

BOARD OF DIRECTORS
MEETING MINUTES – REGULAR MEETING

Date: October 27, 2011 Time: 7:00 PM.

Location: CRESTLINE VILLAGE WATER DISTRICT

- CALL TO ORDER:** President Dahlstrom called the meeting to order at 7:00 PM
- 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
- AUDIENCE MEMBERS:** See Attached Exhibit "A"

PUBLIC COMMENT

PUBLIC COMMENT CARDS:

1. Shareholder Jim Morrison submitted a public comment card regarding a request for a copy of the Cedarpines Park Mutual Water Company's insurance policy.
DISCUSSION: Director Dahlstrom indicated Mr. Morrison could view a copy of the declaration page, but he may not have a copy of the policy. Jim Morrison indicated he would submit a formal request tomorrow.
ACTION: None

2. Shareholder Cheryl Turpin submitted a public comment card regarding the availability of the Annual Shareholder Meeting Minutes.
DISCUSSION: Director Dahlstrom responded that the minutes are on the agenda to be approved this evening. Pending approval, the minutes will be made available in the office beginning tomorrow.
ACTION: None

3. Shareholder Laurel Smith submitted a public comment card regarding the ECS Contract payments. Ms. Smith wanted to know why ECS received payments above and beyond the contracted monthly amount.
DISCUSSION: Director Pederson indicated he also had some questions, and will likely be able to give an accounting of the ECS payments at the next board meeting.
ACTION: None

4. Shareholder Laurel Smith submitted a public comment card regarding the company's RUS loan accounts. Ms. Smith asked if the company ever had a separate RUS Reserve account, and inquired about the funds moving through these accounts.
DISCUSSION: Director Dahlstrom indicates that the accounts for the RUS loan were reconciled through past audits. Director Albright further explained that

there has been two accounts for the RUS loan. The accounts are labeled as a "CD at ACU – RUS Debt Service" and "Money Market Savings". However, Ms. Gowan indicated the company is in the process of moving to a new bank and the accounts will be more clearly labeled "RUS Debt Reserve" and "RUS Current Year Payment". Director Pederson further outlined the five new bank accounts; a 1-year RUS Reserve that will contain the funds from the one time meter charge, an Operational Reserve that will contain any excess money from the one time meter charge, a Current Year RUS Payment account which will be contributed to monthly, an Operational Checking Account and a Payroll Checking Account.

ACTION: None

5. Shareholder Chalmers Marshall submitted a Board Action Request form regarding a notice he received for cancelling shares. Mr. Marshall asked which shares would be cancelled.

DISCUSSION: Director Dahlstrom indicates that his account is on the agenda to be discussed in the Executive Session and he will be contacted with a response to his question once the file has been reviewed.

ACTION: None

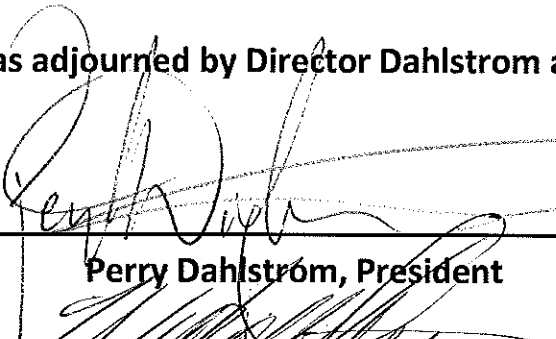
MEETING SCHEDULE

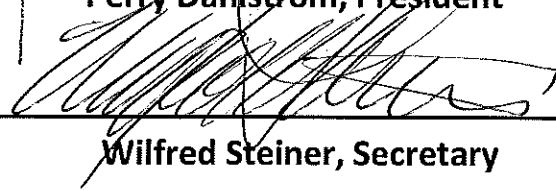
The next Board of Directors meeting for Cedarpines Park Mutual Water Company is scheduled for Thursday, November 17, 2011 at 7:00p.m. This meeting will be held at Crestline Village Water District Board Room, 777 Cottonwood Dr, Crestline, CA 92325.

ADJOURNMENT

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

The Meeting was adjourned by Director Dahlstrom at 7:40 P.M.

Approved by:  Date: 12-15-11
Perry Dahlstrom, President

Reviewed By:  Date: 12/19/11
Wilfred Steiner, Secretary