

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

JUNE 17, 2009

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, June 17, 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

The following Director was absent:

Mike Terry, Director

Also present were the following:

Gary Valladao, General Manager
Sam Massey, Superintendent
Joan Eaton, Secretary/Treasurer/Office Supervisor
Tony Grabow, Deputy Fire Chief
Trevor Miller, Wastewater Treatment Division Supervisor
Isaiah Hall, Collections Division Supervisor
Randy Bobroff, Water Division Supervisor
Johnnie Tapia, Water Department, Meter Reader
Mike Riddell, Attorney, Best, Best and Krieger LLP
Brian Thomas, Engineer, Engineering Resources

Visitors Present:

Jason Ackerman, Attorney, Best, Best & Krieger LLP
Carol Miller, 31229 Outer Highway 18

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

Called to Order

Vice-President Kellems led the Assembly in the Pledge of Allegiance.

Pledge of Allegiance

Attorney Riddell introduced Jason Ackerman, Attorney,
Best, Best and Krieger.

Visitors

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Acknowledgements President Ayers introduced Johnnie Tapia, Water Department Meter Reader, who was then acknowledged by Superintendent Massey, General Manager Valladao and Supervisor Bobroff for 10 years of service with the District.

Video Presentation Attorney Riddell presented a simulation of earthquake damage to the Delta through a video and power point presentation that included proposed Delta Damage/Solutions solutions. Discussion continued regarding issues surrounding the Delta.

Board Meeting Upon motion by Vice-President Kellems, seconded by Director Bennett and Minutes carried by a 4 to 0 vote, with Director Terry absent, the minutes of May 20, May 20, 2009 2009 were approved as presented.

Special Board Upon motion by President Ayers, seconded by Director Bennett and carried Meeting Minutes by a 4 to 0 vote, with Director Terry absent, the minutes of May 30, 2009 May 30, 2009 were approved as presented.

May 2009 Upon motion by Vice-President Kellems, seconded by Director Shropshire Expenditures and carried by a 4 to 0 vote, with Director Terry absent, the expenditures through May 31, 2009 for the Water, Wastewater and Fire Department, were ratified.

OPERATIONAL Supervisor Bobroff stated that the Lower Booster station was off on REPORTS June 1, 2009 due to electrical problems and is now back in service. (Water)

Supervisor Bobroff continued his report regarding damaged fire hydrants and the status of claims with the County and outside contractors.

Supervisor Bobroff concluded by providing water consumption information and statistics.

(Treatment) Supervisor Miller opened by stating the Water Reclamation Plant Open House on May 30, 2009 was a success and thanked those who attended.

Supervisor Miller reported on operations at the Treatment Plant and specifically referenced the thickening unit and sludge removal. Discussion continued regarding the Treatment Plant road condition.

Supervisor Miller concluded by stating the K-turbo blowers are scheduled to arrive in mid August, 2009.

(Collections) Supervisor Hall stated the Collections system is functioning properly and there are no issues to report. Supervisor Hall mentioned that weed abatement has been completed at the Harris and Downtown properties and at all lift stations.

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Supervisor Hall responded to questions regarding pipe realignment and stated the videotaping of Assessment District No. 5 will be completed this fall.

Chief Grabow reported on the residential hazard abatement inspections with San Bernardino County and stated there were 778 violations which is a reduction from last year. The county notices will be mailed the week of June 22, 2009. Discussion continued regarding County code violations and inspection. (Fire)

The Smokey the Bear contest was held at Hoffman School the week of June 8, 2009 in conjunction with the San Bernardino Forest Service.

Chief Smith has extended his retirement tentatively to August 14 2009.

Supervisor Eaton acknowledged Toni Nicassio for attending the May 20, 2009 Board Meeting and taking minutes in absence of the Board secretary. (Administration)

Supervisor Eaton stated First Mountain Bank has received final approval of the ACH Debit program and they will begin preliminary training and testing of the system with the District beginning the week of June 15, 2009.

Supervisor Eaton confirmed the pro-rated adjustment payments regarding fire suppression fees for the Slide Fire customers that were mailed the week of June 1, 2009.

Superintendent Massey stated payment in the amount of \$87,509 has been received from SDRMA for reimbursement of Slide Fire expenses. Superintendent Massey further stated that a check has been received from Cal Trans in the amount of \$31,100 for the sale of District property. (Superintendent)

Superintendent Massey reported on the Consumer Confidence Reports and noted the reports were created internally by Laura Garrett, Receptionist/Secretary saving the District approximately \$2,000 in printing costs. Additional postage was eliminated by inserting the reports manually into the June monthly billings.

Superintendent Massey noted that Assessment District #9 funds will be utilized to upgrade facilities including repaving Running Springs School Road.

Superintendent Massey concluded by reporting on the Southern California Edison rebate that is estimated to be in the amount of \$44,000 for the purchase of the Treatment Plant K-turbo blowers. Discussion continued regarding the K-turbo blower project.

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- (General Manager)
LAFCO Update
- Manager Valladao updated the Board on the LAFCO Municipal Service Review and Sphere of Influence and stated LAFCO will be conducting a Department Review Committee Meeting the week of June 22, 2009 to review the Arrowbear Park County Water District and CSA 79 Municipal Service Reviews and Sphere of Influence studies. Manager Valladao will update the Board as information is received regarding the possibility of consolidation of services.
- District Public
Outreach
- Manager Valladao continued by reporting on District Public Outreach and stated that staff is preparing for Mountain Top Days on August 8, 2009 and the District continues to work with Patrick Scullin in design of a website. Director Bennett and Supervisor Eaton acknowledged Laura Garrett for her skills and expertise in creation of District publications.
- Groundwater
Development
Update
- Manager Valladao updated the Board regarding Groundwater Development and stated that staff is working with engineering, environmental and property appraisal consultants to complete the Phase 1 services. A Committee Meeting will be held prior to the July 15, 2009 Board Meeting to proceed with Phase 2 services.
- Appropriations
Limits for
Fiscal Year 2009/10
- Manager Valladao reported the California Constitution places an annual limitation upon appropriations from proceeds of taxes by each local government of the State of California. Attorney Riddell explained Proposition 13 and the Jarvis initiative that established the Appropriations Limit requirement and stated that a resolution with supporting documentation will be made available to the public by posting notice requirements by June 30, 2009.
- District Board Room
Use by Chamber of
Commerce for
Board Meetings
- Manager Valladao asked the Board to consider the use of the District board room for the Running Springs Chamber of Commerce monthly board meetings. Upon motion by President Ayers, seconded by Director Shropshire and carried by a 4 to 0 vote, with Director Terry absent, use of the District board room for the monthly Chamber of Commerce board meetings, was approved.
- Downtown
Restroom
- Manager Valladao explained that due to funding constraints, Rim of the World Recreation and Park District is not able to maintain the downtown restroom facilities any longer and the District has been asked if they would be interested in taking responsibility of the facility. President Ayers appointed himself to an Ad Hoc Committee to meet with the Park District to discuss the restroom issue further.

Manager Valladao reported that in June each year and in conjunction with consideration of the District Budget, the Board considers approval of revised fees and charges necessary to provide for the revenue requirements of the budget. All fees and charges will remain the same for Fiscal Year 2009/10 with the exception of ICEMA's updated reduced ambulance charges. Upon motion by Director Bennett, seconded by President Ayers and carried by a 4 to 0 vote, with Director Terry absent, RESOLUTION NO. 09-09, ESTABLISHING FEES AND CHARGES FOR DISTRICT SERVICES DURING FISCAL YEAR 2009/10, was adopted. (Resolution No 09-09 on file in the District office)

Resolution No. 09-09,
Establishing Fees and
Charges for District
Services During Fiscal
Year 2009/10

Manager Valladao summarized the proposed Fiscal Year 2009/10 District budget for Fire, Water and Wastewater that has been reviewed by the Finance Committee and Board. Manager Valladao mentioned that a revision had been made to the Fire Department budget that will defer the proposal to hire three Limited Term Firefighter/Paramedic positions. Manager Valladao commented that District staff have prepared a balanced proposed budget without an increase in fees and charges for the new fiscal year. Discussion continued regarding the proposed budget in the current economic situation and President Ayers expressed concern regarding the proposed COLA increase in employee salaries. Upon motion by Vice-President Kellems, seconded by Director Bennett and carried by a 4 to 0 vote, with Director Terry absent and President Ayers approving the budget with a comment that he was not in favor of providing COLA pay raises at this time, Fiscal Year 2009/10 District Budgets for Fire, Water and Wastewater, were approved as revised with the deferral of the Limited Term Firefighter Paramedic position.

Fiscal Year 2009/10
District Budget for
Fire, Water and
Wastewater

Manager Valladao reported on the proposal from the San Bernardino County Fire Department for fire protection and emergency medical services. Manager Valladao stated that in accordance with the analysis and cost comparison prepared by Chief Smith and reviewed by the Fire Service Committee, there does not appear to be a significant cost benefit to entering into a contract with the County for fire and EMS services. Manager Valladao continued by stating that staff and the Committee would prefer to retain fire and EMS services within the District. Upon motion by President Ayers, seconded by Director Bennett and carried by a 4 to 0 vote, with Director Terry absent, the proposal from the San Bernardino County Fire Department for Fire Protection and Emergency Medical Services, was declined.

San Bernardino County
Fire Department
Proposal for Fire
Protection and
Emergency Services

Customer Requests
Fee and Charge

Manager Valladao reported on customer requests for fee and charge adjustments to the April 2009 Water/Wastewater bills due to high consumption that occurred during the winter months that was attributed to damaged service lines or other plumbing fixtures on the property owner’s side of the meter. At the May Board meeting, the Board agreed to waive the residential sewer use charge for customers that requested adjustments to their April 2009 Water/Wastewater and offered payment arrangements for their past due water consumption amount. Customer Robin Mullins was previously considered at the May 20, 2009 Board meeting and was now requesting reconsideration of the matter at the June 20, 2009 Board meeting. Discussion continued regarding customer requests to waive fees and District staff stated materials would be prepared for distribution to customers regarding winterizing homes.

Upon motion by President Ayers, seconded by Director Bennett and carried by a 4 to 0 vote, with Director Terry absent, customer request for fee and charge adjustment to April 2009 Water/Wastewater bill for Vitali and Celia Kolbach, 1997 Willow Drive, to waive residential sewer use amount of \$23.29 and offer the customer payment arrangements, was approved.

Upon motion by Director Bennett, seconded by Director Shropshire and carried by a 4 to 0 vote, with Director Terry absent, customer request for fee and charge adjustment to April 2009 Water/Wastewater bill for Robin Mullins, 1739 Nob Hill Drive, to reconsider the May 20, 2009 Board Action, was denied. The Board reaffirmed their original action of waiving sewer usage and offering the customer prior payment arrangements.

Resolution
No. 10-09,
Commending Staff
for Efforts Related
to the May 30, 2009
Water Reclamation
Plant Open House

Manager Valladao stated that several District staff members provided commendable service to the District related to the May 30, 2009 Water Reclamation Plant Open House and a resolution was prepared thanking staff members for their efforts. Upon motion by Director Bennett, seconded by President Ayers and carried by a 4 to 0 vote, with Director Terry absent, RESOLUTION NO. 10-09, COMMENDING STAFF FOR EFFORTS RELATED TO THE MAY 30, 2009 WATER RECLAMATION PLANT OPEN HOUSE, was approved. (Resolution No. 10-09 on file in the District)

Safety Committee
Minutes of
March 3, 2009

Manager Valladao presented the Safety Committee Minutes of March 3, 2009 for review and consideration. The approved minutes will be submitted to the Special District Risk Management Authority for reduction in the District liability insurance premium. Superintendent Massey stated that the District has received the full 15% reduction in premium for the 2008/09 Fiscal Year. Upon motion by Vice-President Kellems, seconded by Director Bennett and carried by a 4 to 0 vote, with Director Terry absent, the Safety Committee Minutes of March 3, 2009, for submittal to SDRMA for reduction in liability insurance premium, were adopted.

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Engineer Thomas will be meeting with District staff the week of June 22, 2009 to discuss the Ayers Acres Water Development project.

Engineer's Report

Engineer Thomas stated the Master Plan is progressing with review of preliminary studies at recent meetings between District staff and Engineering Resources.

Engineer Thomas concluded by stating that the (SSMP) Sewer System Management Plan is progressing and on schedule. There is a November 2009 deadline for Board adoption of a portion of the SSMP document.

Attorney Riddell opened by reporting on the recent tax shift. The Senate and Assembly recently held Budget Committee meetings to consider suspending Proposition 1A. Attorney Riddell mentioned the proposal was voted down by 10 to 0.

Attorney's Report

Attorney Riddell stated that with respect to possible consolidation, LAFCO has the power to extend the District's fire availability charge into the new area, creating additional revenue for the District.

Attorney Riddell continued by stating that the customer water loss issues discussed earlier in the meeting forces the District to purchase additional water from CLAWA, thus driving up the cost of purchased water.

In closing, Attorney Riddell acknowledged staff and the District for a great job conducting the Water Reclamation Plant Open House.

The meeting was adjourned at 8:44 P.M.

Adjournment

Respectfully Submitted,

President

Secretary