

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
JULY 16, 2014**

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The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, July 16, 2014 at the hour of 9:00 A.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California.

The following Directors were present:

Kenneth Ayers, President  
Everett "Ed" Brittain, Vice-President  
Pamella Bennett, Director  
Henry Heredia, Director

The following Director was absent:

Mike Terry, Director

Also present were the following:

Ryan Gross, General Manager  
Joan C. Eaton, Secretary/Treasurer/Administration Supervisor  
Tony Grabow, Fire Division, Chief  
Trevor Miller, Wastewater Treatment Plant Division Supervisor  
Randy Bobroff, Water Division Supervisor  
Ward Simmons, Attorney, Best, Best & Krieger  
Sunny Kim, Financial Consultant, Rogers, Anderson, Malody and Scott

Visitors Present:

Joan Moseley, Resident, Media Reporter

**MEETING MINUTES**

**AGENDA ITEMS**

**1. Call Meeting to Order and Pledge of Allegiance**

The meeting was called to order at 9:01 A.M. by President Ayers and Director Heredia led the assembly in the pledge of allegiance to the flag.

**2. Recognize and Hear From Visitors/Public Comment**

Visitor Joan Moseley introduced herself for the record and Supervisor Eaton introduced Sunny Kim, District Financial Consultant, Rogers, Anderson, Malody and Scott.

**3. Approval of Consent Items**

The following consent items were listed for approval:

- A. Approval of Meeting Minutes for June 18, 2014 Regular Board Meeting**
- B. Consider Adopting Resolution No. 15-14, Finding that Certain Properties Located in the District Constitute a Public Nuisance and Ordering Notification to Property Owners and Setting a Public Hearing.**
- C. Consider Adopting Resolution No. 16-14, Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act (CEQA)**
- D. Receive and File the Fiscal Year 2013/2014 Annual Board and Employee Expense Report**

Upon **motion** by Vice-President Brittain, **second** by Director Bennett and **carried by a 4 to 0 vote**, the consent items were approved. (Resolutions No. 15-14 and 16-14 on file in the District office)

**4. Action Items**

- A. Consider Appointing an Ad Hoc Committee to Examine the Renegotiation of the 1977 Wastewater Transportation, Treatment and Disposal Agreements with Arrowbear and CSA-79**

Manager Gross recommended that the District form an Ad Hoc Committee to examine renegotiation of the 1977 Wastewater Transportation, Treatment and Disposal Agreements with Arrowbear Park County Water District (Arrowbear) and CSA-79. Neither Arrowbear nor CSA-79 exercised their option to renew the agreements for an additional forty years, prior to the January 20, 2014 and May 9, 2014 deadlines.

Upon **motion** by President Ayers, **second** by Director Heredia and **carried by a 4 to 0 vote**, Appointing Directors Heredia and Terry to an Ad Hoc Committee to Examine the Renegotiation of the 1977 Wastewater Transportation, Treatment and Disposal Agreement with Arrowbear and CSA-79, was approved.

- B. Consider Authorizing Staff to Proceed with Advertising for Construction Bids for the Ayers Acres Groundwater Well Infrastructure Project**

Manager Gross reported on the Ayers Acres Groundwater Well Infrastructure Project stating the construction contract bid documents and the California Environmental Quality Act (CEQA) Environmental Review are complete and advertising for construction bids is the next phase in the project. The project is pending approval from the Southern California Edison service planner that may delay progress. The construction cost estimate for the project is approximately \$500,000 but experience has shown that with local

contractor's construction expertise in the area, the actual bids may be lower. Manager Gross stated the District is in the process of obtaining a ten (10) year 3 ½% loan in the amount of \$400,000 which has been factored into the rate adjustments for Fiscal Year 2014/2015 and the loan payment is equivalent to approximately \$1.88 per customer per month. The Board also authorized utilizing the balance of the Water Capacity Charge Reserve Fund of approximately \$60,000 and a portion or \$50,000 from the Water Capital Improvement Reserve Fund for the project. Manager Gross said we can expect to produce 100 gallons of water per minute and when compared to the cost of imported water from the Crestline-Lake Arrowhead Water Agency (CLAWA), the payback period for the project is approximately twelve (12) years. Discussion continued regarding environmental issues with Manager Gross stating the CEQA review was complete in 2011 and there are a few mitigation measures to follow. Manager Gross mentioned that Supervisor Bobroff recently observed water cascading into the well which is a good indicator, and he said the District needs to intercept the water into our system. President Ayers asked about the expected time frame to complete the project with Manager Gross stating it will be at least one year from start to finish and he said the infrastructure will handle ultimate production in the future development of the property.

Upon **motion** by Director Heredia, **second** by Director Bennett and **carried by a 4 to 0 vote**, Authorizing Staff to Proceed with Advertising for Construction Bids for the Ayers Acres Groundwater Well Infrastructure Project, was approved.

**C. Consider Approving the Purchase of Surplus Property from County of San Bernardino**

Manager Gross reported on the purchase of the County of San Bernardino property and stated District staff is recommending proceeding with the acquisition. The purchase price is \$1.00 and the County Administrative Costs are estimated to be \$4,850 for a total cost of approximately \$9,951 that includes the Environmental Site Assessment, Title Reports and Insurance. Manager Gross confirmed the properties are 3.29 and 6.49 acres and ownership of the property will provide the District with ownership of the land where existing easements are located and access to potential future ground water well sites. Attorney Simmons confirmed the title insurance costs are estimates based on the value of the property with Manager Gross saying the costs are not to exceed amounts.

Upon **motion** by Director Bennett, **second** by Vice-President Brittain and **carried by a 4 to 0 vote**, the Purchase of Surplus Property from the County of San Bernardino and Authorizing the General Manager to Execute the Purchase and Sale Agreement and Escrow Instructions, was approved.

**D. Consider Voting to Elect a Representative to the California Special Districts Association Board of Directors**

Manager Gross reported on the California Special Districts Association 2014 Board Elections in Region 6, seat C and the Board reviewed and discussed the candidate statements.

Upon motion by President Ayers, second by Director Heredia and carried by a 4 to 0 vote, Voting to Elect Arlene Schafer, Representative to the California Special Districts Association Board of Directors, was approved.

**E. Consider Awarding Contract for Above Ground Fuel Storage Tank Upgrades to Comply with South Coast Air Quality Management District Regulations**

Supervisor Bobroff reported on the construction contract for the Fuel Tank Improvement Project to comply with the South Coast Air Quality Management District (SCAQMD) and California Air Resources Board (CARB). The Phase I SCAQMD requirement is a specialized valve system that will not allow fuel delivery drivers to overfill the tank and Supervisor Bobroff confirmed that it is a budgeted item. An estimate from AW Associates Inc. for their bid of \$5,635.65 was provided to the Board for their review.

Upon motion by Director Bennett, second by Vice-President Brittain and carried by a 4 to 0 vote, Awarding Contract to AW Associates Inc. for their bid of \$5,635.65 for Above Ground Fuel Storage Tank Upgrades to Comply with South Coast Air Quality Management District Regulations, Authorize the General Manager to execute the contract and Authorize the General Manager to approve change orders for the Project during the course of construction as required not to exceed 15% of the original construction contract amount, was approved.

**F. Consider Approving Cooperative Agreement for Joint Use with the California Department of Forestry and Fire Protection**

Chief Grabow reported on the Cooperative Agreement for Joint Use with the California Department of Forestry and Fire Protection (Cal Fire) for the purpose of co-locating an engine with the Running Springs Fire Department to provide additional staffing to the department and community. There is no additional cost to the District for co-locating a Cal Fire engine and the benefits include additional staff, equipment and expanded training opportunities. The agreement expires on July 20, 2014 and discussion continued with Chief Grabow stating it was a good relationship.

Upon motion by Director Heredia, second by President Ayers and carried by a 4 to 0 vote, Authorizing the Cooperative Agreement for Joint Use with the California Department of Forestry and Fire Protection, was approved.

**G. Consider Adjustment to Legal Services Billing Rates**

Manager Gross opened by reporting on billing rates between Best, Best, and Krieger (BB&K) and the District for legal services. The last rate adjustment occurred in 2008 and BB&K is proposing a \$20.00 per hour increase in billing rates to catch up with changes in the cost of living. Supervisor Eaton mentioned that BB&K have provided legal services to the District for approximately thirty (30) years and President Ayers said the District has benefited from the committed relationship with BB&K over the years.

Upon motion by President Ayers, second by Vice-President Brittain and carried by a 4 to 0 vote, Consider Adjustment to Legal Services Billing Rates, was approved.

**5. Information Items**

**A. State Board Proposed Emergency Water Conservation Regulations**

Manager Gross reported on the California State Water Resources Control Board (SWRCB) proposed emergency water conservation regulations approved on July 15, 2014 that will be enforced statewide. The new regulations are intended to reduce outdoor urban water use and could include fines of \$500 per day for violations. Per the SWRCB, California residents are expected to stop the following: washing down driveways and sidewalks, watering outdoor landscapes that cause excessive runoff, using a hose to wash a vehicle unless the hose is fitted with a shut off nozzle, using potable water in a fountain or decorative water feature, unless the water is re-circulated. Per SWRCB, outdoor irrigation will also be limited to twice a week. The District will consider adopting a resolution in August, 2014 regarding water conservation and irrigation restrictions and a notice to customers regarding water conservation measures will be drafted and distributed to the community. Discussion continued that included water conservation and enforcement of regulations with Vice-President Brittain suggesting that the District address non-compliant customers initially by written notice and he said the community has already begun conserving water. This item will be discussed again at the August 20, 2014 District Board Meeting.

**6. Reports From Management**

**A. Water Division Report**

Supervisor Bobroff opened by reporting on service line water leaks and he mentioned a leak on Live Oak Drive that went for several months before it surfaced and was discovered. The property owner located below the leak was collecting the water in a makeshift dam to water his garden. The Water Division is concentrating on responding to all leaks immediately to ensure water is conserved. Supervisor Bobroff stated that water production, purchased water and consumption figures have declined due to increased vacant properties, loss of homes due to recent fires and conservation measures. Director Bennett stated customers are also replacing appliances and fixtures with high efficiency

models and Supervisor Bobroff said a number of the homes purchased are second homes. President Ayers asked if Arrowbear will be forced to reduce the water supply to the District with Manager Gross saying it depends on their well production with no issues known regarding supplying water between agencies. Supervisor Bobroff confirmed there have been three (3) water leaks since June, 2014.

**B. Wastewater Treatment Division Report**

Supervisor Miller reported on the annual Membrane Bio-Reactor (MBR) takedown and service stating they will be finishing the reactors and installing the air scouring diffusers that will help with efficiency of the operation. The Treatment Plant will replace all of the cartridges that were installed in 2002 and the Plant received additional cartridges due to a price reduction on the order. Supervisor Miller stated they are working on the blower at the head works and are waiting on Southern California Edison for replacement of the process air blower. Supervisor Miller confirmed they are no longer spray irrigating, flows are down and they will treat the summer flows with one reactor.

**C. Wastewater Collections Division Report**

Supervisor Hall stated the replacement pumps for Lift Station #7 have been received and Collections is preparing for modification and seal coating of the wet well. Collections confirmed they will go out to bid from three major contractors for videotaping of the sewer lines. Discussion continued regarding Lift Station #5 with Supervisor Hall stating it appears the Southern California Edison utility bills are declining.

**D. Fire Department Report**

Chief Grabow opened by acknowledging the Cal Fire Pilot Rock crew for painting Fire Station 50. Chief Grabow also said that the Squad 51 chassis is being replaced. Regarding the Inland Counties Emergency Medical Agency (ICEMA) agreement, Chief Grabow said this item has been tabled by ICEMA until January 2015.

**E. Administration Report**

Supervisor Eaton stated the auditors have scheduled the District Internal Control Review for July 24, 2014 and they will return on September 17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> to conclude the Audit for Fiscal Year ending June 30, 2014. Sunny Kim, Financial Consultant or Scott Manno, Partner, Rogers, Anderson, Malody & Scott will report to the Board of Directors on a quarterly basis regarding the financial status of the District.

Visitor Joan Moseley acknowledged the Board of Directors and suggested the District schedule a community meeting regarding water conservation. Supervisor Eaton noted that water conservation materials will be distributed to the community at the upcoming Mountain Top Day Event.

**F. General Manager's Report**

Manager Gross reported on the status of the Clean Water State Revolving Fund (CWSRF) loan application to finance the Sewer Lift Stations No. 1, 2 and 3 improvements and stated there has been a review delay by the State Water Board and a finance agreement should be available for presentation at the August or September, 2014 Board Meeting. Manager Gross mentioned that he has been working on updating and developing District policies that include budget, purchasing and records retention. Manager Gross has also applied for a District Certificate of Transparency with the California Special District Association and he is updating and developing the District Bylaws and Sewer and Water Service policies.

**7. Report From Engineer**

Engineer Thomas reported on reclaimed water and stated the District cannot retain water on the mountaintop effectively due to State Water Board regulations and cost restrictions and he will continue to research cost effective options.

**8. Report From Legal Counsel**

Attorney Simmons thanked the Board for allowing Best, Best & Krieger (BB&K) to provide over thirty (30) years of service to the District. President Ayers requested an update regarding the proposed Twin Tunnels Project in Sacramento that would be constructed to divert the Sacramento River to maximize water exports for the San Francisco Bay Delta to the San Joaquin Valley with Attorney Simmons stating some labor unions are endorsing the project, and he would provide further information when available.

**9. Board Member Meetings**

No information to report

**10. Board Member Comments**

No information to report

**11. Closed Session**

**A. Public Employee Performance Evaluation, Title: General Manager. Pursuant to Government Code Section 54957**

The meeting moved to closed session at 10:31 A.M.

12. **Open Session**

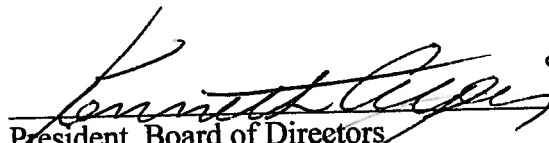
**A. The Board and/or Legal Counsel will report any action taken in Closed Session**

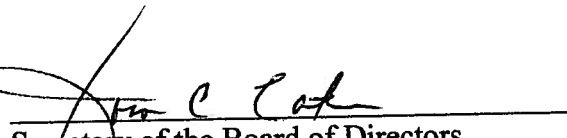
The Board of Directors came out of closed session at 11:55 A.M. and upon motion by Vice-President Brittain, second by Director Heredia and unanimously carried by a 4 to 0 vote with Director Terry absent, Amendment No. 2 to the Employment Agreement with Ryan Gross for General Manager, was approved subject to review and approval by legal counsel. A copy of Amendment No. 2 to the Employment Agreement is available for review at the District office.

13. **Meeting Adjournment**

The meeting was adjourned at 12:07 P.M.

Respectfully Submitted,

  
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President, Board of Directors  
Running Springs Water District

  
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Secretary of the Board of Directors  
Running Springs Water District