

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
MARCH 8, 2017**

The Special Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, March 8, 2017 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
Mike Terry, Director

Directors' Errol Mackzum and Tony Grabow were absent

Also present were the following:

Ryan Gross, General Manager
Joan C. Eaton, Board Secretary/Treasurer/Administration Supervisor
George Corley, Fire Chief
Mike Vasquez, Fire Battalion Chief
Ward Simmons, Legal Counsel, Best, Best & Krieger

No Visitors Present

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 Chief Corley led the assembly in the pledge of allegiance to the flag.

2. Recognize and Hear From Visitors/Public Comment

No visitors were present.

3. Approval of Consent Items

A. Consider Adopting Resolution No. 02-17, Fixing and Levying Fire Suppression Availability Charges for Fiscal Year 2017-2018

- B. Consider Adopting Resolution No. 03-17, Fixing Sewer Standby or Availability Charges for Fiscal Year 2017-2018**
- C. Consider Adopting Resolution No. 04-17, Fixing Water Standby or Availability Charges for Fiscal Year 2017-2018**
- D. Ratify February 2017 Expenditures**

Chief Corley clarified the ConFire JPA expense of \$12,599.77 that is quarterly Fire Department dispatching services.

Upon motion by Director Terry, second by Director Bennett and carried by a 3 to 0 vote, the February 2017 Expenditures were ratified and the Consent Items were approved.

4. Action Items

- A. Discussion and Possible Adoption of Resolution No. 05-17, Recommending Consolidated Election for Governing Board Members with Statewide General Elections and Approving Rescheduling of Such Elections from Odd-Year to Even-Year Elections Commencing with the 2017 Election**

Manager Gross reported on Resolution No 05-17, Consolidation of Election that shifts the election from the odd years to the even years. Manager Gross said most special districts are participating and if approved, the change will result in cost savings to the Districts by sharing the election costs. SB 415 becomes effective on January 1, 2018 and requires subject public agencies to either (i) change their election date no later than January 1, 2018 or (ii) adopt a plan by January 1, 2018 to change their election date by no later than the November 8, 2022 Statewide General Election.

Upon motion by Director Bennett, second by Director Terry and carried by a 3 to 0 vote, Resolution No. 05-17, Changing the Regular Election Date for Election of Its Board of Directors From November of Odd-Numbered Years to the Statewide General Election Date in November of Even-Numbered Years, was adopted. (Resolution No. 05-17 on file in the District office)

- B. Consider Adopting Resolution No. 06-17, Clean Water State Revolving Fund Reimbursement Resolution for Automatic Water Meter Reading Improvements**

Manager Gross reported on the procedural resolutions required for submittal to the State Water Board to continue the process of applying for an \$800,000 loan with 50% principal forgiveness which is a \$400,000 grant at 1.9% interest over a twenty (20) year term to fund the remaining phases of the Automatic Meter Reading System Project. Resolution No. 06-17 is the state reimbursement resolution and Manager Gross said the resolution does not commit the District in anyway. The project will take approximately five (5)

months beginning in the spring and completing in the fall of 2018. The District will save money with the automated system which is primarily a water conservation improvement for the District that provides leak detection. Discussion continued regarding the Automated Meter Reading System that integrates with the new Tyler Incode 10 Utility Billing Software. Manager Gross said an assessment may be considered in 2019 that would require a Proposition 218 Public Hearing. The first loan payment will be due one (1) year after the state approves the completed project and Manager Gross said the programming and conversion will be completed by Zenner with no additional costs expected.

Upon motion by Director Ayers, second by Director Bennett and carried by a 3 to 0 vote, Resolution No. 06-17, Clean Water State Revolving Fund Reimbursement Resolution for Automatic Water Meter Reading Improvements, was adopted. (Resolution No. 06-17 on file in the District office)

C. Consider Adopting Resolution No. 07-17, Dedicating a Source of Revenue for the Repayment of a State Water Resources Control Board Clean Water State Revolving Fund Loan for Automatic Water Meter Reading Improvements

Manager Gross stated Resolution No. 07-17 dedicates a source of revenues for the repayment of the State Water Resources Control Board (SWRCB) Clean Water State Revolving Fund (CWSRF) to repay the loan for the Automatic Water Meter Reading Improvements. Manager Gross said the source of revenue is the water rates we collect from the customers and the resolution does not commit the District in anyway.

Upon motion by Director Bennett, second by Director Terry and carried by a 3 to 0 vote, Resolution No. 07-17, Dedicating a Source of Revenue for the Repayment of a State Water Resources Control Board Clean Water State Revolving Fund Loan for Automatic Water Meter Reading Improvements, was adopted. (Resolution No. 07-17 on file in the District office)

5. Information Items

A. Draft Fiscal Year 2017/18 Fire and Ambulance Department Budgets

Manager Gross said the Finance Committee met on March 1, 2017 to review the Fire and Ambulance draft budgets. Minor changes have been incorporated into the draft budgets including the Administration reimbursement that increased from 2% to 4% of the overall Operations and Maintenance (O&M) expense for both Divisions. The revenue projections were based on the past three (3) year averages and the District is expecting an increase in property tax revenue for the 2017/2018 Fiscal Year with Manager Gross confirming the District received a 6.3% increase in property tax from the 2014/2015 to the 2015/2016 Fiscal Year. Manager Gross reported on the Fire Department salaries and wages expense account that appears to be over budget due to reimbursements for mutual aid that are received and applied back into a revenue account. Chief Corley clarified mutual aid

saying the department is reimbursed approximately two-thirds of the expense in addition to 20% of the administrative costs. Manager Gross noted that there will be a supplemental chart in the 2017/2018 Fiscal Year Budget indicating the mutual aid reimbursements and Chief Corley confirmed that the state and federal government still owe the District over \$100,000 for the 2016/2017 Fiscal Year. Discussion continued and President Ayers expressed concerns with the Fire Departments expected future increase in expenses with a decrease in revenue. Manager Gross said the department will be operating in a deficit with fewer options for revenue since Ballot Measure B failed and the only choice may be to cut services. Manager Gross also reported on the CalPERS Retirement System that is increasing employer costs saying the District will need to find ways to trim expenses. Manager Gross noted the Fire Department has some opportunities that include possibly contracting fire services with Arrowbear Park District and Green Valley Lake. Manager Gross said the Fire Department is at the level set at the Cash Reserve Policy with Chief Corley reporting on expenses the District cannot control.

B. Article on Apple Valley Fire Protection District

Manager Gross reported on the Apple Valley Fire Protection District that passed their tax measure to provide additional funding for emergency services with the assistance of a consultant.

C. BB&K Article on E-Communications

Attorney Simmons reported on private email that is potentially subject to the Public Records Act. Supervisor Eaton will attend a BB&K webinar for additional information and the District will consider drafting a policy regarding this issue.

D. Water Production and Precipitation Report

Manager Gross reported on the monthly Water Production and Precipitation Report saying some District wells are currently turned off and we are not purchasing any imported water at this time.

6. Closed Session

A. Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9. Number of Cases: One

The meeting moved into closed session at 9:57 A.M.

7. Open Session

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

The meeting moved into open session at 10:55 A.M. with no reportable action.

8. General Manager's Report

No Report

9. Report from Legal Counsel

No Report

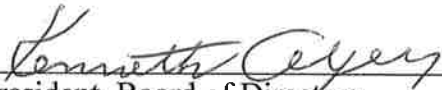
10. Board Member Comments

No Comments


11. Meeting Adjournment

The meeting was adjourned at 10:56 A.M.

Respectfully Submitted,



President, Board of Directors
Running Springs Water District



Assistant Secretary of the Board of Directors
Running Springs Water District