

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

APRIL 22, 2003

President McGehee called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 PM, on Tuesday, April 22, 2003, 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, Attorney Ronald Van Blarcom, Engineer Fred Hanson, Field Supervisor Don Wagner and Office Manager Karl Drew.

MINUTES OF PREVIOUS MEETING: On a motion by Director Huckell and a second by Director Spinks, the minutes for the Regular Meeting of February 18, 2003 were unanimously approved as corrected.

On a motion by Director Spinks and a second by Director Valko, the minutes for the Regular Meeting of March 18, 2003 were unanimously approved as submitted.

PUBLIC COMMENTS: None.

RESOLUTION NO. 329, IN RECOGNITION OF THE SERVICES OF ROBERT L. JOBE: The Board reviewed the proposed resolution that recognizes the 20 ½ years that Robert Jobe was an employee of the District. He was the District's Field Supervisor for 14 ½ years and Project Coordinator for one year. On a motion by Director Clanin and a second by Director Huckell, the Board adopted Resolution No. 329, recognizing the services of Robert L. Jobe, on the following roll call vote:

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

NOES: None

ABSENT: None

ABSTAINED: None

Staff has prepared a copy of the resolution for the Board members to sign, which will be presented to the family of Mr. Jobe.

REPORT ON CRESTLINE-LAKE ARROWHEAD WATER AGENCY MEETINGS
REGARDING REQUEST FOR SUPPLIMENTAL WATER FROM LAKE ARROWHEAD
COMMUNITY SERVICES DISTRICT: Manager Hunt had no new information to report on this item.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION; PURSUANT TO
SUBDIVISION (a) OF SECTION 54956.9; GABLE vs. COUNTY OF SAN BERNARDINO (San

Bernardino Superior Court Case No. SCV 39629): The Board entered into closed session at 3:07 PM to discuss this matter. The Board returned to open session at 3:10 PM. No action was taken during closed session.

REQUEST FOR SUPPORT OF SB 981, "THE CHILDREN'S HEALTH AND PETROLEUM POLLUTION REMEDIATION ACT OF 2003": The Board reviewed a request by Barbara Beck for the District to pass a resolution in support of SB 981. Ms. Beck is the past president of the Association of San Bernardino County Special Districts, a Director of the Big Bear City Community Services District and a Public Affairs Specialist for the South Coast Air Quality Management District. After discussing this item, the Board took no action as it was not a water or special districts issue.

SEELEY CREEK WATER MAIN CROSSING AND EASEMENTS: Manager Hunt reported that offers for an easement had been sent to the owners of the two properties west of Highway 138. The District needs to cross these properties with its 12" water main. Offers of \$2,500 and \$3,500 were made based on the length of the easements. Manager Hunt has had some preliminary responses from the property owners, but neither have accepted the offers at this time.

RESOLUTION NO. 330, ESTABLISHING WATER AVAILABILITY ASSESSMENTS FOR FISCAL YEAR 2003-2004: The Board discussed the proposed resolution and other water charges. There is no change in the proposed assessments from prior years. President McGehee would like the assessment removed from the improved properties if it is feasible. This would reduce annual revenues by about \$74,000 and to recover the lost revenues it would require an increase of \$1.25 in the monthly charge for all water accounts.

On a motion by Director Spinks and a second by Director Clanin, the Board adopted Resolution No. 330, establishing the water availability assessment for fiscal year 2003-2004 at Thirty Dollars (\$30.00) per acre for the first acre or portion thereof plus Fifteen Dollars (\$15.00) per acre over one acre for all unimproved property, or Fifteen Dollars (\$15.00) per acre for the first acre or portion thereof plus Fifteen Dollars (\$15.00) per acre over one acre for all improved property within the District, on the following roll call vote:

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

NOES: None

ABSENT: None

ABSTAINED: None

UNCOLLECTABLE ACCOUNTS FROM 1997: Office Manager Drew discussed with the Board the accounts that had balances older than five years. He requested that the Board write off the balances for 33 closed accounts and 1 abandoned account from 1997, totaling \$5,178.07.

On a motion by Director Clanin and a second by Director Valko, the Board unanimously approved the writing off of the unpaid balances from 1997.

DISPUTED PAYMENT, ACCOUNT NO. 73-7659-00, DEBBIE ARMSTRONG: Office Manager

Drew reviewed with the Board the circumstances regarding the disputed payment. On December 6, 2002, the District received a payment of \$101.00 from a Mr. James Kirk at the front counter. Mr. Kirk's Account No. is 73-7959-00. When the cash receipt was entered, the Account No. was inadvertently entered as 73-7659-00, which resulted in the payment of \$101.00 being applied to the Armstrong's account. The input error was discovered on January 2, 2003 and was corrected. The payment was traced back to the receipt that was given to Mr. Kirk to make sure that the payment was in fact Mr. Kirk's.

The Armstrong's contend that they made a payment of \$101.00 on December 6, 2002 or on a day close to that date. They are unable to provide evidence, such as a receipt or a bill stamped paid, which proves they made any payment around that time period.

There was considerable discussion regarding this matter. On a motion by Director Huckell and a second by Director Clanin, the Board, after careful consideration, found that the evidence does not support the claim that a payment was made by the Armstrong's on or around December 6, 2002. The Board directed staff to settle this matter with the Armstrong's.

Attorney Van Blarcom left at 3:50 PM, after the Board had finished discussing the above matter.

PROGRESS REPORT ON PINECREST, CHAMOIS AND FELSEN WELLS: Manager Hunt reported on the progress in completing the three wells. The electrical services for the Pinecrest and Felsen Wells have been approved by Southern California Edison and it will be a month or two before the services are installed. The District is going to rent a generator that will be used to run the Pinecrest and Felsen Wells so they can be flushed and water samples can be taken. Once the electrical services are installed, there will not be an additional extended period waiting for the results of the water sample tests.

The District is still waiting for the results of the water sample tests that were taken from the Chamois Well.

PROGRESS REPORT ON CHILLON AND SAXON STORAGE TANKS: Manager Hunt reported that the Chillon Storage Tank is online. The onsite piping for the Saxon Storage Tank has been completed. The interior coating of the Saxon Tank and the exterior coating of both tanks will be completed when the weather permits.

PROPOSED 2003-04 CASH BUDGET: The Board reviewed the Proposed Cash Budget for fiscal year 2003-04. Manager Hunt discussed the Discretionary Capital Expenditures with the Board. The major work planned for the coming year is the installation of 2,490 lf of water mains, the completion of the Saxon and Chillon Tanks, begin preliminary work for the new Pinecrest II Storage Tank, and the completion of the Pinecrest and Felsen Vertical Wells.

Office Manager Drew discussed the Projected Operating Expenditures. The District's expenditures have increased over the past few years, with the major increase being in purchased water. It is projected that the District will spend about \$703,500 for supplemental purchased water. With the

rainfall the area has received this year, along with the addition of three verticals wells, it is expected that the need for purchased water will not increase in the coming year. The line item for Purchased Water is being budgeted at \$703,500.

The District has not increased its water rates for almost 10 years. The last increase was effective July 1993. If there is any increases to the cost of purchased water or other major items, the District will need to consider increasing its water rates.

REMOVAL OF DEAD AND/OR INFESTED TREES: Manager Hunt reported that the District has identified approximately 70 additional trees that need to be removed. The Pilot Rock crews that assist with the cleanup of District property can remove trees that need removal if they are within falling distance of a right of way or a public facility. They will fall the trees, but District crews will have to clean up the debris from the trees. Manager Hunt is researching the cost of purchasing a chipper as compared to the cost of renting one. He will have more information for next months meeting.

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

DIRECTORS' REPORT: President McGehee requested that the Board reschedule the May 20, 2003 Board Meeting since he has a scheduling conflict on that date. The Board rescheduled the meeting to May 27, 2003 at 3:00 PM.

As there was no further business, the meeting was adjourned at 4:25 PM. The next Regular Meeting is scheduled for Tuesday, May 27, 2003 at 3:00 PM.