

**MINUTES OF THE RESCHEDULED MEETING OF THE
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
MARCH 21, 2019**

The Rescheduled Meeting of the Board of Directors of the Running Springs Water District was held on Thursday, March 21, 2019 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:

Tony Grabow, President
Errol Mackzum, Vice-President
Mike Terry, Director
Bill Conrad, Director
Mark Acciani, Director

Also present were the following:

Ryan Gross, General Manager
Joan C. Eaton, Board Secretary/Treasurer/Administration Supervisor
Mike Vasquez, Fire Department Battalion Chief
George Corley, Fire Department Chief
Trevor Miller, Wastewater Treatment Division Supervisor
Randy Bobroff, Water Division Supervisor
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 9:00 A.M. by President Grabow who also led the assembly in the pledge of allegiance to the flag.

2. Recognize and Hear From Visitors/Public Comment

No visitors present

3. Approval of Consent Items

A. Approve January 22, 2019 Regular Board Meeting Minutes

B. Ratify January and February 2019 Expenditures

Battalion Chief Vasquez clarified the Fire Department Company Officer 2A Training expense of \$1,258 that covered staff attendance and educational course materials for two (2) classes.

C. Consider Adopting Resolution No. 02-19, Fixing and Levying Fire Suppression Availability Charges for Fiscal Year 2019-2020

D. Consider Adopting Resolution No. 03-19, Fixing Sewer Standby or Availability Charges for Fiscal Year 2019-2020

E. Consider Adopting Resolution No. 04-19, Fixing Water Standby or Availability Charges for Fiscal Year 2019-2020

The annual Water and Sewer Standby/Availability Charges were discussed and will be reviewed further by the Finance Committee at a later date. Manager Gross stated the Water and Sewer Availability Charges generate approximately \$54,000 in District revenue per year. Supervisor Eaton confirmed that Administration staff are in the process of implementing electronic customer billing options.

F. Consider Adopting Resolution No. 05-19, Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act

G. Consider Declaring Certain Equipment as Surplus and Authorize Staff to Dispose of Property

Supervisor Bobroff said the surplus water meters will be sold for scrap value.

H. Consider Granting the Running Springs Area Chamber of Commerce Permission to Utilize the Running Springs Water District's Downtown Property for their 2019 Events

Upon motion by Director Mackzum, second by Director Terry and carried by a 5 to 0 vote, the Consent Items were approved.

4. Action Items

A. Consider Providing Any Additional Direction to Staff in Preparation for Fiscal Year 2019-2020 and 2020-2021 Budgets

Manager Gross presented the Fiscal Year 2019/2020 and 2020/2021 Budget Planning and Assumptions to the Board that include operating expenses, debt service costs and the proposed five (5) year CIP plan for all divisions in a revised two (2) year format. The Fiscal Year 2019/2020 Budget will include a 3% Cost of Living Adjustment (COLA) for

non-exempt employees and a 1.5% COLA for exempt employees. The COLA index to be used going forward will be the Bureau of Labor Statistics Consumer Price Index (CPI-U) for Riverside-San Bernardino-Ontario with a future floor of 0% COLA and cap of 3% COLA. For future increases in the District's Employee Health Insurance cap amounts due to the CalPERS Health Insurance Premium increases, the cap amounts will be adjusted in January of each year based on half of what the CalPERS HMO premium increase is for the lowest cost CalPERS HMO premium. Discussion continued that included reorganization of District staff resulting in reduced personnel costs and the District Rate Study conducted by Raftelis Financial Consultants, Inc. (Raftelis). The draft budgets will be reviewed by the Finance Committee on April 10, 2019 with the full Board reviewing the budgets on April 17, 2019 and Manager Gross confirmed that the Administration Budget will be separated from the Department Budgets beginning Fiscal Year 2019/2020, to clearly define Administration costs for the District. The Proposition 218 Hearing Notices will be mailed on April 30, 2019 and the Board will consider adopting the two (2) year budget on June 19, 2019, that continues to work toward the goals set out in the Cash Reserve Policy and provides funding for deferred projects.

The consensus of the Board was for staff to proceed with the assumptions laid out in the budget planning presentation. No action was required or taken.

B. Consider Authorizing Purchase of Pumps for Sewer Lift Stations

Supervisor Miller reported on pump failures at the Wastewater Collections Sewer Lift Stations No. 7 and 8 and recommended the purchase of two (2) new and one (1) spare pump for inventory. The District will purchase three (3) submersible pumps from Southern Water Service for \$10,072 with the funds from the Wastewater Capital Improvement Project Reserve.

Upon motion by Director Acciani, second by Director Conrad and carried by a 5 to 0 vote, Authorizing the Purchase of Pumps for Sewer Lift Stations, was approved.

5. Information Items

A. Update of Property Annexations

Manager Gross reported on the Local Agency Formation Commission (LAFCO) Hearing regarding the proposed Pali Mountain Camp Property annexation that District staff and Directors attended for the third time on March 20, 2019. Manager Gross said the District strongly disagrees with the LAFCO commission's decision to not include the Running Springs Fire Department Services in the annexation. The District will annex the Pali Mountain Camp Property sewer system and Manager Gross confirmed the District was able to voice its opposition regarding LAFCO's decision. Manager Gross said the next LAFCO annexation process will be for the Getaway House property.

Manager Gross then reported on the proposed consolidation with CSA-79 (County Service Area 79) sewer service and discussion continued that included infrastructure, pension liability, financial reserves and enterprise funds. The Board directed District staff to move forward with researching consolidation with CSA-79 and to include this item in the District Rate Study.

B. Draft Rate Study Report Update

The Rate Study Report conducted by Raftelis was discussed during the Fiscal Year 2019-2020 and 2020-2021 Budget Report and Manager Gross will distribute a revised version of the Rate Study Report when available.

C. Water Production and Precipitation Report

Supervisor Bobroff reported on water production and precipitation saying the Rimwood and Sidewinder District wells are providing the most water. The one hundred (100) year average precipitation is thirty-seven (37) inches annually and the District measured approximately forty-one (41) inches in January and February, 2019. The Automated Meter Reading (AMR) Program is assisting the District with detection of water leaks and Director Mackzum endorsed the AMR system.

6. General Manager's Report

No further information to report.

7. Report From Legal Counsel

Attorney Simmons reported on the town of Apple Valley District Voting System regarding an agreement extending their transition period in accordance with the California Voting Rights Act to switch from at-large to by-district voting in order to avoid a costly lawsuit due to minority characteristics. To avoid possible litigation, it may be necessary for the District to begin the proactive steps to change the voting process to a by-district election. The District will include this item on the April Board Meeting agenda for further discussion.

Attorney Simmons said the State Water Project allocation went from 35% to 70% and he will bring additional information to the April Board Meeting.

8. Board Member Comments/Meetings

No further information to report.


9. Meeting Adjournment

Upon motion by Director Conrad, second by Director Acciani and carried by a 5 to 0 vote, the meeting was adjourned at 10:45 A.M.

Respectfully Submitted,



President, Board of Directors
Running Springs Water District



Secretary of the Board of Directors
Running Springs Water District