

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

JANUARY 17, 2017

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, January 17, 2017, 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, Kenneth Stone and Robert Kinzel.

Absent was Director 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.

MINUTES OF PREVIOUS MEETINGS: On a motion by Director Stone and a second by Director Farrell, the minutes of the Regular Meeting of December 20, 2016 were unanimously approved as written, by those Directors present.

On a motion by Director Stone and a second by Director Farrell, the minutes of the Special Meeting of January 05, 2017 were unanimously approved as written, by those Directors present.

CASH DISBURSEMENTS: The Board reviewed the cash disbursements for the month of December 2016. On a motion by Director Stone and a second by Director Kinzel the cash disbursements for the month of December 2016 were unanimously approved, by those Directors present.

PUBLIC COMMENTS: None

EMPLOYEE RECOGNITION FOR 30 YEARS OF SERVICE, KARL B. DREW: Vice President Bracher honored General Manager Karl B. Drew with a certificate of appreciation acknowledging General Manager Drew's 30 years of service to Crestline Village Water District.

REORGANIZATION OF BOARD OF DIRECTORS AND DISTRICT STAFF: Vice President Bracher opened discussion for consideration of the reorganization of the Board of Directors and Staff.

Director Stone nominated Vice President Bracher for President of the Board. On a motion from Director Stone and a second by Director Kinzel, the Board present voted unanimously to appoint Vice President Bracher as President of the Board of Directors.

Director Stone nominated Director Kinzel for Vice President.

On a motion by Director Stone and a second by Director Farrell, the Board present voted unanimously to appoint Director Kinzel as Vice President of the Board.

On a motion by Director Stone and a second by Director Farrell, the Board present voted unanimously that there would be no changes to the current slate of District Staff.

The current Board and Staff positions are as follows:

President of the Board: Connie S. Bracher

Vice President of the Board: Robert Kinzel

General Manager and Secretary to the Board: Karl B. Drew

General Counsel: Ronald Van Blarcom

District Engineers: Albert A. Webb & Associates

District Auditor: Scott Manno, Rogers, Anderson, Malody and Scott

Acting Secretary in the Absence of the Secretary: Larrie Ann Davis

ACWA-JPIA Director: Steven C. Farrell

ACWA-JPIA Alternate: Karl B. Drew

ANNUAL REVIEW OF INVESTMENT POLICY: General Manager Drew informed the Board that he and Attorney Ronald Van Blarcom had reviewed the investment policy. Attorney Van Blarcom offered a brief explanation of amended Local Omnibus Bill Section 12 regarding the fund rating system. Manager Drew suggested keeping California Government Code Section 53601 A through D, move section 53601 O to E and eliminate the other investment fund type sections. Manager Drew suggested that this item be tabled until the next meeting so that clarification and the elimination of the undesired sections can be accomplished.

CONSIDER REQUEST TO LEASE OR SELL SURPLUS PROPERTY Lot A, APN 0338-083-53, Mary Tone School: President Bracher recused herself and left the board room to avoid any conflict of interest.

General Manager Drew provided the Board with background information on the Surplus Property and requested guidance from the Board whether to proceed with the Lease or Sale of the Property.

Manager Drew explained that Mary Tone LLC and the Clifton Heights Homeowners Association were both interested in the property. Manager Drew informed the Board that Mary Tone LLC owns the property on both sides of the surplus property and that the District has a water main and easement running through the property. The property owned by Mary Tone LLC is just under the 2 ½ acres required by the County to continue with development. The acquisition of the surplus property by Mary Tone LLC would enable the LLC to proceed with development. The Clifton Heights Homeowners Association has stated they are interested in the property and intend to use it as roadway.

General Manager Drew suggested that the District remain fair and impartial. After general discussion by the Board, on a motion by Director Stone and a second by

Director Farrell, Manager Drew was directed to advertise the sale of the property with the purchaser of the property paying all associated costs. The District will retain any easements. Bids will be brought back to the Board at the February meeting.

MANAGER'S REPORT: Manager Drew gave a brief explanation to Director Kinzel regarding the reports found in the Board packets and announced that he intended to give Director Kinzel a tour of the District facilities next month.

Manager Drew informed the Board that Assistant Manager Clanin had spent the first two months acclimating to the District, spending time researching new billing systems and learning from the office and field staff.

Manager Drew reported that District Staff attended a meeting held by the County of San Bernardino on January 17, 2017 to discuss the upcoming Lake Gregory Dam Rehabilitation Project.

Field Supervisor Heryford reported that water production has increased at the Pioneer Well. Manager Drew stated that it is typical to see improved well water production a few months after a heavy rainfall.

DIRECTORS' REPORTS: Director Kinzel notified the Board that he was planning to attend the LAFCO 101 training event at the Norton Regional Event Center. There is no cost to attend this event.

Director Stone requested that the methodology currently used by the District to select and appoint a vacant Director position be reviewed and modified.

Director Farrell stated that he will be attending the January 19, 2017, ACWA/JPIA Region 9 conference held in Coachella.

Director Farrell requested a list of ongoing projects and the associated time frames for each.

As there was no further business to discuss, the meeting was adjourned at 4:00 pm.

The next regular board meeting is scheduled for Tuesday, February 21, 2017 at 3:00 pm.