

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
DECEMBER 21, 2016**

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, December 21, 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
Errol Mackzum, Director
Tony Grabow, Director

Also present were the following:

Ryan Gross, General Manager
Joan C. Eaton, Board Secretary/Treasurer/Administration Supervisor
George Corley, Fire Chief
Trevor Miller, Wastewater Treatment Plant Division Supervisor
Mike Riddell, Legal Counsel, Best, Best & Krieger

Visitors Present:

Carol Ford-Benson, Running Springs Resident
Joseph (Joe) Harich, Running Springs Resident

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 Chief Corley led the assembly in the pledge of allegiance to the flag.

2. Recognize and Hear From Visitors/Public Comment

Visitor Carol Ford-Benson stated she was concerned with the apparent determination of the Board to make a decision to accept the Downtown Groundwater Wells that have associated liability and cost. Ms. Ford-Benson said the wells were located in the Deep Creek drainage that is sensitive habitat and protected by the Bureau of Land Management and the US Forest Service and an environmental impact study would be required if one well were acquired by the District. Ms. Ford-Benson stated she was a retired attorney and consultant and she understands the subject matter saying water rights would need to be separately negotiated

with the Harich Enterprises. Ms. Ford-Benson mentioned compliance requirements stating the District would have full cost responsibility.

Discussion continued and Manager Gross stated the assignment of the easement interests only apply to Wells Nos. 2, 3 and 6 and he said the District is planning for future groundwater production when funding is available to develop the area. Mr. Harich commented on the benefits of the proposed well gift with Ms. Ford Benson saying the District has the public duty to preserve the fiduciary integrity of the boards of the nation. Ms. Ford-Benson was excused at 9:25 A.M.

3. Approval of Consent Items

A. Approve Meeting Minutes

B. Ratify Expenditures and Cash Summary

Chief Corley and Manager Gross clarified the Hazard Abatement Contractor fees that are paid by the non-compliant property owners.

Upon **motion** by Director Bennett, **second** by Director Terry and **carried by a 5 to 0 vote**, the expenditures were ratified and the consent items were approved.

4. Action Items

A. Consider Approving Assignment of Easement Interests Accepting Donation of Downtown Groundwater Well Infrastructure and Water Rights

Manager Gross reported on the proposed donation of the Downtown Groundwater Well Nos. 2, 3 and 6 Infrastructure, Easement and Groundwater Rights saying the Assignment of Easement Interests document was prepared and reviewed by our legal counsel. Manager Gross confirmed there is no immediate cost to the District and said there will be some work to do if and when the District decides to develop the wells that would include environmental reviews. Discussion continued and Attorney Riddell stated that accepting an easement would not trigger an immediate expenditure obligation but the use of the wells would. Director Bennett said the District will continue to purchase outside water from the Crestline-Lake Arrowhead Water Agency (CLAWA) and Attorney Riddell stated when it comes to putting the wells into production, the environmental process will bring objections. Director Mackzum asked about potential contaminant liability with Attorney Riddell saying the District already owns the property and President Ayers adding that it would be difficult to have contaminants without industry in the area.

Upon **motion** by Director Terry, **second** by President Ayers and **carried by a 5 to 0 vote**, Approving Assignment of Easement Interest Accepting Donation of Downtown Groundwater Well Infrastructure and Water Rights, was approved. Mr. Harich was excused at 9:42 A.M.

B. Consider Adopting Resolution No. 17-16, Authorizing the General Manager to Apply for Funding from the State Water Resources Control Board Clean Water State Revolving Fund Green Project Reserve for the Remaining Phases of the District's Automatic Meter Reading Project, Approve the CEQA Notice of Exemption and Authorize the General Manager to Sign and File the CEQA Notice of Exemption

Manager Gross reported on the Automatic Meter Reading Project and application to the State Water Resources Control Board (SWRCB) Clean Water State Revolving Fund (CWSRF) and Green Project Reserve (GPR). The SWRCB has approximately \$30 million available in CWSRF loan forgiveness for GPR projects. GPR projects must address water or energy efficiency, mitigate storm water runoff, or encourage sustainable project planning, design and construction. The estimated cost for the remaining Automatic Meter Reading phases is \$800,000 and if the District application is approved by SWRCB and the CWSRF Green Project, 50% of the principal loan amount would be forgiven and the remaining \$400,000 would be a low interest loan. Manager Gross said the estimated increase to each customer's monthly water bill would be \$.70 beginning in 2019 or 2020 depending on when the project is completed. Resolution No. 17-16 will allow the application to be made and the District would be considered for funding opportunities and Manager Gross said application for the SWRCB and CWSRF Green Project does not commit the District in anyway.

Upon motion by Director Mackzum, second by Director Bennett and carried by a 5 to 0 vote, Adopting Resolution No. 17-16, Authorizing the General Manager to Apply for Funding from the State Water Resources Control Board Clean Water State Revolving Fund Green Project Reserve for the Remaining Phases of the District's Automatic Meter Reading Project, Approve the CEQA Notice of Exemption and Authorize the General Manager to Sign and File the CEQA Notice of Exemption, was adopted and approved. (Resolution No. 17-16 is on file in the District office)

5. Information Items

A. Correspondence Delivered and Presented to the San Bernardino County Board of Supervisors on December 6, 2016

Manager Gross reported on the San Bernardino County Board of Supervisors meeting that he attended with legal representation from Best, Best & Krieger. The agenda included an item regarding proposed ambulance area consolidation that the District is opposing and Manager Gross said the Board of Supervisors did not agree with the Inland Counties Emergency Medical Agency (ICEMA) recommendations for consolidation. The Board of Supervisors will schedule a workshop regarding the proposal and Manager Gross will draft a letter to Supervisor Janice Rutherford asking for her support on our opinion.

B. Small Water Supplier Conservation Report

C. Safety Committee Meeting Minutes

6. Closed Session

A. Conference with Legal Counsel – Anticipated Litigation Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9. Number of Cases: One

At 10:07 A.M., the Board retired to Closed Session with Legal Counsel pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9.

7. Open Session

A. The Board and/or Legal Counsel Will Report Any Action Taken in Closed Session.

The meeting moved into Open Session at 11:45 A.M. and Attorney Riddell stated there was no reportable action.

The Board recessed at 11:48 A.M. and reconvened at 11:54 A.M.

8. General Manager's Report

9. Report from Legal Counsel

Attorney Riddell reported on the Public Records Act going before the California Supreme Court regarding electronic communications on public agency officials and employee's personal devices related to the District's business that may be subject to disclosure. Attorney Riddell said the Public Records Act defines a record kept in the course of business.

Attorney Riddell also addressed the BB&K Memorandum dated December 7, 2016 regarding Summary of Legislation Passed in 2016 Affecting Public Integrity and Voting/Elections Laws and AB 1787 – Open Meetings: Public Comments; Translation. Attorney Riddell stated that AB 1787 provides reasonable time for public testimony. Manager Gross suggested the District revise the monthly board meeting agenda by adding a five minute time frame for public comments for items not included on the agenda. Attorney Riddell stated the public has a right to comment on each item on the agenda in addition to the public comment.

President Ayers mentioned that AB 1661 Local Government Sexual Harassment Prevention Training and Education requires local agency officials to receive sexual harassment prevention training and education if the local agency provides any type of compensation, salary or stipend to those officials and legal counsel will review the sexual harassment training program.

10. Board Member Comments

Director Bennett thanked the District staff for the Holiday luncheon.

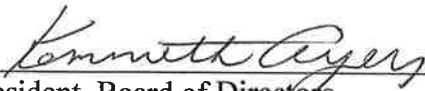
Attorney Riddell mentioned the State Water Board is conducting hearings regarding the Delta Tunnels.

President Ayers said the Local Agency Formation Commission is offering free training for Board members.

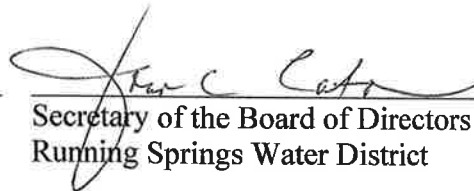
11. Meeting Adjournment

The meeting was adjourned at 12:11 P.M.

Respectfully Submitted,



President, Board of Directors
Running Springs Water District



Secretary of the Board of Directors
Running Springs Water District