

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

**MAY 21, 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, May 21, 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 Stone and a second by Director Clanin, the minutes of the Regular Meeting of April 16, 2013 were unanimously approved as written.

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

PUBLIC COMMENTS: None.

CONSIDER COST OF LIVING ADJUSTMENT FOR DISTRICT EMPLOYEES: The Board reviewed the change in the Consumer Price Index (CPI) for the past year ending April 2013. The average change in the two CPI indexes for the U.S. City Average was 1.40% and the average change for the Los-Angeles-Riverside-Orange County area was 1.30%. Staff recommended a 1.30% Cost of Living Adjustment (COLA) for all current employees, effective May 25, 2013. This would increase annual wages by approximately \$11,045 per year.

After discussion, on a motion by Director Davis and a second by Director Clanin, the Board unanimously approved a 1.30% Cost of Living Adjustment for all current employees, including the General Manager effective May 25, 2013.

ADOPT RESOLUTION NO. 405, DETERMINING APPROPRIATION LIMITATION FOR FISCAL YEAR 2013-2014: Manager Drew discussed the proposed resolution with the Board. The proposed resolution uses "the percentage change in California per capita personal income from the preceding year" as the "change in the cost of living" factor and the "change of population within the county in which it is located" as the "change in population" factor. The proposed Appropriation Limitation for fiscal year 2013-14 is \$1,225,028.

On a motion by Director Davis and a second by Director Stone, the Board adopted Resolution No. 405, determining the Appropriation Limitation for fiscal year 2013-14 to be \$1,225,028 on the following roll call vote:

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

CONSIDER CAL FIRE REQUEST FOR TEMPORARY WATER SERVICE, 22311 WATERS DRIVE: Cal Fire representatives have contacted the District about providing an alternate water supply to their station at 22311 Waters Drive. The property is located outside District boundaries and would have to be annexed into the District to receive long term service. The property is currently relying on a well, which is no longer producing. Crestline-Lake Arrowhead Water Agency has provided permission to serve water outside the District boundaries for a six month period.

On a motion by Director Davis and a second by Director Clanin, the Board unanimously approved providing temporary water service for a six month period, at an initial cost of \$4,500 to 22311 Waters Drive.

REPORT ON ZURICH TANK PROJECT: Surveyors from Albert A. Webb and Associates have surveyed the property and the District now has accurate boundaries for the site. Soil has been tested and there is approximately six feet of loose soils and an additional five feet beyond, for a total of eleven feet, to be excavated and recompacted for a second tank. Manager Drew reported that CSI will be diving the interior of the existing tank to determine if a new tank is needed or if the tank just needs recoating and repairs.

REPORT ON TWO PROPOSED WELL SITES, BASEL DRIVE: Further research has been done on the possibility of developing two verticals wells on Basil Drive.

Site 1 is located on District property where the District holds water rights. The preferred location is on Lot 150, but this lot is very steep with slopes probably in excess of 45%.

Site 2 is located on private property where the District does not have water rights. Water from this source would only be marginally better than the price of Crestline-Lake Arrowhead Water Agency and would have a payback period of 2 to 3 times that of other vertical wells the District has built.

Manager Drew believes both of these proposed sites will require some extensive site development before the District can drill a test well to see if or how much water is available. The District has other locations where the District holds water rights, where the District can construct wells and obtain water more economically than these two sites.

Manager Drew will further investigate the access to Site 1 from Valle Drive, along the ravine, looking for access at a reasonable cost. The hydro-geologist will review previous studies done in the 1990's and look at the areas that were included in them, but not developed.

CONSIDER PROPOSED RATE CHANGE, LAKE GREGORY DIVISION: When the Lake Gregory area was annexed into the District in 1979, its water system was in bad shape and there were a lot of improvements that were required. The Monthly Minimum Charge was set at a higher rate to pay for these required improvements. On a monthly basis, this was \$4.50 higher than the Crestline Division Monthly Minimum Charge. Over the last 33 years, all the improvements have been completed and the associated debt for the improvements has been retired ahead of schedule.

Currently there are 2,703 active water connections in the Lake Gregory Division. At \$4.50 per month, these water services generate \$12,163.50 in additional revenues per month and \$145,962 per year. The Loss from Operations will increase by the \$145,962 per year, but the District will continue to have a positive cash flow from its cash Total Revenues less its cash Operating Expenses. The Reserve for Future Improvements is the area that will not grow as desired. While this is not the desired management objective, it can be managed for the next few years.

On a motion by Director Stone and a second by Director Huckell, the Board adopted Resolution 406, reducing the Minimum Monthly Charges for the Lake Gregory Division by \$4.50 a month on the following roll call vote:

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

REPORT ON ATTENDANCE OF ACWA/JPIA SPRING CONFERENCES: Director Farrell reviewed with the Board his written report of the meetings he attended at the ACWA/JPIA conference during the week of May 5, 2013 in Sacramento, CA. There was general discussion about Director Farrell's report.

MANAGER'S REPORT: Manager Drew shared JPIA's annual review and relayed that JPIA was very complimentary of the District.

Manager Drew reported to the Board that there was an additional burglary at the District office yard. Meters were stolen from the inventory room. Video surveillance was reviewed by the Sheriff's Department and a search warrant was issued for the address of the suspects. As a result all of the District meters and scrap meters were found.

Director Huckell expressed concern over the presentation of last year's audit report. The Board consensus was they would like to see more communication between the auditor and Board and less cavalier answers to their questions. Manager Drew will communicate the Board's concerns to the District Auditor.

As there was no further business to discuss, the meeting was adjourned at 4:50 pm.

The next meeting is scheduled for Tuesday, June 18, 2013 at 3:00 pm.