

# *BOARD OF DIRECTORS*

## Meeting Minutes

December 19, 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 6:00 PM.

**PRESENT:**  
President: Donald Pederson  
Vice President: Gilbert Flores  
Treasurer: Daniel Dobrescu  
Secretary: Joseph Jackson  
Director: Eric Stone

**STAFF:**  
Office Administrator: Rosemarie Garcia  
Chief Operator: Nathan Burwell

**Audience Members:** See Attachment-A

Director Flores led the Pledge of Allegiance.

### **1. Consent Agenda**

- A. December 19, 2019 Agenda, Approval.
- B. November 21 2019 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 unanimous vote.

### **2. Old Business:**

#### **A. Rate Study (discussion)**

The Board and Shareholders present continued review and discussion concerning the 2019 Rate Study from Bartle Wells Associates, which suggests a 5.5% increase in Membership Fees, Meter Charges and Consumption Charges each year for the next five years, in order to align with rising operating costs, provide for long term capital improvements, and to preserve existing reserves.

Some discussion points included:

\*There has been no rate increase for CPPMWC for 6 years.



\*Director Pederson presented a 10-yr revenue/expense forecast using the 5.5% suggested rate increase and 3% annual expense escalation, and including a budget for annual, ongoing moderate capital improvements. This projection shows that while ongoing maintenance and moderate capital improvements is substantially managed, funds generated at even a 5.5% rate increase would not begin to cover the system-wide mainline replacement expected in 2035-2040. It's likely a major loan(s) would be required, which will be a significant interest expense.

\*Could there be a longer term of rate increase (10 years?) but with a lower % increase? This scenario does not generate sufficient cash for annual improvements over the short-term.

\* Could we approve a rate increase for this coming fiscal year, and reevaluate next year? We already know we'll be coming up short for at least the next 5-years.

\* Retain 3-tier system for consumption charges vs. changing to recommended 2-tier system? The 2-Tier system would put more average users into the highest tier.

\*Could shareholders be advised again of this potential rate increase in their early January bill?

\*A Shareholder present stated they were denied a hard copy of the rate study at the office, was also denied one be mailed, and gave other specifics.

\*Director Pederson indicated he expects to be prepared to present a motion for a rate increase at the January meeting.

**MOTION:** N/A

**ACTION:** The Board will continue the discussion at the January meeting.

### **3. New Business:**

**A. N/A**

### **4. Financial Report, November 2019:**

**DISCUSSION:** The Board and Staff reviewed the financial reports. In the interest of time, discussion was deferred to the next meeting.

### **5. Operations and Production Report**

#### **A. Field Operations Report**

Chief Operator Burwell presented the reports for November 2019:

- Replaced hard to read meter and broken (stuck in the open position) curb stop at 22328 Pine Dr.
- Serviced Ford. Replaced oil and filter.
- Relocated service line from 1 ½" main line to 6" main line at 21839 East Buckthorn due to low pressure. (Was 15-20 psi, Now 60 psi)
- Installed new meter and riser at 21973 Mojave River Rd. Meter was two boxes deep.
- Replaced hard to read meter and broken angle stop at 21580 Sawpit Canyon Rd.
- Started exercising system isolation valves. Throughout the month of November.
- Installed meter riser at 810 Mozumdar Dr. due to meter being three boxes deep.
- Repaired 1 ½" main line and ¾" service line leak at 21461 Crest Forest Dr. (Est. loss= 536 cubic feet)
- Rented dump trailer and picked up 3 tons of cold patch.



- Temp patched 15' x 15' cutout in front of 21839 East Buckthorn.
- Power outage on Thanksgiving 11/28. Shut all wells off. Cleared snow from shop, Jobs site, generators and moved generator to Jobs to restore power.
- Marked out 8 Dig Alert tickets; 6 Edison replacing power poles and 2 for residents.
- All water samples taken for November and reported to State Water Resources Control Board reveal all samples taken are fine and under MCL.

**B. Production Report**

Domestic production in November was 191,811 cubic-feet (33.2 gpm). CLAWA has been turned off since February 2019.

**6. Public Comment:**

Shareholder Betty Roberts submitted a commit card concerning "questions about rate study", but left the meeting before the Public Comment portion of the meeting. It's assumed she was provided adequate time for questions/answers during the Rate Study portion of the meeting.

**7. Announcements:**

A. Director Pederson stated the next Regular Meeting is tentatively scheduled for January 16, 2020 at 6:00 p.m.

**Adjourn to Executive Session**

**MOTION:** Director Pederson motions to adjourn to executive session at 8:06 pm. Director Flores seconds the motion.

**ACTION:** Motion approved upon unanimous vote.

\* Director Stone leaves the meeting room.

**8. Shareholder Matters:**

A. N/A

**9. Memberships Canceled/Issued:**

**MEMBERSHIP CANCELATION/ ISSUANCE, CHANGE IN OWNERSHIP**

Account:	Cert# Cancelled:	Cert# Issued:
1. 2-102	010662A	010887A
2. 5-565	009690A	010888A
3. 7-507	010286A	010889A

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

**ACTION:** Motion approved by majority vote. Director Stone was absent.



**MEMBERSHIP CANCELATION/VIOLATION OF RULES AND REGULATIONS**

Account: Cert # Canceled  
1. 4-254 009500

**MOTION:** Director Pederson motions to approve cancellation of membership associated with the account as listed. Director Flores seconds the motion.

**ACTION:** Motion approved by majority vote. Director Stone was absent.

\* Director Stone returns to the meeting room.

**10. Personnel Matters:**

**A. Temp-to-Hire conversion, Operator in Training.**

The Board and Staff discuss the potential for converting the current Operator in Training position from Temporary to Full-Time Regular.

**MOTION:** Director Pederson motions to convert the Temporary position to Full-Time Regular, and to make an offer at the current rate of pay. Director Dobrescu seconds the motion.

**ACTION:** The motion was approved upon unanimous.

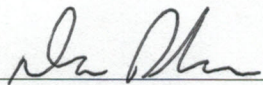
**11. Legal Matters: N/A**

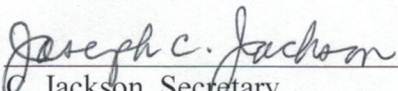
**12. Third Party Contracts: N/A**

**ADJOURNMENT**

**MOTION:** Director Pederson motions to adjourn the Executive Session at 8:19pm. Director Dobrescu seconds the motion.

**ACTION:** The Meeting was adjourned upon unanimous vote.

Approved:  Date: 1/16/2020  
Donald Pederson, President

Attest:  Date: 1/16/2020  
Joseph C. Jackson, Secretary