

BOARD OF DIRECTORS

Meeting Minutes

April 18 2019 6:00 PM.

Crestline Sanitation District, Meeting Room
24516 Lake Drive, Crestline, CA 92325

CALL TO ORDER: Director Pederson calls the meeting to order at 6:08 PM.

PRESENT: President: Donald Pederson
Vice President: Gilbert Flores
Treasurer: Daniel Dobrescu
Secretary: Joseph Jackson

ABSENT: Director: Eric Stone

STAFF: Office Administrator: Rosemarie Garcia
Operator: Robert Stickley

GUESTS: Three (3) representatives from San Bernardino County Fire were welcomed to observe the proceedings, as part of their ongoing efforts with community outreach.

Audience Members: See Attachment-A.

The Pledge of Allegiance was led by Director Flores.

1. Consent Agenda:

- A. April 18, 2019 Agenda, Approval.
- B. March 21, 2019 Meeting Minutes, Approval.

DISCUSSION: N/A

MOTION: Director Flores motions to approve the Consent Agenda as presented. Director Dobrescu seconds the motion.

ACTION: Motion approved upon majority vote. Director Jackson abstains due to March 21 absence.

2. Old Business:

A. By-Laws, General Update (status)

DISCUSSION: Director Pederson indicates we should be prepared for discussions to continue next regular meeting.

MOTION: N/A

ACTION: Tabled

B. FY 2019/2020 Budget (Approval)

DISCUSSION: Director Pederson presents Draft #3 of the FY-2019/20120 budget dated April 18, 2019 and indicates this draft represents a total net loss (including depreciation expense) due to planned capital improvements, but still preserves an operational gain of about \$19k.

MOTION: Director Pederson motions to approve the budget as presented. Director Dobrescu seconds the motion.

ACTION: Motion approved upon unanimous vote.

3. New Business:

A. Employee SIMPLE-IRA (approval).

DISCUSSION: The Board reviews and discusses an Adoption Agreement and an Agreement with Charles Schwab, for a SIMPLE-IRA employee retirement plan offered through Charles Schwab. Director Pederson explains that the Company will distribute the required notification documents to Staff before the end of this month, in order to provide for implementation July 1st.

MOTION: Director Jackson motions to approve the agreements. Director Flores seconds the motion.

ACTION: Motion approved upon unanimous vote.

4. Financial Report, March 2019:

DISCUSSION: The Board and Staff review the financial reports. Director Flores asked about the negative value of \$1,964 represented in account 100.00.201 Vehicle Loans liabilities (since found to be the beginning month balance). A full report of Treasury Bill holdings for FY 2018/2019 was presented showing \$120k purchased since May 2018, as previously approved. Director Pederson indicates that there's about \$50k budgeted for SCADA installation that will not likely be expensed this FY, but otherwise revenue and expenses are on target.

5. Operations and Production Report

A. Field Operations Report

Water Operator Robert Stickley reviewed the report for March 2019:

- Found and repaired a leak in the poly line before meters at Middle Burnt Mill well #4 and well #6. R+R / cleaned out wells 4, 5 and 6 meters.
- Graded and repaired Deer Run Rd. to allow access to Middle Burnt Mill 4, 5 and 6 well heads.
- Cut up and removed fallen tree at Sawpit site.
- Worked with Kent from Southland on Scada at Sawpit, Ferncrest, Lower Burnt Mill and Coonturn well 5.
- Removed fallen tree from poly lines at Lovers wells 1 and 2.
- Reinstalled meter at 460 Fir Lane for new owner.
- Replaced broken angle stop at 253 Fir Lane.
- Started trimming trees and removed debris from culvert at Sawpit.
- Flushed dead end main at Lookout Lane.
- Rearranged and started cleaning up shop yard.
- Repaired leak at Sawpit #1 sump tank. Estimated loss was 16,000 gal.
- All water samples taken for March and reported to State Water Resources Control Board reveal all samples taken are fine and under MCL.

DISCUSSION: The Board and Staff agree now is the time to perform flushing activities while we have an excess of domestic supply. Director Dobrescu indicated he will meet with CO Burwell and Kent from Southland Water Technologies to discuss residual SCADA installation issues.

B. Production Report

Domestic production (and total production to system) in March was 288,431 cubic-feet (49.9 gpm). CLAWA has been turned off since February 8, 2019.

6. Public Comment:

A. Shareholder Cheryl Turpin presents a comment card, received April 18, 2019.

Mrs. Turpin asks what is the status on Well #7 (it was determined through discussion that Mrs. Turpin meant to inquire as to the status of Sawpit #5). Director Pederson indicates this well continues to be disconnected from the distribution system per State Water Resources Control Board's direction, but has recently been tested for VOC's, with the results being "not detect" (no contamination).

7. Announcements:

A. The next Regular Meeting is tentatively scheduled for May 16, 2019 at 6:00 p.m.

B. Director Pederson reports that The California Rural Water Association rate study should be completed in the next few weeks.

Adjourn to Executive Session

MOTION: Director Flores motions to adjourn to executive session at 6:55 pm. Director Dobrescu seconds the motion.

ACTION: Motion approved upon unanimous vote.

8. Shareholder Matters:

A. Request for One-Time Reduction, Account #5-805

DISCUSSION: The Board and Staff discuss the circumstances regarding the request.

MOTION: Director Pederson motions to approve the onetime reduction. Director Flores seconds.

ACTION: Motion approved upon unanimous vote. Director Pederson requests that OA Garcia encourage the Shareholder not to waste the onetime reduction on such a low amount.

- *Operator Stickley is excused*

9. Shares Canceled/Issued:

SHARE CANCELATION/ ISSUANCE, CHANGE IN OWNERSHIP

<u>Account:</u>	<u>Cert# Cancelled:</u>	<u>Cert# Issued:</u>
1. 12-792	010347A	010853A
2. 7-538	010315A	010854A
3. 3-403	-	010855A
4. 6-716	010517A	010856A
5. 10-90	010260A	010857A

6. 11-171

010858A

010858A

DISCUSSION: Director Pederson indicates that there is no cancellation associated with account 3-403 because membership had been previously cancelled, but transfer was never completed by the new owner of the property, at that time. The membership being issued this evening will be to the subsequent and current owner of the property.

MOTION: Director Pederson motions to approve cancellation and issuance of memberships associated with the accounts as listed. Director Jackson seconds the motion.

ACTION: Motion approved upon unanimous vote.

- OA Garcia is excused.

10. Personnel Matters:

A. FY 2019/2020 Budget, Wages (approval).

DISCUSSION: The Board reviews and discusses the FY 2019/2020 Wage Authorization dated April 18, 2019.

MOTION: Director Dobrescu motions to approve the authorization as presented. Director Flores seconds the motion.

ACTION: Motion approved upon unanimous vote.

B. Use of Company Vehicle (approval).

DISCUSSION: The Board reviews and discusses the Use of Company Vehicle Authorization for Chief Operator Nathan Burwell dated April 18, 2019. Director Flores recommends some changes.

MOTION: Director Pederson motions to approve the authorization as amended. Director Flores seconds the motion.

ACTION: Motion approved by unanimous vote.

11. Legal Matters: N/A

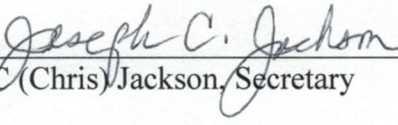
12. Third Party Contracts: N/A

ADJOURNMENT

MOTION: Director Dobrescu motions to adjourn the Executive Session at 7:41pm. Director Jackson seconds the motion.

ACTION: The meeting was adjourned upon unanimous vote.

Approved:  Date: 5/16/2019
Donald Pederson, President

Attest:  Date: 5/16/2019
Joseph C (Chris) Jackson, Secretary