

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
MARCH 16, 2016**

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The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, March 16, 2016 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  
Pamella Bennett, Vice-President  
Mike Terry, Director  
Henry Heredia, Director  
Everett "Ed" Brittain, Director

Also present were the following:

Ryan Gross, General Manager  
Joan C. Eaton, Secretary/Treasurer/Administration Supervisor  
Mike Vasquez, Fire Battalion Chief  
Ward Simmons, Legal Counsel, Best, Best & Krieger  
Tony Grabow, Retired Fire Chief, Paid Call Firefighter

Visitors Present:

Norman Huff, General Manager, Arrowbear Park County Water District

**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 Bennett led the assembly in the pledge of allegiance to the flag.

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

**A. SPECIAL PRESENTATION BY ARROWBEAR PARK COUNTY WATER  
DISTRICT GENERAL MANAGER, NORMAN HUFF**

Visitor Norman Huff said he appreciated the opportunity to discuss and share the proposed Arrowbear Park County Water District (Arrowbear) Proportional Cost Analysis regarding the Wastewater Treatment Plant (WWTP) Upstream Users Agreement that will expire in 2017. Mr. Huff said the first thing is to analyze what possible measurements could be used to determine a fair and equitable allocation for annual and capital improvement treatment costs.

Mr. Huff opened his presentation by focusing on the Running Springs Water District (RSWD) proposed Equivalent Dwelling Unit (EDU) versus Arrowbear's proposed Actual Flow in Gallons stating Arrowbear feels the gallons treated measurement is the most fair and equitable. Mr. Huff reported on EDU measurement stating they are only useful as an estimate of current or possible flows and he said relying on EDU estimations will have unfair inherent costs to individual customers. Mr. Huff then reported on gallons treated saying this is the most consistent measurement of sewage generated.

Mr. Huff stated there seems to be a perception in Running Springs that Arrowbear is not paying their fair share for wastewater treatment, plant expansion and capital improvements and he reported on Arrowbear's proposed Fair and Equitable Historical Reality Analysis and their suggested solutions to the treatment and capital improvement expenses. Arrowbear proposed that all contributing systems to the regional WWTP pay the same amount for every gallon treated and Mr. Huff presented a formula saying this measurement will eliminate complex quarterly treatment expense reconciliation.

Directors Terry, Bennett and Heredia expressed concerns regarding the inflow and infiltration (I&I) issues from upstream users. RSWD was required to expand the WWTP to accommodate maximum flows and also responsible to pay the majority of the expansion costs. Director Brittain mentioned concerns regarding the responsibility of unforeseen penalties and Engineer Thomas clarified Arrowbear's presentation regarding EDU applications. Discussion continued that included Treatment Plant capacity, I&I, EDU's and customer rates. In conclusion, the Running Springs Water District Upstream Committee and staff will meet to discuss the upcoming renewal of the Upstream Users Agreement.

**The Board recessed at 10:11 A.M and reconvened at 10:17 A.M.**

### **3. Approval of Consent Items**

The following consent items were listed for approval:

#### **A. Approval of Meeting Minutes**

#### **B. Ratify Expenditures and Cash Summary**

Manager Gross clarified the Redlands Community Hospital expense in the amount of \$2,483.35 that was an ambulance over payment refund.

#### **C. Consider Adopting Resolution No. 02-16, Fixing and Levying Fire Suppression Availability Charges for Fiscal Year 2016-2017**

#### **D. Consider Adopting Resolution No. 03-16, Fixing Sewer Standby or Availability Charges for Fiscal Year 2016-2017**

**E. Consider Adopting Resolution No. 04-16, Fixing Water Standby or Availability Charges for Fiscal Year 2016-2017**

Upon motion by Vice-President Bennett, second by Director Terry and carried by a 5 to 0 vote, the expenditures were ratified and the Consent Items approved.

**4. Action Items**

**A. Consider Providing Staff any Additional Direction on the Draft Fiscal Year 2016/17 Fire and Ambulance Department Budgets**

Manager Gross stated the Finance Committee met to review and discuss the Fire Department Budget and he reported the combined Fire and Ambulance Budgets expected revenues were under \$2.2 million dollars or 1.4% higher than Fiscal Year 2015/2016 and the Fire Department and Ambulance expenses are almost identical to the current year. Manager Gross noted the adjustments in the ratio of salaries charged to the Fire Department versus Ambulance and in the General Manager's salary allocation. Discussion continued regarding the increase in Fire Department wages over the prior five years and Manager Gross noted the District is in the second year transition of employees paying the member contributions to CalPERS. Battalion Chief Vasquez reported on the Ground Emergency Medical Transportation (GEMT) program stating the Department may receive an additional \$150,000 in revenue this year from the State of California. The GEMT program reimburses funds that the Department does not receive from Medi-Cal ambulance transportation patients. Manager Gross confirmed that the 2016/2017 Budget includes the 0.7% Cost of Living Adjustment (COLA) based on the Consumer Price Index and he noted the CalPERS Employee Health Plan HMO premiums will increase 7.3% on January 1, 2017. Discussion continued regarding Fire Department expenses and the Fire and Ambulance Department Budgets will be considered for Board approval at the June Board Meeting.

No motion was made.

**B. Consider Providing Direction to Staff on Initiating a Ballot Measure on the November 2016 General Election to Increase the Annual Availability Charge for Fire Suppression Services**

Manager Gross strongly recommends initiating a ballot measure with high voter turnout expected for the 2016 General Election. President Ayers said he was looking for a plan to educate the community regarding the ballot measure with Manager Gross stating the District will revise the plan so it is not confusing and he recommended a one-time increase of \$158 and to eliminate the inflationary increase. If the measure fails, Manager Gross said the District may not pursue the measure again. Battalion Chief Vasquez said they will continue to educate the public through focus groups, public hearings and newspaper publications. Attorney Simmons confirmed the District can discuss the ballot measure with the press if they initiate the contact. President Ayers said the California

Department of Forestry and Fire Protection (CAL FIRE) Fee was an issue regarding approval of Measure B in November 2015 and discussion continued that included ballot measures, Fire Department equipment and utilization of Fire Suppression revenues. It is important to know that the CAL FIRE fee is not affiliated with the Running Springs Water District or Running Springs Fire Department. The District will return with a draft Resolution in April with a deadline of August 12, 2016 to submit the Resolution to the Elections Office.

No motion was made.

**C. Consider Nominating Regular Special District Member on the Local Agency Formation Commission (LAFCO)**

The District received official notification from LAFCO opening the nomination period for the position of Regular Special District Member. The regular voting member position is currently held by Kimberly Cox and the term of office is scheduled to expire May 18, 2016.

Upon motion by President Ayers, second by Director Brittain and carried by a 5 to 0 vote, Kimberly Cox was nominated for Regular Special District Member on the Local Agency Formation Commission (LAFCO).

**5. Information Items**

**A. Water Production and Precipitation Report**

Manager Gross reported on the Monthly Water Production and Precipitation Report that by comparison in 2015 to 2013, there was an approximate 21% reduction that is good for the State of California but does not help District revenue.

**B. Quarterly Investment Report**

Manager Gross provided the Board with a copy of Resolution 1-96, Setting Forth a Policy for Investment of Surplus Funds and also the Local Agency Investment Fund Remittance Advice indicating the quarterly interest earned ending December 31, 2015 was \$862.

**6. General Manager's Report**

Manager Gross confirmed the State Water Board has extended the conservation regulations and they also opened the door for Urban Water Suppliers with more than 3,000 connections to make an appeal to reduce their limits. The RSWD Board will consider changing the morning hours of conservation from 12:01 A.M. to 10:00 A.M and the evening hours of 6:00 P.M. to midnight will remain the same. This item will return to the Board for consideration in April, 2016.

Manager Gross stated the District has a Special Use Permit with the United States Forest Service (USFS) that does not have an expiration date and a Wastewater Discharge Permit with the Santa Ana Regional Board (SARB) for the Wastewater Treatment Plant Ponds. The agencies held a meeting with the District regarding disappearance of the Speckled Dace Minnow in Fredalba Creek. Water samples were taken resulting in high levels of total dissolved solids (TDS) and nitrate and the USFS has claimed degradation in the water quality possibly resulting from a spring below the Wastewater Treatment ponds. The District meets the Santa Ana Basin Discharge Permit requirements and Supervisor Miller made immediate adjustments to the discharge of the ponds. The levels of TDS and nitrate in the creek have violated the Santa Ana Basin Plan but the District has met the Discharge Permit requirements. Manager Gross said the District is currently waiting to hear back from the USFS regarding this issue.

Director Brittain reported that the East Valley Water District has expressed an interest in recycled water and he suggested that RSWD consider pursuing a grant to deliver treated water from the ponds to East Valley. Manger Gross confirmed RSWD is now part of the Santa Ana Watershed which makes us eligible to submit projects to the Regional Planning effort to be considered for grants.

Manager Gross stated the State Water Board and the Federal Environmental Protection Agency (EPA) representatives came to the District on March 15, 2016 to audit the American Iron and Steel requirements regarding the Lift Station project as part of the Clean Water State Revolving Fund Loan.

Manager Gross said Supervisor Bobroff is working on the first phase of the Automated Meter Reading System which will begin in Assessment District Nos. 10, 9 and 8. Assessment District No. 10 has approximately \$133,000 and Assessment District No. 9 has approximately \$59,000 in the restricted Operation and Maintenance (O&M) funds which will be enough to begin the project. Manager Gross mentioned that the next phase should begin within a year and a half.

Manager Gross closed by reporting on the Ayers Acres project saying it has been approximately twelve to thirteen weeks since the permit application has been submitted and the original projection was six weeks. Manager Gross expects to have the permit within the next week or two and said there is nothing further the District can do at this time.

**7. Report From Engineer**

Engineer Thomas had no further information to report.

**8. Report From Legal Counsel**

Attorney Simmons reported on the State of California Reservoir Conditions handout as of March 14, 2016 and he said water levels are rapidly increasing. The current State Water Project allocation is 30% and should go up to 45% or 50%.

Attorney Simmons provided the Board with an article from Dianne Feinstein, US Senator for California, calling for increased pumping to capture water from the March storms.

In closing, Attorney Simmons provided the Board with a memorandum from Best, Best and Krieger regarding regulations and the process of reporting gifts.

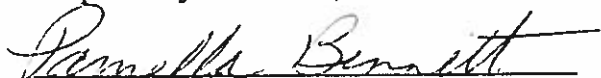
**9. Board Member Comments**

No additional Board Member Comments.

**10. Meeting Adjourned**

The meeting was adjourned at 11:48 A.M.

Respectfully Submitted,



Vice President, Board of Directors  
Running Springs Water District



Assistant Secretary of the Board of Directors  
Running Springs Water District