

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
MAY 15, 2013**

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The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, May 15, 2013 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  
Mike Terry, Vice-President  
Everett "Ed" Brittain, Director  
Pamella Bennett, Director  
Paul Shouse, Director

Also present were the following:

Ryan Gross, General Manager  
Joan Eaton, Secretary/Treasurer/Administration Supervisor  
Randy Bobroff, Water Division Supervisor  
Trevor Miller, Wastewater Treatment Division Supervisor  
Isaiah Hall, Wastewater Collections Division Supervisor  
Tony Grabow, Fire Chief  
George Corley, Battalion Chief  
Brian Thomas, Engineer, Engineering Resources  
Mike Riddell, Attorney, Best, Best & Krieger

Visitors present were:

Thomas Harder, Consulting Hydrogeologist  
Karl Berger, Running Springs 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 Vice-President Terry led the Assembly in the Pledge of Allegiance.

**2. Recognize and Hear From Visitors**

No visitors were present until later in the meeting.

### 3. Public Comment

No public comment was initially made. With visitor Karl Berger, Running Springs Resident arriving late to the meeting, President Ayers returned to Public Comment after the presentation of the groundwater investigation report. Mr. Berger submitted a letter to the District requesting consideration of his Residential Sewer Usage Fee because the majority of his water usage is outdoor irrigation. Ordinance No. 31, Residential Landscape Irrigation Meter Service Policy was adopted on October 28, 2009 and a copy will be provided to Mr. Berger for his review and consideration. Staff will meet with Mr. Berger to discuss the policy and a copy of his letter will be provided to the Board in June, 2013 for their information.

### 4. Presentation of Groundwater Investigation Report

The meeting moved to the Presentation of the Groundwater Investigation Report by Thomas Harder, Principal Hydrogeologist that was conducted to review potential groundwater opportunities in the Running Springs Water District service area. Mr. Harder provided the Board with a power point presentation indicating existing District wells and an evaluation of potential well sites and stated his firm focused primarily on Ayers Acres, Sidewinder Canyon, the Downtown and Hoffman wells. The criteria for identifying new well sites includes geology, presence of faults, lineaments identified from aerial photos and topographic maps, correlation of faults and lineaments with existing wells and District property and drill rig access.

Mr. Harder reported on the Ayers Acres property and stated the Vertical #2 Well produced approximately 180 gallons per minute during the three day pump test and said the results indicate an extremely high producing well. The Ayers Acres pumping test data was provided to the Board for their review and Mr. Harder stated the report indicates there was only approximately fifty (50) feet of draw down after pumping for a four days. Mr. Harder recommended the possibility of a slant drilling location for an Ayers Acres well that would hopefully intercept other fractures that are not connected to the existing vertical well and he mentioned there are logistical issues regarding steep terrain in Ayers Acres that will need to be considered.

Mr. Harder also reported on Sidewinder Canyon wells and groundwater production by source and suggested that the District consider drilling the wells deeper to increase the production rate. Mr. Harder then reported on other areas for potential new well sites that include Firwood Drive, Camp Helendale, Charles Hoffman Elementary School, Lombardy, Dry Creek Area, Downtown and Rimwood. Discussion continued regarding environmental concerns and radiological level issues and in reference to the Downtown site, Mr. Harder noted the criteria for evaluating existing wells include compliance requirements, distance from sewer lines and manholes and satisfactory pumping rates.

The results of the evaluation of the Downtown wells were:

- Harich #3 and #4 are the most promising for consideration as District supply wells
- Harich #6 could also be considered if data and documentation can be obtained

- The District will need to consider the cost of water quality treatment (gross alpha)
- The District would need to acquire the water rights

Mr. Harder closed by providing his recommendations that include:

- Additional well on the Ayers Acres property near Ayers Acres Vertical #2 and in proximity to the fault – slanted if possible
- Additional deep test drilling in the Sidewinder Canyon area

## **5. Approval of Consent Items**

The following consent items were listed for approval:

**A. Approval of Meeting Minutes for April 13, 2013 Special Board Meeting and April 17, 2013 Regular Board Meeting**

**B. Ratify April 2013 Expenditures**

Upon motion by Vice-President Terry, second by Director Shouse and carried by a 5 to 0 vote, the consent items were approved:

## **6. Monthly Reports from Management**

### **A. Water Division Report**

Supervisor Bobroff stated the Rimwood Well is back on line and producing approximately thirty (30) gallons a minute with no additional cost outside the original estimate. The Department is busy completing annual maintenance projects early this year and everything else is going well.

Supervisor Bobroff added that they are waiting to hear from Western Pump regarding upgrades to the fuel management system. Director Shouse asked if the Water Division anticipates a drop in water production this year due to the dry weather and Supervisor Bobroff confirmed with Manager Gross stating we received about 58% of normal precipitation, so we will see a drop in well production earlier than usual and there will most certainly be an increase in purchased imported water. Manager Gross added that there will be a spike in uranium concentrations in the dryer years.

### **B. Wastewater Treatment Division Report**

Supervisor Miller reported on the Huber Screw Press that is in production and scheduled to arrive by the first week of September. The Treatment Division staff are working on several projects before the heat arrives and Supervisor Miller noted that they currently do not have a problem with snakes at the Treatment Plant.

**C. Wastewater Collection Division Report**

Supervisor Hall stated everything is good in the Wastewater Collections Division and added that the weather has been cooperative allowing his Department to complete projects. Supervisor Hall noted that the Fats, Oils, and Grease (FOG) inspections went well with significantly less grease than last year indicating compliance with the program. Supervisor Hall also reported on the County leachate loads and stated the District's contract with the County is good for another two or three more years.

**D. Fire Department Report**

Chief Grabow informed the Board that one of the ambulances and the squad required unanticipated major automotive repairs so they will be over budget in the equipment repair account this year. The Department is currently in negotiations regarding the purchase of a new squad.

**E. Administration Report**

Supervisor Eaton stated that the Availability billings in the amount of \$53,273 were mailed the week of May 6, 2013. The Fire Suppression Charges will be submitted to the County for placement on the County tax rolls in July 2013. Supervisor Eaton also said that the "Notice to Property Owners Proposed Rate Adjustment" were mailed to all property owners on April 29, 2013 to meet the deadline.

Supervisor Eaton mentioned that Administration continues to collaborate with Automated Data Processing (ADP) regarding implementation of the new Employee Time and Attendance Program to complete the upgrade to Workforce Now. In closing, Supervisor Eaton said that Van Lant & Fankhanel, LLP (VLF) have scheduled the District Interim Audit for June 6<sup>th</sup> and 7<sup>th</sup>, to review internal controls and the Audit will commence in August, 2013.

**F. General Manager's Report**

Manager Gross reported on the Pali Mountain Camp application for Outside Sewer Service that was submitted to the Local Agency Formation Commission (LAFCO) with a Commission Meeting scheduled for July 17, 2013. Manager Gross will attend the Commission Meeting and asked the Board to consider rescheduling the July District Regular Board Meeting due to the conflict in schedules. The Board and staff suggested that the meeting time be rescheduled instead of the date and President Ayers asked that this issue is placed on the June Board Meeting agenda.

Manager Gross stated that the amended Conflict of Interest Code was approved by the County of San Bernardino Board of Supervisors on May 7, 2013 and goes in effect on June 6, 2013.

In closing, Manager Gross mentioned the District was notified that the AETNA Employee Health Insurance premiums will increase by 24% with renewal of the current plan in July, 2013. The out of pocket deduction will increase by approximately two to three hundred dollars (\$200 to \$300) for some District employees. Manager Gross stated this issue will be discussed with the Personnel Committee in addition to the CalPERS Retirement Benefits.

## **7. Information Items**

### **A. Collecting Unpaid Ambulance Fees**

Manager Gross stated that the Board asked Attorney Riddell to check into the possibility of filing a lien against properties of owners with delinquent ambulance bills.

Attorney Riddell summarized a memorandum that was provided to the Board that included information regarding the California Water Code Section that states the District may secure unpaid charges for water or other services at any time by filing for record in the office of the county recorder of any county, a certificate specifying the amount of the charges and the name and address of the person liable for those charges. Attorney Riddell noted that the lien attaches to any property owned by the person responsible for the bill in whatever county it is recorded. The filed lien will have the force and effect of a judgment lien and is good for a period of ten (10) years, which is different than a priority tax lien, and Attorney Riddell continued by explaining the differences between a judgment and tax lien. Discussion continued regarding lien and collection options and Chief Grabow will research and provide information regarding the percentage of unpaid ambulance fees broken down by local Running Springs versus San Bernardino County at the request of Director Brittain. Attorney Riddell also stated that the reason we can provide fire protection and ambulance service is because the County Water District Law empowers us to provide the services that are provided to a Fire Protection District. A Fire Protection District sets fees by ordinance so he recommends that future ambulance fees be adopted by ordinance with notice published in advance as provided in the Fire Protection District Law. Attorney Riddell will continue to research information regarding the possible filing of tax liens, in addition to filing a certificate of lien which creates the equivalent of a judgment lien.

### **B. Draft Fiscal Year 2013/2014 District Budget**

Manager Gross presented the Fiscal Year 2013/14 Draft Budget Document for Board review and consideration prior to the Public Hearing that will be held on June 19, 2013 at 6:00 P.M. Manager Gross stated that he added an Executive Summary and a list of each department's goals and objectives and any additional suggested changes can be added to the final document. President Ayers stated he will meet with Manager Gross regarding some clarification questions. Manager Gross confirmed that the draft budget includes the proposed rate adjustment Alternative #1 for water and wastewater and could be changed according to the Board's decision on June 19, 2013.

**C. Quarterly Investment Report**

Manager Gross provided the Board with a copy of Resolution No. 1-96 and the Local Agency Investment Fund (LAIF) Remittance Advice for the quarter ending March 31, 2013 that states an interest rate of 0.28% and \$1,255.44 in interest earned. The Finance Committee has discussed the District investment alternatives on several occasions and is recommending to remain invested in LAIF at this time.

**D. Review Public Outreach Meeting Information**

Manager Gross stated the Public Outreach Meeting will be held on Saturday, June 8, 2013 from 9:00am to 11:00am in the District Board Room. Supervisors will be present at the meeting to discuss core functions of their departments. The District has published notification of the meeting that will be posted as a Special Board Meeting. Supervisor Eaton will also notify the local organizations and information will be posted on the District website.

**8. Action Items**

**A. Consider Accepting Design Proposal from Engineering Resources of Southern California for Ayers Acres Groundwater Well Infrastructure**

Manager Gross reported on the recommendation that the Board consider authorizing Engineering Resources to proceed with the design and bidding assistance services for the Ayers Acres Groundwater Well Infrastructure project in an amount not to exceed \$52,625. The original staff report and proposal at the time the agenda was posted was \$66,200 which was revised down to \$56,625. Design services will include construction documents and bidding assistance for the improvements necessary to connect the Ayers Acres groundwater well to the District's distribution system.

Manager Gross provided the Board with a preliminary construction cost estimate of approximately \$400,000 and said assuming the well produces 100 gallons of water per minute 70% to 80% of the time, the payback period could be nine to eleven years. Manager Gross reminded the Board that Thomas Harder highly recommended connection to this promising groundwater well.

Director Shouse asked about the capacity of the well pump station and Manager Gross responded it would be dependent on the design from Engineering Resources with Engineer Thomas stating they will provide several scenarios and recommendations. President Ayers asked about possible modifications to the Ayers Acres road and Manager Gross stated there should be no problem with the current road, but it will require yearly maintenance. Engineer Thomas added that local contractors are familiar with the area and they understand what is required, but the out of area contractors may not. Manager Gross stated if approved, the cost for the design effort will be funded from the Water Capital Improvement Reserve Fund that has an approximate balance of \$375,000 and Engineering Resources will begin the project next week and expect completion by the end of June, 2013. The not to exceed cost is \$52,625 for the design and bidding support.

Upon **motion** by Director Shouse, **second** by Director Terry and **carried by a 5 to 0 vote**, the Design Proposal from Engineering Resources of Southern California for Ayers Acres Groundwater Well Infrastructure at a cost not to exceed \$52,625 with funds utilized from the Water Capital Improvement Service Fund, was accepted.

**B. Consider Customer Request for Water Bill Adjustment**

Manager Gross reported on a request from customer Vic Moreno to reduce his water/sewer bill due to a water leak on his property on the customer side of the water meter. Vic Moreno requested that the District reduce the cost of the actual water used to the purchase price and exempt the 15% Residential Sewer Use fee of \$538.22. Discussion continued and the Board asked staff to develop a policy for unusually large customer water leaks.

Upon **motion** by Vice-President Terry, **second** by Director Bennett and **carried by a 5 to 0 vote**, the Customer Request for Water Bill Adjustment to reduce the bill to the Crestline Lake Arrowhead Water Agency (CLAWA) Cost of Water Plus 15%, to Waive the 15% Sewer Fee and Allow the Customer a Twelve (12) Month Payment Arrangement Due to the Nature and Extraordinary Underground Amount of the Leak and to Direct Staff to Develop a Policy, was approved.

**C. Consider Approving Financial Consulting Services Contract with Rogers, Anderson, Malody and Scott for Fiscal Year 2013/2014**

Supervisor Eaton reported on the Financial Consulting Services with Rogers, Anderson, Malody & Scott (RAMS) for Fiscal Year 2013/2014 and provided the Board with a copy of the proposed contract. The proposal includes but is not limited to fiscal year end and annual accounting services, GASB 34 conversion, support with new governmental accounting standards and review of internal reporting procedures. Supervisor Eaton stated that RAMS has increased their fees by 2% for Fiscal Year 2013/2014 and have provided an estimate of \$34,330 to \$36,415 for their services. All District Departments have budgeted additional fees to cover financial accounting projects outside the scope of RAMS services contract and Manager Gross stated the estimated \$36,415 is the base fee and the extra budgeted amount of \$13,585 may be utilized for special projects or services if required on an as-needed basis. The contract with RAMS can be terminated with seven (7) days notice if desired.

Upon **motion** by Director Brittain, **second** by Director Bennett and **carried by a 5 to 0 vote**, the Financial Consulting Services Contract with Rogers, Anderson, Malody and Scott for Fiscal Year 2013/2014, not to exceed \$50,000 and to Authorize the General Manager to Execute the Contract, was approved.

## **9. Report from Engineer**

Engineer Thomas stated Engineering Resources has been looking into new technology to include in the District Standards regarding fused PVC pipe. Engineer Thomas said all the tests that have been done on the PVC pipe had negative results with cracked pipes. His recommendation is to continue looking for other technology and continue working with the Standards as they are. Engineer Thomas also said that he attended the California Debt & Investment Advisory Commission (CDIAC) conference for funding options and the District is already doing everything they can.

## **10. Report from Legal Counsel**

Attorney Riddell mentioned the Joint Powers Authority Meetings in conjunction with the State Contractor's Meetings that he attends in Sacramento that may conflict with the District Board meetings every other month beginning in July, 2013. Ward Simmons, Attorney with Best, Best & Krieger (BB&K) attended several District Board meetings to become familiar with the District and represent BB&K in the event there is a conflict in meetings. Attorney Riddell said the District can contact BB&K for legal consultation and he will return calls from Sacramento. President Ayers expressed the desire that an attorney is always available for staff if needed.

Attorney Riddell did not have anything further to report but did mention that although he was not able to attend the ACWA conference this year in Sacramento, he understood that Governor Brown was the guest speaker at the conference luncheon and the Governor expressed support of the State Water Project Delta fix.

## **11. Committee Reports**

There were no committee reports.

## **12. Board Member Comments**

Director Shouse asked staff about provisions for receiving septic sewage waste and Supervisor Hall confirmed there is an established permit fee and the District accepts septic sewage waste, but there is a limited market on the mountain. Supervisor Miller stated the District usually receives approximately fifteen thousand (15,000) gallons of septic sewage waste a year.

President Ayers closed by reporting on hazardous waste issues previously reported at the Lake Elsinore Treatment Plant.

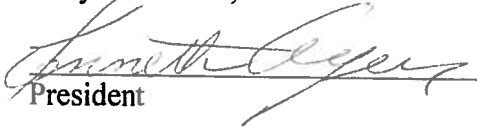
Director Bennett asked for clarification on the time for the upcoming Public Outreach Meeting and Gross confirmed it will be Saturday, June 8, 2013 from 9:00am to 11:00 am.

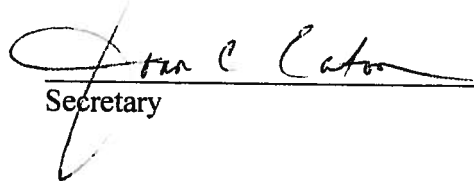


**13. Meeting Adjournment**

The meeting was adjourned at 11:31 A.M.

Respectfully Submitted,

  
President

  
Secretary