

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

NOVEMBER 16, 2004

President McGehee called the Adjourned Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 PM, on Tuesday, November 16, 2004, at the regular meeting place of said Board at its office in Crestline, California.

ROLL CALL: Present were President C. N. McGehee, Directors Alan Clanin, Charles Spinks and James Gonzales. Absent was Director William Huckell. Staff members present were Manager/Secretary Norman L. Hunt, Attorney Ronald Van Blarcom, Engineer Fred Hanson, Field Supervisor Donald Wagner and Office Manager Karl Drew. Also present was Foreman Chris Heryford.

MINUTES OF PREVIOUS MEETINGS: On a motion by Director Spinks and a second by Director Clanin, the minutes of the Special Meeting of October 19, 2004 and the minutes for the Regular Meeting of October 19, 2004 were unanimously approved as corrected.

PUBLIC COMMENTS: None.

PRESENTATION OF RESOLUTION TO WILLIAM VALKO: Past Director William Valko was not able to attend the meeting. Earlier in the day, President McGehee and Manager Hunt had presented a framed copy of Resolution No. 339 to Mr. Valko, recognizing his years of service to the District and community.

RECOGNITION OF EMPLOYEE WITH TWENTY YEARS OF SERVICE, CHRIS F. HERYFORD: President McGehee, on behalf of the entire District, presented Chris F. Heryford with a certificate recognizing his twenty (20) years of service with the District.

PINECREST WATER STORAGE EXPANSION PROJECT, AWARD CONTRACT FOR PHASE I, SITE DEVELOPMENT: Manager Hunt reported that four contractors on a select bidders list had been asked to submit bids for Phase I of the Pinecrest Water Storage Expansion Project. This phase of the project is for the development of a tank pad that will accommodate two (2) 1.0 million gallon water storage tanks. Two of the four contractors submitted bids. Pacific Hydrotec submitted a bid of \$660,312 and Kanayan Construction submitted a bid of \$192,381.25. The engineer's estimate for the project was \$200,000 to \$250,000.

Kanayan Construction is a local contractor who has experience working in the mountain area. There was general discussion regarding the costs of the project.

On a motion by Director Clanin and a second by Director Gonzales, the Board unanimously awarded the bid for the site preparation to Kanayan Construction for \$192,381.25.

PROPOSAL TO REFINANCE WATER REFUNDING REVENUE BOND, SERIES 1993: Office Manager Drew reported that Manager Hunt and Office Manager Drew had met with Bill

Morton of Municipal Finance Corporation and Deborah George of Citizens Business Bank to discuss the proposed refinancing of the revenue bond.

Refinancing the 6.15% bonds with a 3.70% loan would save the District over \$88,000 in the next 8.5 years. This includes a prepayment penalty of 2.5%. There would be some costs for the District's attorneys to review the loan agreement, but it is estimated that there would be a net savings to the District in excess of \$85,000. The proposed schedule is for the loan to fund January 1, 2005, with the District's first payment due July 1, 2005.

Municipal Finance Corporation has provided the District with copies of a sample resolution that the District would need to adopt and the proposed loan agreement. If the Board proceeds with the project, the District would have Fritz Stradling, who has reviewed bond matters for the District in the past, review the proposed loan agreement.

After discussion, on a motion by Director Gonzales and a second by Director Spinks, the Board unanimously directed staff to proceed with the proposed refinancing of the Water Revenue Bond, Series 1993.

TYLER SMITHSON, PROPOSED LAND EXCHANGE AT BROOKSIDE WELL SITE:
Manager Hunt reported that was nothing to report on this item.

ACWA AND ACWA-JPIA CONFERENCES: On a motion by Director Clanin and a second by Director Spinks, the Board unanimously ratified the attendance by Board Members at these conferences to be held in Palm Springs during the week of November 30, 2004. Directors McGehee, Huckell and Gonzales are planning to attend.

MANAGER'S REPORT: Manager Hunt reported that he had received an informal appraisal from Remax Realty for the Stewart Ranch Tank lot. The lot was appraised for \$15,000 to \$18,000. Manager Hunt has contacted the neighboring property owners about the availability of the property.

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

DIRECTORS' REPORT: As there was no further business, the meeting was adjourned at 3:54 PM. The next Regular Meeting is scheduled for Tuesday, December 21, 2004 at 3:00 PM.