

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

NOVEMBER 18, 2009

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, November 18, 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
Mike Terry, Director
Bryan Shropshire, Director

The following Director was absent:

Pamella Bennett, 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
Mike Riddell, Attorney, Best, Best and Krieger LLP
Brian Thomas, Engineer, Engineering Resources

Visitors Present:

Gerhard Hilgenfeldt, 31679 Luring Pines Drive

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

Called to Order

Director Shropshire led the Assembly in the Pledge of Allegiance.

Pledge of Allegiance

Visitor Gerhard Hilgenfeldt introduced himself to the Board and Staff.

Visitors

Joan Eaton, District Office Supervisor, Board Secretary and Treasurer was acknowledged for five years of service with the District.

Acknowledgement

Upon motion by President Ayers, seconded by Director Shropshire and carried by a 4 to 0 vote, with Director Bennett absent, the minutes of October 21, 2009 were approved.

Regular Board Minutes
October 21, 2009

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- Special Board Minutes October 28, 2009 Upon motion by Vice-President Kellems, seconded by President Ayers and carried by a 4 to 0 vote, with Director Bennett absent, the minutes of October 28, 2009 were approved.
- October 2009 Expenditures Upon motion by Director Shropshire, seconded by Director Terry and carried by a 4 to 0 vote, with Director Bennett absent, the expenditures through October 31, 2009, were approved.
- OPERATIONAL REPORTS (Water)
- Superintendent Massey provided the Water Operational Report in the absence of Supervisor Bobroff and began his report by stating that the prior electrical problems at the Sidewinder Lower Booster station have been resolved.
- Superintendent Massey reported the water loss for October 2009 at -14.95% and discussion continued regarding a damaged water main by the Southern California Gas Company.
- (Treatment)
- Supervisor Miller reported on the Treatment Plant and reactor cleaning in preparation of winter. Supervisor Miller continued by discussing the projected installation of the K-Turbo blowers and stated that one blower will arrive and is projected to be on line by November 20, 2009. The second blower is scheduled to be installed by the week of December 14, 2009.
- Discussion continued regarding a Forest Service gate that was recently installed on the road to the Treatment ponds.
- (Collections)
- Supervisor Hall stated that everything is going well in the Collections Department and noted that all Lift Stations are working properly. Supervisor Hall continued by reporting on the completed Lightfoot Way project and concluded by explaining reported overtime hours that were a result of unexpected weather conditions and staffing issues.
- (Fire)
- Chief Grabow reported on Fire Department donations that will purchase a new power supply for the “jaws of life” equipment.
- Chief Grabow confirmed that the District received \$500 for the surplus water tender from Pick-A-Part Auto Dismantling.
- Chief Grabow concluded by reporting on the status of the Fire Department Snow Cats.
- (Administration)
- Supervisor Eaton opened by stating that the District has received approximately 125 enrollments in the Automatic Payment via ACH Debit program. All Administrative fees for the service have been waived to date by First Mountain Bank.

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Supervisor Eaton reported on the Special District and Local Government Institute sponsored Finance Seminar that she attended on October 22 and 23, 2009. The Finance Seminar is one of three seminars in the highly respected local government Certificate Program that includes Finance, Governance and Administration. Supervisor Eaton provided the Board with a copy of the Certificate of Attendance that identified her participation and satisfactory completion of 12 classroom hours of Special District Finance.

Supervisor Eaton concluded her report by providing the Board with a list of meetings attended.

Superintendent Massey reviewed the Irrigation Meter Policy that was adopted at the October 18, 2009 Board Meeting and stated that customer Lisa Chester may apply for an irrigation meter in the Spring of 2010. (Superintendent)

Superintendent Massey reported on the Special District Risk Management Authority Slide Fire Insurance claim regarding the Sidewinder Lower Booster station and stated the original claim for purchased water was \$189,405. An auditing firm was hired by our insurance carrier to verify our water loss figures and their initial offer excluded costs for producing local water including power and water treatment, lowering the reimbursable amount to \$124,261. After consulting with their auditing firm, SDRMA agreed to raise the reimbursable amount to the District to \$146,271.

Superintendent Massey closed by providing a list of activities, meetings and events conducted by the Superintendent in both the Water and Wastewater Departments. Manager Valladao provided details regarding the Conditional Assessment of Water and Wastewater Infrastructure Addendum to the Master Plans meeting.

Manager Valladao stated his report was brief and contained mostly information items that would be addressed later in the meeting. (General Manager)

Manager Valladao reported on the Board of Directors Election and Advisory Measure on the Ballot. Manager Valladao stated that District voters re-elected incumbents Ken Ayers and Pamella Bennett and elected first time Director Paul Shouse to the District Board of Directors. The newly elected Board Members will take the official oath on December 4, 2009 and will officially take office at noon on that day. The Running Springs Water District voters also approved the advisory measure on the ballot “Shall the mail ballot be used to conduct all future general district elections?” The District will use the all mail ballot election process when conducting the 2011 Board Member election. Board of Directors Election and Advisory Measure on Ballot

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- Ayers Acres Groundwater Development Project Manager Valladao stated that District staff is in the process of meeting various property owners in the vicinity of the Ayers Acres well site to discuss property and easement acquisition issues. The outcome of the meetings and plans for proceeding with the Ayers Acres project will be discussed further at the December 16, 2009 Board Meeting.
- Public Outreach Program Manager Valladao provided a brief update regarding the Public Outreach Program and stated the District website is now active at the address www.runningspringswd.com. Manager Valladao also provided the Board with a copy of the November 2009 District Newsletter.
- Financial Master Plan Manager Valladao reported on the current status of the Financial Master Plan and stated the District will be rescheduling the consultant interviews from December 2, 2009 to December 8, 2009. Manager Valladao stated the District plans to have a proposed consultant agreement available for Board consideration at the December 16, 2009 Board Meeting.
- Sewer System Management Plan (SSMP) Update Manager Valladao stated that the Board approved the interim SSMP elements: Legal Authority, Operation and Maintenance Program, Overflow Emergency Response Plan and Fats, Oil and Grease Program at the October 28, 2009 Special Board Meeting.
- SSMP Ad Hoc Committee Manager Valladao continued by asking the Board to consider selection of a SSMP Committee and President Ayers appointed Directors Mike Terry and Paul Shouse to the Ad Hoc SSMP Committee.
- Workers Compensation Insurance Manager Valladao stated the District has submitted a letter of intent to withdraw from the Public Agency Self Insured System (PASIS) regarding the District's Worker's Compensation insurance. Consideration of this matter is planned for the December 16, 2009 Board Meeting.
- 2010/11 Strategic Planning Meeting Manager Valladao reporting on the District Fiscal Year 2010/11 Strategic Planning Meeting that will be held on December 5, 2009. The major topics to be addressed during the Fiscal Year 2010/11 Strategic Planning Process include:
- Review of Fiscal Year 2009/10 Strategic Planning Process
 - District Progress in Achieving Fiscal Year 2009/10 Specific Projects and Actions
 - Streamlined Strategic Planning Approach for Fiscal Year 2010/11
 - Specific Projects and Actions for Fiscal Year 2010/11

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Manager Valladao provided the Board with the Local Agency Investment Fund Remittance Advice (LAIF) quarterly statement ending September 30, 2009 and stated the interest rate was .90%.

Local Agency Investment Fund Remittance Advice

Superintendent Massey reported that the Lightfoot Way Sewer Main Replacement Project was successfully completed on October 21, 2009 in accordance with the District's Plans and Specifications and requires an approved Notice of Completion. Supervisor Hall acknowledged Engineering Resources and staff for their role and assistance in the project. Upon motion by Director Terry, seconded by Director Shropshire and carried by a 4 to 0 vote, with Director Bennett absent, the Lightfoot Way Sewer Main Replacement Project, Notice of Completion was approved.

Lightfoot Way Sewer Main Replacement Project Notice of Completion

Manager Valladao reported on the California Disaster and Civil Defense Master Mutual Aid Agreement and stated that for fire agencies to be eligible for funding under the Governor's Emergency Response Initiative (ERI) agencies must be signatory to the State Master Mutual Aid Agreement as it pertains to the ERI. The District (along with several other fire agencies) recently discovered that a resolution was not on-record identifying the District as being signatory to the State Master Mutual Aid Agreement. Chief Grabow stated that Legal Counsel has reviewed and approved the documents as presented. Discussion continued regarding the mutual aid agreement. Upon motion by Director Shropshire, seconded by Vice-President Kellems and carried by a 4 to 0 vote, with Director Shropshire absent, RESOLUTION NO. 20-09, APPROVING AND AGREEING TO ABIDE BY CALIFORNIA DISASTER AND CIVIL DEFENSE MASTER MUTUAL AID AGREEMENT, was adopted. (Resolution No. 20-09 on file in the District file room)

Resolution No 20-09 California Disaster and Civil Defense Master Mutual Aid Agreement

Supervisor Eaton stated the Auditors have provided the District with "Suggested Changes to Client's Cash Summary Spreadsheet" at the conclusion of the 2008/09 Fiscal Year Audit as a courtesy to communicate the auditor adjustments in relation to the District's Cash Summary Spreadsheet. A copy of the suggested changes was provided to the Board for review. Upon motion by President Ayers, seconded by Director Shropshire and carried by a 4 to 0 vote, with Director Bennett absent, Changes to the District Cash Summary Report, were accepted.

Changes to the District Cash Summary Report

Manager Valladao stated that the District has received three written customer requests to adjust water/wastewater bills due to high water consumption from water loss on the property owner's side of the meter. Manager Valladao provided documentation and details regarding each request and asked the Board to consider waiving the residential sewer use portion of the customer bills and provide the customer with payment options.

Customer Requests Fee and Charge Adjustment to Water/Wastewater Bills

Manager Valladao continued by stating that due to the frequency of water/wastewater bill adjustment requests that are submitted to the District, the Board may wish to direct staff to prepare a resolution that would identify the terms and conditions under which staff could directly grant water/wastewater bill adjustments. Manager Valladao stated that a resolution addressing District policy for consideration of customer bill adjustments will be provided at a future board meeting. Upon motion by Director Shropshire, seconded by Vice-President Kellems and carried by a 4 to 0 vote, with Director Bennett absent, Customer Requests for Fee and Charge Adjustment to Water/Wastewater Bill for Georgina Bautista, J and S Williams and Bill Milligan, was approved.

Safety Committee Meeting Minutes
September 1, 2009

Manager Valladao stated the District holds quarterly Safety Committee meetings that are attended by representatives from all departments and divisions. Manager Valladao continued by stating the approved minutes are submitted to the Special District Risk Management Authority (SDRMA) for a reduction in the District's liability insurance premium. Discussion continued regarding utilization of the District newsletter for public outreach regarding safety issues. Upon motion by Director Shropshire, seconded by Director Terry and carried by a 4 to 0 vote, with Director Bennett absent, the Safety Committee Meeting Minutes of September 1, 2009, were approved.

Engineer's Report

Engineer Brian Thomas reported on the Sewer System Management Plan (SSMP) and stated Engineering Resources has completed the last five remaining elements and a draft version of the SSMP will be provided to District staff for review. Engineer Thomas concluded by reporting on the progress of the Water Master Plan that will be reviewed by the Board Committee.

Attorney's Report

Attorney Riddell opened by reporting on the Delta legislative package and stated a special session of legislature was called to focus exclusively on specific water issues. Attorney Riddell stated five bills were proposed and introduced with elements of the package outlined in brief as follows:

- 1) Create a governing body to make decisions regarding operations in the Delta
- 2) Impose a conservation goal or requirement regionally while recognizing diversity
- 3) Groundwater monitoring
- 4) Enforcement and monitoring of water quality in the Delta
- 5) 11 million dollar bond measure to include groundwater cleanup, surface storage and a Delta ecosystem restoration program

Attorney Riddell continued by reporting on the water resources of the Crestline Lake Arrowhead Water Agency. Attorney Riddell stated the portfolio of CLAWA's water resources is enough to satisfy demands and should be sufficient for two years.

Attorney Riddell concluded by discussing the biological opinion and environmental documentation prepared by fish agencies to focus on steps to protect the Delta smelt.

Closed Session

The meeting moved to closed session at 7:22 P.M. to consider the following items:

- A. Conference with Legal Counsel Pursuant to Subdivision (c) of Section 54956.9: Three Cases
- B. Conference with Legal Counsel Pursuant to Subdivision (a) of Section 54956.9 regarding Allstate Insurance Company v. Running Springs Water District et al

The meeting moved into open session at 8:00 P.M.

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

The meeting was adjourned at 8:01 P.M.

Respectfully submitted,

President

Secretary