

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

APRIL 17, 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, April 17, 2007, at the regular meeting place of said Board at its office in Crestline, California.

President McGehee asked the Board to observe a moment of silence to honor the victims of the Virginia Tech University shooting victims.

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 was Cat Robertson of the Crestline Courier-News, who arrived at approximately 3:20 pm during the discussion of the cash budget.

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

PUBLIC COMMENTS: None.

PINECREST WATER STORAGE EXPANSION PROJECT: Manager Hunt reported that the two new tanks were now online and in operation. Mike Murphy Salvage began the dismantling of the old tank today, April 17, 2007. When the old tank has been dismantled, the contractor, Superior Tank, will begin the remaining site work of installing the curbing and class II base around the tanks.

CHAMOIS VERTICAL WELL: Manager Hunt reported that he had met with representatives from Harich Construction, the company that drilled the Chamois well, to discuss the condition of the well. Scott Rose from the County Health Department and Andres Aguirre from the State Department of Health Services met with Harich and District staff to inspect the well. Harich is going to attempt to repair the well. They have submitted a plan for the repairs to the County Health Department and have obtained a permit from the County to make the necessary corrections.

RESOLUTION NO. 360, AMENDMENT FOR TERMINATING DEFINED CONTRIBUTION PLAN: The Board reviewed the proposed resolution which amends the District's Money Purchase Pension Plan. The amendment incorporates recent law changes resulting from the enactment of the Pension Protection Act of 2006.

On a motion by Director Stone and a second by Director Clanin, the board adopted Resolution No. 360, amending the District's Money Purchase Pension Plan on the following roll call vote:

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

UNCOLLECTABLE ACCOUNTS FROM 2001: Office Manager Drew discussed with the Board the accounts that have balances older than five years. He requested that the Board write off the balances for 9 closed accounts from 2001 totaling \$921.91 and 1 abandoned account totaling \$1,102.81. The total amount of \$2,024.72 represents approximately 0.08% of the water sales in fiscal year 2000-01.

On a motion by Director Stone and a second by Director Huckell, the Board unanimously approved the writing off of the unpaid balances of \$2,024.72 from 2001.

PROPOSED CASH BUDGET FOR FISCAL YEAR 2007-08: Office Manager Drew discussed the proposed cash budget for fiscal year 2007-08 with the Board. There was general discussion regarding the proposed cash budget and the adjustments made since the last meeting. There is no recommendation for a rate increase. There was discussion regarding the proposed capital expenditures and reserve accounts. The major scheduled capital expenditure is \$600,000 to begin the Meter Replacement Program and implementation of a Radio Meter Reading System. The District is also budgeting \$50,000 to begin preliminary work for the replacement of the old Beacon I water storage tank.

On a motion by Director Spinks and a second by Director Clanin, the Board unanimously adopted the cash budget for fiscal year 2007-08.

RESOLUTION NO. 361, ESTABLISHING WATER AVAILABILITY ASSESSMENTS FOR FISCAL YEAR 2007-08: Office Manager Drew discussed the proposed resolution with the Board. There is no change in the amounts of the proposed assessments from prior years.

On a motion by Director Stone and a second by Director Huckell, the Board adopted Resolution No. 361, establishing the water availability assessment for fiscal year 2007-08 at Thirty Dollars (\$30.00) per acre for the first acre or portion thereof plus Fifteen Dollars (\$15.00) per acre over one acre for all unimproved property, or Fifteen Dollars (\$15.00) per acre for the first acre or portion thereof plus Fifteen Dollars (\$15.00) per acre over one acre for all improved property within the District, on the following roll call vote:

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

ACWA AND ACWA/JPIA SPRING CONFERENCE: The ACWA and ACWA/JPIA Spring Conferences are scheduled to be held during the week of May 7, 2006 in Sacramento, CA. On a

motion by Director Clanin and a second by Director Spinks, the Board unanimously approved the attendance of these conferences for any directors desiring to attend. President McGehee is planning to attend the ACWA/JPIA conference. Director Huckell may attend the ACWA conference.

MANAGER'S REPORT: Manager Hunt presented a letter to the Board giving them notice of his intent to retire in August or September 2007. The retirement date is flexible to give the Board time to find someone to fill his position. There was general discussion regarding Manager Hunt's service to the District, his pending retirement and the process of hiring a new General Manager. The Personnel Committee, consisting of Directors McGehee and Huckell, will meet prior to the next Board meeting to discuss the process. A tentative date for the committee meeting was set for May 15, 2007 at 2:00 pm.

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 3:53 pm. The next meeting is scheduled for Tuesday, May 15, 2007 at 3:00 pm.