

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
MAY 15, 2019**

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The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, May 15, 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  
George Corley, Fire Department Chief  
Mike Vasquez, Fire Department Battalion Chief  
Ward Simmons, Legal Counsel, Best, Best & Krieger

Visitors Present:

Gerhard Hilgenfeldt, Running Springs Resident

**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**

Mr. Hilgenfeldt introduced himself for the record and expressed opposition to the District Rate Study conducted by Raftelis Financial Consultants (Raftelis) and the proposed five-year increase in rates and fees. Mr. Hilgenfeldt stated his concerns regarding equitable water and sewer rates and fees for part-time versus full-time residents. Discussion continued with the Board and staff commenting on expenses and inflation factors, rates and fees with variable cost components and the valuable commodities and services provided by the District that benefit all customers.

**3. Approval of Consent Items**

**A. Approve April 17, 2019 Regular Board Meeting Minutes**

**B. Ratify April 2019 Expenditures and Review Reserves**

The April Cash Reserve Fund balances increased by approximately \$1,000,000 (one million dollars) due to property tax revenue, the Ambulance Division Intergovernmental Transfer Program (IGT) and Ground Emergency Medical Transportation (GEMT) funds.

Battalion Chief Vasquez confirmed Fire Department policy that requires staff to utilize a company vehicle when available, to conduct work related issues.

**C. Consider Approving Resolution No. 08-19, Adopting the Fire Department Terms for Response Away from Official Duty**

Chief Corley said the Fire Department terms of responsibilities have not changed from the previous year.

**D. Consider Accepting Proposal for Fiscal Year 2018/2019 Financial Audit Services**

Upon motion by Director Mackzum, second by Director Acciani and carried by a 5 to 0 vote, the Consent Items were approved. (Resolution No. 08-19 on file in the District Office)

**4. Action Items**

**A. Consider Approving Ordinance No. 51, Amending the District Employment Standards and Provisions, Adopting a Revised Personnel Manual**

Manager Gross reported on Ordinance No. 51 that amends the District Employment Standards and Provisions and adopts the District Personnel Manual that was last updated in 2013. Various standalone policies have been adopted over the years and this update incorporates the revisions into the 2019 Personnel Manual. Discussion continued that included revisions regarding the early notice of retirement incentive that will apply to all District staff with five (5) or more employment years with the District.

Upon motion by Director Acciani, second by Director Terry and carried by a 5 to 0 vote, Ordinance No. 51, Amending the District Employment Standards and Provisions, and Adopting a Revised Personnel Manual, was approved with revisions to the Early Notice of Retirement Incentive and Sick Leave Policy. (Ordinance No. 51 on file in the District Office)

**B. Consider Resolution No. 09-19, Adopting Sewer System Management Plan (SSMP) Self-Audit**

Manager Gross reported on the Sewer System Management Plan (SSMP) and the California State Water Resources Control Board (SWRCB) who requires the District to update and approve the plan by resolution every five (5) years from the original adoption date. The SSMP requires the District to conduct periodic internal audits every two (2) years and Manager Gross said the District's original plan was approved by the governing board on April 21, 2010 and updated in August 2013 and May 2017. Manager Gross confirmed that there is no fiscal impact associated with adoption of the SSMP that also provides for emergency response procedures and he said the self-audit was completed by District staff.

Discussion continued that included the upstream agreements and Manager Gross clarified Ordinance No. 49, Rules and Regulations for Water and Wastewater Service, that supersedes Ordinance No. 23 and incorporates previously adopted water and wastewater services ordinances.

Upon motion by Director Terry, second by Director Conrad and carried by a 5 to 0 vote, Resolution No. 09-19, Sewer System Management Plan (SSMP) Self-Audit, was adopted. (Resolution No. 09-19 on file in the District Office)

## **5. Information Items**

### **A. Final Rate Study and Capacity Fee Reports**

Manager Gross reported on the final draft of the Rate Study and Capacity Fees Reports conducted by Raftelis Financial Consultants saying the proposed rates are included in the Proposition 218 Notice and the Rate Study reports will be returned to the Board in June for approval. Discussion continued that included the Water and Wastewater Capacity Fees that will be considered at the July Board Meeting and also the CalPERS Unfunded Liability prepayment options. Manager Gross confirmed that a representative with Raftelis will attend the June 19, 2019 Board Meeting and Public Hearing and he said if the District receives more than 1500 protests, the Board will not approve the rate increase as presented.

### **B. Quarterly Investment Report**

### **C. Quarterly Operations Report Format**

Division Operations Reports will be submitted to the Board quarterly beginning in July, 2019.

## **6. General Manager's Report**

A community meeting will be held on June 8, 2019 at 10:00 A.M. in Green Valley Lake regarding the potential consolidation between CSA-79 and Running Springs Water District.

Manager Gross announced the upcoming retirement of Administration Supervisor/Treasurer/Board Secretary Joan C. Eaton on November 19, 2019.

**7. Report From Legal Counsel**

Attorney Simmons received a proposal to conduct a demographic census in Running Springs regarding minority characteristics that he will return to the Board in June, 2019.

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**8. Board Member Comments/Meetings**

**9. Closed Session**

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

The meeting adjourned to Closed Session at 10:45 A.M.

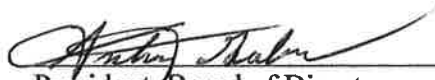
**10. Open Session**

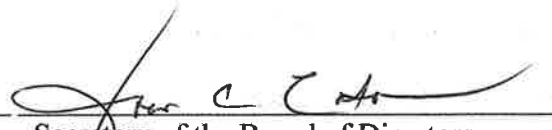
The Board of Directors came out of Closed Session at 11:32 A.M. and Attorney Simmons reported that upon motion by Vice-President Mackzum, second by Director Terry and carried by a 5 to 0 vote, it was approved to increase the General Manager's base pay by 1.5% effective July 2, 2019, to restate the Employment Agreement with the General Manager with this change and authorize the Board President to execute the restated Employment Agreement.

**11. Meeting Adjournment**

Upon motion by Director Grabow, second by Director Acciani and carried by a 5 to 0 vote, the meeting was adjourned at 11:36 A.M.

Respectfully Submitted,

  
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President, Board of Directors  
Running Springs Water District

  
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Secretary of the Board of Directors  
Running Springs Water District