

RESOLUTION NO. 10-13

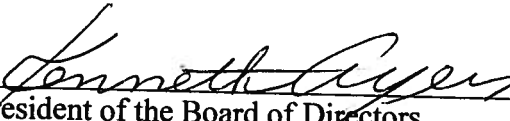
**RESOLUTION OF THE BOARD OF DIRECTORS OF RUNNING
SPRINGS WATER DISTRICT ESTABLISHING AN
EXTRAORDINARY WATER LOSS POLICY**

WHEREAS, the Board of Directors of Running Springs Water District (“District”) desires to adopt a policy to address extraordinary water loss due to leaks on the customer side of a water meter; and

WHEREAS, the objective of the Policy is to provide clear direction to staff with regard to addressing customer requests for adjustments to their water bills when a leak occurs on the customer side of a water meter that goes undetected for more than one month;

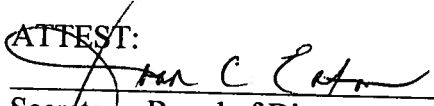
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Running Springs Water District does hereby adopt the “Extraordinary Water Loss Policy” set forth in Exhibit A attached hereto and incorporated herein.

ADOPTED this 19th day of June, 2013.



President of the Board of Directors
Running Springs Water District

ATTEST:



Secretary, Board of Directors
Running Springs Water District

Exhibit A

Extraordinary Water Loss Policy

Under the following circumstances the District may approve a request by a Customer to reduce the consumption fees portion of a Customer's high-consumption water bill, on a one-time basis, if the Customer installs or has properly installed a Customer shut-off valve immediately adjacent to the Customer's water meter, downstream of the meter. For the purposes of this policy, the threshold to qualify for a high-consumption water bill is three hundred twenty five thousand nine hundred gallons (325,900 gal = 43,560 cubic feet = 1 acre-foot).

In the event a customer incurs an extraordinary water loss due to the customer's system failure on the customer side of the water meter, not due to the Customer's own negligence, the District may adjust the unit rate charged for the water to equal only the rate the District is then paying to the Crestline Lake Arrowhead Water Agency (CLAWA) plus 15%. If the District also determines that the water loss occurred outdoors and did not enter the District's sewer system, the 15% sewer usage fee component of the sewer bill will also be waived.

This adjustment will not be applied to any losses of water after the date that the Customer has been notified by the District of suspicious or unusual water deliveries through the Customer's connection. Said notification may be made by any means available including, but not limited to, telephone, electronic mail, personal contact or United States mail service.

The District may provide this one-time only reduction to the consumption fees portion of a Customer's high-consumption water bill, to Customers who make the request and then provide evidence of a new, properly installed, Customer shut-off valve installation. A Customer who receives an adjustment will not qualify for consideration of a subsequent adjustment, even if caused by a separate event.