

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

FEBRUARY 21, 2017

CALL TO ORDER AND FLAG SALUTE: President Bracher called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:03 pm, on Tuesday, February 21, 2017, at the regular meeting place of said Board at its office in Crestline, California.

ROLL CALL: Present were President Connie Bracher, Directors Darel Davis, Steven Farrell, Robert Kinzel and Kenneth Stone.

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

Absent was Field Supervisor Chris Heryford.

Also present was Trina Brettmann of Sleepy Hollow Motel.

MINUTES OF PREVIOUS MEETING: On a motion by Director Kinzel and a second by Director Farrell, the minutes of the Regular Meeting of January 17, 2017 were unanimously approved as written.

CASH DISBURSEMENTS: The Board reviewed the cash disbursements for the month of January 2017. On a motion by Director Davis and a second by Director Kinzel the cash disbursements for the month of January 2017 were unanimously approved.

PUBLIC COMMENTS: None

REVIEW CUSTOMER CORRESPONDENCE, TRINA BRETTMANN, DBA SLEEPY HOLLOW, 24047 LAKE DRIVE, ACCOUNT NO. 36-1378-00: President Bracher recused herself and left the board room to avoid any conflict of interest.

Manager Karl B. Drew introduced Ms. Trina Brettmann and gave a brief summary of a leak that occurred on Ms. Brettmann's property. Ms. Brettmann filed a request to address the Board and to have further reductions applied to her account.

Ms. Brettmann addressed the Board stating that the District Staff failed to notify her of her leaking water service and that she had grown accustomed to this courtesy notification in the past. Ms. Brettmann further stated that she had not been checking her billing statement regularly as she had automatic payment arrangements and has always trusted the District.

The Board was sympathetic to Ms. Brettmann, but could not offer a further reduction as it is the customer's responsibility to maintain their water system, that leak notification

from the District is a courtesy and not a guarantee, and that a further reduction was not fair to the other ratepayers of the District.

Director Farrell recommended that staff review the procedures for notifying customers on the leak list and that planned upgrades to the District computer software may alleviate this issue in the future.

The District has offered Ms. Brettmann a one-time reduction of 10 percent with payment arrangements not to exceed 6 months. Additionally, since the leak continued into March, Ms. Brettmann's March billing should be analyzed to determine if the 10 percent reduction should be applied to the March bill as well.

No action was taken by the board.

CONSIDER BIDS ON SURPLUS PROPERTY LOT A, APN 0338-083-53, MARY TONE SCHOOL: President Bracher continued to recuse herself and remained absent from the board room to avoid any conflict of interest.

Manager Drew reported that the District received two sealed bids for the surplus property at Mary Tone School. As Mary Tone LLC was the highest bidder, staff recommended the Board accept the bid from Mary Tone LLC. One bid was from Jerry Koston in the amount of \$5,656.00 and one from Mary Tone LLC in the amount of \$10,001.

On a motion from Director Stone and a second by Director Davis, the Board voted unanimously to accept the bid of \$10,001 from Mary Tone LLC and authorized the Manager Drew to sign the necessary documents to finalize the pipeline easement and sale of the surplus property, on the following roll call vote:

AYES: Directors Davis, Farrell, Kinzel and Stone.

NOES: None

ABSENT: Director Bracher

ABSTAINED: None

CONSIDER CHANGE IN AUTHORIZED SIGNERS; CALIFORNIA BANK & TRUST, ARROWHEAD CREDIT UNION, LOCAL AGENCY INVESTMENT FUND SIGNATURE CARDS: Manager Drew reviewed the proposed change with the Board. With the addition and removal of one Board Member the District needs to update the bank signature cards for the two checking accounts at California Bank & Trust, and the one checking account and one savings account at Arrowhead Credit Union. Currently the seven authorized signers for the accounts are Board Members Connie Bracher, Darel Davis, Kenneth Stone, and Steven Farrell, Secretary/General Manager Karl Drew, Office Manager Larrie Ann Davis and Assistant Manager Alan Clanin.

Two authorized signatures are required for withdrawal of funds from the Checking Accounts, except as follows:

- One authorized signature is required to make transfers between any District accounts at California Bank & Trust.

- One authorized signature is required to make transfers between any District Account at Arrowhead Credit Union.

With the appointment of Director Kinzel, the Board needs to authorize new signature cards that include all authorized signers.

Assistant Manager Alan Clanin has been an authorized signer on both bank accounts in the capacity of Director. He may be left on the accounts in his new capacity as Assistant General Manager if the Board desires.

- One authorized signature is required to make wire transfers between any District accounts at California Bank and Trust with the Local Agency Investment Fund (LAIF) in Sacramento.

With the change of Board Members, the Board needs to authorize the addition of President Connie S. Bracher as an authorized signature. There are only three signers on this account, the General Manager, the Office Manager and the President of the Board.

On a motion by Director Stone and a second by Director Davis, the Board unanimously approved the following authorized signatures at California Bank and Trust and Arrowhead Credit Union: Directors Connie Bracher, Darel Davis, Steven Farrell, Robert Kinzel and Kenneth Stone, Secretary/General Manager Karl Drew, Office Manager Larrie Ann Davis and Assistant Manager Alan Clanin, and the following authorized signatures at Local Agency Investment Fund (LAIF): Director Connie Bracher, Secretary/General Manager Karl Drew and Office Manager Larrie Ann Davis.

ADOPT RESOLUTION NO. 431, REVISING INVESTMENT POLICY: Manager Drew explained that the Investment Policy is to be reviewed by the Board annually. Currently the District only invests in the State of California Local Agency Investment Fund (LAIF) which diversifies their investments.

After review by Attorney Van Blarcom, changes were made to Section 8 of the Investment Policy as well as some numbering changes and typographical errors within the document. The Board was provided a copy of the updated policy for review.

On a motion by Director Davis and a second by Director Farrell, the Board adopted Resolution No. 431, revising the investment policy, on the following roll call vote:

AYES: Directors Bracher, Davis, Farrell, Kinzel and Stone.

NOES: None

ABSENT: None

ABSTAINED: None

ADOPT RESOLUTION NO. 432, EXTENDING TEMPORARY WATER USE RESTRICTIONS: General Manager Drew recommended to the Board that the District amend the District's Water Conservation Program extending the existing water use restrictions for another 270 days to maintain compliance with the State Water

Resources Control Board. The District will review this ordinance again in May 2017 to follow the next State review.

On a motion by Director Stone and a second by Director Davis, the Board adopted Resolution No. 432, extending the temporary water use restrictions, on the following roll call vote:

AYES: Directors Bracher, Davis, Farrell, Kinzel and Stone.
NOES: None
ABSENT: None
ABSTAINED: None

DISCUSS FORM 700 FOR DIRECTORS: Manager Drew reviewed with Directors the purpose and filing process of Form 700. All completed forms need to be returned to the District no later than April 3, 2017.

CONSIDER A CONCURRING RESOLUTION FOR ACWA/JPIA: Manager Drew notified the Board that the ACWA/JPIA Executive Committee Election process is requiring that candidates for the election each receive concurring nomination resolutions from three other JPIA members. Manager Drew stated the District has received requests from two candidates, Melody McDonald and Kathleen Tiegs.

Director Farrell stated that he would like to express support for both candidates and asked that this item be included on next month's agenda.

UPDATE ON BILLING SYSTEM SOFTWARE: Assistant Manager Clanin reported to the Board that District Staff has been evaluating accounting and billing software systems to replace the aging system the District currently uses. The District is primarily interested in a server based system due to the unreliability of internet. The cost of new software and implementation that will meet the District requirements is estimated to be around \$100,000.

Assistant Manager Clanin will keep the Board updated on the progress.

UPDATE ON HAZARD MITIGATION PLAN: Assistant Manager Clanin reported that District Staff is in the process of updating the 2011 Hazard Mitigation Plan. Manager Clanin informed the Board that this update is a requirement for eligibility of grants or FEMA funds.

Assistant Manager Clanin will keep the Board updated on the progress.

CONSIDER ATTENDANCE AT LAFCO GOVERNANCE TRAINING, MARCH 22, 2017: The Board discussed on going LAFCO Training Session notices. In the future, Staff will email training notices to each Director. If a Director is interested in an upcoming event, Staff will add the item to a future Agenda for Board consideration. Directors are not interested in attending the Governance Training on March 22, 2017.

CONSIDER ATTENDENCE AT ACWA/JPIA SPRING CONFERENCE, WEEK OF MAY 8-12, 2017: Directors Davis and Farrell expressed interest in attending this event. On a motion by Director Farrell and a second by Director Davis, the Board unanimously approved attendance to the ACWA/JPIA Spring Conference for the General Manager and any Director choosing to attend.

MANAGER'S REPORT: General Manager Drew gave a brief update on the following District projects:

- Lakeview Main Replacement
- Electra Vertical Well
- Valle Vertical Well
- Zurich Tank Paving and Fencing
- Billing Software
- Board Room Update
- Office Partitions

The Board requested that the office roofing project be added to the list.

DIRECTORS' REPORTS: Director Farrell submitted an oral report on his attendance at the ACWA Region 9 Board Meeting held on January 19, 2017 in Desert Hot Springs.

Director Kinzel submitted a written report on his attendance at the LAFCO 101 training at the Norton Regional Event Center on January 24, 2017. There was general discussion regarding both events.

As there was no further business to discuss, the meeting was adjourned at 5:24 pm.

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