

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
AUGUST 19, 2015**

---

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, August 19, 2015 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  
Everett "Ed" Brittain, Vice-President  
Pamella Bennett, Director  
Mike Terry, Director  
Henry Heredia, Director

Also present were the following:

Ryan Gross, General Manager  
Joan C. Eaton, Secretary/Treasurer/Administration Supervisor  
George Corley, Fire Chief  
Mike Vasquez, Fire Battalion Chief  
Isaiah Hall, Wastewater Collections Division Supervisor  
Trevor Miller, Wastewater Treatment Division Supervisor  
Ward Simmons, Attorney, Best, Best & Krieger  
Tony Grabow, Retired Fire Chief, Paid Call Firefighter

Visitors Present:

Gerhard Hilgenfeldt, Resident  
Tim Inman, Resident

**MEETING MINUTES**

**AGENDA ITEMS**

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

The meeting was called to order at 9:02 A.M. by President Ayers and Director Terry led the assembly in the pledge of allegiance to the flag.

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

Visitors Hilgenfeldt and Inman introduced themselves for the record.

**3. Approval of Consent Items**

- A. Approve Minutes for June 17 and August 5, 2015 Board Meetings
- B. Ratify June and July 2015 Expenditures and Review Cash Summary
- C. Receive and File the Fiscal Year 2014/2015 Annual Board and Employee Expense Report
- D. Consider Declaring Certain Equipment as Surplus and Authorize Staff to Dispose of Property

District Staff clarified expenditures regarding the Fire Department Boot Reimbursement and Inland Desert Security Answering Services.

Upon motion by Director Heredia, second by Director Terry and carried by a 5 to 0 vote, the June and July 2015 Expenditures were ratified and the Consent Items were approved.

#### 4. Action Items

##### A. Consider Customer Request to Waive Reconnection Fees

Visitor Tim Inman reported that he purchased his property at 32139 Cove Circle through a private sale in May 2015 and the water meter had been disconnected by the previous owner in 2001. Mr. Inman discovered there were reconnection fees due for the past approximately 14 years that total \$1,010.82 and he was not made aware of these fees during escrow. District policy set by resolution states the one-time fee for reconnecting a water meter is \$150.00, and monthly fees are \$1.88 for the Water Infrastructure Repair and Replacement, \$2.25 for the Wastewater Infrastructure Repair and Replacement, \$3.00 for the Water Pollution Control Plant Loan repayment and \$3.90 for the Safe Drinking Water Loan repayment for each month the meter has been disconnected. Mr. Inman previously agreed to a 24-month payment plan for the fees and is now requesting that the Board consider waiving a portion of the reconnection fees for the time period that he did not own the property. Discussion continued and Administration staff will revisit District policies and bring recommendations back to the Board.

Upon motion by Vice-President Brittain, second by Director Heredia and carried by a 5 to 0 vote, the Customer Request to Waive Reconnection Fees, was approved.

Supervisor Eaton stated Administration will recalculate the reconnection fees for Mr. Inman and adjust his account accordingly.

##### B. Consider Adoption of Resolution No. 21-15, Commending Dave Loest for District Service

President Ayers and Chief Corley commended Fire Department Engineer/Paramedic Dave Loest for his years of service with the District. Resolution No. 21-15 was presented to Chief Corley for Dave Loest who was absent from the meeting.

Upon motion Vice-President Brittain, second by Director Terry and carried by a 5 to 0 vote, RESOLUTION NO. 21-15, COMMENDING DAVE LOEST FOR DISTRICT SERVICE, was adopted. (Resolution No. 21-15 on file in the District office)

**C. Consider Adopting Resolution No. 22-15, Authorizing Application of Federal Excess Personal Property**

Chief Corley reported on the agreement between the State of California, Department of Forestry and Fire Protection and the Running Springs Water District for the loan of Federal Excess Personal Property. The agreement names and authorizes Fire Chief Corley to sign the agreement on behalf of the District and currently there is no excess personal property.

Upon motion by Director Bennett, second by President Ayers and carried by a 5 to 0 vote, RESOLUTION NO. 22-15, AUTHORIZING APPLICATION OF FEDERAL EXCESS PERSONAL PROPERTY, was adopted. (Resolution No. 22-15 on file in the District office)

**D. Consider Authorizing General Manager to Execute Amendment No. 2 to San Bernardino County Lease Agreement for the Running Springs County Library**

Manager Gross reported on the County Library Lease Renewal for a two (2) year term commencing November 1, 2015 through October 31, 2017. The Lease Agreement will be amended to state the rent per month for the term 2015/2016 will be \$875.00 and the rent per month for the term 2016/2017 will be \$892.00 which is an annual increase of 2%. The County has the right to terminate with 90-days' notice and the Lessor has the right to terminate during any extended term of the lease with 12-months' notice only if Lessor has received a permit to construct a fire station on the premises.

Upon motion by Vice-President Brittain, second by Director Heredia and carried by a 5 to 0 vote, Amendment No. 2 to the San Bernardino County Lease Agreement for the Running Springs County Library, was approved as amended.

**E. Consider Authorizing Expenditure for Wastewater Treatment Plant Headworks Improvement**

Supervisor Miller reported on the Headworks Fine Screen stating performance has dropped below the designed efficiency for the Membrane Bioreactor (MBR) system. The repairs will extend the useful life of the equipment for another ten (10) years and also increase the efficiency to better than the original design. Supervisor Miller confirmed the price for parts to overhaul the fine screen is \$27,500 and stated this is a budgeted capital expenditure in the 2015/2016 Fiscal Year Budget. Discussion continued and Supervisor Miller confirmed the labor to rebuild the fine screen will consist of Treatment Plant staff and an outside contractor and is projected to be complete within one week. The Upstream Users proportionate share is \$3,657 for Arrowbear and \$5,156 for CSA-79.

Upon motion by Director Heredia, second by Director Terry and carried by a 5 to 0 vote, the Expenditure for Wastewater Treatment Plant Headworks Improvements, was approved.

**F. Consider Awarding Contract for Annual Sewer Line Cleaning and Video Inspection Services**

Supervisor Hall asked the Board to authorize a budgeted expenditure for the Annual Sewer Line Cleaning and Video Inspection and award the project to Houston and Harris for their low Option 1 bid of \$39,358. It is also recommended that the Board authorize the General Manager to execute the contract and approve change orders during the course of the project as required not to exceed 15% of the original construction contract. Manager Gross recommended that the Board not approve the Bid Alternate to utilize a water truck to retrieve water from the Treatment Plant for the project. Supervisor Hall confirmed the project should take approximately three (3) weeks to complete.

Upon motion by Director Bennett, second by Vice-President Brittain and carried by a 5 to 0 vote, Awarding Contract to Houston and Harris for Annual Sewer Line Cleaning and Video Inspection Services, was approved.

**G. Consider Resolutions No. 23-15 and No. 24-15, Electing to be Subject to the Public Employees' Medical and Hospital Care Act at Unequal Amounts for Employees and Annuitants**

Manager Gross reported on the proposed CalPERS Health Insurance Plans and equitable adjustments to the District Employee Insurance monthly caps. If approved, the District will be required to offer the CalPERS Health Insurance plans to retired District employees and Manager Gross explained the Public Employees Medical and Hospital Care Act (PEMCA). The District will be required to contribute the minimum amount to a qualified retired District employee if they choose to participate in the plan and Manager Gross confirmed the minimum contribution would start out at \$1.00 per month in 2016 and gradually increase to \$152.00 per month in the year 2036. Manager Gross stated there are 12 of the 25 District employees enrolled in the District's Medical Reimbursement Plan and on average, only about 40% to 50% of the total annual cap amount allocated to the Medical Reimbursement plan is utilized. Next year, staff will propose a plan for Board consideration to use a portion of this unused budgeted amount to contribute to the CalPERS California Employers' Retirement Benefit Trust (CERBT) program to prefund future Other Post-Employment Benefit (OPEB) liabilities to minimize future costs impacts. The employees and Personnel Committee have reviewed alternatives for the District's group medical insurance plan and are recommending the CalPERS Health Plan as well as a more equitable adjustment to the maximum cap amounts that the District would contribute to all employees for health care as stated in the staff report. President Ayers asked about survivor benefits and Manager Gross confirmed this program does not carry on to family members of a deceased retiree. Discussion

continued and Director Bennett commended District staff for researching the health insurance plan options and she said her main concern is offering minimal benefits to retired employees, but the CalPERS plan is a better benefit for active employees. Manager Gross stated the CalPERS plan is not based on age like the current District Health Plan and President Ayers said a large pool like CalPERS can keep the premium costs down.

Upon motion by Director Heredia, second by Director Terry and carried by a 5 to 0 vote, RESOLUTION NO. 23-15 AND NO. 24-15, ELECTING TO BE SUBJECT TO THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT AT UNEQUAL AMOUNTS FOR EMPLOYEES AND ANNUITANTS, were adopted and the revised monthly cap amounts will be adjusted as stated in the staff report effective October 1, 2015. (Resolution No. 23-15 and No. 24-15 on file in the District office)

## **5. Information Items**

### **A. Quarterly Budget/Financial Update**

Manager Gross reported on the fourth quarter of Fiscal Year 2014/2015 and the Reserve Fund Balances as of June 30, 2015. Manager Gross stated the Operating Reserve Funds are moving in the right direction.

### **B. Quarterly Investment Report**

The Local Agency Investment Fund Remittance Advice for quarter ending June 30, 2015 was presented to the Board with a quarterly interest rate of 0.28% and \$1,371.26 in earned interest.

### **C. Quarterly Capital Improvement Project Report**

Manager Gross presented the Ayers Acres Groundwater Well Project that was awarded to Bacon/Wagner Construction for \$690,727 and began in April 2015. Total payments made to date are \$179,507 and the project is approximately one third complete with an expected completion date of Fall 2015. The funding sources are \$56,000-Water Capacity Charge Reserve, \$85,000 -Water Capital Improvement Project Reserve, \$550,000 – Municipal Finance Corporation Loan and the Infrastructure R&R charge to customers of \$1.88 per month. The backbone infrastructure will be available to utilize transporting any future groundwater developed in the area into the District's water distribution system and the payback period for the project is approximately 20 years. Manager Gross stated that assuming the well will produce 100 gpm 80% of the time, it would be equivalent to approximately 130 acre feet per year or 25% of the District's demand.

Manager Gross also presented the Sewer Lift Station (SLS) Nos. 1, 2 and 3 Improvement Projects consisting of replacing three (3) of the aging SLS after more than 40 years of

service. This project will reduce the risk of failure at these SLS and will minimize the potential for sanitary sewer overflows into the Deep Creek and Fredalba Creek watersheds. Funding for this project was provided in part by the Clean Water State Revolving Fund (CWSRF) through an agreement with the State Water Resources Control Board. Construction was awarded on April 27, 2015 to Trinity Construction for \$2,791,500 and construction began in July 2015. Total payments made to date are \$47,725 and the expected completion date is Spring, 2016. The funding sources are \$2,800,000 – Clean Water State Revolving Fund Loan and the Infrastructure R&R Charge to customers of \$2.25 per month. Discussion continued regarding the Quarterly Capital Improvement Projects and President Ayers asked staff to continue to provide quarterly reports with a slide presentation.

**6. General Manager's Report**

Manager Gross reviewed the items in the Board Correspondence packet that included the Senate Bill 88 Water Conservation Provisions and Attorney Simmons reported on the provisions, saying the bill was adopted by Legislature to give Districts a tool to use with no requirement. The majority of water customers in California are compliant and reducing their water usage and Attorney Simmons confirmed the Senate Bill 88 as optional for the District.

Manager Gross also mentioned the District received a customer complaint letter with no action required.

All documents regarding the November Ballot Measure are in the Registrar of Voters Office and there was no contest regarding the Board of Director seats with both RSWD incumbents filing documents. Manager Gross closed by saying the Special District Risk Management Authority acknowledged the District for No Paid Property/Liability Claims in 2014/2015.

**7. Engineer's Report**

No information to report.

**8. Report from Legal Counsel**

Attorney Simmons had no further information to report.

**9. Board Member Meetings**

No information to report

**10. Board Member Comments**

Director Bennett acknowledged District Representative Whitney Mesna and the Fire Department for participating in the recent Mountain Top Days Event.

**11. Closed Session**

This item was withdrawn from the agenda.


**12. Open Session**


This item was withdrawn from the agenda.

**13. Meeting Adjournment**

The meeting was adjourned at 10:43 A.M.

Respectfully Submitted,

  
\_\_\_\_\_  
President, Board of Directors  
Running Springs Water District

  
\_\_\_\_\_  
Secretary of the Board of Directors  
Running Springs Water District