

**MINUTES OF THE SPECIAL MEETING OF THE  
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
DECEMBER 18, 2013**

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The Special Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, December 18, 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  
Henry Heredia, Director

Also present were the following:

Ryan Gross, General Manager  
Joan Eaton, Secretary/Treasurer/Administration Supervisor  
Tony Grabow, Fire Chief  
Ward Simmons, Attorney, Best, Best & Krieger  
Brian Thomas, Engineer, Engineering Resources

Visitors Present were:

Joan Moseley, Running Springs Resident, Reporter  
Terisa Bonito, Running Springs Chamber of Commerce

**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 Director Heredia led the assembly in the Pledge of Allegiance.

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

Joan Moseley and Terisa Bonito introduced themselves for the record.

**3. Election of Officers**

Manager Gross referred to the District By-Laws regarding the election of a President and Vice-President of the Board of Directors and stated the General Manager shall chair the proceedings for election which shall be the first order of business after any newly elected or appointed Directors have been seated.

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Manager Gross then opened nominations for President of the Board of Directors with **motion** by Director Brittain nominating Director Ayers, **second** by Director Bennett with no other nominations, public comment or opposition and **carried by a 5 to 0 vote**, Director Kenneth Ayers was elected President of the Board of Directors.

President Ayers then opened nomination for Vice-President of the Board of Directors with **motion** by Director Bennett nominating Director Brittain, **second** by Director Terry and Director Brittain nominating Director Terry, with no other public comment or opposition and **carried by a 5 to 0 vote**, Director Brittain was elected Vice-President of the Board of Directors.

President Ayers stated the District has a President and Vice-President for two years.

**4. Approval of Consent Items**

The following consent items were listed for approval:

**A. Approval of Minutes for November 20, 2013 Board Meeting**

**B. Ratify November 2013 Expenditures**

**C. Adopt Resolution No. 21-13, Resolution of Lodge, Association or Other Similar Organization Regarding New Bank Signature Cards for First Mountain Bank**

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

**The meeting moved to Item 5.E. Consider Granting the Running Springs Area Chamber of Commerce Permission to Utilize the Running Springs Water District's Downtown Property for their 2014 Farmers Market, Artisan Faire, Mountain Top Days, Easter Egg Roll and Home Expo Events**

Manager Gross reported on the Running Springs Chamber of Commerce request to utilize the Downtown Property and referred to the request letter and 2014 Right of Entry/Hold Harmless Agreement received from the Chamber with Terisa Bonito confirming there were no changes in the insurance policy and clarifying the Home Expo event as an opportunity for contractors to offer services to the community. Manager Gross stated the District will participate in the Mountain Top Days event to promote water conservation with Ms. Bonito saying there will be no cost to the District for the booth and she confirmed that all events will be alcohol free. Manager Gross noted that the District has not experienced any problems in the past with the Chamber Events. Upon **motion** by Vice-President Brittain, **second** by Director Bennett and **carried by a 5 to 0 vote**, granting the Running Springs Area Chamber of Commerce Permission to Utilize the Running Springs Water District's Downtown Property for their 2014 Farmers Market, Artisan Faire, Mountain Top Days, Easter Egg Roll and Home Expo Events, was approved. Visitor Bonito was excused at 9:10 A.M.

5. Action Items

A. Consider Adopting Resolution No. 19-13, Setting the Schedule for Regular Board Meetings

Manager Gross reported on the proposed 2014 schedule for Regular Board Meetings that will revise the current schedule to the third Wednesday of each month at 9:00 A.M. Manager Gross confirmed that Resolution No. 19-13 would not prohibit the District from calling an evening Special Board Meeting or relocation of a scheduled meeting with Attorney Simmons stating that meeting changes must be made available to the public by agenda.

Upon motion by Director Terry, second by Director Bennett and carried by a 5 to 0 vote, RESOLUTION NO. 19-13, SETTING THE SCHEDULE FOR REGULAR BOARD MEETINGS, was adopted.

B. Consider Appointments of Directors to Standing Committees

Manager Gross noted that the Board of Directors appoint members of the Board to the Finance and Personnel Committee each year and said the District Bylaws state the Finance Committee will include the Vice-President, but at the pleasure of the Board. Manager Gross said any other issues will be addressed by an Ad Hoc Committee.

Upon motion by President Ayers, second by Director Heredia, and carried by a 5 to 0 vote, Directors Heredia and Brittain were appointed to the Finance Committee and Directors Terry and Bennett were appointed to the Personnel Committee for 2014.

C. Consider Adopting Resolution No. 20-13, Authorizing the General Manager to Apply for Funding from the State Water Resources Control Board Clean Water State Revolving Fund

Manager Gross reported on low interest loans and grant funding through the State Water Resources Control Board Clean Water State Revolving Fund (CWSRF) and stated the District needs to designate an individual to sign and submit the application with no financial commitment, to be considered for funding projects that include replacement of Sewer Lift Station Nos. 1, 2 and 3. Prior to execution of a Funding Agreement, additional Resolutions will be required which authorizes an officer or persons to sign the Funding Agreement, certifications and any amendments, claims for reimbursement, budget and expenditure summary and to sign the Certification of Project Completion and Final Release Form. Manager Gross stated several environmental studies will be included in the application and it may be a six (6) month process before a Financial Agreement is presented to the Board. Manager Gross also said he has been conferring with the project manager who felt we may have a tentative approval in approximately three (3) months.

Discussion continued regarding low interest funding which is currently at 2.1% and Manager Gross said he does not think the District will see grant funding because the program requires a certain median household income threshold to qualify. Manager Gross stated if approved, the next two agenda items are related to the required preliminary engineering analysis and environmental studies and although these projects are considered categorically exempt from the California Environmental Quality Act (CEQA), the CWSRF requires CEQA-plus which includes several environmental documents that must be submitted for all projects applying for funding. Manager Gross said the program is ongoing and the District would stay on the project priority list and would not be required to resubmit the application unless there is a change in the environmental study law.

Upon **motion** by Director Bennett, **second** by Director Terry and **carried by a 5 to 0 vote**, RESOLUTION NO. 20-13, AUTHORIZING THE GENERAL MANAGER TO APPLY FOR FUNDING FROM THE STATE WATER RESOURCES CONTROL BOARD CLEAN WATER STATE REVOLVING FUND, was adopted.

**D. Consider Accepting a Proposal from Tom Dodson and Associates for Assistance with the State Water Resources Control Board Clean Water State Revolving Fund Environmental Compliance Requirements**

Manager Gross provided the Board with the Professional Services Agreement, CWSRF Environmental Package, SRF & CEQA-plus brochure, an email from CWSRF staff and the CEQA Notice of Exemption. Manager Gross then recommended that the Board consider accepting a proposal from Tom Dodson and Associates in the amount of \$8,500 to compile the Air Quality and Greenhouse Gases, Biology and Cultural Resources Reports and authorizing the General Manager to sign a professional services contract for assistance with the CWSRF Environmental Compliance Requirements regarding application for low interest funding for the replacement of Sewer Lift Station Nos. 1, 2 and 3 which together are estimated to cost \$2.4 million dollars. The initial application will be submitted by January, 2014 and if approved, the \$8,500 will be funded from the Wastewater Capital Improvement fund.

Upon **motion** by Director Heredia, **second** by Director Terry and **carried by a 5 to 0 vote**, the Proposal from Tom Dodson and Associate for Assistance with the State Water Resources Control Board Clean Water State Revolving Fund Environmental Compliance Requirements in the amount of \$8,500, was accepted.

**E. Moved Agenda Item to earlier in meeting**

**F. Consider Accepting Proposal from Engineering Resources of Southern California for Assistance with the Clean Water State Revolving Fund Technical Application Package**

Manager Gross recommended that the Board of Directors consider accepting a proposal from Engineering Resources (ER) for assistance with the required CWSRF Technical

Application Package for low interest funding regarding the District's Sewer Lift Station Nos. 1, 2 and 3 Improvement Project in an amount not to exceed \$17,210. The proposal from ER was provided for the Board's review and President Ayers expressed his concern with the approximate \$25,000 cost to the District to determine if we are eligible for low interest loans. Manager Gross said the alternatives would be deferring the projects or finding a private placement with higher interest costs.

In regards to completion of the projects, Manager Gross stated if the financing agreement is approved in late spring and the engineering complete in late summer of 2014, the construction may be complete by the spring of 2015 provided there are no delays. Discussion continued regarding the sequence of awarding the contracts with Director Heredia stating he felt it would be advantageous to complete one project at a time, Manager Gross noting that grouping the projects together may be a disadvantage to the local contractors due to bond requirements and Engineer Thomas stating that he felt the District should bid each project individually. The District will advertise the bids with Engineer Thomas expressing caution regarding contractors that may not be familiar with mountain specifications and he reported on the Lift Station No. 6 project that did not go smoothly and required change orders.

Upon motion by Director Heredia, second by Director Terry and carried by a 5 to 0 vote, the Proposal from Engineering Resources of Southern California for Assistance with the Clean Water State Revolving Fund Technical Application Package, was approved.

## 6. Information Items

### A. Review of Resolution No. 11-11, District By-Laws of the Board

Manager Gross asked the Board to review the District By-Laws and provide any changes that can be considered for formal adoption. President Ayers commented on Section II in regards to the California Public Records Act with Manager Gross stating the provision allows ten (10) days for the District to respond to a public records request and Attorney Simmons stating the clause is cautionary and there would be limitations if a Director were to abuse the public records request provisions. President Ayers also commented on Section III in regards to Board Meeting minutes with Manger Gross stating that the District draft minutes are provided to the Board prior to approval and also posted in the public agenda packet as a non-approved version.

In regards to the District By-Laws, Manager Gross suggested clarifying Board Member compensation for a day of service that includes training and workshops at the request of the Board. Attorney Simmons referred to AB1234 and suggested the District create a Board Member Compensation Policy.

Manager Gross stated he would like to ask the Board for approval to compensate Director Heredia who attended the California Special District Association (CSDA)

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Governance Foundation Seminar on December 17, 2013. Discussion continued regarding approval of out of District Director attended meetings and President Ayers confirmed that approval of outside meetings will be added to the Board Meeting agenda and a draft compensation policy will be included in the January Board Meeting agenda. President Ayers confirmed that compensation for the Special District Meetings is fifty dollars (\$50.00) per meeting and he stated that Board Member communication by email is prohibited.

Upon motion by President Ayers, second by Vice-President Brittain and carried by a 5 to 0 vote, Compensating Director Henry Heredia for his attendance at the CSDA Governance Foundation Seminar, was approved.

Upon motion by President Ayers, second by Director Bennett and carried by a 5 to 0 vote, Attendance by President Ayers or his designees to attend the 2014 Special District Meetings, was approved.

## 7. Monthly Reports from Management

### A. Water Division Report

No comments were made regarding the Water Division Report

### B. Wastewater Treatment Division Report

Manager Gross stated Supervisor Miller was preparing Membrane Bio Reactor (MBR) No. 2 to come on line in anticipation of the upcoming wet weather.

### C. Wastewater Collection Division Report

Manager Gross said that Supervisor Hall was working on low voltage issues at Lift Station No. 5.

### D. Fire Department Report

Chief Grabow stated that the Inland Counties Emergency Medical Association (ICEMA) are reviewing their options and the Ground Emergency Medical Transportation (GEMT) program is moving forward with a deadline of March 2014 to submit estimated financial information. Chief Grabow said it does not look like there will be any funds available.

Chief Grabow referred to the Affordable Care Act (ACA) and the impact it may have on volunteer fire departments if the act requires fire departments to provide health insurance to volunteers. Manager Gross said he attended sessions at the ACWA conference and the requirement is fifty (50) full time employees before ACA takes effect.

### E. Administration Report

Supervisor Eaton had no additional information to report

**F. General Manager's Report**

Manager Gross provided the Board with documentation from the Internal Revenue Service (IRS) regarding Elected and Appointed Officials that are considered officers and employees of their political subdivision for federal employment tax purposes. The article states that compensation should be reported and processed through payroll rather than on a 1099-Miscellaneous form. Manager Gross conferred with Legal Counsel and he recommends that the District begin processing all Board Member compensation through our payroll processing system. Supervisor Eaton will provide the Board with blank W-4 forms for completion of tax withholding information prior to the January 15, 2014 Board Meeting.

Manager Gross stated he attended the Mojave Water Agency Integrated Regional Water Management Plan meeting on December 16, 2013 and was able to include the Running Springs Water District in their regional plan area allowing the District to submit projects in the current planning cycle. Manager Gross stated the District will benefit when we complete the application for the CWSRF Lift Station projects. Manager Gross also heard back from the Department of Public Health saying they have closed the window for any new funding so they will not accept the District application this year. Manager Gross has been researching the USDA Rural Development Funding Program for grant funding opportunities and stated there is a chance the District could see some principal forgiveness and he will keep the Board informed of any new developments and added the application process could be completed by March 2014.

Manager Gross referred to the Board Member correspondence packet and specifically the Best, Best & Krieger Legal Alert on Changes to the Brown Act effective January 1, 2014 regarding the requirement for all legislative bodies to publicly report any action taken in any meeting, and the vote or abstention on that action of each member present. Manager Gross stated the District will make the necessary changes to comply.

Manager Gross stated he attended the CSDA Governance Seminar on December 17, 2013 that he found to be informative and offered the workbook to the Board for their review. Manager Gross mentioned the Special District Leadership Foundation that offers a Transparency Certificate of Excellence based on compliance that he would like the District to pursue. President Ayers encouraged Directors to take advantage of applicable Governance classes to remain informed and up to date with Director Heredia saying they are planning to hold more classes in Southern California.

Visitor Joan Moseley stated that it was wonderful to be back in Running Springs and she recognized former Running Springs Water District Board Member Jim Weber who recently passed away. Ms. Moseley said a memorial service was held in Highland at Mountain Shadows Mobile Home Park with standing room only. Mr. Weber was a former volunteer firefighter and active in the Running Springs community for years.

**8. Report from Engineer**

Engineer Thomas said he is continuing to research new and innovative equipment and materials to help modernize how the District treats sewage and delivers water. The new process may save a considerable amount of money for the District Lift Stations and he is looking closely into by pass pump options. Director Brittain asked Engineer Thomas about the possibility of eliminating Lift Station No. 3 and running a sewer line with Engineer Thomas stating anything is do able with enough money and added that the issues they would encounter would be environmental.

**9. Report from Legal Counsel**

Attorney Simmons stated that Attorney Riddell apologized for not attending the Board Meeting this month due to his attendance at a Special Meeting of the State Water Contractors Authority.

**10. Board Member Comments**

Director Heredia thanked the Board for recognition upon his retirement in Resolution No. 09-08, Commending Henry Heredia for Distinguished District Service, that was adopted on April 16, 2008.

Director Heredia will not be able to attend the facility tour but he reminded Manager Gross that he would like to schedule a tour of the District. Director Heredia excused himself from the meeting.

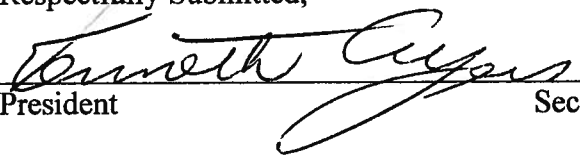
**11. Facility Tour: Running Springs Water District Wastewater Treatment Plant Biosolids Dewatering Process**

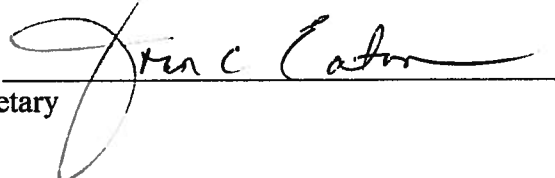
The meeting continued to the Facility Tour of the Running Springs District Wastewater Treatment Plant Biosolids Dewatering Process.

**12. Meeting Adjournment**

The meeting was adjourned at 11:33 A.M.

Respectfully Submitted,

  
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President

  
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Secretary