

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
MAY 16, 2018**

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The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, May 16, 2018 at the hour of 9:00 A.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California.

The following Directors were present:

Mike Terry, Director  
Tony Grabow, Director  
Bill Conrad, Director  
Mike Milliorn, Director

Director Errol Mackzum was absent

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

No Visitors Present

**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 Manager Gross who also led the assembly in the pledge of allegiance to the flag.

**2. Recognize and Hear From Visitors/Public Comment**

No visitors present.

**3. Election of Officers and Appointment of Standing Committees**

District Policy states the General Manager shall chair the proceedings for election of President with Manager Gross opening the nominations.

Nominated by Director Terry, second by Director Conrad and carried by a 4 to 0 vote, Director Grabow was elected President of the Board of Directors.

President Grabow then called for nominations for Vice-President.

Nominated by Director Terry, second by Director Conrad and carried by a 4 to 0 vote, Director Mackzum was elected Vice-President.

Directors' Mackzum and Milliorn were appointed to the Finance Committee with Director Conrad as an alternate. Board policy states the Vice-President shall serve on the Finance Committee.

Directors' Terry and Grabow were appointed to the Personnel Committee with Director Conrad as an alternate.

**4. Approval of Consent Items**

**A. Approve Meeting Minutes**

The April 18, 2018 Meeting Minutes were tabled to the June Board Meeting.

**B. Ratify March 2018 Expenditures**

**C. Authorize Board Secretary and General Manager to Execute Revised Contract for Deposit of Public Funds with First Mountain Bank**

**D. Consider Approving Resolution No. 08-18, Adopting the Fire Department Terms for Response Away from Official Duty**

Upon motion by Director Milliorn, second by Director Conrad and carried by a 4 to 0 vote, the Consent Items were approved with the April 18, 2018 Meeting Minutes tabled. (Resolution No. 08-18 on file in the District Office)

**5. Action Items – The following action items will be considered individually and each require a motion by the Board of Directors for action.**

**A. Public Hearing and Consideration of Adopting Ordinance No. 50, Establishing Fees for Ambulance Services**

i. **Open Public Hearing** – Manager Gross opened the Public Hearing at 9:08 A.M.

ii. **Staff Presentation** – Manager Gross referred to the staff report saying the Inland County Emergency Medical Agency (ICEMA) has submitted the annual rates and fees for ambulance service.

**iii. Written Public Comment** – None received

**iv. Oral Public Comment** – None received

**v. Board Discussion/Comments** – Chief Corley commented on the annual ICEMA fee increase.

**vi. Close Public Hearing** – President Grabow closed the Public Hearing at 9:10A.M.

**vii. Consider Adoption of Proposed Ordinance No. 50**

Upon **motion** by Director Terry, **second** by Director Conrad and **carried by a 4 to 0 vote** **ORDINANCE NO. 50, ESTABLISHING FEES FOR AMBULANCE SERVICES** was adopted. (Ordinance No. 50 on file in the District office)

**B. Consider Accepting Proposal for Fiscal Year 2017/2018 Financial Audit Services**

Van Lant and Fankhanel, LLP (VLF) have conducted the District Audit and prepared the financial statements since Fiscal Year 2013/2014 at the cost of \$22,500 per year. Supervisor Eaton said VLF is a highly comprehensive professional auditing firm with a clear understanding of the District and staff recommends engaging with VLF for the June 30, 2018 Audit. Manager Gross stated the industry standard regarding auditor rotation is five years.

Upon **motion** by Director Milliorn, **second** by Director Conrad and **carried by a 4 to 0 vote**, the Van Lant and Fankhanel, LLP Engagement Letter and Proposal for Fiscal Year 2017/2018 Financial Audit Services in the amount of \$22,500, was approved.

**C. Consider Authorizing Expenditure for Automatic Meter Reading (AMR) Technology Upgrade Project and Authorize the General Manager to Execute the Appropriate Agreement**

Manager Gross reported on the Automatic Meter Reading (AMR) Technology Upgrade Project and asked the Board to consider proceeding with the project and to authorize the General Manager to purchase required materials and execute a contract/agreement not to exceed \$800,000. The State Water Resources Control Board (SWRCB) Funding Agreement includes \$400,000 principal forgiveness and based on the final loan amount of \$400,000 with an interest rate of 1.8% for 20 years, the annual debt service payments will be approximately \$24,000 and begin one year after completion of the project. Supervisor Bobroff reported on Water Division staffing in regards to the AMR project.

Upon **motion** by Director Conrad, **second** by Director Terry and **carried by a 4 to 0 vote**, the Expenditure for Automatic Meter Reading (AMR) Technology Upgrade Project and Authorize the General Manager to Execute the Appropriate Agreement, was approved.

**D. Consider Authorizing Expenditure for Outfitting New Fire Chief Command Vehicle**

Chief Corley reported on the new Fire Chief Command 2017 Ford F250 vehicle recently purchased for \$44,029 and recommended that the Board approve additional funds of approximately \$12,000 to outfit the vehicle. Quotes were provided and if approved, the purchase will be funded from the Fire Department Equipment Replacement Reserve Fund with a current balance of \$12,188.

Upon motion by Director Conrad, second by Director Milliorn and carried by a 4 to 0 vote, Authorizing Expenditure for Outfitting New Fire Chief Command Vehicle not to exceed \$12,000, was approved.

**E. Consider Request for Use of Downtown Property**

The District received a request from NBC/Universal to utilize the Downtown property for transportation equipment storage from June 3<sup>rd</sup> through June 5<sup>th</sup>, 2018. If approved, a Right of Entry/Hold Harmless Agreement will be executed and a certificate of insurance naming the District as additionally insured will be received. A \$1,500 donation is proposed to be made to the District.

Upon motion by Director Conrad, second by Director Terry and carried by a 4 to 0 vote, Request for Use of Downtown Property by NBC Universal, was approved.

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**F. Consider Approving Change Order for Main Office Roof Repair**

Manager Gross reported on the condition of the District Administration Office roof that is in need of modification due to safety concerns. Manager Gross said this item will be returned to the Board at a later date.

No action taken

**6. Information Items**

**A. Draft Fiscal Year 2018/2019 Water and Administration Division Budget**

Manager Gross reported on the Water and Administration Division Budget that was reviewed by the Finance Committee on May 2, 2018. The Water Division Cash Flow Projection indicates the operating reserve is fully funded due to success of the five (5) year incremental rate adjustments. The Water Division has approximately \$340,000 in deferred capital projects for consideration beginning in Fiscal Year 2018/19 and the Water Fund Projection indicates the Water Division will be fully funded for the next five years. Discussion continued and Manager Gross confirmed the District will complete a comprehensive rate study in Fiscal Year 2018/19.

**B. CalPERS Pension Update**

Manager Gross presented a CalPERS Pension Update that included Unfunded Accrued Liability (UAL) Funding Options. The Finance Committee recommendation is to make the lump sum annual UAL payment in July, 2018 resulting in interest savings for the District. CalPERS is conducting an actuarial study for the District regarding optional additional UAL payments and the information is expected to be presented at the June 20, 2018 Board Meeting.

**C. Quarterly Investment Report**

The Local Agency Investment Fund (LAIF) Remittance Advise as of April 13, 2018 was provided to the Board indicating the quarterly earnings of \$10,775 at 1.51% interest rate.

**D. CSA-79 Update**

The San Bernardino County Supervisor's office is reviewing possible consolidation between the Running Springs Water District and the San Bernardino County Special District (CSA-79) in Green Valley Lake (GVL) for Wastewater Collection services. Manager Gross and President Grabow will attend the CSA-79 meeting in GVL on June 2, 2018 to address questions regarding the proposed consolidation.

**7. General Manager's Report**

Manager Gross reported on the Pali Mountain annexation review by the Local Agency Formation Commission (LAFCO). The Boy Scout camp has also requested annexation to the Running Springs Water District and the benefit will be additional revenue for the District.

The Fire Department will recommend a new mandated alerting system for Station 50 during the June Board Meeting.

Manager Gross reported on the Fire Department Building Project and Change Orders saying additional repairs are required at an approximate cost of \$35,000. The District is waiting for a response from the Special District Risk Management Authority (SDRMA) to determine if the additional cost will be covered under the District's Property Liability policy.

**8. Report from Legal Counsel**

Attorney Simmons said the Department of Water Resources increased their proportion of water coming from the State Water Project from 20% to 30% and a water shortage is not expected this year.

**9. Board Member Comments/Meetings**

No additional comments.

**10. Meeting Adjournment**

The meeting was adjourned at 10:28 A.M.

Respectfully Submitted,



Presiding President, Board of Directors  
Running Springs Water District



Secretary of the Board of Directors  
Running Springs Water District