

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

FEBRUARY 20, 2007

President McGehee called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 pm, on Tuesday, February 20, 2007, 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, Alan Clanin, Charles Spinks and Kenneth Stone.

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.

MINUTES OF PREVIOUS MEETINGS: On a motion by Director Clanin and a second by Director Spinks, the minutes of the Regular Meeting of January 16, 2007 were unanimously approved as corrected.

PUBLIC COMMENTS: None.

EXECUTIVE SESSION, CONFERENCE WITH LABOR NEGOTIATORS: The Board did not enter into closed session for this matter.

EXECUTIVE SESSION, CONFERENCE WITH LEGAL COUNSEL - Initiation of Litigation Pursuant to Subdivision (c) of Section 54956.9: 1 Potential Claim: The Board entered into closed session at 3:03 pm. The Board returned to open session at 3:47. Attorney Van Blarcom reported that no reportable action was taken during closed session.

RETIREMENT PROGRAM: Office Manager Drew discussed with the Board the estimated total annual costs of the proposed contract with the California Public Employees' Retirement System (CalPERS). The estimated costs are as follows:

2.5% @ 55 Full Formula Contract for Miscellaneous Employees		
Miscellaneous Employee Annual Payroll:		\$734,864
Employer Regular Rate:	8.783%	
Employer Side Fund Rate:	29.859%	
Employees Contribution Rate:	8.000%	
Estimated Employer Annual Cost:		\$283,966
Estimated Employees Annual Cost:		58,789
Fourth Level of 1959 Survivor Benefits		
Number of Miscellaneous Employees:		13
Employer Rate per Month per Employee:	\$5.10	
Employees Rate per Month:	2.00	
Estimated Employer Annual Cost:		\$796
Estimated Employees Annual Cost:		312

Total Estimated Annual Costs for CalPERS Contract: \$343,863

RESOLUTION NO. 356, INTENT TO APPROVE CONTRACT BETWEEN CALPERS AND CRESTLINE VILLAGE WATER DISTRICT: The Board reviewed the proposed resolution which gives notice of the intention to approve a contract between the Board of Directors and the Board of Administration of the Public Employees' Retirement System. Under the contract, District miscellaneous employees would participate in the 2.5% @ 55 Full formula plan with prior service for employees employed on the contract date.

On a motion by Director Huckell and a second by Director Stone, the board adopted Resolution No. 356, giving notice of the intent to approve a contract between the Board of Directors and the Board of Administration of the Public Employees' Retirement System on the following roll call vote:

AYES: Directors McGehee, Huckell, Clanin, Spinks and Stone
NOES: None
ABSENT: None
ABSTAINED: None

PINECREST WATER STORAGE EXPANSION PROJECT: Manager Hunt reported that the site piping has been completed for the two new water storage tanks. The contractor is currently working on completing miscellaneous items as weather permits. The tanks should be in service within a couple of months.

ANNUAL REVIEW OF INVESTMENT POLICY: The Board reviewed the District's Investment Policy. Staff had no recommendations for any changes to the policy. The District currently has all of its invested funds in the Local Agency Investment Fund which is administered by the State Treasurer's Office.

PROPERTY APPRAISALS: Manager Hunt reviewed with the Board various properties that the District owns.

On March 28, 2006, the Board took action declaring Lots 70 and 99, Tract 2744 as surplus property. These lots are actually used to protect a District horizontal well and should be kept by the District. On a motion by Director Stone and second by Director Clanin, the Board unanimously rescinded their action taken on March 28, 2006 declaring Lots 70 and 99, Tract 2744 on Chillon and Chateau Drives, as surplus property.

The other property, Lots 542, 543 and 544, Tract 1787, APN 0338-061-14, on Mormon Springs Road, that was also declared surplus property on March 28, 2006 is still considered surplus. These three lots have an appraised value of \$34,000 as of August 30, 2006.

Manager Hunt reviewed and discussed the following list of properties with the Board:

<u>Property Description</u>	<u>Appraised Value</u> <u>August 30, 2006</u>
Portion Lots 1324 and 1325, Tract 1988, APN 0338-102-28, Springy Path	\$17,500

Lot 2441, Tract 2604, APN 0338-192-23, Bowl and Scenic Drive	25,000
Lot 2501, Tract 2604, APN 0338-191-31, Bowl and Scenic Drive	30,000
Lot 936, Tract 1835, APN 0338-221-20, Toll House Path	4,500
Lot 937, Tract 1835, APN 0338-221-21, Toll House Path	9,000
Lot 938, Tract 1835, APN 0338-221-22, Toll House Path	4,500
Lot 182, Tract 2744, APN 0339-192-06, Jewel Drive	8,000

On a motion by Director Stone and a second by Director Spinks, the Board unanimously declared the above list of properties as surplus and directed staff to proceed with the disposal of these properties and the Mormon Springs Road property. Staff will first contact and offer the properties to agencies that handle low income housing. If these agencies do not purchase the properties, they will then be made available to the public for purchase.

MANAGER'S REPORT: Manager Hunt reported that the old Trav-L-Vac 80 and trailer were sold for \$2,900 to Cedarpines Park Mutual Water Company. It was offered to Lake Arrowhead Community Services District, Running Springs Water District and Cedarpines Park Mutual Water Company on a first come basis.

Manager Hunt discussed the treatment process that the District has been using to reduce the amount of lead and copper that is leaching from the customers' fixtures and piping into their water systems. The District has been adding some blended ortho-phosphates to the District's water supply to alleviate this problem. This treatment has not been sufficient and the Department of Health Services has instructed the District to hire a consultant to assist the District in developing an effective treatment plan.

Manager Hunt briefly discussed the second meeting that was held regarding the possible formation of a community services district. The meeting was basically a review of what was discussed at the first meeting. Manager Hunt also provided the Board members with a copy of a non-confidential legal opinion regarding consolidations and the formation of community services districts that was prepared by Best, Best & Krieger, Attorneys at Law, for Lake Arrowhead Community Services District.

There was a brief discussion regarding the monthly financial, investment and production reports.

DIRECTORS' REPORT: President McGehee presented Office Manager Drew with a framed certificate recognizing his 20 years of service with the District.

As there was no further business, the meeting was adjourned at 5:13 pm. The next meeting is scheduled for Tuesday, March 20, 2007 at 3:00 pm.