

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

JANUARY 20, 2004

President McGehee called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 PM, on Tuesday, January 20, 2004, 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, Field Supervisor Don Wagner and Office Manager Karl Drew. Absent was Engineer Fred Hanson.

MINUTES OF PREVIOUS MEETING: On a motion by Director Spinks and a second by Director Valko, the minutes for the Regular Meeting of December 16, 2003 were unanimously approved as corrected.

PUBLIC COMMENTS: None.

50TH ANNIVERSARY OF CRESTLINE VILLAGE WATER DISTRICT: The District was formed on February 1, 1954 and will have its 50th anniversary on February 1, 2004. The Board discussed various ways to acknowledge the anniversary. The District will purchase a supply of commemorative anniversary seals that will be affixed to correspondence and a water billing. The price of the seals will be less than \$300. Manager Hunt will contact the newspapers to see if they will run a series of articles about the history of the District.

PROGRESS REPORT ON PINECREST WELL: Field Supervisor Wagner reported that the District has received permission from the State Department of Health Services to put the Pinecrest Vertical Well online when power is connected to the well. Edison has begun work and is expected to be finished in a few days. When there is power to the well, the District will flush the well and do final water sample testing prior to putting the well into operation.

HIGHWAY 138 - CRESTLINE MOUNTAIN PARK MAINLINE EXTENSION PROJECT: Manager Hunt reported that the new main had been disinfected and should be put into service within the next few days. The only work remaining is to pave certain areas to protect the main.

The new main will connect the Stewart Ranch area to the Brookside Tank pressure zone. There will be an increase in the water pressure in the Stewart Ranch area. The District is notifying the property owners in that area of the change and will give them 60 days to have pressure regulators installed if they are needed. The District will then be able to abandon the old Stewart Ranch Storage Tank, and will also abandon the Crestline-Lake Arrowhead Water Agency turnout that currently supplies the Stewart Ranch area.

PROPOSED PINECREST II WATER STORAGE TANK: Manager Hunt reported that the environmental impact reports for the proposed Royal Rangers project are being reviewed by the

District's attorney and engineers. There have been some articles and letters in the newspapers opposing the proposed project.

Manager Hunt also reported that a letter requesting a \$20,000 deposit for legal, engineering and administrative costs related to the Royal Rangers project has been sent to the Royal Rangers.

CUSTOMER REQUESTS FOR WATER BILL ADJUSTMENTS: Office Manager Drew reviewed with the Board five letters from customers responding to the adjustments made to their large water bills. The District had received requests from 14 customers who requested an adjustment to large water bills that were incurred in the billing period during which the Old Fire occurred. Staff has responded to these requests and made adjustments according to the District's policy.

Two of the five letters were letters expressing appreciation that the District had made an adjustment to the customers' water bill. The other three letters were requesting additional consideration due to financial hardship or other circumstances.

Joy Gibbs, Account No. 63-1555-00, 433 Darfo Drive: When Ms. Gibbs returned after being evacuated for the Old Fire, the back sprinkler at her property was on. She had turned off the water to the inside house plumbing, but did not turn off the outside water lines. 24,300 cubic feet of water was used during the billing period, resulting in a \$1,361.21 water bill. The District gave her an adjustment of \$136.12. She is an elderly woman who has difficulty getting around and lives on a fixed income.

After considerable discussion, on a motion by Director Huckell and a second by Director Spinks, the Board unanimously denied Ms. Gibbs' request for a further adjustment.

Linda Cayton, Account No. 75-9165-00, 24544 Geneva Drive: Ms. Cayton had gone to work off of the mountain early on the morning that the Old Fire started. She was unable to return home to secure her property. During the evacuation period, her water line separated at a clamp just past the water meter. She believes that there was a water pressure surge that caused the line to separate. 10,000 cubic feet of water was used during the billing period, resulting in a \$556.12 water bill. The District gave her an adjustment of \$55.61.

The Board had additional questions regarding the circumstances at this property and asked staff to investigate further. The Board will review this request at the next meeting.

John Turner, Account No. 53-5901-00, 24372 Horst Drive: Mr. Turner returned home after the Old Fire evacuation and found his water running. 13,000 cubic feet of water was used, resulting in a \$725.02 water bill. The District gave him an adjustment of \$72.50. While Mr. Turner appreciates the adjustment he received, he is requesting further consideration. His property was damaged by a water main leak in November 2002. As a result of this, his homeowners insurance increased substantially. He is retired and has a fixed income.

After discussion, on a motion by Director Clanin and a second by Director Spinks, the Board unanimously denied Mr. Turner's request for a further adjustment.

2004 RATE AND FEES STUDY: The committee members, Directors McGehee and Huckell, and staff discussed with the full Board the progress of the rate study. The current revenue sources and the objectives of any rate increases and adjustments have been outlined. The committee and staff will be meeting again to prioritize the District's financial needs and to formulate recommendations on how to meet these needs.

RESPONSE TO INFORMATION REQUEST BY SENATOR BRULTE: Manager Hunt reviewed with the Board the District's response to a request for information, consisting of 30 questions regarding the District, by Senator Brulte. The request for information had been sent to all the water utility districts and companies in the San Bernardino Mountains.

Staff had a meeting on January 8, 2004 with the Senator Brulte's representative, David Caine, to discuss the questions and attempt to understand the reason for the request. It appears that there is some interest in the consolidation of utilities for the purpose of improving efficiency and reducing costs to the consumer.

The District has not had any further communications from Senator Brulte's office since the District submitted its response.

APPLICATION FOR PUBLIC ASSISTANCE TO FEMA: Office Manager Drew reported on the status of the Application for Public Assistance to FEMA for reimbursement of expenses resulting from the Old Fire. The final application for \$14,355.95 was submitted on December 23, 2003. The District should receive payment in the latter part of February, 2004. Administrative costs of about 3% will be added to the above amount, resulting in payment of about \$14,801.72.

APPLICATION FOR EMERGENCY WASTE WOOD GRANT: Manager Hunt reported that the application for \$24,700 to reimburse the District for the purchase of the brush chipper has been submitted to and accepted by the San Bernardino County Economic Community Development Department. The purchase of the Vermeer 1000XL Brush Chipper is an approved use of grant funds as it is being used to dispose of waste wood created by the bark beetle infestation.

WATER SYSTEM VULNERABILITY ASSESSMENT: Manager Hunt discussed with the Board the process of completing the vulnerability assessment. The completed assessment is due on June 30, 2004. The District's engineer has provided an estimate of \$15,000 to \$25,000 if they were to complete the assessment for the District. District staff can complete the assessment. After discussion, it was decided that staff will prepare the vulnerability assessment.

MANAGER'S REPORT: Manager Hunt reported that he is attending a Mountain Mutual Aid meeting on January 21, 2004. The service pass for utilities issue is to be discussed at the meeting.

There was a brief discussion regarding the monthly Financial, Investment and Water Production reports.

DIRECTORS' REPORT: None.

As there was no further business, the meeting was adjourned at 4:48 PM. The next Regular Meeting is scheduled for Tuesday, February 17, 2004 at 3:00 PM.