

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

NOVEMBER 8, 2016

CALL TO ORDER AND FLAG SALUTE: Vice President Bracher called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 pm, on Tuesday, November 8, 2016, at the regular meeting place of said Board at its office in Crestline, California.

ROLL CALL: Present were Vice President Connie Bracher, Directors Steven Farrell, and Darel Davis.

Staff members present were General Manager Karl B. Drew, Assistant General Manager Alan E. Clanin, Engineer Wally Franz, Attorney Ronald Van Blarcom, Field Supervisor Chris Heryford and Office Manager Larrie Davis.

Absent was Director Kenneth L. Stone.

Also present was the District Auditor Scott Manno of Rogers, Anderson, Malody and Scott.

MINUTES OF PREVIOUS MEETING: Minutes were not available for review. No action was taken.

CASH DISBURSEMENTS: The Board reviewed the cash disbursements for the month of October 2016. On a motion by Director Davis and a second by Director Farrell the cash disbursements for the month of October 2016 were unanimously approved by those directors present.

PUBLIC COMMENTS: None.

PRESENTATION OF ANNUAL AUDIT REPORT FOR FISCAL YEAR 2015-16: The District's Auditor Scott Manno, of Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants, presented the audit report for the fiscal year ending April 30, 2016. The audit report includes an opinion that the financial statements present fairly, in all material respects, the financial position and cash flows of the District. The District adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27, GASB Statement No. 71, Pension Transaction for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No, 68, and GASB Statement No. 82, Pension Issues.

Mr. Manno explained the purpose of the annual audit and the role of the auditor with both the Board and the District staff. Currently the District has no debt other than current payables and is operating on a pay as you go basis. Mr. Manno reviewed and discussed the various financial statements, schedules and notes in the audit report with the Board.

The ratio of current assets to current liabilities is 12:1 as compared to 14:1 for the prior fiscal year. The auditor's minimum guideline for this ratio is 1.5:1.

The District had an Operating Loss of \$639,151. In the previous year, the District had an Operating Loss of \$965,747. Loss of revenue and a decrease in administrative and general expenses were the main reasons for the change in operating loss.

Non-operating revenues from property taxes, availability assessments, interest and other income resulted in \$386,264 non-operating income.

Loss before contributions was \$252,887 (operating loss of \$639,151 plus non-operating income of \$386,264) for the current fiscal year. Loss before contributions of \$252,887 is added to the property contributions of \$13,255 for a change in new position for the current fiscal year of \$239,632.

There was general discussion regarding the audit. On a motion by Director Davis and a second by Director Farrell, the Board that was present unanimously accepted the 2015-16 Annual Audit Report as presented.

VACANCY ON BOARD OF DIRECTORS, LETTER OF RESIGNATION FROM ALAN E. CLANIN: Manager Drew reported the District received a letter of resignation from Director Clanin effective October 19, 2016. On a motion by Director Davis and a second by Director Farrell the Directors present unanimously accepted the resignation of Director Clanin.

APPROVE EMPLOYMENT CONTRACT FOR ASSISTANT GENERAL MANAGER: On a motion by Director Farrell and a second by Director Davis the directors present unanimously approved the employment contract with Alan Clanin as Assistant General Manager beginning November 8, 2016.

REPORT ON NOTICE OF PUBLIC HEARING FOR PROPOSED WATER RATE INCREASE: Attorney Van Blarcom suggested that an addendum be prepared and posted on the District website, updating the financial position of the District as a result of GASB 68 reporting and the annual audit report. Manager Drew reviewed the "Notice of Public Hearing for Proposed Water Rate Increase" with the Board. The notice will be mailed on Friday, November 4, 2016.

ATTENDANCE AT MEET THE ACWA PRESIDENT MEETING, NOVEMBER 16, 2016: No action was taken.

MANAGER'S REPORT: Manager Drew announced interested candidates for the board vacancy should provide the District with a Letter of Interest by close of business on Thursday, December 15, 2016.

DIRECTORS' REPORTS: None.

As there was no further business to discuss, the meeting was adjourned at 4:23 pm.

The next meeting is scheduled for Tuesday, December 20, 2016 at 3:00 pm.