

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
FEBRUARY 21, 2018**

---

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, February 21, 2018 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  
Tony Grabow, Director  
Mike Terry, Director  
Errol Mackzum, Director

Director Pamella Bennett was absent

Also present were the following:

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

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 9:01 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**

Visitor Hilgenfeldt introduced himself for the record.

**3. Approval of Consent Items**

**A. Approve Meeting Minutes**

The January 17, 2018 Regular Board Meeting Minutes will be amended to correct the failed motion regarding Authorizing Changes to Credit/Debit Card Processing for Water and Sewer Bill Payments.

**B. Ratify January 2018 Expenditures**

**C. Consider Granting the Running Springs Area Chamber of Commerce Permission to Utilize the Running Springs Water District's Downtown Property for their 2018 Events**

The Board reviewed the Chamber of Commerce letter requesting permission to utilize the Running Springs Water District Downtown property for their 2018 events, and if approved, the District will draft a Hold Harmless Agreement. Manager Gross confirmed staff will inspect a well site thought to be located on private property behind the bank that was reported with exposed wires.

**D. Consider Approving Updated Authorized Signature Certificate for Assessment District No. 10**

Upon motion by Director Mackzum, second by Director Grabow and carried by a 4 to 0 vote, the Consent Items were approved as amended.

**4. Action Items**

**A. Consider Potential Annexations of Camp Helendade and Pali Mountain Camp Properties**

Manager Gross stated the District had been approached by the new owners of the Boy Scout Camp Helendade property who plan to build a Recreational Vehicle (RV) type camp. They asked the District to draft a temporary Water and Sewer Service Agreement to serve them while the annexation process into the District, with the Local Agency Formation Commission (LAFCO), is proceeding. Manager Gross said it is expected the property will be annexed into the District within a year and will provide additional property tax and water and sewer service connection fee revenue and allow for potential new groundwater resources.

Manager Gross then reported on the Pali Mountain Camp property that currently has a 2013 Outside Service Agreement and has requested annexation into the District. Manager Gross said the District expects the Pali Mountain Camp annexation process to take less than a year. Discussion continued regarding the Pali Mountain Equivalent Dwelling Unit (EDU) fees, property fire protection zones and property tax revenue allocations and Manager Gross said annexation of the Pali Mountain Camp property is consistent with the intent of the 2013 Outside Sewer Service Agreement.

Manager Gross confirmed the LAFCO annexation process will be separate for the Helendade and Pali Mountain Camp properties and they will be responsible for the LAFCO fees. Manager Gross asked the Board of Directors to provide direction on the potential annexation of the properties into the Running Springs Water District and Running Springs Fire Department service area.

Upon motion by Director Mackzum, second by Director Terry and carried by a 4 to 0 vote, Consider Potential Annexation of Camp Helendade Property, was approved.

Upon motion by Director Terry, second by Director Grabow and carried by a 4 to 0 vote, Consider Potential Annexation of Pali Mountain Camp Property, was approved.

**B. Consider Endorsing the Rim of the World Intermountain Trails Concept**

Manager Gross said the District Ad Hoc Committee met with Bruce Daniels, Casey Ayotte and Mike Scullin who presented their concept of the Intermountain Trails with no specific details provided. Battalion Chief Vasquez stated the Fire Department has future plans to develop a training site on the property behind the library and Manager Gross said the Intermountain Trails would need to work around any District projects. The Ad Hoc Committee recommended the Running Springs Water District Board of Directors endorse the conceptual idea and District staff will draft a letter to Mr. Daniels regarding the Board decision.

Upon motion by Director Terry, second by Director Ayers and carried by a 4 to 0 vote, Endorsing the Rim of the World Intermountain Trails Concept, was approved.

**C. Consider Nominating Regular and Alternate Special District Members on the Local Agency Formation Commission (LAFCO)**

The Board reviewed the LAFCO Special Districts Selection Committee letter regarding the nomination period for the position of Regular and Alternative Special District members and discussion continued.

No action was taken.

**5. Information Items**

**A. Correspondence Related to Request for Inland Empire Health Plan to Reconsider Intergovernmental Transfer of Funds**

Battalion Chief Vasquez reported on the Inland Empire Health Plan (IEHP) Intergovernmental Transfer (IGT) funds request by the Running Springs Fire Department. Battalion Chief Vasquez explained the program saying the Fire Department received approval notification from the IEHP to receive reimbursement of medical expenses for ambulance service provided to the Running Springs Community

for Fiscal Year 2017/2018, limited to the uncompensated care level amount of \$129,339. Reimbursement claims are submitted each Fiscal Year and Battalion Chief Vasquez said the Running Springs Fire Department is currently in three funding pools, Ground Emergency Medical Transportation (GEMT), Molina Health and IGT to help sustain operations. Manager Gross said Running Springs Fire Department will receive a small percentage of the overall funding, so there is a good chance the Department will continue to receive contributions. Director Mackzum acknowledged the Fire Department for their work and he said reference was made in the letter drafted to IEHP, to our own indigenous population, but it did not indicate that the department is a major emergency entity for situations that occur on the highway. Battalion Chief Vasquez agreed by saying revenue is generated by highway emergencies and discussion continued.

**B. Quarterly Investment Report**

Manager Gross reported on the District Investment Report confirming the earned interest remains in the Local Agency Investment Fund (LAIF) and is allocated to all divisions accordingly for accounting purposes. The March Finance Committee will review the Wastewater Division budgets and also consider the CalTrust Investment Public Agency with Attorney Simmons saying CalTrust Investment is a Joint Powers Authority. Staff will provide additional information regarding the CalTrust Investment Public Agency at the March Finance Committee Meeting.

**C. Water Production and Precipitation Report**

No additional information to report.

**D. Various Articles from CSDA**

Discussion continued regarding the California Cities Retirement System Sustainability Study and Governor Brown's Budget proposal for 2018-2019 to implement a new state tax on water bills. Manager Gross will draft a letter to the California Special District Association (CSDA) and legislative groups in opposition of the proposed state tax on water bills.

Manager Gross confirmed the year has been dry and the well levels are lower requiring the District to purchase more imported water from the Crestline-Lake Arrowhead Water Agency (CLAWA) and Arrowbear Park County Water District. Manager Gross said the recent increase in purchased water expense was also partially due to the Sidewinder well being offline for a couple of months with zero production during that time. Mr. Hilgenfeld inquired about water conservation with Manager Gross confirming there are no mandatory water restrictions in place.

The Board took a break at 10:01 A.M. and reconvened at 10:06 A.M.

**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 Board went into Closed Session at 10:07 A.M. under threat of litigation with Arrowbear County Water District regarding sewer service charges.

**7. Open Session**

**A. The Board and/or Legal Counsel will report any action taken in Closed Session**

The Board returned to Open Session at 11:03 A.M. with no reportable action.

**8. General Manager's Report**

Manager Gross confirmed the Camp Helendade Property is forty-eight (48) acres.

Manager Gross said the Automated Meter Reading (AMR) loan application is in the final stages with the State Water Board Legal Counsel. The Financing Agreement will be presented to the Running Springs Water District Board in March and the State Water Board will sign the documents in April, 2018 to begin the project.

The Fire Station 51 Structural Damage Project went out to bid with a job walk scheduled for March 1<sup>st</sup> and the bid opening on March 15, 2018. Manager Gross said the Special District Risk Management Authority (SDRMA) confirmed they will cover all of the costs for this project.

The Finance Committee Meeting originally set for March 7, 2018 will be rescheduled. District staff are currently working on draft budgets that will be presented to the Finance Committee with the Wastewater Division in March, Fire and Ambulance in April and the Water/Administration Division in May, 2018.

Discussion continued regarding Fire Department reserves, revenues generated by grants and outside staff assignments and future projected capital expenses.

Manager Gross stated the Personnel Committee met on February 6, 2018 and will review the District organizational structure and alternatives for the Cost of Living Adjustment (COLA). Director Terry found a new Consumer Price Index (CPI) formula that may be more tailored to the District.

In closing, Manager Gross said San Bernardino County is slowly working on studies regarding the proposed CSA-79 annexation. CSA-79 residents meet monthly and he confirmed there is an active CSA-79 Advisory Commission in place.

**9. Report From Legal Counsel**

Attorney Simmons stated the State Water Board was meeting to consider making the drought regulations permanent in California and he will report back next month regarding this issue. Attorney Simmons mentioned the Metropolitan Water District and consideration of limiting the Delta WaterFix Project to one main tube with potential for a second phase.

**10. Board Member's Comments**

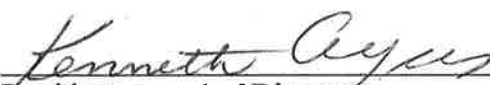
No further Board Member comments.

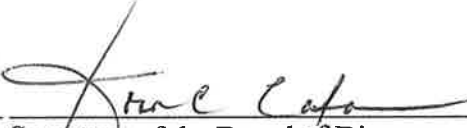
Supervisor Eaton stated the Statement of Economic Interest Form 700 is due by April 2, 2018.

**11. Meeting Adjournment**

The meeting was adjourned at 11:20 A.M.

Respectfully Submitted,

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

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