

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
AUGUST 18, 2010

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, August 18, 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:

Ken Ayers, President
Kevin Kellems, Vice-President
Mike Terry, Director
Paul Shouse, Director

The following Director was absent:

Pamella Bennett, Director

Also present were the following:

Sam Massey, 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
Brian Thomas, Engineer, Engineering Resources
Mike Riddell, Attorney, Best, Best & Krieger, LLP

No Visitors were present:

The meeting was called to order at 6:00 P.M by President Ayers.	Called to Order
Director Shouse led the Assembly in the Pledge of Allegiance.	Pledge of Allegiance
Upon motion by Vice-President Kellems, second by Director Shouse and carried by a 4 to 0 vote, with Director Bennett absent the Regular Board Meeting Minutes of July 21, 2010, were approved.	Regular Board Meeting Minutes July 21, 2010
Upon motion by Director Terry, second by President Ayers and carried by a 4 to 0 vote, with Director Bennett absent, the expenditures of July 31, 2010, were approved.	July 2010 Expenditures
Supervisor Bobroff opened by stating the Sidewinder Center Station Booster motor had an electrical failure caused by wiring in the motor assembly that has now been repaired.	OPERATIONAL REPORTS (Water)

Supervisor Bobroff stated the District purchased 122 gallons of water a minute from CLAWA (Crestline Lake Arrowhead Water Agency) and 97 gallons a minutes from Arrowbear Park County Water District during the month of July. Supervisor Bobroff stated that in comparison, the District purchased 80 gallons a minute more last year from CLAWA and has purchased more water this year than last year from Arrowbear. Supervisor Bobroff closed by reporting on unaccountable water and stated last month was high at 12.33%.

(Treatment) Supervisor Miller stated the Sewer Plant ponds are functioning properly.

Supervisor Miller reported on the Kubota Membrane Bio-Reactor Plates and stated 250 of the 650 plates have arrived. The reactor will be down beginning September 6, 2010 and is projected to be back on line by September 13, 2010.

(Collections) Supervisor Hall reported on the Lift Station No. 2 sewer plug that was accidentally dropped down the interceptor and retrieved without incident. Manager Massey noted that special equipment was purchased to prevent further sewer plug incidents.

Supervisor Hall updated the Board regarding completion of the Lift Station No. 7 restoration project in Enchanted Forest.

(Fire) Chief Grabow reported on the mountain CERT (Community Emergency Response Team) training program and stated the next class will be held in October, 2010 with 11 members. The Lake Arrowhead CERT program has approximately 86 members with 120 citizens on the waiting list.

Chief Grabow then reported on the Hazard Abatement Program and stated the Department mailed 1166 first notices to the community in June and July, 2010. The Department expects to send out 263 second notices that calculate to a 94% compliance rate in Running Springs. Chief Grabow contributes the success of the program to education. Discussion continued regarding the Hazard Abatement Grant Program that offers assistance to low-income homeowners, through the use of grant funds, for hazard removal.

Chief Grabow closed by explaining the Zeroscaped demonstration that promotes zero landscaping for structure protection.

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Supervisor Eaton stated a total of 171 District customers are now enrolled in the ACH Debit program to pay monthly water/sewer bills. (Administration)

Supervisor Eaton provided information regarding the Mountain Top Day event held on August 7, 2010 and paid special thanks to Administration staff Laura Garrett and Toni Nicassio for their participation and customer service during the event and to Water Department staff for organizing and assisting with the transportation and setup of the presentation booth. District representatives distributed approximately 86 packets of informational materials to the community and samples of the materials were provided to the Board for their review.

The 2009/2010 Audit requires a meeting with the Finance Committee and Supervisor Eaton will be scheduling the date.

Supervisor Eaton stated the District received a reimbursement check from PASIS (Public Agency Self Insured System) in the amount of \$249,821.00 for the refund of our Workers' Compensation fund.

Manager Massey opened by stating the Employee Critical Worker Passes have been received. (General Manager)

The District received notification from CSDA (California Special Districts Association) that Kathy Tiegs won the recent election for Board Director, Region 5 and will represent our District. Manager Massey stated the Proposed Bylaw Amendments that were approved by our Directors at the July 21, 2010 Board Meeting, were also approved by the majority of Special Districts.

Manager Massey noted the District received a thank you card from the Running Springs Chamber of Commerce for allowing the use of the Downtown property for the Mountain Top Day event.

Manager Massey stated he spoke with Manuel Benitez, Deputy Director with San Bernardino County Special Districts regarding the Wastewater Treatment Plant Expansion Project. Manager Massey will provide documentation to Mr. Benitez regarding the project.

The Board of Directors acknowledged Trevor Miller, Wastewater Treatment Division Supervisor for 13 years of service and Isaiah Hall, Collections Division Supervisor for 9 years of service with the District.

Manager Massey reported on the Ayers Acres Groundwater Development Project and stated Engineering Resources and District staff are working on the easement issues regarding this project. Ayers Acres Groundwater Development Project

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- Outfall Line Repair Project Supervisor Miller updated the Board regarding the Outfall Line Repair Project and stated staff have completed the project description and forwarded it to Tom Dodson and Associates who is currently preparing the CEQA document. When the document is complete, it will be forwarded to the State Clearing House for public review. After circulation of the document, the permit applications can be submitted.
- Arrowbear Lift Station Meter Supervisor Miller updated the Board regarding the Arrowbear Lift Station flow meter discrepancies as discussed in the July 21, 2010 Board Meeting and stated the District will continue to assess the Arrowbear Lift Station flows and test the integrity of the meter.
- Eagle Scout Basketball Court Project Manager Massey then commented on the Eagle Scout Basketball Court Project and stated a draft Lease Agreement and MOU (Memorandum of Understanding) between RSWD and the Park District to utilize the District's Downtown property has been received and reviewed by our Legal Counsel. The final document will be provided to the Board during the Special Board Meeting on August 26, 2010.
- Fats, Oil and Grease Control Program Manager Massey reported on the Fats, Oil and Grease (FOG) Control Program to help monitor and control sewer system overflows. Manager Massey met with Supervisor Hall and Engineer Thomas on July 27, 2010 to discuss timelines, best management practices (BMP's), food grinder and grease trap requirements, wall posters and other requirements of the program. A follow up meeting was held on August 4, 2010 with Director Pamela Bennett, Public Relations Coordinator to discuss the implementation of the program. Discussion continued regarding the upstream users responsibility with the FOG program. Manager Massey presented the following timeline to the Board.
- Have guidebook and wall posters translated to Spanish by September, 2010.
 - Send letter to food establishments in October, 2010 announcing meeting date.
 - Hold public meeting on November 2, 2010 to discuss FOG Control Program with food establishment owners and managers.
 - Initiate FOG Control Program January 1, 2011.
- Running Springs Road Paving Project Authorization to Obtain Bids Manager Massey reported on the Running Springs School Road Paving Project and stated Engineer Thomas has developed plans and specifications identifying appropriate measures to mitigate the surfacing groundwater on Running Springs School Road. Estimated construction costs and bid estimates presented by Engineering Resources were provided to the Board for review. Manager Massey stated Engineering Resources and District staff will meet with contractors on August 25, 2010 to perform a job walk and answer questions. Bid openings will be conducted on September 8, 2010 and the lowest bid will be brought to the September 15, 2010 Board Meeting to award the contract.

The projected start date of the paving project will be on or around October 4, 2010. Upon motion by Director Shouse, second by Vice-President Kellems, and carried by a 4 to 0 vote, with Director Bennett absent, the Running Springs School Road Paving Project, Authorization to Obtain Bids for Paving, was approved.

Supervisor Eaton stated the Board approved and secured membership in the SDRMA (Special District Risk Management Authority) Workers' Compensation Insurance Program at the January 20, 2010 Board Meeting. The District will continue to retain financial responsibility for open claims (benefits and claims expense) received with a date loss prior to July 1, 2010. The District will contract with York Insurance Group, Inc. to administer the outstanding pending claims on behalf of the Running Springs Water District. Supervisor Eaton stated a \$10,000.00 deposit was provided to York Insurance to establish a trust account for claim payments. A Workers' Compensation Self-Insurance Service Agreement is required between York Insurance Services Group, Inc. and RSWD to finalize the arrangement. After further review of the agreement and discussion with Legal Counsel it was determined there were concerns with the agreement in Section 8.e., regarding liability issues and Section 8.f., regarding filing disputes. The motion was tabled to the next Board Meeting and the agreement will be returned to York Insurance for consideration of revisions.

Workers' Compensation
Self-Insurance
Service Agreement

Chief Grabow stated the Running Springs Fire Department has been awarded a matching fund grant in the amount of \$8,263.00 for the purchase of ten sets of turnouts. Chief Grabow stated the Department put \$8,500.00 in the 2010/11 Fiscal Year Budget for a turnout replacement program that would take three years to complete. With the matching fund grant, the Department will accelerate the program to two years and save \$8,263.00. A resolution is required by the California Department of Forestry and Fire Protection for funding the Cooperative Forestry Assistance Act of 1978 Volunteer Fire Assistance Program Agreement #7FG10083. Upon motion by Vice-President Kellems, second by President Ayers and carried by a 4 to 0 vote, with Director Bennett absent, RESOLUTION NO. 19-10, APPROVING THE DEPARTMENT OF FORESTRY AND FIRE PROTECTION AGREEMENT #7FG10083, was adopted. (Resolution No. 19-10 on file in the District office)

Resolution No. 19-10
Approving the
Department of Forestry
and Fire Protection
Agreement #7FG10083

Manager Massey stated the Slide Fire destroyed the irrigation systems at the Nob Hill Tank Site and at the Wastewater Treatment Plant. The replacement of these irrigation systems are the final repairs needed to fully restore the District from the devastating effects of the fire. Engineer Thomas has assembled plans and specifications and a cost estimate of \$52,475.00 for the projects which were provided to the Board for their review. Upon motion by Director Shouse, second by Director Terry and carried by a 4 to 0 vote, with Director Bennett absent, Authorizing Staff to Proceed with Obtaining Informal Construction Bids for the Nob Hill Tank and Wastewater Treatment Plant Irrigation Systems Projects, was approved.

Nob Hill Tank
Wastewater Treatment
Systems, Authorization
to Obtain Bids

Transfer Fiscal Year 2009/10 Collection Division Vehicle Funds to Fiscal Year 2010/11 Water Department Funds For Vehicle Purchase

Supervisors Hall opened by stating that at the February 17, 2010 Board Meeting, the Board approved adding an additional \$5,000 from the Leachate Fund to the \$15,000 allocated in the Fiscal Year 2009/2010 budget for the purchase of a Collection Division utility vehicle. The action was approved in lieu of refurbishing the surplus Fire Department vehicle. Supervisor Hall continued stating a diligent search was made for an appropriate utility vehicle during the fiscal year, however a suitable vehicle was not located. In collaboration, Supervisors' Hall and Bobroff have developed a plan to transfer the Water Department vehicle Unit No. 75 to the Collections Department to be utilized as the new utility/tow/snow plow vehicle to be shared with the Water Department. Supervisor Hall also proposed a transfer of \$20,000 from the 2009/2010 Fiscal Year Collection Division Transportation Equipment Account to the Fiscal Year 2010/2011 Transportation Equipment Account for the purchase of an additional new Water Department Service Vehicle. Supervisor Hall asked that the Board consider allowing the Collections Department to use \$12,381.65 that is surplus in the Capital Special Purpose Equipment Account to purchase a snow plow and tool box for Unit No. 75 and to outfit the new Water Department service vehicle. This action would eliminate the need for the Water Department to purchase another service vehicle in Fiscal Year 2011/2012. Upon motion by Director Terry, second by Director Shouse and carried by a 4 to 0 vote with Director Bennett absent, the transfer of \$20,000 from the Fiscal Year 2009/10 Wastewater Department Budget to the 2010/11 Water Department Budget for the purchase of a new service vehicle and the expenditure of up to \$12,381 to outfit the new vehicle and Unit No. 75, was approved.

Authorization to Declare Collections Vehicle No.55 Surplus Property And Sell Vehicle

Supervisor Hall confirmed that the Collections Division Utility Vehicle No. 55 with 116,264 miles has reached the end of its useful life with the District. Staff requests that the Board declare Vehicle No. 55 surplus and authorize staff to sell the vehicle with a minimum bid of \$3,000, utilizing a sealed bid process. Upon motion by Vice-President Kellems, second by Director Terry and carried by a 4 to 0 vote, with Director Bennett absent, declaration that the Collections Division Utility Vehicle No. 55 is surplus and authorization to sell the vehicle with a minimum bid price of \$3,000, was approved.

Authorization to Declare Collections Division Sewer Jetter Surplus Property and Authorization to Sell Equipment

Supervisor Hall confirmed that the Collections Division Sewer Jetter has reached the end of its useful life with the District. Staff requests that the Board declare the equipment surplus and authorize staff to sell the equipment using the sealed bid process. Upon motion by Director Shouse, second by Director Terry and carried by a 4 to 0 vote, with Director Bennett absent, declaration that the Collections Division Sewer Jetter is surplus and authorization to sell the Jetter in Cleaner Magazine's classified section with an asking price of \$3,000 and not to accept less than \$2,000 was approved.

Manager Massey stated the Special District Risk Management Authority (SDRMA) administers the District's Property and Liability and Workers' Compensation Insurance Programs. SDRMA has notified the District of a vacant Director's seat on SDRMA's Board of Directors effective September 30, 2010 for the remaining unexpired term of 14 months. The vacant seat will be filled by Board appointment based on an application and interview process. SDRMA has asked member agencies for nominations of a Board member or full-time management employee to fulfill the duties. The successful candidate would attend one SDRMA Board meeting per month in Sacramento. After brief discussion, there were no nominations for the SDRMA Director vacancy.

Special District Risk
Management Authority
Director Vacancy

Manager Massey reported that customer Bong Yun Kim lost his home to a structure fire on November 22, 2007 and has rebuilt. Mr. Kim has requested that the District allow him to make payment arrangements on \$1,299.08 for the cost to install his fire service meter that was required by the Fire Department. Discussion continued regarding the property and customer request. Upon motion by Vice-President Kellems, second by Director Terry and carried by a 3 to 1 vote, with Director Bennett absent and Director Shouse voting nay, the customer request to make 12 monthly installment payments on a fire meter installation bill of \$1,299.08, was approved.

Customer Request
to Make Monthly
Installment Payments
on Fire Meter
Installation Bill

Supervisor Eaton reported on Resolution No. 12-08, Running Springs Water District Medical Reimbursement plan for District employees that was adopted by the Board of Directors at the May 21, 2008 Board Meeting. The District was recently notified by John Wahlin, Legal Counsel with Best, Best & Krieger, that effective July 1, 2011, "over the counter" medicines will no longer be covered under the District plan. A copy of the Medical Reimbursement Plan Summary and Amendment No. 1 was provided to the Board for their review. Supervisor Eaton stated Amendment No. 1 requires execution by the Running Springs Water District. Discussion continued regarding the District Medical Reimbursement Plan for District employees. Upon motion by President Ayers, second by Vice-President Kellems and carried by a 4 to 0 vote, with Director Bennett absent, the District Medical Reimbursement Plan Amendment No. 1, was approved.

Medical
Reimbursement Plan
Amendment No. 1

Engineer Thomas updated the Board regarding the development of hydroelectric generation and the study being conducted by the University of Connecticut that was expected to take six to nine months to complete. The study was completed sooner than expected and Engineer Thomas will review the report and return information to the Board to determine feasibility for the District.

Engineer's Report

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Attorney's Report Attorney Riddell stated a representative from Chabad has contacted Best, Best & Krieger regarding Assessment District No. 10 foreclosures. Attorney Riddell will follow up with the representative regarding Assessment District No. 10.

Attorney Riddell mentioned the issues in the Delta are the same and said the State Water Resources Control Board presented a non-binding recommendation that flows are increased through the Delta in order to protect the endangered fish.

Closed Session The meeting moved into closed session at 7:42 P.M.

Open Session The meeting reconvened at 7:50 P.M.

In respect to the items of closed session regarding Conference with Legal Counsel, Legal Counsel stated there was nothing to report from closed session.

President Ayers discussed the need for a Special Meeting to address some issues:

- 1) Easement acquisition efforts for Ayers Acres
- 2) Back lot meter relocation project
- 3) Other pending issues
- 4) Telephone system replacement
- 5) Nob Hill hydro pneumatic tank installation
- 6) Overflow tank at Lift Station No. 1

President Ayers asked Board Members to think about whether there are other issues they would like to have discussed.

Adjournment The meeting was adjourned at 8:05 P.M.

Respectfully Submitted,

President

Secretary