

MINUTES OF THE REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS  
RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

JANUARY 21, 2009

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The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, January 21, 2009, at the hour of 6:00 P.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California.

The following Directors were present:

Kenneth Ayers, President  
Kevin Kellems, Vice-President  
Pamella Bennett, Director  
Bryan Shropshire, Director  
Michael Terry, Director

Also present were the following:

Gary Valladao, General Manager  
Sam Massey, Superintendent  
Joan Eaton, Secretary/Treasurer/Office Supervisor  
Tony Grabow, Battalion Chief  
Trevor Miller, Wastewater Treatment Division Supervisor  
Isaiah Hall, Collections Division Supervisor  
Randy Bobroff, Water Division Supervisor  
Mike Riddell, Attorney, Best, Best & Krieger  
Brian Thomas, Engineer, Engineering Resources

Visitors present were:

Gerhard Hilgenfeldt, 31679 Luring Pines  
Carol Miller, 31229 Outer Highway 18 South

The meeting was called to order at 6:05 P.M. by President Ayers.

Called to Order

Superintendent Massey led the Assembly in the Pledge of Allegiance.

Pledge of Allegiance

No comments were made from the visitors at this time.

Visitors

Upon motion by Vice-President Kellems, seconded by Director Bennett and carried by a 4 to 1 vote, with Director Shropshire abstaining, the minutes of December 6, 2008 were approved.

Special Board  
Meeting Minutes  
December 6, 2008

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- Special Board Meeting Minutes January 7, 2009      Upon motion by Director Bennett, seconded by Vice-President Kellems and carried by a 5 to 0 vote, the minutes of January 7, 2009 were approved.
- Rescheduled Board Meeting Minutes January 8, 2009      Upon motion by Director Shropshire, seconded by Vice-President Kellems and carried by a 5 to 0 vote, the minutes of January 8, 2009 were approved as amended.
- December 2008 Expenditures      Upon motion by Director Bennett, seconded by Director Terry and carried by a 5 to 0 vote, the expenditures through December 31, 2008 for the Water, Wastewater and Fire Department, were ratified.
- OPERATIONAL REPORTS  
(Water)      Supervisor Bobroff reported the Water Department is at full staff.  
  
Supervisor Bobroff also reported on damage by a San Bernardino County snow plow to a District fire hydrant on Deep Creek Drive. The damage resulted in approximately 160,000 gallons of water loss. The County will be billed for damages including water loss. Discussion continued regarding the emergency alarm system and response.
- (Treatment)      Supervisor Miller reported on an incident at the Treatment Plant that resulted in the loss of partially treated wastewater to the ponds. The incident will not result in a violation of the plant waste discharge requirements. The incident was caused by an electrical failure that was observed and immediately addressed by staff. Discussion continued regarding the emergency alarm system and a high level float switch that has been ordered and will be delivered by January 23, 2009.
- (Collections)      Supervisor Hall reported on the Downtown Sewer Main Relining Project by Insituform that is now complete.  
  
Supervisor Hall reported on minor issues regarding Lift Stations No. 2 and No. 5.  
  
Lift Station No. 6 will be complete by January 23, 2009 and is state-of-the-art. Tours will be available after the completion date to view the final results.

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Chief Smith provided the Board with a list of the Fire Department monthly meetings and specifically addressed the recent Strategic Planning and Fire Department Ad Hoc Committee meetings. (Fire)

Chief Smith stated the Department is currently testing three candidates for the Captain position.

Chief Smith stated the Department continues with the commercial business inspections and recently met with San Bernardino County regarding issues from last year's weed abatement program.

Supervisor Eaton reported on the Accounting Principles and Auditing Standards Training that she participated in with Nancy O'Rafferty from Rogers, Anderson, Malody and Scott. The training provided a review of the June 30, 2008 District Audited Financial Statements and the collection of detailed accounting records that summarize the income statement and balance sheet reporting in preparation of the financial statements. (Office)

The Cash Management Module with First Mountain Bank will be presented to the Board for consideration later in the meeting.

Supervisor Eaton presented the Board with her Meeting Summary Report for December 2008 through January 2009.

Superintendent Massey stated a meeting will be held on February 3, 2009 regarding the Chevron Energy Solutions Treatment Plant study. (Superintendent)

Superintendent Massey provided an update regarding the Preston Property that was being donated to the District by Michael Main. The property will go to the County for unpaid property taxes and may be available at a future County tax sale. Superintendent Massey spoke with Mr. Main and thanked him for his consideration of the District.

The District received a reimbursement payment from SDRMA in the amount of \$346,279.74 for loss due to the Slide Fire.

Manager Valladao requested that an item will be added to the agenda for Board consideration. The item was the Local Agency Formation Commission (LAFCO) Regular Special District Commissioner Election. The documentation requesting that the Board take action on this matter arrived after the January 21, 2009 Board meeting agenda was posted and action must be taken prior to the February 18, 2009 Board Meeting. LAFCO Election  
Add Item to  
Agenda

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Upon motion by President Ayers, seconded by Director Bennett and carried by a 5 to 0 vote, based on the finding that this matter came to the attention of the District after the agenda was posted and because action is required prior to the February Board Meeting, the Local Agency Formation Commission (LAFCO) Regular Special District Commissioner Election item was added to the January 21, 2009 Board Meeting agenda.

(General Manager) Manager Valladao reported on the Solar Power Project at the Treatment Plant that will be addressed at the February 18, 2009 Regular Board meeting.

Manager Valladao stated the District will contact LAFCO regarding the Municipal Service Review and Sphere of Influence Update.

Manager Valladao reported on the Green Team Arrowhead Roundtable meeting that he attended on January 16, 2009. The meeting focus was conservation within the community and preparation for “Earth Day” that will be held in April of 2009.

County Firewood Distribution Manager Valladao reported on the San Bernardino County Firewood Distribution Project and stated the agreement is now complete. Legal Counsel assisted the District with the terms and conditions of the agreement. Manager Valladao stated the District was able to support the community by donating the use of the property to the project. The operation is scheduled to begin the week of January 26, 2009.

District Strategic Plan Manager Valladao provided the Board with information regarding the Strategic Plan process and stated the document will be presented at the Board Workshop on January 31, 2009.

Fiscal Year 2009/10 Workshop Manager Valladao provided the Board with the Fiscal Year 2009/10 Board Workshop and Budget Schedule.

Consumer Price Index Discussion continued regarding the January 2009 Consumer Price Index of -0.6% and issues surrounding possible rate adjustments for the 2009/10 Fiscal Year.

Superintendent Massey reported on the Lift Station No. 6 Reconstruction Project. Engineer Thomas explained the additional cost of the project was associated with increased asphalt and grading to cover areas not originally included in the plans. The increased expenses to the Lift Station No. 6 Reconstruction Project will be reimbursed by the District's liability insurance carrier, Special District Risk Management Authority. The certificate of completion for Lift Station No. 6 is contingent on the final generator inspection. Upon motion by Director Terry, seconded by President Ayers and carried by a 5 to 0 vote, Lift Station No. 6 Reconstruction Project Additional Asphalt Cost and Certificate of Completion, contingent upon successful start up and completion of the generator, was approved.

Lift Station No. 6  
Reconstruction  
Project, Additional  
Asphalt Costs and  
Certificate of  
Completion

Supervisor Eaton reported on the proposed Online Banking option and Cash Management module with First Mountain Bank. The Cash Management module will include an ACH Debit feature that will allow District customers to pay monthly bills electronically by transferring funds directly from their personal checking account to the District account. Online Banking will provide the District with access to the various services online. There is no cost involved to the District to enroll in Online Banking. A fee schedule was provided to the Board regarding the ACH Debit features. Upon motion by Director Shropshire, seconded by Director Bennett and carried by a 5 to 0 vote, Enrolling the District in Online Banking, Allowing Staff to Prepare our Billing System for ACH Debit Card Payments and Presentation of Service Agreement Documents at the February 18, 2009 Board Meeting, was approved.

First Mountain Bank  
Online Banking and  
Cash Management  
Module

Manager Valladao reported the District received a letter from LAFCO identifying that each Special District Board can vote for one of the three candidates nominated for the Special District Commissioner position. The vote shall be cast as directed by the Board of Directors of the District through consideration at a Board Hearing and a roll call vote. Upon motion by President Ayers, seconded by Director Terry and carried by a 5 to 0 vote, James V. Curatalo, Jr. was moved for Special District Commissioner by roll call vote. The ballot will be mailed to LAFCO prior to the February 13, 2009 deadline.

LAFCO Special  
District Commissioner  
Position Election

Engineer Thomas had no information to report.

Engineer's Report

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Attorney's Report      Attorney Riddell reported on the State Water Contractors meeting that he attended on January 15, 2009 in Sacramento. Attorney Riddell stated that reports indicate January 2009 was the third driest January on record and the quantity of water in the project storage facilities was the second driest on record.

Attorney Riddell continued by reporting on the State budget crisis and Governor Schwarzenegger's proposed measure to furlough California state government employees. Attorney Riddell concluded by reporting on the State of California's approximate 42 billion dollar shortfall and water conservation.

Committee Reports      There were no Committee reports or Directors business to  
Directors Business      report.

U.S. Census              Supervisor Eaton reported the United States Department of  
Bureau Recruiting      Commerce, U.S. Census Bureau will be utilizing the District  
Board Room in February to present recruiting sessions  
within the community.

Closed Session          The meeting recessed to closed session at 7:40 P.M. regarding  
Conference with Labor Negotiator Pursuant to Government  
Code 54957.6 in reference to compensation issues related to  
certain Fire Department positions, especially the position of  
Interim Fire Chief following the retirement of the Chief.

Open Session            The meeting moved into open session at 8:40 P.M.  
  
With respect to the item of closed session regarding Conference  
with Labor Negotiator, President Ayers stated there was  
nothing to report from the closed session.

Adjournment            The meeting was adjourned at 8:41 P.M.

Respectfully submitted,

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President

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Secretary