

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

MARCH 18, 2008

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 18, 2008, 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 General Manager Karl Drew, Attorney Ronald Van Blarcom, Engineer Fred Hanson, Field Supervisor Donald Wagner, and Office Manager Joyce Barkley.

Also present were Norman Hunt and Steven Farrell.

MINUTES OF PREVIOUS MEETINGS: On a motion by Director Stone and a second by Director Clanin, the minutes of the Regular Meeting of February 19, 2008 were unanimously approved.

APPROVAL OF CASH DISBURSEMENTS: The Board reviewed the Cash Disbursements for the month of February 2008. On a motion by Director Stone and a second by Director Huckell, the cash disbursements for February 2008 were unanimously approved.

PUBLIC COMMENTS: None

EXECUTIVE SESSION: The Board entered into executive session at 3:05 p.m. to discuss the following two items:

CONFERENCE WITH LABOR NEGOTIATORS: Pursuant to Government Code Section 54957.6

Agency Designated Representative: Ronald Van Blarcom

Unrepresented Employee: General Manager

CONFERENCE WITH LABOR NEGOTIATORS: Pursuant to Government Code Section 54957.6

Agency Designated Representative: Karl Drew

Unrepresented Employee: Five employees hired after September 21, 2005

Office Manager, Customer Service Representative and Three Servicemen

The Board returned to open session at 4:00 p.m. Attorney Van Blarcom reported that no reportable action was taken during closed session.

CONSIDER PERFORMANCE EVALUATION AND SALARY INCREASE FOR GENERAL MANAGER: There was no action taken on this item. This item will be reconsidered at the April 2008 Board Meeting.

CONSIDER RETIREMENT AND SURVIVING FAMILY MEMBER HEALTH BENEFITS FOR EMPLOYEES HIRED AFTER SEPTEMBER 21, 2005: There was no action taken on this item. This item will be reconsidered at the April 2008 Board Meeting.

PROGRESS REPORT ON CHILLON TANK SITE FENCING: Field Supervisor Don Wagner stated that all poles have been set in place and the fencing fabric has not yet been installed.

REPORT ON LAFCO SPECIAL DISTRICT SELECTION COMMITTEE, FEBRUARY 25, 2008: As reported by President McGehee, the LAFCO Special District Selection Committee meeting scheduled for February 25, 2008 was lacking a quorum and therefore no business was conducted. Nomination forms were sent via mail to individual Special Districts.

CONSIDER NOMINATIONS FOR THE POSITION OF REGULAR SPECIAL DISTRICT MEMBER OF THE LOCAL AGENCY FORMATION COMMISSION (LAFCO): No nominations for the position of Regular Special District member of the Local Agency Formation Commission (LAFCO) were made.

REVIEW DRAFT PROPOSED CASH BUDGET FOR FISCAL YEAR 2008-09: General Manager Drew presented the draft Proposed Cash Budget to the Board. The Board was informed that there is a placeholder of \$75,000 in Discretionary Appropriations for the purchase of two new vehicles. Evaluation of the purchase of these new vehicles will be addressed at a future Board Meeting. There is no recommendation for a rate increase. Rate adjustments to balance the monthly minimum charge between the Lake Gregory division and the Crestline division areas have been deferred. Director Huckell inquired if we are meeting the GASB 34 requirements pertaining to unfunded liabilities in regard to our retiree health benefit plan. Manager Drew informed him that as a small District we have two more years to comply, and that we are essentially meeting those requirements with the reserve set aside for Future Retiree Health Benefits as noted in the budget. Manager Drew will open discussions with Jay Zercher on this matter to ensure our future compliance. The Meter Replacement/Radio Read system is estimated to cost \$1,800,000, of which \$900,000 is being held in reserves. A Request for Proposal for the fixed-Network radio read system will be sent out in the near future and will give us a better idea of the exact costs involved. The budget will be brought back to the next meeting for Board approval.

ATTENDANCE OF ACWA AND ACWA/JPIA SPRING CONFERENCES, MONTEREY, WEEK OF MAY 5, 2008: The ACWA and ACWA/JPIA Spring Conferences are scheduled to be held during the week of May 5, 2008 in Monterey, CA. On a motion by Director Stone and a second by Director Spinks, the Board unanimously approved the attendance of General Manager Drew at these conferences. Manager Drew will need to be appointed as an alternate JPIA Director in order to represent the District at the JPIA portion of the conference. Action necessary for the official alternate appointment of Manager Drew will be done at the April 2008 Board meeting.

MANAGER'S REPORT: General Manager Drew discussed a notice received from the Legislative Analyst's Office of the potential realignment of property taxes between water and waste disposal special district's and the state parole system. If this realignment occurs there is a potential loss of property tax revenues for the District. He also discussed a resolution which the county is considering that will allow a property owner to carryover the lower property tax value from their old house to their new property. This is another potential loss of property tax revenue for the District.

DIRECTORS' REPORTS: Director Huckell asked what effect the increase in mortgage foreclosures has had on our uncollectible accounts. Manager Drew indicated that there has been some effect, but the District is well protected through its lien policy. There were no further Director's Reports.

As there was no further business, the meeting was adjourned at 4:35 pm. The next meeting is scheduled for Tuesday, April 15, 2008 at 3:00 pm.