

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

APRIL 17, 2001

President Olson called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 PM, on Tuesday, April 17, 2001, at the regular meeting place of said Board at its office in Crestline, California.

ROLL CALL: Present were President David Olson, Directors William Huckell, C. N. McGehee, William Valko and Alan Clanin. Staff members present were Manager/Secretary Norman L. Hunt, Attorney Ronald Van Blarcom and Office Manager Karl Drew. Absent were Engineer Fred Hanson and Field Supervisor Robert Jobe

MINUTES OF PREVIOUS MEETING: On a motion by Director McGehee and a second by Director Valko, the Board unanimously approved the minutes of the Regular Meeting of March 27, 2001 as corrected.

PUBLIC COMMENTS: None.

PROGRESS REPORT ON FUTURE WELL SITES: Manager Hunt reported that he has not heard further from the property owners of the proposed well site. Manager Hunt is making an appointment with Independent Geo-Environmental Consultants to investigate other possible well sites.

REPORT ON NEW 1 MG CHAMOIS STORAGE FACILITY: Manager Hunt reported that the pump station building was nearing completion and electricity has been brought to the site. A general discussion about upcoming tank improvements followed.

URBAN WATER MANAGEMENT PLAN UPDATE: Manager Hunt reported that there had been a meeting with the engineers, the attorney and District staff to review the "screen check" of the Urban Water Management Plan. To give the engineers time to make changes to the plan, the schedule to adopt the plan has been pushed back one month. The final draft will be presented to the Board at next month's meeting. A public hearing will be held at the June Board meeting and the Plan should be adopted at that time.

LOCAL AGENCY FORMATION COMMISSION (LAFCO) FUNDING - AB 2838: Manager Hunt reported that he had attended a meeting of the ad-hoc committee on April 4. The committee approved another alternative to be voted on by the independent special districts. There was general discussion regarding the various funding methods. The current alternative would increase the District's share to \$4,518. On a motion by Director McGehee and a second by Director Clanin, the Board unanimously voted NO on the current proposal and authorized Director McGehee to sign the ballot on behalf of the District. The Board also instructed staff to write a letter to LAFCO explaining the District's position.

CASH BUDGET FOR FISCAL YEAR 2001-02: Office Manager Drew discussed the proposed cash budget for fiscal year 2001-02 with the Board. The following points were considered in preparing the proposed budget.

1. It is almost eight years since the last rate increase. There is no plan to increase rates at this time, but operating expenses have increased at a greater rate than revenues during the past eight years, so there is less money available for capital expenditures.
2. The area is in a period of less than normal rainfall and the proposed budget projects an increase of \$160,000 in the amount for Purchased Water as compared to last year's budget. With the addition of the Mormon Springs well and the late snowfalls, staff believes the projections are enough for the coming year.
3. Discretionary Appropriations are being decreased by \$390,000 from last year. The end of the main replacement program is nearing and a smaller amount of mains have been scheduled for replacement this year. Last year, \$500,000 was budgeted for tank replacement. In the coming year, \$100,000 has been budgeted to begin the Beacon I Tank job.

The Board also discussed the possibility of removing the difference in the monthly charge that exists between the Crestline and Lake Gregory areas. When the Lake Gregory area was annexed into the District, there were considerable improvements that needed to be made to the water system in that area. The monthly charge for water service was set at \$4.50 higher than the Crestline area. Since the main replacement program is nearing an end, the Board discussed the possibility of removing the difference in the rates. The possibility of gradually equalizing the rates over several years was discussed. After discussing the work that remains to be done and the outstanding loan, the Board agreed that no change should be made this year, but asked staff to consider this when preparing future budgets.

After considerable discussion, on a motion by Director McGehee and a second by Director Huckell, the Board unanimously adopted the Cash Budget for fiscal year 2001-02.

RESOLUTION NO. 322, ESTABLISHING WATER AVAILABILITY ASSESSMENTS FOR FISCAL YEAR 2001-2002: The Board reviewed the proposed resolution. There are no changes in the assessments from prior years.

On a motion by Director Huckell and a second by Director Valko, the Board adopted Resolution No. 322, establishing the water availability assessment for fiscal year 2000-2001 at Thirty Dollars (\$30.00) per acre for the first acre or portion thereof plus Fifteen Dollars (\$15.00) per acre over one acre for all unimproved property, or Fifteen Dollars (\$15.00) per acre for the first acre or portion thereof plus Fifteen Dollars (\$15.00) per acre over one acre for all improved property within the District, on the following roll call vote:

AYES: Directors Olson, Huckell, McGehee, Valko and Clanin
NOES: None
ABSENT: None
ABSTAINED: None

HEALTH BENEFITS PROGRAM: Office Manager Drew reviewed with the Board the increases that have incurred in the cost of health care during the past year. Health insurance premiums have increased between 12.6% and 15.3%. With these increases, 11 of the District's 16 full time employees' insurance premiums would exceed the maximum monthly amount allowed for health benefits. After considerable discussion, on a motion by Director McGehee and a second by Director Huckell, the Board unanimously approved increasing the maximum amount allowed for health benefits by 12.6%, from \$645 to \$725 per month per employee.

UNCOLLECTABLE ACCOUNTS FROM 1995: Office Manager Drew discussed with the Board the accounts that had balances older than five years. He requested that the Board write off the balances for 32 closed accounts and 3 abandoned accounts from 1995, totaling \$7,309.42.

On a motion by Director Huckell and a second by Director McGehee, the Board unanimously approved the writing off of the unpaid balances from 1995.

MANAGER'S REPORT: There was a brief discussion regarding the monthly financial and water production reports.

DIRECTORS' REPORT: None

As there was no further business, the meeting was adjourned at 5:30 PM. The next Regular Meeting is scheduled for Tuesday, May 15, 2001 at 3:00 PM.