

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

DECEMBER 17, 2002

President McGehee called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 PM, on Tuesday, December 17, 2002, 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, William Valko, Alan Clanin and Charles Spinks. Staff members present were Manager/Secretary Norman L. Hunt and Field Supervisor Don Wagner. Absent were Attorney Ronald Van Blarcom, Engineer Fred Hanson and Office Manager Karl Drew.

MINUTES OF PREVIOUS MEETING: On a motion by Director Spinks and a second by Director Valko, the Board unanimously approved the minutes of the Regular Meeting of November 26, 2002 as submitted.

PUBLIC COMMENTS: None.

PROGRESS REPORT ON PINECREST AND CHAMOIS WELLS AND THE FELSEN TEST WELL: Manager Hunt reported that he has not been able to arrange a meeting with Pinecrest Conference Center personnel to discuss the alignment of the main from the Pinecrest well to the existing main. He has met with S. C. Edison to discuss getting power to the Pinecrest Well Site. The District has the material to install the water main and power conduit to the Chamois Well, but has not had an opportunity to install them.

The District is on schedule to hold a public hearing on the Felsen Test Well at the January 2003 board meeting.

Manager Hunt discussed the cost of District water as compared to bottled water. The retail cost of District water sold at the basic allocation rate is \$1,629.15 per acre foot. Springfield brand bottled water sold in 2.5 gallon containers costs about \$456,000 per acre foot, Arrowhead drinking water sold in 8 packs costs about \$938,000 per acre foot and generic bottled water sold in 16 oz. bottles from vending machines costs about \$2,606,000 per acre foot. A 16 oz. bottle of drinking water sold at sporting events costs about \$3.50 per bottle, which is about \$9,123,000 per acre foot.

PROGRESS REPORT ON CHILLON AND SAXON STORAGE TANKS: Manager Hunt reported on the costs of rehabilitating the Chillon and Saxon Storage Tanks. The original amount budgeted for each tank was \$80,000. With all of the extra work that is required, the total estimated cost for each tank is now about \$145,000.

Staff presented a slide show of pictures of the work completed at the Chillon Tank.

RESOLUTION NO. 328, TO AMEND AND RESTATE THE MONEY PURCHASE PENSION PLAN: During the past six years, there have been five new federal laws, known as "GUST",

enacted which effect qualified retirement plans and Internal Revenue Service Regulations and Revenue Procedures require that all tax qualified retirement plans be amended and restated for the various provisions of "GUST". In addition, the Economic Growth and Tax Relief Reconciliation Act of 2001, ("EGTRRA") has been adopted. The District has had the District's Money Purchase Pension Plan documents updated to reflect the changes required by the various laws and to remove the word "County" from the plan name. The word "County" was removed from the District's name a number of years ago, but it was not removed from the Pension Plan name. There are a couple of typographical errors in the new plan documents that are being corrected. Other than the changes mentioned above there are no changes being made to the pension plan. On a motion by Director Clanin and a second by Director Huckell, the Board adopted Resolution No. 328, amending and restating the Money Purchase Pension Plan, on the following roll call vote:

AYES: Directors McGehee, Huckell, Valko, Clanin and Spinks

NOES: None

ABSENT: None

ABSTAINED: None

MANAGER'S REPORT: Manager Hunt reported that the system loss is looking good. Field Supervisor Wagner reported that since the last Board meeting there has been 674 services and 185 valves checked. Results of the survey are as follows: 14 meters were discovered turning, one leaking AMS was discovered and one leaking hydrant valve was found. Customers have been notified of the problems on their property and the District has repaired its valves.

There was also a brief discussion regarding the monthly financial and water production reports.

HORST DRIVE LEAK: Manager Hunt reported on the potential claims that may be created by the leak on Horst Drive. There were two houses damaged as a result of the leak. The District has completed the exterior cleanup and repair. The property owners have been referred to District's insurance adjuster for any further needs.

DIRECTORS' REPORT: President McGehee complimented staff on the insert about getting ready for winter weather that was included in the water bills.

There was general discussion regarding the potential rainfall for this winter and the number of pines that died during the past year.

SNOW POLES: Manager Hunt reported that the District has surveyed its facilities with a County representative and has identified 105 above ground facilities where snow poles need to be installed. The cost for the materials to install one snow pole is about \$15 and labor is estimated to be \$10 to \$15 each.

There was also general discussion regarding the plans being considered to provide supplemental water to Lake Arrowhead. The District's interest is in how Crestline-Lake Arrowhead Water Agency will participate in any of these plans as it may affect the cost of supplemental water to the District.

As there was no further business, the meeting was adjourned at 4:14 PM. The next Regular Meeting is scheduled for Tuesday, January 21, 2003 at 3:00 PM.