

BOARD OF DIRECTORS

EXECUTIVE MEETING

Date: October 27, 2011 Time: 7:57 P.M.

Location: Crestline Village Water District Board Room

CALL TO ORDER:

President Dahlstrom called the meeting to order at 7:57 P.M.

PRESENT:

President Perry Dahlstrom
Vice President Ronald Albright
Secretary Wilfred Steiner
Treasurer Donald Pederson
Director Paul Hartman

ABSENT:

None

STAFF:

Accountant – Angela Forder

CONSULTANTS:

General Manager – Sonny Gowan

Administrative Consultant – Rhiannon Gowan

MINUTES

1. APPROVE THE MAY 19, 2011 EXECUTIVE BOARD MEETING MINUTES.

DISCUSSION: No changes or objections to the minutes.

MOTION: Director Pederson made a motion to approve May 19, 2011 Executive Board Minutes. A second was made by Director Hartman.

ACTION: Motion was carried, Director Albright abstained.

2. APPROVE THE JULY 15, 2011 AMENDED EXECUTIVE BOARD MEETING MINUTES.

DISCUSSION: No changes or objections to the minutes.

MOTION: Director Pederson made a motion to approve the July 15, 2011 Regular Board Meeting Minutes as amended to include Items 1 and 2. A second was made by Director Albright.

ACTION: Motion was carried unanimously.

3. APPROVE THE JULY 30, 2011 ANNUAL SHAREHOLDER MEETING MINUTES.

DISCUSSION: No changes or objections to the minutes.

MOTION: Director Hartman made a motion to approve the July 30, 2011 Annual Shareholder Meeting Minutes. A second was made by Director Steiner.

ACTION: Motion was carried unanimously.

4. APPROVE THE JULY 30, 2011 ORGANIZATIONAL MEETING MINUTES.

DISCUSSION: No changes or objections to the minutes.

MOTION: Director Albright made a motion to approve the July 30, 2011 Organizational Meeting Minutes. A second was made by Director Hartman.

ACTION: Motion was carried unanimously.

5. APPROVE THE AUGUST 18, 2011 REGULAR MEETING MINUTES.

DISCUSSION: Corrections were identified.

MOTION: Director Steiner made a motion to approve the August 18, 2011 Regular Meeting Minutes, as corrected. A second was made by Director Pederson.

ACTION: Motion was carried unanimously.

6. APPROVE THE AUGUST 18, 2011 EXECUTIVE MEETING MINUTES.

DISCUSSION: Corrections were identified.

MOTION: Director Pederson made a motion to approve the August 18, 2011 Executive Meeting Minutes, as corrected. A second was made by Director Hartman.

ACTION: Motion was carried unanimously.

7. APPROVE THE SEPTEMBER 22, 2011 REGULAR MEETING MINUTES.

DISCUSSION: No changes or objections to the minutes.

MOTION: Director Pederson made a motion to approve the September 22, 2011 Regular Meeting Minutes. A second was made by Director Steiner.

ACTION: Motion was carried, Directors Albright and Hartman abstained.

8. APPROVE THE SEPTEMBER 22, 2011 EXECUTIVE MEETING MINUTES.

DISCUSSION: Corrections were identified.

MOTION: Director Steiner made a motion to approve the September 22, 2011 Executive Meeting Minutes, as corrected. A second was made by Director Pederson.

ACTION: Motion was carried, Directors Albright and Hartman abstained.

9. APPROVE THE SEPTEMBER 24, 2011 EXECUTIVE MEETING MINUTES.

DISCUSSION: No changes or objections to the minutes.

MOTION: Director Hartman made a motion to approve the September 24, 2011 Executive Meeting Minutes. A second was made by Director Pederson.

ACTION: Motion was carried unanimously.

REPORTS

FINANCIAL REPORT FOR SEPTEMBER 2011

DISCUSSION: Ms. Forder explained the status of the Company financial reports for September 2011, and updated the Board regarding status of new/old bank accounts and balance transfers. There was discussion regarding ECS invoicing, accrual and payment. Mrs. Gowan explained that the ECS invoice for April-2011 services must be accrued in April even though it wasn't actually invoiced until May, and therefore was required to be represented on the P&L report in both months (and both fiscal years). Director Pederson indicated he would discuss this issue with the Company's CPA.

MOTION: Director Pederson made a motion to accept the financial reports as presented. A second was made by Director Hartman.

ACTION: N/A

OPERATIONS

Production Reports for September 2011

General Manager, Sonny Gowan provided the following totals for September 2011:

TOTAL MONTHLY SYSTEM PRODUCTION:	2,898,507	Gallons or 67.1 gallons per minute.
TOTAL PURCHASED WATER TO THE SYSTEM:	0	Gallons or 0 gallons per minute.
TOTAL WATER TO THE SYSTEM IN September 2011:	2,898,507	Gallons or 67.1 gallons per minute.
TOTAL SYSTEM STORAGE AS OF September 30, 2011:	83.70%	

General Manager Gowan reported the following information to the Board:

- Investigated 8 leaks.
- Completed 12 Underground Service Alerts.
- Posted 1 notice.
- Completed 6 water turn on orders.
- Completed 2 meter change outs.
- Installed 2 pulled meters.

- Completed 25 meter read orders.
- Completed 1 pressure test.
- Verified 1 fire service.
- Completed 2 water availability requests.
- Completed 1 fire hydrant flow test.
- Installed slip cans and elevated covers on 3 valves in paving areas.
- Verified 1 customer shut off valve.
- Repaired 1 water main leak.
- Repaired leak at Sawpit.
- Installed 2 Hydrant construction meters.
- Replaced 1 damaged meter.
- Pulled 1 meter.
- Repaired float assembly at Lovers Lane.
- Weed control at all sites.
- Cleaned pump houses.
- Replaced lights at Sawpit.
- Located 1 fire hydrant isolation valve.
- Completed air-vac maintenance, 27.
- Replaced 13 snow poles.
- Began fire hydrant maintenance.

OLD BUSINESS

1. **CLAWA CONNECTION STATUS – (Financial Hold)**
2. **WATER STORAGE TANK MAINTENANCE STATUS – STATUS & INSPECTION PROPOSALS (Financial Hold)**
3. **SAWPIT STORAGE TANK SITE – STATUS UPDATE - (Financial Hold)**
4. **BENNETT EASEMENT (No further public discussion, legal issue)**
DISCUSSION: General Manager Sonny Gowan indicates the documentation is complete for a portion of the easement.
ACTION: None

5. POLICIES & PROCEDURES

6. FINANCIAL INSTITUTION

7. DEPARTMENT OF CORPORATIONS PERMIT RENEWAL

8. Account 99-5017 and 99-5018

DISCUSSION: A discussion was had regarding account 99-5017 and 99-5018. It was determined by the Board that before the shares can be split, the Shareholder must submit a newly recorded deed that verifies the separation of property.

ACTION: Ms. Forder will contact the shareholder and request a copy of the current grant deed.

NEW BUSINESS

ITEM 1: CANCEL THE FOLLOWING SHARES (Non-Payment):

Account 1-10	Account 1-570	Account 1-720	Account 1-970
Account 3-163	Account 5-485	Account 5-615	Account 11-111
Account 99-3841	Account 99-4048	Account 99-4227	Account 99-5695
Account 99-6205	Account 99-7108		

DISCUSSION: A recommendation to cancel shares on the above-named accounts for 12 months of non-payment per Resolution 10-01 was presented to the Board for approval.

MOTION: Director Albright made a motion to approve. A second was made by Director Pederson.

ACTION: Motion carried unanimously.

ITEM 2: CANCEL/REISSUE THE FOLLOWING SHARES (Change of Ownership):

Account 1-510	Account 1-990	Account 3-253	Account 4-134
Account 7-190	Account 9-79		

DISCUSSION: A recommendation to cancel old, and reissue new shares on the above-named accounts due to change of ownership, was presented to the Board for approval.

MOTION: Director Pederson made a motion to approve. A second was made by Director Steiner.

ACTION: Motion carried unanimously.

ITEM 3: ISSUE THE FOLLOWING SHARES (New):

Account 7-190

DISCUSSION: A recommendation to issue shares on the above-named account was presented to the Board for approval.

MOTION: Director Steiner made a motion to approve. A second was made by Director Hartman.

ACTION: Motion carried unanimously.

ITEM 4: REQUEST FOR REDUCTION - ACCT # 2-82

DISCUSSION: A shareholder re-submitted a Board Action Request form to reconsider a previous request for reduction, submitted at the August 2011 Board meeting. The shareholder explained that the residence is occupied a minimum of three days a week, and the existence of the shut-off valve was verified.

MOTION: Director Hartman made a motion to approve the one time reduction for Book 2 Account 82, as recommended by Staff. A second was made by Director Steiner.

ACTION: Motion carried unanimously.

ITEM 5: BOARD ACTION REQUEST FOR REDUCTION – ACCT # 7-27

DISCUSSION: A Board Action Request for a “One Time Reduction” due to a plumbing failure was discussed. The shareholder discovered and repaired a leak between the meter and shut-off valve. It was agreed by the Board and Staff that all general requirements for a one time reduction had been satisfied.

MOTION: Director Hartman made a motion to approve the one time reduction for Book 7 Account 27, as recommended by Staff. A second was made by Director Steiner.

ACTION: Motion carried unanimously.

ITEM 6: SHAREHOLDER REQUEST FOR INFORMATION– ACCT 5-265

DISCUSSION: A shareholder submitted a request for a shareholder's membership list, for the purpose of contacting shareholders to gain support for an acquisition/merger with another water company. The Board agreed the shareholder's request may be met by the office staff upon the shareholder signing the standard release form.

MOTION: Director Pederson made a motion to approve the distribution of a membership list, with a standard release form. A second was made by Director Hartman.

ACTION: Motion carried unanimously.

ITEM 7: PERSONNEL ACTION FORM

DISCUSSION: A discussion was made regarding employee matters

MOTION: None

ACTION: An employee action form was signed by the Board to change Accountant Angela Forder's title from of Accountant to Office Administrator, in conjunction with the departure of ECS Company.

ITEM 8: LEGAL ISSUES

DISCUSSION: The Board reviewed correspondence from the Company's attorney, regarding an Application for Preliminary and Permanent Injunction, filed by Mr. James Morrison (Plaintiff), in protest of the recent 2011 meter charge.

MOTION: None

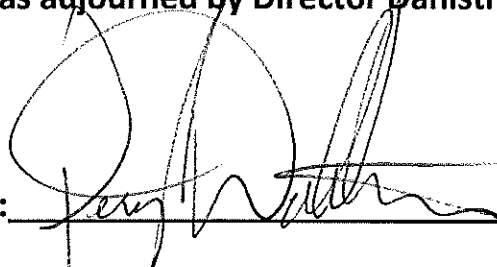
ACTION: None

ADJOURNMENT

MOTION: Director Hartman made a motion to adjourn the October 27, 2011 Executive Board of Directors Meeting. A second was made by Director Pederson. The motion was approved unanimously.

The Meeting was adjourned by Director Dahlstrom at 11:25 P.M.

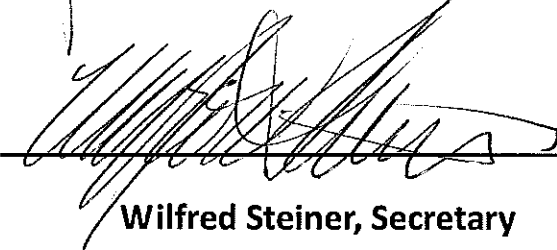
Approved By: _____



Date: 12-15-11

Perry Dahlstrom, President

Reviewed By: _____



Date: 12/19/11

Wilfred Steiner, Secretary