

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

JUNE 17, 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, June 17, 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 and Office Manager Karl Drew. Absent were Engineer Fred Hanson and Field Supervisor Don Wagner.

MINUTES OF PREVIOUS MEETING: On a motion by Director Spinks and a second by Director Valko, the minutes for the Regular Meeting of May 27, 2003 were unanimously approved as submitted.

PUBLIC COMMENTS: None.

PROGRESS REPORT ON PINECREST, CHAMOIS AND FELSEN WELLS: Manager Hunt reported that the District was waiting for the results of the second round of water sample testing for radioactivity from the Chamois Vertical Well. It is expected that the water from this well will need to be treated for high radioactivity levels. The treatment equipment could cost \$10,000 to \$12,000. A possible alternative method of treatment is to blend the well water with the water in the Chamois Storage Tank.

The radioactivity levels from the Pinecrest Vertical Well are within acceptable levels and the results from the Felsen Vertical Well are still unknown. The District has received the Felsen Well radioactivity results, but Field Supervisor Wagner has not had an opportunity to review them.

PROGRESS REPORT ON CHILLON AND SAXON STORAGE TANKS: Manager Hunt reported that the painting contractor is about 1/3 completed with the coating of the interior of the Saxon Storage Tank. When he is finished with the interior of the tank, the exteriors of the Saxon and Chillon Tanks will be painted.

HIGHWAY 138 - CRESTLINE MOUNTAIN PARK MAINLINE EXTENSION PROJECT: Attorney Van Blarcom reviewed the environmental documents for this project with the Board. Staff has prepared a Preliminary Exemption Assessment, which finds that the Seeley Creek crossing and related pipeline extension project is categorically exempt from CEQA as a "Class 3 Exemption". Staff recommended that the Board instruct staff to file a "Notice of Exemption" for this project with the County.

On a motion by Director Huckell and a second by Director Clanin, the Board unanimously directed staff to file the Notice of Exemption for the Highway 138 – Crestline Mountain Park Mainline Extension Project with the County of San Bernardino.

REMOVAL OF DEAD AND/OR INFESTED TREES: Manager Hunt discussed the current tree situation with the Board. There are currently approximately 85 trees on District property that need to be cut down and removed. The trees have been classified by priority. Priority 1 consists of trees that are close to structures, roadways, water tanks, pump stations and overhead power lines. Priority 2 trees are away from any improvements but still accessible for removal and cleanup. Priority 3 trees are typically inaccessible, which means that they have to be taken down and limbed, with the branches cut up and dispersed over a large area. The District has 46 Priority 1 trees, 17 Priority 2 trees and 22 Priority 3 trees. Work on removing Priority 1 trees will begin immediately. If the District has a brush chipper on site when the trees are being removed, the Pilot Rock crews will help do the chipping.

The Board discussed the need to purchase a brush chipper. On a motion by Director Huckell and a second by Director Clanin, the Board unanimously approved the purchase of a Vermeer 1000XL Brush Chipper for \$24,700.

RATIFY SALE OF 1996 CHEVROLET BLAZER 4X4: Manager Hunt asked the Board to ratify the sale of the 1996 Blazer. At the last Board meeting, the Board established a minimum bid price of \$6,200 for the Blazer. The vehicle was taken down to San Bernardino to be detailed and on the way back up to Crestline, the engine failed. The District received an estimate from Jim's Auto for the replacement of the engine. The estimate was for \$2,850 to \$4,200. Manager Hunt sold the Blazer to the owner of Budget Transmission "As Is" and "Inoperative" for \$3,500.

On a motion by Director Clanin and a second by Director Spinks, the Board unanimously ratified the sale of the 1996 Chevrolet Blazer for \$3,500 with the vehicle "As Is" and "Inoperative".

COST OF LIVING ADJUSTMENT FOR EMPLOYEES: The Board reviewed the change in the Consumer Price Index (CPI) for the past year ending in April 2003. The average change in the two CPI indexes for the U.S. City Average is 2.25% and the average change in the change for the Los-Angeles-Riverside-Orange County area is 3.25%. Staff is recommending a 3.0% Cost of Living Adjustment for all employees, including the General Manager, effective June 7, 2003. This would increase annual wages by approximately \$22,100.

There was discussion regarding the proposed Cost of Living Adjustment and the increasing cost of Health Benefits. There have been major increases in the health insurance costs over the past several years and the increases are expected to continue. Director Huckell expressed his concern over the large increases. He wonders when the increases will stop and if it would be appropriate for the employees to share more in the cost of health benefits.

After discussion, on a motion by Director Huckell and a second by Director Clanin, the Board unanimously approved a 3.0% Cost of Living Adjustment for all employees, including the General Manager, effective June 7, 2003.

MANAGER'S REPORT: 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 4:21 PM. The next Regular Meeting is scheduled for Tuesday, July 15, 2003 at 3:00 PM.