

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

SEPTEMBER 18, 2018

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 3:00 pm., on Tuesday, September 18, 2018, at the regular meeting place of said Board at its office in Crestline, California.

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

Absent was Director Darel V. Davis.

Staff members present were General Manager Alan E. Clanin, Attorney Ronald Van Blarcom, Field Supervisor Steve Wood and Office Manager Larrie Davis.

Also present was Scott Manno of Rogers, Anderson, Malody and Scott, Nathan Statham, Employees of the District and Andy Kinzel. Reporter Mike Harris from the Mountaineer arrived at 4:00 pm.

MINUTES OF PREVIOUS MEETING: On a motion by Director Stone and a second by Director Kinzel, the Board that was present unanimously approved the minutes of the Regular Meeting of August 21, 2018 as corrected.

CASH DISBURSEMENTS: The Board reviewed the cash disbursements for the month of August 2018. On a motion by Director Stone and a second by Director Farrell the cash disbursements for the month of August 2018 were unanimously approved by those Directors present.

PUBLIC COMMENTS: None.

SPECIAL RECOGNITION OF PROJECTS: General Manager Clanin reported the Lakeview Main Replacement Project is complete. A celebratory cake was enjoyed by the Board and Staff.

General Manager Clanin and the Board presented employee, Larrie Davis with a "Certificate of Appreciation" for twenty years of service with the District.

PRESENTATION OF ANNUAL AUDIT REPORT, FISCAL YEAR 2017-2018: The District's Auditor Scott Manno of Rogers, Anderson, Malody & Scott, LLP, Certified Public Accountants (RAMS), presented the audit report for the fiscal year ending April 30, 2018. The audit report includes an opinion that the financial statements present fairly, in all material respects, the financial position and cash flows of the District.

Auditor Manno explained the purpose of the annual audit and the role of the auditor with both the Board and the District staff. Currently the District has no debt other than

current payables and is operating on a pay as you go basis. Auditor Manno reviewed and discussed the various financial statements, schedules and notes in the audit report with the Board.

The ratio of current assets to current liabilities is 11:1 as compared to 13:1 for the prior fiscal year. The auditor's minimum guideline for this ratio is 1.5:1. The District had an Operating Loss of \$846,680. In the previous year, the District had an Operating Loss of \$672,902. Increases in water sales and service revenues resulting from increased demand were offset by increases in transmission and distribution costs along with administrative and general costs resulting in an increase in net operating loss of \$173,778.

Non-operating revenues from property taxes, availability assessments, interest and other income resulted in \$393,323 in non-operating income; a slight increase over the prior year.

Loss before contributions was \$453,357 (operating loss of \$846,357 plus non-operating income of \$393,323) for the current fiscal year. Loss before contributions of \$453,602 is added to the property contributions of \$9,755 for a change in net position (decrease) for the current fiscal year of \$443,602.

There was general discussion regarding the audit. The consultant work performed by Nathan Statham made the audit process less stressful on Staff and provided minimal documentation requests and reviews by RAMS. On a motion by Director Stone and a second by Director Kinzel, the Board that was present unanimously accepted the 2017-18 Annual Audit Report as presented.

CONSIDER RESOLUTION NO. 447, PERMITTING TELECONFERENCED

MEETINGS: Attorney Van Blarcom covered the proposed resolution allowing for the District to utilize teleconferencing in connection with any board or committee meeting authorized by law. There was general discussion among the Board. Overall the Board would like teleconferenced meetings to not be a normal practice but on an as needed last resort basis.

On a motion by Director Stone and a second by Director Kinzel the Board that was present approved Resolution 447, Resolution of the Board of Directors of Crestline Village Water District Permitting Teleconferenced Meetings striking a), b) and the pre-sentence on the following roll call vote:

AYES: Directors Bracher, Farrell, Kinzel and Stone.

NOES: None.

ABSENT: Director Davis.

ABSTAINED: None.

CONSIDER ATTENDANCE OF ACWA REGION 9 PROGRAM, NOVEMBER 2, 2018, PALM DESERT, CA: Association of California Water Agencies (ACWA) Region 9 will be presenting a program "Ensuring Water Reliability for Our Future" on November 2,

2018 in Palm Desert, CA. Reservations need to be made by October 26, 2018. On a motion by Director Stone and a second by Director Farrell, the Board that was present unanimously approved the attendance of the ACWA Region 9 Program by any Director who wished to attend and the General Manager.

CONSIDER RESCHEDULING THE OCTOBER 16, 2018 BOARD MEETING: There are several scheduling conflicts with the scheduled October 16, 2018 board meeting. On a motion by Director Stone and a second by Director Kinzel the Board approved changing the October board meeting from October 16, 2018 to October 23, 2018 on the following vote:

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

MANAGER'S REPORT/PROJECT UPDATE: Manager Clanin reported the new Electra Well was flushed to remove residual contaminants and samples sent for testing. Results were received today and the well cannot yet be put in service. The District will continue to flush and work with the well digger to come up other alternatives to remove contaminants.

Manager Clanin reported Tyler Technologies has been on site setting up the district's financial and time entry modules. District Staff is training in the use of the new financial software modules.

The Lake Gregory Dam rehabilitation water main relocation was completed. District staff has also relocated a hydrant on the 8-inch Edelweiss water main to accommodate future dam site excavation. The County of San Bernardino has agreed to reimburse the District for the relocation.

The Federal Emergency Management Agency has provided final approval of the District's Hazard Mitigation Plan (HMP). A review of the Plan will be done annually.

Manager Clanin reported the District continues the process of gathering the required data to achieve the Special District Leadership Foundation (SDLF) District Transparency Certificate of Excellence.

As there was no further business to discuss, the meeting was adjourned at 04:40 pm.

The next meeting has been adjourned to Tuesday, October 23, 2018 at 3:00 pm.