

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
MARCH 17, 2010

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, March 17, 2010, 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
Mike Terry, Director
Pamella Bennett, Director
Paul Shouse, Director

Also present were the following:

Sam Massey, Interim General Manager
Joan Eaton, Secretary/Treasurer/Administration Supervisor
Tony Grabow, Fire Chief
Randy Bobroff, Water Division Supervisor
Trevor Miller, Wastewater Treatment Division Supervisor
Isaiah Hall, Collections Division Supervisor
Mike Riddell, Attorney, Best, Best and Krieger, LLP
Brian Thomas, Engineer, Engineering Resources
Ed Brittain, Consultant
Cindy Strebel, Firefighter/Paramedic

Visitors present were:

Kevin Somes, President, Running Springs Chamber of Commerce
Gerhard Hilgenfeldt, 31679 Luring Pines Drive
Joan Moseley, Mountain News Reporter
Danny Wagner, Bacon/Wagner Excavating

The meeting was called to order at 6:02 P.M. by President Ayers.

Called to Order

Director Bennett led the Assembly in the Pledge of Allegiance.

Pledge of Allegiance

Cindy Strebel, Captain/Paramedic was acknowledged for 15 years of dedicated service with the Fire Department.

Acknowledgements

Upon motion by Director Bennett, second by Director Terry and unanimously carried, the minutes of the January 27, 2010 Rescheduled Board Meeting, were approved.

Rescheduled Board Meeting Minutes
January 27, 2010

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Regular Board Meeting Minutes February 17, 2010

Upon motion by Director Terry, second by Director Shouse and unanimously carried, the minutes of the February 17, 2010 Regular Board Meeting, were approved.

Adjourned Special Meeting Minutes February 17, 2010

Upon motion by Director Shouse, second by Director Terry and unanimously carried, the minutes of the February 17, 2010 Adjourned Special Meeting, were approved.

February 2010 Expenditures

Upon motion by Vice-President Kellems, second by Director Terry and unanimously carried, the expenditures through February 28, 2010, were approved.

OPERATIONAL REPORTS (Water)

Supervisor Bobroff opened by stating there were no leaks or mechanical failures in the Water Department during the month of February and noted the Department was busy plowing snow due to the weather event. Supervisor Bobroff reported on the status of the wells and stated that the District purchased a minimal amount of water from Arrowbear Park Company Water District early in February, then the District was able to turn off a few wells toward the end of the month. Supervisor Bobroff stated that depending on the weather for the remainder of this fiscal year, the purchased water account expense may come out under budget.

(Treatment)

Supervisor Miller opened by stating that he would report on the failed Outfall Line later in the meeting.

Supervisor Miller reported on the recent weather events and impact to the Wastewater Treatment Plant.

(Collections)

Supervisor Hall reported on the Collections System Facilities and stated the pump at Lift Station No. 9 had failed but was repaired by staff and all equipment is in good order.

(Fire Department)

Chief Grabow reported on the closure of Highway 330 due to a damaged culvert and stated the closure event will affect Fire Department operations and ambulance transports.

(Administration)

Supervisor Eaton reminded the Board and staff that the Form 700 Statement of Economic Interest deadline is April 1, 2010.

Supervisor Eaton continued by reporting on the Special District and Local Government Institute sponsored Governance Seminar that she attended on March 4th and 5th, 2010 and stated the seminar was educational and informative. A listing of the topics and information discussed and a certificate of participation was provided to the Board. The Governance seminar is the second in a series of three seminars that include Finance, Governance and Administration.

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Supervisor Eaton closed by stating the District has applied for a leased Safe Deposit Box through First Mountain Bank at a cost of \$12.50 per year to store rotated server backup tapes in a safe and confidential off site location. Resolution No. 10-10 will be considered for adoption in the March 17, 2010 meeting and will address the Safe Deposit Box authorization information.

Interim General Manager Massey provided a listing of significant activities and endeavors that he has been working on since the February Board Meeting.

(Interim General
Manager)

The District is awaiting further information from LAFCO (Local Agency Formation Commission) regarding the Municipal Service Review and Sphere of Influence.

Manager Massey stated that discussion would be held later in the meeting regarding Groundwater Development and Ayers Acres.

The District is awaiting further information from the Running Springs Area Chamber of Commerce and the Rim of the World Recreation and Park District regarding the Downtown Restroom.

Manager Massey reported on the possible Boy Scout Eagle Basketball Court Project on the Downtown District Property and mentioned that he met with Scout Cole Gunnoe and his mother the week of March 1, 2010. Cole is continuing to line up donations of materials and is proceeding with the project. The District will continue to work with Cole and will keep the Board updated on this matter

Manager Massey provided the Board with a listing of key meetings attended since reporting at the February Board Meeting.

Manager Massey reported on the proposed LAFCO Alternative Formula and provided a letter from the Yucaipa Valley Water District addressed to LAFCO regarding Delivery of Ballot for the Alternative Apportionment Formula and a Proposed Revised Methodology. Discussion continued regarding equitable allocation and President Ayers directed staff to follow up with Yucaipa Valley Water District regarding their proposal. Information will be presented to the Board at the April Board Meeting.

Manager Massey closed by stating the District has received an insurance claim reimbursement check from SDRMA (Special District Risk Management Authority) in the amount of \$146,000 for water purchased from CLAWA as a result of the Slide Fire in October 2008. In addition, the District has received a rebate check from SDRMA in the amount of \$6,213.00 from their Property/Liability Longevity Distribution Policy Program and for completing a three year enrollment requirement.

Manager Massey reported on Senate Bill 9 and the Brown Act regarding reimbursement to Special Districts for preparation of Board Meeting agendas. The submittal forms will be completed by the District using a flat rate method of reimbursement. The deadline has been extended to May 20, 2010.

Manager Massey closed by stating that he will be following up with Mike Scullin, General Manager at Arrowbear Park County Water District regarding the Lift Station pump meter.

Ayers Acres
Groundwater
Development
Project

Manager Massey reported on the Ayers Acres project and stated the District is in the process of acquiring an appraisal on the 2.7 acre parcel to determine present value. The District has received three bids to value easements on the three affected lots which will be discussed as an action item later in the meeting. Discussion continued regarding appraisals for the parcels and easements and alternate access to the parcels.

Sewer System
Management
Plan

Manager Massey updated the Board regarding the Sewer System Management Plan and stated that Engineering Resources is close to completing the final version of the SSMP document including a proposed FOG (Fats, Oil and Grease) program and Ordinance that should be available for Board Committee review at the March 22, 2010 meeting.

Water and
Wastewater
Master Plan

Manager Massey reported on the Water and Wastewater Master Plan and welcomed comments from the Board regarding the draft version of the plan. In conclusion, a Finance Committee meeting was scheduled for March 22, 2010 to discuss revisions to the plan. The projected delivery date of the final plan continues to be August or September 2010.

Financial Master
Plan

Manager Massey reported on the background and current status of the Financial Master Plan and provided the Board with an overview from Bartle Wells Associates regarding their efforts and accomplishments to date for review. The next meeting with Bartle Wells Associates will be scheduled in April 2010.

Fiscal Year 2010/11
Wastewater
Department Budget

Manager Massey opened by reporting on the Wastewater Department Budget and stated the budget was reviewed by the Finance Committee on March 3, 2010. Discussion continued and specific items were addressed regarding the budget. Manager Massey mentioned the budget was developed without an increase in rates. Vice-President Kellems stated the Finance Committee was pleased with the Wastewater Department budget. The final Water, Wastewater and Fire Department budgets will be presented to the Board at the June, 2010 Board meeting for consideration and approval.

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Supervisor Eaton stated each year, pursuant to the applicable Government Code, the Board takes action to levy the Fire Suppression Availability charges in the amount of \$65 per improved lot or parcel within the District. Attorney Riddell continued by referencing the Government Code sections and discussion continued regarding requirements to change the assessment. Upon motion by Director Shouse, second by Director Bennett and unanimously carried, RESOLUTION NO. 07-10, FIXING AND LEVYING FIRE SUPPRESSION AVAILABILITY CHARGES FOR FISCAL YEAR 2010/11, was adopted. (Resolution No. 07-10 on file in the District office)

Resolution No. 07-10,
Fixing and Levying
Fire Suppression
Availability Charges
for Fiscal Year
2010/11

Supervisor Eaton reported that in accordance with the California Water Code, the District charges a water standby or availability charge on eligible undeveloped property within the District that must be adopted by Resolution each year. Upon motion by Vice-President Kellems, second by Director Terry and unanimously carried, RESOLUTION NO. 08-10, FIXING WATER STANDBY OR AVAILABILITY CHARGES FOR FISCAL YEAR 2010/11, was adopted. (Resolution No. 08-10 on file in the District office)

Resolution No. 08-10,
Fixing Water Standby
or Availability Charges
for Fiscal Year 2010/11

Supervisor Eaton stated the District charges a sewer standby or availability charge on eligible undeveloped property within the District that must be adopted by Resolution each year. Upon motion by Director Bennett, second by Director Shouse and unanimously carried, RESOLUTION NO 09-10, FIXING SEWER STANDBY OR AVAILABILITY CHARGES FOR FISCAL YEAR 2010/11, was adopted. (Resolution No. 09-10 on file in the District office)

Resolution No. 09-10,
Fixing Sewer Standby
or Availability Charges
for Fiscal Year 2010/11

Supervisor Eaton stated that due to the recent change in management, First Mountain Bank requires the District adopt new Bank Signature Cards stating limitation on the powers granted to specific titles and positions. In addition, the District has applied for a safe deposit box lease to provide a safe and confidential off site location for rotating copies of the District server backup tapes. Upon motion by Director Shouse, second by Director Bennett and unanimously carried, the Board adopted RESOLUTION NO. 10-10, PROVIDING FOR THE EXECUTION OF NEW BANK SIGNATURE CARDS FOR THE REMOVAL OF SIGNER GARY VALLADAO AND THE ADDITION OF SIGNER SAM MASSEY FOR THE PURPOSE OF ENDORSING CHECKS AND ORDERS FOR PAYMENT OF MONEY OR OTHERWISE WITHDRAW OR TRANSFER FUNDS ON DEPOSIT WITH FIRST MOUNTAIN BANK TO INCLUDE THE ADDITION OF A SAFE DEPOSIT BOX LEASE AND SIGNER TONI NICASSIO. (Resolution No. 10-10 on file in the District office)

Resolution No. 10-10,
New Bank Signature
Cards and Safe Deposit
Box Lease

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- Safety Committee Minutes December 15, 2009 Manager Massey provided the Board with the December 15, 2009 Safety Committee Minutes for their review and acceptance. Upon motion by Director Terry, second by President Ayers and unanimously carried, the Safety Committee Minutes of December 15, 2009 for Submittal to SDRMA for Reduction in Liability Insurance Premium, were approved.
- Fire Department Squad 51 Surplus Chief Grabow stated that the Squad 51 2001 F450 Ford Chassis is no longer of value to the Fire Department and they would like to surplus the equipment. Squad 51 would be sold to the highest bidder with a starting bid of \$5,000. Upon motion by Director Terry, second by Director Shouse and unanimously carried, Declaration that the Fire Department Equipment Squad 51 is Surplus and Authorization to Dispose of the Equipment with a starting bid of \$5,000, was approved.
- Rural Fire Grant Thermal Imaging Camera Chief Grabow stated San Bernardino County OES (Office of Emergency Services) has advised the Fire Department that the Homeland Security Grant they applied for in 2008 to purchase the Thermal Imaging Camera, has been approved in the amount of \$9,915.00 and requires acceptance by the Board. The grant covers a portion of the purchase amount with a difference of \$732.35 that will be taken out of the Fire Department Safety Devices account. Upon motion by Director Bennett, second by Vice-President Kellems and unanimously carried, the Fire Department Homeland Security Grant and Authorization to Purchase a Bullard Thermal Imager, was approved.
- Inland Counties Emergency Medical Agency 2009/10 Ambulance Rate Adjustment Policy Chief Grabow provided the Board with the Inland Counties Emergency Medical Agency 2009/2010 Ambulance Rate Adjustment that was approved by the San Bernardino County Board of Supervisors on February 23, 2010 and will be effective March 1, 2010. Chief Grabow asked the Board to consider approving the rate increase for the Fire Department Ambulance billing and stated the next rate increase is anticipated for July 1, 2010. Upon motion by Director Bennett, second by Director Terry and unanimously carried, the Inland Counties Emergency Medical Agency 2009/10 Ambulance Rate Adjustment Policy Effective March 1, 2010, was approved.

Manager Massey stated that when Gary Valladao resigned from the District, he also resigned his position as the District Representative for the Running Springs Chamber of Commerce Board. Kevin Somes, Chamber Board President, stated the importance in maintaining a close working relationship with the District and expressed an interest in retaining a District Employee or Board Member on the Chamber's Board. Director Bennett nominated President Ayers for the position of Chamber representative and President Ayers agreed to accept the position on a temporary basis. Upon motion by Director Bennett, second by Director Terry and unanimously carried, Appointment of President Kenneth Ayers as the District Representative for the Running Springs Chamber of Commerce Board of Directors, was approved.

Running Springs
Chamber of Commerce
District Representative

Manager Massey reported on the Soutar Development and Feasibility Study completed by Engineering Resources in 2004 for Ted Bultsma, finding it feasible for the District to supply water and sewer service to 9 lots within Tract Map No. 17302. A partnership was formed changing the ownership of the property to Running Springs Ventures, L.L.C. (RSVLLC) that included water and sewer easements on the Tract Map which were adopted by Resolution No. 03-09 at the January 8, 2009 Board Meeting. After the District accepted the water and sewer easements, San Bernardino County required RSVLLC to change the location of the storm water easement necessitating switching easement locations with the District's water and sewer easements. The change in location did not negatively impact the District's ability to serve the project with water or sewer service. The revised Tract Map has been reviewed by District staff and Engineering Resources and all water and sewer easements have been provided for the pipe line placement and future maintenance and repair needs. Upon motion by Director Shouse, second by Director Terry and unanimously carried, RESOLUTION NO. 11-10, RESOLUTION RESCINDING RESOLUTION NO. 03-09 AND ACCEPTING THE REVISED DEDICATION OF EASEMENT FOR WATER, WASTEWATER AND INCIDENTAL PURPOSES ON TRACT MAP NO. 17302, was adopted. (Resolution No. 11-10 on file in the District office)

Resolution No. 11-10,
Rescinding Resolution
No. 03-09 and Accepting
the Revised Dedication
of Easement for Water,
Wastewater and
Incidental Purposes
on Tract Map No. 17302

Manager Massey reported on the District employee monthly medical cap allowance and asked the Board to consider increasing the cap by 2.5% COLA (Cost of Living Adjustment) to be consistent with the April 1, 2010 medical premium increase of approximately 4%. Discussion continued regarding District medical benefits and issues surround the current medical plans. President Ayers directed staff to research and provide additional information for consideration and discussion at the March 22, 2010 Finance Committee Meeting. Upon motion by Director Shouse, second by Director Bennett and unanimously carried, the Health Benefit Cap Allowance Increase by COLA 2.5% on April 1, 2010 to Coincide with the Timing of the April 1, 2010 increase of District Medical Health Insurance Premiums, was approved.

Health Benefit Cap
Allowance Increase
by COLA 2.5% on
April 1, 2010 to
Coincide with the
Timing of the Increase
of District Medical
Health Insurance
Premiums

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CSDA Board of Directors Nomination No action was taken on the nomination of a District Board Member for election to the California Special Districts Association Board of Directors 2010-2013 Term.

Outfall Line Replacement Engineering Study Manager Massey reported on the Wastewater Treatment Plant Outfall Line that was installed in 1969 as a means of conveying sewage effluent to the ponds located below the plant on Forest Service property. During the week of March 1, 2010, staff discovered failures in the outfall line prompting emergency repairs to the system by Bacon/Wagner Excavating. A meeting was held on March 9, 2010 with Engineer Thomas, President Ayers, Consultant Brittain, District staff and Danny Wagner to discuss replacement of the existing siphon section of the outfall line. Engineer Thomas provided the Board with drawings regarding outfall line replacement options and discussion continued regarding the proposed project and possible issues with the Forest Service. Attorney Riddell will review emergency CEQA (California Environmental Quality Act) and NEPA (National Environmental Policy Act). Manager Massey stated an Engineering Study must be completed before proceeding with the replacement of the pipe. Upon motion by Director Terry, second by Vice-President Kellems and unanimously carried, Consideration of Engineering Resources Proceeding with an Engineering Study for the Outfall Line Replacement Project at a cost not to exceed \$18,500, was approved.

Real Estate Appraisal Service for Easement Valuation Manager Massey reported on the Ayers Acres project and stated the Board has authorized the second phase of the project which includes acquiring necessary property and easements. Three appraisers were contacted to provide bids to value easements across lots 56, 57 and Parcel 1 (2.7 acres). Manager Massey stated the low bid was received from Brandon A. Kidd, Real Estate Appraiser and Consultant in the amount of \$2,500. Upon motion by Director Bennett, second by Director Shouse and unanimously carried, the Real Estate Appraisal Service for Easement Valuation on Lots APN: 0328-291-20 and 34 and APN: 0328-081-21, by Brandon A. Kidd at a cost of \$2,500, was approved.

Engineer's Report Engineer Thomas had no additional information to report.

Attorney's Report Attorney Riddell stated since his last report in February, 2010, the state water allocation has increased from 5% to 15%. The State Contractors meeting will be held on Thursday, March 18, 2010 and Attorney Riddell will provide new information next month regarding the state water project.

Discussion continued regarding Senate Bill 2X7 – New Water Bond Legislation.

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Director Bennett reported on Public Outreach and stated the District has registered for the Earth Day Celebration at Rim of the World High School on April 24, 2010.

Public Outreach
Report

Director Shouse reported on the Governance Seminar sponsored by the Special District and Local Government Institute that he attended on March 4th and 5th, 2010 and stated the course was highly educational.

Director's Business

Discussion continued regarding changing the monthly Board meeting times from 6:00 P.M. to a time earlier in the day on an interim basis every other month beginning in May, 2010. A Resolution regarding the proposed time change will be considered at the April 21, 2010 Board Meeting and if adopted, notification will be posted on the District web site and in the required posted meeting agendas.

Board Meeting
Time Change

Manager Massey closed by reporting on the twice-yearly Ethics Training requirement for District Board and staff. District staff met the last Ethics training requirement on September 3, 2008.

Ethics Training

Supervisor Eaton announced March 2010 as the District's 52nd year anniversary.

District Anniversary

The meeting moved to closed session at 9:40 P.M. to consider the following items:

Closed Session

- A. Conference with Legal Counsel
Workers Compensation Claim
Pursuant to Government Code Section 54956.9
Workers Compensation EAMS Case No. ADJ3909542

- B. Conference with Legal Counsel
Existing Litigation
Pursuant to Subdivision (a) of Government Code Section 54956.9
Allstate Insurance Company vs. Running Springs Water District et al
Case No. CIVDS 914988

The meeting moved into open session at 10:05 P.M.

Open Session

Attorney Riddell stated there was nothing to report from closed session.

The meeting was adjourned at 10:06 P.M.

Adjournment

Respectfully submitted,

Vice- President

Secretary