

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

OCTOBER 14, 2008

President McGehee called the Special Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 pm, on Tuesday, October 14, 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, Kenneth Stone, Alan Clanin, and Steven Farrell.

Staff members present were General Manager Karl Drew, Attorney Ronald Van Blarcom, Engineer Fred Hanson, and Office Manager Joyce Barkley. Absent was Field Supervisor Donald Wagner

Also present were Norman Hunt, Pat Marley, and Maureen Mann.

MINUTES OF PREVIOUS MEETINGS: On a motion by Director Stone and a second by Director Clanin the minutes of the Regular Meeting of September 16, 2008 were unanimously approved as corrected.

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

PUBLIC COMMENTS: None

ADOPT RESOLUTION 372: ESTABLISH SAVINGS/CHECKING ACCOUNT AT ARROWHEAD CREDIT UNION: Office Manager Barkley reviewed the proposed resolution with the Board. In view of the current economic banking crisis, staff recommended opening a savings/checking account with Arrowhead Credit Union. This new account would be in addition to the existing accounts held at Vineyard Bank. With a minimum balance of \$5,000 there will be no charge to the District.

The seven authorized signers for the accounts are Board Members C. N. "Bud" McGehee, William Huckell, Alan Clanin, Kenneth Stone, Steve Farrell, Secretary/General Manager Karl Drew, and Office Manager Joyce Barkley.

Two authorized signatures are required for withdrawal of funds from the accounts. One authorized signature is required to make transfers between any District accounts and to make wire transfers to the District's account with the Local Agency Investment Fund in Sacramento.

On a motion by Director Stone and a second by Director Farrell, the Board adopted Resolution No. 372, establishing an account with Arrowhead Credit Union, on the following roll call vote:

AYES: Directors McGehee, Huckell, Clanin, Stone, and Farrell

NOES: None

ABSENT: None

ABSTAINED: None

REVIEW IDENTITY THEFT RED FLAGS RULE AND ADOPT PREVENTION PROGRAM: Office Manager Barkley reviewed the proposed “Identity Theft Prevention Program” at Crestline Village Water District. Under the Federal Trade Commission’s Red Flags Rule, every financial institution, creditor, and utility company is required to implement an Identity Theft Prevention Program by November 1, 2008. The rule is designed to minimize fraud and identity theft at banks, financial institutions, and creditors.

On a motion by Director Farrell and a second by Director Clanin, the Board unanimously approved the Identity Theft Prevention Program as presented.

REVIEW AGREEMENT WITH RONALD VAN BLARCOM FOR GENERAL COUNSEL SERVICES: General Manager Drew reviewed Attorney Van Blarcom’s proposed agreement for general counsel services. The new agreement provides for a pre-paid and fully earned retainer in the amount of \$2,000 per month for up to 10 hours of provided service, plus a rate of \$250 for every hour in excess of the 10 attorney hours per month. On a motion by Director Farrell and a second by Director Clanin, the Board unanimously approved Attorney Van Blarcom’s engagement agreement. The agreement will be brought back to the Board for review in six months.

AUTHORIZE NORMAN HUNT TO RESPOND TO SUBPOENA AS DISTRICT REPRESENTATIVE: Crestline Village Water District customer Linda Wright has subpoenaed retired General Manager Norman Hunt to appear on her behalf in a lawsuit she has filed. While the District is not named in the lawsuit, Norman Hunt has been subpoenaed due to his knowledge of District operations and right-of-way issues on Ms. Wright’s access road. On a motion by Director Farrell and a second by Director Clanin, the Board unanimously authorized Norman Hunt to appear as summoned on behalf of the Crestline Village Water District at the trial and/or deposition for Ms. Wright, and has agreed to reimburse Mr. Hunt at the rate allowed in his consultant agreement, even if his appearance takes place after the expiration of his existing agreement. Mr. Hunt has agreed to keep the District informed of the status of this case.

REPORT ON FIXED NETWORK AND METER REPLACEMENT PROGRAM: General Manager Drew reported that there is no new information on this item. A request for quotation should be ready to bring before the Board at next month’s meeting. Concern was addressed about spending the required funds for this project in view of the current economic situation.

REPORT ON STORAGE TANK REHABILITATION: There was no new information to report on this item.

MANAGERS REPORT: General Manager Drew reported that eight District tanks, (all except Brookside) will have the asphalt areas around the tanks resealed with two coats of sealant at a total cost of \$8,800.00

DIRECTORS’ REPORTS: There were no Director’s reports.

As there was no further business, the special meeting was adjourned at 4:21 p.m. The next regular meeting is scheduled for Tuesday, November 18, 2008 at 3:00 pm.