



## *BOARD OF DIRECTORS*

### *MEETING MINUTES – REGULAR MEETING*

Date: NOVEMBER 17, 2009 Time: 7:00 P.M.

Location: CRESTLINE VILLAGE WATER DISTRICT

#### **CALL TO ORDER:**

President Dahlstrom called the meeting to order at 7:00 P.M.

**PRESENT:** President Perry Dahlstrom, Vice President Ronald Albright, Secretary Wilfred Steiner, Director Donald Pederson

**ABSENT:** Director Howard McLeod

**CONSULTANTS:** General Manager Sonny Gowan, Administrative Consultant-Rhiannon Gowan

**AUDIENCE MEMBERS:** See Sign in Sheet Attached Exhibit "A"

#### **ANNOUNCEMENT:**

Director Dahlstrom announced that Agenda, New Business, item # 1, Rate Raise Informational Update, would be moved up on the Agenda, and presented after Public Comment.

#### **APPROVAL OF MINUTES**

##### ***REGULAR BOARD OF DIRECTORS MEETING MINUTES***

APPROVE THE OCTOBER 27, 2009, REGULAR BOARD OF DIRECTORS MEETING MINUTES.

**ACTION:** Director Pederson made a motion to approve the October 27, 2009 Regular Board meeting minutes. Director Steiner seconded the motion which was approved.

Director Dahlstrom stated that meeting minutes would be available after they had been approved and signed. Director Dahlstrom further stated that Board minutes are the actions reflecting Board activities and the Board is authorizing the minutes. Shareholder comments would be submitted on a Board Action Request Form. If the shareholder comments indicated errors or something missing, the Board would address the submitted form at the next Regular Board of Directors Meeting.

### ***EXECUTIVE BOARD OF DIRECTORS MEETING MINUTES***

APPROVE THE NOVEMBER 6, 2009, EXECUTIVE BOARD OF DIRECTORS MEETING MINUTES.

**ACTION:** Director Steiner made a motion to approve the November 6, 2009 Executive Board meeting minutes. Director Albright seconded the motion which was approved.

## **FINANCIAL REPORTS**

### **OCTOBER 2009 FINANCIAL REPORT**

APPROVE THE OCTOBER 2009, FINANCIAL REPORT AS SUBMITTED.

**ACTION:** Director Steiner made a motion to approve the October 2009 Financial Report as submitted. Director Albright seconded the motion which was approved.

## **PUBLIC COMMENT**

PUBLIC COMMENT WAS CONDUCTED BY PUBLIC COMMENT CARDS SUBMITTED

- Susan Clack – Public Comment Card indicates Proxy for Robert & Dorothy Houts  
Subject – Why are minutes no longer being mailed as requested?  
Answer – Problem was we were behind on getting minutes approved, and the mailing list needs to be updated.
- Susan Clack – Public Comment Card indicates Proxy for Robert & Dorothy Houts  
Subject – What is being done to recover tools taken from CPPMWC by the former general manager?

Discussion – A discussion ensued in regards to past tool lists, tool inventory, what was missing, and who may have taken tools. General Manager Sonny Gowan informed the Board that he had been given a copy of an old tool inventory list, he also informed the Board that a tool inventory had been done about the time that the company was working on the budget. Director Dahlstrom requested to see the inventory list which the company currently has.

- Fred Turpin – Shareholder

Subject – July 25 Regular Board Meeting, remove Fred Turpin from meeting, - why?

Answer – Because Fred Turpin was not present at the July 25, 2009 Regular Board Meeting.

- Cheryl Turpin – Shareholder

Subject – Last meeting –Oct 19- shareholders were told Sonny Gowan was resigning – in fact he only resigned the 6 month contract – to negotiate a new contract!

Discussion – There was a brief discussion as to the status of a statement made at the October Regular Board Meeting in regards to the resignation of Sonny Gowan. The Board indicated that they had accepted the document of resignation, however they did not accept the resignation of Sonny Gowan. The Board is in negotiations with Sonny Gowan, which is currently a legal issue.

- Maureen Mann – Shareholder

Subject – General Shareholder Concerns – Concerns are diminishing information to the shareholders at the meetings, shareholder participation of the review and corrections of the meeting minutes, maintain control of the company, use of community members offering assistance, and maintaining an up to date web site.

Director Dahlstrom stated that legal counsel was asked for an opinion as to the use of volunteers in performing company business. Director Dahlstrom read aloud, a letter from Best Best & Krieger, recommending against the use of volunteers to perform company business.

- Susan Clack – Public Comment Card indicates Proxy for Robert & Dorothy Houts  
Subject – Mrs. Clack asked the Board to describe what they perceived their role to be.

Director Dahlstrom stated that the Board would revisit her request at a future time. Director Steiner offered to write up his statement for Mrs. Clack.

- Patrick J. Marley – Cedarpines Park Resident  
Subject – Mr. Marley submitted numerous public comment cards. Mr. Marley stated that he filled out so many cards because he didn't know what agenda items he wanted to speak on. Mr. Marley stated that he felt the public comment cards were too formal and suggested trying an alternative method. Mr. Marley read his statement to the board requesting the board be more transparent and discuss company issues more openly with the shareholders.

## NEW BUSINESS

### 1. RATE RAISE INFORMATIONAL UPDATE

Director Dahlstrom presented a projected presentation to the shareholders. This presentation showed a 5 year compilation of the company financials prepared by Rogers, Anderson, Malody, & Scott, the company's accounting firm. This was presented to show revenue short falls. During this presentation, there were numerous discussions on concepts, ideas, overcoming the deficit, rate forecasting, reserves, depreciation, and using a tiered rate billing system. There was open discussion throughout this presentation. Director Dahlstrom indicated that he would present proposals for a rate raise to narrow down the options.

## REPORTS

### OPERATIONS

#### Production Reports for October 2009

General Manager, Sonny Gowan provided the following totals for October 2009:

TOTAL MONTHLY SYSTEM PRODUCTION:	1,715,366 gallons or 38.4 gallons per minute.
TOTAL PURCHASED WATER TO THE SYSTEM:	1,176,800 gallons or 26.4 gallons per minute.
TOTAL WATER TO THE SYSTEM IN OCTOBER 2009:	2,892,166 gallons or 64.8 gallons per minute.
TOTAL SYSTEM STORAGE AS OF OCTOBER 31, 2009:	83.49 %

General Manager, Sonny Gowan provided the following information to Board:

- There were 2 transmission main breaks at the Mid Burnt Mill site. The breaks are believed to have happened during the night and were discovered during system checks.
- The motor saver for Mid Burnt Mill Booster # 2 failed and had to be replaced.

General Manager, Sonny Gowan presented the Board with an Invoice from the County of San Bernardino, CSA 18, for fuel used from 3-27-09 to 11-11-09. Mr. Gowan reported that the total amount due was \$ 3,292.50, for 1,104.4 gallons of fuel. The average fuel cost per gallon was \$ 2.98. Mr. Gowan requested that the Board approve payment of this invoice.

**ACTION:** Director Steiner made a motion to approve the CSA 18 invoice for payment. Director Albright seconded the motion which was approved.

General Manager, Sonny Gowan presented the Board with quotations for new tires for the Ford F-350. The Board's recommendation was to purchase tires, but first acquire a quote from Linders Tires. Purchase tires for the F-350 but do not exceed the quote from Snyders Tires.

**ACTION:** Director Steiner made a motion to approve the purchase of tires for the Ford F-350. Director Albright seconded the motion which was approved.

## **OFFICE REORGANIZATION UPDATE**

Administrative Consultant, Rhiannon Gowan reported that new billing statements were sent out for the previous billing cycle. The new billing statements currently cost about 1.2 cents more than the post cards that were used previously. The turn around on the new billing statements was approximately 2 to 3 days for customers to receive their bills, rather than 7 to 10 days as with the post cards.

Administrative Consultant, Rhiannon Gowan presented an explanation on the use of office forms. This explanation consisted of the following:

- **PUBLIC COMMENT CARD**

Public Comment Cards are used to speak about a specific agenda item during the Public Comment portion of a Regular Board Meeting. Please include the agenda item you wish to speak about on the form. A separate Public Comment Card must be used for each agenda item that you wish to speak about.

- **BOARD ACTION REQUEST FORM**

Board Action Request Forms are used to submit proposed corrections to the approved Regular Board Meeting minutes. Proposed corrections to the minutes will be submitted to the Board for consideration. Changes to the minutes approved by the Board will be included as an addendum to the minutes.

Board Action Request Forms are used to submit proposed agenda items for a future meeting. Proposed agenda items will be submitted to the Board for consideration. Agenda items approved by the Board, will be on the agenda for the following Regular Board Meeting.

- **SHAREHOLDER REQUEST FORM**

Shareholder Request Forms are used to request specific items from the administration office. Please be specific about the nature of your request.

Examples would be requesting Board Meeting Minutes, Annual Financials, and other Board approved documents. Shareholder Request Forms will be processed through the following chain of command: Office Staff, General Manager, Board of Directors.

- **SHAREHOLDER / CUSTOMER COMPLAINT FORM**

Shareholder / Customer Complaint Forms are used to file a water quality complaint or a service oriented complaint. Please be specific about the nature of your complaint. Examples would be color, taste, odor, low pressure, misread meter, and poor customer service. Shareholder / Customer Complaint Forms will be processed through the following chain of command: Office Staff, General Manager, Board of Directors.

Administrative Consultant, Rhiannon Gowan reported on the purchase of an Installment Billing Module for the company billing software. Mrs. Gowan explained that this module would allow for the billing of expensive items such as water shares or a new service connection to be broken down and billed over time. This module would also allow for an unpaid past due balance to be transferred to an installment account to be paid off in increments, allowing the current services to include only the current billing amounts.

This module would also allow for budget billing. This feature allows customers to be billed a set amount. There is a settlement period when the budget amount is adjusted to reflect the past experience. The budget amount is calculated programmatically. This can also be used to encourage customers to use Automated Clearing House (ACH) for making payments. Some customers are leery about ACH because the amount varies each month. Budget billing can eliminate that concern. As postal rates continue to climb, ACH becomes more attractive as a means of collection.

### **OLD BUSINESS**

Director Dahlstrom indicated that there had been no changes in old business and that there was no review or discussion necessary.

- 1. CLAWA CONNECTION STATUS – ( Financial Hold )**
- 2. WATER STORAGE TANK MAINTENANCE-STATUS & INSPECTION PROPOSALS – ( Financial Hold )**
- 3. CANYON VISTA - ( No Further Discussion, Legal Issue )**
- 4. SAWPIT STORAGE TANK SITE – STATUS UPDATE - ( Financial Hold )**

## MEETING SCHEDULE

The next regular scheduled Meeting of the Board of Directors of Cedarpines Park Mutual Water Company is December 15, 2009 at 7:00 p.m. at the Crestline Village Water District Board Room, 777 Cottonwood Drive, Crestline, CA. 92325.

## ADJOURNMENT

Director Pederson made a motion to adjourn the meeting. Director Albright seconded the motion, which was approved. The meeting was adjourned.

Approved As Is: \_\_\_\_\_ Date: \_\_\_\_\_

**Perry Dahlstrom, President**

Approved As Corrected: \_\_\_\_\_ Date: \_\_\_\_\_

**Perry Dahlstrom, President**

Reviewed By: \_\_\_\_\_ Date: \_\_\_\_\_

**Wilfred Steiner, Secretary**