

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
JUNE 15, 2016 ADJOURNED AND CONTINUED TO JUNE 22, 2016**

The Regular Meeting of the Board of Directors of the Running Springs Water District to be held on Wednesday, June 15, 2016 at the hour of 9:00 A.M. was adjourned at that time and continued to June 22, 2016 at 9:00 A.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California.

The following Directors were present on June 22, 2016:

Kenneth Ayers, President
Pamella Bennett, Vice-President
Everett "Ed" Brittain, Director
Henry Heredia, Director
Mike Terry, Director

Also present on June 22, 2016 were the following:

Ryan Gross, General Manager
Randy Bobroff, Water Division Supervisor
Isaiah Hall, Wastewater Collections Division Supervisor
George Corley, Fire Chief
Mike Vasquez, Fire Battalion Chief
Ward Simmons, Legal Counsel, Best, Best & Krieger

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 9:04 A.M. by President Ayers and he led the assembly in the pledge of allegiance to the flag.

2. Recognize and Hear From Visitors/Public Comment

A. SPECIAL PRESENTATION BY MS. CAROL FORD BENSON

Ms. Benson requested this item be placed on the agenda. She was not present for the meeting.

3. Approval of Consent Items

The following consent items were listed for approval:

- A. Approval of April 27, 2016 and May 11, 2016 Board Meeting Minutes**
- B. Ratify April and May, 2016 Expenditures and Cash Summary**
- C. Consider Adoption of Resolution No. 08-16, Establishing Appropriations Limits for Fiscal Year 2016/2017**
- D. Consider Adopting Resolution No. 09-16, Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act (CEQA)**

Upon motion by Vice-President Bennett, second by Director Terry and carried by a 4 to 0 vote, with Director Heredia abstaining, the expenditures were ratified and the Consent Items approved. (Resolution Nos. 08-16 and 09-16 are on file in the District office).

4. Action Items

- A. Consider Adoption of Ordinance No. 45 Authorizing an Availability Charge for Fire Suppression Service**

Upon motion by Director Heredia, second by Director Terry and carried by a 5 to 0 vote, ORDINANCE NO. 45, AUTHORIZING AN AVAILABILITY CHARGE FOR FIRE SUPPRESSION SERVICE, was adopted (Ordinance No. 45 is on file in the District office).

- B. Consider Adopting Resolution No. 10-16, Calling an Election on November 8, 2016 to Submit to the Voters of the District a Measure to Increase the Maximum Amount of the Availability Charge for Fire Suppression Service and Requesting Consolidation with the State-Wide Election**

Upon motion by Director Brittain, second by Vice-President Bennett and carried by a 5 to 0 vote, the Board of Directors adopted Resolution No. 10-16, Calling an Election on November 8, 2016 to Submit to the Voters of the District a Measure to Increase the Maximum Amount of the Availability Charge for Fire Suppression Service and Requesting Consolidation with the State-Wide election. (Resolution No. 10-16 is on file in the District office).

- C. Consider Approving Resolution No. 11-16, Adopting the Fiscal Year 2016/2017 District Budget**

Upon motion by Director Brittain, second by Director Heredia and carried by a 5 to 0 vote, the Board of Directors adopted Resolution No. 11-16, Adopting the Fiscal Year 2016/2017 District Budget. (Resolution No. 11-16 is on file in the District office).

D. Consider Approving Contract for Financial Consulting Services

The Board of Directors and General Manager discussed the proposed renewal of the 2016/2017 Financial Consulting Services contract with Rogers, Anderson, Malody and Scott (RAMS). The proposed contract amount is \$71,000 that includes \$51,000 for General Accounting Services and \$20,000 for assistance implementing the new Tyler/Incode Accounting and Billing Software. Discussion continued regarding District accounting services and President Ayers stated the expense should decrease due to RAMS becoming more familiar with the District's accounting processes and procedures and he questioned why the total expense for Fiscal Year 2015/2016 matched the contract amount. President Ayers requested additional expense details from RAMS for Fiscal Year 2015/2016 to determine the breakdown of accounting services. Manager Gross mentioned that RAMS may write off services to remain under the budgeted amount of the contract. Vice-President Bennett requested an overview of Administration accounting functions and how they relate to the RAMS accounting services for the District. District staff will return to the Board in July 2016 with additional details regarding the District accounting services.

Upon motion by President Ayers, second by Director Bennett and carried by a 5 to 0 vote, the Board of Directors authorized an expenditure of \$17,000 for the Tyler-Incode Financial and Utility Billing Conversion and \$10,000 for General Accounting Services with Rogers, Anderson, Malody and Scott, LLP (RAMS) to begin Fiscal Year 2016/2017.

E. Consider Request from the San Bernardino Mountains Land Trust to Explain Reasonableness of Availability Charges on four parcels near the Coyote Rock property in the Rimwood area

The Board of Directors and staff discussed bringing back a draft agreement in July 2016 proposing to exempt these properties from the District's availability charges with the condition that if these properties were reverted back to private ownership the unpaid availability charges from the time of the agreement would be due to the District. Legal Counsel will draft an agreement for consideration in July 2016.

No Action Taken.

5. Information Items

A. Water Quality Consumer Confidence Report for 2015

Manager Gross referred to the Water Quality Consumer Confidence Report for 2015 provided as information only.

B. Water Production & Precipitation Report

Manager Gross referred to the Water Production & Precipitation Report provided as information only.

C. BB&K Memo on State Water Board Fees

Manager Gross referred to the BB&K Memo on State Water Board Fees provided as information only. The Board of Directors requested that the General Manager send an opposition letter to this proposed regulation.

D. Top Health & Performance

Manager Gross referred to the Top Health & Performance documentation provided as information only.

E. SB Sun Article on Sterling Natural Resource Center

Manager Gross referred to the SB Sun Article on Sterling Natural Resource Center provided as information only.

6. General Manager's Report

Manager Gross reported on various District projects and issues. Chief Corley also reported on various matters including the new ambulance and a new bill he is tracking that could potentially increase revenue similar to the GEMT program.

7. Report From Engineer

No report.

8. Report From Legal Counsel

No report.

9. Board Member Comments

The Board members discussed convening the Personnel Committee to continue evaluating the District's salary range and step structure and directed staff to conduct a salary survey in the next two to three months and then present the information to the Personnel Committee in September or October.

10. Closed Session

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

The Board moved to closed session at 11:40 A.M.

11. Open Session


A. The Board and/or Legal Counsel will report any action taken in closed session

The Board of Directors came out of closed session at 12:50 P.M. Legal counsel for the District, Ward Simmons, announced that upon motion unanimously adopted, the Board authorized the extension of General Manager Ryan Gross's employment agreement with revisions to be prepared by legal counsel. The Board authorized President Ken Ayers to execute the agreement once the revisions had been made and prior to June 30, 2016.

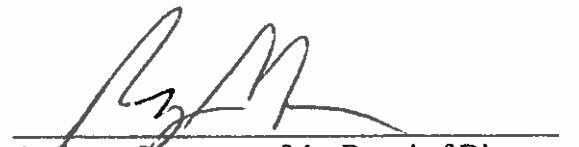
12. Meeting Adjournment

The meeting was adjourned at 1:10 P.M.

Respectfully Submitted,



President, Board of Directors
Running Springs Water District



Assistant Secretary of the Board of Directors
Running Springs Water District