

MINUTES OF THE RESCHEDULED MEETING OF THE BOARD OF DIRECTORS  
RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
FEBRUARY 27, 2013

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The Rescheduled Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, February 27, 2013 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  
Mike Terry, Vice-President  
Everett "Ed" Brittain, Director  
Pamella Bennett, Director  
Paul Shouse, Director

Also present were the following:

Ryan Gross, General Manager  
Joan Eaton, Secretary/Treasurer/Administration Supervisor  
Randy Bobroff, Water Division Supervisor  
Trevor Miller, Wastewater Treatment Division Supervisor  
Isaiah Hall, Collections Division Supervisor  
Tony Grabow, Fire Chief  
George Corley, Battalion Chief  
Mike Riddell, Attorney, Best, Best & Krieger, (BB&K)  
Brian Thomas, Engineer, Engineering Resources  
Whitney Mesna, Receptionist/Secretary I

Visitors present were:

Gerhard Hilgenfeldt, Running Springs Part-Time Resident

The meeting was called to order at 6:00 P.M. by President Ayers and Director Shouse led the Assembly in the Pledge of Allegiance.

Called to Order  
Pledge of Allegiance

Visitor Gerhard Hilgenfeldt introduced himself for the record.

Visitors

Supervisor Eaton then introduced Whitney Mesna as our new Receptionist/Secretary I and stated she was the top candidate for the position. Supervisor Eaton stated that Ms. Mesna has lived most of her life in Running Springs and she comes to the District with a strong foundation and commitment to our community and will be a tremendous asset to the Administration Department.

Introduction  
Whitney Mesna,  
Receptionist/Secretary I

Upon motion by Director Brittain, second by Director Terry and carried by a 5 to 0 vote, consent items that included the Regular Board Meeting Minutes of January 16, 2013 were approved, and the January, 2013 Expenditures, were ratified.

Consent Items  
Approved

MINUTES – FEBRUARY 27, 2013  
PAGE TWO

OPERATIONAL  
REPORTS  
(Water)

Supervisor Bobroff stated things are going smoothly in the Water department and he reported on the upgrade of the Rimwood well by installing a larger pump and Variable Frequency Drive (VFD). The department has received one estimate to date and expects to receive three estimates for the project. Supervisor Bobroff explained that when the water table is high, the Rimwood well produces forty (40) to fifty (50) gallons of water per minute but currently this site is only producing twenty (20) gallons of water per minute requiring installation of the VFD. Supervisor Bobroff stated the District has the potential to receive \$2,300 in incentives from Southern California Edison for the well upgrade resulting in reduced energy. Supervisor Bobroff also stated that he has received two estimates regarding the Fuel Pump Management System and is waiting for the third quote. Supervisor Bobroff closed by stating there were over sixty-five (65) water leaks reported in the past month with the highest water bill of approximately \$2,200 due to the cold weather. There may be other large water leaks that will be detected when the meters are read again.

(Treatment)

Supervisor Miller reported that Bacon Wagner Excavating has completed construction of the outfall line and they are now sending water through the new lines. They will consult with Tom Dodson and Associates regarding the requirement to plant trees in the area and he mentioned that a legal description will be required. Supervisor Miller acknowledged Bacon Wagner Excavating for a job well done and he closed by stating that the Treatment plant sewage flows are high due to the recent holiday weekend and melting snow.

(Collections)

Supervisor Hall provided the Wastewater Collection Supervisor Report and did not have any other information to add.

(Fire Department)

Chief Grabow stated that the Fire Department was contacted by a property owner in the Vista Serena development with questions regarding requirements for potential construction in the area. Engineer Thomas also spoke with the same property owner regarding development of his property and Engineer Thomas explained to the property owner that there were several issues with the project, most notably several thousand dollars of infrastructure that would be required including water tanks and fire pumps. The customer expressed an interest in drilling his own well and Engineer Thomas stated he would then be required to contact the county for well permitting information. If the property owner was interested in connecting to the District, he would be required to follow the standards and guidelines. Engineer Thomas said that when the Vista Serena property was developed, the total estimated infrastructure cost was approximately \$1.3 million dollars, not including water pressure fire pumps required to serve all of the lots.

Chief Grabow reported on an Active Shooter Class that the Fire Department staff attended on February 11<sup>th</sup> and 12<sup>th</sup>, 2013 to prepare the department in the event of a mass shooting.

MINUTES – FEBRUARY 27, 2013  
PAGE THREE

Supervisor Eaton stated Administration is pleased that the Receptionist Secretary (Administration) position has been filled after completing the testing and interview process.

Linda Mayfield, Senior Billing Clerk has passed the State of California Notary Public Examination and will be commissioned by the end of April, 2013 after completion of the application approval process. Supervisor Eaton stated that the District will benefit from having an in house notary and Director Brittain and the Board congratulated Ms. Mayfield on her recent accomplishment.

Supervisor Eaton reported the Special District Risk Management Authority (SDRMA) has approved a Longevity Distribution for the District due to enrollment in the Property/Liability program for twenty five (25) years. The District will receive a credit in the amount of \$5,857 on the 2013/14 renewal invoice.

The 2012 Annual Statement of Economic Interest Form 700 is due no later than April 2, 2013.

Manager Gross opened by noting revised date changes listed on the agenda. (General Manager)

On March 12, 2013, Manager Gross will attend a hearing in San Bernardino regarding the Chabad property delinquencies related to Assessment District #10.

Manager Gross stated the District has received approval from the Local Agency Formation Commission (LAFCO) to proceed with an Outside Service Agreement regarding Longpoint Ranch. Manager Gross is waiting for a tentative schedule from the Harich family regarding construction of their project.

Manager Gross mentioned that he authorized a change order with Bacon Wagner Excavating for additional survey work on the Outfall Pipeline project in the amount of \$6,800. The District will also obtain a proper legal description for the alignment of the outfall pipeline.

Manager Gross then reviewed the Board Correspondence packet and noted that the SDRMA Board of Directors election is approaching and notification must be received by April 10, 2013. Also, the District has responded to the Department of Public Health Sanitary Survey and a copy of the 2013 Brown Act publication was provided to the Board. Manager Gross said that the District has received and responded to a series of public records act requests from a law firm regarding a former employee and Attorney Riddell briefly reported on the Government Claim Act that provides for a period of time after discovery to file a lawsuit. Attorney Riddell will provide more information regarding this issue. In closing, Manager Gross stated SDRMA has notified us that there will be no rate increases in the District property liability insurance for the fourth year in a row and our property liability deductible will be lowered from \$2,000 to \$1,000 per year. Board Correspondence Packet

MINUTES – FEBRUARY 27, 2013  
PAGE FOUR

Local Agency Investment Report Ending December 2012

Manager Gross reported on the Local Agency Investment Fund (LAIF) Quarterly Report and stated the District's LAIF Fund balance was \$1,800,000 at the end of January, 2013. The quarterly LAIF report ending December, 2012 was provided to the Board stating the District earned \$1,298.72 at 0.32% interest. The Finance Committee continues to discuss optional investment options for the District.

Fire Department Budget Draft 2013/2014

Manager Gross stated the Finance Committee reviewed the draft version of the Fiscal Year 2013/14 Fire Department budget on February 6, 2013 and revisions have been summarized in the draft version and provided to the Board. This year, Manager Gross is recommending that the budgets remain in draft form until the Finance Committee and full Board has reviewed all three departments. The final budgets will then be provided to the full Board for their recommendation in May or June, 2013. The reason for the change is that the District has not received the final budget numbers for certain expenses and as these numbers come in, staff will be able to refine the draft budgets to reflect more accurate estimates of revenue and expenses.

Discussion continued regarding the Fire Department draft budget for 2013/2014 that will more accurately separate the Fire Department Governmental Fund and the Ambulance Department Enterprise Fund. Manager Gross stated staff is recommending that the Board consider an increase in the Fire Availability fee that has been in place since 1980. The District Financial Master Plan also recommends that we increase the fee and staff will keep a close eye on this and educate the public. Chief Grabow will provide President Ayers with an analysis regarding the percentage of funds that are collected by ambulance service. Manager Gross stated that if Assembly Bill 678 California Ground Emergency Medical Transport is passed, it will help the District. Director Bennett asked if the department has been able to adequately divide the time spent on ambulance service versus the fire department and Chief Grabow responded that you will see a closer separation in the new budget. Several items were addressed and discussed that included operating wages, hazard abatement, transportation equipment and fire department grants. Visitor Hilgenfeldt was surprised that Fire Department staff were involved in financial issues and Chief Corley responded that Fire Department management staff have administered grants in the past and purchased Fire Department equipment with the grants they received.

Manager Gross then reported on staff recommendation to purchase Biosolids Dewatering Screw Press equipment from Huber Technology to replace the existing inefficient belt press at the Treatment Plant that will result in dryer material and reduce the O&M hauling costs. Pilot testing of alternative technologies for dewatering of bio-solids at the District's Wastewater Treatment Plant was conducted in 2012 to look at alternative replacements of the existing belt press. A report was provided to the Board that summarized the results of the testing and included staff's recommendation to proceed with the procurement of the screw press dewatering process equipment from Huber Technology. The Huber Screw Press was chosen for several reasons most importantly:

Authorizing Staff  
to Purchase Huber  
Biosolids Dewatering  
Equipment

- 1) Ease of operation
- 2) Mechanical simplicity
- 3) Low maintenance and power consumption
- 4) Lowest purchase price (not including sales tax) of the three manufactures
  - a. Huber Technology Screw Press \$222,968
  - b. BDP Industries Screw Press 228,000
  - c. Fournier Screw Press 250,000
  - d. BDP Tower Belt Press 250,000 + Building Modifications
- 5) Cost savings by reducing number of loads hauled from treatment plant
- 6) Cost savings by hauling to a local recycler

Installation of the Huber Screw Press will be accomplished primarily by District staff and an estimated cost breakdown for the installation of the equipment was provided:

\$8,400 District Labor  
2,500 Materials  
1,000 Equipment rental  
3,000 Specialty Contractors  
1,500 Miscellaneous & Incidentals  
\$16,400

The total estimated project cost included equipment, tax, installation and contingency is:

1) Huber Technology Screw Press	\$222,968
a) California sales tax (8%)	17,840
2) Freight (delivered and duty paid)	included
3) Installation	16,400
4) Contingency	<u>2,792</u>
Total	\$260,000

Manager Gross stated if the project is approved, the total project cost will be \$260,000 that will be funded initially from the Leachate Reserve fund with a current balance of approximately \$441, 825 and there would be approximately \$181,825 remaining. Manager Gross said the upstream users will refund the District approximately \$85,000 for the shared costs and after reimbursement, the Leachate Reserve fund will have a balance of approximately \$266,455. Manager Gross stated that the payback is approximately four (4) years on the project and added that the Huber Screw Press Equipment is also environmentally friendly.

Supervisor Miller provided the Board with a summary regarding the transition of the Huber technology and stated installation of the equipment will take approximately one week and the life expectancy will be approximately twenty (20) years. Manager Gross added that the stainless steel unit should last approximately thirty (30) years. Director Bennett and Shouse asked about the plans for the old equipment and Supervisor Miller stated that the manufacturer expressed an interest in the used equipment and added that we could list it in the equipment trader and the stainless steel has scrap value. President Ayers asked about electrical costs and Supervisor Miller stated that a one horsepower motor drives the screw press and the equipment is manufactured in Germany with the parts stocked in North Carolina. Supervisor Miller mentioned they have been researching products for eighteen (18) months and the equipment will take twenty-four (24) weeks to deliver. President Ayers and Manager Gross thanked the Treatment Plant staff for overseeing the pilot tests and their research. Upon motion by Director Brittain, second by Director Shouse and carried by a 5 to 0 vote, Authorizing Staff to Purchase Huber Dewatering Equipment, was approved.

Engineer's Report      Engineer Thomas stated that Engineering Resources was in the process of updating the Sewer Service Management Plan (SSMP) with some administrative changes as per the five year state recertification requirement. The most significant administrative change is that there is no longer a superintendent in charge of the water and wastewater divisions. Engineer Thomas also stated they are in the process of updating a field and service map. The District will be required to recertify the SSMP document in May of 2015.

Attorney's Report      Attorney Riddell reported that after receiving above normal precipitation in November and December, the watershed for the State Water Project received precipitation in January and February that was way below normal. The precipitation that fell early was mostly in the form of rain, which resulted in storage at Lake Oroville which is 113% of normal for this time of year, but that the snowpack is only at 75% of normal in the Northern Sierra and 65% of normal in the Southern Sierra. Diversions from the Delta have been limited due to regulatory restrictions in place to protect the Delta Smelt, and as a result the storage in the San Luis Reservoir is also significantly below normal, even though storage in reservoirs upstream of the Delta is above normal for this time of year.

MINUTES – FEBRUARY 27, 2013  
PAGE SEVEN

Attorney Riddell stated that the restrictions on diversions from the Delta have resulted in the loss of 700,000-800,000 acre feet of water which might have been taken if the pumping had not been restricted, but which simply flowed out to the ocean due to the pumping restrictions in place.

Director Brittain reported on the Fire Service Committee and opened by thanking staff for doing an excellent job on the draft Fire Department Budget for Fiscal Year 2013/2014 with the uncertainty of property tax revenue. Director Brittain then referred to and discussed the "Fire Department Issues/Questions Discussed at the February 6, 2013 Fire Department Budget Committee Meeting" document. Director Brittain commented on the analysis and stated he was pleased to learn there is almost always a paramedic on station coverage. President Ayers expressed concern that the Running Springs Water District property owners are paying a \$65.00 yearly fee when our paramedics are responding to Snow Valley. Discussion continued regarding property tax revenue that has declined over a period of seven (7) years and lost revenue due to the past fires and loss of structures that will continue to impact the District in the future. President Ayers said the "Fire Department Issues/Questions" document makes the District aware of the situation and lays out a good foundation. Director Brittain stated that what became obvious in the study is the importance of the Fire Department Paid Call Firefighters and how critical they are to the function of the department. President Ayers thanked the committee and staff for a great job.

Committee Reports

Director Brittain also reported on review of the investment options and stated the committee will not make any changes to District investments at this time. Discussion continued regarding the California Public Employees Retirement System (CalPERS) Side Fund loan and Manager Gross added that he will check with CalPERS for alternatives to pay down the loan.

Director Shouse had additional questions regarding the Huber Biosolids Dewatering Equipment specifically the Arc Flash Coordination that will be covered by the panel manufacturer. Manager Gross will research this issue and get back with any additional information and costs.

Huber Biosolids  
Dewatering Equipment  
Arc Flash Coordination

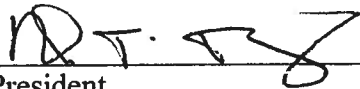
The March Board meeting was confirmed for March 13, 2013 at 9:00 A.M.

March Board Meeting

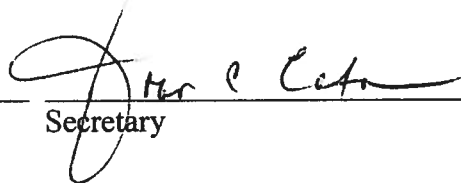
The meeting was adjourned at 7:57 P.M.

Adjournment

Respectfully Submitted,



Vice-President



Secretary