

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

MARCH 28, 2006

President McGehee called the Adjourned Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 pm, on Tuesday, March 28, 2006, at the regular meeting place of said Board at its office in Crestline, California.

ROLL CALL: Present were President C. N. McGehee, Directors William Huckell, Alan Clanin, Charles Spinks and Kenneth Stone.

Staff members present were Manager/Secretary Norman L. Hunt, Attorney Ronald Van Blarcom, Engineer Fred Hanson, Field Supervisor Donald Wagner and Office Manager Karl Drew.

Also present was Steven Farrell.

MINUTES OF PREVIOUS MEETINGS: On a motion by Director Stone and a second by Director Spinks, the minutes of the Adjourned Regular Meeting of February 28, 2006 were approved as submitted.

PUBLIC COMMENTS: None.

EXECUTIVE SESSION: The Board entered into closed session at 3:02 pm, to discuss the following items:

CONFERENCE WITH LABOR NEGOTIATORS:

Agency designated representatives: Norman L. Hunt and Karl B. Drew

Unrepresented employees: All Employees

CONFERENCE WITH LEGAL COUNSEL - Anticipated Litigation

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9. (1 case)

The Board returned to open session at 3:44 pm. Attorney Van Blarcom announced that no reportable action was taken during closed session.

HEALTH BENEFITS AND RETIREMENT PROGRAMS: There was no discussion or action taken on this item.

URBAN WATER MANAGEMENT PLAN: Engineer Hanson distributed a draft of the Urban Water Management Plan (UWMP) to the Board and staff. He briefly discussed the draft with the Board. A public hearing is tentatively scheduled to be held at the April 18, 2006 board meeting, with the UWMP being adopted at the April or May board meeting.

There was some discussion regarding the draft plan. After a preliminary review of the draft, Mr. Farrell had a few comments and questions about it. He was asked to submit his comments in writing to District staff.

RESOLUTION NO. 350, AMENDING DISTRICT'S RULES AND REGULATIONS

PERTAINING TO NON-PAYMENT OF BILLS AND 48 HOUR HANG NOTICES: Attorney Van Blarcom discussed the proposed resolution with the Board. It includes increases to the Non-Payment and Late Payment Penalty and the 48 Hour Hang Notice and Delinquency Charge as was discussed at the February 2006 board meeting. The Non-Payment Charge has not been adjusted since at least 1982 and the Hang Notice Charge has not been adjusted since 1989.

The Non-Payment and Late Payment Penalty is being increased from \$40 to \$90 and the 48 Hour Hang Notice and Delinquency Charge is being changed from 10% of the unpaid balance to \$15 or 7% of the unpaid balance, whichever is greater. Office Manager Drew asked that the effective date be changed from April 15, 2006 to May 15, 2006 to allow more time to notify customers of the changes.

On a motion by Director Clanin and a second by Director Spinks, the Board adopted Resolution No. 350, amending the Non-Payment and Late Payment Penalty and the 48 Hour Hang Notice and Delinquency Charge, as described above, on the following roll call vote:

AYES: Directors McGehee, Huckell, Clanin, Spinks and Stone

NOES: None

ABSENT: None

ABSTAINED: None

LICENSE AGREEMENT, STEVE HYMER, USE PORTION OF LOT 1325 FOR PARKING:

The Board reviewed a draft of the updated License Agreement, which allows Steve Hymer to use a portion of Lot 1325 on Springy Path for the purpose of providing additional parking for his business, the Lake Gregory Coffee Company. The term of the license has been extended to March 31, 2007.

On a motion by Director Stone and a second by Director Spinks, the Board unanimously authorized Manager Hunt to execute the agreement on behalf of the District.

SURPLUS PROPERTY, LOTS 70 AND 99, TRACT 2744 AND LOTS 542, 543 AND 544,

Tract 1787: Office Manager Drew reported that the District has been approached by someone interested in purchasing lot 70 of tract 2744. The District also owns lot 99, which is located directly behind lot 70. The District is not using these lots and has no plans for them. Staff is recommending that these lots be declared surplus so they can be sold.

During the discussion of this item, it was suggested that the lots where the Mormon Springs Well is located also be declared surplus and sold. The well has been unproductive and has not been in service recently. This property includes lots 542, 543 and 544 of tract 1787.

Attorney Van Blarcom discussed the procedure for selling these properties. They need to be offered to agencies that provide low and medium income housing, before they can be sold to the general public.

On a motion by Director Clanin and a second by Director Huckell, the Board unanimously declared lots 70 and 99, and lots 542, 543 and 544 surplus property and authorized staff to proceed with the selling of these properties.

CLAIM FOR DAMAGES, MICHAEL ISAAC, 744 WOODLAND ROAD: Office Manager Drew reviewed Mr. Isaac's claim with the Board. The claim is for damages to Mr. Isaac's vehicle that was damaged when a meter box lid was thrown by the wheels of another vehicle, into the door of his vehicle. The claim is for \$1,045.62.

Office Manager Drew has discussed this claim with ACWA/JPIA and they have indicated that the District does not have any liability in this matter as the meter box lid did not create a dangerous condition. Staff recommended that the claim be denied based on its merits.

On a motion by Director Stone and a second by Director Spinks, the Board unanimously denied Mr. Isaac's claim based on its merit.

CLAIM FOR DAMAGES, LANCE KERWIN, 897 BIG OAK ROAD, ACCOUNT NO. 20-2376-00: Office Manager Drew reviewed Mr. Kerwin's claim with the Board. The claim is for damages caused by water left running at his property after the water was turned on by District personnel. The claim is for \$1,199.

After the water was turned on at this property, the serviceman did not check to verify that the water stopped running after a few minutes. A faucet for the laundry facilities was left open and water ran onto the floor for several hours before it was noticed by a neighbor that water was running out of the house. While the District's Rules and Regulations limit the District's liability for problems caused by the owner's water system, it is felt that the damage could have been prevented or limited if the District's employee had followed normal procedures. Staff recommended that this claim be paid.

On a motion by Director Stone and a second by Director Clanin, the Board unanimously approved Mr. Kerwin's claim for \$1,199.

PRELIMINARY CASH BUDGET FOR FISCAL YEAR 2006-07: Office Manager Drew reviewed the Preliminary Cash Budget for Fiscal Year 2006-07 with the Board. The District is planning on the return of the tax revenues that were diverted to the State for the past two year. Completion of the two 1 MG water storage tanks at the Pinecrest Tank Site is estimated to cost \$894,000. The budget will be brought back to the next meeting for Board approval.

ACWA AND ACWA/JPIA SPRING CONFERENCE: The ACWA and ACWA/JPIA Spring Conferences are scheduled to be held during the week of May 8, 2006 in Monterey, CA. ACWA will be providing three Ethics Training sessions at the conference. This training is now required every two years for board members.

On a motion by Director Stone and a second by Director Spinks, the Board unanimously approved the attendance of these conferences for any directors attending. President McGehee is planning to attend the ACWA/JPIA conference and one of the ethics training sessions. Director Huckell is planning to attend the ACWA conference.

MANAGER'S REPORT: Manager Hunt briefly discussed SB 1331 with the Board. This is a placeholder bill that states that it is the intent of the Legislature to enact legislation to provide Lake Arrowhead Community Services District with more certainty in its water supply. Staff will be monitoring the progress of this bill.

There was a brief discussion regarding the monthly Financial, Investment and Water Production reports.

DIRECTORS' REPORT: There was a brief discussion regarding the May meeting date. President McGehee may have a scheduling conflict for the May 16, 2006 meeting. This will be discussed further at the April meeting.

As there was no further business, the meeting was adjourned at 5:09 pm. The next Regular Meeting is scheduled for Tuesday, April 18, 2006 at 3:00 pm.