

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
AUGUST 30, 2011

The Special Meeting of the Board of Directors of the Running Springs Water District was held on Tuesday, August 30, 2011, 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
Paul Shouse, Director
Mike Terry, Director

The following Directors were absent:

Pamella Bennett, Director

Also present were the following:

Sam Massey, General Manager
Joan Eaton, Secretary/Treasurer/Administration Supervisor
Isaiah Hall, Collections Division Supervisor

No visitors were present:

The meeting was called to order at 6:00 P.M. by President Ayers.

Called to Order

President Ayers led the Assembly in the Pledge of Allegiance.

Pledge of Allegiance

Supervisor Hall opened by reporting on the Live Oak Exposed Sewer Main Project contract that was awarded to GM Excavating at the July 20, 2011 Board Meeting. Change Order No. 1 was approved by the Board at the August 17, 2011 Board Meeting, authorizing GM Excavating to replace a section of the damaged 3" force main that was a deviation from the original plans calling for the installation of a 12" culvert across the sewer easement. After excavating the project site, GM Excavating has further determined that debris washed down from the county 24" drainage culvert would plug the 12" culvert during a major storm event and has suggested either upsizing the culvert to a 24" or installing a concrete swale. Supervisor Hall provided the Board with documentation and information regarding Option No. 1, to install a concrete swale and Option No. 2, to upgrade the culvert to a 24" culvert. Supervisor Hall also stated that Engineer Brian Thomas, has recommended Option No. 1 installation of the concrete swale at an additional cost of \$3,755 instead of upsizing the culvert to 24".

Live Oak Exposed
Sewer Main Project
Change Order No. 2

Discussion continued regarding the project and two options to repair the sewer line. Vice-President Kellems asked about the use of the original 12” culvert and Supervisor Hall stated the 12” culvert will be kept in storage and used for a future project at a later date. Supervisor Hall noted that the project and drainage would not negatively affect the environment and there were no required permits from the Department of Fish and Game. Supervisor Hall mentioned that the project would be completed as scheduled even with Change Order No. 2.

Following consideration and further discussion and upon motion by President Ayers, second by Director Terry and carried by a 4 to 0 vote, with Director Bennett absent, the Live Oak Exposed Sewer Main Project – Change Order No. 2, Option No. 1, to install a concrete swale in the amount of \$3,755 utilizing the Leachate funds, was approved.

Committee Business President Ayers then reported on the Hilltop Community Consolidation Committee and stated that Arrowbear Park County Water District is involved in unresolved political issues and will not be included in the consolidation meetings at this time. Running Springs Water District will continue to engage in consolidation meetings with CSA 79 and President Ayers stated that Arrowbear may be considered at a later date but the District is not obligated to consolidate with any agencies. Manager Massey and Supervisor Hall will meet with representatives from CSA 79 to tour the facilities in the next few weeks. A Consolidation meeting will be held on September 9, 2011 with District staff and the Consolidation Committee to discuss boundaries in compliance with the Local Agency Formation Commission (LAFCO).

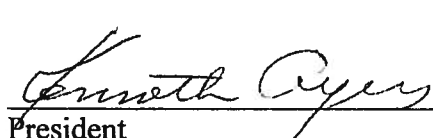
Discussion continued regarding the pros and cons of consolidation and Manager Massey stated that consolidation with CSA 79 would generate approximately \$300,000 in property taxes for the District. Manager Massey added that CSA 79 owns the properties that the lift stations are built on. Manager Massey also reported briefly on the Fire Department staffing and equipment issues in Green Valley Lake under CSA 79. Discussion continued regarding the Fire Suppression fee of \$65.00 per improved property in the Running Springs Water District and Manager Massey closed by reporting on Fire Department services and liability concerns with possible consolidation of Running Springs Water District and Smiley Park.

Director Terry asked if District staff has any updated information regarding the Chabad property and Manager Massey has contacted Mike Riddell, Best, Best & Krieger to determine if they have filed bankruptcy. Updated information regarding Chabad will be provided as received.

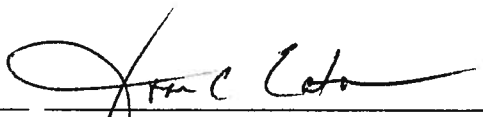
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With there be no further information to discuss the meeting was Adjourned
adjourned at 7:00 P.M.

Respectfully Submitted,



President



Secretary

