

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

JANUARY 21, 2014

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, January 21, 2014, at the regular meeting place of said Board at its office in Crestline, California.

ROLL CALL: Present were President Darel Davis, Directors William Huckell, Kenneth Stone, Steven Farrell 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 Farrell, the minutes of the Regular Meeting of December 17, 2013 were unanimously approved.

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

PUBLIC COMMENTS: None.

ZURICH TANK PROJECT:

- a. PUBLIC HEARING: President Davis opened the public hearing at 3:05 PM. for any comments from the public. There were no members of the public present. Manager Drew reported that one comment had been received by mail from the American Indian Heritage Commission. Engineer Franz will respond to the letter. The public hearing was closed at 3:06 PM.
- b. ADOPT MITIGATED NEGATIVE DECLARATION: No action was taken. This item will be placed on the February 18, 2014 agenda.

Manager Drew and Engineer Franz provided the Board with a tentative schedule for the Zurich Tank project. The project should go out for bid in January to a select list of contractors known for their work. The site tour and bid opening will be scheduled for February, with the Board's subsequent award scheduled for the March 18, 2014 Board meeting.

UPDATE ON VALLE WELL SITE: Manager Drew stated that Webb and Associates is proceeding with the California Environmental Quality Act (CEQA) compliance services.

ADOPT RESOLUTION NO. 409, AMENDING BOARD MEMBER TRAINING AND EDUCATION POLICY: Manager Drew shared a proposed amendment to Section 2.3.1 of the District Administrative Code regarding Board member training and education. There was in depth conversation regarding the proposed amendment.

On a motion by Director Stone and a second by Director Clanin Resolution 409, Section 2.3.1 was amended by the following roll call vote to include an additional paragraph which reads:

“In addition to the above, when the General Manager deems a seminar, workshop or other meeting to be of interest to the District, the General Manager may approve the attendance of the event by one or more Board members. The Board of Directors will be notified of this action at the next regular meeting of the Board and the attending Director(s) will report expenses and make a report to the Board pursuant to Section 2.3.2.”

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

CONSIDER ATTENDANCE OF MOJAVE INTEGRATED REGIONAL WATER MANAGEMENT PLAN MEETING, FEBRUARY 6, 2014, APPLE VALLEY: Manager Drew notified the Board of the upcoming Mojave Integrated Regional Water Management Plan Meeting. Even though the District currently has no initial projects identified, there is a benefit to attending the initial planning meetings.

On a motion by Director Clanin and a second by Director Stone, the Board unanimously approved the attendance of the Mojave Integrated Regional Water Management Plan Meetings for Manager Drew and Director Farrell.

CONSIDER NOMINATIONS FOR REGULAR AND ALTERNATE SPECIAL DISTRICT MEMBER OF THE LOCAL AGENCY FORMATION COMMISSION (LAFCO): Director Farrell expressed interest in one of the vacant voting member positions with the LAFCO. Director Farrell asked the Board if there were any objections to his pursuing the nomination. The Board had none. No action was taken and the item will be continued to the February 18, 2014 Board meeting.

CONSIDER CONTRACT WITH COUNTY OF SAN BERNARDINO FOR VEHICLE FUELING SERVICES: The County of San Bernardino presented the District with a contract to continue fueling services for non-County organizations. It is a three year contract with two one year renewal options.

Manager Drew has continued to explore the option of installing fuel tanks at the District office. It would take approximately 20 years to pay back the cost of purchasing and installing new tanks, not including maintenance and permitting fees.

On a motion by Director Farrell and a second by Director Stone, the Board unanimously authorized Manager Drew to negotiate and sign the contract with San Bernardino County for vehicle fueling services.

UPDATE ON SALE OF SURPLUS EQUIPMENT: Manager Drew informed the Board that all eight surplus vehicles were advertised in the Alpenhorn News and the Mountain News. Sealed bids will be accepted through January 29, 2014 at 4:00 p.m. The office has taken one bid as of today, but there has been a lot of interest in the vehicles.

ANNUAL REVIEW OF INVESTMENT POLICY: General 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. He recommended that no changes be made to the Investment Policy. On a motion by Director Stone and a second by Director Huckell, the Board unanimously approved the Investment Policy with no change

CONSIDER CHANGE TO DATE OF FEBRUARY 18, 2014 BOARD MEETING: No action was taken.

MANAGER'S REPORT: Manager Drew provided a copy of Governor Jerry Brown's Drought State of Emergency proclamation to the Board. Office staff will place a message on the next bill asking customers for voluntarily conserve water.

Director Farrell suggested the District consider a notice be placed in the newspaper to raise customer awareness. Director Davis suggested our website be updated with additional water conservation tips. Manager Drew will make contact with Crestline-Lake Arrowhead Water Agency (CLAWA) to see what their plans are during the drought emergency.

Manager Drew shared a certificate presented to the District by JPIA for having a 20% or less loss ratio of "Paid Claims and Case Reserves" to "Deposit Premiums".

System loss due to "unaccounted for water" is increasing. Field staff is attempting to locate service line leaks which may be contributing to the rise in system loss.

DIRECTORS' REPORT: Director Clanin reported on a potential 2014 Pension Reform Ballot measure coming out of San Jose.

REQUEST FOR FUTURE AGENDA ITEMS: Manager Drew's annual employment review is to be placed on the March 2014 agenda.

As there was no further business to discuss, the meeting was adjourned at 3:50pm. The next meeting is scheduled for Tuesday, March 18, 2014 at 3:00 pm.