

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

MARCH 17, 2020

CALL TO ORDER AND FLAG SALUTE: President Bracher-Griffin called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 pm., on Tuesday, March 17, 2020, at the regular meeting place of said Board at its office in Crestline, California.

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

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 Financial Consultant Nathan Statham.

MINUTES OF PREVIOUS MEETING: On a motion by Director Stone and a second by Director Kinzel, the Board unanimously approved the minutes of the Regular Meeting of February 18, 2020, as written.

CASH DISBURSEMENTS: The Board reviewed the cash disbursements for the month of February 2020. On a motion by Director Brister and a second by Director Kinzel the cash disbursements for the month of February 2020 was unanimously approved.

PUBLIC COMMENTS: None.

REVIEW PRELIMINARY CASH BUDGET FOR FISCAL YEAR 2020-21: Manager Clanin reviewed the preliminary budget with the Board. There was general discussion on budget items. The final budget will be brought to the Board for consideration at the April meeting.

REPORT FROM THE WATER RATES AD HOC COMMITTEE MEETING: Manager Clanin reviewed with the Board the Ad Hoc Committee's findings. The committee performed a consumption analysis, estimated operating loss for the current and future fiscal years, fixed and variable District expenses and a water rate comparison of water purveyors. The committee found the following:

- The 2017 rate increase generated income to only eliminate 81% of the Net Operating Loss.
- Rate increases should focus on increasing the Monthly Minimum Charge and the Basic Allocation Rate.
- A minimum increase of 11.76 per year per service (\$0.98 per month) is required to eliminate the wholesale water rate increase.
- An increase of \$3,043,683 over a five-year period is required to eliminate the Net Operating Loss.

- The District is currently not funding future reserves that will be used for future Capital Improvement Projects or to cover depreciation.
- While the committee discussed several options, overcoming such a large deficit is not an easy or pleasant task. The committee believes their recommendation is fair to all ratepayers regardless of consumption or income.

Director Farrell reviewed the various options considered by the committee and thanked Manager Clanin for his work on the committee.

Nathan Statham explained the financial justifications in meeting the Proposition 218 requirements.

CONSIDER RESOLUTION NO. 458, INTENT TO INCREASE WATER RATES:

Attorney Van Blarcom reviewed with the Board the proposed Resolution of Intent to Increase Water Rates and the “rules of protest”. Director Stone moved and Director Kinzel seconded, staff’s recommendation to:

1. Adopt an increase over a five-year period of \$5.00 per month for all meter sizes to the Monthly Minimum Charge in the District’s water rate beginning June 01, 2020. An increase of \$1.00 per month for all meter sizes to the Monthly Minimum Charge in the District’s water rate beginning May 01, 2021. An increase of \$1.00 per month for all meter sizes to the Monthly Minimum Charge in the District’s water rate beginning May 01, 2022. An increase of \$1.00 per month for all meter sizes to the Monthly Minimum Charge in the District’s water rate beginning May 01, 2023. An increase of \$1.00 per month for all meter sizes to the Monthly Minimum Charge in the District’s water rate beginning May 01, 2024.
2. Establish the Tier 1 Basic Allocation Rate at \$5.10 per one hundred cubic foot (CCF) of water for the 0-1300 CF and establish the Tier 2 Excess Consumption Rate at \$7.65 for 1301 CF or greater consumption range June 01, 2020.

There was a healthy discussion regarding the committee’s findings, the effective dates, the proposed increase due to take effect May 01, 2024 and some minor changes to the original resolution.

Director Kinzel moved and Director Brister seconded the approval of Resolution No 458, Intent to Increase Water Rates as corrected below:

1. An increase over a five-year period of \$5.00 per month for all meter sizes to the Monthly Minimum Charge in the District’s water rate beginning June 16, 2020. An increase of \$1.00 per month for all meter sizes to the Monthly Minimum Charge in the District’s water rate beginning May 01, 2021. An increase of \$1.00 per month for all meter sizes to the Monthly Minimum Charge in the District’s water rate beginning May 01, 2022. An increase of \$1.00 per month for all meter sizes to the Monthly Minimum Charge in the District’s water rate beginning May 01, 2023. An increase of \$2.00 per month for all meter sizes to the Monthly Minimum Charge in the District’s water rate beginning May 01, 2024.

2. Establish the Tier 1 Basic Allocation Rate at \$5.10 per one hundred cubic foot (CCF) of water for the 0-1300 CF which will establish the Tier 2 Excess Consumption Rate at \$7.65 for 1301 CF or greater consumption range June 16, 2020.

The motion was unanimously approved on the following roll call vote.

AYES: Directors Bracher-Griffin, Farrell, Kinzel, Stone and Brister.
NOES: None.
ABSENT: None.
ABSTAINED: None.

The Board thanked Manager Clanin and Nathan Statham for the work they performed on the rate increase study.

CONSIDER SURPLUS EQUIPMENT, WACKER WALK BEHIND ASPHALT ROLLER:
Currently the District has a 2009 Wacker Walk Behind Asphalt Roller that is no longer needed by the District. Over the years the roller has been extremely difficult to use and a potential safety hazard for employees.

On a motion by Director Farrell and a second by Director Stone the Board unanimously approved the declaration of the 2009 Wacker Walk Behind Asphalt Roller be declared surplus district property and authorize staff to proceed with the sale of the equipment.

MANAGER'S REPORT: Manager Clanin notified the Board that the District has upgraded the Internet speed at the District Office replacing the old DSL Service with Fiber Optic Service. The old Comet Server has been virtualized and the new Domain Controller server is now online.

Manager Clanin informed the Board that during the Thanksgiving snow storm a contractor that plows snow for the County in the Valley of the Moon area hit and sheared the top of the well head at the Electra Well site. Sam Crum Well Drilling was able to recover the pump and motor which will need to be replaced. The District will attempt to obtain reimbursement from the County.

Field Staff has taken advantage of the inclement weather by cleaning, painting and repairing district facilities. A new shelving unit was built to accommodate the servers and IT appurtenances.

Manager Clanin provided the Board with a copy of a proposal for Consolidation of Valley View Park Mutual Water Company (VVPWC) with Crestline Village Water District. This proposal was prepared by VVPWC and delivered to the District. Manager Clanin will respond to the proposal stating that the proposal is not acceptable to the District.

On a motion by Director Stone and a second by Director Farrell the Board unanimously approved the emergency addition to the Agenda of "Consider Compliance with Governor Newsom's Shelter in Place Order".

After discussion of Governor Newsome's order, the Board of Directors took three actions.

1. On a motion by Director Stone and a second by Director Kinzel the Board unanimously approved the locking of the District's office to customer traffic until deemed safe to reopen by the General Manager.
2. On a motion by Director Farrell and a second by Director Kinzel the Board unanimously provided the General Manager with the authority to make any decisions necessary during this crisis including the waiving of delinquency charges and non-payment penalties when necessary.
3. On a motion by Director Farrell and second by Director Bracher-Griffin the Board unanimously approved future Board meetings be held via teleconference only until the COVID-19 crisis is over.

As there was no further business to discuss, the meeting was adjourned at 5:29 pm.

The next meeting has been adjourned to Tuesday, April 21, 2020 at 3:00 pm.