

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

NOVEMBER 21, 2006

President McGehee called the Regular Meeting of the Board of Directors of Crestline Village Water District to order at 3:00 pm, on Tuesday, November 21, 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, Field Supervisor Donald Wagner and Office Manager Karl Drew. Absent was Engineer Fred Hanson.

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 Special Meeting of October 10, 2006 were approved as corrected.

PUBLIC COMMENTS: None.

EXECUTIVE SESSION, CONFERENCE WITH LABOR NEGOTIATORS: The Board did not enter into closed session.

HEALTH BENEFITS AND RETIREMENT PROGRAMS: The District is waiting to receive information from CalPERS. This information was expected to arrive after November 1, 2006.

HEALTH INSURANCE PREMIUM INCREASES: Office Manager Drew discussed with the Board the increases to the health insurance premiums that will be effective January 1, 2007. Premiums increased by 5.2% in 2005 and 5.8% in 2006. The premiums will increase by approximately 14.2% in 2007. There has been no adjustment to the maximum benefit of \$990 per month per employee since 2004. With the 2007 increase, ten of the thirteen regular full time employees will be paying between 8.7% and 25% of their total monthly health benefits premiums. Since the Board is in the process of reviewing the District's Health Benefits and Retirement Programs, the Board requested that this item be carried forward along with the other items under review.

PINECREST WATER STORAGE EXPANSION PROJECT: The Board reviewed pictures of the progress at the tank site. Manager Hunt reported that the interior and exterior painting of both tanks is complete. There is some additional site work that the contractor will complete in the spring. It is expected that the District will be able to finish the onsite piping and put the tanks into service this winter.

PROPERTY APPRAISALS: Manager Hunt discussed the appraisals that he has received for various District properties. He has received appraisals for five of the eight properties that are being reviewed. Additional information will be presented at future meetings.

REQUEST FOR REVIEW OF ACCOUNT, DAVIS TILTON, 687 ASHLAR DRIVE, ACCOUNT NO. 91-9333-00: The Board reviewed a letter from Mr. Tilton requesting that the water bill and charges, as well as the charges associated with disconnecting the water meter for tampering, be reviewed by the Board of Directors. Mr. Tilton had indicated that he would attend the Board meeting, but was not present.

The Board reviewed the information presented by staff regarding the charges that have accrued on this account since March 2006. After reviewing and discussing the information presented, on a motion by Director Stone and a second by Director Clanin, the Board unanimously found that the charges were in accordance with the District's Rules and Regulation for Water Service and there was no cause to further adjust any of the charges.

MANAGER'S REPORT: Manager Hunt discussed the status of the various jobs that had been completed this summer or are in progress. The Forest Shade Drive main relocation, Lake Gregory Trail project, and Dart Canyon leak repair job have been completed. The Chamois Drive and Lake Gregory Self Storage projects are still in progress. There was also discussion regarding the payment status of each job.

Proposition 218 Requirements: There has been a ruling by the California Supreme Court that water and sewer rates are subject to the provisions of Proposition 218. Manager Hunt reviewed with the Board the procedures that the District will follow when future water rate increases are considered by the Board.

There was a brief discussion regarding the monthly financial, investment and production reports.

DIRECTORS' REPORT: There was a brief discussion about the upcoming ACWA/JPIA conference. President McGehee may not be able to attend the conference. If he is not able to attend, Manager Hunt, who is the alternate JPIA director, will attend.

As there was no further business, the meeting was adjourned at 4:05 pm. The next meeting is scheduled for Tuesday, December 19, 2006 at 3:00 pm.