

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

MAY 15, 2007

President McGehee called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:06 pm, on Tuesday, May 15, 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, Attorney Brad Neufeld, Field Supervisor Donald Wagner and Office Manager Karl Drew.

Also present were Deborah Glinka and Steven Farrell.

MINUTES OF PREVIOUS MEETINGS: On a motion by Director Stone and a second by Director Huckell, the minutes of the Regular Meeting of April 17, 2007 were unanimously approved as corrected.

PUBLIC COMMENTS: None.

REVIEW OF WATER CHARGES RESULTING FROM WATER LEAK, DEBORAH GLINKA, 23395 CRESTVIEW LANE, ACCOUNT NO. 02-0468-00: This matter was continued from the March 20, 2007 Board meeting. Office Manager Drew briefly reviewed with the Board the information that had been presented at the previous meeting.

Dr. Glinka addressed the Board. She requested that the Board establish a policy that would give a 25% discount to customers that had large leaks and establish a special rate for low income customers. During the discussion that followed, she defined a large bill as one in excess of \$1,000. There was general discussion regarding Dr. Glinka's situation and the District's existing policy for granting a one-time 10% adjustment to customers who have large bills due to leaks.

During the discussion, it was pointed out that of the 15 properties that had water bills in excess of \$1,000 as a result of leaks caused by the freezing weather in January 2007, 14 were occupied on a part-time basis. District staff feels that if the owners of these 14 properties had properly winterized their properties, these large bills could have been prevented.

Directors Stone and Clanin expressed concerns about establishing policies that would not give all customers equal treatment.

On a motion by Director Stone and a second by Director Clanin, the Board unanimously reaffirmed its policy of granting a one-time 10% adjustment to customers who incurred large bills as a result of leaks and reaffirmed the adjustment of \$192.43 that had been previously granted to Dr. Glinka.

EXECUTIVE SESSION, PUBLIC EMPLOYEE APPOINTMENT: General Manager, Pursuant to Government Code Section 54957: The Board entered into closed session at 3:48 pm. The Board returned to open session at 4:04. Attorney Van Blarcom reported that no reportable action was taken during closed session and there was a request to take up the matter in open session.

REQUEST FOR ADJUSTMENT, THOMAS MASUCCI, 23676 CREST FOREST DRIVE, ACCOUNT NO. 22-2750-00: Office Manager Drew reviewed Mr. Masucci's request for an adjustment with the Board. Mr. Masucci had a leak at his property in January 2007 that resulted in water charges of over \$3,300 and had been granted an adjustment of \$332.39.

The property was unoccupied at the time of the leak. Mr. Masucci feels that the leak was a result of someone breaking into his property and breaking a faucet. The leak occurred during the same time period as the severe freezing weather in January 2007. The water to the property had not been shut off at the customer's valve. Mr. Masucci had previously had a leak at this property in 2004 and had been advised to shut off his water when he was not at the property.

On a motion by Director Spinks and a second by Director Clanin, the Board unanimously denied Mr. Masucci's request for an additional adjustment.

PINECREST WATER STORAGE EXPANSION PROJECT: Manager Hunt reported that Mike Murphy Salvage had dismantled and removed the old tank. The contractor, Superior Tank, has begun the remaining site work of installing the curbing and class II base around the tanks. When the contractor has completed this work, the District will pave the site and have it fenced. The fire district has expressed an interest in possibly using the old tank site as a heliport during emergencies. Manager Hunt is following up with the fire department on that possibility.

CHAMOIS VERTICAL WELL: Manager Hunt reviewed the meetings regarding this matter that had previously occurred. The District is waiting for the contractor to proceed.

RESOLUTION NO. 362, DETERMINING APPROPRIATION LIMITATION FOR FISCAL YEAR 2007-08: 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 2007-08 is \$1,012,592.

On a motion by Director Huckell and a second by Director Spinks, the Board adopted Resolution No. 362, determining the Appropriation Limitation for fiscal year 2007-08 to be \$1,012,592 on the following roll call vote:

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

ACWA/JPIA AND ACWA CONFERENCE: Director McGehee reviewed with the Board his written report about the meetings he attended at the ACWA/JPIA conference during the week of May 7, 2007 in Sacramento. No other Director attended the conference. There was general discussion about the report.

REQUEST FOR SUPPORT OF COMPREHENSIVE WATER PACKAGE: The Board reviewed a request from ACWA for the Board to adopt a resolution supporting Governor Schwarzenegger's comprehensive water package. There was general discussion regarding this matter and the Board agreed that it would be good to support this package. They directed staff to prepare a draft resolution to be considered at the next meeting.

REQUEST FOR SPONSORSHIP AT COUNTY WATER CONFERENCE: The Board reviewed a request from County Supervisor Brad Mitzelfelt for the District to help sponsor the San Bernardino County Water Conference. The conference will be held on August 9, 2007 at the Ontario Convention Center. The minimum paid sponsorship is \$4,000 with the maximum being \$15,000. The Board expressed some concern about paying that large of a fee which did not directly benefit its customers. There is a possibility that the District may be able to be a "Co-Host" without paying a sponsorship fee. Manager Hunt will follow-up on this matter.

A few of the Board members express a desire to attend the conference. An agenda item approving attendance of the conference will be on a future agenda.

PUBLIC EMPLOYEE APPOINTMENT: General Manager: Attorney Van Blarcom recommended that an Ad-Hoc committee be appointed to handle the candidate search for the General Manager position. On a motion by Director Clanin and a second by Director Spinks, the Board unanimously appointed an Ad-Hoc General Manager Search Committee of Directors McGehee and Huckell.

MANAGER'S REPORT: Manager Hunt reported that the properties that had been declared surplus had been advertised with the necessary agencies and none had expressed any interest in the properties. Manager Hunt will begin the process of advertising the properties to the general public.

Manager Hunt reported that the 2003 Honda Element had approximately 54,000 miles on it. There has been some discussion of possibly replacing it while it had good value. The vehicle has been fairly low maintenance and has done very well on gas mileage in the mountains. Manager Hunt is looking at the possibility of replacing it with a hybrid or natural gas vehicle.

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 5:05 pm. The next meeting is scheduled for Tuesday, June 19, 2007 at 3:00 pm.