

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

FEBRUARY 19, 2002

President Olson called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:05 PM, on Tuesday, February 19, 2002, at the regular meeting place of said Board at its office in Crestline, California.

ROLL CALL: Present were President David Olson, Directors C. N. McGehee, William Huckell, William Valko and Alan Clanin. Staff members present were Manager/Secretary Norman L. Hunt, Attorney Ronald Van Blarcom, System Supervisor Don Wagner and Office Manager Karl Drew. Absent was Engineer Fred Hanson.

MINUTES OF PREVIOUS MEETING: On a motion by Director McGehee and a second by Director Valko, the Board approved the minutes of the Regular Meeting of January 1, 2002 as presented.

PUBLIC COMMENTS: None.

PROGRESS REPORT ON FUTURE WELL SITES: Manager Hunt reported that he has talked with the management of the Pinecrest Conference Center and they are close to signing and returning the paperwork that the District needs to proceed with the drilling of two test wells on their property.

Manager Hunt has received proposals from three well drillers for the drilling of the three test wells. There is a difference in the well depths quoted and the size of the bores, so Manager Hunt will get updated proposals before the next Board meeting.

MORMON SPRINGS VERTICAL WELL: System Supervisor Wagner reported on the progress of getting the Mormon Springs well back online. The radioactivity levels have come down but are still above acceptable levels. He is currently waiting for the most recent test results.

ZURICH TANK ACCESS ROAD: Manager Hunt reported on the current status of the Zurich Tank access road. For many years, the District has used the access road that runs from Old Mill Road to Zurich Tank. A few years ago the District also installed a water main in the access road. The property was subdivided by Bruce Kawell and he was to have utility easements recorded for the roadway. For some reason, he failed to have the easement recorded on a portion of the access road that crosses the property that is now owned by Phillip and Mary Lindsey.

The Lindsey's are in the process of building a home on the property and want to get water service to it. As part of the process of getting approval from the County to build on the property, the fire department has put conditions on the use of the access road. As a result, the Lindsey's have been reluctant to formalize the easement. Manager Hunt has finally reached an agreement with them and has agreed to pay them \$2,500 to help offset the legal expenses they have incurred.

HEALTH BENEFITS PROGRAM: Office Manager Drew reviewed with the Board a memo that discussed the increase in medical insurance costs. There has been an average increase of over 15.5% in the premiums charged for the health insurance plans that the District participates in. The District currently pays 100% of an employee's health insurance premiums, including medical, dental and vision coverage, up to a maximum amount of \$725 per month per employee.

On a motion by Director McGehee and a second by Director Clanin, the Board unanimously increased the maximum amount to \$800 per month per employee. This is a 10.3% increase to the maximum amount of health benefits.

QANTEL COMPUTER SYSTEM REPLACEMENT: Office Manager Drew reported on three alternatives for replacing the old Qantel Computer system. The District has been using the current Qantel system for over 15 years. The computer hardware is no longer being manufactured and maintenance is becoming an issue. The District has reviewed three alternatives for replacing the computer hardware. The first two alternatives are systems where the District's billing software can be migrated to and used on a PC network. The third alternative is to purchase a new software billing package that also runs on a PC network.

1. Purchase a product called Comet from Signature Systems that allows the District to use its current billing software on a PC network with minimal modifications. Initial cost is \$9,789 and there are no annual fees.
2. Purchase a product called Qicware from Qantel Corporation that allows the District to use its current billing software on a PC network with more modifications than the Comet system. Initial cost is \$16,300 and there is an annual fee of \$1,545.
3. Purchase a new billing package that runs on a PC network. A sample billing package is from Continental Computer Corporation. Initial cost is \$17,270 and there is an annual fee of \$3,000.

For all of the three alternatives, the District would need to purchase a network server with server software. It is estimated that a server would cost approximately \$5,000. An additional benefit in replacing the Qantel system is that the District could eliminate \$7,534 per year that it now pays for maintenance and license fees on the old Qantel system. The current budget includes \$30,000 for the Water Billing System Conversion.

On a motion by Director McGehee and a second by Director Huckell, the Board unanimously approved the expenditure of \$17,000 for the purchase of the Comet system, the purchase of a network server and for consulting fees.

MANAGER'S REPORT: There was a brief discussion regarding the monthly financial and water production reports.

DIRECTORS' REPORT: None.

As there was no further business, the meeting was adjourned at 4:45 PM. The next Regular Meeting is scheduled for Tuesday, March 19, 2002 at 3:00 PM.