

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
MARCH 21, 2018**

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, March 21, 2018 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
Tony Grabow, Director
Mike Terry, Director
Errol Mackzum, Director

Also present were the following:

Ryan Gross, General Manager
Joan C. Eaton, Board Secretary/Treasurer/Administration Supervisor
Ward Simmons, Legal Counsel, Best, Best & Krieger
George Corley, Fire Department Chief
Randy Bobroff, Water Division Supervisor
Trevor Miller, Wastewater Treatment Division Supervisor

Visitors Present:

Gerhard Hilgenfeldt, Resident

MEETING MINUTES

AGENDA ITEMS

1. Call Meeting to Order and Pledge of Allegiance

The meeting was called to order at 9:00 A.M. by President Ayers and Fire Chief Corley led the assembly in the pledge of allegiance to the flag.

President Ayers announced his resignation from the Running Springs Water District Board of Directors effective April 10, 2018. The Board and Staff recognized President Ayers for thirty-seven (37) years of dedicated service to the District.

2. Recognize and Hear From Visitors/Public Comment

Visitor Hilgenfeldt introduced himself for the record and asked about the increase in purchased water expense. Manger Gross responded saying the Sidewinder Well has been down for a couple of months contributing to the purchased water expense.

3. Approval of Consent Items

A. Approve Meeting Minutes

B. Ratify February 2018 Expenditures

C. Consider Adopting Resolution No. 01-18, Fixing and Levying Fire Suppression Availability Charges for Fiscal Year 2018-2019

D. Consider Adopting Resolution No. 02-18, Fixing Sewer Standby or Availability Charges for Fiscal Year 2018-2019

E. Consider Adopting Resolution No. 03-18, Fixing Water Standby or Availability Charges for Fiscal Year 2018-2019

Upon motion by Director Mackzum, second by Director Terry and carried by a 5 to 0 vote, the Consent Items were approved.

4. Public Hearing and Consideration of Adopting Resolution No. 04-18, Establishing Fees for Filing of Lien and Lien Release Services

A. Open Public Hearing: President Ayers opened the Public Hearing at 9:07 A.M.

B. Staff Presentation: Manager Gross stated that Resolution No. 04-18 establishes an increase in the fee for filing of a lien and lien release services with the County. The proposed increase from \$30 to \$50 will cover the notary and administration costs and the fee is applied to the customer account when the lien is filed. The required legal notice was published in the local newspaper on March 8 and 15, 2018.

C. Written Public Comment: No written comments were received.

D. Oral Public Comment: Visitor Hilgenfeldt asked for clarification regarding the lien with Manager Gross saying a lien is placed on a property for failure to pay delinquent rates, charges or fees.

E. Board Discussion/Comments: No further comments were made.

F. Close Public Hearing: President Ayers closed the Public Hearing at 9:10 A.M.

G. Consider Adopting Resolution No. 04-18, Establishing Fees for Filing of Lien and Lien Release Services

Upon motion by Director Bennett, second by Director Grabow and carried by a 5 to 0 vote, RESOLUTION NO. 04-18, ESTABLISHING FEES FOR FILING OF LIEN AND LIEN RELEASE SERVICES, was adopted. (Resolution No. 04-18 on file in the District office)

5. Action Items

A. Consider Authorizing Staff to Purchase New Self Contained Breathing Apparatus Equipment

Fire Chief Corley reported on the Fire Department Self Contained Breathing Apparatus (SCBA) Equipment stating some of their equipment has failed and some are more than fifteen (15) years old. The Fire Department will purchase the new SCBA equipment under the current CALFIRE state contract and pay approximately 43% of the normal cost. The All Star Fire Equipment Company sales quote was provided for review with Manager Gross saying if approved, the purchase amount not to exceed \$105,000, will be funded from the Fire Department Breathing Apparatus Equipment Replacement Reserve Fund balance of \$72,247, the Future Equipment Replacement Reserve Fund balance of \$12,188 and the remaining \$20,565 funded from the Fire Department Operating Reserve Fund. Chief Corley said they would not find a lower price than the state contract price and the Fire Department is pursuing a grant and rebates. Discussion continued and Chief Corley and Manager Gross confirmed this is an emergency safety issue purchase.

Upon motion by Director Grabow, second by Director Terry and carried by a 5 to 0 vote, Authorizing Staff to Purchase New Self Contained Breathing Apparatus Equipment, not to exceed \$105,000 and Declaring this an Emergency Safety Issue Purchase, was approved.

B. Consider Request from Chamber to Place Storage Unit on District's Downtown Property

Manager Gross reported on the Running Springs Area Chamber of Commerce (Chamber) request to place a storage unit on District property, if they are required to move the unit from the current bank property location. Discussion continued and Director Mackzum suggested adding verbiage to the Waiver/Release of Liability Contract stating the District could request removal of the unit within thirty (30) days and that the unit is maintained in an acceptable manner to the District.

Upon motion by Director Mackzum, second by Director Bennett and carried by a 5 to 0 vote, Consider Request from Chamber to Place Storage Unit on District's Downtown Property, with Revisions to the Contract, was approved.

C. Consider Adopting Resolution No. 05-18, Initiating Proceedings for the Annexation of the Pali Mountain Property

Manager Gross reported on Resolution No. 05-18, requesting the Local Agency Formation Commission (LAFCO) to initiate proceedings for the Pali Mountain Camp property to be annexed into the Running Springs Water District Service Area. The property would be detached from the San Bernardino County Fire Protection District and its Mountain Service Zone. The District would be responsible for the Pali Mountain fire service and the District would collect the Fire Suppression Availability charges and Property Tax revenue. The District is currently providing sewer service to Pali Mountain and Manager Gross said annexation would result in a slight shift of revenue from the Wastewater Division to the Fire Department and would not include water service because it is provided by private ground water wells. Manager Gross said Pali Mountain made the request to proceed with the annexation and the District received a signed copy of the Land Owner Consent form required by LAFCO. Discussion continued that included revenue generated by Pali Mountain, Fire and Wastewater Division revenue allocations and the current fees and charges under the existing Outside Sewer Service Agreement compared to fees and charges with annexation. Director Mackzum suggested the Board revisit the customer annexation fees and charges and Manager Gross said the District plans to conduct a Rate Study in 2019 for future costs that will consider adding a per gallon fee for sewer only customers. Manager Gross confirmed the rate study plan will be disclosed to Pali Mountain and he recommended the Board approve the resolution as written.

Director Mackzum made a motion to charge the flow rate and with no second, the motion was not considered.

Upon motion by Director Grabow, second by Director Bennett and carried by a 3 to 2 vote, RESOLUTION NO. 05-18, INITIATING PROCEEDINGS FOR THE ANNEXATION OF THE PALI MOUNTAIN PROPERTY, was adopted as written. (Resolution No. 05-18 on file in the District office)

D. Consider Authorizing Staff to Present Draft Agreement to CSA 79 for Wastewater Transportation, Treatment and Disposal Services

Action Item 5.D. was tabled.

E. Consider Awarding Construction Contract for the Fire Station 51 Structural Repair

Manager Gross reported that the District has received two bids for the Fire Station No. 51 Structural Repair Project with the low bid of \$79,820 from GM Excavating Inc. The Special District Risk Management Agency (SDRMA), who is the District's Property Insurance carrier, has indicated they will cover 100% of the cost. Manager Gross said the District is asking to award the contract to GM Excavating and authorize the General Manager to execute the contract and approve change orders for the project as required, not to exceed 15% of the original construction contract amount.

Upon **motion** by Director Mackzum, **second** by Director Bennett and **carried by a 5 to 0 vote**, Awarding the Construction Contract for the Fire Station 51 Structural Repair to GM Excavating, Inc. in the amount of \$79,820, to Authorize the General Manager to Execute the Contract and to Approve Change Orders for the Project During the Course of the Project as Required, Not to Exceed 15% of the Original Construction Contract Amount, was approved.

6. Information Items

A. Draft Fiscal Year 2018/2019 Wastewater Collections Department Budget

B. Draft Fiscal Year 2018/2019 Wastewater Treatment Department Budget

The 2018/2019 Fiscal Year Wastewater Collections and Treatment Department Budgets were reviewed by the Finance Committee on March 16, 2018 and Manager Gross said all final budgets will be presented at the June Board Meeting. Discussion continued regarding the Wastewater Department Budgets and Manager Gross said total Wastewater revenues are expected to increase by 7% and expenses including depreciation are expected to reduce by 1% in Fiscal Year 2018/2019.

C. Water Production and Precipitation Report

Manager Gross said the Water Production and Precipitation Report are for information only.

The Board took a break at 10:35 A.M. and reconvened at 10:45 A.M.

7. 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

The Board adjourned to Closed Session at 10:46 A.M. under threat of litigation with Arrowbear County Water District regarding sewer service charges.

8. Open Session

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

The Board returned to Open Session at 11:32 A.M. with no reportable action.

9. General Manager's Report

Nothing further to report.

10. Report From Legal Counsel

Attorney Simmons reported on state level water issues.

11. Board Member's Comments

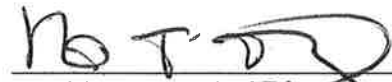
President Ayers discussed concerns over state water tax and fees.

Director Bennett will not attend the Finance Committee and Board Meetings in April and May, 2018. Director Grabow was appointed to Alternate Director in place of Director Bennett on the Finance Committee. Discussion continued regarding appointing a new President to the Board of Directors. Director Mackzum will not attend the May 16, 2018 Board Meeting.

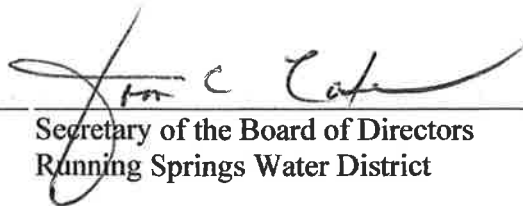
12. Meeting Adjournment

The meeting was adjourned at 11:55 A.M.

Respectfully Submitted,



President, Board of Directors
Running Springs Water District



Secretary of the Board of Directors
Running Springs Water District