



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: DECEMBER 14, 2018
RE: REGULAR BOARD MEETING FROM: BOARD SECRETARY

The Regular Meeting of the Board of Directors of the Running Springs Water District will be held on Wednesday, December 19, 2018, 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 5:00pm on December 14, 2018 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. Election of Officers and Appointment of Standing Committees – Pursuant to Section 2.5 of the Running Springs Water District’s Resolution No. 14-17, Board Policy Manual, at the first Board meeting **following each District general election**, the Board shall convene and shall elect one of its members as President and one of its members as Vice-President, and Appoint Members to the Finance and Personnel Committees with each to serve a two-year term

(Presenter: Ryan Gross, General Manager)

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4. 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 5**

B. Ratify Expenditures **Page 12**

C. Receive and File Itemized Report on Cost of 2018 Hazard Abatement **Page 20**

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

A. Consider Adoption of Resolution No. 21-18, Commending Mike Milliorn for his Service as a Director **Page 22**
(Presenter: Tony Grabow, Board President)

B. Consider Approving Construction Contract for Hazard Abatement **Page 23**
(Presenter: George Corley, Fire Chief)

C. Update on CSA 79 Wastewater Transportation, Treatment and Disposal Agreement and Potential Annexation **Page 25**
(Presenter: Ryan Gross, General Manager)

6. Information Items – The following information items do not require any action by the Board of Directors and are for informational purposes only.

A. Water Production & Precipitation Report **Page 36**

7. General Manager's Report

8. Report from Legal Counsel

9. Board Member Comments/Meetings

10. Meeting Adjournment

Upcoming Meetings: Regular Board Meeting & Rate Study Workshop, January **15 or 22**, 2018 at 9:00 am

RUNNING SPRINGS WATER DISTRICT**MEMORANDUM**

DATE: December 19, 2018

TO: Board of Directors

FROM: Ryan Gross, General Manager

SUBJECT: ELECTION OF OFFICERS OF THE BOARD OF DIRECTORS

RECOMMENDED BOARD ACTION

Consider conducting election of President and Vice President of the Running Springs Water District Board of Directors and Appoint Members to the Finance and Personnel Committees with each to serve a two-year term.

REASON FOR RECOMMENDATION

Pursuant to Section 2.5 of the Running Springs Water District's Resolution No. 14-17, Board Policy Manual, at the first Board meeting **following each District general election**, the Board shall convene and shall elect one of its members as President and one of its members as Vice-President, and Appoint Members to the Finance and Personnel Committees with each to serve a two-year term.

BACKGROUND INFORMATION

The procedure for the election should be as follows in accordance with Board Policy Manual, Section 2.5.2:

The General Manager shall chair the proceedings for election of the President, which shall be the first order of business after any newly elected Directors have been seated. The newly elected President shall assume office immediately, and shall chair the proceedings for the election of the Vice-President.

The President shall call for nominations from the members of the Board. A member need not be recognized by the President in order to make a nomination. No second shall be required for nominations, although one or more members may second a nomination to indicate endorsement. No member may nominate more than one person for the position. The President shall repeat each nomination until all nominations for the office have been made.

If an absent member has rendered a nomination by mail, which has been received by the Secretary of the Board prior to opening the meeting for nominations, such nomination shall be read by the President and shall be valid.

Once nominations have been completed, the President shall call for a vote which may be conducted either by a showing of hands or by voice vote. Voting shall be repeated as many times as necessary in order to obtain three votes for a single candidate. Where repeated voting is necessary, the nominee receiving the lowest number of votes shall not be removed from the next ballot unless a motion is duly carried requiring his/her elimination. The Secretary shall record the results of each vote in the minutes.

FISCAL INFORMATION

N/A

ATTACHMENTS

N/A

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: December 19, 2018

TO: Board of Directors

FROM: Joan Eaton, Administration Supervisor, Board Secretary, Treasurer
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 Special Board Meeting held on November 14, 2018.

ATTACHMENTS

Attachment 1 – Draft Meeting Minutes

**MINUTES – November 14, 2018
PAGE 1 OF 6**

**MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
NOVEMBER 14, 2018**

The Special Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, November 14, 2018 at the hour of 9:00 A.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California.

The following Directors were present:
Errol Mackzum, Vice-President
Mike Terry, Director
Mike Milliorn, Director
Bill Conrad, Director

President Tony Grabow was absent

Also present were the following:
Ryan Gross, General Manager
Joan C. Eaton, Board Secretary/Treasurer/Administration Supervisor
Ward Simmons, Legal Counsel, Best, Best & Krieger
George Corley, Fire Department Chief
Greg Fankhanel, CPA, Partner, Van Lant & Fankhanel, LLP
Scott Manno, CPA, CGMA, Partner, Rogers, Anderson, Malody & Scott, LLP
Sunny Kim, Staff Accountant, Rogers, Anderson, Malody & Scott, LLP

Visitors Present:
Gerhard Hilgenfeldt, Running Springs Resident
Paul and Rita Bender, Running Springs Residents

MEETING MINUTES

AGENDA ITEMS

1. Call Meeting to Order and Pledge of Allegiance

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

2. Recognize and Hear From Visitors/Public Comment

No public comments.

3. Approval of Consent Items

- A. Approve September 19, 2018 Regular Board Meeting Minutes**
- B. Ratify September and October 2018 Expenditures and Cash Summary**
- C. Consider Receiving and Filing the Assessment District No. 10 Continuing Disclosure Annual Report for the Fiscal Year Ending June 30, 2018**
- D. Consider Adopting Resolution No. 19-18, Setting the Schedule for Regular Board Meetings**

Beginning January, 2019, the Regular Board Meetings of the Board of Directors shall continue to be conducted on the third Wednesday of each month at 9:00 A.M.

Upon **motion** by Director Terry, **second** by Director Milliorn and **carried by a 4 to 0 vote**, the Consent Items were approved. (Resolution No. 19-18 on file in the District Office)

4. Action Items

The meeting moved to Action Item 4.D. by Vice-President Mackzum.

- D. Consider a Customer Opt-Out Policy for Automatic Meter Reading (AMR) Technology Upgrade Program**

Manager Gross opened by saying this item is being returned to the Board due to customer concerns with the Automatic Meter Reading (AMR) Program. A Proposition 218 Hearing would be required for the District to establish an Opt-Out Policy fee and Manager Gross said the District would consider an individual customer agreement or other options.

Paul and Rita Bender were introduced stating they reside at #7 Fredalba Road and requested that the District exempt them from the AMR program and offer an opt-out program to the customers of Running Springs due to exposure concerns. Mr. Bender presented written professional opinions regarding smart meter safety and discussion continued regarding possible options for customers that include meter relocation, an opt-out program and individual customer agreements. Manager Gross will return AMR program options to the Board in December, 2018.

Upon **motion** by Director Milliorn, **second** by Director Conrad and **carried by a 4 to 0 vote**, Considering a Customer Opt-Out Policy for Automatic Meter Reading (AMR) Technology Upgrade Program, was approved.

Paul and Rita Bender were excused from the meeting.

A. Consider Receiving, Filing and Authorizing the Distribution of the District's Fiscal Year 2017-2018 Annual Financial Report and Audit Results

Greg Fankhanel, Partner with Van Lant & Fankhanel, LLP (VLF) presented the District's Audit Report for Fiscal Years Ended June 30, 2018 and 2017. The Financial Report states that VLF conducted their audit in accordance with governmental accounting standards and the independent auditor concluded, based upon the audit, that in their opinion the District's financial statements present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2018 and 2017 and the changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and state regulations governing special districts.

Mr. Fankhanel summarized the audit reports saying this was an unmodified or clean opinion on the comparative financial statements and regarding internal control, the audit did not identify any material weaknesses or reportable significant deficiencies. In the course of their audit, VLF did not identify any non-compliance issues nor did they encounter any difficulties or disagreements with management. Mr. Fankhanel said the findings indicate that District staff are doing a great job.

Discussion continued that included the CalPERS Pension Liability and Actuarial Reports, Wastewater Treatment and Collections Fund Allocations and Uncollectible Ambulance Charges and suggestions were made to clarify information in the financial report. Manager Gross said the discussed revisions will be made in the final financial statements.

Upon **motion** by Director Conrad, **second** by Director Terry and **carried by a 4 to 0 vote**, Receiving, Filing and Authorizing the Distribution of the District's Fiscal Year 2017-2018 Annual Financial Report and Audit Results with revisions, was approved.

Mr. Fankhanel was excused from the meeting.

B. Financial Presentation

Scott Manno, Partner with Rogers, Anderson, Malody and Scott, LLP (RAMS) presented the District's Financial Statements for the years ended June 30, 2018 and 2017 and opened the presentation by reviewing the financial highlights. The District's total net position decreased by \$80,333 from the prior year due to the increase of CalPERS actuarial pension expenses. The total net position decreased 0.5% due to a 12% increase in total revenues and 24% increase in total expenses. Cash and temporary investments increased due to the rate increase and a decrease of construction in progress and long term liability increased by \$815,275 due to the increase of net pension liability. Mr. Manno then reviewed the Government-Wide Summary and District Balance Sheets for

the Governmental Fund (Fire) and Business Type Activities (Water, Sewer and Ambulance) for revenues, expense and cash flows stating the current ratio for Business Type Activities increased from 4.75 in 2017 to 6.4 in 2018 and he confirmed the higher ratio is better. Discussion continued that included concerns regarding the financial position of the Wastewater Treatment Plant and Manager Gross concluded by stating the District has been in the black for approximately four years in all Divisions.

Upon motion by Director Conrad, second by Director Terry and carried by a 4 to 0 vote, the Financial Presentation was approved.

Scott Manno and Sunny Kim were excused from the meeting.

C. Consider Adopting Resolution No. 20-18, Initiating Proceedings for the Annexation of the Getaway House Property

Manager Gross reported on Resolution No. 20-18 regarding annexation of the property on Wilderness Road that is now the Getaway House property. Annexation of the property was a condition of the Temporary Outside Water and Sewer Service Agreement approved by the Running Springs Water District on August 28, 2018.

Upon motion by Director Conrad, second by Director Milliorn and carried by a 4 to 0 vote, RESOLUTION NO. 20-18, INITIATING PROCEEDINGS FOR THE ANNEXATION OF THE GETAWAY HOUSE PROPERTY, was adopted. (Resolution No. 20-18 on file in the District Office)

5. Information Items

A. Quarterly Investment Report

B. Water Production and Precipitation Report

Manager Gross reported on the Ayers Acres Well saying the water production level has remained lower than expected. The Harris and Sidewinder wells were down for several months this year resulting in an increase in purchased imported water.

6. General Manager's Report

Manager Gross reported on the Automated Meter Reading (AMR) system saying it is 98% complete and the District is pleased with the results. The AMR system was an \$800,000 project with 50% principal loan forgiveness and the project should be complete by Thanksgiving. The AMR system provides efficient leak detection and consumption reports and the District is expecting the first \$460,258 disbursement from the State Water Board. Manager Gross said the District is currently evaluating Water Division staffing requirements with implementation of the new AMR system.

Manager Gross then reported on the recent Pali Mountain Hearing by the Local Agency Formation Commission (LAFCO) and the proposed reorganization to include annexation to the Running Springs Water District (RSWD). Currently, fire protection services are provided by the San Bernardino County Fire Protection District (County Fire), however, the District is currently first on-scene for fire and emergency medical services at the Pali Mountain camp due to the proximity of Fire Station 51. Upon approval from LAFCO, the area would be detached from County Fire and RSWD would assume responsibility for fire protection services. Discussion continued and Manager Gross said the County Fire Chief attended the hearing and stated his opposition to the proposed reorganization. The LAFCO hearing was continued until January 16, 2019 with the request that Running Springs and the County Fire Departments meet with the property owner on December 6, 2018 to work through the issues. Chief Corley closed by clarifying the Running Springs Water District ambulance and fire service boundaries.

A Personnel Committee Meeting will be scheduled in January, 2019 to discuss the Cost of Living Adjustment (COLA) and District succession planning.

Manager Gross and Supervisor Eaton reported on the NBS Continuing Disclosure Report regarding Assessment District No. 10 saying the West Coast Torah Retreat and Camp Center are owners of property in Assessment District No. 10 with unpaid assessments in excess of 5% of the total unpaid assessments. Supervisor Eaton confirmed that the West Coast Torah Retreat assessments are not delinquent and the Assessment District No. 10 bond payments are expected to be complete in 2023.

Discussion turned to the Rimwood Ranch Vista Serena San Bernardino Mountain Land Trust property that is in the process of transferring ownership to the United States Forest Service. The District does not receive assessments from the Mountain Land Trust property so the transition to the Forest Service will not impact District revenue.

7. Report From Legal Counsel

Attorney Simmons confirmed that Senate Bill 998, regarding discontinuing of residential water service was approved and becomes effective April 2020. Best, Best & Krieger will provide additional information when it is time to revisit District policies.

Attorney Simmons confirmed that Proposition 3, the Water Supply and Water Quality Act of 2018, did not pass.

8. Board Member Comments/Meetings

Director Mackzum and Chief Corley commented on forest management and Chief Corley said the District is supportive of the local Hazard Abatement Program.

Supervisor Eaton said the San Bernardino County Elections Office will provide the certification documents in early December regarding the newly elected Board members.

The Mountain Trails Alliance Committee will meet in the District Board Room at noon on Thursday, November 29, 2018.

9. Meeting Adjournment

The meeting was adjourned at 11:22 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: December 19, 2018
TO: Board of Directors
FROM: Ryan Gross, General Manager
SUBJECT: RATIFY EXPENDITURES

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors review the attached accounts payable check register and ratify the District's November 2018 expenditures.

A copy of the District's Cash Reserve Fund Summary as of November 30, 2018, the Pooled Cash Balance History and Fire Department Operating Reserve Fund Surplus/Shortfall History is also included for review and information.

REASON FOR RECOMMENDATION

Each month staff presents the monthly check register and recommends that the Board of Directors ratify the District's expenditures.

BACKGROUND INFORMATION

Attached is a list of expenditures for November 2018 and the Cash Summary as of November 30, 2018.

FISCAL INFORMATION

Refer to attached accounts payable check register and cash summary.

ATTACHMENTS

- Attachment 1 – Accounts Payable Check Register for November 2018
- Attachment 2 – Cash Summary as of November 30, 2018
- Attachment 3 – Pooled Cash Balance History
- Attachment 4 – Fire Department Operating Reserve Fund Surplus/Shortfall History

Running Springs Water District Accounts Payable Checks November 2018

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
2nd Amendment Woodworking Co.	Vinyl Window Decals for E50	11/20/18	38.79	102638	38.79
Action Automotive Repair Inc	Wiring Short on the BC Durango	11/09/18	816.45	102585	1,684.92
	High Pressure Valve/Tires	11/09/18	868.47	102585	
	Mount and Balance Four snow tires	11/20/18	80.00	102639	308.75
	Swap out to studded snow tires	11/20/18	95.00	102639	
	Smog Inspection	11/20/18	71.00	102639	
	Smog Inspection	11/20/18	62.75	102639	
	Smog Inspection	11/30/18	62.75	102657	4,037.52
	Smog Inspection, Check Engine- Vent hose leak	11/30/18	369.97	102657	
	Tires	11/30/18	719.77	102657	
	Purchased and Mount and balance 6 tires	11/30/18	2,885.03	102657	
Airgas Inc.	Large Helium	11/14/18	47.60	102617	47.60
Albert A. Webb Associates	Consultant Services Nob Hill Improvements	11/14/18	9,037.72	102618	9,037.72
American Family Life Assurance Company of Colun	Additional Insurance Premiums October 2018	11/01/18	476.44	102560	476.44
American Water Works Association	2019 Membership Dues	11/01/18	433.00	102561	433.00
Ameripride Services, Inc	Cleaning Supplies October 2018	11/09/18	287.40	102586	287.40
Best, Best & Krieger LLP	Legal Services October 2018	11/30/18	965.74	102658	965.74
BURR Group Inc.	Trash Service October 2018	11/01/18	181.39	102562	181.39
	Trash Service and Loads October 2018	11/09/18	549.24	102587	549.24
California Special Districts Association	2019 CSDA Membership Renewal	11/01/18	7,252.00	102563	7,252.00
California Water Environment Association	2019 Membership and Plant Maint tech renewals	11/09/18	275.00	102588	275.00
	Collection System Maint Exam	11/14/18	200.00	102619	200.00
	Collect Main Grd 4 renewal	11/20/18	102.00	102640	102.00
CalPERS	Health Insurance Premiums November 2018	11/02/18	19,089.66	DFT0000839	19,089.66
	Employ Contribu Classic/Prepra 11/5/18	11/08/18	23,730.03	DFT0000844	23,730.03
	Employ Contribu Classic/Pepra 11/19/18	11/26/18	25,762.62	DFT0000849	25,762.62
Canon	Service and Usage Fees November 2018	11/20/18	532.22	102641	532.22
Charter Communitcations	Internet and Telephone November 2018	11/14/18	581.44	102620	894.12
	Telephone and Internet November 2018	11/14/18	187.72	102620	
	Telephone and Internet Nov-Dec 2018	11/14/18	124.96	102620	
Citibank, N.A.	Office Supplies	11/01/18	421.15	102564	526.70
	STAPLES- OFFICE SUPPLIES	11/01/18	105.55	102564	
	Misc Supplies	11/09/18	37.60	102589	188.97
	Door and Trim At Home Depot	11/09/18	151.37	102589	
	STAPLES- OFFICE SUPPLIES	11/30/18	346.81	102659	430.35
	Miscellaneous Office Supplies	11/30/18	83.54	102659	
Clinical Laboratory of San Bernardino	Wastewater Samples September 2018	11/09/18	726.00	102590	726.00
	Water Samples October 2018	11/20/18	1,166.00	102642	2,133.00
	Wastewater Samples October 2018	11/20/18	967.00	102642	
Cole-Parmer	Filterability Papers	11/20/18	624.75	102643	624.75
Consolidated Electrical Distributors, Inc	HUBWD L1630E	11/14/18	20.52	102621	20.52
	HMI, PLC tech support Treatment Plant	11/30/18	3,206.64	102660	3,206.64
County of San Bernardino	Lien Release	11/01/18	8.00	102572	8.00
	Load- Construction/Demolition	11/09/18	39.57	102591	39.57
	Road Permits for October 2018	11/09/18	366.00	102592	366.00

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
County of San Bernardino	Lien Release	11/30/18	8.00	102661	8.00
Crestline-Lake Arrowhead Water Agency	Purchased Water October 2018	11/01/18	21,672.32	102565	21,672.32
Cypress Ancillary Benefits	Dental Insurance Premiums November 2018	11/01/18	1,260.29	102566	1,260.29
DCS Testing & Equipment Inc	Annual Ground Ladder Testing	11/01/18	436.50	102573	436.50
Federal Express Corporation	Shipping Charges October 2018	11/14/18	55.25	102622	55.25
FIRE ETC	Uniform pants Strebel	11/14/18	469.28	102623	469.28
Fire Fighters Association	FFAD Dues November 2018	11/30/18	430.00	102662	430.00
Frontier Communications	Telephone Oct-Nov 2018	11/01/18	55.74	102574	111.47
	Telephone Oct-Nov 2018	11/01/18	55.73	102574	
	Telephone November 2018	11/09/18	55.73	102593	253.66
	Telephone November 2018	11/09/18	144.95	102593	
	Telephone November 2018	11/09/18	52.98	102593	
	Telephone November-Dec 2018	11/20/18	52.98	102644	52.98
	Scada Line	11/30/18	103.23	102663	360.38
	Telephone Nov-Dec 2018	11/30/18	72.83	102663	
	Telephone Nov-Dec 2018	11/30/18	55.75	102663	
	Telephone Nov-Dec 2018	11/30/18	72.83	102663	
	Telephone Nov-Dec 2018	11/30/18	55.74	102663	
GM Excavating, INC.	Weed Abatement	11/30/18	1,674.00	102664	2,686.00
	Weed Abatement	11/30/18	1,012.00	102664	
Haz Mat Trans, Inc.	Wo# 86222	11/09/18	700.00	102594	1,400.00
	Wo# 85986	11/09/18	700.00	102594	
	WO#86330	11/14/18	700.00	102624	700.00
	WO # 86331	11/20/18	700.00	102645	700.00
Herc Rentals Inc.	Crane Truck Infulent screen	11/09/18	803.64	102595	803.64
Hi-Desert Publishing-Mountain News	Inviting Bids Advertising	11/14/18	154.28	102625	154.28
Inland Desert Security & Communications	Answering Service December 2018	11/14/18	105.00	102626	105.00
Inland Water Works Supply Company	U-Branches	11/09/18	159.84	102596	1,782.46
	Blind Flg and Galvanized bushing	11/09/18	57.24	102596	
	Miscellaneous Parts and Supplies	11/09/18	1,565.38	102596	
	FIP Adaptor and CTSPJ x FIP	11/20/18	186.13	102646	729.12
	Meter Coupling	11/20/18	320.66	102646	
	Miscellaneous Parts and Supplies	11/20/18	191.87	102646	
	Full Face Meter Gaskets	11/20/18	30.46	102646	
	FIP Adapter	11/30/18	19.76	102665	19.76
Innovative Design & Sheet Metal Products	Lights/Radio Installation on Chiefs Vehicle	11/30/18	12,155.76	102666	12,155.76
Intec Network Solutions	Vm Reset and Reprogramming at Plant	11/09/18	315.00	102597	315.00
Jeff Kawell	Crane for cleaning out EQ basin	11/14/18	560.00	102627	560.00
Joan Eaton	Reimbursement Claim	11/01/18	583.54	102575	583.54
	Reimbursement Claim	11/14/18	698.42	102628	698.42
Karl Abril	Required Driver Operator Training	11/01/18	227.00	102576	227.00
L.N. Curtis & Sons	Various Firefighting Safety Equipment and Supplies	11/01/18	2,313.41	102577	2,313.41
Lake Arrowhead Construction Inc	WWTP Wash Water System Replacement	11/09/18	63,135.52	102598	63,135.52
Leslie's Poolmart, Inc	water treatment	11/09/18	1,799.28	102599	1,799.28
	NaOCl for MBR 1 chem cleaning	11/30/18	215.48	102667	215.48
Life-Assist, Inc	Ambulance Supplies	11/09/18	927.64	102600	927.64
	Ambulance Supplies	11/30/18	536.36	102668	997.16
	Ambulance Supplies	11/30/18	460.80	102668	
Linda Mayfield	Reimbursement Claim	11/01/18	788.30	102578	788.30
	Reimbursement Claim	11/14/18	301.35	102629	301.35

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
Lou's Gloves, Inc	Nitrile Grade Exam Gloves	11/09/18	96.80	102601	96.80
MCI	Long Distance October 2018	11/09/18	49.75	102602	49.75
McMaster-Carr Supply Company	PCV pipe fittings -various sizes	11/09/18	86.75	102603	107.99
	Low-Pressure Pipe Fitting	11/09/18	21.24	102603	
	No Parking Stencil	11/14/18	58.61	102630	298.91
	Disposable Coverallas and Respirator	11/14/18	104.34	102630	
	Turn-Lock Connectors	11/14/18	135.96	102630	
	Brass Valve with lever handle.	11/20/18	94.16	102647	267.67
	Microscope Slides	11/20/18	82.30	102647	
	Miscellaneous Parts and Material	11/20/18	91.21	102647	
Metropolitan Life Insurance Company	Vision Insurance Premiums Nov 2018	11/01/18	181.96	102567	181.96
Myers-Stevens & Toohey Co. Inc	Disability Insurance Premiums November 2018	11/01/18	220.00	102568	220.00
NAPA Auto Parts	Miscellaneous Auto Parts	11/09/18	36.29	102604	172.02
	Miscellaneous Parts and Supplies	11/09/18	135.73	102604	
NBS Government Finance Group	Disclosure Reporting Services AD NO 10	11/20/18	2,133.29	102648	2,133.29
Nestle Waters North America	Drinking Water for WWTP October 2018	11/09/18	57.75	102605	57.75
Nick Nikas	Reimbursement Claim	11/20/18	204.00	102649	204.00
One Stop Landscape Supply	July 2018 to December 2018 biosolids disposal	11/09/18	2,845.80	102606	2,845.80
Parkhouse Tire Inc	Studded snow tires	11/30/18	826.82	102669	826.82
Patricia A. Monical	Industrial Paper Towels	11/09/18	88.07	102607	88.07
	Industrial Paper Towels, Trash liners Soap and Pur	11/30/18	172.77	102670	172.77
Petty Cash	Petty Cash	11/09/18	83.05	102608	83.05
Polydyne Inc.	Blanket PO for Polydyne	11/20/18	1,311.68	102650	1,311.68
Rafetlis	Water and Wastewater Rate Study Services	11/20/18	9,976.25	102651	9,976.25
Reliance Standard Life Insurance Company	Life Insurance Premiums- November 2018	11/01/18	1,130.64	102569	1,130.64
Richard Viero	Reimbursement Claim	11/20/18	283.25	102652	283.25
Rim Forest Lumber Company, Inc.	Miscellaneous Supplies	11/01/18	149.50	102570	1,810.80
	Building Supplies	11/01/18	1,661.30	102570	
Rocio Silva	Janitorial Service October 2018	11/09/18	485.00	102609	485.00
Rogers Anderson Malody & Scott LLP	Consultant Fees October 2018	11/30/18	10,032.22	102671	10,032.22
SecureTech Security, Inc	Changed Codes at multiple pump stations	11/01/18	142.50	102579	142.50
Southern California Edison Company	Electricity October 2018	11/01/18	25.68	102571	3,778.35
	Electricity October 2018	11/01/18	1,248.89	102571	
	Electricity October 2018	11/01/18	284.02	102571	
	Electricity October 2018	11/01/18	201.11	102571	
	Electricity October 2018	11/01/18	95.69	102571	
	Electricity October 2018	11/01/18	999.75	102571	
	Electricity October 2018	11/01/18	386.15	102571	
	Electricity October 2018	11/01/18	242.20	102571	
	Electricity October 2018	11/01/18	28.39	102571	
	Electricity October 2018	11/01/18	266.47	102571	
	Electricity October 2018	11/01/18	115.80	102580	1,435.23
	Electricity October 2018	11/01/18	111.92	102580	
	Electricity October 2018	11/01/18	198.90	102580	
	Electricity October 2018	11/01/18	104.28	102580	
	Electricity October 2018	11/01/18	71.02	102580	
	Electricity October 2018	11/01/18	80.38	102580	
	Electricity October 2018	11/01/18	307.21	102580	
	Electricity October 2018	11/01/18	445.72	102580	
	Electricity October 2018	11/09/18	6,604.86	102610	6,782.48

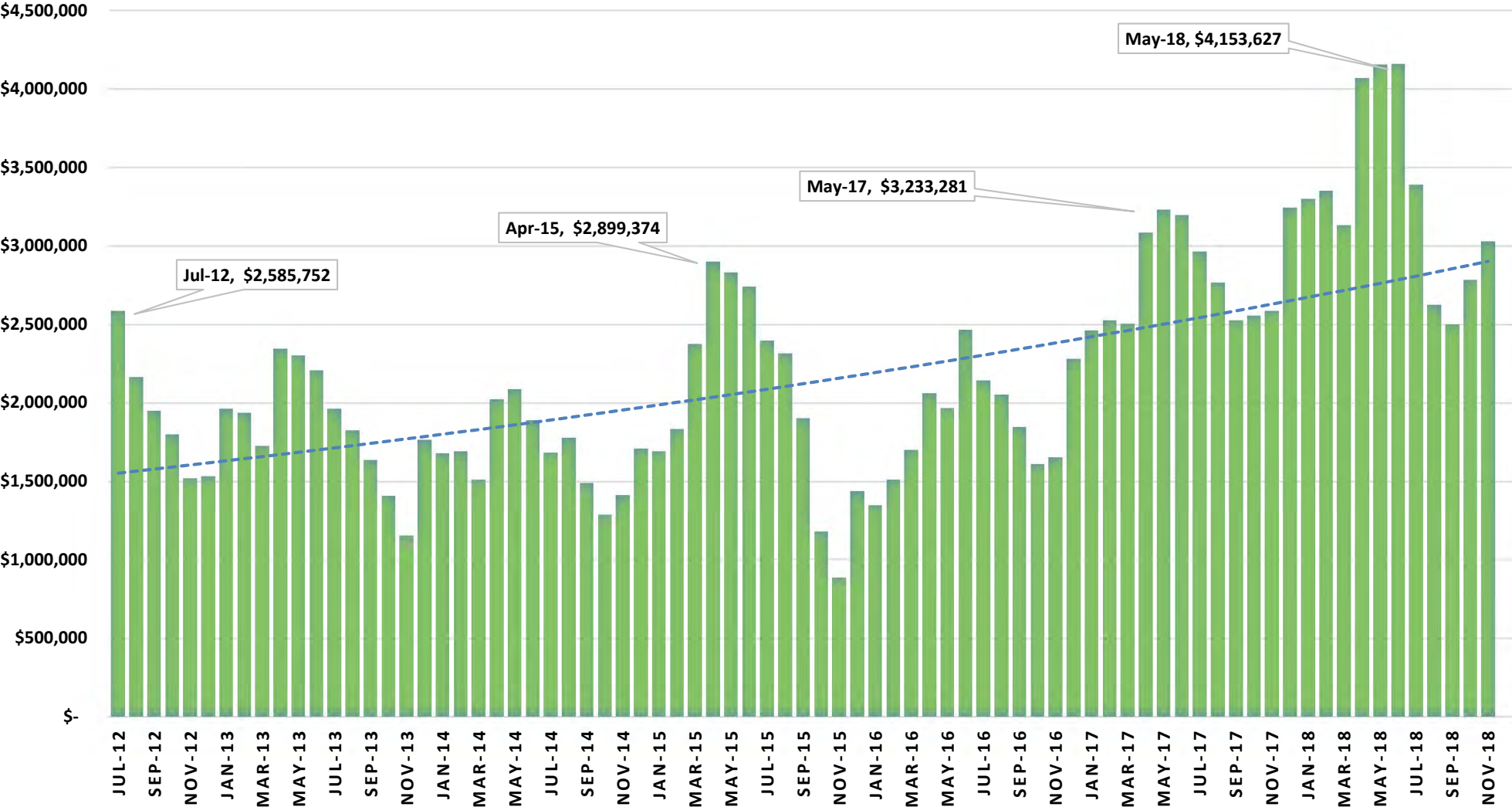
Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
Southern California Edison Company	Electricity October 2018	11/09/18	166.78	102610	6,782.48
	Electricity October 2018	11/09/18	10.84	102610	
Southern California Gas Company	Gas Usage October 2018	11/09/18	87.46	102611	192.21
	Gas Usage October 2018	11/09/18	104.75	102611	
	Gas Usage October 2018	11/14/18	66.80	102631	156.45
	Gas Billing Usage October 2018	11/14/18	74.86	102631	
	Gas Usage October 2018	11/14/18	14.79	102631	
Special Districts Department San Bernardino Co.	Drum Screen for Treat. Plant	11/14/18	2,820.00	102632	2,820.00
Terminix International Company LP	Pest Control 10/8/18	11/09/18	47.00	102612	114.00
	Pest Control	11/09/18	67.00	102612	
Underground Service Alert of Southern California	New Tickets and Maintenance fee Nov 2018	11/01/18	54.55	102581	54.55
Univar USA, Inc	Citric Acid for MBR Cleaning	11/20/18	2,258.34	102653	2,258.34
US Postal Service	Permit #14 Postage	11/30/18	3,000.00	102672	3,000.00
USDA Forest Service	Special Uses Transmission Line	11/20/18	2,743.00	102654	2,743.00
Verizon Wireless Services LLC	Cell phone charges October 2018	11/09/18	497.23	102613	497.23
Village Hardware	Miscellaneous Parts and Supplies	11/01/18	434.93	102582	434.93
Visa	Bobroff-Cert Renewal and Misc parts & Supplies	11/14/18	130.68	102633	1,505.32
	Corley- CPR cards	11/14/18	6.00	102633	
	Auto Extrication Supplies - Vehicles and Towing	11/14/18	300.00	102633	
	Miller-Misc Supplies and SCADA Line	11/14/18	412.85	102633	
	Active 911 Subscription Pager System	11/14/18	352.50	102633	
	LPV-20-12:20 Watt Light	11/14/18	75.49	102633	
	Lighting For Engine Bay and Hallway Station 50	11/14/18	227.80	102633	
W.W. Grainger, Inc	Axial Fan	11/09/18	40.58	102614	42.80
	Fan Guard	11/09/18	2.22	102614	
	Mag Coil Kit	11/14/18	134.90	102634	134.90
William A. Morton and Anja Nolting Moreton Revo	Ambulance Payment	11/09/18	22,104.15	102615	22,104.15
WIN-911 Software	Maintenance Renewal	11/20/18	680.00	102655	680.00
York Insurance Services Group Inc., -CA	Works Comp Funding for Ck 10405	11/14/18	10.89	102635	10.89
	Wrks Comp fund check 10406	11/30/18	56.45	102673	56.45
York Risk Services Group, Inc	Workers Comp Admin Fees for October 2018	11/09/18	112.00	102616	112.00
Zenner Performance Meter, Inc	Stealth Installation Service	11/01/18	24,262.54	102583	24,904.82
	S-PIT-Install Kit	11/01/18	642.28	102583	
	Miscellaneous parts and supplies	11/20/18	977.06	102656	42,239.06
	Installation Services	11/20/18	21,113.18	102656	
	Stealth Project management and Install	11/20/18	2,185.00	102656	
	Steath Radio Installation Services	11/20/18	17,963.82	102656	
Zoll Medical Corporation GPO	Ambulance supplies	11/14/18	367.70	102636	367.70

Totals

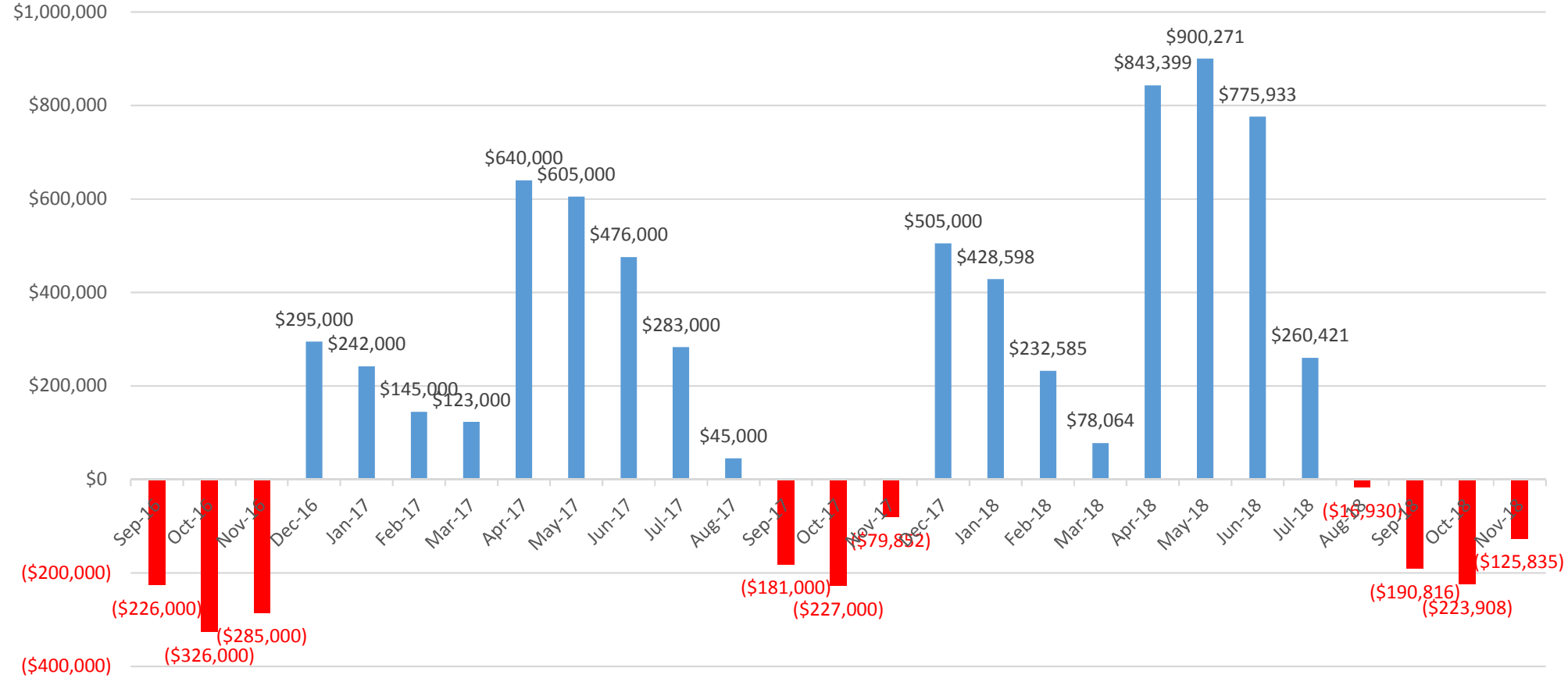
Payment Type	Payable Count	Payment Count	Payment
Regular Checks	180	112	304,186.45
Manual Checks	0	0	0.00
Voided Checks	0	0	0.00
Bank Drafts	3	3	68,582.31
EFT's	0	0	0.00
Totals	183	115	372,768.76

Fund Balances as of November 30, 2018	
Fire & Ambulance Department	
Fire Department Operating Reserve	825,785
Ambulance Department Operating Reserve	161,349
Subtotal Fire & Ambulance Department Operating Reserve Funds	987,134
Recommended Operating Reserve Fund Target (6 Months Operating Expenses)	1,112,969
Fire & Ambulance Department Operating Reserve Surplus / (Shortfall)	(125,835)
Wastewater Division	
Wastewater Capital Improvement Project Reserve	265,750
Wastewater System Connection & Capacity Charges	201,606
CWSRF Loan Agreement 14-813 Debt Reserve (Restricted for SLS 1-3 Debt Service)	171,537
Wastewater Operating Reserve Fund	262,176
Recommended Operating Reserve Fund Target (4 Months Operating Expenses)	554,896
Wastewater Operating Reserve Surplus / (Shortfall)	(292,720)
Water Division	
Water Capital Improvement Project Reserve (\$127,822 CWSRF Reimbursement Pending)	337,363
Water System Connection & Capacity Charges	18,348
Water Infrastructure R&R Reserve (MFC Debt Reserve)	65,341
Water Operating Reserve	528,461
Recommended Operating Reserve Fund Target (4 Months Operating Expenses)	528,461
Water Operating Reserve Surplus / (Shortfall)	-
Assessment Districts Restricted Funds	
Water Assessment District No. 9 Construction Funds	29,432
Water Assessment District No. 10 Construction Funds	26,421
Water Assessment District No. 10 O&M	22,806
Water Assessment District No. 10 Bond Reserve Fund	113,074
Subtotal Assessment Districts	191,733
Total District Designated & Operating Reserve Funds	2,837,715
Assessment District Funds	191,733
Combined Pooled Cash	3,029,448
Checking Account (General)	253,134
LAIF	2,641,739
York Insurance Deposit	14,601
BNY Mellon (AD #10 Bond Reserve)	118,974
Petty Cash	1,000
Combined Pooled Cash	3,029,448

COMBINED POOLED CASH BALANCE



Fire Department Operating Reserve Surplus / (Shortfall)



RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: December 19, 2018
TO: Board of Directors
FROM: George Corley, Fire Chief
Ryan Gross, General Manager
SUBJECT: CONSIDER FOR THE 2018 HAZARD ABATEMENT

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors Receive and File Itemized Report on Cost of 2018 Hazard Abatement.

REASON FOR RECOMMENDATION

Requirement of Ordinance No. 36.

BACKGROUND INFORMATION

Attachment 1 lists the three properties along with the costs that the District has performed warranted Hazard Abatement work on so far in 2018.

FISCAL INFORMATION

The Fiscal Year 2018/2019 Budget includes an approved expense amount of \$8,000 for the Hazard Abatement Program.

ATTACHMENTS

Attachment 1 – 2018 Itemized Report on Cost of 2018 Hazard Abatement

BILL TO
 RUNNING SPRINGS FIRE
 DEPARTMENT
 P.O. BOX 2206
 RUNNING SPRINGS, CA 92382

SHIP TO
 RUNNING SPRINGS FIRE
 DEPARTMENT
 FIRE HAZARD ABATEMENT
 Lot Leprechaun
 Parcel# 0296-342-13

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
6258	12/11/2018	\$1,587.00	12/11/2018	Due on receipt	1

ACTIVITY	QTY	RATE	AMOUNT
EX 7 HOURS LABOR	1	1,260.00	1,260.00
EX 1 HOUR TRAVEL TO DUMP	1	180.00	180.00
EX DUMP FEES	1	147.00	147.00
BALANCE DUE			\$1,587.00

RUNNING SPRINGS FIRE
 DEPARTMENT
 P.O. BOX 2206
 RUNNING SPRINGS, CA 92382

RUNNING SPRINGS FIRE
 DEPARTMENT
 FIRE HAZARD ABATEMENT
 Lot Encina
 Parcel# 0295-072-17

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS
6253	11/28/2018	\$1,012.00	11/28/2018	Due on receipt

ACTIVITY	QTY	RATE	AMOUNT
EX 5 HOURS LABOR	1	900.00	900.00
EX 1/2 HOUR TRAVEL TO DUMP	0.50	180.00	90.00
EX DUMP FEES	1	22.00	22.00
BALANCE DUE			\$1,012.00

RUNNING SPRINGS FIRE
 DEPARTMENT
 P.O. BOX 2206
 RUNNING SPRINGS, CA 92382

RUNNING SPRINGS FIRE DEPT
 FIRE HAZARD ABATEMENT
 31430 Valley Ridge, Running Springs
 Parcel# 0325-351-41

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS
6252	11/27/2018	\$1,674.00	11/27/2018	Due on receipt

ACTIVITY	QTY	RATE	AMOUNT
EX 8 HOURS LABOR	1	1,440.00	1,440.00
EX 1 HOUR TRAVEL TO DUMP	1	180.00	180.00
EX DUMP FEES	1	54.00	54.00
BALANCE DUE			\$1,674.00

RESOLUTION NO. 21-18

COMMENDING DENNIS MICHAEL MILLIORN JR.

Whereas, the Board of Directors of the Running Springs Water District (“District”) wishes to recognize and commend Dennis Michael Milliorn Jr. for his service on the Board of Directors from April 2018 to December 2018; and

Whereas, through the conscientious dedication of Dennis Michael Milliorn Jr. to the affairs and operations of the District, his sound business judgement, practical good sense and loyalty, he made significant and lasting contributions to the District and governance thereof; and

Whereas, the Board of Directors of the Running Springs Water District deem it desirable and appropriate, to recognize the contributions of Dennis Michael Milliorn Jr. to the District and the high regard and esteem in which he was held by the members of the Board of Directors of the District, its staff, and the community of Running Springs.

Now, Therefore, Be It Resolved that the Board of Directors of the Running Springs Water District commend Dennis Michael Milliorn Jr. for his commitment to the District and express appreciation for his dedication to the highest moral and ethical standards and to his service to the people served by the Running Springs Water District.

ADOPTED this 19th day of December, 2018.

- Ayes:
- Noes:
- Abstentions:
- Absent:

*President, Board of Directors
Running Springs Water District*

ATTEST:

*Secretary, Board of Directors
Running Springs Water District*

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: December 19, 2018

TO: Board of Directors

FROM: George Corley, Fire Chief
Ryan Gross, General Manager

SUBJECT: CONSIDER AWARDING CONSTRUCTION CONTRACT FOR THE
2018 HAZARD ABATEMENT

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors:

1. Consider awarding a construction contract for the 2018 Hazard Abatement Project (Project) to GM Excavating for their bid of \$16,000;
2. Authorize the General Manager to execute the contract;
3. Authorize the General Manager to approve change orders for the Project during the course of the project as required not to exceed 15% of the original construction contract amount.

REASON FOR RECOMMENDATION

The bidding phase for the project is complete and award of a construction contract is the next step.

BACKGROUND INFORMATION

The Fire Department advertised for bids in the Mountain News on 9/10/2018. The bid opening was 9/30/2018. The following bid was received:

Contractor	Total
1. GM Excavating	\$16,000

The project includes the Hazard Abatement for identified fire hazards on parcels of land located in the Running Springs Fire Department's fire district. The object of the projects is to remove fire hazards by direction of an officer of the Running Springs Fire Department. Parcels of property will be abated to bring back into compliance of the Running Springs' Hazard Abatement Ordinance. The contractor is responsible for transportation of the crew and the means to haul debris from the project parcels. The project includes weed cutting, tree trimming, brush cutting and needle and leaf removal.

Debris generated by the project will be removed from the parcels that hazard abatement is performed.

It is the goal of the District staff to minimize change orders but as the need arises there is typically not enough time to stop the progress of the work to obtain Board approval of each change order. By authorizing the General Manager to approve change orders as needed not to exceed 15% of the original contract value will allow for the project to progress without delays caused by the District.

FISCAL INFORMATION

The Fiscal Year 2018/2019 Budget includes an approved expense amount of \$8,000 for the Hazard Abatement Program. The additional amount totaling \$16,000.00 will be funded from the Fire Department Operating Reserve Fund.

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: December 19, 2018

TO: Board of Directors

FROM: Ryan Gross, General Manager

SUBJECT: CONSIDER PROPOSED MINOR REVISIONS TO DRAFT CSA 79 WASTEWATER TRANSPORTATION, TREATMENT AND DISPOSAL AGREEMENT AND UPDATE ON POTENTIAL ANNEXATION

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors consider and approve the attached minor revisions to the draft CSA 79 Wastewater Transportation, Treatment and Disposal Agreement (Agreement) and provide additional direction to staff on the potential annexation.

REASON FOR RECOMMENDATION

County staff has their legal counsel have proposed the attached minor revisions to the draft Agreement.

BACKGROUND INFORMATION

On August 15, 2018, the Running Springs Water District Board of Directors approved the draft Agreement to replace Ordinance No. 47. The draft agreement is very similar to the one we have in place with Arrowbear Park County Water District. The proposed revisions have been reviewed by District staff and legal counsel. The draft Agreement is scheduled to go the County Board of Supervisors on January 8th, 2018.

Attachment 2 is a Draft Fiscal Analysis for CSA 79 Reorganization that was paid for by Supervisor Rutherford's office and provided to Running Springs Water District for review and comment on November 8, 2018. Initial comments were sent back to Supervisor Rutherford's office on November 19, 2018. If the District is still willing to move forward with the annexation of the CSA 79 wastewater collections system we will need to let Supervisor Rutherford's office, LAFCO and the CSA 79 Advisory Committee know in the coming months. Staff is asking for additional direction on this matter.

ATTACHMENTS

Attachment 1 – Proposed Revisions to Draft Agreement
Attachment 2 – Draft Fiscal Analysis for CSA 79 Reorganization (separate cover)

WASTEWATER TRANSPORTATION, TREATMENT AND DISPOSAL AGREEMENT

THIS WASTEWATER TRANSPORTATION, TREATMENT AND DISPOSAL AGREEMENT (“*Agreement*”) is entered into as of _____, 2018, by and between Running Springs Water District, a county water district organized and existing under the County Water District Law (Water Code § 30000 *et seq.*) (“*Running Springs*”), and County of San Bernardino County Service Area No. 79, a County Service area for Green Valley Lake, within the County of San Bernardino (“*CSA 79*”). Running Springs and CSA 79 are sometimes referred to in this Agreement individually as “*Party*” and collectively as “*Parties*”.

RECITALS

WHEREAS, pursuant to that certain Wastewater Transportation, Treatment, and Disposal Agreement, dated January 20, 1977 (the “*1977 CSA 79 Agreement*”), by and between Running Springs and CSA 79, CSA 79 operated a domestic sewage collection system within its boundaries and delivered the domestic wastewater collected from its customers into the Running Springs wastewater transportation system for transport 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 (collectively, “*Wastewater Services*”) from 1977 through June 30, 2017; and

WHEREAS, the 1977 CSA 79 Agreement expired on May 9, 2017 and Running Springs continued to provide Wastewater Services to CSA 79 at the same rates set forth in the 1977 CSA 79 Agreement until June 30, 2017; and

WHEREAS, following expiration of the 1977 CSA 79 Agreement, Running Springs continued to provide Wastewater Services according to Running Springs Ordinance 47 (“*Ordinance*”) for domestic wastewater delivered by CSA 79 from its wastewater collection system, pending approval of a new agreement; and

WHEREAS, Running Springs and CSA 79 desire to replace ~~to~~said Ordinance 47 with this new agreement for Wastewater Services; and

WHEREAS, CSA 79 owns and operates a sewer force main pipeline that extends from its Deer Lick Sewer Lift Station located at 32788 Highway 18 (Mile Marker 33.00) to Running Springs’ Sewer Manhole No. 104 located near 31836 Old City Creek Road, where it connects to Running Springs’ sewage transmission facilities (the “*Connection Point*”); and

WHEREAS, the Parties wish to execute a new agreement to provide for the continued transportation, treatment and disposal of wastewater generated within CSA 79’s service area;

NOW, THEREFORE, in consideration of their mutual covenants and the terms hereinafter set forth, the Parties hereby agree as follows:

TERMS OF AGREEMENT

1. Incorporation of Recitals. Each and every one of the Recitals set forth above is a material part of this Agreement and is hereby incorporated by reference into and made part of this Agreement by this reference.
2. Facilities.
 - A. Joint Use Facilities. As used in this Agreement, “*Joint Use Facilities*” shall mean those facilities located downstream of the Connection Point that are owned, operated, and maintained by Running Springs for the transmission, treatment, and disposal of wastewater collected within the service areas of Running Springs and CSA 79. Running Springs owns all Joint Use Facilities and shall be responsible for administration, operation, maintenance, repair, replacement, expansion, and improvement of those Joint Use Facilities, subject to contributions by CSA 79 as hereinafter provided.
 - B. CSA 79 Facilities. CSA 79 owns all of its wastewater collection and delivery facilities located upstream of the Connection Point and shall be exclusively responsible for the operation, maintenance, repair, replacement, expansion, and improvement of such facilities.
3. Operations and Maintenance, Capital Improvements, Expansion or Replacement of Joint Use Facilities.
 - A. Need to Expand, Modify or Replace. CSA 79 and Running Springs recognize that the Joint Use Facilities 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, to incorporate technological advances, 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 will be operated, maintained, expanded, improved, modified, or replaced. Running Springs will be responsible for operating and maintaining the Joint Use Facilities in a good and workmanlike manner to keep the same in good order and repair. So far as the capacity of the Joint Use Facilities permits, Running Springs will treat and dispose of the wastewater delivered to and through the Joint Use Facilities in accordance with the conditions of this Agreement. Running Springs will maintain accurate records of expenses incurred in operating and maintaining such facilities. All Joint Use Facilities are and shall be exclusively owned, operated, and maintained by Running Springs. CSA 79 shall not have or claim any ownership interest in the Joint Use Facilities.
 - C. Financial Obligation. CSA 79 agrees to be financially obligated for its share of the categories of expenditures set forth in the following expense accounts of the Running Springs Water District Wastewater Treatment Division Budget (including any

necessary future debt service payments and subject to the allocations set forth in Section 3.E below) reasonably and necessarily incurred for operations and maintenance of the Joint Use Facilities (“*O&M Expenses*”) and for capital improvements, expansion, replacement, or modification of the Joint Use Facilities (“*Capital Improvements*”), excluding any fines, penalties, costs, or charges resulting from the management or operation of the Joint Use Facilities in violation of any applicable laws, rules, or regulations. CSA 79’s share of such expenditures shall be determined by the proportionate share of the capacity in the Joint Use Facilities that is allocated to CSA 79.

- D. Estimated Proportionate Monthly Costs. The estimated proportionate monthly cost share for CSA 79 for the Wastewater Services each fiscal year from July 1st through June 30th will be based on CSA 79’s proportionate share of average annual wastewater flow to the Joint Use Facilities for the prior three fiscal years (determined as set forth in Section 6 below) plus a 28% peaking capacity factor applied to the next fiscal year budget divided by twelve.¹ For purposes of this calculation, the “*fiscal year budget*” shall refer to the following expense accounts of the Running Springs Water District Wastewater Treatment Division Budget for the applicable fiscal year, subject to the allocations set forth in Section 3.E below. The expenses identified in these accounts shall continue to be allocated between Running Springs and CSA 79 pursuant to the terms of this Agreement regardless of whether the account numbers and account descriptions are revised after execution of this Agreement. Running Springs will provide CSA 79 with annual fiscal year budget estimates for these expense items approximately 90 calendar days prior to July 1st of each year.

Running Springs Water District Wastewater Treatment Expenses	
Account Number	Description
350-50100	Salaries & Wages
350-50110	Salaries & Wages - Overtime
350-50120	Medicare Tax (FICA)
350-50130	Workers Comp Insurance
350-50140	Group Insurance
350-50150	CalPERS Retirement
350-50160	Uniform Allowance
350-53200	Education/Seminars
350-53300	Effluent Disposal Site Maintenance
350-54100	Fuel & Oil
350-54300	Property/Liability Insurance
350-56100	Memberships & Subscriptions

¹ Example calculation for Fiscal Year 2018/2019: CSA 79’s proportionate share of average annual flow to the Joint Use Facilities for the prior three fiscal years = 16.9531% x 1.28 (28% Peaking Capacity Factor) = 21.70%. FY 2018/2019 Wastewater Treatment Budget = \$1,118,538 x 21.70% = \$242,723 / 12 = \$20,227 per month.

350-57100	Permits/Fees
350-57140	Professional Services
350-57310	Interceptor Pipeline Maintenance
350-57314	Treatment Plant Maintenance
350-57430	Biosolids Handling & Disposal
350-57440	Miscellaneous Supplies
350-57444	Office Supplies
350-58251	Utilities
350-58301	Vehicle & Equipment Maintenance
350-59200	Wastewater Testing & Analysis
350-86000	Administrative Expenses
350-16###	Capital Improvement/Replacement

- E. O&M Expenses; Allocations. The O&M Expenses listed in the table above shall be as detailed in the most recently approved fiscal year Running Springs Wastewater Treatment Division Budget.

The allocation of the following indirect expenses shall be included in the above expense accounts and fixed at the percentages listed in this Section 3.E. The allocation of the General Manager's salary and benefits to the Wastewater Treatment Division shall be fixed at eighteen point seven five percent (18.75%). The allocation of District Professional Services expenses to the Wastewater Treatment Division shall be fixed at sixteen point six seven percent (16.67%) of annual District Professional Services expenses as detailed in the most recently approved fiscal year Running Springs Wastewater Treatment Division Budget. The allocation of other indirect District Administrative Expenses to the Wastewater Treatment Division shall be fixed at four percent (4%) of the annual Wastewater Treatment Division operating expenses excluding depreciation as detailed in the most recently approved fiscal year Running Springs Wastewater Treatment Division Budget.

- F. Other Direct Expenses. Such additional expenses not identified above as may be agreed upon in writing, signed by the General Managers for CSA 79 and Running Springs prior to inclusion in the yearly reconciliation invoice, shall also be allocated to CSA 79 as agreed.

- G. Annual Estimate. Except for emergency expenditures, Running Springs will provide CSA 79 with an estimate of CSA 79's proportionate share of projected costs for O&M Expenses and Capital Improvements for the upcoming fiscal year, approximately ninety (90) calendar days prior to the start of the upcoming fiscal year. Emergency expenditures or significant changes to the fiscal year estimate (more than \$15,000) will be communicated in writing to CSA 79 for budgeting and planning consideration as soon as reasonably possible.

4. Charges and Payments.
 - A. Invoicing. Running Springs will submit monthly invoices to CSA 79 reflecting its estimated proportionate monthly cost for use of the Joint Use Facilities, as set forth in Section 3.D above.
 - B. Final Annual Reconciliation to Actual Flow and Expenses. Within sixty (60) days after the end of each fiscal year, a final reconciliation invoice will be prepared by Running Springs and submitted to CSA 79 to account for actual wastewater flow and actual expenses for such fiscal year. In order to calculate the amount of the final reconciliation invoice, CSA 79's actual annual average flow proportion for such fiscal year to the Joint Use Facilities (determined as set forth in Section 6 below), plus a 28% peaking capacity factor, will be multiplied by the actual dollar amount of the O&M Expenses and Capital Improvements for such fiscal year, including the indirect expenses as set forth in Section 3.E. above, and the corresponding credit or additional amount due will be invoiced.
 - C. Payment. Invoices shall be due and payable upon presentation, and shall be delinquent sixty (60) calendar days after the date of the invoice ("**Billing Date**").
 - D. Delinquent Payment. Delinquencies in payment shall be assessed a one-time late payment charge of ten percent (10%).
 - E. Enforcement of Payment. Running Springs may commence and pursue an action against CSA 79 for delinquent payments due under this Agreement. Any judgment rendered in any such action shall include the amount of the delinquency and any late payment charges, together with interest thereon at the legal rate, Running Springs' costs of collection, court costs and reasonable attorneys' fees in such amount as the court may adjudge against CSA 79.
5. Future Funding. CSA 79 agrees 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 Capital Improvements. In the event Running Springs elects not to renew the Agreement, CSA 79 shall have no obligation to continue to make payments on any repayment or debt service obligations from and after the termination of this Agreement. In the event that CSA 79 elects not to renew the Agreement, CSA 79 shall continue to make payments of its allocated annual repayment or debt service obligations, allocated at the rate in effect as of the expiration date of the Agreement, as provided in Section 3 and 4 of this Agreement less the additional 28% peaking capacity factor, unless an agreed upon Contribution Agreement is made to settle the outstanding debt service payments. The allocation of annual repayment or debt service obligations associated therewith during the term of this Agreement shall be as provided in Section 3 and 4 of this Agreement.
6. Flows.

A. Recording of Flow Contributions. In order to determine and keep historical records of CSA 79's quantities of wastewater delivered to Running Springs and to calculate the proportional costs of all Wastewater Services, a recording flow meter with flow totalizer that is not reset each month for the daily measurement of wastewater which CSA 79 will deliver to Running Springs shall be used and maintained by CSA 79 at its sole expense located at CSA 79's Sewer Lift Station. 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. CSA 79 and Running Springs each shall have the right from time to time, as they reasonably determine necessary, to inspect and test the accuracy 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 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. During the first week of each month, CSA 79 shall 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. During wet weather events Running Springs may request flow data to be emailed on a daily basis in order to make any necessary adjustments to the operations of the Joint Use Facilities.

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

Capacity Allocations	Average Daily Flow (gallons per day (" <i>gpd</i> "))	Peak Wet Weather Flow (gpd)	Peaking Factor (PF) = Q_{max}/Q_{avg}	Maximum Continuous Flow Rate (gpm)	Maximum Peak Hour Flow Rate (gpm)
CSA 79	72,000	201,600	2.8	140	Two 25 hp, 650 gpm pumps

Total Joint Use Facilities Average Daily Design Flow = 500,000 gpd

Total Joint Use Facilities Peak Daily Design Flow = 1,000,000 gpd

Wastewater Treatment Plant (WWTP) Design Capacity = 1,000,000 gpd

Daily flows that are greater than 2.8 times the prior three years annual average daily flow shall be considered excessive infiltration and inflow and will require CSA 79 to

conduct an investigation and prepare a corrective action plan to be implemented and reported to Running Springs.

These flow rates may be exceeded only on a temporary case by case basis by utilizing flow rate capacity allocated to other users, including Running Springs, provided such other users including Running Springs are not currently utilizing the full flow rate capacity allocated to them. As the flow rate capacity in the Running Springs' interceptor or wastewater treatment plant approaches the peak design conditions, Running Springs at its discretion may notify CSA 79 that its flow rates must be restricted to their maximum peak daily flow rates.

If Running Springs reasonably determines that a capital expansion is required solely in order to accommodate additional wastewater flows to the Joint Use Facilities generated within either Party's service area or from any other contributor to the Joint Use Facilities, then 100% of the cost of that expansion will be the responsibility of such Party or contributor, and such Party or contributor shall have the right to use the capacity created by such expansion for the remaining term of the Agreement.

7. Enforcement of Laws.

- A. Monitoring. In addition to all other applicable laws, rules, and regulations, CSA 79 shall enforce within its own boundaries rules and regulations for sewer service that are no less stringent than the Running Springs' sewer rules and regulations, as such rules and regulations may be amended by Running Springs from time to time. CSA 79 shall be furnished copies of such rules and regulations as adopted or revised by Running Springs.
- B. Fines. CSA 79 shall pay any and all fines, fees, or other types of charges levied upon Running Springs by a regulatory agency if caused or resulting from CSA 79's actions. CSA 79 shall also pay such generally applicable fines, fees, and charges as may be levied by Running Springs for violation of any other ordinances or laws regulating the discharge of wastewater into the Running Springs wastewater system, excluding any fines, penalties, costs, or charges resulting from the management or operation of the Joint Use Facilities in violation of any applicable laws, rules, or regulations.

8. Term of Agreement.

- A. Initial Term; Automatic Renewals. Subject to the provisions of Section 5 above, the term of this Agreement shall commence on January 8, 2019, and extend from that date for ten (10) years. This Agreement shall automatically renew for additional subsequent terms of ten (10) years each, unless either Party gives the other Party written notice ("**Nonrenewal Notice**") at least twelve (12) months prior to ~~the end of the then-current term~~requesting termination.
- B. Good Faith Negotiations. In recognition that alternatives for the Wastewater Services may be infeasible, and that CSA 79 has contributed significant funding towards the

construction, O&M Expenses, and Capital Improvements of the Joint Use Facilities, the Parties agree that if Running Springs gives a Nonrenewal Notice, then the Parties shall negotiate in good faith to reach a new agreement for the provision of Wastewater Services by Running Springs on terms that will fairly and equitably enable Running Springs to recover the reasonable and necessary costs of providing the Wastewater Services to CSA 79. If Good Faith Negotiations, as described in this Section 8.B. prove to be unsuccessful after ninety (90) calendar days after CSA 79's receipt of Running Springs' Nonrenewal Notice, or longer if the Parties agree, either Party may request mediation with a mutually acceptable mediator having experience with the costs of providing wastewater services, and the Parties shall share equally all costs associated with such mediation. Nothing herein shall prevent the Parties from amending this Agreement pursuant to Section 9.

9. Changes in Circumstances / Amendments. The Parties to this Agreement anticipate that circumstances may change and that additions, deletions, and amendments to this Agreement may only be made by mutual agreement in writing signed by both CSA 79 and Running Springs.
10. Litigation, Costs and Fees. In the event of any action or proceeding by either Party against the other related to this Agreement, the prevailing Party in such action shall be entitled to recovery of costs and reasonable attorneys' fees, as determined by a court of competent jurisdiction, in addition to any other relief to which it may be entitled.
11. Breach of Agreement. Except as set forth herein, in the event of a breach or alleged breach by either Party of any or all of the provisions of this Agreement, the Party alleging such breach shall give the breaching Party written notice of said breach in a manner provided for giving notices, and said breaching Party shall have thirty (30) calendar days from the date said written notice is so given to cure said breach. Such notice shall not be required for a breach resulting from wastewater contributions that do not satisfy applicable ordinances, rules, or regulations or that are in violation of applicable federal, state, county, or other laws or ordinances. Such violations shall be discontinued immediately upon verbal notice from the authorized agent of Running Springs to the authorized agent of CSA 79. Verbal notice of this type should be followed immediately by written notice.
12. Authorized Agent. Unless otherwise provided in writing, the Manager of CSA 79 or his/her designee and the General Manager of Running Springs or his/her designee shall be the agents authorized to act pursuant to the provisions of this Agreement.
13. Severability. If any provision of this Agreement shall be deemed or held to be invalid or unenforceable for any reason, such provision shall be adjusted, if possible, rather than voided, so as to achieve the intent of the parties to the fullest extent possible. In any event such provision shall be severable from, and shall not be construed to have any effect on, the remaining provisions of this Agreement, which shall continue in full force and effect.

14. Authority. Each Party warrants to the other that it is duly organized and existing and that it and the respective signatories have full right and authority to enter into and consummate this Agreement and all related documents and bind the Parties thereto.
15. Entire Agreement. This Agreement contains the entire understanding between the Parties, and supersedes any prior understanding and/or written or oral agreements between them, respecting the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, by and between the Parties relating to the subject matter of this Agreement, that are not fully expressed herein.
16. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties hereto. No other person or entity shall have any right of action based upon the provisions of this Agreement.
17. Controlling Law. The interpretation and performance of this Agreement shall be governed by the laws of the State of California.
18. Venue. Any action taken to enforce this Agreement shall be maintained only in the Superior Court of San Bernardino County, California. The Parties expressly consent to the jurisdiction of said court and agree that said court shall be a proper venue for any such action.
19. Successors. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective heirs, successors, and assigns.
20. Waivers. A waiver or breach of covenant or provision in this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement, and no waiver shall be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act.
21. Counterparts. This Agreement may be executed in several counterparts and all counterparts so executed shall constitute one agreement, which shall be binding on both Parties, notwithstanding that the Parties are not signatory to one original or the same. Signatures may be delivered electronically or by facsimile and shall be binding upon the Parties as if they were originals.
22. Further Acts. Each Party agrees to perform any further acts and to execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.
23. Notification. Any notice to be provided pursuant to this Agreement shall be served upon Running Springs by mailing such notice by certified United States mail, return receipt requested, postage prepaid, addressed to Running Springs, as follows:

General Manager
Running Springs Water District

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

Or shall be served upon CSA 79 by mailing such notice by certified United States mail, return receipt requested, postage prepaid, addressed as follows:

Director
 Department of Special Districts
 San Bernardino County
 222 W. Hospitality Lane, 2nd Floor
 San Bernardino, CA 92415-0450

Either Party may, upon written to the other, change its address for such mailing. Notice given by mail shall be deemed delivered on the date of signing for the certified mail.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers duly authorized the day and year first above written.

<p>COUNTY SERVICE AREA NO. 79</p> <p>By: _____ Chairman of the Board of Supervisors, County of San Bernardino acting as the Governing Board of County Service Area No. 79, Green Valley Lake</p>	<p>RUNNING SPRINGS WATER DISTRICT</p> <p>By: _____ General Manager</p>
<p>ATTEST</p> <p>By: _____ Clerk of the Board of Supervisors of the County of San Bernardino</p>	<p>ATTEST</p> <p>By: _____ Secretary of the Board of Directors</p>

RSWD Total Water Production (Acre-Feet)											
	2013			2017				2018			
	Precipitation (Inches)	(AF)	(gallons)	Precipitation (Inches)	(AF)	(gallons)	% Reduction from 2013	Precipitation (Inches)	(AF)	(gallons)	% Reduction from 2013
January	3.90	44	14,348,960	24.35	30	9,938,312	31%	8.05	31	9,978,886	30%
February	3.60	34	11,222,900	6.25	27	8,916,787	21%	2.75	26	8,454,420	25%
March	2.40	33	10,897,679	1.60	29	9,560,030	12%	12.20	30	9,788,679	10%
April	0.35	33	10,743,916	0.00	33	10,608,910	1%	0.00	33	10,736,656	0%
May	0.90	45	14,601,449	0.85	34	11,120,624	24%	1.37	34	11,214,444	23%
June	0.00	45	14,610,203	0.00	43	13,893,094	5%	0.00	42	13,771,262	6%
July	0.10	56	18,206,345	0.20	47	15,410,083	15%	0.06	45	14,804,716	19%
August	0.00	56	18,170,122	1.30	43	14,083,494	22%	0.00	53	17,218,608	5%
September	0.00	52	16,831,647	0.00	40	13,056,504	22%	0.00	43	14,171,236	16%
October	2.60	35	11,312,308	0.00	37	12,156,081	-7%	1.63	35	11,561,692	-2%
November	3.40	30	9,723,378	0.05	31	10,217,548	-5%	5.00	32	10,467,582	-8%
December	1.25	35	11,433,417	0.00	32	10,329,147	10%		0		100%
Total	18.50	497	162,102,324	34.60	427	139,290,614	14%	31.06	406	132,168,181	18%

Monthly Water Production (2013, 2017 & 2018)

