

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
APRIL 18, 2018**

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, April 18, 2018 at the hour of 9:00 A.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California.

President Kenneth Ayers and Vice-President Pamella Bennett resigned from the Running Springs Water District Board of Directors effective April 10, 2018. Per District Policy, the Board appointed Director Mike Terry as Presiding President for the April 18, 2018 Board Meeting.

The following Directors were present:

Mike Terry, Director, Presiding President
Tony Grabow, Director
Errol Mackzum, Director

Also present were the following:

Ryan Gross, General Manager
Joan C. Eaton, Board Secretary/Treasurer/Administration Supervisor
Ward Simmons, Legal Counsel, Best, Best & Krieger
George Corley, Fire Department Chief
Mike Vasquez, Fire Department Battalion Chief
Randy Bobroff, Water Division Supervisor

Visitors Present:

Gerhard Hilgenfeldt, Running Springs Resident
Dennis Michael Milliorn, Jr., Running Springs Resident
William Conrad, Running Springs Resident
Jo Ann Fischer, Running Springs Resident

MEETING MINUTES

AGENDA ITEMS

1. Call Meeting to Order and Pledge of Allegiance

The meeting was called to order at 9:00 A.M. by Director Terry and Director Grabow led the assembly in the pledge of allegiance to the flag.

2. Recognize and Hear From Visitors/Public Comment

The visitors introduced themselves for the record.

3. Approval of Consent Items

A. Approve Meeting Minutes

B. Ratify March 2018 Expenditures

C. Consider Adopting Resolution No. 06-18, Terminating the Application of Ordinance No. 47 to Arrowbear Park County Water District

Resolution No. 06-18 will rescind Ordinance No. 47 due to the new Wastewater, Transportation, Treatment and Disposal Agreement between the Running Springs Water and Arrowbear Park County Water Districts.

D. Consider Adopting Resolution No. 07-18, Amending and Adopting Local Guidelines For Implementing the California Environmental Quality Act

The Running Springs Water District's Local California Environmental Quality Act (CEQA) Guidelines have been revised and are routinely amended annually by Best, Best and Krieger, Legal Counsel for the District.

E. Consider Declaring Certain Equipment as Surplus and Authorize Staff to Dispose of Property

Upon motion by Director Mackzum, second by Director Grabow and carried by a 3 to 0 vote, the Consent Items were approved.

4. Information Items

A. Draft Fiscal Year 2018/2019 Fire Department and Ambulance Division Budgets

Manager Gross reported on the Fiscal Year 2018/2019 Fire and Ambulance Division Budgets that were reviewed by the Finance Committee on April 4, 2018. The only substantial change is that the District will pay the CalPERS Unfunded Accrued Liability (UAL) payment in an annual lump sum, saving approximately \$8,443 for the Fire Department and \$18,000 to \$20,000 for all Divisions in Fiscal Year 2018/19. Staff will provide a Cash Analysis Report in May or June, 2018, regarding the option to make additional UAL payments that would result in significant interest savings. Discussion continued regarding the Fire and Ambulance Division Budgets and Chief Corley reported on grant revenues.

B. Quarterly Budget-Financial Report

Manager Gross then reported on the Quarterly Financial Summary saying some Division expense accounts will be over budget due to reimbursements that have not been received. Discussion continued regarding the variance in the Water Operating Fund revenues over expenditures and Manager Gross will review the reports with Director Mackzum at a future date.

C. Automatic Meter Reading Project Status

Discussion turned to the Automatic Meter Reading (AMR) Project with Phase I now complete in Assessment Districts No. 8, 9 and 10. The Finance Agreement is in final stages and Manager Gross said the District applied for an \$800,000 low interest loan with 50% principal forgiveness for the project and the remaining phases will take three to four months to complete. The District will notify customers regarding the project and Supervisor Bobroff stated the AMR system will detect leaks and eliminate averaging bills during inclement weather.

5. Action Items

A. Consider Filing the Running Springs Water District Board Vacancies by Appointment

Manager Gross stated Directors' Ayers and Bennett resigned on April 10, 2018 and the District has sixty (60) days to fill the vacancy, if by appointment.

The District received five (5) Letters of Interest regarding the vacant Board seats. Candidates' Jo Ann Fischer, Dennis Michael Milliorn and William Conrad summarized their background, experience and expressed their interest in being considered for the vacant Director seats. Candidates Sergio Arjonilla and Stacey Lippert were not present. The San Bernardino County Registrar of Voters verified all five candidates were registered voters with their primary residence within the jurisdiction boundaries of the Running Springs Water District.

The Board took a break at 9:40 A.M. and reconvened at 9:52 A.M.

Attorney Simmons confirmed that the two Director seats appointed today will run for re-election in November and those seats will then be four-year seats.

Upon **motion** by Director Terry to appoint Dennis Michael Milliorn and William Conrad to the Running Springs Water District Board of Directors, **second** by Director Mackzum and **carried by a 3 to 0 vote**, the Board Vacancies were filled.

6. General Manager's Report

The Board Secretary will administer the Oath of Office to the appointed Directors and the next Regular Board Meeting will be held on May 16, 2018 at 9:00 A.M. The Board

Members will select the new President, Vice-President and Committee Members at the May meeting and staff will schedule a District tour for the newly appointed Board Members.

7. Report from Legal Counsel

Attorney Simmons reported on the state water supply, the proposed state water tax currently in legislation and the California Department of Forestry and Fire Protection (CalFire) tax that is being appealed by the Howard Jarvis Association. Chief Corley clarified the CalFire fee that is not associated with the Running Springs Water District Fire Department. Discussion continued regarding the Delta Tunnels Project.

8. Board Member Comments/Meetings

Supervisor Bobroff reported on District well levels and purchased water.

9. Closed Session

A. Public Employee Performance Evaluation. Title: General Manager. Pursuant to Government Code Section 54957

The Board adjourned to Closed Session at 10:10 A.M.

10. Open Session


A. The Board and/or Legal Counsel will report any action taken in Closed Session

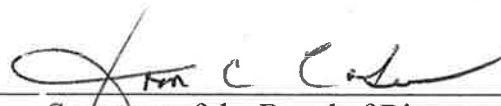
The Board of Directors came out of closed session at 10:54 A.M. and reported that upon motion by Director Mackzum, second by Director Grabow and unanimously carried by a 3 to 0 vote, Amendment No. 1 to the Employment Agreement with Ryan Gross for General Manager, was approved. A copy of Amendment No. 1 to the Employment Agreement is available for review at the District office. The Board also authorized the Presiding Board President to execute the amendment.

11. Meeting Adjournment

The meeting was adjourned at 10:55 A.M.

Respectfully Submitted,


President, Board of Directors
Running Springs Water District


Secretary of the Board of Directors
Running Springs Water District