



BOARD OF DIRECTORS

Meeting Minutes

March 19, 2020 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 6:20 PM.

PRESENT: President: Donald Pederson
Vice President: Gilbert Flores
Director: Eric Stone

ABSENT: Treasurer: Daniel Dobrescu
Secretary: Joseph Jackson

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

Audience Members: See Attachment-A.

Director Flores leads the Pledge of Allegiance.

1. Consent Agenda

- A. March 19, 2020 Agenda, Approval.
- B. February 20, 2020 Meeting Minutes, Approval.

DISCUSSION: Director Flores states he would like to add an agenda item to address late payments and lock-offs during the Covid-19 emergency that has developed over the last few days. Director Pederson indicates that it's too late to add it as an agenda item of this meeting, but suggests maybe an Emergency Meeting might be appropriate.

MOTION: Director Stone motions to approve the Consent Agenda as presented. Director Pederson seconds the motion.

ACTION: Motion approved upon unanimous vote.

2. Old Business: N/A

3. New Business:

- A. Budget Review, FY 2020/2021.

DISCUSSION: The Board and Staff discuss the draft FY-2020/2021 budget. Director Pederson points out some highlights;

- 1) The rate increase approved last meeting has been included in the revenue projection of \$764,232, about a \$31,000 increase.
 - 2) The Plant Operation and Maintenance budget requires more discussion with CO Burwell to finalize, but will be approximately \$163,000, which includes \$98,000 for refurbishment of Ferncrest Tank #1.
 - 3) The General Operation budget also has a few items to finalize, but will be approximately \$368,100, about a \$13,000 increase.
 - 4) The Labor Expense budget has been set at \$334,571, about \$49,700 higher than last year, in part due to increased staffing.
 - 5) This budget represents a projected net loss of about \$100,500, which is about what Ferncrest Tank#1 will cost.
 - 6) Excluding depreciation, this budget estimates an operational loss of only about \$500 so it's likely our current reserves will remain intact. Budgeted depreciation of \$100k will be revisited after the 2019/2020 audit, and the budget may be amended if appropriate.
- The budget will be finalized and brought for approval next meeting.

MOTION: N/A

ACTION: N/A

B. JPRIMA Insurance Renewal.

DISCUSSION: The Board reviews the general insurance renewal proposal from JPRIMA for \$12,225, increased about \$800 from last year due to increased valuation of some assets.

MOTION: Director Stone motions to approve the renewal proposal as presented. Director Flores seconds the motion.

ACTION: Motion approved upon unanimous vote.

C. FY 2019/2020 Audit

DISCUSSION: The Board reviews the audit proposal from Smith Marion & Company for \$11,350, increased \$300 from last year.

MOTION: Director Pederson motions to approve the audit proposal as presented. Director Flores seconds the motion.

ACTION: Motion approved upon unanimous vote.

4. Financial Report, February 2020:

DISCUSSION: The Board and Staff review the financial reports. We appear on track to come in on budget, with the exception of final costs for SCADA implementation which was budgeted to have been expensed last year (about \$54k). All Treasury Bills have been purchased for the fiscal year, and we intend to re-invest those bills as each matures.

MOTION: N/A

ACTION: N/A

5. Operations and Production Report, February 2020.

A. Field Operations Report

- Continued exercising fire hydrant valves.
- Repaired broken fire hydrant valve leak in front of 22420 Pine Dr. (Loss 5,370 cubic feet)

- Cut up fallen tree and removed from Lovers road near tanks.
- Added dirt over exposed pipe on Burnt Mill Canyon Rd.
- Replaced check valves to Lower Burnt Mill pumps 1 and 2.
- Replaced broken backing plate on meter to Middle Burnt Mill well #3. Meter froze.
- Placed barriers behind 2 fire hydrants to prevent hillside from covering them.
- Replaced section of fence at Lower Burnt Mill site after tree fell and crushed it.
- Hung 48hr notices on Feb,14th.
- Locked offs Feb,18th.
- Read meters from Feb,18th-21st.
- Welded flanges and thread-o-lets on replacement pipe inside Jobs pump house.
- Coonturn pump 2 contact relay burnt up. Repaired contact with parts from pump 1.
- Ordered replacement contact for Coonturn pump 1.
- Removed by hand and with backhoe, sand piled up over culvert and pushing against tank at Middle Burnt Mill site.
- Fueled Sawpit generator and welded new trailer jack to hitch.
- Replaced broken angle stop at 22044 Elliott Rd.
- Cut up old pipe rack and built new one.
- Added base to Upper Burnt Mills driveway.
- Walked Mid Burnt Mill well lines to inspect for any damage.
- Marked out 13 Dig Alert tickets, 10 Edison replacing power poles and 3 for residents.
- All water samples taken for February and reported to State Water Resources Control Board reveal all samples taken are fine and under MCL.

B. Production Report

Domestic Production was 192,618 cubic-feet (33.4 gpm). CLAWA has been turned off since February 2019. Calculated loss was approximately 5% last 2-mo., 7% last 6-mo.

6. Public Comment:

None.

7. Announcements:

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

Adjourn to Executive Session

MOTION: Director Pederson motions to adjourn to executive session at 6:59 pm. Director Stone seconds the motion.

ACTION: Motion approved upon unanimous vote.

8. Shareholder Matters:

A. Request for Reduction, Acct# 5-355

DISCUSSION: The Board, Staff and Shareholder discuss the circumstances surrounding the request for reduction on an extremely large loss.

MOTION: Director Stone motions to approve a reduction in consumption charge to \$.044/cu-ft. Director Pederson seconds the motion.

ACTION: Motion approved upon unanimous vote.

9. Memberships Canceled/Issued:

MEMBERSHIP CANCELANATION/ ISSUANCE, CHANGE IN OWNERSHIP

Account:	Cert# Cancelled:	Cert# Issued:
1. 1-70	010525A	010895A
2. 1-450	009916A	010897A
3. 8-140	010162A	010899A
4. 6-951	9166A	010900A

DISCUSSION: None

MOTION: Director ~~Pederson~~ Stone to approve cancellation and issuance of Memberships associated with the accounts as listed. Director Pederson seconds the motion.

ACTION: Motion approved upon unanimous vote.

OA Garcia and CO Burwell are excused.

10. Personnel Matters:

A. FY-2020/2021 Budget, Wages

DISCUSSION: The Board discusses proposed wage increases.

MOTION: N/A

ACTION: N/A

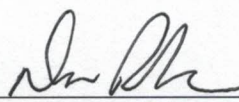
11. Legal Matters: N/A


12. Third Party Contracts: N/A

ADJOURNMENT

MOTION: Director Stone motions to adjourn the Executive Session at 7:44pm. Director Pederson seconds the motion.

ACTION: The Meeting was adjourned upon unanimous vote.

Approved:  Date: 4/16/2020
Donald Pederson, President

Attest:  Date: 4/16/2020
Joseph C. Jackson, Secretary