

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

FEBRUARY 26, 2013

CALL TO ORDER AND FLAG SALUTE: President Farrell called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 pm, on Tuesday, February 26, 2013, at the regular meeting place of said Board at its office in Crestline, California.

ROLL CALL: Present were President Steven Farrell, Directors William Huckell, Kenneth Stone, Darel Davis and Alan Clanin.

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 Davis and a second by Director Clanin, the minutes of the Regular Meeting of January 15, 2013 were unanimously approved as written.

CASH DISBURSEMENTS: The Board reviewed the cash disbursements for the month of January 2013. On a motion by Director Stone and a second by Director Davis the cash disbursements for January 2013 were unanimously approved.

PUBLIC COMMENTS: None.

ADOPT RESOLUTION NO. 400, CALIFORNIA BANK & TRUST SIGNATURE CARDS: General Manager Drew reviewed the proposed resolution 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. The seven authorized signers for the accounts are Board Members William Huckell, Kenneth Stone, Steven Farrell, Alan Clanin and Darel Davis, Secretary/General Manager Karl Drew, and Office Manager Larrie Ann Davis.

Two authorized signatures are required for withdrawal of funds from the checking accounts. One authorized signature is required to make transfers between any District accounts at California Bank & Trust and to make wire transfers to the District's account with the Local Agency Investment Fund in Sacramento.

On a motion by Director Stone and a second by Director Davis, the Board adopted Resolution No. 400, authorizing the accounts with California Bank & Trust, on the following roll call vote:

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

ADOPT RESOLUTION NO. 401, ARROWHEAD CREDIT UNION SIGNATURE

CARDS: General Manager Drew reviewed the proposed resolution with the Board. With the addition and removal of one Board Member the District needs to update the bank signature cards for the two accounts at Arrowhead Credit Union. The seven authorized signers for the accounts are Board Members William Huckell, Kenneth Stone, Steven Farrell, Alan Clanin and Darel Davis, Secretary/General Manager Karl Drew, and Office Manager Larrie Ann Davis.

Two authorized signatures are required for withdrawal of funds from the accounts. One authorized signature is required to make transfers between any District accounts at Arrowhead Credit Union and to make wire transfers to the District's account with the Local Agency Investment Fund in Sacramento.

On a motion by Director Stone and a second by Director Davis, the Board adopted Resolution No. 401, authorizing the accounts with Arrowhead Credit Union, on the following roll call vote:

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

ADOPT RESOLUTION NO. 402, LOCAL AGENCY INVESTMENT FUND (LAIF).

AUTHORIZED SIGNERS: General Manager Drew reviewed the proposed resolution with the Board. The District needs to authorize Director Farrell as a signer. The three authorized signers are Board President Farrell, Secretary/General Manager Karl Drew and Office Manager Larrie Ann Davis.

One authorized signature is required for transfer of funds between LAIF and California Bank & Trust.

On a motion by Director Stone and a second by Director Davis, the Board adopted Resolution No. 402, authorizing the signatures with LAIF, on the following roll call vote:

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

UPDATE ON INVESTMENTS: Currently the District only invests in the State of California Local Agency Investment Fund (LAIF) which diversifies their investments. Manager Drew is investigating other investment options as well as the possibility of paying off the District's CalPERS amortized side fund or funding more of the "Other Post Employment Benefits". New regulations may also require funding pension fund reserves. Manager Drew is also meeting with entities who handle investments for municipalities as possible investment options. There was general discussion regarding possible investment choices.

CONSIDER SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA)

NOTICE OF NOMINATION: Manager Drew reviewed SDRMA's nomination packet with the Board. There are currently four Director Seats up for election. On a motion by Director Stone and second by Director Huckell the Board unanimously voted to not make a nomination for the SDRMA Board.

DISCUSS FORM 700: Manager Drew reviewed with the Directors Form 700. All completed forms need to be returned to the District no later than April 2, 2013.

MANAGER'S REPORT: Manager Drew reported that the District was able to obtain an exemption to the AQMD's ruling on diesel vehicles. Since the District has two diesel dump trucks, both of which will not exceed 1,000 hours per year, it will not be necessary for the District to replace the trucks.

Manager Drew explained that the office is short staffed with one employee on medical leave and as a result the Monthly Production Reports were not included this month.

Manager Drew reported the District received special recognition from ACWA/JPIA for achieving a low ratio of paid claims and case reserves to deposit premiums.

American Water Works Association has prepared a white paper on "Water and Hydraulic Fracturing". It is available to anyone interested in looking at it.

DIRECTORS' REPORT: Director Farrell requested an overview of major District projects over the next six months. Manager Drew provided a status report on the Zurich tank project, the Lakeview back loop, and the potential well sites including the site located on the Adam's Trust property. Director Huckell stated he would like to see the well exploration proceed quickly.

REQUESTS FOR FUTURE AGENDA ITEMS: General Manager's appraisal review will be scheduled for March 2013.

As there was no further business to discuss, the meeting was adjourned at 4:55 pm.