

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
NOVEMBER 2, 2012

The Special Meeting of the Board of Directors of the Running Springs Water District was held on Friday, November 2, 2012, at the hour of 2:00 P.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California.

The following Directors were present:

Kenneth Ayers, President
Paul Shouse, Director
Everett "Ed" Brittain, Director
Pamella Bennett, Director

Vice-President Mike Terry was absent

Also present were the following:

Ryan Gross, General Manager
Joan Eaton, Secretary/Treasurer/Administration Supervisor
Randy Bobroff, Water Division Supervisor
Tony Grabow, Fire Chief

There were no visitors present:

The meeting was called to order at 2:00 P.M. by President Ayers who also led the Assembly in the Pledge of Allegiance.

Called to Order
Pledge of Allegiance

On August 29, 2012, the Board of Directors adopted Resolution No. 17-12 declaring certain properties located in the District that constitute a public nuisance and ordering notification to property owners and setting a public hearing that was conducted on September 19, 2012. Manager Gross reported that there are fifteen (15) additional properties that have been added to the list and a second public hearing will be conducted on November 28, 2012. Discussion continued regarding properties that require hazard abatement and are out of compliance. Upon motion by Director Shouse, second by President Ayers and carried by a 4 to 0 vote, RESOLUTION NO. 20-12, FINDING THAT CERTAIN PROPERTIES LISTED ON EXHIBIT "A" LOCATED IN THE DISTRICT CONSTITUTE A PUBLIC NUISANCE AND ORDERING NOTIFICATION TO PROPERTY OWNERS AND SETTING A PUBLIC HEARING FOR NOVEMBER 28, 2012 AT 9:00AM, was adopted. (Resolution No. 20-12 on file in the District Office)

Resolution No. 20-12
Finding that Certain
Properties Located in
the District Constitute
a Public Nuisance and
Ordering Notification
to Property Owners
and Setting a Public
Hearing

Resolution No. 21-12, Department of Forestry and Fire Protection Agreement #7FG12145 Providing for Financial Assistance with Wild Land Firefighting Gear

Manager Gross stated the Running Springs Fire Department has been awarded a grant from the California Department of Forestry and Fire Protection (CalFire) that is required to be adopted by resolution, in the amount of \$3,923.00 towards the purchase of wild land firefighting gear. Manager Gross provided the Board with a copy of the Department of Forestry and Fire Protection Volunteer Fire Assistance Program Agreement for execution. The agreement was reviewed by Attorney Riddell who recommended that the department meet the Drug Free Workplace Requirements of the agreement and ensure that it is addressed in the District Personnel Policy manual. Chief Grabow stated the funding will come from the safety gear account to purchase wild land fire gear such as shirts, pants, goggles and gloves and the funds should be received by December 1, 2012 and will be utilized by August, 2013. Upon motion by President Ayers, second by Director Bennett, and carried by a 4 to 0 vote, RESOLUTION NO. 21-12, APPROVING THE DEPARTMENT OF FORESTRY AND FIRE PROTECTION AGREEMENT #7FG12145 PROVIDING FOR FINANCIAL ASSISTANCE WITH WILD LAND FIRE FIGHTING GEAR, was adopted. (Resolution No. 21-12 on file in the District office)

Duty Chief Officer Coverage MOU Big Bear Lake Fire Protection District and Fire Department of Big Bear City Community Services District

Manager Gross stated Chief Grabow has been working on a Memorandum of Understanding (MOU) with the Big Bear Lake Fire Protection District and the fire department of the Big Bear City Community Services District (CSD) for Duty Officer Coverage within the jurisdictions of all three parties. A copy of the MOU was provided to the Board with only one editorial change made to the document by renumbering the Liability and Hold Harmless Clause title. Chief Grabow stated that legal counsel has reviewed the document and all parties are in agreement with the MOU. Chief Grabow reminded the Board that Running Springs Fire Department will remain the priority. Director Shouse had questions regarding the Chief Duty Officer Requirements and Chief Grabow stated the Department goes to every call when the pager goes off regardless of the type of emergency. The Big Bear agencies will do the same for the Running Springs Fire Department. Big Bear currently has three chief officers and Chief Grabow stated the department is looking toward the future regarding the Exclusive Operating Area (EOA) for the ambulance districts and Big Bear Lake and Big Bear City have found that it works to support each other. Upon motion by Director Brittain, second by Director Shouse and carried by a 4 to 0 vote, Authorizing Staff to Execute Duty Chief Officer Coverage MOU with Big Bear Lake Fire Protection District and the Fire Department of Big Bear City Community Services District, was approved.

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Manager Gross presented a housekeeping item regarding application for a District business credit card with a limit of \$2,000 in the name of the Running Springs Water District and George Corley, Battalion Chief. The District previously adopted Resolution No. 17-08, regarding a business credit card policy to ensure proper controls of credit card activity and a copy was provided to the Board for review. Chief Grabow confirmed that the fire chiefs carry their credit cards but the fire department staff credit cards are kept on file for striking assignments. Supervisor Eaton stated the credit cards are kept on file in Administration and are checked in and out and monitored. Upon motion by Director Bennett, second by President Ayers and carried by a 4 to 0 vote, Changes to Named Employees of Running Springs Water District Business Credit Cards, was approved.

Changes to Named
Employees of
Running Springs
Water District
Business Credit Cards

Manager Gross provided the Board with an update regarding the Ayers Acres groundwater development project and stated the contract was awarded to Harich Enterprises Company, Inc. on August 15, 2012. The work began on October 3, 2012, completing the first test well on October 31, 2012 by drilling to 800 feet, and the result was a minimum amount of groundwater encountered. Manager Gross stated he was providing three alternatives for the Board to consider.

Ayers Acres
Groundwater
Development Project

Scenario #1: Do not proceed any further with exploratory drilling and terminate the contract. The District cost is currently at one hundred thirty thousand dollars (\$130,000).

Scenario #2: Proceed as planned with the second test well and if the the results are similar to the first, the District will incur an additional fifty-five thousand (\$55,000) dollars for a total of one hundred eighty-five thousand dollars (\$185,000) for two dry test wells.

Scenario #3: Proceed as planned and if the second test well produces a significant amount of groundwater, the cost for completion will be an additional sixty thousand (\$60,000) to equip the well with casing under the current contract with Harich Enterprises Company, Inc. for a total of two hundred forty-five thousand dollars (\$245,000).

Manager Gross provided a slide presentation of the project area and the resistivity test was reviewed by the Board that stated groundwater was determined between fifty to five hundred fifty feet. Manager Gross also provided a cost analysis to date of the project stating the District has paid \$162,000 for the land/easement acquisition, approximately \$22,000 for environmental, \$65,000 for planning, surveying, engineering and \$17,000 for permitting and legal fees. Estimated construction of pipeline and one or two booster stations would be approximately \$500,000.

Manager Gross presented several scenarios regarding payback results of the project. Funding sources are a combination of Water Development, Sale of District Property, Water Treatment and Water Facilities Capacity Charge Funds which have a total combined balance of approximately \$630,000. Depending on the final cost of this well drilling contract based on the scenarios described, there would remain between \$385,000 and \$500,000 in these funds to complete the remaining infrastructure for the Ayers Acres Groundwater Wells Project and investigate future groundwater development in the District. Manager Gross stated another staff recommendation is a request for proposal to update the hydro-geological investigation that was completed by Fox Consulting Geologist in 1988 and updated in 1991. Manager Gross recommended that the District retain a hydro-geologist who is familiar with hard rock geology to update the studies and incorporate the data from the test wells. The proposal would be to start in December and complete the study in the spring when there is ample ground water at an approximate cost of \$10,000.

Discussion continued regarding the vertical wells at Sidewinder Canyon and Director Shouse asked about well production. Supervisor Bobroff responded that Well #3 is currently producing approximately twenty-five (25) gallons a minute, Well #5 is producing between three (3) and five (5) gallons a minute and Well #1A is producing ten (10) gallons a minutes with more production in the spring time. Supervisor Bobroff stated there are approximately seventeen (17) horizontal wells in Sidewinder Canyon. Director Shouse asked if one hundred fifty (150) gallons a minute is realistic and Manager Gross stated it would be in a series of wells in hard rock granite but the gamble is the location of the fractures and the geology.

President Ayers asked why we drilled at the second well location first and Manager Gross responded that it was due to logistics. Director Brittain mentioned that when the property was purchased, you could hear running spring water and discussion continued regarding well drilling. Manager Gross stated the staff recommendation is to proceed as planned and drill another test well at a cost of \$55,000 and proceed with issuing a request for proposal for an updated hydro-geological study. The study will include a comprehensive review of the service area and propose additional wells and rehabilitation of existing groundwater wells for the District. Drilling could begin on the test well site by November 7, 2012 weather permitting and if they encounter inclement weather, Harich may decide to pull the equipment from the area at no cost to the District. Manager Gross said if we terminate the project, we will always question if we did the right thing. Supervisor Bobroff stated the District has years invested in the project and we just need more data. Director Brittain stated that we cannot think about not investing the additional \$55,000 to continue testing and Manager Gross added that he recently spoke with retired General Manager Sam Massey who said the initial testing indicated that there was water between fifty (50) and five hundred (500) feet on the property.

Director Brittain also said that the same geologist who performed the hydro geological investigation for the District, found a huge aquifer under Cooper Mountain College and Director Brittain did not feel the District would be wasting \$55,000. Director Shouse and Director Bennett agreed and President Ayers stated that it is time to update the study to see what is available in other areas of the District. Manager Gross then updated the Board regarding the County Treatment Plant at Heaps Peak and stated they are in construction and expected to complete the project in late spring providing the District with one more season of leachate revenue. Manager Gross stated the County has requested a cost proposal from the District to operate the County plant and added that the Treatment Division could manage the solids removal and transportation by utilizing District staff a few hours a week.

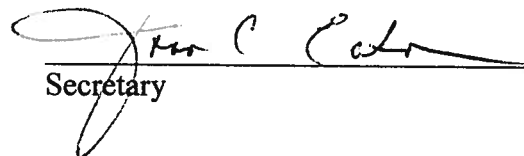
Manager Gross stated that if the Board was in agreement to continue with drilling Test Well #2, then that is the direction staff will go. Supervisor Bobroff said they wanted to keep the Board informed of the progress because they were not impressed with the first test well. They did not locate any water until approximately four hundred thirty (430) feet and again at six hundred thirty (630) feet and the results were not very promising. The consensus of the Board was for staff to proceed with Test Well #2 and Manager Gross will continue with the request for proposal (RFP) for a hydro geological study that should be available by the January 2013 Board Meeting.

The meeting was adjourned at 2:53 P.M.

Respectively Submitted,



President



Secretary