



RUNNING SPRINGS WATER DISTRICT
A MULTI-SERVICE INDEPENDENT SPECIAL DISTRICT

31242 Hilltop Boulevard • P.O. Box 2206
Running Springs, CA 92382

TO: BOARD OF DIRECTORS DATE POSTED: MARCH 24, 2017

RE: REGULAR BOARD MEETING FROM: BOARD SECRETARY

The date for the regularly scheduled board meeting has been changed from 9:00 a.m. on March 15, 2017 to 9:00 a.m. on March 29, 2017 and therefore the meeting was adjourned to that later date.

The Regular Meeting of the Board of Directors of the Running Springs Water District will be held on Wednesday, March 29, 2017, at the hour of 9:00 a.m. at the District Office located at 31242 Hilltop Boulevard, Running Springs, California. This agenda was posted prior to 5:00p.m. on March 24, 2017 at the Running Springs Water District Office and Website.

The Board may take action on any item on the agenda, whether listed as an action item or as an information item.

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Joan C. Eaton, Board Secretary at (909) 867-2766 at least 48 hours before the meeting, if possible.

Copies of documents provided to members of the Board for discussion in open session may be obtained from the District at the address indicated above.

AGENDA

1. Call Meeting to Order and Pledge of Allegiance
2. Recognize and Hear from Visitors / Public Comment - This portion of the agenda is reserved for the public to make comments on matters within the jurisdiction of the Running Springs Water District that are **not on the agenda**. The Board, except to refer the matter to staff and/or place it on a future agenda, may take no action. It is in the best interest of the person speaking to the Board to be concise and to the point. A time limit of five minutes per individual will be allowed. Any person wishing to comment on an item that is on the agenda is requested to complete a request to speak form prior to the item being called for consideration or to raise their hand and be recognized by the Board President.
3. Closed Session
 - A. Conference With Legal Counsel – Anticipated Litigation. Significant Exposure to litigation pursuant to Paragraph (2) of subdivision (d) of Section 54956.9. Number of cases: One

4. Open Session
 - A. The Board and/or Legal Counsel will report any action taken in closed session.

5. Approval of Consent Items – The following consent items are expected to be routine and non-controversial and will be acted on at one time without discussion unless an item is withdrawn by a Board Member for questions or discussion. Any person wishing to speak on the consent agenda may do so by raising his/her hand and being recognized by the Board President.
 - A. Approve Meeting Minutes **Page 3**

 - B. Consider Adopting Resolution No. 08-17, Amending and Adopting Local Guidelines for Implementing the California Environmental Quality Act (CEQA) **Page 14**

6. Action Items – The following action items will be considered individually and each **require a motion** by the Board of Directors for action.
 - A. Consider Approving Ordinance No. 47 Adopting Rate Methodology, Terms and Conditions for Transportation, Treatment and Disposal of Wastewater Received from Arrowbear Park County Water District and from San Bernardino County Service Area No. 79 and Authorize the General Manager to Sign and File the CEQA Notice of Exemption
(Presenter: Ryan Gross, General Manager) **Page 20**

 - B. Consider Request from Green Valley Lake Residents

7. Information Items – The following information items do not require any action by the Board of Directors and are for informational purposes only.
 - A. Personnel Committee Report **Page 42**

8. General Manager’s Report
9. Report from Legal Counsel
10. Board Member Comments
11. Meeting Adjournment

Upcoming Meetings: Regular Board Meeting, April 19, 2017 at 9:00 am

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: March 29, 2017
TO: Board of Directors
FROM: Ryan Gross, General Manager
SUBJECT: CONSIDER APPROVING MEETING MINUTES

RECOMMENDATION

It is recommended that the Board of Directors review and approve the attached meeting minutes.

REASON FOR RECOMMENDATION

Approval of meeting minutes.

BACKGROUND INFORMATION

The attached draft meeting minutes are from the Regular Board Meeting held on February 15, 2017 and the Special Board Meeting held on March 8, 2017.

ATTACHMENTS

Attachment 1 – Draft Meeting Minutes

**MINUTES OF THE REGULAR MEETING OF THE
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
FEBRUARY 15, 2017**

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, February 15, 2017 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:
Pamella Bennett, Vice-President
Mike Terry, Director
Errol Mackzum, Director
Tony Grabow, Director

President Kenneth Ayers was absent

Also present were the following:
Ryan Gross, General Manager
Joan C. Eaton, Board Secretary/Treasurer/Administration Supervisor
Trevor Miller, Wastewater Treatment Plant Division Supervisor
Isaiah Hall, Wastewater Collections Division Supervisor
Ward Simmons, Legal Counsel, Best, Best & Krieger

Visitors Present:
Norman Huff, General Manager, Arrowbear Park County Water District

MEETING MINUTES

AGENDA ITEMS

1. Call Meeting to Order and Pledge of Allegiance

The meeting was called to order at 9:04 A.M. by Vice-President Bennett who also led the assembly in the pledge of allegiance to the flag.

2. Recognize and Hear From Visitors/Public Comment

Visitor Norman Huff introduced himself for the record.

3. Approval of Consent Items

A. Approve Meeting Minutes

B. Ratify Expenditures and Cash Summary

Upon motion by Director Grabow, second by Director Terry and carried by a 4 to 0 vote, the January 2017 Expenditures were ratified and the Consent Items were approved.

4. Action Items

A. Project Acceptance and Filing Notice of Completion for Sewer Lift Stations Nos. 1-3 Construction Contract

Manager Gross stated the District has finished the replacement of Sewer Lift Stations Nos. 1, 2 and 3 and are asking the Board to formally accept the work as performed by Trinity Construction as complete and authorize the General Manager to execute the Notice of Completion and file it with the San Bernardino County Recorder. The Board approved the construction contract on April 27, 2015 in the amount of \$2,791,500 and the final contract amount was slightly over by \$1,473.50 due to change orders with a list provided to the Board. Manager Gross said the funding source for the project was the State Water Resources Control Board Clean Water State Revolving Fund Loan at an interest rate of 1.9% over a twenty (20) year term. The final disbursement was received on February 3, 2017 and the first loan payment in the amount of \$169,579.20 will be due on October 29, 2017. The District collects an Infrastructure Repair and Replacement (IR&R) fee of \$5.25 per month per equivalent dwelling unit (EDU) to fund the repayment of the debt service. Manager Gross confirmed the State Project Manager conducted an interim and final inspection of the project and he reported on Change Order #3, Eliminating Bid Item #35 Slip Lining, saying that section of line looks good so repairs are not expected in the near future. Manager Gross concluded by saying the main collections system problem is the downtown section that requires repair when the weather permits.

Upon motion by Director Mackzum, second by Director Grabow and carried by a 4 to 0 vote, Project Acceptance and Filing Notice of Completion for Sewer Lift Stations Nos. 1-3 Construction Contract, was approved.

5. Information Items

A. Consider Draft Ordinance No. 47 Adopting Rate Methodology, Terms and Conditions for Transportation, Treatment and Disposal of Wastewater Received from Arrowbear Park County Water District and from San Bernardino County Service Area No. 79

Manager Gross referred to the draft Ordinance No. 47 on page 26 of the staff report that was also provided to Arrowbear Park County Water District (Arrowbear) as well as to the San Bernardino County Service Area No. 79 (CSA-79) on Friday, February 10, 2017. The ordinance incorporates a revised cost allocation methodology for billing our upstream sewer users which are Arrowbear and the CSA-79 Green Valley Lake area. The proposed upstream users monthly rate for the actual variable O&M expenses are proposed to be based on each District's monthly proportionate share of wastewater flow.

The proposed monthly rates for the fixed O&M expenses would all be based on each District's proportionate share of equivalent dwelling units. The proposed monthly rate for actual capital improvement and replacement expenses would also be based on proportionate share of equivalent dwelling units. If the ordinance does pass and there is not adequate time to do a survey of equivalent dwelling unit counts, the District will use the number of equivalent dwelling units in each District's billing systems. Manager Gross said our understanding is the current equivalent dwelling units in RSWD is 2,943, Arrowbear 984 and CSA-79 1,226. Every year thereafter, RSWD would have each District prepare an accurate survey and pay special attention to commercial accounts that may not be accounted for properly.

Norman Huff from Arrowbear commented and was given additional time to address the Board with his comments and stated opposition to the proposed new ordinance and rate methodology.

Additional discussion continued regarding sizing of the Wastewater Treatment Plant and Manager Gross reiterated the plant was sized using reasonable design criteria and assumptions to base the size and treatment capacity of the plant on. The Treatment Plant is designed and permitted to treat a peak day capacity of one million gallons per day.

Director Bennett thanked Mr. Huff and said this is just an information item that will come up again. No additional comments were made.

B. Draft Fiscal Year 2017/2018 Wastewater Collections Department Budget

Manager Gross stated the Finance Committee reviewed both the Collections and Treatment Division budgets on February 1, 2017. Manager Gross referred to the Collections Division Budget Summary and said there is not much difference year to year. The Cost of Living Adjustment was incorporated based on the CPI-W 1.9% ending October 2016 and the CalPERS Employer Paid Member Contribution will be eliminated at 2% a year and being offset with 2% COLA so the total cost of living increase is the COLA and CPI-W. Manager Gross said the District saw an increase in Employee Health Benefits of 10.86% effective January, 2017 so the District proposed to increase the medical cap provided to District employees by half of that increase. The Finance Committee also discussed the historical allocation of Administrative expenses that have been 2% of each Division's O&M expense and reimbursed back to the Water Division. The District is closely reviewing the Administrative expenses as the Water Division currently picks up over 70% of the total costs. For the 2017/2018 budget year, Manager Gross said the reimbursement amount will increase from 2% to 4% as an interim measure while the actual costs are reviewed. Currently, the Water and Administration Division budgets are combined but will be separated next year. Manager Gross closed by saying the Collections Division budget includes the new debt service loan interest for the Sewer Lift Station project. Director Bennett thanked staff for preparing the budget and Director Mackzum said the Finance Committee spent a fair amount of time reviewing the budget and are looking at more accurate allocations of Administration expense. Discussion

continued and Supervisor Eaton said Administration will determine accounting capabilities upon implementation of the new Tyler Incode system. Manager Gross said the Water Division is currently paying approximately 65% of the total Administration costs, Collections is 10%, Treatment is 10%, Fire is 10% and Ambulance is 5%. Supervisor Hall reported on the Collections Division Lift Station Projects and deferral of the Downtown sewer line project.

C. Draft Fiscal Year 2017/2018 Wastewater Treatment Department Budget

Manager Gross reported on the 2017/2018 Wastewater Treatment Department Budget saying this is the first year the District is splitting the Treatment and Collections budgets to track the upstream costs better. Manager Gross said the Treatment Division is planning to fill the vacant operator position at the plant in Fiscal Year 2017/2018 which was discussed with the Finance Committee on February 1st. Supervisor Miller has just two operators at the plant and with all the weekend coverage and on call coverage, Manager Gross said it is spreading them thin and the Treatment Division is proposing to fill the position that is built into this budget. The assumption made for the revenue received from Arrowbear and CSA-79 is the methodology explained earlier in the draft ordinance. The capital improvements are estimated at \$97,500 which includes upgrading the Treatment Plant Effluent Flow Meter, upgrading the Telemetry and SCADA system and the Fine Bubble Aeration System in the Membrane Bio-Reactor #2. Recent improvements made at the Treatment Plant have actually reduced O&M expenses and several years ago, the Treatment Plant upgraded the blowers which resulted in a savings of approximately \$20,000 per year in electricity costs. The Bio-Solids Dewatering process improvements have shown a savings of about \$60,000 a year and the recent MBR upgrade will also reduce electricity costs by an additional \$15,000 to \$18,000 per year.

Manager Gross mentioned one other unknown going on with the Treatment Division. The Forest Service is looking at the renewal of the District Special Use Permit and they are involving the Regional Water Quality Control Board and looking at the disposal site. Manager Gross said we do not really know where this is going to go and there is potential that we may have to do some major capital improvement at the disposal ponds to improve the water quality. Manager Gross said the budget remains in draft form until June and some of the expenses may change as we receive more updated costs for certain expenses.

D. Quarterly Investment Report

The Quarterly Investment Reports are included for information only.

E. Water Production and Precipitation Report

Director Bennett commented on the Water Production and Precipitation Report saying she was impressed to see the December and January rain totals and more precipitation is expected.

6. General Manager’s Report

Manager Gross confirmed the next Finance Committee Meeting on March 1, 2017 to review the Fire Department and Ambulance Division budgets.

7. Report from Legal Counsel

Attorney Simmons said the State Water Board extended the drought regulations which are supposed to last for another 270 days. The State Water Board has the opportunity to discontinue the regulations if the governor withdraws the emergency drought. After May, 2017, the State Water Board will review to determine if they want to modify regulations and Attorney Simmons confirmed the regulation is regarding every county in the state.

8. Board Member Comments

Director Bennett asked about the Personnel Committee with Manager Gross saying a meeting will be scheduled. Discussion continued regarding conflicts in Board Member schedules in March.

9. Meeting Adjournment

The meeting was adjourned at 10:25 A.M.

Respectfully Submitted,

President, Board of Directors
Running Springs Water District

Secretary of the Board of Directors
Running Springs Water District

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
MARCH 8, 2017**

The Special Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, March 8, 2017 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:

Kenneth Ayers, President
Pamella Bennett, Vice-President
Mike Terry, Director

Directors' Errol Mackzum and Tony Grabow were absent

Also present were the following:

Ryan Gross, General Manager
Joan C. Eaton, Board Secretary/Treasurer/Administration Supervisor
George Corley, Fire Chief
Mike Vasquez, Fire Battalion Chief
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 9:04 A.M. by President Ayers and Chief Corley led the assembly in the pledge of allegiance to the flag.

2. Recognize and Hear From Visitors/Public Comment

No visitors were present.

3. Approval of Consent Items

A. Consider Adopting Resolution No. 02-17, Fixing and Levying Fire Suppression Availability Charges for Fiscal Year 2017-2018

- B. Consider Adopting Resolution No. 03-17, Fixing Sewer Standby or Availability Charges for Fiscal Year 2017-2018**
- C. Consider Adopting Resolution No. 04-17, Fixing Water Standby or Availability Charges for Fiscal Year 2017-2018**
- D. Ratify February 2017 Expenditures**

Chief Corley clarified the ConFire JPA expense of \$12,599.77 that is quarterly Fire Department dispatching services.

Upon **motion** by Director Terry, **second** by Director Bennett and **carried by a 3 to 0 vote**, the February 2017 Expenditures were ratified and the Consent Items were approved.

4. Action Items

- A. Discussion and Possible Adoption of Resolution No. 05-17, Recommending Consolidated Election for Governing Board Members with Statewide General Elections and Approving Rescheduling of Such Elections from Odd-Year to Even-Year Elections Commencing with the 2017 Election**

Manager Gross reported on Resolution No 05-17, Consolidation of Election that shifts the election from the odd years to the even years. Manager Gross said most special districts are participating and if approved, the change will result in cost savings to the Districts by sharing the election costs. SB 415 becomes effective on January 1, 2018 and requires subject public agencies to either (i) change their election date no later than January 1, 2018 or (ii) adopt a plan by January 1, 2018 to change their election date by no later than the November 8, 2022 Statewide General Election.

Upon **motion** by Director Bennett, **second** by Director Terry and **carried by a 3 to 0 vote**, Resolution No. 05-17, Changing the Regular Election Date for Election of Its Board of Directors From November of Odd-Numbered Years to the Statewide General Election Date in November of Even-Numbered Years, was adopted. (Resolution No. 05-17 on file in the District office)

- B. Consider Adopting Resolution No. 06-17, Clean Water State Revolving Fund Reimbursement Resolution for Automatic Water Meter Reading Improvements**

Manager Gross reported on the procedural resolutions required for submittal to the State Water Board to continue the process of applying for an \$800,000 loan with 50% principal forgiveness which is a \$400,000 grant at 1.9% interest over a twenty (20) year term to fund the remaining phases of the Automatic Meter Reading System Project. Resolution No. 06-17 is the state reimbursement resolution and Manager Gross said the resolution does not commit the District in anyway. The project will take approximately five (5)

months beginning in the spring and completing in the fall of 2018. The District will save money with the automated system which is primarily a water conservation improvement for the District that provides leak detection. Discussion continued regarding the Automated Meter Reading System that integrates with the new Tyler Incode 10 Utility Billing Software. Manager Gross said an assessment may be considered in 2019 that would require a Proposition 218 Public Hearing. The first loan payment will be due one (1) year after the state approves the completed project and Manager Gross said the programming and conversion will be completed by Zenner with no additional costs expected.

Upon **motion** by Director Ayers, **second** by Director Bennett and **carried by a 3 to 0 vote**, Resolution No. 06-17, Clean Water State Revolving Fund Reimbursement Resolution for Automatic Water Meter Reading Improvements, was adopted. (Resolution No. 06-17 on file in the District office)

C. Consider Adopting Resolution No. 07-17, Dedicating a Source of Revenue for the Repayment of a State Water Resources Control Board Clean Water State Revolving Fund Loan for Automatic Water Meter Reading Improvements

Manager Gross stated Resolution No. 07-17 dedicates a source of revenues for the repayment of the State Water Resources Control Board (SWRCB) Clean Water State Revolving Fund (CWSRF) to repay the loan for the Automatic Water Meter Reading Improvements. Manager Gross said the source of revenue is the water rates we collect from the customers and the resolution does not commit the District in anyway.

Upon **motion** by Director Bennett, **second** by Director Terry and **carried by a 3 to 0 vote**, Resolution No. 07-17, Dedicating a Source of Revenue for the Repayment of a State Water Resources Control Board Clean Water State Revolving Fund Loan for Automatic Water Meter Reading Improvements, was adopted. (Resolution No. 07-17 on file in the District office)

5. Information Items

A. Draft Fiscal Year 2017/18 Fire and Ambulance Department Budgets

Manager Gross said the Finance Committee met on March 1, 2017 to review the Fire and Ambulance draft budgets. Minor changes have been incorporated into the draft budgets including the Administration reimbursement that increased from 2% to 4% of the overall Operations and Maintenance (O&M) expense for both Divisions. The revenue projections were based on the past three (3) year averages and the District is expecting an increase in property tax revenue for the 2017/2018 Fiscal Year with Manager Gross confirming the District received a 6.3% increase in property tax from the 2014/2015 to the 2015/2016 Fiscal Year. Manager Gross reported on the Fire Department salaries and wages expense account that appears to be over budget due to reimbursements for mutual aid that are received and applied back into a revenue account. Chief Corley clarified mutual aid

saying the department is reimbursed approximately two-thirds of the expense in addition to 20% of the administrative costs. Manager Gross noted that there will be a supplemental chart in the 2017/2018 Fiscal Year Budget indicating the mutual aid reimbursements and Chief Corley confirmed that the state and federal government still owe the District over \$100,000 for the 2016/2017 Fiscal Year. Discussion continued and President Ayers expressed concerns with the Fire Departments expected future increase in expenses with a decrease in revenue. Manager Gross said the department will be operating in a deficit with fewer options for revenue since Ballot Measure B failed and the only choice may be to cut services. Manager Gross also reported on the CalPERS Retirement System that is increasing employer costs saying the District will need to find ways to trim expenses. Manager Gross noted the Fire Department has some opportunities that include possibly contracting fire services with Arrowbear Park District and Green Valley Lake. Manager Gross said the Fire Department is at the level set at the Cash Reserve Policy with Chief Corley reporting on expenses the District cannot control.

B. Article on Apple Valley Fire Protection District

Manager Gross reported on the Apple Valley Fire Protection District that passed their tax measure to provide additional funding for emergency services with the assistance of a consultant.

C. BB&K Article on E-Communications

Attorney Simmons reported on private email that is potentially subject to the Public Records Act. Supervisor Eaton will attend a BB&K webinar for additional information and the District will consider drafting a policy regarding this issue.

D. Water Production and Precipitation Report

Manager Gross reported on the monthly Water Production and Precipitation Report saying some District wells are currently turned off and we are not purchasing any imported water at this time.

6. Closed Session

A. Conference with Legal Counsel – Anticipated Litigation. Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9. Number of Cases: One

The meeting moved into closed session at 9:57 A.M.

7. Open Session

A. The Board and/or Legal Counsel will report any action taken in closed session.

MINUTES – March 8, 2017
PAGE 5 OF 5

The meeting moved into open session at 10:55 A.M. with no reportable action.

8. General Manager’s Report

No Report

9. Report from Legal Counsel

No Report

10. Board Member Comments

No Comments

11. Meeting Adjournment

The meeting was adjourned at 10:56 A.M.

Respectfully Submitted,

President, Board of Directors
Running Springs Water District

Secretary of the Board of Directors
Running Springs Water District

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: March 29, 2017

TO: Board of Directors

FROM: Ryan Gross, General Manager

SUBJECT: CONSIDER ADOPTING RESOLUTION NO. 08-17, APPROVING THE 2017 UPDATE TO THE LOCAL CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) GUIDELINES

RECOMMENDATION

It is recommended that the Board of Directors adopt Resolution No. 08-17, approving the 2017 Update to the Local California Environmental Quality Act (CEQA) Guidelines. A draft of the resolution is included as Attachment 1.

REASON FOR RECOMMENDATION

The State CEQA Guidelines requires local agencies to adopt “objectives, criteria and procedures” to implement the requirements of the CEQA statute and the State CEQA Guidelines. (State CEQA Guidelines Section 15022). The Running Springs Water District's Local CEQA Guidelines have been revised and amended to reflect the State CEQA Guidelines, the Public Resources Code, relevant court opinions and local practices.

BACKGROUND INFORMATION

The CEQA, as contained in Public Resources Code sections 21000 et seq., is California's most comprehensive environmental law. It requires all public agency actions. CEQA also aims to prevent significant environmental effects from occurring as a result of agency actions by requiring agencies to avoid or reduce, when feasible, the significant environmental impacts of their decisions.

To this end, CEQA requires all public agencies to adopt specific objectives, criteria and procedures for evaluating public and private projects that are undertaken or approved by such agencies.

The Running Springs Water District has prepared a proposed updated set of Local CEQA Guidelines for 2017 in compliance with CEQA's requirements. These Guidelines reflect recent changes in the Public Resources Code, the State CEQA Guidelines and relevant court opinions. These Local CEQA Guidelines also provide instructions and forms for preparing all environmental documents required under CEQA.

Attachment 2 contains a summary of the 2017 changes to the Local CEQA Guidelines.

FISCAL INFORMATION

No fiscal impact is anticipated from amending the Local CEQA Guidelines.

ATTACHMENTS

Attachment 1 – Resolution No. 08-17

Attachment 2 – BB&K Memo Summary of Changes to Local CEQA Guidelines

Attachment 3 – 2017 Local Guidelines for Implementing CEQA (Provided under separate cover and available for public inspection at the District office)

RESOLUTION NO. 08-17

**RESOLUTION OF THE RUNNING SPRINGS WATER DISTRICT
AMENDING AND ADOPTING LOCAL GUIDELINES FOR
IMPLEMENTING THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT (PUBLIC RESOURCES CODE §§ 21000 ET SEQ.)**

WHEREAS, the California Legislature has amended the California Environmental Quality Act (“CEQA”) (Pub. Resources Code §§ 21000 et seq.), the Natural Resources Agency has amended portions of the State CEQA Guidelines (Cal. Code Regs, tit. 14, §§ 15000 et seq.), and the California courts have interpreted specific provisions of CEQA; and

WHEREAS, Section 21082 of the Public Resources Code requires all public agencies to adopt objectives, criteria and procedures for the evaluation of public and private projects undertaken or approved by such public agencies, and the preparation, if required, of environmental impact reports and negative declarations in connection with that evaluation; and

WHEREAS, the Running Springs Water District (“District”) must revise its local guidelines for implementing CEQA to make them consistent with the current provisions and interpretations of CEQA and the State CEQA Guidelines.

NOW, THEREFORE, the Running Springs Water District hereby resolves as follows:

SECTION 1. The District hereby adopts the “Local Guidelines for Implementing the California Environmental Quality Act (2016 Revision),” a copy of which is on file at the offices of the District and is available for inspection by the public.

SECTION 2. All prior actions of the District enacting earlier guidelines are hereby repealed.

ADOPTED this 29th day of March, 2017, at the meeting of the Board of Directors of Running Springs Water District by the following majority vote of the Board:

Ayes:
Noes:
Absent:
Abstain:

President of the Board of Directors
Running Springs Water District

ATTEST:

Secretary of the Board of Directors
Running Springs Water District

Memorandum

TO: Project 5 Clients (District)
FROM: Best Best & Krieger LLP
DATE: March 6, 2017
RE: 2017 Summary of Changes to Local CEQA Guidelines

Important changes in the law have been incorporated into the 2017 Update to your Local Guidelines for Implementing the California Environmental Quality Act (“Local Guidelines”). For easy reproduction and access to these Local Guidelines, as well as the California Environmental Quality Act (“CEQA”) forms your District will need, and other important legal alerts, please access BBK’s CEQA client portal at www.bbklaw.net/CEQA. For technical support, please contact Gar House at Gar.House@bbklaw.com.

Public agencies are required to adopt implementing procedures for administering their responsibilities under CEQA. These procedures include provisions governing how the District will process environmental documents and provide for adequate comment, time periods for review, and lists of permits that are ministerial actions and projects that are considered categorically exempt. The District’s procedures should be updated within 120 days after the State CEQA Guidelines are revised. To date, the State CEQA Guidelines have not been revised but there were changes made to the Public Resources Code that became effective on January 1, 2017 as well as clarifications to the law that came about as a result of 2016 CEQA litigation. Your Local Guidelines have been updated to reflect those changes and we recommend that your District adopt the updated Local Guidelines within a month of receiving them from Best Best & Krieger LLP.

This memorandum summarizes the substantive amendments to your Local Guidelines made in response to regulations, legislation and legal cases that changed or impacted certain aspects of CEQA between January 2016 and December 2016. Your Local Guidelines and this memorandum are designed to assist in assessing the environmental implications of a project prior to its approval, as mandated by CEQA. We still recommend, however, that you consult with an attorney when you have specific questions on major, controversial, or unusual projects or activities.

Revisions to Local CEQA Guidelines.

Revised Sections.

1. SECTION 1.08 ELECTRONIC DELIVERY OF COMMENTS AND NOTICES

Local Guidelines section 1.08 was revised pursuant to Public Resources Code section 21092.2(a), which provides that a lead agency may require any person who has filed a written request for CEQA notices with the agency to renew said requests for notice annually. Now, section 1.08 states that “[a]ny request to receive public notices shall be renewed annually.”

2. SECTION 3.20 OTHER SPECIFIC EXEMPTIONS

Local Guidelines section 3.20 notes that CEQA and the State CEQA Guidelines include many specific statutory exemptions. In addition to these provisions, section 3.20 was revised to reflect that there are other titles within the California Codes that provide statutory exemptions from CEQA.

3. SECTION 5.01 PREPARATION OF INITIAL STUDY

Local Guidelines section 5.01 was amended for clarity pursuant to State CEQA Guidelines section 15063(a), which stands for the proposition that the District maintains some discretion as to whether an Initial Study is required. While such a process will normally be followed, section 5.01 was revised to note that an Initial Study is not specifically required by CEQA in such instances where an Environmental Impact Report “will clearly be required for the project.” (State CEQA Guidelines, § 15063(a).) As a result, section 5.01 was revised to state that the District “*will normally* prepare an Initial Study to ascertain whether the overall effect of the project is adverse or beneficial.” Similarly, section 5.01(a) incorporates this revision as well to note that “[f]or District projects *for which an Initial Study is prepared*, the Initial Study shall be prepared by Staff or by private experts pursuant to contract with the District.”

4. SECTION 5.15 CONSULTATION WITH WATER AGENCIES REGARDING LARGE DEVELOPMENT PROJECTS

Pursuant to AB 2561, the sunset date established by Water Code section 10912 statutory exemption for certain large-scale development projects was extended through January 1, 2018.

5. SECTION 6.17 MITIGATION REPORTING OR MONITORING PROGRAM FOR MITIGATED NEGATIVE DECLARATION

Local Guidelines section 6.17 was amended to correct a hyperlink reference to Local Guidelines Section 7.37.

6. SECTION 9.03 ADMINISTRATIVE RECORD

Local Guidelines section 9.03 was revised based on SB 122. SB 122 adds a new section 21167.6.2 to the Public Resources Code, and allows a Lead Agency, at a project applicant’s request and cost, to concurrently prepare an administrative record while a project is being considered provided certain criteria are satisfied.

Other Changes.

Department of Fish and Wildlife. Effective January 1, 2017, the Department of Fish and Wildlife has increased some of its fees. For a Negative Declaration or a Mitigated Negative Declaration, the new filing fee is \$2,216.25. For an Environmental Impact Report, the new filing fee is \$3,078.25. For an environmental document pursuant to a Certified Regulatory Program, the filing fee remains \$1,046.50.

Conclusion.

As always, CEQA remains complicated and, at times, challenging to apply. The only constant in this area of law is how quickly the rules change. Should you have questions about any of the provisions discussed above, or about the environmental review of any of your District's projects, please contact a BB&K attorney for assistance.

BEST BEST & KRIEGER LLP

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: March 29, 2017

TO: Board of Directors

FROM: Ryan Gross, General Manager

SUBJECT: **CONSIDER APPROVING ORDINANCE NO. 47 ADOPTING A RATE METHODOLOGY, TERMS AND CONDITIONS FOR TRANSPORTATION, TREATMENT AND DISPOSAL OF WASTEWATER RECEIVED FROM ARROWBEAR PARK COUNTY WATER DISTRICT AND FROM SAN BERNARDINO COUNTY SERVICE AREA NO. 79 AND AUTHORIZE THE GENERAL MANAGER TO SIGN AND FILE THE CEQA NOTICE OF EXEMPTION**

RECOMMENDED BOARD ACTION

Consider approving Ordinance No. 47, Adopting a Rate Methodology, Terms and Conditions for Transportation, Treatment and Disposal of Wastewater Received from Arrowbear Park County Water District and from San Bernardino County Service Area No. 79, and Authorize the General Manager to Sign and File the CEQA Notice of Exemption.

REASON FOR RECOMMENDATION

The 1977 Wastewater Transportation, Treatment and Disposal Agreements (“Upstream User Agreements”) with Arrowbear Park County Water District (“Arrowbear”) and San Bernardino County Special District Service Area 79 - Green Valley Lake (“CSA 79”) expire on January 20, 2017 (Extended to June 30, 2017) and May 9, 2017 respectively.

The term of both agreements was/is forty (40) years commencing on the date the agreements were executed. Neither Arrowbear nor CSA 79 exercised their option to renew the agreements for an additional forty years prior to January 20, 2014 and May 9, 2014 respectively but have since expressed interest in negotiating new Upstream User Agreements.

BACKGROUND INFORMATION

Refer to Attachment 1 which includes the proposed ordinance.

Attachment 2 contains a copy of the notice and summary of the ordinance that was published in the Alpenhorn Newspaper on March 16, 2017.

The current 1977 Upstream User Agreements base cost share for the Joint Use Facilities on proportion of assessed valuation for capital improvements and flow proportion plus 15% for operations and maintenance (O&M).

Once the existing agreements have expired, Running Springs Water District has proposed to allocate costs for variable O&M expenses based on each District's proportion of wastewater flow and to allocate costs for the fixed operations and maintenance (O&M) expenses and capital improvements and replacement for the Wastewater Transportation, Treatment and Disposal Joint Use Facilities for Running Springs, Arrowbear and CSA-79 based each District's proportion of equivalent dwelling units (EDUs).

The District's wastewater treatment plant is designed and permitted to treat 1 million gallons per day (MGD). The total Joint Use Facilities average daily design flow is 560,000 gallons per day (gpd). The total Joint Use Facilities peak daily design flow is 1,000,000 gpd. The Wastewater Treatment Plant (WWTP) Permitted Design Capacity is 1 MGD.

Part of the rationale for changing to this method of cost sharing is that the Joint Use Facilities are sized, operated and maintained based on reasonable design criteria and assumptions for what is connected to the system (EDUs) and the resulting potential wastewater flows from those connections using the District's design criteria of 102 gallons per day per EDU which results in the following wastewater treatment capacity allocations:

	Average Daily Flow (gallons per day, gpd)	Peak Daily Flow (gallons per day, gpd)
Arrowbear	100,368	181,440
CSA 79	125,052	226,080

Arrowbear average daily design flow = 984 EDUs x 102 gpd/EDU = 100,368 gpd / 1440 min/day = 70 gpm
Arrowbear peak daily design flow = 70 gpm x 1.8 peaking factor = 126 gpm x 1440 = 181,440 gpd

CSA 79 average daily design flow = 1,226 EDUs x 102 gpd/EDU = 125,052 gpd / 1440 min/day = 87 gpm
CSA 79 peak daily design flow = 87 gpm x 1.8 peaking factor = 157 gpm x 1440 = 226,080 gpd

Total Joint Use Facilities Average Daily Design Flow = 560,000 gpd
Total Joint Use Facilities Peak Daily Design Flow = 1,000,000 gpd
Wastewater Treatment Plant (WWTP) Design Capacity = 1 million gallons per day (MGD)

Daily flows that are greater than 1.8 times the average daily design flow would be considered excessive infiltration and inflow (I&I) events and will require an investigation and a corrective action plan to be put in place and reported to Running Springs.

Running Springs Water District feels it is more fair and equitable that the Three Parties proportionate share of variable O&M costs be based on proportion of flow and fixed O&M and capital improvements be based on proportion of EDUs or what is connected to the system and the resulting potential wastewater flow from those EDUs using the District's reasonable design criteria and assumptions. The majority of the costs associated with the O&M of the Joint Use Facilities are fixed costs and do not vary with flow and cannot continue to be based on three month average flow data.

The most recent wet weather events in January 2017 show that Arrowbear and CSA 79 exceeded their three year average daily flows by more than 300% in some instances. In particular on January 23, 2017, the wastewater treatment plant treated 936,000 gallons in a 24 hour period. This is close to the design capacity of one million gallons per day. That day Arrowbear sent us 192,489 gallons. CSA 79 apparently did not record the required daily flow readings from January 19 through January 24 but during that period sent a total of 674,000 gallons. This further reinforces Running Springs' position on the revised cost allocation methodology. We had to have a wastewater treatment plant with peaking capacity built in ready to treat this amount of flow so whether or not we are receiving average dry weather flow or wet weather peak flow most of the costs are fixed.

Additionally, after completing the required Proposition 218 process, on June 18, 2014, the Running Springs Water District Board of Directors adopted Resolution 13-14 which included a five year Sewer Service Monthly Base Charge per EDU increase of 10% beginning July 1, 2015 and an additional 7% per year increase on July 1st of 2016 and each year thereafter through 2019 for Running Springs' rate payers. This is an increase to Running Springs Water District rate payers over a five year period of \$13.64 per month in the monthly fixed base sewer charge. The reasons for adjusting the rates are to increase operating revenue necessary to cover operating expenses and also to fund the District's Wastewater Operating Reserve and Capital Improvement Reserve to the levels established in the District's Cash Reserve Policy (Resolution 07-13). This rate increase for the Running Springs Water District rate payers is another part of the rationale for moving to a revised cost share methodology for the upstream users. The District feels it is fair and equitable to also increase the rates it charges Arrowbear and CSA-79 since it is asking its own customers for such a rate increase.

FISCAL INFORMATION

Attachment 3 contains a copy of the District's draft fiscal year 2017/2018 wastewater treatment budget.

ATTACHMENTS

Attachment 1 – Ordinance No. 47

Attachment 2 – Notice of Ordinance 47 Summary Published in Newspaper on 3/16/17

Attachment 3 – Draft Fiscal Year 2017/2018 Wastewater Treatment Budget

ORDINANCE NO. 47

ORDINANCE OF THE BOARD OF DIRECTORS OF RUNNING SPRINGS WATER DISTRICT ADOPTING A RATE METHODOLOGY, TERMS AND CONDITIONS FOR TRANSPORTATION, TREATMENT AND DISPOSAL OF WASTEWATER RECEIVED FROM ARROWBEAR PARK COUNTY WATER DISTRICT AND FROM SAN BERNARDINO COUNTY SERVICE AREA NO. 79

WHEREAS, Running Springs Water District (“Running Springs”) is an independent special district in San Bernardino County formed pursuant to the County Water District Law (California Water Code Section 30000 et seq.), which receives a portion of the property tax revenue generated within its boundaries; and

WHEREAS, Arrowbear Park County Water District (“Arrowbear”) and San Bernardino County Service Area No. 79 (“CSA 79”) are both special districts in San Bernardino County located outside the boundaries of Running Springs, and therefore none of the property located within either of those districts provides tax revenue for Running Springs; and

WHEREAS, since 1977, Arrowbear and CSA 79 have operated domestic sewage collection systems within their boundaries, have provided sewage collection services to their customers, and have delivered the domestic wastewater collected from their customers into the Running Springs wastewater transportation system for delivery to and treatment at Running Springs’ wastewater treatment plant, and for disposal through an outfall pipeline and disposal ponds all owned and operated by Running Springs, pursuant to separate agreements executed between Running Springs and Arrowbear (“Arrowbear Agreement”), and between Running Springs and CSA 79 (“CSA 79 Agreement”); and

WHEREAS, the Arrowbear Agreement was due to expire on January 20, 2017 and the CSA 79 Agreement is due to expire on May 9, 2017; and

WHEREAS, Running Springs and Arrowbear have entered into an amendment of the Arrowbear Agreement to extend the term of the Arrowbear Agreement until June 30, 2017; and

WHEREAS, despite termination of the CSA 79 Agreement on May 9, 2017, Running Springs plans to continue to provide wastewater services to CSA 79 at the same rates set forth in the CSA 79 Agreement until June 30, 2017; and

WHEREAS, Running Springs is authorized by Water Code section 31101 to prescribe, revise and collect rates or other charges for sewer and wastewater services and facilities; and

WHEREAS, Running Springs is authorized by Water Code section 31101.5 to supply sewage and waste services to property not subject to district taxes at special rates, terms and conditions as determined by the Running Springs Water District Board of Directors for those services; and

WHEREAS, beginning on July 1, 2017, Running Springs is willing to continue to accept domestic wastewater on a wholesale basis collected by Arrowbear and CSA 79 from their wastewater

collection systems for transport, treatment and disposal by Running Springs (the “Wastewater Services”), subject to the rate methodology, terms and conditions hereinafter set forth, should Arrowbear and CSA 79 desire such service from Running Springs; and

WHEREAS, Running Springs owns and operates certain facilities (the “Lift Station 2 Facilities”) having capacity to transport all of the wastewater collected by Arrowbear and delivered to Running Springs, and also wastewater collected by Running Springs from a portion of its own collections system, to a location where it connects to the Running Springs wastewater collection, treatment and disposal system (the “Joint Use Facilities”) that transport all of the wastewater received from the Arrowbear, CSA 79 and Running Springs collection systems, as described in **Exhibit 2** attached hereto and incorporated herein by reference; and

WHEREAS, Arrowbear owns and operates a sewer force main pipeline that extends from its Sewer Lift Station to Running Springs’ Sewer Manhole No. 99A located in Running Springs School Road, where it connects to Running Springs’ School Trunk Line and Lift Station 2 Facilities, identified in **Exhibit 2** attached hereto; and

WHEREAS, CSA 79 owns and operates a sewer force main pipeline that extends from its Deerlick Sewer Lift Station to Running Springs’ Sewer Manhole No. 104 located in Old City Creek Road, where it connects to the Joint Use Facilities, identified in **Exhibit 2** attached hereto; and

WHEREAS, Running Springs has applied a proportional cost allocation method for setting the rates to be charged to Arrowbear and CSA 79 for the Wastewater Services to be provided by Running Springs, based upon a combination of volumetric flow and the number of Equivalent Dwelling Units (“EDUs”) to be served, and the rate methodology is set forth in **Exhibit 1**, attached hereto and incorporated herein by reference; and

WHEREAS, the rates to be charged to Arrowbear and to CSA 79 for the Wastewater Services provide for the proportional allocation of costs for the operation and maintenance (“O & M”) and capital improvements and replacements for the Joint Use Facilities and Lift Station 2 Facilities based on a combination of the proportion of volumetric flow received from, and the number of EDUs to be served through, the Joint Use Facilities and the Lift Station 2 Facilities; and

WHEREAS, the rates to be charged to Arrowbear and CSA 79 for the Wastewater Services do not exceed the reasonable estimated cost of providing such services and the revenue derived therefrom will be used only to pay for the Wastewater Services for which they are collected; and

WHEREAS, **Exhibit 2** contains the Terms and Conditions under which Running Springs shall provide the Wastewater Services to Arrowbear and to CSA 79, should they desire such services; and

WHEREAS, if Arrowbear and CSA 79 elect to use the Wastewater Services made available by Running Springs, such election shall constitute agreement with the provisions of this Ordinance, including the rate methodology, terms and conditions set forth in the exhibits attached hereto; and

WHEREAS, for purposes of the California Environmental Quality Act (“CEQA”) (Pub. Resources Code, § 21000 et seq.), State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15000 et seq.), section 15378(b)(4) provides that the creation of a government funding mechanism is not a “project” and is therefore exempt from CEQA and no further environmental review is required, and adoption of this Ordinance is not subject to environmental review pursuant to State CEQA Guidelines section 15061(b)(3) because there is no potential for adoption of the rate methodology, terms, and conditions to result in direct or indirect physical impacts to the environment.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Running Springs Water District as follows:

Section 1. CEQA Exemption. Based upon all the evidence presented in the administrative record, including but not limited to the staff reports, rate methodology, cost allocations, and other documents related to and supporting this Ordinance, the Board of Directors hereby finds and determines that adoption of the rate methodology set forth in **Exhibit 1** and the Terms and Conditions set forth in **Exhibit 2** is exempt from CEQA pursuant to State CEQA Guidelines section 15378(b)(4) because such adoption is not a project. Specifically, this Ordinance establishes a government funding mechanism that does not involve a commitment to any specific future project. (State CEQA Guidelines, § 15378(b)(4).) Instead, this Ordinance adopts a rate methodology, terms and conditions to determine the charges for the provision of Wastewater Services. The resulting rates do not exceed the reasonable estimated cost of providing such services and shall be used only to pay for the Wastewater Services for which they are collected. In addition, approval of the rate methodology, terms, and conditions has no potential for direct physical impacts to the environment because this Ordinance does not approve any specific projects, and merely allows continued maintenance of existing service. (State CEQA Guidelines, § 15061(b).) Therefore, no further review by the District is necessary.

Section 2. Pursuant to the authority recited above and in accordance with the requirements of law, the rate methodology set forth in **Exhibit 1** is hereby adopted and shall apply to Running Springs Water District’s transportation, treatment and disposal of domestic wastewater received from Arrowbear and from CSA 79, under the terms and conditions set forth in **Exhibit 2**.

Section 3. This rate methodology and the terms and conditions will be effective July 1, 2017. Since the CSA 79 Agreement ends May 9, 2017, Running Springs will continue to provide Wastewater Services to CSA 79 based upon the same rates set forth in the CSA 79 Agreement until the new rates in this Ordinance take effect on July 1, 2017.

Section 4. The Board of Directors may, by ordinance or resolution, update the rate methodology set forth in **Exhibit 1**, and/or the terms and conditions set forth in **Exhibit 2**, as the Board deems necessary.

Section 5. Validity. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, including any portion of the rate methodology, resulting rates, terms and conditions adopted herein, such invalidity shall not affect other provisions or applications of this Ordinance, including any portion of the rate methodology, resulting rates, terms and conditions not held invalid, and to this end the provisions of this Ordinance are declared to be severable.

Section 6. The General Manager of Running Springs Water District or the General Manager's designee is authorized to implement and enforce the provisions set forth herein.

ADOPTED this 29th day of March, 2017.

Ayes:

Noes:

Abstentions:

Absent:

President, Board of Directors
Running Springs Water District

ATTEST:

Secretary, Board of Directors
Running Springs Water District

Exhibit 1

The monthly rate for actual Variable O&M expenses incurred including: Wastewater Effluent Disposal Site Maintenance, Fuel and Oil, Interceptor Maintenance, Sewer Lift Station #2 Maintenance (Arrowbear Only), Treatment Plant Maintenance, Biosolids Handling and Disposal, Miscellaneous Supplies, Utilities, Vehicle and Equipment Maintenance, Wastewater Testing and Analysis will be based on Running Springs', Arrowbear's and CSA 79's monthly proportionate share of wastewater flow as determined in Exhibit 2.

The monthly rate for actual Fixed Operations and Maintenance (O&M) expenses incurred including: Wastewater Treatment Salaries and Wages, Medicare Tax, Employee Benefits, CalPERS Retirement, Uniform Allowance, Workers Comp Insurance, Education/Seminars, Property/Liability Insurance, Memberships and Subscriptions, Permits/Fees, Professional Services, Office Supplies and Administrative Expenses will be based on Running Springs', Arrowbear's and CSA 79's proportionate share of equivalent dwelling units (EDUs) as determined and certified on an annual basis per Exhibit 2.

The monthly rate for actual Capital Improvement and Replacement expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's proportionate share of equivalent dwelling units (EDUs) as determined and certified on an annual basis per Exhibit 2.

Refer to the Running Springs Water District Current Fiscal Year Wastewater Treatment Budget for details and estimates on each of these expense accounts. Running Springs will provide annual budget estimates approximately 90 days prior to July 1st of each year.

Exhibit 2

TERMS AND CONDITIONS

**WASTEWATER TRANSPORTATION, TREATMENT AND DISPOSAL
FOR ARROWBEAR PARK COUNTY WATER DISTRICT (“ARROWBEAR”)
AND THE SAN BERNARDINO COUNTY SERVICE AREA NO. 79 (“CSA 79”)
BY RUNNING SPRINGS WATER DISTRICT (“RUNNING SPRINGS”)**

1. Facilities.

A. Joint Use Facilities. The Joint Use Facilities are those facilities owned, operated and maintained by Running Springs for the transmission, treatment and disposal of wastewater collected within the service areas of Running Springs, Arrowbear and CSA 79. For Arrowbear, these facilities are located downstream of Running Springs’ Sewer Manhole No. 102 near 31820 Old City Creek Road. For CSA 79, these facilities are located downstream of Running Springs’ Sewer Manhole No. 104 also located on Old City Creek Road. (collectively, the “Joint Use Facilities”).

B. Lift Station 2 Facilities. Lift Station 2 Facilities are facilities owned, operated and maintained by Running Springs for transmission, treatment and disposal of wastewater collected within the service areas of Arrowbear and a portion of Running Springs only. They are located between Running Springs’ Sewer Manhole No. 99A located near the intersection of School Road and State Highway 18, and at Running Springs’ Sewer Manhole No. 102 near 31820 Old City Creek Road (the “Lift Station 2 Facilities”).

C. Arrowbear Responsibility. Arrowbear owns all of its wastewater collection and delivery facilities located upstream of Running Springs’ Sewer Manhole No. 99A and shall be exclusively responsible for the operation, maintenance, repair, replacement, expansion and improvement of such facilities. Running Springs owns all facilities including and downstream of Sewer Manhole No. 99A, including but not limited to the Lift Station 2 Facilities and the Joint Use Facilities, and shall be responsible for administration, operation, maintenance, repair, replacement, expansion and improvement of the Lift Station 2 Facilities and the Joint Use Facilities.

D. CSA 79 Responsibility. CSA 79 owns all of its wastewater collection and delivery facilities located upstream of Running Springs’ Sewer Manhole No. 104 and shall be exclusively responsible for the operation, maintenance, repair, replacement, expansion and improvement of such facilities. Running Springs owns all facilities including and downstream of Sewer Manhole No. 104 and shall be responsible for administration, operation, maintenance, repair, replacement, expansion and improvement of the Joint Use Facilities.

2. Capital Improvements, Expansion or Replacement of Facilities.

A. Need to Expand, Modify or Replace. Arrowbear, CSA 79 and Running Springs recognize that the Joint Use Facilities (and the Lift Station 2 Facilities as they pertain to Arrowbear

and Running Springs only) will need to be expanded, modified or replaced from time to time as equipment and facilities wear out or are damaged, as wastewater flows increase, or as waste discharge requirements, special use permit requirements or other regulatory requirements are modified. This includes capitalized expenditures to improve efficiency and to handle natural disasters.

B. Running Springs Responsibility. Running Springs shall have the sole responsibility and authority to determine when, if and how the Joint Use Facilities and the Lift Station 2 Facilities will be expanded, improved, modified or replaced. All Joint Use Facilities and Lift Station 2 Facilities are exclusively owned, operated and maintained by Running Springs. Neither Arrowbear nor CSA 79 shall have ownership of or capacity rights in the Joint Use Facilities or the Lift Station 2 Facilities.

3. Charges and Payments.

A. Invoicing. Running Springs will submit monthly invoices to Arrowbear and CSA 79 reflecting its charges for use of the Joint Use Facilities (and the Lift Station 2 Facilities for Arrowbear). Running Springs will provide annual budget estimates for each fiscal year approximately 90 days prior to July 1st of each year.

B. Payment. Invoices shall be due and payable upon presentation, and shall be delinquent thirty (30) days after the date of the invoice (“Billing Date”).

C. Delinquent Payment. Delinquencies in payment shall be assessed a ten percent (10%) late payment charge. In the event that a delinquency exceeds three months’ duration from the Billing Date, Running Springs, without liability, may cease to transport, treat or dispose of wastewater generated within Arrowbear’s or CSA 79’s service area, as the case may be, and may take any necessary action to prevent Arrowbear or CSA 79 from delivering wastewater to Running Springs’ wastewater facilities. Running Springs shall not terminate service until written notice of the pending termination of service has been given to Arrowbear or CSA 79, as the case may be.

D. Enforcement of Payment. Running Springs may commence and pursue an action against either Arrowbear or CSA 79, as applicable, for delinquent payments pursuant to this Ordinance. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon, Running Springs’ costs of collection, court costs and reasonable attorneys’ fees in such amount as the court may adjudge against either Arrowbear or to CSA 79, as the case may be.

4. Future Funding.

A. Cooperation. By electing to deliver wastewater to Running Springs, Arrowbear, CSA 79, or both, agree to cooperate with Running Springs in its preparation, submittal and processing of applications for grants, loans or funds from any sources, public or private, to provide for improvements, additions to, expansion, repair or maintenance of the Joint Use Facilities (and the Lift Station 2 Facilities as they pertain to Arrowbear), recognizing that such funding may affect the rates for the provision of Wastewater Services.

5. Determination of EDUs and Flow Contribution

A. Equivalent Dwelling Unit (“EDU”) Calculation. Running Springs shall use the table included in Exhibit 3 attached to these Terms and Conditions to calculate the EDUs to be used for the purposes of calculating monthly charges to Arrowbear and to CSA 79. For single family residential dwellings, the appropriate minimum EDU value is 1.0.

B. EDU Inventory. On or before the first (1st) day of April of each year, Arrowbear and CSA 79 shall prepare and submit to Running Springs an accurate inventory of the total number of EDUs receiving sewer service within their service area certified and stamped by a Registered Civil Engineer in the State of California. Running Springs will also prepare an accurate inventory of the total number of EDUs receiving sewer service within its service area certified and stamped by a Registered Civil Engineer in the State of California which will be made available for inspection. Running Springs, Arrowbear and CSA 79 shall prepare their EDU inventories based on guidelines presented in Exhibit 3. In the case of sewer users such as hotels, motels, apartment buildings, restaurants, laundromats, ski areas, schools, car washes and governmental buildings that have multiple plumbing fixtures or that will contribute substantially more sewage and wastewater to the Joint Use Facilities (and the Lift Station 2 Facilities as they pertain to Arrowbear) than a single family residence or that will contribute sewage and wastewater to the Joint Use Facilities (and Lift Station 2 Facilities as it pertains to Arrowbear) having a pollutant loading greater than that of a typical single family residence, the EDU inventory shall give the name and address of each such sewer user and the total number of EDUs assigned to it. Running Springs shall have the right and permission, at its own expense, to conduct its own survey of the number of EDUs within Arrowbear’s, CSA 79’s, or both service areas contributing wastewater to Running Springs. The annual certified or confirmed number of EDUs shall serve as the basis for allocating to Running Springs, Arrowbear and CSA 79 their proportionate share of actual Capital Improvement costs and actual Fixed O&M expenses for the following fiscal year.

C. Fiscal Year 2017/2018 EDU Inventory. For the Fiscal Year 2017/2018 beginning July 1, 2017, Running Springs, Arrowbear and CSA 79 may use its respective number of EDUs based on what each District is currently billing their sewer customers if it is determined that sufficient time is not available to conduct accurate surveys of their EDU inventory prior to July 1, 2017. It is Running Springs understanding that the current sewer EDU inventories are as follows: Running Springs = 2,969 EDUs, Arrowbear = 984 EDUs and CSA 79 = 1,226 EDUs.

6. Flows

A. Recording of Flow Contributions. In order to determine and keep historical records of Arrowbear’s and CSA 79’s (including Snow Valley’s) quantities of wastewater delivered to Running Springs, and to calculate the proportional costs of variable O&M expenses, recording flow meters with flow totalizers that are not reset each month and radio telemetry connections to the Running Springs Supervisory Control and Data Acquisition (“SCADA”) System for the daily measurement of wastewater which Arrowbear and CSA 79 will deliver to Running Springs shall be used and maintained by Arrowbear and CSA 79 at their sole expense. Running Springs will require daily electronic flow data packets to be made available by Arrowbear and CSA 79 through the Running Springs SCADA system. A recording flow meter to measure the entire flow of wastewater into the Running Springs wastewater treatment plant shall be operated and maintained

by Running Springs at the wastewater treatment plant. Arrowbear, CSA 79 and Running Springs each shall have the right from time to time, as they reasonably determine necessary, to inspect any of these flow meters at their own expense. If testing reveals that a flow meter has been malfunctioning or was inoperative during any period of measurement, Running Springs shall estimate the average flow of wastewater past the point otherwise metered during the period of malfunction or failure to operate. The average flow shall be determined based upon the average of such flows for the same period during the previous three years. Prompt effort shall be made by Arrowbear, CSA 79 and Running Springs to have their own malfunctioning or inoperative meters repaired within thirty (30) calendar days, or as otherwise agreed to in writing, after discovery, at their own expense. **The period of measurement of flow of wastewater shall be one day.** Arrowbear and CSA 79 (including Snow Valley’s flow data), on the first of each month, shall each deliver via email to Running Springs an excel spreadsheet showing **daily** records of the amount of wastewater recorded to have flowed through its flow meter, for each day during the preceding calendar month.

B. Acceptable Basic Flows. Running Springs agrees to receive at the connection points, transport, treat and dispose of domestic wastewater at the following acceptable basic flow rates:

	Average Daily Flow (gallons per day, gpd)	Peak Daily Flow (gallons per day, gpd)
Arrowbear	100,368	181,440
CSA 79	125,052	226,080

Capacity allocations:

Arrowbear average daily design flow = 984 EDUs x 102 gpd/EDU = 100,368 gpd / 1440 min/day = 70 gpm
 Arrowbear peak daily design flow = 70 gpm x 1.8 peaking factor = 126 gpm x 1440 = 181,440 gpd

CSA 79 average daily design flow = 1,226 EDUs x 102 gpd/EDU = 125,052 gpd / 1440 min/day = 87 gpm
 CSA 79 peak daily design flow = 87 gpm x 1.8 peaking factor = 157 gpm x 1440 = 226,080 gpd

Daily flows that are greater than 1.8 times the average daily design flow would be considered excessive infiltration and inflow (I&I) events and will require an investigation and a corrective action plan to be put in place and reported to Running Springs.

Total Joint Use Facilities Average Daily Design Flow = 560,000 gpd
 Total Joint Use Facilities Peak Daily Design Flow = 1,000,000 gpd
 Wastewater Treatment Plant (WWTP) Design Capacity = 1 million gallons per day (MGD)

These flow rates may be exceeded only on a temporary basis by utilizing flow rate capacity of other users, including Running Springs, provided such other users including Running Springs are not currently utilizing the full flow rate capacity. As the flow rate capacity in the Running Springs’ interceptor approaches the peak design conditions, Running Springs at its discretion may notify Arrowbear and/or CSA 79 that their respective flow rates must be restricted to their maximum peak daily flow rates.

7. Enforcement of Laws.

A. Monitoring. Arrowbear and CSA 79 shall monitor and enforce within their own boundaries, in addition to all other applicable laws, the Running Springs sewer ordinances, rules and regulations as such ordinances, rules and regulations now exist or may be amended by Running Springs from time to time. Arrowbear and CSA 79 shall be furnished copies of such ordinances, rules and regulations as adopted or revised by Running Springs.

B. Fines. Arrowbear or CSA 79, as the case may be, shall pay for any and all fines, fees or other types of charges levied upon Running Springs by a regulatory agency if caused or resulting from Arrowbear's or CSA 79's actions. Arrowbear or CSA 79, as the case may be, shall also pay fines, fees and charges levied by Running Springs for violation of this Ordinance or other ordinances or laws regulating the discharge of wastewater into the Running Springs wastewater system.

Exhibit 3
EDU Standards

1.0 Equivalent Dwelling Unit.

The basis for assigning EDU's for various classifications is as follows:

1.1 Residential Single Family Dwelling.

For residential single family dwellings, the appropriate minimum EDU value is 1.0. The number of plumbing Fixture Units in the dwelling will be tabulated and recorded on the property account for future information and use, as follows:

1.2 Residential – Other Than Single Family Dwelling.

1.2.1 Condominiums

1 EDU per Dwelling Unit, plus 1 EDU for clubhouse, plus fees for common facilities

1.2.2 Multi-Family

1 EDU per Dwelling Unit

1.2.3 Mobile Home Park

$\frac{3}{4}$ EDU per mobile space, plus 1 EDU for clubhouse

1.2.4 Home with Guest House

1 EDU plus 1 EDU per Guest House

1.3 Commercial

1.3.1 Hotels and Motels

$\frac{1}{2}$ EDU per rental unit plus allowance for other onsite facilities

1.3.2 Bed and Breakfast

1 EDU plus $\frac{1}{3}$ EDU per rental room

1.3.3 Restaurant

1 EDU plus $\frac{1}{10}$ EDU per Person of legal occupancy

1.3.4 Restaurant with Bar

2 EDU's plus 1/10 EDU per Person unit of legal occupancy

1.3.5 Laundries

1 EDU per 750 lbs. of dry wash capacity per day

1.3.6 Recreation Vehicle Park without Hook-Ups

1 EDU plus fees for common facilities

1.3.7 Recreation Vehicle Park with Hook-Ups

1 EDU plus ½ EDU per RV space plus fees for common facilities

1.3.8 Taverns, Bars, Nightclubs

1 EDU plus 1/10 EDU per Person of legal occupancy

1.3.9 Conference Center

1 EDU per three (3) overnight rooms plus any other defined features

1.3.10 Meeting Halls, Theaters

1 EDU per 100 occupancy

1.3.11 Service Stations

1 EDU

1.3.12 Department, Dry Goods Store

½ EDU per 2,500 square feet, 1 EDU minimum

1.3.13 Business Offices

1 EDU per 2,000 square feet, 1 EDU minimum

1.3.14 Car Wash

1.5 EDU per self-service bay

1.3.15 Grocery Stores

2.4 EDUs

1.3.16 Mini Markets

1 EDU

1.3.17 Child Care Centers

¼ EDU per student, minimum 1 EDU

1.4 Institutional.

1.4.1 Schools

1 EDU per 25 occupants (students, teachers, administrative and employees)

1.4.2 Hospitals

1 EDU per two (2) bed spaces

1.4.3. Churches with Kitchen

2 EDUs plus any other defined features

1.4.4 Churches without Kitchen

1 EDU plus any other defined features

1.4.5 Fire Stations with Kitchen

2 EDUs

1.4.6 Fire Stations without Kitchen

1 EDU

1.4.7 Dormitories

1 EDU per six (6) beds

1.5 Multiple-Use Facilities

Multiple use facilities shall be assigned EDU units based on a combined value for the various facilities

1.6 Industrial

- 1.6.1** Industrial and combined industrial/commercial facilities shall be assigned EDU units based on 1 EDU per 200 gallons per day plus an adjustment for excessive Wastewater biological and suspended solids strength.
- 1.6.2** Normal biological oxygen demand (BOD) and suspended solids are assumed to be 200 mg/l each.
- 1.6.3** EDU assignments will be determined by the District Engineer using measurements and/or estimates provided by the User and as verified or accepted by the District Engineer.
- 1.6.4** One-half (1/2) EDU will be added for each additional 0.33 lbs. of BOD and one-half (1/2) EDU for each additional 0.33 lbs. of suspended solids per day.

STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN BERNARDINO)

I, Joan C. Eaton, Secretary of the Board of Directors of Running Springs Water District,
DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of Ordinance No.
47 adopted by the Board of Directors of Running Springs Water District on March 29, 2017.

DATED: March 29, 2017

Secretary of the Board of Directors
Running Springs Water District

CLASSIFIED ADS/ LEGAL NOTICES

Running Springs shall provide the Wastewater Services to Arrowbear and to CSA 79, should they desire such services are contained in the full text of the Ordinance which is available at the Running Springs Water District office or by calling (909) 867-2766.

Units ("EDUs") to be served. The monthly rate for actual Variable Operations and Maintenance (O&M) expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's monthly proportionate share of wastewater flow. The monthly rate for actual Fixed O&M expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's proportionate share of EDUs. The monthly rate for actual Capital Improvement and Replacement expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's proportionate share of EDUs.

Interested parties will be given an opportunity to present comments orally or in writing at the Board meeting. Copies of the full text of the proposed ordinance are available at the District office.

The Alpenhorn News 03/16/2017

LIEN SALE
THE FOLLOWING VEHICLE WILL BE SOLD AT LIEN SALE ON 3/30/2017, AT 1203 W BROOKS ST UNIT B, ONTARIO CA 91762 AT 9:00 AM
CP, 39CHEV, CA, 0527

The rates to be charged to Arrowbear and CSA 79 for the Wastewater Services do not exceed the reasonable estimated cost of providing such services and the revenue derived therefrom will be used only to pay for the Wastewater Services for which they are collected. The exact Terms and Conditions under which

Running Springs shall provide the Wastewater Services to Arrowbear and to CSA 79, should they desire such services are contained in the full text of the Ordinance which is available at the Running Springs Water District office or by calling (909) 867-2766.

Units ("EDUs") to be served. The monthly rate for actual Variable Operations and Maintenance (O&M) expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's monthly proportionate share of wastewater flow. The monthly rate for actual Fixed O&M expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's proportionate share of EDUs. The monthly rate for actual Capital Improvement and Replacement expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's proportionate share of EDUs.

Interested parties will be given an opportunity to present comments orally or in writing at the Board meeting. Copies of the full text of the proposed ordinance are available at the District office.

The Alpenhorn News 03/16/2017

LIEN SALE
THE FOLLOWING VEHICLE WILL BE SOLD AT LIEN SALE ON 3/30/2017, AT 1203 W BROOKS ST UNIT B, ONTARIO CA 91762 AT 9:00 AM
CP, 39CHEV, CA, 0527

The rates to be charged to Arrowbear and CSA 79 for the Wastewater Services do not exceed the reasonable estimated cost of providing such services and the revenue derived therefrom will be used only to pay for the Wastewater Services for which they are collected. The exact Terms and Conditions under which

Running Springs shall provide the Wastewater Services to Arrowbear and to CSA 79, should they desire such services are contained in the full text of the Ordinance which is available at the Running Springs Water District office or by calling (909) 867-2766.

Units ("EDUs") to be served. The monthly rate for actual Variable Operations and Maintenance (O&M) expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's monthly proportionate share of wastewater flow. The monthly rate for actual Fixed O&M expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's proportionate share of EDUs. The monthly rate for actual Capital Improvement and Replacement expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's proportionate share of EDUs.

Interested parties will be given an opportunity to present comments orally or in writing at the Board meeting. Copies of the full text of the proposed ordinance are available at the District office.

The Alpenhorn News 03/16/2017

LIEN SALE
THE FOLLOWING VEHICLE WILL BE SOLD AT LIEN SALE ON 3/30/2017, AT 1203 W BROOKS ST UNIT B, ONTARIO CA 91762 AT 9:00 AM
CP, 39CHEV, CA, 0527

The rates to be charged to Arrowbear and CSA 79 for the Wastewater Services do not exceed the reasonable estimated cost of providing such services and the revenue derived therefrom will be used only to pay for the Wastewater Services for which they are collected. The exact Terms and Conditions under which

Running Springs shall provide the Wastewater Services to Arrowbear and to CSA 79, should they desire such services are contained in the full text of the Ordinance which is available at the Running Springs Water District office or by calling (909) 867-2766.

Units ("EDUs") to be served. The monthly rate for actual Variable Operations and Maintenance (O&M) expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's monthly proportionate share of wastewater flow. The monthly rate for actual Fixed O&M expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's proportionate share of EDUs. The monthly rate for actual Capital Improvement and Replacement expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's proportionate share of EDUs.

Interested parties will be given an opportunity to present comments orally or in writing at the Board meeting. Copies of the full text of the proposed ordinance are available at the District office.

The Alpenhorn News 03/16/2017

LIEN SALE
THE FOLLOWING VEHICLE WILL BE SOLD AT LIEN SALE ON 3/30/2017, AT 1203 W BROOKS ST UNIT B, ONTARIO CA 91762 AT 9:00 AM
CP, 39CHEV, CA, 0527

The rates to be charged to Arrowbear and CSA 79 for the Wastewater Services do not exceed the reasonable estimated cost of providing such services and the revenue derived therefrom will be used only to pay for the Wastewater Services for which they are collected. The exact Terms and Conditions under which

Running Springs shall provide the Wastewater Services to Arrowbear and to CSA 79, should they desire such services are contained in the full text of the Ordinance which is available at the Running Springs Water District office or by calling (909) 867-2766.

Units ("EDUs") to be served. The monthly rate for actual Variable Operations and Maintenance (O&M) expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's monthly proportionate share of wastewater flow. The monthly rate for actual Fixed O&M expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's proportionate share of EDUs. The monthly rate for actual Capital Improvement and Replacement expenses incurred will be based on Running Springs', Arrowbear's and CSA 79's proportionate share of EDUs.

Interested parties will be given an opportunity to present comments orally or in writing at the Board meeting. Copies of the full text of the proposed ordinance are available at the District office.

The Alpenhorn News 03/16/2017

LIEN SALE
THE FOLLOWING VEHICLE WILL BE SOLD AT LIEN SALE ON 3/30/2017, AT 1203 W BROOKS ST UNIT B, ONTARIO CA 91762 AT 9:00 AM
CP, 39CHEV, CA, 0527

The rates to be charged to Arrowbear and CSA 79 for the Wastewater Services do not exceed the reasonable estimated cost of providing such services and the revenue derived therefrom will be used only to pay for the Wastewater Services for which they are collected. The exact Terms and Conditions under which

COUNTY WATER DISTRICT AND FROM

SAN BERNARDINO COUNTY SERVICE AREA NO. 79

Beginning on July 1, 2017, Running Springs Water District ("Running Springs") is willing to continue to accept domestic wastewater on a wholesale basis collected by Arrowbear and CSA 79 from their wastewater collection systems for transport, treatment and disposal by Running Springs (the "Wastewater Services"), subject to the rate methodology, terms and conditions set forth in the full text of the Ordinance, should Arrowbear and CSA 79 desire such service from Running Springs.

ORDINANCE OF THE BOARD OF DIRECTORS OF RUNNING SPRINGS WATER DISTRICT ADOPTING A RATE METHODOLOGY, TERMS AND CONDITIONS FOR TRANSPORTATION, TREATMENT AND DISPOSAL OF WASTEWATER RECEIVED FROM ARROWBEAR PARK

Running Springs has applied a proportional cost allocation method for setting the rates to be charged to Arrowbear and CSA 79 for the Wastewater Services to be provided by Running Springs, based upon a combination of volumetric flow and the number of Equivalent Dwelling

project to the Board of Supervisors.

3/16/17
CNS-2984684#
THE ALPENHORN NEWS
03/16/2017

Notice is hereby given that the Board of the Directors of the Running Springs Water District will consider adoption of Ordinance No. 47 in the District's Board Room located at 31242 Hilltop Blvd., Running Springs, CA 92382 at 9:00 a.m. on Wednesday, March 29, 2017. A summary of the proposed Ordinance No. 47 is as follows:

PUBLIC NOTICE

Notice is hereby given that the Board of the Directors of the Running Springs Water District will consider adoption of Ordinance No. 47 in the District's Board Room located at 31242 Hilltop Blvd., Running Springs, CA 92382 at 9:00 a.m. on Wednesday, March 29, 2017. A summary of the proposed Ordinance No. 47 is as follows:

Commission at, or prior to, the public hearing.

Due to time constraints and the number of persons wishing to give oral testimony, time restrictions may be placed on oral testimony at the public hearing regarding this proposal. You may wish to make your comments in writing to assure that you are able to express yourself adequately.

The proposed Code Development and Environmental finding may be viewed at the Planning Division at 385 N. Arrowhead Ave., 1st Floor, San Bernardino, CA from 8:00 a.m. until 4:30 p.m.

To assure that someone will be available to assist you, it is suggested that you call the Planning Division at (909) 387-8311 to set a time to review the documents.

The Planning Commission in their deliberation could recommend an alternative proposal for the above

Planning Commission in their deliberation could recommend an alternative proposal for the above

Commission at, or prior to, the public hearing.

Due to time constraints and the number of persons wishing to give oral testimony, time restrictions may be placed on oral testimony at the public hearing regarding this proposal. You may wish to make your comments in writing to assure that you are able to express yourself adequately.

The proposed Code Development and Environmental finding may be viewed at the Planning Division at 385 N. Arrowhead Ave., 1st Floor, San Bernardino, CA from 8:00 a.m. until 4:30 p.m.

To assure that someone will be available to assist you, it is suggested that you call the Planning Division at (909) 387-8311 to set a time to review the documents.

The Planning Commission in their deliberation could recommend an alternative proposal for the above

Planning Commission in their deliberation could recommend an alternative proposal for the above

RUNNING SPRINGS WATER DISTRICT WASTEWATER TREATMENT DEPARTMENT FISCAL YEAR 2017/2018 BUDGET			
REVENUE AND EXPENSE SUMMARY			
	Budgeted 2017-2018		Budgeted 2016-2017
<u>OPERATING REVENUES:</u>			
Residential Base Service Charges (2,884 EDUs x \$41.58 / month x 12 mos.)	\$1,439,001		\$1,335,074
Residential Sewer System Usage Charge (13.6 MCF x \$0.0447 x 15%)	\$91,188		\$86,904
Commercial Base Service Charges (85 EDU's. x \$41.58 / month x 12 mos.)	\$42,412		\$39,684
Commercial Sewer System Usage Charge (0.57 MCF x \$0.0447 x 1/3)	\$8,493		\$8,086
Arrowbear Fixed O&M Reimbursement (19% of Fixed O&M Costs + SLS #2)	\$127,638		\$104,286
Arrowbear Variable O&M Reimbursement (13% of Variable O&M Costs + SLS #2)	\$33,708		
CSA 79 Fixed O&M Reimbursement (24% of Fixed O&M Costs + Odor Control)	\$161,227		\$130,367
CSA 79 Variable O&M Reimbursement (13% of Variable O&M Costs + Odor Control)	\$33,203		
Delinquent Charges & Service Fees	\$15,000		\$15,000
SCE Demand Response Program (EnerNOC)	\$0		\$4,450
Outside Sewer Service Agreement Charges	\$9,445		\$5,608
Total Wastewater Operating Revenue:	\$1,961,314		\$1,729,459
Treatment Division 45% of Total Operating Revenue Plus Upstream:	\$1,078,268		\$909,764
<u>OPERATING EXPENSES:</u>			
Operations & Maintenance (Fixed)	\$671,779		\$558,069
Operations & Maintenance (Variable)	\$265,795		\$249,673
Capital Replacement (Refer to Page 25 & FY 17/18 Depreciation Schedule)	\$342,950		\$207,500
Total Operating Expenses:	\$1,280,524		\$1,015,242
NET OPERATING INCOME:	(\$202,256)		(\$105,479)
<u>NON-OPERATING REVENUE:</u>			
Property Taxes	\$0		\$0
Assessments - Sewer Service Availability Charges	\$7,000		\$7,000
Connection/Capacity Fees & Charges	\$5,646		\$5,646
Sewer Hot Taps & Septic Waste Dumping	\$1,500		\$1,500
Interest Income	\$3,500		\$3,500
Arrowbear Proportionate Share of Capital Improvements (19%)	\$18,525		\$29,925
CSA 79 Proportionate Share of Capital Improvements (24%)	\$23,400		\$42,188
Leachate Load Revenue	\$10,000		\$15,000
Total Non-Operating Revenue:	\$69,571		\$104,759
<u>NON-OPERATING EXPENSES:</u>			
Interest Expense	\$0		\$6,489
Total Non-Operating Expenses:	\$0		\$6,489
CHANGE IN NET POSITION:	(\$132,685)		(\$7,210)
TOTAL WASTEWATER REVENUES:	\$1,147,839		\$1,014,522
TOTAL WASTEWATER EXPENSES:	\$1,280,524		\$1,021,732
NET INCOME:	(\$132,685)		(\$7,210)
<u>CASH CONSIDERATIONS:</u>			
Net Income	(\$132,685)		-\$7,210
Capital Replacement (Depreciation Expense)	\$342,950		\$207,500
2001 WPCP Project Loan Principal Payment	\$0		(\$91,410)
Capital Projects & Fixed Assets	(\$97,500)		(\$225,000)
CHANGE IN CASH BALANCE:	\$112,765		(\$116,120)

RUNNING SPRINGS WATER DISTRICT WASTEWATER TREATMENT DEPARTMENT FISCAL YEAR 2017/2018 BUDGET

OPERATION AND MAINTENANCE EXPENSE ACCOUNTS

WAGES & BENEFITS

ACCOUNT NUMBER	O&M ACCOUNT DESCRIPTION	REQUESTED THIS YEAR	Fixed (F) Variable (V)	
350-50100	Salaries & Wages (Treatment)	\$370,810	F	
350-50120	Medicare Tax (FICA)	\$5,377	F	
350-50140	Group Insurance	\$46,274	F	
350-50150	CalPERS Retirement (Treatment)	\$106,475	F	
350-50160	Uniform Allowance	\$1,480	F	
WAGES & BENEFITS SUB-TOTAL:		\$530,416	F	

SERVICES & SUPPLIES ACCOUNTS

ACCOUNT NUMBER	O&M ACCOUNT DESCRIPTION	REQUESTED THIS YEAR	Fixed (F) Variable (V)	
350-50130	Workers Comp Insurance (Treatment)	\$9,930	F	
350-53200	Education/Seminars (Treatment)	\$1,500	F	
350-53300	Effluent Disposal Site Maintenance	\$9,000	V	
350-54100	Fuel & Oil (Treatment)	\$5,775	V	
350-54300	Property/Liability Insurance	\$11,957	F	
350-56100	Memberships & Subscriptions (Treatment)	\$5,202	F	
350-57100	Permits/Fees (Treatment)	\$32,372	F	
350-57140	Professional Services (Treatment)	\$33,100	F	
350-57310	SLS #2 & Interceptor Pipeline Maintenance	\$10,353	V	
350-57314	Treatment Plant Maintenance	\$50,500	V	
350-57430	Biosolids Handling & Disposal	\$57,200	V	
350-57440	Miscellaneous Supplies (Treatment)	\$6,193	V	
350-57444	Office Supplies (Treatment)	\$11,243	F	
350-58251	Utilities (Joint Use Facilities)	\$108,924	V	
350-58301	Vehicle & Equipment Maintenance (Treatment)	\$7,950	V	
350-59200	Wastewater Testing & Analysis	\$9,900	V	
350-86000	Administrative Expenses	\$36,061	F	
SERVICES & SUPPLIES SUB-TOTAL:		\$407,158	F (%)	72%
TOTAL OPERATING EXPENSES:		\$937,574	V (%)	28%

ACCOUNT NUMBER	DESCRIPTION	BUDGET REQUEST
350-86000	Administrative Expenses	\$36,061

SUMMARY OF REQUEST

Administration Services (4% of Operating Budget Excluding Depreciation)		\$36,061
Payroll, Accounts Payable/Receivable		
Board of Directors Administration & Compensation		
Benefits Administration		
Planning & Budget Administration		
Audit & Financial Statement Administration		
Investment & Fund Balance Management		
Human Resources/Personnel		
Medical Reimbursement & Health/Life/Disability Insurance Administration		
Property/Liability Insurance, Workers Compensation Administration & Loss Control Coordination		
Public Information & Outreach, Community Relations, Employee Recognition		

ACCOUNT NUMBER	DESCRIPTION	BUDGET REQUEST
56810	Depreciation Expense	\$342,950

SUMMARY OF REQUEST

Depreciation expense for Wastewater Treatment Division		\$342,950
<p>Operating expenses for enterprise funds include the cost of depreciation on capital assets. Depreciation expense was not included in the District's budget until the 2014/2015 fiscal year per the District's Cash Reserve Policy and advice from Financial Advisors and Consultants. The minimum annual allocation amount for the Capital Replacement Fund for each division or department should equal the amount of annual budgeted depreciation specific to that division or department plus 10% for cost increases. This represents the total annual contribution that should be made to this fund, not the minimum balance. This will allow funds to build over time and eventually replace the existing facilities. Not adequately budgeting for depreciation could eventually have the effect of eroding the organization's net assets.</p>		

ACCOUNT NUMBER	DESCRIPTION	BUDGET REQUEST
350-16100	Treatment Facilities - CIP	\$97,500

SUMMARY OF REQUEST

Request:	Deferred	FY 2017/2018
1) Influent Flow Meter Upgrade		\$40,000
2) Upgrade Treatment SCADA		\$50,000
3) Fine Bubble Aeration System in MBR 2		\$7,500
4) Generator & ATS Replacement	\$150,000	
5) Repair Plant Wash Water System	\$65,000	
6) Unit 67 Replacement	\$35,000	
7) Headworks Replacement	\$450,000	
8) Plant Road Paving (54,000 SF)	\$150,000	
9) Replacement of Disposal Ponds Piping & Valve Structures	\$105,000	
10) Unit 80 Replacement	\$35,000	
11) Backhoe Attachment for Bobcat	\$14,000	
12) Wheel Loader Replacement	\$150,000	
	Total Deferred	Total
	\$1,154,000	\$97,500

MINUTES OF THE PERSONNEL COMMITTEE MEETING
RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
MARCH 22, 2017

A Personnel Committee Meeting of the Running Springs Water District was held on Wednesday, March 22, 2017, at the hour of 10:00 A.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California.

Committee Members present:

Tony Grabow, Director
Mike Terry, Director

District Staff Present:

Ryan Gross, General Manager
Joan Eaton, Administration Supervisor, Board Secretary, Treasurer
Isaiah Hall, Wastewater Collections Division Supervisor
Randy Bobroff, Water Division Supervisor

There were no members of the public present:

1. The meeting was called to order at 10:00 A.M.
2. Public Comment – There was no public comment.
3. Reviewed Various Personnel Matters – Reviewed salary schedules, benefits and comparisons with other local water districts. Clarified that even though non-exempt employee salary steps are 2.5% that Supervisors and the General Manager have the discretion to allow a 5% merit increase if it is well deserved. No changes were recommended at this time.
4. Personnel Committee Comments – No additional comments.
5. Meeting Adjournment – The meeting was adjourned at 11:15 A.M.