

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

DECEMBER 4, 2007

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, December 4, 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 General Manager Karl Drew, Attorney Ronald Van Blarcom, Engineer Fred Hanson, and Field Supervisor Donald Wagner.

Also present were Norman Hunt and Steven Farrell.

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

APPROVAL OF CASH DISBURSEMENTS: The Board reviewed the Cash Disbursements for the months of October and November 2007. On a motion by Director Stone and a second by Director Huckell, the cash disbursements for October and November 2007 were unanimously approved.

PUBLIC COMMENTS: None.

REORGANIZATION OF BOARD OF DIRECTORS AND STAFF: President McGehee opened the meeting for consideration of the reorganization of the Board of Directors and Staff. On a motion by Director Stone and a second by Director Clanin, the Board unanimously appointed Manager Drew as Secretary to the Board of Directors.

On a motion by Director Spinks and a second by Director Stone, it was unanimously decided that there would be no changes to the other positions in the current organization of the Board of Directors and Staff and the Acting Secretary position would be left vacant.

The current Board and Staff positions are as follows:

President of the Board:	C. N. "Bud" McGehee
Vice President of the Board:	Alan E. Clanin
General Manager and Secretary to the Board:	Karl B. Drew
General Counsel:	Ronald Van Blarcom
District Engineers:	Albert A. Webb Associates
District Auditor:	Jay Zercher of Rogers, Anderson, Malody and Scott

Acting Secretary in the
Absence of the Secretary: None
ACWA-JPIA Director: C. N. "Bud" McGehee

SPENDING LIMITS POLICY FOR GENERAL MANAGER: Manager Drew and Attorney Van Blarcom discussed the current spending limits policy and the check signing policy with the Board. Attorney Van Blarcom and Manager Drew reviewed several spending limit policies and found that most policies set specific dollars limits with additional Board approval required whenever the limits are exceeded. This type of language does not fit the way the District's policy has operated.

Under the current District policy, expenditures that fall within the budget, which is approved by the Board of Directors, may be approved by the General Manager regardless of the amount. Special purchases for vehicles or other budgeted capital expenditures are normally brought to the Board for approval prior to the purchase. The Board also receives monthly expenditures reports at the Board meetings for their approval.

In addition to the above policy, all checks require two signatures. Previously, the approved check signers were the five Board members, the General Manager and the Office Manager. With the change in the General Manager and Office Manager positions, the approved signers are the Board members and the General Manager. Under these circumstances, a Board member would have to sign all checks processed by the District.

Staff recommended that the new Office Manager not be added as an approved signer immediately. It was also suggested that Norman Hunt, the retired General Manager, be left as an authorized check signer as long as he is under contract with the District. He would be available to sign checks if there were no Board members available.

After considerable discussion, the Board did not feel there was a need to change the current policy. On a motion by Director Stone and a second by Director Huckell, the Board unanimously approved leaving Norman Hunt as an approved signer on the District's checking accounts for the duration of his employment contract with the District, which expires June 1, 2008. If the new Office Manager is added as an approved signer prior to that date, Mr. Hunt's status as an approved signer will be reevaluated.

FENCING FOR PINECREST AND CHILLON TANK SITES: Manager Drew reviewed with the Board two proposals received for new fencing at the Pinecrest and Chillon tank sites and for repairs to the existing fencing at the Beacon, Wilson and Chamois tank sites.

Following is a summary of the quotes:	<u>Elrod Fence</u>	<u>Diamond Fence</u>
Pinecrest Tank Site	\$16,741.00	19,860.00
Chillon Tank Site	15,877.00	20,630.00
Repairs at Beacon, Wilson and Chamois	795.00	1,230.00
Total	33,413.00	41,720.00

On a motion by Director Stone and a second by Director Clanin, the Board unanimously approved the proposal from Elrod Fence to fence the Pinecrest and Chillon tank sites and to make repairs to the Beacon, Wilson and Chamois tank site fencing.

XEROX COLOR COPIER LEASE: Manager Drew reviewed with the Board a proposal from Image Source for the lease of a Xerox WC7335P color copier that has fax, printer and scanning capabilities. This copier would replace the current leased Xerox copier.

The cost for the old black and white copier is \$145 per month, plus \$.0084 per copy. The lease price for the color copier would be \$249 per month, plus \$.0084 per black and white copy and \$.079 per color copy after the first 250 color copies per month. The new multifunction copier would provide additional printer and scanner functions that are needed in the office.

On a motion by Director Huckell and a second by Director Clanin, the Board unanimously approved the 60 month lease of a Xerox WC7335P color copier.

ACWA/JPIA AND ACWA CONFERENCES REPORTS: Directors McGehee and Huckell reviewed with the Board the written reports they had prepared about the meetings they attended at the conferences in Indian Wells. Director Huckell attended the ACWA Conference which was from November 27, 2007 through November 30, 2007. President McGehee attended the ACWA/JPIA Conference on November 26 and 27, 2007.

MANAGER'S REPORT: Manager Drew reported on the Grass Valley fire which began on October 22, 2007. The fire did not enter into the District's service area and there was no impact on the District other than the evacuation of most of the Crestline and Lake Gregory areas. The District was staffed during the evacuation period.

DIRECTORS' REPORT: None.

As there was no further business, the meeting was adjourned at 3:58 pm. The next meeting is scheduled for Tuesday, January 15, 2008 at 3:00 pm.