

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS  
RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
JUNE 19, 2013**

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The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, June 19, 2013 at the hour of 6:00 P.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  
Isaiah Hall, Wastewater Collections Division Supervisor  
Tony Grabow, Fire Chief  
Mike Riddell, Attorney, Best, Best & Krieger

Visitors present were:

Richard Luczynski, Running Springs Resident

**MEETING MINUTES**

**AGENDA ITEMS**

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

The meeting was called to order at 6:00 P.M. by President Ayers and Director Bennett led the Assembly in the Pledge of Allegiance.

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

President Ayers welcomed Mr. Luczynski to the meeting. Mr. Luczynski commented on the proposed District Fiscal Year 2013/2014 Budget specifically the interdepartmental transfer of funds for Administrative costs. Manager Gross explained the transfer that reimburses the Administration Division from the Wastewater and Fire Department for secretarial support and expenses incurred and President Ayers stated the District follows procedures to comply with accounting standards.

**3. Public Hearing and Consideration of Adopting Resolution No. 08-13, Establishing Water and Wastewater Rates, Fees and Charges for District Services and Adopting the Fiscal Year 2013/2014 District Budget**

- A. Open Public Hearing:** The Public Hearing was opened at 6:07 P.M. by President Ayers.
- B. Staff Presentation:** Manager Gross stated this is the eleventh public meeting held this year regarding the proposed rates and fees and the Fiscal Year 2013/2014 District Budget. The Proposition 218 Notice of Public Hearing was mailed to all affected property owners or tenants responsible for paying the bills and Manager Gross stated a copy of the draft resolution indicating all changes and the proposed draft budget for Fiscal Year 2013/2014 were published on the District website and also provided to the Board for review.
- C. Written Public Comment:** Manager Gross confirmed there were a total of five (5) written protests with two (2) of the protest letters technically not valid due to no valid signature.
- D. Oral Public Comment:** Mr. Luczynski commented on the Proposition 218 Notice to Property Owners document, specifically the clause stating the customer can regulate control in lowering their water bill by reducing the amount of water they use. Manager Gross explained there are two (2) components of the water bill that include fixed costs and usage and Director Shouse responded by saying he felt it was a qualified statement with Director Brittain saying there was nothing wrong with the clause. Mr. Luczynski had additional comments and questions regarding the proposed Fiscal Year 2013/2014 Budget and the District reserve account and discussion continued. Manager Gross reminded Mr. Luczynski we were in the Oral Public Comment section of the meeting regarding the proposed rates and fees and suggested that Mr. Luczynski meet with him at a later date to address his questions. Director Shouse moved to get back on topic with the intent of the Public Hearing. President Ayers summarized the comments from Mr. Luczynski and discussion continued regarding the basis for the proposed rates and fees increase with Director Shouse stating the District went several years without an increase against the advice of our Financial Advisors. Director Bennett also confirmed the District has not increased rates in four of the past years and noted there were years of inflation so the rate increase was higher.
- E. Board Discussion/Comments:** There was no further discussion or comments.
- F. Close Public Hearing:** Upon motion by President Ayers, second by Director Bennett and carried by 5 to 0 vote, the Public Hearing was closed at 6:50 P.M.

**G. Consider Adoption of Proposed Resolution No. 08-13, Establishing Water and Wastewater Rates, Fees and Charges for District Services and Adopting the Fiscal Year 2013/2014 District Budget**

Upon **motion** by Director Bennett, **second** by Vice-President Terry and **carried by a 5 to 0 vote**, RESOLUTION NO. 08-13, ESTABLISHING WATER AND WASTEWATER RATES, FEES AND CHARGES FOR DISTRICT SERVICES AND ADOPTING THE FISCAL YEAR 2013/2014 DISTRICT BUDGET, was approved. (Resolution No. 08-13 on file in the District Office)

**4. Public Hearing and Consideration of Adopting Ordinance No. 40, Establishing Fees for Ambulance Services**

**A. Open Public Hearing:** The Public Hearing was opened at 6:51 P.M. by President Ayers.

**B. Staff Presentation:** Manager Gross stated this was another Public Hearing regarding Ordinance No. 40, establishing District fees and charges for ambulance services. Chief Grabow noted the Inland Counties Emergency Medical Agency (ICEMA) that has approved a list of ambulance fees and document Exhibit "A" was provided to the Board and those present at the meeting for review. Attorney Riddell confirmed that the fees presented in Ordinance No. 40 match the fees approved by ICEMA.

**C. Written Public Comment:** Manager Gross confirmed there were no written protests received.

**D. Oral Public Comment:** Mr. Luczynski asked if the ambulance rates cover the expenses and Chief Grabow confirmed that the rates are set by ICEMA.

**E. Board Discussion/Comments:** Director Brittain referred to Mr. Luczynski and his comment regarding the delay in posting unapproved board meeting minutes to the website. Director Brittain suggested that District staff post the unapproved meeting minutes to the website when they are complete.

**F. Close Public Hearing:** The Public Hearing was closed at 6:55 P.M. by President Ayers.

**G. Consider Adoption of Proposed Ordinance No. 40, Establishing Fees for Ambulance Services**

Upon **motion** by Director Brittain, **second** by Vice-President Terry and **carried by a 5 to 0 vote**, ORDINANCE NO. 40, ESTABLISHING FEES FOR AMBULANCE SERVICES, was adopted. (Ordinance No. 40 on file in the District office)

**5. Approval of Consent Items**

The following consent items were listed for approval:

- A. Approval of Minutes for May 15, 2013 Regular Board Meeting**
- B. Ratify May 2013 Expenditures**
- C. Approval and Adoption of Resolution No. 09-13, Establishing Appropriations Limits for Fiscal Year 2013/2014**

Upon motion by Director Shouse, second by President Ayers and carried by a 5 to 0 vote, the consent items were approved. (Resolution No. 09-13 on file in the District office)

**6. Information Items**

**A. Assessment District No. 10 Delinquency Report Update**

Manager Gross reported on the Assessment District No. 10 Delinquency Report that was provided to the Board as an information item only. The District has contracted with NBS to administer the AD No. 10 bond issuance and NBS has sent reminder letters to the delinquent property owners. Discussion continued regarding the status of the delinquent Chabad properties and Attorney Riddell stated legal counsel is in the process of reviewing the fees imposed by the San Bernardino County Sheriff in the amount of \$1,500 per parcel instead of the standard fee of \$1,500.

**B. Consumer Confidence Report for 2012**

Manager Gross acknowledged District staff for participation in the design and distribution of the Consumer Confidence Reports for 2012. Director Bennett commented on the qualified conservation narrative included in the report.

**7. Action Items**

**A. Consider Approval and Adoption of Resolution No. 10-13, Establishing Extraordinary Water Loss Policy**

Manager Gross reported on the proposed policy for extraordinary water loss that was created to provide clear direction to staff with regard to addressing customer requests for adjustments to water bills when a leak occurs on the customer side of a water meter that goes undetected for more than one month and the customer requests that the District waive or adjust their water bill. Manager Gross reported on the current policy that states the customer is responsible for paying for all water that passes through the water meter and if an outdoor leak occurs and is verified by District staff, the 15% sewer usage charge is typically waived.

The extraordinary water loss policy would charge the customer the rate the District pays to Crestline Lake Arrowhead Water Agency (CLAWA) for imported water plus 15%, waive the 15% sewer use charge if it is confirmed that the water did not enter the sewer system and allow for a twelve (12) month payment arrangement on water usage. Discussion continued regarding including a threshold of three hundred twenty five thousand nine hundred gallons (325,900) which is equal to forty three thousand five hundred sixty (43,560) cubic feet or one (1) acre foot. Upon **motion** by Director Shouse, **second** by Vice-President Terry and **carried by a 5 to 0 vote**, RESOLUTION NO. 10-13, ESTABLISHING EXTRAORDINARY WATER LOSS POLICY, was adopted. (Resolution No. 10-13 on file in the District office)

**B. Customer Request for Water Bill Adjustment (Wardell)**

With adoption of Resolution No. 10-13, Establishing Extraordinary Water Loss Policy, the request from customer Wardell will be covered under the policy. No action was required. Mr. Luczynski asked if a disputed \$400 water bill could be taken to court with Attorney Riddell responding it would be small claims court. Director Brittain asked staff to include information on the monthly bills when we approach winter that states “meters are not read during inclement weather – please check your water meter regularly”.

**C. Consider Customer Request for Water Bill Adjustment (Berger)**

As discussed in the May 15, 2013 Regular Board Meeting, staff has provided Mr. Berger with a copy of Ordinance No. 31, Residential Landscape Irrigation Meter Service Policy. No action was required.

**D. Consider Approving the Use of Committed Funds for Arrowbear Cross Over Connection**

Manager Gross opened by reporting that David Harich has resigned as General Manager from Arrowbear Park County Water District (ABPCWD) and Mike Scullin has accepted the Interim General Manager position. ABPCWD approached the District in Fiscal Year 2009/10 to participate in the cost of a cross over connection between the Arrowbear sewer lift station and the CSA-79 sewer lift station at an estimated cost of \$65,000 with Running Springs Water District (RSWD) paying one third of the cost. RSWD has committed funds for the Arrowbear cross over connection in the amount of \$21,752.78. The connection would benefit the District during maintenance, repair work and/or emergency conditions when shut down of the District’s Sewer Lift Station #2 was required. Interim Manager Scullin is preparing a draft agreement that will be provided to the Board when received and Arrowbear is handling the design and construction of the project that is expected to start after July 1, 2013. Discussion continued regarding the project and contracts with the upstream users and Manager Gross stated that CSA-79 has declined to participate in the cost share. Upon **motion** by Vice-President Terry, **second** by Director Brittain and **carried by a 5 to 0 vote**, The Use of Committed Funds for Arrowbear Cross Over Connection in the amount of \$21,752.78, was approved. Manager Gross closed by stating he would bring this item back to the Board if ABPCWD disagrees with the shared cost for RSWD.

**E. Consider Awarding Contract for District Complex Groundwater Well Pump and Motor Replacement**

Supervisor Bobroff reported on the District Complex groundwater well pump and motor replacement that was installed in 1997 and stated testing by the Southern California Edison Energy Solutions Program has determined the pump and motor assembly have exceeded its life expectancy. Harich Enterprise Inc. was the only contractor who responded by submitting a quote in the amount of \$10,76.48 for the project with the Energy Solutions Program Engineer's Cost Estimate of \$12,000. If approved, the funding source for this contract would be from the following accounts.

Account #12165 Pumping Equipment	\$1,377.50
Account #50120 Maintenance Pumps & Motors	\$ 505.17
Account #50030 Maintenance Source of Supply	\$1,853.50
Account #12615 Water Development	\$2,994.33
Southern California Edison's Energy Solutions Incentive	\$4,033.88
Total	\$10,764.38

A copy of the proposal from Harich Enterprise, Inc. was provided to the Board for review. Upon **motion** by Director Shouse, **second** by Vice-President Terry and **carried by a 5 to 0 vote**, the Contract for District Complex Groundwater Well Pump and Motor Replacement, was awarded to Harich Enterprise, Inc. in the amount of \$10,764.38.

**F. Consider Awarding Contract for Water Storage Tank Inspection and Cleaning Services**

Supervisor Bobroff reported on the District water storage and the American Water Works Association (AWWA) that recommends inspection of water storage facilities every three years and the California Department of Health Services (CDPH) that recommends the guidelines set forth by AWWA. Supervisor Bobroff stated he contacted four companies to submit quotes for the cleaning and inspection of five storage tanks within the District and only two proposals were received by the June 5, 2013 deadline from Aquatic Inspections, Inc. in the amount of \$8,250.00 and CorrTech, Inc. in the amount of \$24,382.00. Director Brittain questioned the high proposal from CorrTech with Supervisor Bobroff stating everything is robotic. Discussion continued regarding disposal of the sediments and funding sources for the contract. Upon **motion** by Director Bennett, **second** by Director Brittain and **carried by a 5 to 0 vote**, the Contract for Water Storage Tank Inspection and Cleaning Services was awarded to Aquatic Inspections, Inc. in the amount of \$8,250.00.

## **8. Monthly Management Reports**

Manager Gross suggested that the Water and Wastewater supervisors provide summarized monthly reports on a quarterly basis or that they attend only the daytime Board meetings unless they have an agenda item to discuss. It was agreed that the supervisors would only attend the daytime Board Meetings with the exception of Chief Grabow who will continue to attend every Board Meeting.

- A. Water Division Report** – No further information to report
- B. Wastewater Treatment Division Report** – No further information to report
- C. Wastewater Collection Division Report** – No further information to report
- D. Fire Department Report**

Chief Grabow reported the Hazard Abatement Program is going well with notices scheduled to be mailed out by the end of June, 2013. Chief Grabow confirmed the Department has received approximately \$10,000 in Hazard Abatement Fees.

Chief Grabow also stated the Fire Department has participated in a statewide Active Shooter Class with the California Highway Patrol that was grant funded.

### **E. Administration Report**

Supervisor Eaton stated the Interim Audit has been completed and the Auditors will return on September 9, 2013. Nancy O'Rafferty, Financial Consultant will arrive on July 1, 2013 in preparation of the 2012/2013 Fiscal Year Audit. Administration continues to collaborate with Scott Pieratt, WSP Corporate Benefits regarding renewal of District employee health benefits.

### **F. General Manager's Report**

Manager Gross opened by noting that the District has received final approval from Southern California Edison (SCE) regarding the Rimwood Well Project and the District will receive a check from SCE for approximately \$2,400 which is 32% of the total project cost.

Manager Gross stated the District received \$650 in education scholarship funding from the California Special District Association (CSDA) for the General Manager Leadership Conference that will be held in July, 2013. The District will apply for additional education opportunities from CSDA when they are available.

Manager Gross reported on the District Aetna Health Plan stating employees will now have the option to choose between six (6) different medical plans providing flexibility for deductibles and premiums. President Ayers mentioned that Aetna is no longer offering coverage for personal health plans but they continue to offer group plans.

Manager Gross stated he will attend a deposition at the end of June or early July as custodian of records regarding an asbestos lawsuit and he confirmed that the District is currently not named in the lawsuit. The deposition will be held at the office of Best, Best & Krieger.

The candidate filing period for the November 5, 2013 Consolidated General Election begins on July 15<sup>th</sup> through August 9, 2013. Manager Gross confirmed that the 2013 election will not be a mail ballot but will be a mail ballot in the next election.

Manager Gross asked for clarification from the Board regarding the Tesco Scada Equipment Project for the Wastewater Division that was an approved budget item from the 2012/2013 Fiscal Year and will be completed next fiscal year. Manager Gross asked the Board to consider moving the previously approved \$15,000 from this fiscal year to next fiscal year to complete the project and stated if there are no objections, the District will instruct Tesco to complete the work. Director Shouse agreed stating the project has already been approved. Discussion continued regarding control issues and perception and Manager Gross will review District policies currently in place and return this item to the Board in July, 2013. Mr. Luczinsky asked about procedures regarding overruns and Director Shouse stated the District has a policy of up to 15% without Board consent.

The Board took a five (5) minute break.

#### **9. Engineer's Report**

Engineer Thomas was absent.

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

Attorney Riddell reminded the Board that he may have a scheduling conflict with the July, 2013 Board Meeting so Attorney Ward Simmons will be his replacement.

#### **11. Committee Reports**

President Ayers appointed Directors Brittain and Shouse to the Personnel Committee to begin working with District staff to discuss the future of CalPERS and other personnel issues. The Personnel Committee will coordinate with Manager Gross regarding meeting dates.



**12. Board Member Comments**

There were no Board Member comments.

**13. Closed Session**

The meeting moved to closed session at 8:40 P.M.

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

**14. Open Session**

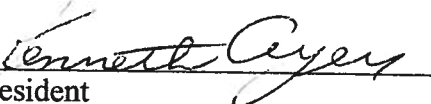
- A. The Board and/or Legal Counsel will report and any action taken.

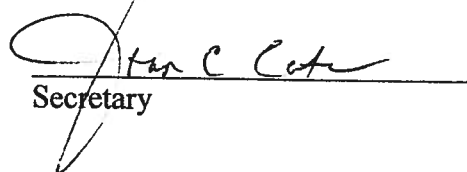
The Board of Directors came out of closed session at 9:35 P.M. and upon motion by Director Shouse, second by Director Terry and carried by a 5 to 0 vote, Amendment No. 1 to the Employment Agreement with Ryan Gross for General Manager, was approved subject to review and approval by legal counsel.

**15. Meeting Adjournment**

The meeting was adjourned at 9:42 P.M.

Respectfully Submitted,

  
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President

  
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Secretary