

BOARD OF DIRECTORS

Meeting Minutes

May 16, 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

ABSENT: Director: Eric Stone

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

Audience Members: (See Attachment-A)

The Pledge of Allegiance was led by Director Flores.

1. Consent Agenda Items:

- A. May 16, 2019 Agenda, Approval.
- B. April 18, 2019 Meeting Minutes, Approval.

DISCUSSION: N/A

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

ACTION: Motion approved upon unanimous vote.

2. Old Business:

A. By-Laws, General Update (status)

DISCUSSION: The Board discusses the draft update. Director Flores identifies some corrections additions he'd like to have incorporated. Discussions will continue next meeting.

MOTION: N/A

ACTION: N/A

3. New Business:

A. Purchase of Treasury Bills (Reinvestment).

DISCUSSION: Director Pederson suggests we reinvestment the Treasury Bills purchased in FY 2018-2019 as they mature, and purchase additional \$10k/52-week Treasury Bills each month for FY 2019-

2020. At about \$3k/year vs. about \$650/year, the return on T-Bills is significantly better than a savings account.

MOTION: Director Jackson motions to purchase additional \$10k/52-week T-Bills each month of FY 2019-2020, and reinvest the T-Bills purchased in FY 2018-2019, for \$20k/month total. Second by Director Pederson.

ACTION: Motion approved upon unanimous vote.

4. Financial Report, April 2019:

DISCUSSION: The Board and Staff review the financial reports. Comments were made regarding the Vehicle Loan entry. In this last fiscal year ending in April, expenses were 90.5% of that budgeted, and income was about 105% of that forecasted. Net sales is "in the black" by approximately \$110k (including depreciation), but should have been only about \$44k, due primarily to \$53k for SCADA installation that was not expensed as intended, the over-budgeting of vehicle loan payments that were paid off, and the sale of one vehicle not forecasted.

5. Operations and Production Report

A. Field Operations Report

Nate reviewed the report for April 2019:

- Located all well and pumping lines at Sawpit.
- Trimmed up all overgrown trees at Sawpit.
- Completed parts inventory in shop and trucks.
- Cut up scrap pipe in shop yard for trash and recycling.
- Kent from Southland Water worked on RTU and meter registers at Ferncrest.
- Kent installed a Yagi antenna at Upper Burnt Mill and figured out the problem with Coonturn Well #5 not communicating with Coonturn pump house.
- Hung 48hr notices on the 15th. Lock offs on the 17th.
- Meter reading from the 15th-23rd.
- Replaced hard to read meter at 549 Long Beach.
- Repaired broken valve can at the corner of Bone Dr. and Reservoir Rd.
- Started building replacement well boxes with locks for Sawpit wells and Middle Burnt Mill wells.
- Repaired service line leak at 21638 Devils Canyon Rd. Estimate 1,000 gallons loss.
- All water samples taken for April and reported to State Water Resources Control Board reveal all samples taken are fine and under MCL.
- **DISCUSSION:** The Board and Staff discuss residual issues with the SCADA installation and the planning of rehabilitation of Upper Burnt Mill Well #7.

B. Production Report

Domestic production in April was 232,365 cubic-feet (40.2 gpm). CLAWA has been turned off since February 8, 2019.

6. Public Comment: N/A

7. Announcements:

- A. Director Pederson announces the next Regular Meeting is tentatively scheduled for June 20, 2019 at 6:00 p.m.
- B. The Annual Meeting of Shareholders will be on July 27, 2019, 1:30 pm at the Crestline Sanitation District Board Room.
- C. The California Rural Water Association Rate Study has been delayed because of a contractual issue between CRWA and the firm they contracted for the study, but have been told we will get a more comprehensive report than we otherwise would have.

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 Reduction account #2-662

DISCUSSION: The Board and Staff discuss the circumstances related to the request.

MOTION: Director Pederson motions to approve the one-time reduction, contingent upon the member installing a shut-off valve on their side of the meter, to be verified by the Company, within 30 days. Director Flores seconds the motion.

ACTION: Motion approved upon unanimous vote.

B. Request for Reduction account #7-567

DISCUSSION: The Board and Staff discuss the circumstances related to the request.

MOTION: Director Pederson moved to approve the one-time reduction. Director Dobrescu seconds the motion.

ACTION: Motion approved upon unanimous vote.

C. Account #2-692

The member provided information on CA Senate Bill No. 998, but made no specific request of the Board.

D. Board Action Request account #1-490

DISCUSSION: The member requested a reduction to recent bills due to suspected meter failure. The meter was tested, shown to be under-reading, and was replaced.

MOTION: Director Pederson moved to deny the request. Director Dobrescu seconds the motion.

ACTION: Motion approved upon unanimous.

7:16 pm

- Chief Operator Burwell is excused

- Director Flores departed the meeting due to a schedule conflict.

9. Shares Canceled/Issued:

SHARE CANCELTION/ ISSUANCE, CHANGE IN OWNERSHIP

Account:	Cert# Cancelled:	Cert# Issued:
1. 8-128	010283A	010860A
2. 5-105	8723A	010861A

DISCUSSION: N/A

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

ACTION: Motion approved upon unanimous vote.

SHARE CANCELTION, VIOLATION OF RULES AND REGULATIONS

Account:	Cert# Cancelled:
1. 2-62	010583A

DISCUSSION: Director Pederson indicates that the current owner of the property was contacted and given the opportunity to avoid cancellation by transferring the membership, but has declined.

MOTION: Director Pederson motions to approve cancellation of Memberships associated with the accounts as listed. Director Dobrescu seconds the motion.

ACTION: Motion approved upon unanimous vote.

10. Personnel Matters: N/A

11. Legal Matters: N/A

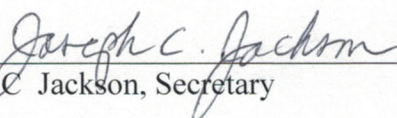
12. Third Party Contracts: N/A

ADJOURNMENT

MOTION: Director Pederson motions to adjourn the Executive Session at 7:25pm. Director Jackson seconds the motion.

ACTION: The Meeting was adjourned upon unanimous vote.

Approved:  Date: 6/20/2019
Donald Pederson, President

Attest:  Date: 6-26-2019
Joseph C. Jackson, Secretary