SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-E**

FROM: Steve Mack, General Manager

Meeting Date: December 1, 2011

SUBJECT: DISCUSSION/ACTION RE CRYSTAL COMMUNICATIONS AND DISTRICT RADIOS

RECOMMENDED ACTION: Receive an update from the General Manager on the resolution of nonpayment issues with Crystal Communications and replacement of District radios.

FISCAL IMPACT: None at this time

DISCUSSION:

At the December Board meeting I reported on Crystal Communication's nonpayment of rental payments and their lack of communication with the District on this issue and recommended a 180 day notice letter be sent to Crystal, to which the Board agreed. On the following Friday morning I received a call from Michelle Rodriquez, General Manager of Crystal Communications, regarding this issue. She apologized for not getting back to me sooner. She stated that Crystal wants to continue with the lease on Mount Jackson and wants to put into effect a payment plan to get back on schedule with their payments. She requested that Crystal be allowed to make two payments in December – one right away and one in mid month – and then present a repayment proposal in January. After some discussion, I agreed to her request to do two payments in December and then present the total plan in January with the caution that this would be discussed at the next Board meeting – the Board may give me different directions.

This phone agreement I had with Ms Rodriquez is different from the direction I proposed and the Board agreed to at the Thursday night meeting. However, had I received this phone call the prior morning (Thursday, December 1), or earlier, my presentation to the Board on Thursday night would have been much different. I would have been reporting on this discussion and hoping for Board agreement in this direction.

We have received two payments from Crystal, as agreed, this month. I am looking forward to continued communication, payments, and a repayment proposal from Crystal in January.

Going this direction could result in possibly a two month delay in sending the 180 day notice letter – assuming Crystal makes the December payments – if we don't like the repayment proposal (or don't get one), but may result in a successful continuation of the Crystal lease and their assistance in getting the District in

compliance with the narrow banding requirement. Crystal has provided very good radio service as part of the lease; the problem has been rent payments.

I have made some inquiries into grants for upgrading radios – more work is needed there. If we move forward in a positive direction with Crystal, I am expecting assistance from them in selecting the replacement components.