

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

SEPTEMBER 16, 2009

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, September 16, 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
Mike Terry, Director

The following Director was absent:

Bryan Shropshire, 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:

Lisa Chester, 30849 Live Oak

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

Called to Order

Supervisor Miller led the Assembly in the Pledge of Allegiance.

Pledge of Allegiance

Lisa Chester arrived after the meeting opened session.

Visitor

Upon motion by Director Bennett, seconded by Vice-President Kellems and carried by a 4 to 0 vote, with Director Shropshire absent, the minutes of the September 1, 2009 Special Board Meeting, were approved.

Special Board Meeting
September 1, 2009
Minutes

MINUTES – SEPTEMBER 16, 2009
PAGE TWO

August 2009
Expenditures

Director Bennett raised the question and the Board agreed that they would like to continue to receive a copy of the Monthly Board Summary that lists individual expenditures, each month. Upon motion by Director Bennett, seconded by Vice-President Kellems and carried by a 4 to 0 vote, with Director Shropshire absent, the expenditures through August 31, 2009, were approved.

The meeting moved to the Agenda Action Item VIII. C.

Customer Request
Fee and Charge
Adjustment to
Water/Wastewater
Bills – Lisa Chester
and Craig Williams
30849 Live Oak

Manager Valladao reported the District has met with property owner Lisa Chester at 30849 Live Oak Drive to discuss a request to reduce recent water/wastewater bills. The request is related to high water consumption that occurred this summer due to excessive outdoor water use resulting from problems related to newly established outdoor landscaping and irrigation. The property owners are seeking relief from the residential sewer use charge for the period of time high water consumption occurred due to outdoor water loss. The property owners are also requesting the opportunity to install a separate meter to be used for their outdoor irrigation system only, so that water used for outdoor irrigation could be separately accounted for and not subject to the residential sewer use charge. Manager Valladao stated the District hopes to have a proposed irrigation meter policy prepared for Board consideration at the October 21, 2009 Board Meeting. Manager Valladao presented the Board with the customer request letter and details of the total residential sewer usage amount to be considered for relief. Lisa Chester explained her current situation to the Board and thanked the District for consideration of her request and proposed ideas. Upon motion by Director Terry, seconded by Director Bennett and carried by a 4 to 0 vote, with Director Shropshire absent, the Customer Request for Fee and Charge Adjustment to 30849 Live Oak in the amount of \$156.80 plus the minor amount reflected on the September bill, was approved.

OPERATIONAL
REPORTS
(Water)

Supervisor Bobroff stated the Sidewinder Canyon Lower Booster station and wells were off approximately 30% of the month due to electrical and water quality issues. Staff is working with Edison and Tesco to resolve the electrical issues. Staff is aggressively addressing the water quality issues. The Sidewinder Canyon Lower Booster is projected to be back on line the last week of September.

MINUTES – SEPTEMBER 16, 2009
PAGE THREE

Supervisor Miller reported on the K-Turbo Blowers that arrived from Korea on September 11, 2009 . A representative from the manufacturer will be present during start-up of the blowers. The equipment labor was included in the cost of the equipment. Supervisor Miller closed by reporting on the Treatment facility and stated everything is in good order at the plant. (Treatment)

Supervisor Hall opened by stating the Lift Station No. 7 telemetry unit was affected by a recent thunderstorm and has now been repaired by staff. (Collections)

The County has reimbursed the District approximately \$500 each for two manhole covers damaged by County snow plowing. Supervisor Hall closed by reporting on damaged equipment in the Collections Department.

Chief Grabow stated the Fire Department has been working in collaboration with the California Highway Patrol and Sheriff's Department regarding field exercise evacuations. The Fire Department is also working with the CHP in introduction to Wildland Fire Fighting. Chief Grabow closed by stating that Ambulance 51 is in service. (Fire)

Supervisor Eaton stated the ACH Debit feature customer flyers have been included in the September bills. The revised official date for initiation of the program is November 1, 2009. Discussion continued regarding the ACH Debit feature and the transaction process. (Administration)

Supervisor Eaton reported on a recent Board Secretary training that she attended through the California Special District Association on August 27-28, 2009. This highly informative and educational workshop was a comprehensive overview of the legal, administrative and customer service roles of a board secretary.

The 2008/09 Audit is close to completion and a presentation of the June 30, 2009 Audited Financial Statements is projected for the October 21, 2009 Board Meeting.

Superintendent Massey reported on the Slide Fire Special District Risk Management (SDRMA) reimbursements and stated the District received a reimbursement payment on August 31, 2009 in the amount of \$200,551.22. The submittal amount to date is \$1,567,615.20 in claims and SDRMA has reimbursed the District \$1,240,112.84 to date. A remaining amount of \$327,502.36 has not been reimbursed to date. (Superintendent)

Superintendent Massey closed by stating that he recently attended a webcast seminar regarding green house gas emissions and reported on a Legislative bill regarding this issue that will eventually require Wastewater Treatment plants to capture emitted gases or purchase emissions credits.

(General Manager) Manager Valladao stated that significant items that might otherwise appear in his report will be discussed as agenda information items at this meeting. Manager Valladao submitted a listing of meetings attended since the August 19, 2009 Board Meeting.

Board of Directors Election and Advisory Measure on the Ballot

Manager Valladao reported on the Board of Directors Election and advisory measure on the ballot that consists of a ballot question “Shall the mail ballot be used to conduct all future general District elections?” Manager Valladao stated the upcoming District newsletter that will be distributed to customers with the October bills includes information regarding the upcoming election, focusing on mail ballot election advisory measure information. Manager Valladao also provided the Board with a copy of the impartial analysis prepared by County Counsel regarding the District’s mail ballot election advisory measure. Also, the Running Springs Area Chamber of Commerce will be sponsoring a Candidate’s Forum for the Board of Directors election. Staff will provide more information regarding this event when available.

Water and Sewer Standby Charge Review

Manager Valladao updated the Board regarding the Water and Sewer Standby Charge review and the protested charges by Mr. Frank Finn regarding his property in Rimwood Ranch. Staff has been researching this matter and has determined that because the County has land use development responsibility within the District, the County will need to make a determination that the property or a portion of a property is unbuildable due to steepness. Manager Valladao provided the Board with a copy of a draft letter to be sent to the County regarding this issue. The District is waiting for Mr. Finn to review and comment on the letter prior to mailing. The District will need a response from the County prior to making a recommendation regarding Mr. Finn’s request to waive water and sewer standby charges. If action is feasible regarding this matter, staff will discuss possible action with the Board at an upcoming Board meeting.

MINUTES – SEPTEMBER 16, 2009
PAGE FIVE

Manager Valladao reported on the Ayers Acres Groundwater Development Project and stated that the Board Groundwater Development Committee met on September 1, 2009 to discuss the project. Following the Committee meeting, there was a Special Board Meeting during which the Board toured the Ayers Acres Well site and vicinity. Staff is in the process of acquiring additional information to make a final recommendation whether to proceed with an alternative plan and will present that information and a recommendation at the October 21, 2009 Board meeting.

Ayers Acres
Groundwater
Development
Project

Superintendent Massey reported on the Running Springs School Road Paving Project that was approved to go out to bid at the August 19, 2009 Board Meeting pending an engineer's analysis regarding ground water in the area. Superintendent Massey stated that Engineer Brian Thomas has developed a list of alternatives to address the groundwater issues and District staff is currently studying these proposals with Engineer Thomas to determine which alternative would be most cost effective for the project.

Running Springs
School Road
Paving Project

Superintendent Massey and Engineer Thomas have recommended that the project be postponed until spring or early summer due to the additional work needed to mitigate the surfacing groundwater problem and the time of year. District staff will bring this project back to the Board with a recommendation to mitigate the groundwater problem and for Board approval to obtain bids early next year.

Manager Valladao reported on Public Outreach and stated that District staff continues to work on the District Website and Newsletter. Manager Valladao provided a presentation of the webpage under construction and stated that the website is projected to be made available to the public in October 2009. The District also plans to distribute a newsletter with bills in October, 2009.

Public Outreach
Update

Manager Valladao updated the Board regarding the Downtown Restroom and stated that a meeting was held on August 25, 2009 that included representatives from the Park District, United States Forest Service (USFS) and the Running Springs Area Chamber of Commerce. Meeting participants discussed various issues related to the restroom including the possibility of having multiple agencies, organizations and downtown businesses contribute to the cost of operating the facility. If multiple parties with an interest in the facility were to participate, the cost per participant would be relatively small.

Downtown
Restroom

Manager Valladao stated the District Board may wish to consider diverting a small percentage of the revenue received from the County Library land lease to the operation of the downtown restroom. A meeting will be held on September 29, 2009 to discuss the issue further and staff will discuss the outcome of that meeting with the Board at the October 21, 2009 Board Meeting.

Personnel Manual Manager Valladao reported on Ordinance No. 29, Amending the District Employment Standards and Provisions, Adopting a Revised Personnel Manual, that was approved by the Board of Directors at the November 18, 2009 Board Meeting. The District plans to provide the Board with a draft version of an updated Personnel manual, identifying proposed changes in advance of the October 21, 2009 Board Meeting. Staff will ask the Board to consider approving the updates at the October 21, 2009 Board Meeting.

Financial Master Plan Update Manager Valladao reported on the development of the District Financial Master Plan and Ad Hoc Financial Master Plan Committee that met on September 9, 2009 and discussed the following information:

- Develop a Request for Proposal (RFP) for the Financial Master Plan
- Select a Firm to Prepare the Financial Master Plan
- Finalize a Scope of Work, Schedule and Cost for the Financial Master Plan
- Preparing the Master Plan

A tentative schedule for completing the Financial Master Plan was provided to the Board for their information and review. Manager Valladao stated the Board Committee concurred with the above approach and tentative schedule and staff is preparing a Financial Master Plan RFP, and compiling a list of potential firms to receive the RFP. The Committee will meet on October 7, 2009 to review the RFP and list of potential consultants.

Fiscal Year 2010/11 Annual Planning Process Manager Valladao reported on the District Fiscal Year 2010/11 Annual Planning Process and stated the process addresses Strategic Planning, the Board Workshop and the District Budget. Information was provided to the Board that described the annual planning process and outlined the tentative schedule for the Fiscal Year 2010/11 Annual Planning Process.

MINUTES – SEPTEMBER 16, 2009
PAGE SEVEN

Superintendent Massey stated on September 16, 2009, contractor bids regarding the Lightfoot Way project were opened by Engineer Brian Thomas and District staff. Engineer Thomas reviewed the bids and believes the bids to be complete and responsive and recommended that the District accept the low bid of \$64,775 from GM Excavating. Superintendent Massey stated the project will take 20 working days and is projected to begin on September 28, 2009. Upon motion by President Ayers, seconded by Director Terry and carried by a 4 to 0 vote with Director Shropshire absent, the Lightfoot Way Sewer Main Replacement Project Contract in the amount of \$64,755, was approved.

Lightfoot Way
Sewer Main
Replacement Project
Contract Award

Manager Valladao reported on Resolution No. 09-09, Establishing Fees and Charges for District Services During Fiscal Year 2009/10 that was adopted by the Board of Directors on June 17, 2009 and included a reduction in the Inland Counties Emergency Medical Agency (ICEMA) charge for ambulance services. On August 25, 2009, ICEMA advised the District that they were rescinding the prior rate reduction, authorized by the San Bernardino County Board of Supervisors and ICEMA emergency medical service fees and charges would be restored to the fees and charges previously established for Fiscal Year 2008/09. Resolution No. 16-09 was prepared for consideration regarding the special rate adjustment. Discussion continued regarding ambulance rates and fees in urban and rural operating areas. Upon motion by Director Bennett, seconded by Vice-President Kellems and carried by a 4 to 0 vote, with Director Shropshire absent, RESOLUTION NO. 16-09, ADOPTING THE ICEMA FISCAL YEAR 2009/10 SPECIAL RATE ADJUSTMENT, UPDATING FEES AND CHARGES FOR DISTRICT AMBULANCE SERVICES DURING FISCAL YEAR 2009/10, was adopted. (Resolution No. 16-09 on file in the District office)

Resolution No. 16-09,
ICEMA Rate
Adjustment Updating
Fees and Charges for
District Ambulance
Services During Fiscal
Year 2009/10

Manager Valladao reported on the California Communities Proposition 1 A Loan Securitization program and provided the Board with a letter from the San Bernardino Auditor/Controller and documentation regarding the program for review and consideration. District staff recommended that the Board consider the California Communities Proposition 1 A Loan Securitization program and authorize staff to enroll in the program and place approval of the program authorizing resolution and purchase and sale agreement documentation on the October 21, 2009 Board Meeting agenda. Discussion continued regarding Suspension of Proposition 1 A and the Local Agency Investment Fund interest rates. Upon motion by Director Bennett, seconded by Director Terry and carried by a 4 to 0 vote, with Director Shropshire absent, Enrolling in the California Communities Proposition 1 A Loan Securitization Program, was approved.

Enrolling in the
California Communities
Proposition 1 A Loan
Securitization Program

MINUTES – SEPTEMBER 16, 2009
PAGE EIGHT

Engineer's Report Engineer Thomas stated the Water and Sewer Master Plan is now complete and will be provided to the District for review.

Attorney's Report Attorney Riddell reported on the Delta issues and mentioned that a package of bills have been introduced in the legislature to address water issues in the Delta. Attorney Riddell stated that one issue that needs to be addressed is governance and the legislation was rewritten to create a governing body consisting of eleven members that included five members with Delta interests. Attorney Riddell continued by reporting on mandated water conservation requirements for water purveyors. Attorney Riddell will report back to the Board after attending the State contractors meeting on September 17, 2009.

Attorney Riddell closed by reporting on water storage within the San Bernardino Valley Municipal Water District.

Proposed Basketball Court Downtown Property Manager Valladao distributed a letter the District received from a 13 year old student that through the Eagle Scout Program, is proposing to construct a basketball court on the District's Downtown property. Discussion continued regarding potential liability issues and maintenance of the facility. Manager Valladao will contact the student directly to discuss further and he will bring information back to the Board at the October 21, 2009 Board Meeting.

Closed Session The meeting moved to closed session at 8:40 P.M. to consider the following item:

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

Open Session The meeting moved into open session at 9:02 P.M.

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

Adjournment The meeting was adjourned at 9:03 P.M.

Respectfully submitted,

President

Secretary