

**MINUTES OF THE REGULAR MEETING OF THE  
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
APRIL 17, 2019**

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The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, April 17, 2019 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:

Tony Grabow, President  
Errol Mackzum, Vice-President  
Mike Terry, Director  
Bill Conrad, Director  
Mark Acciani, Director

Also present were the following:

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

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 President Grabow 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. Approval of Consent Items**

**A. Approve March 21, 2019 Rescheduled Board Meeting Minutes**

A typographical error in the March 21, 2019 Board Meeting Minutes will be corrected.

**B. Ratify March 2019 Expenditures**

**C. Consider Adopting Resolution No. 06-19, Resolution of Lodge, Association or Other Similar Organization Regarding New Bank Signature Cards for First Foundation Bank**

**D. Consider Adopting Resolution No. 07-19, Adopting Revisions to the District Purchasing Policy**

Upon motion by Director Mackzum, second by Director Conrad and carried by a 5 to 0 vote, with a revision to the March 21, 2019 Rescheduled Board Meeting Minutes, the Consent Items were approved.

**4. Action Items**

**A. Consider Providing Additional Direction to Staff on Draft Fiscal Year 2019/20 and 2020/21 District Budgets**

Manager Gross presented the draft Fiscal Year 2019/2020 and 2020/2021 District Budgets in a revised format. The draft Budgets were reviewed by the Finance Committee on April 10, 2019 and Manager Gross has since restructured the document as discussed in the Finance Committee Meeting. The Proposition 218 Public Hearing Notices will be mailed before April 30, 2019 and the Proposition 218 Public Hearing and Board consideration of adopting the two-year budget will be scheduled on June 19, 2019 at 6:00 P.M. Raftelis Financial Consultants, Inc. (Raftelis) will attend the Public Hearing to address questions regarding the proposed revenue adjustments and District Rate Study that includes prepayment options for the CalPERS Unfunded Liability. Further clarification of the CalPERS Risk Mitigation Policy was requested by the Board and discussion continued. Manager Gross then reviewed the Capital Improvement Plan and District Debt Issuances that include the Clean Water State Revolving Fund (CWSRF) Program regarding the Sewer Lift Station Nos. 1-3 Improvements, Municipal Finance Corporation regarding the Ayers Acres Groundwater Well Project and the CWSRF Green Project Reserve Financing regarding the Automatic Meter Reading Technology Upgrade Project. Manager Gross summarized the draft Budgets by Division stating the Administration Budget historically was blended into the other Department Budgets and is now separate to clearly define administration expenses. The District's Combined and Comparative Statements of Revenues, Expenses and Changes in Net Position and the Rates and Fees were then reviewed with Manager Gross reporting on purchased wholesale water from Crestline-Lake Arrowhead Water Agency and Arrowbear Park County Water District. Manager Gross presented the Five-Year Cash Flows and Fund Balances saying the Wastewater Operating Fund is now fully funded. He also presented the Current and Proposed Rates and Fees and the individual Division Budget Core Functions, Goals and Objectives, Operating Expense Details, Employee Classifications/Wage Scales and Capital Improvement Plans.

The consensus of the Board was for staff to proceed with the Fiscal Year 2019/20 and 2020/21 District Budgets with no action required or taken.

**B. Board Authorization to Hold a Public Hearing on June 19, 2019 to Consider Proposed Water and Wastewater Rate and Fee Adjustments for Fiscal Years Ending 2020-2024 and to Mail a Notice of the Public Hearing to all District Property Owners in Accordance with the Requirements of Proposition 218**

The draft Proposition 218 Notice for Fiscal Years 2020 - 2024 was provided to the Board for review and discussion. The notice states the proposed 2019/20 rate adjustments for the average customer bill for combined water and sewer services, if approved, will increase approximately \$3.77 per month. The Proposition 218 Notice of Public Hearing will be published in the newspaper and District website and the notices will be mailed to all District property owners, or customer of record, in accordance with the requirements of Proposition 218.

Upon motion by Director Mackzum, second by Director Terry and carried by a 5 to 0 vote, Board Authorization to Hold a Public Hearing on June 19, 2019 to Consider Proposed Water and Wastewater Rate and Fee Adjustments for Fiscal Years Ending 2020-2024 and to Mail a Notice of the Public Hearing to all District Property Owners in Accordance with the Requirements of Proposition 218, was approved.

**C. Consider Authorizing Staff to Proceed with Purchase of Budgeted Equipment and Services for Wastewater Division**

Supervisor Miller reported on proceeding with several Wastewater Operations and Maintenance (O&M) and Capital Improvement Program (CIP) projects and the purchase of equipment and services that were approved in the Fiscal Year 2018/19 Wastewater Budget. Funding for the projects totaling approximately \$100,000 will come from the Wastewater Capital Improvement Project Reserve with a balance of \$287,199.

Upon motion by Director Conrad, second by Director Terry and carried by a 5 to 0 vote, Authorizing Staff to Proceed with the Purchase of Budgeted Equipment and Services listed in the staff report for the Wastewater Division, was approved.

**D. Consider Authorizing Changes to Credit/Debit Card Processing for Water and Sewer Bill Payments**

Manager Gross reported on the District credit/debit card processing fees that were previously considered by the Board of Directors. Currently, customers that pay water and/or sewer bills are charged a flat service fee of \$3.25 to utilize their credit cards which is collected by Paymentus, a third party agency. The District's new Tyler/Incode Utility Billing Software allows for the integration of an Electronic Transfer System (ETS) program for credit/debit card and e-check payment methods with no fee to the customer. The average estimated processing fee for a \$100 utility payment would be \$1.12 if the

District incurs or absorbs the processing fees into the water and sewer rates and considers the fee part of the cost of doing business. The District would incur an additional annual expense of approximately \$6,500 based on current data with Supervisor Eaton saying an analysis was conducted that indicates the expense would closely balance with District savings in postage, materials and Administration costs. The current contract with Paymentus expires in February of 2020.

Upon motion by Director Mackzum, second by Director Acciani and carried by a 5 to 0 vote, Authorizing Changes and Enter into a New Credit/Debit Card Processing Agreement for Water and Sewer Bill Payments, was approved.

## **5. Information Items**

### **A. Update of Potential Voting by Districts**

Attorney Simmons reported on voting by District and the California Voting Rights Act that was adopted in 2003. Attorney Simmons suggested that the District consider hiring a consultant to prepare a census analysis to determine if there are any concerns in the Running Springs area.

The consensus was for the District to obtain a proposal to conduct a demographic census analysis of the Running Springs area that will be reviewed by the Board on May 15, 2019.

### **B. Update on Senate Bill 998**

Attorney Simmons reported on Senate Bill 998 that is effective in 2020 and increases the procedural mechanism for customers that do not pay their water bill. Senate Bill 998 will require revisions for District water termination policies and Best, Best & Krieger, Legal Consultants will assist the District with rewriting termination procedures. Attorney Simmons said the impact to the District will be more difficulty turning off customer water.

## **6. General Manager's Report**

Manager Gross reported that he and Supervisor Miller recently met with Forest Service representatives regarding the Wastewater Treatment Plant Disposal Pond area that is operated under a Special Use Permit. The outcome of the meeting was that the District will submit a proposal to start the spray irrigation system to determine the water quality effect on the area. Discussion continued regarding the Wastewater Treatment Plant and Irrigation Site.

Chief Corley reported on the Forest Service fuels management project at road 1N09.

## **7. Report From Legal Counsel**

Attorney Simmons reported on the State Water Project and current increase in reservoir conditions due to recent rainfall and he said the water allocation went from 35% to 70%.

Manager Gross and Supervisor Bobroff reported on District water well production that is at 100% and they confirmed that the District had some recent outside water purchases from Crestline-Lake Arrowhead Water Agency and Arrowbear Park County Water District. Supervisor Bobroff also reported on the automated meters saying the system is efficiently managing water leaks.

**8. Board Member Comments/Meetings**

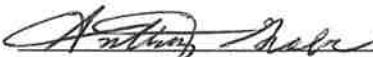
The District received a formal demand letter from Parker Stanbury, LLP on behalf of customer Mark Towhidlow, regarding standard monthly customer water and sewer service fees with Director Conrad saying his is familiar with the firm and their practices. Mike Riddell, District Legal Counsel with Best, Best and Krieger has responded to the letter on behalf of the District.

Director Grabow recently attended the County Service Area 79 (CSA-79) Green Valley Lake Municipal Advisory Committee Meeting and he suggested the agency schedule a meeting with Running Springs Water District regarding proposed consolidation.

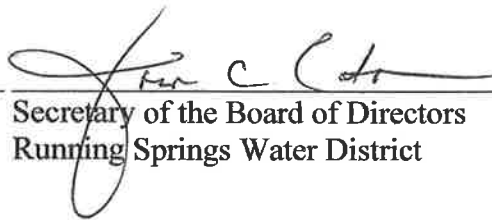
**9. Meeting Adjournment**

Upon motion by Director Mackzum, second by Director Terry and carried by a 5 to 0 vote, the meeting was adjourned at 11:20 A.M.

Respectfully Submitted,



President, Board of Directors  
Running Springs Water District



Secretary of the Board of Directors  
Running Springs Water District