

BOARD OF DIRECTORS
MEETING MINUTES – EXECUTIVE MEETING

Date: July 21, 2011 Time: 8:25 PM.

Location: CRESTLINE VILLAGE WATER DISTRICT

- CALL TO ORDER:** President Dahlstrom called the meeting to order at 8:25 PM
- PRESENT:** President Perry Dahlstrom
Vice President Ronald Albright
Treasurer Donald Pederson
Director Paul Hartman
- ABSENT:** Secretary Wilfred Steiner
- CONSULTANTS:** General Manager – Sonny Gowan
Administrative Consultant – Rhiannon Gowan
- STAFF:** Accountant – Angela Forder

MINUTES

1. APPROVE THE APRIL 21, 2011 EXECUTIVE BOARD MINUTES.

DISCUSSION: No changes or objections to the minutes.

MOTION: Director Pederson made a motion to accept the April 21, 2011 Executive Board Minutes as submitted. A second was made by Director Hartman.

ACTION: Motion carried unanimously.

2. APPROVE THE APRIL 28, 2011 EXECUTIVE BOARD MEETING MINUTES.

DISCUSSION: No changes or objections to the minutes.

MOTION: Director Pederson made a motion to accept the April 28, 2011 Executive Board Minutes as submitted. A second was made by Director Albright.

ACTION: Motion was carried. Director Hartman abstained.

3. APPROVE THE MAY 19, 2011 REGULAR BOARD MEETING MINUTES.

DISCUSSION: No changes or objections to the minutes.

MOTION: Director Pederson made a motion to accept the May 19, 2011 Regular Board Minutes as submitted. A second was made by Director Hartman.

ACTION: Motion was carried. Director Albright abstained.

4. APPROVE THE JUNE 11, 2011 EXECUTIVE BOARD MEETING MINUTES.

DISCUSSION: No changes or objections to the minutes.

MOTION: Director Pederson made a motion to accept the June 11, 2011 Executive Board Minutes as submitted. A second was made by Director Hartman.

ACTION: Motion was carried. Director Albright abstained.

5. AMMEND THE APRIL 21, 2011 REGULAR BOARD MEETING MINUTES

DISCUSSION: It was observed that the April 21, 2011 regular Minutes did not reflect a format change for future meetings. Director Pederson stated his notes indicate that *Director Steiner had made a motion for a procedural change to carry over normal Company business to Executive session, hearing only Public Comment during Regular session. This change is not to exceed the October 2011 Regular meeting. Director Hartman seconded, and the motion carried unanimously.*

MOTION: none

ACTION: President Dahlstrom directed Staff to amend the April 21, 2011 regular Minutes as stated, and return for approval at the next meeting.

REPORTS

OPERATIONS

Production Reports for June 2011

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

| | | |
|---|------------------|-------------------------------------|
| TOTAL MONTHLY SYSTEM PRODUCTION: | 3,375,702 | Gallons or 78.1 gallons per minute. |
| TOTAL PURCHASED WATER TO THE SYSTEM: | 0 | Gallons or 0 gallons per minute. |
| TOTAL WATER TO THE SYSTEM IN JUNE 2011: | 3,375,702 | Gallons or 78.1 gallons per minute. |
| TOTAL SYSTEM STORAGE AS OF JUNE 30, 2011: | 77.39% | |

GM Gowan reported the following information to the Board:

- Investigated 6 customer leaks
- Completed 1 water availability order
- Completed 1 underground service alerts
- Posted 1 notice
- Completed 6 water turn on orders
- Completed 7 turn off orders
- Completed 2 meter change outs
- Completed 6 meter read orders
- Repaired electrical at Coonturn
- Replaced pump and motor at the Coonturn Booster Station
- Repaired leak at Sawpit
- Dead end flushing
- Weed control
- Completed meter reading cycle

OLD BUSINESS

1. **CLAWA CONNECTION STATUS – (Financial Hold)**
2. **WATER STORAGE TANK MAINTENANCE-STATUS & INSPECTION PROPOSALS – (Financial Hold)**
3. **CANYON VISTA**

DISCUSSION: Administrative Consultant Gowan indicated that the Canyon Vista property had apparently changed ownership, and the new owner was requesting service. It was found that the Company had never received any request for escrow instructions or “final demand” as is typical. It was found that Company Staff had inadvertently processed a billing address change in March, and that an automatic billing/posting had subsequently been applied to the old account.

ACTION: It was agreed by the Board that the new owner will be required to apply for new shares and service.

4. **SAWPIT STORAGE TANK SITE – STATUS UPDATE - (Financial Hold)**
5. **BENNETT EASEMENT - (No further public discussion, legal issue)**
6. **POLICIES & PROCEDURES**
7. **BOARD OF DIRECTORS SHARE TOTALS**

DISCUSSION: There was a discussion had about removing this item from the agenda.

MOTION: Director Hartman made a motion to remove Item-7 from Old Business. A second was made by Director Pederson.

ACTION: Motion carried unanimously.

8. **RATE INCREASE**

DISCUSSION: There was a discussion regarding payment options for the one time assessment. It was agreed that there would be 3 payment options for the

one time assessment. Option 1 would be 4 payments of \$48.75, option 2 would be 2 payments of \$92.50, and option 3 would be 1 payment of \$180.00. The first payment would be due by September 30, 2011.

ACTION: The Board instructed Staff to develop a payment coupon and submit it to the Board for approval.

9. BUDGET REVIEW

DISCUSSION: The Budget review should be removed due to the budget being completed.

ACTION: The Board instructed staff to remove Item-9 from the agenda.

10. DEPARTMENT OF CORPORATIONS PERMIT RENEWAL

DISCUSSION: General Manager Gowan stated that this is still in progress, and that he had a meeting with the engineer on July 20, 2011. He further stated that we have the letter from the Fire Department, but that Department of Health Services will only provide the letter that they had issued for the previous permit renewal.

ACTION: None

11. FINANCIAL INSTITUTION REVIEW

DISCUSSION: Administrative Consultant Rhiannon Gowan stated that she had met with California Bank and Trust and Bank of America. California Bank and Trust offered an interest rate of .10% for a \$25,000.00 money market savings, a \$7,500.00 cash deposit limit monthly, as well as a 200 item deposit limit monthly. Bank of America offered a rate of .25% for a \$25,000.00 money market savings, no cash deposit limit, and a limit of 30 deposits per month. Mrs. Gowan further stated that she had a meeting scheduled with Bank of America to discuss the Company's banking options. Mrs. Gowan stated that Bank of America offered internet options that would fit well with the Company's needs.

ACTION: The Board instructed Administrative Consultant Rhiannon Gowan to move forward with Bank of America.

NEW BUSINESS

ITEM 1: ANNUAL SHAREHOLDERS MEETING AGENDA

DISCUSSION: There was a brief discussion had regarding the order of the agenda. The Board instructed staff to reorganize agenda items.

ACTION: None

ITEM 2: REPRESENTATION LETTER

DISCUSSION: Administrative Consultant Rhiannon Gowan informed the Board that the representation letter from 180 Business solutions needed to be signed by a Board member.

ACTION: The letter was signed.

ITEM 3: REQUEST FOR REDUCTION – ACCT 11-341

DISCUSSION: Board Action Request #11-341 for a “One Time Reduction” due to a plumbing failure was discussed. It was agreed by the Board and Staff that all general requirements for a one time reduction had been satisfied.

MOTION: Director Pederson made a motion to approve the one time reduction for Book 11 Account 341, as recommended by Staff. A second was made by Albright.

ACTION: Motion carried unanimously.

ITEM 4: REQUEST FOR REDUCTION – ACCT 12-242

DISCUSSION: Board Action Request #12-242 for a “One Time Reduction” due to a plumbing failure was discussed. It was agreed by the Board and Staff that the loss was likely a result of unprotected/uninsulated pipes.

MOTION: Director Pederson made a motion to deny the one time reduction for Book 12 Account 242. A second was made by Director Albright.

ACTION: Motion carried unanimously.

ITEM 5: BOARD ACTION REQUEST FORM – ACCT 1-30

DISCUSSION: The shareholder requested that pipes and an easement on her property, owned by the Company, be removed. The Board agreed that the pipes and easement are being used by the Company, and therefore shall remain.

ACTION: None

ITEM 6: BOARD ACTION REQUEST FORM – ACCT 1-30

DISCUSSION: The Shareholder requested a fire flow test of an existing service, which is being required for the construction of a garage.

MOTION: Director Pederson made a motion to approve the request. A second was made by Director Hartman.

ACTION: Motion carried unanimously.

ITEM 7: SHARE CANCELLATION – ACCT 99-8506

DISCUSSION: The cancellation of shares to account 99-8506 was reviewed by the Board.

MOTION: Director Hartman made a motion to approve the cancellation of water shares on account 99-8506. A second was made by Director Albright.

ACTION: Motion carried unanimously.

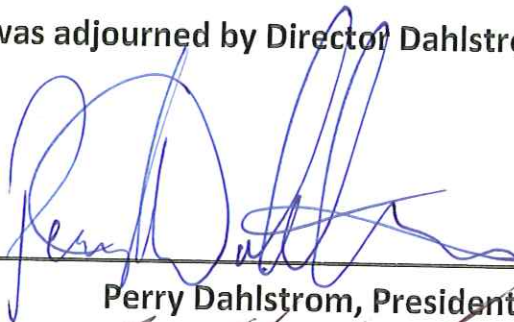
ADJOURNMENT

MOTION: Director Hartman made a motion to adjourn the July 21, 2011 Executive Board of Directors Meeting. A second was made by Director Pederson.

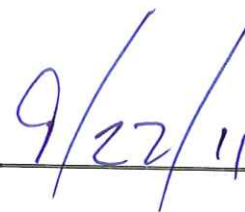
ACTION: The motion was approved unanimously.

The Meeting was adjourned by Director Dahlstrom at 10:48 P.M.

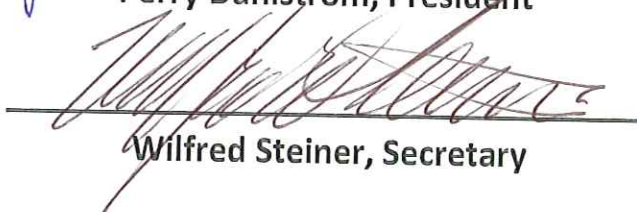
Approved by:


Perry Dahlstrom, President

Date:



Reviewed By:


Wilfred Steiner, Secretary

Date:

