

*BOARD OF DIRECTORS*  
*MEETING MINUTES – EXECUTIVE MEETING*

Date: August 18, 2011 Time: 9:00 PM.

Location: CRESTLINE VILLAGE WATER DISTRICT

**CALL TO ORDER:** President Dahlstrom called the meeting to order at 9:00 PM

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

**ABSENT:**

**CONSULTANTS:** General Manager – Sonny Gowan  
Administrative Consultant – Rhiannon Gowan

**STAFF:** Accountant – Angela Forder

## *MINUTES*

### **1. APPROVE TO AMMEND THE APRIL 21, 2011 REGULAR BOARD MINUTES.**

**DISCUSSION:** The amendment to include Director Steiner's motion to modify the format of future Board meetings as Item-3 under New Business was reviewed (ref. 7/21/2011 Executive Minutes, Item-5).

**MOTION:** Director Pederson made a motion to approve the April 21, 2011 Executive Board Minutes as amended. A second was made by Director Steiner.

**ACTION:** Motion carried unanimously.

### **2. APPROVE THE JUNE 16, 2011 REGULAR BOARD MEETING MINUTES.**

**DISCUSSION:** No changes or objections to the minutes.

**MOTION:** Director Pederson made a motion to approve the June 16, 2011 Regular Board Minutes as submitted. A second was made by Director Steiner.

**ACTION:** Motion carried unanimously.

### **3. APPROVE THE JUNE 16, 2011 EXECUTIVE BOARD MEETING MINUTES.**

**DISCUSSION:** No changes or objections to the minutes.

**MOTION:** Director Pederson made a motion to approve the June 16, 2011 Executive Board Minutes as submitted. A second was made by Director Hartman.

**ACTION:** Motion carried unanimously.

## *REPORTS*

### **FINANCIAL REPORT FOR MAY/JUNE/JULY 2011**

**DISCUSSION:** Mrs. Gowan explained the status of the Company financial reports for May/June/July 2011.

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

**ACTION:** Motion carried unanimously.

### **OPERATIONS**

#### **Production Reports for July 2011**

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

TOTAL MONTHLY SYSTEM PRODUCTION:	<b>3,802,114</b>	Gallons or 85.2 gallons per minute.
TOTAL PURCHASED WATER TO THE SYSTEM:	<b>0</b>	Gallons or 0 gallons per minute.
TOTAL WATER TO THE SYSTEM IN JULY 2011:	<b>3,802,114</b>	Gallons or 85.2 gallons per minute.
TOTAL SYSTEM STORAGE AS OF JULY 31, 2011:	<b>76.17%</b>	

## *OLD BUSINESS*

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

**DISCUSSION:** It was suggested this item be removed from Old Business, being that the property had changed ownership and there appears to be no residual legal issues associated with the prior owner.

MOTION: Director Steiner made a motion to remove Item-3 (Canyon Vista) from Old Business. A second was made by Director Hartman.

ACTION: Motion carried unanimously.

**4. SAWPIT STORAGE TANK SITE – STATUS UPDATE - ( Financial Hold )**

**5. BENNETT EASEMENT - (No further public discussion, legal issue)**

DISCUSSION: The Board reviewed the most recent correspondence from the Company's attorney regarding current litigation.

ACTION: None

**6. POLICIES & PROCEDURES**

**7. RATE INCREASE**

DISCUSSION: It was suggested this item be removed from Old Business, being the Board has implemented a supplemental meter service charge for 2011, in lieu of a rate increase.

MOTION: Director Steiner made a motion to remove Item-7 (Rate Increase) from Old Business. A second was made by Director Hartman.

ACTION: Motion carried unanimously.

**8. BUDGET REVIEW**

DISCUSSION: This item had been removed from Old Business due to the budget being completed, but was removed without a formal vote by the Board (ref. 7/21/2011 Executive Minutes, Item-9).

MOTION: Director Steiner made a motion to remove Item-8 (previously Item-9 Budget Review) from Old Business. A second was made by Director Hartman.

ACTION: Motion carried unanimously.

**9. DEPARTMENT OF CORPORATIONS PERMIT RENEWAL**

DISCUSSION: General Manager Gowan presented the 2011 Annual Engineers Report and Perspective Shareholders Statement to be filed with DOC for the Company's annual permit renewal. It was determined that Sect-B(1) should reflect that the Company currently has "18" wells, rather than "17".

**MOTION:** Director Steiner made a motion to approve the 2011 Annual Engineers Report and Perspective Shareholders Statement for submittal, as corrected. A second was made by Director Albright.

**ACTION:** Motion carried unanimously.

## 10. FINANCIAL INSTITUTION REVIEW

**DISCUSSION:** Administrative Consultant Rhiannon Gowan stated the Company is ready to begin transfer of accounts from Arrowhead Credit Union to Bank of America as follows:

- a) Create a new BofA Money Market account to serve as the "1-Year RUS Reserve". Close the existing Arrowhead CD account (RUS Debt Service), and transfer balance to the new BofA account. Payments received from the 2011-2012 Meter Charge will be deposited and held in this account, to the extent required to establish the 1-year reserve.
- b) Create a new BofA Money market account to serve as the "Operational Reserve". Payments received from the 2011-2012 Meter Charge beyond that required for the RUS Reserve will be deposited and held in this account. This account may be supplemented by any future surplus revenue, at the Board's discretion.
- c) Create a new BofA Money market account to serve as the Current Year RUS Payment account. Retain the existing Arrowhead Money Market account (currently used for RUS loan payment) until the next RUS loan payment is made, and transfer any residual balance to new BofA Current Year RUS Payment account.
- d) Create new BofA Operational Checking account with a minimum balance, and transfer existing Arrowhead checking balance when appropriate.
- e) Create new BofA Payroll Checking account to serve as a dedicated account for payroll distributions only.

**MOTION:** Director Steiner made a motion for Resolution 11-01, to approve the creation of the new Bank of America accounts (as listed above). A second was made by Director Albright.

**ACTION:** Motion carried unanimously.

## *NEW BUSINESS*

### **ITEM 1: APPLICATION FOR WATER SHARES – APN# 0344-031-47**

**DISCUSSION:** The board reviewed the application for water shares. It was determined that the square footage (as stated) was inconsistent with the shares required (as stated).

**ACTION:** The Board instructed Staff to verify the square footage of the property, and resubmit for approval.

### **ITEM 2: REQUEST FOR SERVICE AVAILABILITY & FIRE FLOW LETTER – ACCT 99-265**

**DISCUSSION:** The Board reviewed the request. It was agreed a plot-plan would be required to determine where a meter would be set, and where the fire-flow test should be performed. A plot-plan shall be included with every request for service, and be retained as part of the request record.

**ACTION:** The Board instructed Staff to request a plot-plan from the applicant, and resubmit for approval.

### **ITEM 3: REQUEST FOR REDUCTION – ACCT 2-82**

**DISCUSSION:** Board Action Request #2-82 for a “One Time Reduction” due to a plumbing failure was reviewed. It was agreed by the Board and Staff that the loss was likely a result of inadequate maintenance, and a failure to utilize the customer shut-off valve as appropriate.

**MOTION:** Director Pederson made a motion to deny the one time reduction for Book 2 Account 82. A second was made by Director Hartman.

**ACTION:** Motion carried unanimously.

### **ITEM 4: REQUEST FOR REDUCTION – ACCT 7-117**

**DISCUSSION:** Board Action Request #7-117 for a “One Time Reduction” due to a plumbing failure was reviewed. It was agreed by the Board that the request would likely be approved if it could be determined that the customer has a customer shut-off valve.

**ACTION:** The Board instructed Staff to verify the existence of a customer shut-off valve, and resubmit for approval.

**ITEM 5: EMPLOYEE HEALTH INSURANCE**

**DISCUSSION:** The Board reviewed options for the new employee health insurance benefit. The Board agreed to discontinue the existing practice of providing to each employee 15% of their base salary towards health insurance, in favor of a policy that provides a uniform amount to each employee.

**MOTION:** Director Steiner made a motion to approve the health insurance plan as presented by Glen Goodwin & Assoc., to implement a policy that provides a uniform amount to each employee which will be paid directly by the Company, and that an employee shall be eligible for the benefit the first day of the first month after 60-days of employment. A second was made by Director Albright.

**ACTION:** Motion carried unanimously.

**ITEM 6: POTENTIAL ACQUISITION**

**DISCUSSION:** Director Dahlstrom stated he had conducted a tour of the water system with Golden State Water Company on behalf of the Company. This was in response to request by the Company for a request for information submitted in 2009. GSTW has implied a lease agree may be proposed at a later date.

**ACTION:** None

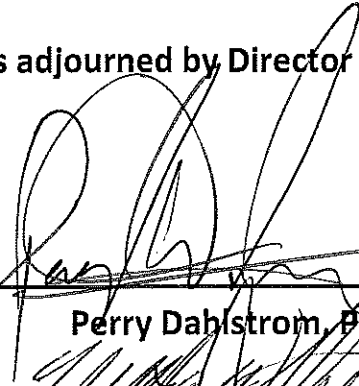
ADJOURNMENT

**MOTION:** Director Pederson made a motion to adjourn the August 18, 2011 Executive Board of Directors Meeting. A second was made by Director Steiner.

**ACTION:** The motion was approved unanimously.

The Meeting was adjourned by Director Dahlstrom at 11:48 P.M.

Approved by: \_\_\_\_\_

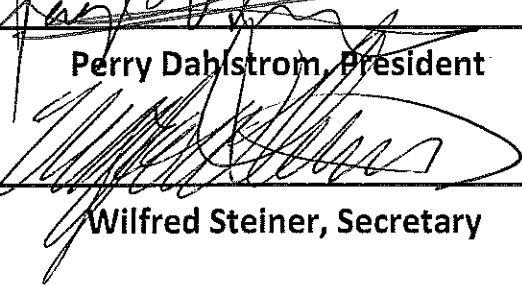


Perry Dahlstrom, President

Date: \_\_\_\_\_

10/27/11

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



Wilfred Steiner, Secretary

Date: \_\_\_\_\_

10/27/11