

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

AUGUST 19, 2009

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, August 19, 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, Fire Chief
Trevor Miller, Wastewater Treatment Division Supervisor
Isaiah Hall, Collections Division Supervisor
Randy Bobroff, Water Division Supervisor
Mike Riddell, Attorney, Best, Best and Krieger LLP
Brian Thomas, Engineer, Engineering Resources

Visitors Present:

Gerhard Hilgenfeldt, 31679 Luring Pines
Karl Berger, 32145 Fern Drive
Joan Moseley, Reporter Mountain News

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

Called to Order

Joan Moseley led the Assembly in the Pledge of Allegiance.

Pledge of Allegiance

The visitors introduced themselves and had no comments at this time.

Visitors

Steve Howard, Collection Department Operator was acknowledged by Superintendent Massey and Supervisor Hall for outstanding performance and 10 years of service with the District.

Acknowledgements

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Visitor Joan Moseley acknowledged President Ayers for his June 19, 2009 retirement from law enforcement and stated that he had served a total of 28 years on the Running Springs Water District Board with 8 years as President.

Regular Board Meeting Minutes July 15, 2009

Upon motion by Vice-President Kellems, seconded by Director Bennett and carried by a 4 to 0 vote, with Director Terry absent, the minutes of July 15, 2009 were approved.

July 2009 Expenditures

Supervisor Eaton provided the Board with a Month to Date Expense Summary report and stated the Revenues over Expenditures and Asset report will be reformatted this fiscal year to be consistent with the District budget. Upon motion by Vice-President Kellems, seconded by Director Bennett and carried by a 4 to 0 vote, with Director Terry absent, the expenditures through July 30, 2009 for the Water, Wastewater and Fire Department, were approved.

OPERATIONAL REPORTS (Water)

Supervisor Bobroff reported on continuing failures at the Sidewinder Canyon Lower Booster station. Tesco is attempting to resolve this issue while the equipment is under warranty through June 2010.

The Water Department staff is addressing service line leaks immediately to avoid water loss.

Supervisor Bobroff stated the Water Department is at full staff.

(Treatment)

Supervisor Miller reported on the K-Turbo Blowers that are projected to be installed in September, 2009.

Supervisor Miller provided an update on equipment operations and stated the Treatment plant is functioning well.

(Collections)

Supervisor Hall reported on the Collections system status and stated the facilities and system are functioning properly. Collections is preparing for future line cleaning processes.

(Fire)

Chief Grabow opened by updating the Board on the Hazard Abatement Demonstration held on July 25, 2009 at the Calvary Chapel.

The Fire Department provided the public an opportunity to view Ambulance 51 at Mountain Top Days on August 8, 2009.

(Administration)

Supervisor Eaton stated the ACH Debit feature customer notification has been postponed until September, 2009. The revised projected date for initiation of the program will be November, 2009.

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The nomination period for the November 2009 Election was extended to Wednesday August 12, 2009. Three candidates filed documents at the District office and two with the Registrar of Voters office for a total of five candidates for the three Board Director seats.

Supervisor Eaton noted the Municipal Finance Corporation Vehicle loan for the Fire, Water and Wastewater Departments in the amount of \$263,000 from June 28, 2006 was paid in full on August 3, 2009.

Supervisor Eaton and Laura Garrett provided District representation at Mountain Top Days on August 8, 2009. The event proved successful with approximately 43 complete packets of informational materials distributed to the community.

Supervisor Eaton concluded by stating the 2008/09 Audit is in progress and the Audited Financial Statements and presentation by RAMS will be scheduled in the October Board Meeting.

Superintendent Massey stated the District has received payment from Enernoc (Energy Demand Response Program) in the amount of \$1,475.

(Superintendent)

Superintendent Massey reported that the ninth Slide Fire claim that has been submitted to SDRMA (Special District Risk Management Authority) for review and consideration in the amount of \$408,004. The claim includes reimbursement for purchased water.

Superintendent Massey continued by reporting on the K-Turbo Blowers and stated the District has received approval from Edison regarding the program. After completion of the project, documentation will be required for submittal to Edison who will then process payment in the amount of approximately \$50,000 to the District.

Superintendent Massey closed by reporting on District generator maintenance, and stating generators will be refurbished at Lift Station No. 1 and No. 2, the Wastewater Treatment Plant and the District office.

Manager Valladao provided a listing of activities, endeavors and meetings he attended since the July, 2009 Board Meeting.

(General Manager)

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Board of Directors Election and Advisory Measure on the Ballot	Manager Valladao reported on the District Board of Directors Election that will be held on November 3, 2009. An Advisory Measure, which the Board approved by Resolution No. 12-09 at the July 15, 2009 Board Meeting, will be included on the ballot and consists of the ballot question “Shall the mail ballot be used to conduct all future general district elections?”. Should the voters affirm the mail ballot election, the District can conduct the mail ballot election beginning with the 2011 general District election.
Proposition 1 A Suspension Impact on District Property Tax Revenue	Manager Valladao reported on the Proposition 1 A suspension impact on District property tax revenue and provided documentation from the California Special Districts Association that summarizes information regarding this issue. Information will be available in the near future and the District will continue to monitor this matter.
Ayers Acres Groundwater Development Project	Manager Valladao updated the Board regarding the Ayers Acres Groundwater Development project and provided a tentative schedule for completing the project. Manager Valladao reported on project alternatives 3 and 4 and stated additional information regarding the acquisition of property and easements, necessary for proceeding with the project, will be considered in closed session. A tour of the property will be scheduled for the Board of Directors in early September, 2009.
Lightfoot Way Sewer Main Replacement Project	Manager Valladao continued by reporting on the Lightfoot Way Sewer Main Replacement Project that consists of replacing approximately 295 feet of 8 inch sewer main on Lightfoot Way which has sagged, resulting in a section of pipe that is constantly filled with sewage. The District plans to award the construction contract at the September 16, 2009 Board Meeting with a projected start date of September 28, 2009.
Water and Sewer Standby Charge Review	Manager Valladao reported on the Water and Sewer Standby Charge review and protest by Mr. Frank Finn regarding undeveloped parcels in the Rimwood Ranch area of Running Springs. District staff has been researching this matter with the County and a meeting has been scheduled with Mr. Finn for August 17, 2009. District staff will discuss this matter further with the Board at the September 16, 2009 Board Meeting.
LAFCO Municipal Service Review and Sphere of Influence Update	Manager Valladao provided information regarding discussion from the LAFCO Municipal Service Review and Sphere of Influence meeting on July 23, 2009 for Arrowbear Park County Water and CSA 79. Manager Valladao stated there is no need for Board action at this time and the District will keep the Board apprised of the developing situation.

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Manager Valladao updated the Board regarding Public Outreach and stated the District continues to work on the District Website and Newsletter.

Public Outreach
Program

Manager Valladao reported that the Park District is still considering giving up operation of the Downtown Restroom facility due to funding restraints. The Running Springs Chamber of Commerce maintains the facility and continues to try to obtain a funding source for maintenance and cleaning, focusing on obtaining donations from downtown merchants. The District has met with representatives of the Park District and Chamber to discuss this matter and any possible District involvement. A meeting for all participants is scheduled for August 25, 2009 and Manager Valladao and President Ayers will report back to the Board following the meeting.

Downtown Restroom

The Local Agency Investment Fund Remittance Advice for quarter ending June 30, 2009 was presented to the Board for review. The interest rate was 1.51% and the quarterly interest earned was \$8,996.15.

LAIF Remittance
Advice

Superintendent Massey reported on the proposed Running Springs School Road Paving Project regarding Assessment District #9 in Rimwood Ranch and noted Resolution No. 16-07, Declaring Construction Funds and Redemption Funds as Surplus, Ordering the Disposition of Surplus Amount for Assessment District No. 9 and Approving the Assessment District Closeout Analysis and Findings Report, adopted at the November 16, 2007 Board Meeting. Discussion continued regarding issues surrounding the repaving project and a memorandum from Engineering Resources was provided that outlined design, inspection and construction costs at a total projected cost of \$64,749. A discussion ensued regarding groundwater in the area that undermines the roadway, and the need to address this problem through additional engineering analysis. Upon motion by Director Bennett, seconded by President Ayers and carried by a 4 to 0 vote, with Director Terry absent, the Engineering Services Authorization to Obtain Bids for Paving Running Springs School Road, assuming the Engineering analysis provided information that would make it a worthy project, was approved.

Running Springs
School Road
Paving Project

Manager Valladao stated the District Fiscal Year 2009/10 Strategic Plan identifies developing a long range Financial Master Plan as a strategic goal. Due to the importance and comprehensive nature of the Financial Master Plan, staff requests that the Board appoint an Ad Hoc Financial Master Plan Committee to assist staff in the various tasks associated with the Master Plan. In lieu of a motion, President Ayers assigned Vice-President Kellems and Director Bennett to the Ad Hoc Financial Master Plan Committee.

Financial Master
Plan Committee

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- CSDA Board of Directors 2009 Election Manager Valladao stated the District has received documentation regarding the California Special District Association (CSDA) 2009 Board of Directors election and the District has an opportunity to vote for one Director to represent our District. Information regarding the election, including the ballot and statements prepared by candidates were provided to the Board for review. Upon motion by President Ayers, seconded by Director Bennett and carried by a 4 to 0 vote, with Director Terry absent, Jack Curtis, Ojai Valley Sanitary District was moved for CSDA Board of Directors Election 2009. The completed ballot will be mailed to CSDA prior to the September 16, 2009 deadline.
- Resolution No. 15-09 Commending Fire Chief Bill Smith Manager Valladao stated Bill Smith retired on August 14, 2009 after serving as the Running Springs Fire Department Chief for over 10 years. A retirement celebration will be held on September 15, 2009 at Don Pepe’s restaurant and a resolution was prepared for Chief Smith. Upon motion by President Ayers, seconded by Vice-President Kellems, and carried by a 4 to 0 vote, with Director Terry absent, RESOLUTION NO. 15-09, COMMENDING FIRE CHIEF BILL SMITH FOR OUTSTANDING DISTRICT SERVICE, was adopted. (Resolution No. 15-09 on file in the District office)
- Safety Committee Minutes of August 19, 2009 Manager Valladao presented the Safety Committee minutes from the August 19, 2009 Safety Committee meeting 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. Upon motion by Director Bennett, seconded by Director Shropshire and carried by a 4 to 0 vote, with Director Terry absent, the Safety Committee Minutes of August 19, 2009, for Submittal to SDRMA for Reduction in Liability Insurance Premium, were approved.
- Engineer’s Report Engineer Thomas stated the Ayers Acres Development Project survey is projected to be complete by August 28, 2009 and a preliminary analysis is projected to be complete by September 2, 2009.
- Attorney’s Report Attorney Riddell reported on issues in the Delta and potential solutions to the issues that include possible repairs to existing levees, a peripheral canal and dual or alternative facility approach. Attorney Riddell closed by stating that environmental studies are being conducted to determine the benefits and risks involved.

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The meeting moved into closed session at 8:03 P.M. to consider four items: Closed Session

Conference with Legal Counsel Pursuant to Subdivision (c) of Section 54956.9: Three cases

Conference with Legal Counsel pursuant to Subdivision (b) of Section 54956.9 Claim submitted by Allstate Insurance Company for Water Damage to Insured Property.

Conference with Real Property Negotiator pursuant to Subparagraph (b) of Section 54956.8 for property identified as APN 0328-291-27.

Conference with Real Property Negotiator pursuant to Subparagraph (b) of Section 54956.8 for property identified as APN 0328-081-39

The meeting moved into open session at 9:20 P.M. Open Session

With respect to the items of closed session, Attorney Riddell stated there was nothing to report.

The meeting was adjourned at 9:20 P.M. Adjournment

Respectfully submitted,

President

Secretary