

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
AUGUST 20, 2014**

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, August 20, 2014 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
Everett "Ed" Brittain, Vice-President
Pamella Bennett, Director
Mike Terry, Director
Henry Heredia, Director

Also present were the following:

Ryan Gross, General Manager
Joan C. Eaton, Secretary/Treasurer/Administration Supervisor
Tony Grabow, Fire Division Chief
Trevor Miller, Wastewater Treatment Plant Division Supervisor
Isaiah Hall, Wastewater Collection Division Supervisor
Randy Bobroff, Water Division Supervisor
Ward Simmons, Attorney, Best, Best & Krieger

Visitors Present:

Gerhard Hilgenfeldt, Resident
Dan Olson, 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 Ayers and Director Bennett led the assembly in the pledge of allegiance to the flag.

2. Recognize and Hear From Visitors/Public Comment

Visitors Hilgenfeldt and Olson introduced themselves for the record.

3. Public Hearing and Consideration to Allow or Overrule any or all Objections or Protests to the Proposed Removal of Weeds and/or Wastes that have been Declared as a Public Nuisance

- A. **Open Public Hearing:** The Public Hearing was opened at 9:01 A.M. by President Ayers.
- B. **Fire Chief's Report:** Chief Grabow stated there were no visitors present regarding the Public Hearing and two of the four properties that required attention are now compliant.
- C. **Written Objections or Protests:** None
- D. **Oral Objections or Protests:** None
- E. **Board Discussion:** None
- F. **Close Public Hearing:** The Public Hearing was closed at 9:02 A.M. by President Ayers
- G. **Consider allowing or overruling any or all objections or protests to the proposed removal of weeds and/or wastes that have been declared a public nuisance, whereupon the Board of Directors shall acquire jurisdiction to proceed and perform the work of removing the public nuisance**

Upon motion by President Ayers, second by Vice-President Brittain and carried by a 5 to 0 vote, the Public Hearing was closed at 9:02 A.M.

4. **Approval of Consent Items**

The following consent items were listed for approval:

- A. **Approval of Meeting Minutes for July 16, 2014 Regular Board Meeting**
- B. **Ratify June and July 2014 Expenditures**

Regarding the June and July expenditures, Supervisor Bobroff noted the Crestline Lake-Arrowhead Water Agency (CLAWA) expense included an estimated deposit for turnouts during the month of July and the District should see a decrease in the billing for August, 2014. Manager Gross clarified that US Bluebook is an Industrial Supply Company and the expense is for materials and equipment. Supervisor Eaton will confirm the \$10,000 expense for the San Bernardino County Audit and said she believes it is the Local Agency Formation Commission (LAFCO) annual fee.

Vice-President Brittain asked if the District had any information from the Crestline Lake-Arrowhead Water Agency (CLAWA) regarding possible future restriction of water supply to the District. Manager Gross stated CLAWA has water stored for the remainder of this year but with another dry year, CLAWA may be required to restrict their water supply. Vice-President Brittain said he read there is only a 60% chance of an El Nino wet winter this year and if so, next year will be worrisome. He also mentioned that the state has put regulations in place for water agencies to cut water use back by 20%.

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

Supervisor Miller confirmed the Wastewater Treatment Plant 1989 Bobcat 543 will be auctioned off to the highest bidder. Chief Grabow stated the twenty (20) Survive Air Self Contained Breathing Apparatus (SCBA) Bottles will be cut down as scrape to surplus.

Upon motion by Director Heredia, second by Director Terry and carried by a 5 to 0 vote, the consent items were approved.

5. Action Items

A. Consider Approving Geotechnical Contract for Sewer Lift Station 2-3 Improvements

Manager Gross recommended that the Board consider awarding a Geotechnical Services Contract to LOR Geotechnical Group, Inc. in the amount of \$7,200 for soils analysis work at the District's Sewer Lift Station Nos. 2 & 3. The District received five (5) bid proposals for the project with the lowest bid from LOR Geotechnical Group. President Ayers asked about the funding source with Manager Gross stating that the 1.9% interest loan package will include and cover all costs associated with the Lift Station Nos. 1, 2 and 3 Improvement project. The costs for these services will be reimbursed by proceeds from the State Water Resources Control Board Clean Water State Revolving Fund Loan. Manager Gross said that rather than deplete District reserves, we will initially fund from the reserves, then submit all costs for reimbursement.

Upon motion by Director Terry, second by Director Heredia and carried by a 5 to 0 vote, the Geotechnical Contract with LOR Geotechnical Group, Inc. for Sewer Lift Station 2-3 Improvements, was approved.

B. Consider Adopting Resolution No. 17-14, Adopting the Mojave Integrated Regional Water Management Plan

Manager Gross reported on the Mojave Integrated Regional Water Management (IRWM) Plan developed by a project team that documents progress towards meeting plan goals, identifies current regional water resource management needs and issues and evaluates strategies for addressing the regions' challenges. The plan integrates components related to all aspects of water management in the Mojave region, including, but not limited to water supply, water quality, wastewater, recycled water, water conservation, storm water/flood management, watershed planning climate change, habitat protection and restoration, and stakeholder and public outreach. Adoption of the IRWM plan does not financially commit the District in anyway, but would allow our District to be eligible for possible future grant funds.

Upon **motion** by President Ayers, **second** by Director Bennett and **carried by a 5 to 0 vote**, RESOLUTION NO. 17-14, MOJAVE INTEGRATED REGIONAL WATER MANAGEMENT PLAN, was adopted. (Resolution No. 17-14 on file in the District office)

C. Consider Resolution No. 18-14, Adopting Water Use Restrictions Consistent with State Water Resources Control Board Emergency Regulations

Manager Gross reported on Resolution No. 18-14 that will allow the District to comply with state law water use restrictions consistent with State Water Resources Control Board (SWRCB) Emergency Regulations. Legal Counsel has drafted the resolution that limits outdoor irrigation with potable water by persons served to no more than two (2) days per week and directs staff to file a California Environmental Quality Act (CEQA) Notice of Exemption (NOE). Attorney Simmons reported on the Notice of Violation stating the penalty will need to be enforced by a code enforcement officer. A form letter has been created by Best, Best & Krieger and District staff that will be distributed as an official warning to violation offenders. President Ayers noted one issue regarding the enforcement of the violations is that the fines would go directly to the county or state and does not benefit the District directly. Attorney Simmons confirmed that most of the state requirements apply to Urban Water Districts and the only requirement for the Running Springs Water District is to adopt limited outdoor irrigation regulations. Manager Gross said this resolution puts the District in compliance with state law, but if the drought continues and if CLAWA issues other restrictions, the Running Springs Water District may need to reconsider their water regulations.

Visitor Dan Olson commented on his property that is professionally landscaped and expressed concerns with regulating irrigation to two days a week. Manager Gross stated the law says a District with 3,000 customers or less must limit irrigation to two days a week or do something else equivalent with Attorney Simmons saying the second alternative is to implement another mandatory conservation measure intended to achieve a comparable reduction in water conservation by persons it serves relative to the amount consumed in 2013. ~~Vice-President Brittain said the District has already reduced water consumption in the last few years and to implement an additional reduction of 20% will be difficult.~~ Manager Gross said the intent of this law is to pursue customers that are really wasting water. President Ayers noted that the regulation does not address the amount of water you can use on the two day a week requirement and asked how we can implement this to our customers when we are not clear on the definition. Supervisor Eaton mentioned that she spoke with a Lake Arrowhead resident who said they are limiting irrigation to two days a week for automated sprinkler systems only and are watering unlimited by hand. President Ayers confirmed that the District has promoted water conservation in the community and stated there are other issues related to conservation with Manager Gross saying the District does not waste water and is exempt from the monthly water reporting state requirement. Manager Gross recommended that the District become compliant now and more restrictive if the drought continues.

Discussion continued regarding water conservation and regulations, residential sewer fees and optional irrigation meters.

Upon motion by Director Bennett, second by Vice-President Brittain and carried by a 5 to 0 vote, RESOLUTION NO. 18-14, WATER USE RESTRICTIONS CONSISTENT WITH STATE WATER RESOURCES CONTROL BOARD EMERGENCY REGULATIONS, was adopted. (Resolution No. 18-14 on file in the District office)

D. Consider Adopting Resolution No. 19-14, Authorizing the Execution and Delivery of an Installment Sale Agreement and Authorizing and Directing Certain Actions in Connection with the Acquisition and Construction of a Groundwater Well Project.

Manager Gross opened by stating Resolution No. 19-14 will give the Board President and General Manager the authority to execute an installment sales agreement with Municipal Finance Corporation in the approximate amount of \$400,000 over ten (10) years at a 3.5% interest rate for the acquisition and construction of the Ayers Acres Groundwater Well Project and he said that the resolution is required for the financing agreement. President Ayers explained the Ayers Acres Groundwater Well Project stating the District has been working for years to drill wells off of Poplar Drive to increase the supply of water and not depend on outside water agencies. If this project proves to be a good investment, the District will drill other wells in the same area and he said groundwater is not regulated at the present time. Supervisor Bobroff confirmed that the District is producing approximately 32% and purchasing 68% of the water and he added that approximately 62% is purchased from CLAWA and 6% from Arrowbear Park County Water District who said they are confident they will be able to maintain the supply through the remainder of the year. Manager Gross noted that the twelve (12) year payback period for the project takes into account the cost of purchased CLAWA water. Manager Gross said the interest rate of 3.5% should be locked in upon authorization and signature of the sales agreement.

Upon motion by Director Heredia, second by Director Terry and carried by a 5 to 0 vote, RESOLUTION NO. 19-14, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS IN CONNECTION WITH THE ACQUISITION AND CONSTRUCTION OF A GROUNDWATER WELL PROJECT, was adopted. (Resolution No. 19-14 on file in the District office)

E. Consider Authorizing Staff to Purchase Replacement Bobcat Skid Steer Loader for the Wastewater Treatment Plant

Supervisor Miller reported on the purchase of a new skid steer loader to replace the Wastewater Treatment Plant loader that was purchased in 1989 and used for mixing and loading bio-solids, snow removal and many additional tasks. Supervisor Miller stated the District qualified for a special pricing program through the National Joint Powers Alliance (NJPA) and researched five (5) new loader units with the lowest cost of

\$43,248.17 for a Bobcat S590. The Wastewater Treatment Plant 2014/2015 budget includes \$40,000 in account #12255 for the replacement skid steer loader and if approved, the purchase would be \$3,248.17 over this budgeted amount. Supervisor Miller stated the surplus skid steer loader value is approximately \$1,500.

Upon motion by President Ayers, second by Director Heredia and carried by a 5 to 0 vote, Authorizing Staff to Purchase Replacement Bobcat Skid Steer Loader for the Wastewater Treatment Plant, was approved.

F. Consider Adopting Resolution No. 20-14, Certifying Delinquent Charges to be Placed on the Tax Roll for Fiscal Year 2014/2015

Supervisor Eaton reported on Water Code 31701, providing that the Board of Directors shall annually furnish to San Bernardino County a statement of delinquent charges of sixty (60) days or more for water or other services on July 1st of each year. The delinquent charges are placed on the annual property tax roll in addition to the annual Water and Sewer Availability and Fire Suppression fees. A listing of thirteen (13) delinquent parcels/assessments in the amount of \$5,715.95 were provided to the Board for review and have been submitted to the County for placement on the 2014/2015 Tax Roll and a lien has been placed on the properties. Supervisor Eaton said property owners are ultimately responsible for all fees incurred on their property even if a tenant resides in the home, and property owners have been notified of delinquent accounts. Administrative fees are included in the assessments that are placed on the tax roll.

Upon motion by Director Bennett, second by President Ayers and carried by a 5 to 0 vote, RESOLUTION NO. 20-14, CERTIFYING DELINQUENT CHARGES TO BE PLACED ON THE TAX ROLL FOR FISCAL YEAR 2014/2015, was adopted. (Resolution No. 20-14 on file in the District office)

G. Consider Awarding Contract for Annual Sewer Line Cleaning and Video Inspection Services in the Upper Rowco Area

Supervisor Hall stated the Collections Division went out to bid for sewer-line cleaning and asked the Board to award the contract to Tunnel Vision, Inc. for their low bid of \$32,660 and \$2,000 alternate bid. Manager Gross clarified that the District asked the contractors to submit an alternate bid cost to truck approximately 35,000 gallons of recycled water from the Treatment Plant to use in the sewer line cleaning instead of using potable water and he noted that this is a responsible water conservation measure. Manager Gross said the cost of 35,000 gallons of water equates to approximately \$900 leaving \$1,100 for the trucking costs. Manager Gross mentioned that a contractor from Green Valley Lake had recently asked CLAWA for permission to use treated water for sewer line cleaning with CLAWA responding that you should absolutely not be using treated potable water to clean sewer lines. Supervisor Miller confirmed that the distribution setup of the recycled water will be easy with President Ayers stating it makes sense to use the recycled water from the Treatment Plant. Supervisor Bobroff suggested

that the District display a recycled water banner on the truck and Supervisor Hall recommended posting the information on our website and in the upcoming newsletter. In closing, Manager Gross said he is familiar with Tunnel Vision, Inc. and they are a reputable company.

Upon **motion** by Director Terry, **second** by Vice-President Brittain and **carried by a 5 to 0 vote**, Awarding Contract for Annual Sewer Line Cleaning and Video Inspection Service in the Upper Rowco Area to Tunnel Vision, Inc. in the amount of \$34,660, was approved.

H. Consider Adopting Resolution No. 21-14, Finding that Certain Properties Located in the District Constitute a Public Nuisance and Ordering Notification to Property Owners and Setting a Public Hearing

Chief Grabow distributed a list of properties located in the District that constitute a public nuisance pursuant to the provisions of Health and Safety Code section 14875 et seq. and stated the parcels listed will receive a second notice of a Public Hearing to be conducted on September 17, 2014 at 9:00 A.M. At the Public Hearing, the Board of Directors intends to hear any or all objections or protests, if any, to the proposed removal of weeds and/or waste and may continue the hearing from time to time. Upon conclusion of the hearing, the Board of Directors shall allow or overrule any or all objections, whereupon the Board of Directors shall acquire jurisdiction to proceed and perform the work of removing the public nuisance, and the decision of the Board of Directors shall be final, except as provided in Health and Safety Code sections 14920 and 19421.

Upon **motion** by Vice-President Brittain, **second** by Director Heredia and **carried by a 5 to 0 vote**, RESOLUTION NO. 21-14, FINDING THAT CERTAIN PROPERTIES LOCATED IN THE DISTRICT CONSTITUTE A PUBLIC NUISANCE AND ORDERING NOTIFICATION TO PROPERTY OWNERS AND SETTING A PUBLIC HEARING, was adopted. (Resolution No. 21-14 on file in the District office)

I. Consider Approving Draft Installment Sales Agreement with the California State Water Resources Control Board Clean Water State Revolving Fund Project Number 7879-110 for Sewer Lift Station Nos. 1-3 Improvements

Manager Gross reported on the Installment Sales Agreement (ISA) for the Sewer Lift Station Improvements stating the term of the loan is twenty (20) years with a 1.90% interest rate and the debt service payments are included in the new rate structure and will not be due until one year after completion of construction. Not all the blanks have been filled in the draft ISA, but Manager Gross wanted the Board to see the agreement that should be approved in the next couple of weeks and the District can begin to request the reimbursements. Manager Gross stated the engineering is underway but we are waiting for the soil analysis work to be completed and he noted that the agreement process went smoothly taking only nine (9) to ten (10) months for completion. Manager Gross confirmed there are no grant funds available for this project.

J. Consider Resolution No. 22-14, Adopting a Brown Act Compliance Policy and Incorporating the Brown Act into the District’s By-Laws

Manager Gross reported on the Brown Act Compliance Policy and stated the District is applying for a transparency certificate from the California Special District Association. One requirement to qualify for this certificate is to adopt and formalize the Brown Act Policy.

Upon **motion** by Director Heredia, **second** by Director Terry and **carried by a 5 to 0 vote**, RESOLUTION NO. 22-14, BROWN ACT COMPLIANCE POLICY AND INCORPORATING THE BROWN ACT INTO THE DISTRICT’S BY-LAWS, was adopted. (Resolution No. 22-14 on file in the District office)

K. Consider Resolution No. 23-14, Adopting a Policy for Handling Requests for Inspection and/or Copying of Public Records

Manager Gross stated the Public Records Request Policy formalizes how the District handles a request and is also required for the transparency certificate from the California Special District Association. Discussion continued regarding the Public Records Request Policy and Attorney Simmons confirmed that the time limit for the public record does include holidays and weekends. Manager Gross stated the District elects to post the Public Records Requests on the website for transparency purposes and he noted that a Public Records Request Form has been incorporated into the policy.

Upon **motion** by President Ayers, **second** by Director Bennett and **carried by a 5 to 0 vote**, RESOLUTION NO. 23-14, POLICY FOR HANDLING REQUESTS FOR INSPECTION AND/OR COPYING OF PUBLIC RECORDS, was adopted.

Information Items

A. August 2014 Running Springs Water District Newsletter

The August 2014 District Newsletter includes information regarding the proposed increase to the \$65.00 Fire Availability Fee to continue local control of Fire and Emergency Medical (Ambulance) Services. Manager Gross also commented on the Cal Fire Prevention Fee that is not affiliated with the Running Springs Fire Department or Water District in anyway. Discussion continued regarding the lawsuit filed by the Howard Jarvis Taxpayer’s Association against the Department of Forestry and Fire Protection (Cal Fire) to repeal the \$150 state fire fee. The protest documents or Petition for Redetermination can be found online at www.firetaxprotest.org

B. Quarterly Investment Report

The Local Agency Investment Fund Remittance Advice for quarter ending 06/30/2014 was \$952.11 with 0.22% interest.

6. General Manager's Report

Manager Gross stated the District has made an offer to George Corley, Battalion Chief for the Fire Chief Position contingent on hiring a new Battalion Chief. Manager Gross said the District is currently recruiting for the Battalion Chief position with applications due by September 12, 2014 and the Personnel Committee will be involved in the recruitment process.

7. Report From Engineer

Engineer Thomas had no further information to report

8. Report From Legal Counsel

Attorney Simmons mentioned that Attorney Riddell was going to attend today's Board Meeting, but he was subsequently scheduled to attend a meeting at Municipal Water District (MWD) Headquarters regarding regulating costs for conservation plans. Attorney Simmons did not have any additional information to report regarding the California Proposition 1, Water Bond (2014) on the November 4, 2014 ballot that would authorize approximately \$7.12 billion in general obligation for state water supply infrastructure projects.

9. Board Member Meetings

No information to report

10. Board Member Comments

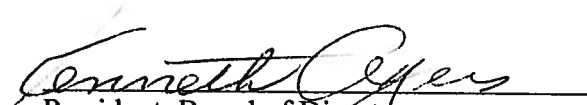
~~Director Heredia recognized Wastewater Collections Supervisor Isaiah Hall for his appointment to the Arrowbear Park County Fire Chief position.~~

Supervisor Eaton confirmed that the San Bernardino County expenditure discussed earlier in the meeting and referenced as an audit was the LAFCO annual fees and the total expense was \$10,000 divided by the Water, Wastewater and Fire Departments. The reference to an audit is a vendor code for this payable account.


11. Meeting Adjournment

The meeting was adjourned at 10:27 A.M.

Respectfully Submitted,



President, Board of Directors
Running Springs Water District



Secretary of the Board of Directors
Running Springs Water District