. She became aware that this item was on the agenda when Ms. Robertson of the Courier-News called her to ask some questions regarding the agenda item. She inquired as to why she had not been advised of the meeting and why she had not received a response to her letter dated March 2, 2007 asking for information regarding certain District costs.

Office Manager Drew directed her to the copy of the District's letter to her dated March 9, 2007 that was included in the information package. The letter included the information she had requested and advised her that she was on the agenda for the March 20, 2007 Board meeting. The letter had been mailed to her on March 9, 2007.

There was discussion regarding the water accounts that had frozen pipes as a result of the freezing weather in December and January. In January, the freezing weather had lasted for a longer period than usual and had resulted in more properties with frozen pipes. 84 accounts have been identified that had leaks as a result of frozen pipes and which resulted in water bills in excess of \$150. 75% of these accounts have been identified as part-time residents and were not properly winterized. Notices are sent to all customers each year, advising them of the freezing weather during the winter; notifying them of their responsibility of maintaining their on-site water system and advising them to use their shut-off valve to turn off the water when their property is vacant.

Dr. Glinka's property appears to be normally occupied on a full time basis. She had a pipe in the buildup area under her house that feeds an outside faucet that froze and broke. Due to the location of the pipe, it was several days before the leak was discovered. The pipe had been insulated.

In consideration of the information about Dr. Glinka not receiving the March 9, 2007 letter and not being prepared for the meeting, the Board tabled this item until the May 15, 2007 Board meeting. Dr. Glinka is not available for the April 17, 2007 meeting date.

PINECREST WATER STORAGE EXPANSION PROJECT: Manager Hunt reported that District personnel had been working on removing some trees on the tank site property that had died as a result of the Old Fire.

The contractor had completed the items on the "punch" list for the two 1 MG storage tanks and the District was in the process of filling the tanks with water. The tanks are expected to be full by Friday, March 23<sup>rd</sup>. It is expected that the State Department of Health Services will give the District approval to put the new tanks into service before the next meeting.

Once the new tanks are in service, the old tank will be drained and then dismantled. Manager Hunt has contacted Mike Murphy Salvage to discuss the dismantling of the old tank. The price is expected to be about \$14,000.

CORROSION CONTROL TREATMENT FOR LEAD AND COPPER: The Board reviewed information regarding the status of the District's corrosion control treatment program to reduce the leaching of lead and copper from the customers' plumbing. The State Department of Health Services has notified the District that its current treatment program of adding blended phosphate to the water is not sufficient to maintain consistent results.

The District has hired the services of a registered Corrosion Control Treatment engineer, Frank J. Baumann, P.E. and he has prepared a report for the District. His recommendations are for the District to continue its current treatment and to consider implementation of air stripping of carbon dioxide wherever possible.

There was discussion of the information presented. Staff will evaluate Mr. Baumann's recommendations and coordinate with the State Department of Health Services in developing a more effective treatment program.

RESOLUTION NO. 357, AUTHORIZING A CONTRACT WITH THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM: The Board reviewed the proposed resolution which authorizes a contract between the Board of Directors and the Board of Administration of the Public Employees' Retirement System. Under the contract, District miscellaneous employees would participate in the 2.5% @ 55 Full formula plan with prior service for employees employed on the contract date. The effective date of the contract will be May 5, 2007.

On a motion by Director Stone and a second by Director Huckell, the board adopted Resolution No. 357, authorizing a contract between the Board of Directors and the Board of Administration of the Public Employees' Retirement System on the following roll call vote:

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

RESOLUTION NO. 358, EMPLOYER PICKUP OF EMPLOYEE CONTRIBUTIONS: The Board reviewed the proposed resolution which allows the 8% employee contributions for CalPERS to be made from pretax earnings pursuant to Section 414(h)(2) of the Internal Revenue Code.

On a motion by Director Clanin and a second by Director Spinks, the board adopted Resolution No. 358, allowing the 8% employee contributions for CalPERS to be made from pretax earnings pursuant to Section 414(h)(2) of the Internal Revenue Code on the following roll call vote:

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

RESOLUTION NO. 359, TERMINATING THE CRESTLINE VILLAGE WATER DISTRICT MONEY PURCHASE PENSION PLAN: The Board reviewed the proposed resolution which terminates the District's Money Purchase Pension Plan effective May 4, 2007.

On a motion by Director Stone and a second by Director Clanin, the board adopted Resolution No. 359, terminating the District's Money Purchase Pension Plan effective May 4, 2007 on the following roll call vote:

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

ABSTAINED: None

PROPOSED CASH BUDGET FOR FISCAL YEAR 2007-08: The Board reviewed the first draft of the proposed Cash Budget for Fiscal Year 2007-08 which begins May 1, 2007. The proposed budget includes \$199,650 for the completion of the Pinecrest Storage Tank Facility, \$600,000 for the implementation of a radio read meter system and replacement of the District's water meters, and \$50,000 for upgrading security equipment. No rate increases are planned in the budget. The budget will be brought back to the next meeting for further review and approval.

MANAGER'S REPORT: Manager Hunt discussed briefly with the Board the property owners' responsibility to maintain and operate their on-site water systems. The District is not responsible for any water loss that may occur from leaks in the customers' pipes past the water meter.

It was suggested that once the new Pinecrest storage tanks are in service that a news release be prepared and given to the local papers. The 2 million gallons of water storage at that location, along with the improvements made to the District's distribution system are a benefit to the whole community by insuring a better water supply for domestic and fire flow purposes.

There was a brief discussion regarding the monthly financial, investment and production reports.

DIRECTORS' REPORT: None.

As there was no further business, the meeting was adjourned at 4:42 pm. The next meeting is scheduled for Tuesday, April 17, 2007 at 3:00 pm.