

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

JULY 21, 2015

CALL TO ORDER AND FLAG SALUTE: President Davis called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 pm, on Tuesday, July 21, 2015, at the regular meeting place of said Board at its office in Crestline, California.

ROLL CALL: Present were President Darel Davis, Alan Clanin, Steven Farrell, Kenneth Stone and Connie Bracher.

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

MINUTES OF PREVIOUS MEETING: On a motion by Director Clanin and a second by Director Stone, the minutes of the Regular Meeting of June 16, 2015 and were unanimously approved as corrected.

CASH DISBURSEMENTS: The Board reviewed the cash disbursements for the month of June 2015. On a motion by Director Farrell and a second by Director Clanin the cash disbursements for the month of June 2015 were unanimously approved.

PUBLIC COMMENTS: None.

REPORT ON ZURICH III TANK PROJECT: Manager Drew reported the new Zurich III Tank is progressing and is currently ahead of schedule. The coating crew will begin applying the tank coating next week. Director Stone requested a status on the pitting in one of the steel rings reported last month. Manager Drew reported that the steel was tested and within specifications.

Manager Drew reported the District has had some customers served by the Zurich II Tank complain about a solvent odor coming from their water. The District is pushing for the completion of Zurich III so the water can be transferred from Zurich II to Zurich III. Once Zurich II is emptied the District will attempt to identify the source of the solvent smell. Director Farrell questioned the feasibility of providing the customers with a charcoal filter in the meantime.

REPORT ON LAKEVIEW MAIN RELOCATION: Manager Drew continues to work on obtaining easements from the affected property owners.

REVIEW BUDGET AND FINANCIAL POLICIES: Manager Drew provided the Board with a copy of the memo provided last month to the Board outlining the District's Budget and Financial Policies. Information from the District's Administrative Code, Board Minutes and State Water Code regarding areas of responsibility, spending limits, and

other financial responsibilities were also included. There was general discussion regarding the packet.

Director Bracher wants to ensure the District is following Best Practices and that financial transactions fall within acceptable amounts and guidelines. The Board would like to discuss this matter with District Auditors at the presentation of the annual audit.

REPORT ON WATER CONSERVATION: Manager Drew reported that the State Water Resource Control Board approved the Districts recalculation of population and moved the District to Tier II, 8% reduction in water usage.

CONSIDER ATTENDANCE AT ACWA REGION 9 PROGRAM; INLAND EMPIRE UTILITIES AGENCY, SEPTEMBER 18, 2015, CHINO, CA: Director Farrell would like to attend this event. After some discussion it was decided to bring this item back next month when more information on the event is available.

CONSIDER ATTENDANCE OF ACWA AND ACWA/JPIA FALL CONFERENCES, WEEK OF DECEMBER 1, 2015, INDIAN WELLS, CA: The ACWA/JPIA Fall Conferences are scheduled to be held the week of December 1, 2015 in Indian Wells, California. On a motion by Director Clanin and a second by Director Farrell, the Board unanimously approved the attendance of this conference for the General Manager and any Directors wishing to attend.

REPORT ON RIM OF THE WORLD COUNCIL OF GOVERNMENTS, JULY 9, 2015: Directors Davis and Farrell along with General Manager Drew provided verbal reports of their attendance at the Rim of the World Council of Governments on July 9, 2015. There was general discussion regarding the Council and possible benefits to the District.

REPORT ON UPCOMING DISTRICT ELECTION: Manager Drew reported that two Director's terms are coming to an end in November. He encouraged both Director Stone and Director Bracher to re-file for their positions on the Board.

EXECUTIVE SESSION: The Board entered into executive session at 4:07 p.m. to discuss the following:

CONFERENCE WITH LABOR NEGOTIATORS: Pursuant to Government Code Section 54957.6.

Agency designated representatives: Karl B. Drew

Unrepresented Employees: All Employees

The Board returned to regular session at 5:30p.m. Attorney Van Blarcom reported that no reportable action was taken during closed session.

CONSIDER SALARY AND BENEFIT SURVEY: After considering the survey results and the Board's request to better the District's position in retaining current employees and to attract future employees, Manager Drew made the following recommendations to the Board:

1. Adopt a resolution setting CalPERS Employer Paid Member Contributions for all

employees of Miscellaneous Category to 0%, effective July 31, 2015.

2. Adjust the Hourly Salary Schedule by a total of 8% plus 5% (13%), effective July 31, 2015
3. Add longevity Steps L1, L2, L3 and L4 to the Salary Schedule, to become effective July 31, 2016. All regular employees will be eligible for Step L1 after completing 10 years of service, and then Steps L2 – L4 after 5 years of service between subsequent steps, in addition to a merit rating of at least satisfactory. Step L1 will be 2.5% above Step E of the Salary Schedule, with a 2.5% increase between each subsequent step.
4. Add required Sick Leave language to Personnel Manual as recommended by our labor attorney.
5. Adopt Hourly Salary Schedule as updated and recalculated with the above adjustments, effective July 31, 2015.

On a motion by Director Farrell and a second by Director Bracher, the Board unanimously adopted the above recommendations.

RESOLUTION NO. 423: On a motion by Director Stone and a second by Director Bracher the Board adopted Resolution No. 423, Updating the District's Personnel Manual and Repealing all Prior Versions on the following roll call vote:

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

RESOLUTION NO. 424: On a motion by Director Stone and a second by Director Bracher the Board adopted Resolution No. 424, Employer Paid Member Contributions on the following roll call vote:

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

MANAGER'S REPORT: Manager Drew reported the District Auditors, Rogers, Anderson, Malody and Scott have completed their field work. The audit report and presentation should be available at the August or September Board meeting.

Manager Drew reported the on-line payment processing system is still in the design phase.

As there was no further business to discuss, the meeting was adjourned at 5:45 pm.

The next meeting is scheduled for Tuesday, August 18, 2015 at 3:00 pm.