

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
JULY 20, 2016**

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, July 20, 2016 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
Pamella Bennett, Vice-President
Everett “Ed” Brittain, Director
Henry Heredia, Director
Mike Terry, Director

Also present were the following:

Ryan Gross, General Manager
Joan C. Eaton, Board Secretary/Treasurer/Administration Supervisor
George Corley, Fire Chief
Ward Simmons, Legal Counsel, Best, Best & Krieger
Trevor Miller, Wastewater Treatment Division Supervisor
Brian Thomas, Engineer, Engineering Resources

Visitors Present:

Tony Grabow, Retired Fire Chief, Paid Call Firefighter
Carol Ford Benson, Running Springs 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 who also 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 made a formal presentation to the Board regarding Pseudomonas Aeruginosa, a biological contaminant that can cause disease in plants, animals and humans and found in soil, water and skin flora and most manmade environments throughout the world. Ms.

Benson stated she was concerned with the local water quality and requested the District test for the presence of the organism in the drinking water.

The District routinely monitors the water quality for contaminants according to the federal and state laws and distributes the Annual Water Quality Report designed to provide information regarding the quality of safe and dependable supplies of drinking water. Testing requirements for specific contaminants are received from the state regulatory agency.

3. Approval of Consent Items

The following consent items were listed for approval:

- A. Approval of June 15, 2016 Continued to June 22, 2016 Board Meeting Minutes**
- B. Ratify June, 2016 Expenditures and Cash Summary**
- C. Receive and File the Fiscal Year 2015/2016 Annual Board and Employee Expense Report**
- D. Consider Adopting Resolution No. 12-16, Finding that Certain Properties Located in the District Constitute a Public Nuisance and Ordering Notification to Property Owners and Setting a Public Hearing**
- E. Consider Adopting Resolution No. 13-16, Certifying Delinquent Charges to be Placed on the Tax Roll for Fiscal Year 2016/2017**
- F. Consider Adoption of Resolution Nos. 14-16 and 15-16, for the Reduction of Employer Paid Member Contributions (EPMC) to the California Public Employees' Retirement System (CalPERS) for Existing Classic CalPERS Members**

Upon **motion** by Vice-President Bennett, **second** by Director Heredia and **carried by a 5 to 0 vote**, the expenditures were ratified and the Consent Items approved. (Resolution Nos. 12-16, 13-16, 14-16 and 15-16 are on file in the District office).

4. Action Items

- A. Public Hearing and Consideration of Adopting Ordinance No. 46, Establishing Fees for Ambulance Services**
 - i. Open Public Hearing:** The Public Hearing was opened at 9:33 A.M. by President Ayers.
 - ii. Staff Presentation:** Manager Gross reported on the annual process to adopt an ordinance to establish the Fiscal Year 2016/2017 fees for Ambulance Services. The

Inland Counties Emergency Medical Agency (ICEMA) ambulance rates were reviewed and Manager Gross confirmed that the notice of the hearing was posted as required.

iii. Written Public Comment: None received

iv. Oral Public Comment: None received

v. Board Discussion/Comments: No further discussion

vi. Close Public Hearing: The Public Hearing was closed at 9:34 A.M. by President Ayers

Upon **motion** by Director Terry, **second** by Vice-President Bennett and **carried by a 5 to 0 vote**, ORDINANCE NO. 46, ESTABLISHING FEES FOR AMBULANCE SERVICES, was adopted (Ordinance No. 46 is on file in the District office).

B. Consider Approving Professional Services Contract for General Accounting and Financial Consulting Services for Fiscal Year 2016/2017

Supervisor Eaton stated the Board reviewed the proposed Professional Services Contract with Rogers, Anderson, Malody and Scott (RAMS) on June 22, 2016 and requested additional information regarding accounting services. RAMS accounting summary details were provided indicating all charges, services and time allocated to accounting services for the District. Manager Gross stated the Professional Services Accounting expenses are close to the contract amounts due to RAMS adjustments which are in the best interest of the District. Manager Gross asked that the Board rescind the action taken on June 22, 2016 and approve the Professional Services Contract.

Upon **motion** by Director Heredia, **second** by Director Terry and **carried by a 5 to 0 vote**, the Board rescinded the action taken on June 22, 2016 and approved a Professional Services Contract with RAMS for Fiscal Year 2016/2017 for an amount not to exceed \$46,000 for General Accounting and Financial Consulting Services and \$17,000 for the Tyler/Incode Conversion Assistance and authorized the General Manager to execute the contract.

C. Consider Approving Lease Agreement for Document Imaging Equipment

Supervisor Eaton stated Administration has researched imaging equipment and recommends the District lease the Cannon IRADVc7260 for \$337.75 per month with Manager Gross confirming the quote is within the budgeted amount.

Upon **motion** by President Ayers, **second** by Vice-President Bennett and **carried by a 5 to 0 vote**, the General Manager was authorized to execute the Lease Agreement with Cannon for Document Imaging Equipment.

D. Consider Voting to Elect a Representative to the California Special Districts Association (CSDA) Board of Directors

Upon motion by Vice-President Bennett, second by Director Terry and carried by a 5 to 0 vote, the Board of Directors voted for Ronald Coats, East Valley Water District as our Representative to the CSDA Board of Directors.

E. Consider Providing Additional Direction to Staff on Draft Upstream User Agreements

Manager Gross reported on the Upstream User Agreements with Arrowbear (Arrowbear) Park County Water District and San Bernardino County Special District Service Area 79 (CSA-79) that will expire on January 20, 2017 and May 9, 2017 respectively. The current 1977 Upstream User Agreements base cost share for the Joint Use Facilities on proportion of assessed valuations for capital improvements and flow proportion plus 15% for operations and maintenance (O&M). The term of both agreements is forty (40) years and neither Arrowbear nor CSA-79 exercised their option to renew the agreements prior to January 20, 2014 and May 9, 2014 respectively, but have expressed interest in negotiating new Upstream User Agreements.

Upon expiration of the existing agreements, Running Springs Water District (RSWD or District) has proposed to proportion the costs for the O&M and capital improvements for Running Springs, Arrowbear and CSA-79 based on each District's proportion of equivalent dwelling units (EDUs). Manager Gross provided the Board with background information and facts regarding the RSWD Wastewater Treatment Plant (WWTP) and stated the Joint Use Facilities are sized, operated and maintained based on what is connected to the system (EDUs) and the resulting potential wastewater flows from those connections. Supervisor Miller reported on the WWTP infrastructure and upstream user contributions. Attorney Simmons agreed that it was prudent planning for Running Springs Water District to size their system and proportion costs based on the number of connected EDUs. Discussion continued regarding renewal of the Upstream User Agreements, potential growth and development in the communities and potential consolidation of special districts.

The Board directed staff to prepare a draft resolution for the Board to review and consider in September that would establish rates for customers outside of the District's sewer service area that are special districts and that the cost share be based on the proportionate share of EDUs.

5. Information Items

A. Quarterly Budget/Financial Update

Manager Gross provided the preliminary Running Springs Water District Financial Summary and Designated Reserve Fund Balances as of June 30, 2016 that will be adjusted with the end of the year closing.

B. Quarterly Capital Improvement Report

Supervisor Miller reported on the Wastewater Treatment Plant facilities stating upgrade to the MBR II is now complete and they will begin the validation process. Supervisor Miller also reported on the onsite irrigation and stated they are conducting maintenance to the ponds to stop percolation and working with the US Forest Service regarding renewal of the Special Use Permit.

Manager Gross stated the Lift Station Project is approximately 85% complete with Lift Stations No. 2 and 3 on line. Lift Station No. 1 is still in construction and should be on line by the end of September, 2016.

C. Quarterly Investment Report

The Local Agency Investment Fund Remittance Advice for quarter ending June 30, 2016 was presented with \$2,065.08 in Quarterly Interest Earned at 0.55%.

D. Top Health & Performance

E. Water Production and Precipitation Report

F. July 2016 Newsletter

Manager Gross referred to the Top Health & Performance documentation, Water Production and Precipitation Report and the July 2016 Newsletter provided as information only.

G. State Water Board Proposed Fees

Regarding the State Water Resources Control Board Proposed Drinking Water Fee Regulations, Manager Gross submitted an opposition letter regarding the proposed drinking water fees. The State Water Board reviewed the comment letters and they revised the regulation by increasing the fees, with the annual regulatory fee now expected to be approximately \$13,000 for the District. Manager Gross will contact the local newspaper to notify our ratepayers of the impact to the District regarding the proposed fee.

6. General Manager's Report

Manager Gross stated the Ayers Acres Well is producing approximately 60 gallons a minute. The well is still producing sediment because it is not fully developed.

7. Report From Engineer

Engineer Thomas is leaving Engineering Resources of Southern California on August 5, 2016 and he thanked the District with the Board also recognizing Engineer Thomas for his years of service as consulting engineer.

8. Report From Legal Counsel

Attorney Simmons reported that state regulations required the Crestline-Lake Arrowhead Water Agency (CLAWA) complete a water supply analysis. CLAWA confirmed sufficient water supply although they still are encouraging water conservation.

9. Board Member Comments

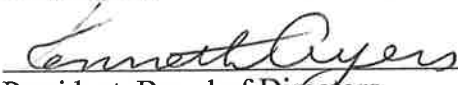
Director Brittain shared a recent newspaper article regarding the Central Valley Plan Improvement Act that diverted approximately 260 billion gallons of water, possibly into the ocean environment.

Chief Corley stated the department is busy working on the Hazard Abatement Program and are working with property owners. Hazard Abatement inspections will be conducted the first week of August, 2016. The shake roof program is mostly complete and has been enforced by insurance companies.


10. Meeting Adjournment

The meeting was adjourned at 11:22 A.M.

Respectfully Submitted,



President, Board of Directors
Running Springs Water District



Secretary of the Board of Directors
Running Springs Water District