

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
AUGUST 29, 2012

The Special Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, August 29, 2012, at the hour of 10:00 A.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
Pamella Bennett, Director
Everett "Ed" Brittain, Director

Director Paul Shouse was absent

Also present were the following:

Ryan Gross, General Manager
Joan Eaton, Secretary/Treasurer/Administration Supervisor
Isaiah Hall, Collections Division Supervisor
Trevor Miller, Wastewater Treatment Division Supervisor
Tony Grabow, Fire Chief
George Corley, Battalion Chief

Visitors present were:

Kathleen Rollings-McDonald, Executive Officer, Local Agency Formation Commission
Ron Pearne, Chairman of the Consolidation Committee, Green Valley Lake, CSA 79
E. L. Ferguson, Green Valley Lake Resident
Tom Preston, Rim of the World Historical Society

The meeting was called to order at 10:00 A.M. by President Ayers who also led the Assembly in the Pledge of Allegiance.

Called to Order
Pledge of Allegiance

The visitors introduced themselves for the record.

Visitors

Mr. Preston stated that he was on the Board of the Rim of the World Historical Society representing Running Springs. Mr. Preston presented the Board with a binder containing archived Hilltop Messenger Newspapers and explained that he will be copying each book to a CD for historical retention. Mr. Preston requested that the District consider allowing utilization of the District copy machine to scan and email the copies to an outside source. The timeframe to copy one book of archives is expected to be two (2) hours. Manager Gross and Supervisor Eaton expressed a sincere desire to assist Mr. Preston but recognized the negative impact of using District equipment during business hours. Manager Gross will contact District legal counsel to discuss the request and the concern of gifts of public funds. The Board thanked Mr. Preston for his request and District staff will advise him of the decision.

Resolution
No. 17-12, Finding
Certain Properties
In the District
Constitute a Public
Nuisance and
Ordering
Notification to
Property Owners
Setting a Public
Hearing

Manager Gross opened by reporting on Ordinance No. 36, 37 and 38 that establish procedures and fees for providing notice to abate weeds and fire hazard waste upon real property and stated that Resolution No. 17-12 was the next step in the program. Running Springs Fire Department staff has inspected the properties that were listed in Exhibit A of Resolution 17-12 and found that two hundred eighty-two (282) properties interfere with the prevention or suppression of fire upon the property and constitute a public nuisance. The proposed resolution would (1) declare that the properties listed in Exhibit A constitute a public nuisance; (2) direct the Fire Inspector or his authorized representative to provide notice to the owners of the properties of a public hearing to be conducted at the Regular Board Meeting of September 19, 2012 at 9:00 a.m., and; (3) that the Board of Directors shall hear and consider all objections or protests to the proposed removal of weeds and/or waste.

Chief Grabow stated the proposed resolution will allow the Fire Department to send out forty-five (45) day notices and impose a fee for the hearing. Chief Grabow said the goal is compliance and if properties are still non-compliant after the hearing, a warrant will be served to abate the property by a contractor if property owners do not comply and abate the property themselves. President Ayers reiterated that the primary focus of the program is compliance and discussion continued regarding the issue of bank owned properties with Chief Grabow stating that a new law was passed requiring compliance of bank owned properties. Upon motion by Director Brittain, second by Director Terry and carried by a 4 to 0 vote, with Director Shouse absent, **RESOLUTION NO. 17-12, FINDING THAT CERTAIN PROPERTIES LOCATED IN THE DISTRICT CONSTITUTE A PUBLIC NUISANCE AND ORDERING NOTIFICATION TO PROPERTY OWNERS AND SETTING A PUBLIC HEARING**, was adopted. (Resolution No. 17-12 on file in the District office)

Recommendation
for Consolidation

Manager Gross stated District staff are seeking direction on the potential annexation of CSA 79 sewer and County Fire Service into the Running Springs Water District (RSWD) service area and he provided the Board with background information and a chronology of events. In summary, several meetings have been held with the Local Agency Formation Commission (LAFCO), Arrowbear Park County Water District (Arrowbear) Board Members and staff, Neil Derry's Field Representative, Dave Prusch and Ron Pearne, County Service Area (CSA 79) Advisory Commission and Phil Waller, Rogers, Anderson, Malody and Scott. Arrowbear Park County Water District has indicated they were not ready for consolidation, however, they did express an interest in submitting a Request for Proposal (RFP) to contract for fire service with the Running Springs Fire Department (RSFD). It was subsequently decided by the LAFCO Committee to concentrate consolidation talks with CSA 79 and County Fire exclusively.

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Several meetings have been held to date regarding consolidation issues with CSA 79 and on May 3, 2012, Supervisor Hall and Miller traveled to the Victorville Special District office to copy numerous documents and videos pertaining to the CSA 79 sewer system to ascertain the relative condition of the sewer system. A committee meeting was held on June 11, 2012 where Supervisor Hall informed the committee that approximately 25% of the sewer system video footage reviewed to date indicated that the system was in need of repair or replacement. Costs to make system repairs could possibly exceed \$10 million dollars over several years.

As of August 2012, approximately two (2) miles or 6% of the CSA 79 sewer pipeline inspection video had been reviewed in eight (8) of the fourteen (14) systems by RSWD staff indicating that the majority of the system was in need of repair or replacement. Based on the preliminary review, Manager Gross stated that it is the District staff's opinion that the system may require significant repair and/or replacement to meet the RSWD standards and reduce inflow and infiltration (I&I) to an acceptable level. Without a current comprehensive video inspection and cleaning, it would be difficult to accurately estimate the cost of the necessary improvements to bring the system closer to RSWD standards and based on the information available, it could be more than five (5) years and greater than \$10 million dollars. This would likely require the formation of an assessment district and issuance of improvement bonds to the residents of the Green Valley Lake and Snow Valley service areas.

The committee's conclusion was that the expansion of the Running Springs Fire Department Fire Service area to include Green Valley Lake would be the most beneficial to both Districts and appears feasible at this time. Annexation of CSA 79 Sanitation service area into RSWD service area would be considered in the future if and when the system is improved to the point of financial viability for both districts. Discussion continued regarding potential annexation with CSA 79 and President Ayers stated his concern is that the District has spent several thousand dollars in Administration costs to date and there are no avenues for recovery of the funds.

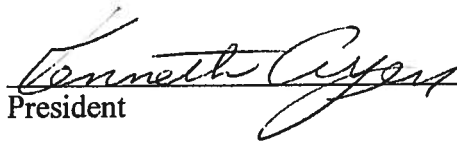
In closing, the Board and staff discussed the upstream users contract that will renew in 2017 and negotiations regarding the agreement that should begin as soon as possible. The Board of Directors then tabled the consolidation issue and directed District staff to move forward by committee with contract negotiations with CSA 79 and Arrowbear.

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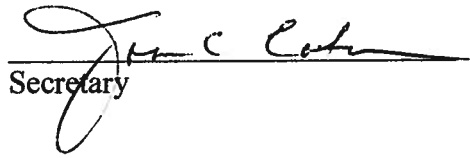
Board Member President Ayers then appointed Directors Terry and Brittain to a
Comments Fire Service Review Ad Hoc Committee.

Adjournment The meeting was adjourned at 12:40 P.M.

Respectfully Submitted,



President



Secretary