



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:                      NOVEMBER 10, 2022  
RE: REGULAR BOARD MEETING                      FROM:                      BOARD SECRETARY

The date for the regularly scheduled board meeting was changed from 9:00 am on November 16, 2022 to 9:00 am on November 17, 2022 and therefore the meeting was adjourned to that later time. The Regular Meeting of the Board of Directors of the Running Springs Water District will be held on Thursday, November 17, 2022, at the hour of 9:00 am at the District Office located at 31242 Hilltop Boulevard, Running Springs, California. This agenda was posted prior to 5:00 pm on November 10, 2022 at the Running Springs Water District Office and Website.

Pursuant to AB 361 and state and local recommendations of social distancing in response to the COVID-19 emergency, the meeting will be conducted as a hybrid (in-person and via Zoom) meeting. In-Person Public Participation: Members wishing to attend the meeting in-person should be prepared to wear a face covering.

To join the meeting:

<https://us02web.zoom.us/j/83445818773>

Dial: 669-444-9171  
Meeting ID: 834 4581 8773  
Passcode: 2766

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 Amie Crowder, 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. Running Springs Water District Board Vacancy
  - A. Consider Filling the Running Springs Water District Board Vacancy by Appointment **Page 4**
  - B. Oath of Office
4. 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) **Page 7**
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 9**
  - B. Ratify Expenditures and Cash Summary **Page 14**
  - C. Consider Reaffirming Resolution No. 11-21 and Authorizing Virtual Board and Committee Meetings Pursuant to AB 361 **Page 22**
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 Receiving, Filing and Authorizing the Distribution of the District’s Fiscal Year Ending 2022 Annual Financial Report and Audit Results **Page 26**  
(Presenter: Van Lant & Fankhanel)
  - B. Financial Presentation  
(Presenter: RAMS)

- C. Consider Approving Professional Services Agreement for Environmental Services  
(Presenter: Ryan Gross, General Manager) **Page 98**
- D. Consider Authorizing Wastewater Expenditures  
(Presenter: Ryan Gross, General Manager) **Page 115**
- 7. Information Items – The following information items do not require any action by the Board of Directors and are for informational purposes only.
  - A. Annual Water Loss Audit **Page 125**
  - B. Update on LAFCO 3254
- 8. General Manager’s Report
- 9. Legal Counsel’s Report
- 10. Board Member Comments/Meetings
- 11. Meeting Adjournment

Upcoming Meetings: Regular Board Meeting, December 21, 2022 at 9:00 am

**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** November 17, 2022  
**TO:** Board of Directors  
**FROM:** Ryan Gross, General Manager  
**SUBJECT: CONSIDER FILLING THE RUNNING SPRINGS WATER DISTRICT BOARD VACANCY BY APPOINTMENT**

**RECOMMENDATION**

Consider filling the existing Board vacancy by appointment of a qualified candidate in lieu of calling an election pursuant to California Government Code 1780.

**REASON FOR RECOMMENDATION**

California Government Code requires that a Board vacancy be filled by appointment or election.

**BACKGROUND INFORMATION**

The vacancy was created by the resignation of President Errol Mackzum effective October 20, 2022. Pursuant to Government Code Section 1780, the District sent a notification letter to the county elections official (registrar of voters) on October 20, 2022.

Pursuant to Government Code Section 1780:

- (a) Notwithstanding any other provision of law, a vacancy in any elective office on the governing board of a special district, other than those specified in Section 1781, shall be filled pursuant to this section.
- (b) The District shall notify the county elections official of the vacancy no later than 15 days after either the date on which the District Board is notified of the vacancy or the effective date of the vacancy, whichever is later.
- (c) The remaining members of the District Board may fill the vacancy either by appointment pursuant to subdivision (d) or by calling an election pursuant to subdivision (e).
- (d) (1) The remaining members of the District Board shall make the appointment pursuant to this subdivision within 60 days after either the date on which the

District Board is notified of the vacancy or the effective date of the vacancy, whichever is later. The District shall post a notice of the vacancy in three or more conspicuous places in the District at least 15 days before the District Board makes the appointment. The District shall notify the County Elections Official of the appointment no later than 15 days after the appointment.

The Board has the option of making an appointment to the Board or calling an election. If an election is not called and appointment not made within 60 days, the Board of Supervisors shall make the appointment. The Board has determined that it will appoint and may hold interviews with interested candidates or make the appointments without conducting interviews.

The remaining term of the appointment to fill the vacancy is through December 2024.

If the Board appoints one of the qualified candidates on November 17, 2022, staff recommends the appointed candidate either be sworn in immediately or schedule an appointment with the Board Secretary to be sworn in prior to the December 2022 or January 2023 Regular Board Meeting.

#### **ATTACHMENTS**

Attachment 1 – Letters of Interest (to be provided under separate cover)

Tony Grabow  
PO Box 643  
Running Springs, CA. 92382-0643

October 21, 2022

Board of Directors  
Running Springs Water District  
31242 Hilltop Blvd.  
Running Springs, CA. 92382

Dear Directors,

Greetings! I understand that Board President Errol Mackzum has resigned, very sorry to hear this as he was a huge asset to the Board. He will be missed.

Due to Errol's vacancy, I would like to advise the Board that I am interested in returning and would like to be considered for appointment.

Thank you for your consideration,



Tony Grabow

**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** November 17, 2022

**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:** November 17, 2022

**TO:** Board of Directors

**FROM:** Amie Crowder, 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 Regular Board Meeting held on October 19, 2022.

**ATTACHMENTS**

Attachment 1 – Draft Meeting Minutes for Regular Board Meeting held on October 19, 2022

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**RUNNING SPRINGS WATER DISTRICT**  
**COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA**  
**October 19, 2022**

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A Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, October 19, 2022, at the hour of 9:00 A.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California, and through teleconference.

The following Directors were present at the District:

Errol Mackzum, President  
Mike Terry, Vice-President  
Bill Conrad, Director  
Laura Dyberg, Director

The following Directors were absent:

Mark Acciani, Director

Also present at the District were the following:

Ryan Gross, General Manager  
Andrew Grzywa, Fire Chief  
Cindy Strebels, Battalion Fire Chief  
Tony Grabow, Retired Fire Chief  
Amie R. Crowder, Secretary to the Board/Administration Supervisor

**MEETING MINUTES**

**AGENDA ITEMS**

**1. Call Meeting to Order and Pledge of Allegiance**

The Running Springs Water District Board Meeting was called to order at 9:00 A.M. by President Errol Mackzum and General Manager Ryan Gross led the assembly in the Pledge of Allegiance.

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

No public comment.

**3. Approval of Consent Items**

- A. Approve Meeting Minutes**
- B. Ratify Expenditures and Cash Summary**
- C. Consider Reaffirming Resolution No. 11-21 and Authorizing Virtual Board and Committee Meetings Pursuant to AB 361**

President Mackzum questioned two expenditures. Manager Gross provided clarification on each item. Regarding the odorizer that is used at Sewer Station #5 by the Harris property, the odorizer assists with minimizing odor in the area and complaints from residents. The second inquiry regarded the Wastewater Arrearage Program. Manager Gross explained this program was administered by the State Water Resource Control Board, for unpaid bills related to the COVID-19 pandemic.

Upon **motion** by Vice-President Terry, **second** by Director Conrad and **carried by a 4 to 0 roll call vote**, the Consent Items were approved.

#### **4. Action Items**

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

##### **A. Consider Authorizing Expenditures for New Utility Pickup Truck**

Manager Gross detailed both the cost and items needed to equip the new utility truck. Manager Gross also stated that the current plow is in decent shape and simply needs to be fit onto the new utility truck, which is more cost efficient than purchasing a new plow.

Upon **motion** by Vice-President Terry, **second** by Director Conrad and **carried by a 4 to 0 roll call vote**, Authorizing Expenditures for New Utility Pickup Truck not to exceed \$7,500, was approved.

##### **B. Consider Approving Revision to Personnel Manual**

As noted as an agenda item at the September 2022 Board Meeting, the standby duty compensation for on-call and weekend coverage was presented by Fire Chief Andy Grzywa. Chief Grzywa reviewed the study he completed with several agencies within the region. The proposed revision includes the following:

1. Chief duty coverage should be credited two (2) hours per night.
2. Weekend Chief coverage should be credited four (4) hours for 24-hour Chief duty coverage.

Director Dyberg commended the department for taking the additional time to complete this study.

Upon **motion** by Director Conrad, **second** by Vice-President Terry and **carried by a 4 to 0 roll call vote**, Approving Revision to the Personnel Manual was approved.

##### **C. Consider Adopting Resolution No. 16-22, Approving California Department of Forestry and Fire Protection Agreement #7GF22098 Rural Fire Capacity (RFC) Program**

Battalion Chief Cindy Strebel reviewed the staff’s recommendation and information in the staff Report. She also shared the department will be receiving an increase of funds compared to the prior year.

Upon **motion** by Vice-President Terry, **second** by Director Dyberg and **carried by a 4 to 0 roll call vote**, Adopting Resolution No. 16-22, Approving California Department of Forestry and Fire Protection Agreement #7GF22098 Rural Fire Capacity (RFC) Program, was approved.

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

**A. Quarterly Budget/Financial Update**

Manager Gross presented the financial summary for the 1<sup>st</sup> quarter of the fiscal year. President Mackzum asked for clarification on the fire department’s operating reserve fund. Manager Gross explained the functionality of the operating reserve fund and it was unanimously agreed upon that “reserve” should be omitted from the account name.

**B. Quarterly Operations Reports**

Manager Gross reviewed the operations reports and shared that the District is down 24% in water production from 2021. The District is confident this is a result of both the community’s assistance in conserving water and the recent rainfall we received. In addition, the leak report shows an overall water loss of less than 8%, which is within the industry standard.

Director Conrad expressed his content with all the work the District has completed with the equipment that has either been purchased or rented. The CCTV van, specifically, was mentioned. Manager Gross shared that only small findings have been located within the District service lines, nothing major has been found. Also discussed was the bi-annual maintenance on the reactor is currently in progress. Director Conrad inquired if this is warrantied for 5-years. Manager Gross confirmed it is.

**C. Quarterly Investment Report**

Manager Gross reviewed the LAIF quarterly report and the MBS CD maturities. Review of the dividend payouts was also conducted. President Mackzum expressed satisfaction with the financial comparative between LAIF and MBS.

**6. General Manager’s Report**

Manager Gross informed the Board of Directors that the Wastewater Operation staff have been shadowing the CSA-79 staff on Mondays, Wednesdays, and Fridays since the beginning of this month; and, detailed what the shadowing includes.

Manager Gross also shared the next items needing to be purchased, PLCs, which will assist with the CSA-79 lift stations.

Manager Gross also provided an update on the Valley View 4-inch Steel Water Main Project. Caltrans is allowing the District to complete an open cut, rather than underground “boring.” However, Caltrans is going to require the District to complete seven (7) studies.

Lastly, Manager Gross informed the Board of Directors that the next Regular Board Meeting scheduled for Wednesday, November 16, 2022, at 9:00 A.M. needs to be rescheduled for Thursday, November 17, 2022, at 9:00 A.M., due to a LAFCO meeting being held on the same date as our Regular Board Meeting. Board Members unanimously confirmed to re-schedule the meeting to the suggested date and time.

**7. Board Member Comments/Meetings**

President Mackzum inquired about the West Coast Torah Retreat Project. Manager Gross provided an update which included the final list of concerns the District presented to the owner.

President Mackzum inquired if there is an update any developments of the possible dog park. Manager Gross confirmed no updates at this time.

Tony Grabow, Retired Fire Chief, share that hydrant maintenance needs to be scheduled. Vice-President Terry inquired about the ISO rating. Manager Gross and Tony Grabow confirmed the rating is 3.

President Mackzum inquired on the election status. Manager Gross outlined the election process for those being appointed in-lieu of an election; and the process if the Board of Supervisors appoints a candidate.

**8. Meeting Adjourned**

Upon motion by Director Conrad, the meeting was adjourned at 9:58 A.M.

Respectfully Submitted,

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President, Board of Directors  
Running Springs Water District

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Secretary of the Board of Directors  
Running Springs Water District

**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** November 17, 2022  
**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 October 2022 expenditures.

A copy of the District's Cash Reserve Fund Summary as of October 31, 2022, the Pooled Cash Balance History and Fire Department Operating Reserve Fund 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.

**FISCAL INFORMATION**

Refer to attachments.

**ATTACHMENTS**

- Attachment 1 – Accounts Payable Check Register
- Attachment 2 – Cash Summary
- Attachment 3 – Pooled Cash Balance History
- Attachment 4 – Fire Department Operating Reserve Fund History

# Running Springs Water District

## Accounts Payable Checks

### October 2022

| Vendor Name   | Description                                     | Date     | Invoice Amount | Check Number | Check Amount |
|---|---|----------|----------------|--------------|--------------|
| 49er Communications                                 | Radio programming cable                         | 10/28/22 | 143.55         | 108013       | 143.55       |
| Action Auto Repair Inc                              | Bobcat repairs                                  | 10/21/22 | 925.37         | 107984       | 925.37       |
| AHA Training Center                                 | ACLS Provider Cards                             | 10/28/22 | 90.00          | 108014       | 90.00        |
| Amie Crowder  | Reimbursement Claim                             | 10/07/22 | 503.20         | 107928       | 533.20       |
|   | Reimbursement Claim                             | 10/07/22 | 30.00          | 107928       |              |
|   | Reimbursement Claim                             | 10/14/22 | 73.73          | 107952       | 73.73        |
| Aramark   | Cleaning Supplies                               | 10/07/22 | 112.98         | 107929       | 225.96       |
|   | Cleaning Supplies                               | 10/07/22 | 112.98         | 107929       |              |
|   | Cleaning Supplies                               | 10/14/22 | 112.98         | 107953       | 112.98       |
|   | Cleaning Supplies                               | 10/21/22 | 112.98         | 107985       | 112.98       |
|   | Cleaning Supplies                               | 10/28/22 | 112.98         | 108015       | 112.98       |
| ARDURRA   | Professional Services August 2022               | 10/07/22 | 10,751.75      | 107930       | 10,751.75    |
| AT&T Mobility                                       | Internet Treatment Plant October 2022           | 10/21/22 | 43.24          | 107986       | 43.24        |
| Bacon/Wagner Excavating, Inc.                       | Hauling of Bio to one stop                      | 10/07/22 | 870.00         | 107931       | 2,646.80     |
|   | Hauling of Cold mix to yard                     | 10/07/22 | 1,776.80       | 107931       |              |
|   | Hauling of Bio to One Stop                      | 10/21/22 | 870.00         | 107987       | 870.00       |
|   | Deliver large rocks to Harris Property          | 10/28/22 | 431.10         | 108016       | 431.10       |
| Best, Best & Krieger LLP                            | Legal Services September 2022                   | 10/17/22 | 2,262.63       | DFT0001829   | 2,262.63     |
| BURR Group Inc.                                     | Trash Service Station 50 Sept 22                | 10/07/22 | 74.06          | 107932       | 1,176.44     |
|   | Trash Service Dist Off/Sta 51 Sept 22           | 10/07/22 | 194.55         | 107932       |              |
|   | Trash Service Treat Plant Sept 2022             | 10/07/22 | 907.83         | 107932       |              |
| California Association of Professional Firefighters | Disability Insurance Premiums Nov 2022          | 10/28/22 | 177.00         | 108017       | 177.00       |
| California Computer Options Inc                     | Network Maintenance and Moniorings Oct 2022     | 10/07/22 | 3,426.50       | 107933       | 3,426.50     |
|   | Cables and Backup and additional Storage        | 10/14/22 | 459.11         | 107954       | 459.11       |
|   | District Telephone Oct-Nov 2022                 | 10/21/22 | 630.73         | 107988       | 630.73       |
| California Special Districts Association            | RMS- Regular Member Renewal                     | 10/21/22 | 8,810.00       | 107989       | 8,810.00     |
| CalPERS   | Employer Contribu Class/Pepra Misc/Safe PPE10/3 | 10/06/22 | 23,748.06      | DFT0001818   | 23,748.06    |
|   | Health Insurance Premiums October 2022          | 10/07/22 | 18,926.34      | DFT0001817   | 18,926.34    |
|   | Employer Contributions Class/Pepra Safety/Misc  | 10/21/22 | 23,985.76      | DFT0001831   | 23,985.76    |
| Canon   | Canon Service Fee and Usage Oct 2022            | 10/21/22 | 408.22         | 107990       | 408.22       |
|   | Map Scanner Monthly Service Fee Oct 2022        | 10/28/22 | 205.02         | 108018       | 205.02       |
| Charter Communitcations                             | Internet October 2022 Dist Office/Station 51    | 10/21/22 | 249.74         | 107991       | 249.74       |
|   | Internet Collections building Oct-Nov 2022      | 10/28/22 | 117.97         | 108019       | 245.94       |
|   | Internet Oct-Nov 22 Station 50                  | 10/28/22 | 127.97         | 108019       |              |
| Citibank, N.A.                                      | Miscellaneous office supplies                   | 10/21/22 | 366.50         | 107992       | 630.09       |
|   | Ink Cartridge and Chair for Tom                 | 10/21/22 | 263.59         | 107992       |              |
| Clinical Laboratory of San Bernardino               | Water Samples September 2022                    | 10/28/22 | 1,131.00       | 108020       | 1,329.00     |
|   | Wastewater Samples September 2022               | 10/28/22 | 198.00         | 108020       |              |
| ConFire JPA   | Dispatch Charges Oct-Dec 2022                   | 10/07/22 | 15,483.68      | 107934       | 15,483.68    |
| County of San Bernardino                            | Monthly Assessor Map Revisions October 2022     | 10/14/22 | 2.00           | 107955       | 2.00         |
|   | Lien release                                    | 10/28/22 | 20.00          | 108021       | 20.00        |
| Crestline-Lake Arrowhead Water Agency               | Purchased Water September 2022                  | 10/07/22 | 16,589.78      | 107935       | 16,589.78    |
| Cypress Ancillary Benefits                          | Dental Insurance Premiums November 2022         | 10/21/22 | 1,217.74       | 107993       | 1,217.74     |
| Dixi Willemse                                       | Reimbursement Claim                             | 10/28/22 | 271.57         | 108022       | 271.57       |
| Don's Auto Inc                                      | Sport Trac Service                              | 10/07/22 | 484.05         | 107936       | 484.05       |

| Vendor Name                               | Description                                       | Date     | Invoice Amount | Check Number | Check Amount |
|---|---|----------|----------------|--------------|--------------|
| Don's Auto Inc                            | Transfer case work Unit 77                        | 10/28/22 | 397.56         | 108023       | 397.56       |
| Emergency Vehicle Group, Inc              | Light Red LED Marker                              | 10/28/22 | 35.07          | 108024       | 35.07        |
| Fairview Ford Sales, INC                  | Flatbed Truck Purchase                            | 10/28/22 | 48,497.60      | 108025       | 48,497.60    |
| Federal Express Corporation               | Shipping Charges                                  | 10/21/22 | 24.46          | 107994       | 24.46        |
| Fire Fighters Association                 | FFAD Dues October 2022                            | 10/21/22 | 740.00         | 107995       | 740.00       |
| Frontier Communications                   | Telephone- LS's, Booster 9 and Treatment Oct 202  | 10/14/22 | 1,375.17       | 107956       | 1,375.17     |
|   | SCADA line Oct-Nov 2022                           | 10/28/22 | 112.54         | 108026       | 112.54       |
| Hadronex, Inc.                            | Renewal Smart Cover                               | 10/14/22 | 390.00         | 107957       | 390.00       |
| HD Supply Facilities Maintenance LTD      | Replacement Sample Cells Hach Surcharge           | 10/14/22 | 77.57          | 107958       | 582.70       |
|   | USA Bluebook                                      | 10/14/22 | 297.83         | 107958       |              |
|   | USA Bluebook                                      | 10/14/22 | 207.30         | 107958       |              |
| INFOSEND                                  | Statement Data Processing September 2022          | 10/07/22 | 1,945.40       | 107937       | 1,945.40     |
| Inland Desert Security & Communications   | Answering Service October 2022                    | 10/21/22 | 156.00         | 107996       | 156.00       |
| Inland Water Works Supply Company         | 2"x5" Domestic Brass Nipple                       | 10/14/22 | 53.71          | 107959       | 53.71        |
|   | Miscellaneous Parts and Supplies                  | 10/21/22 | 740.30         | 107997       | 740.30       |
|   | Miscellaneous Parts & Supplies                    | 10/28/22 | 365.70         | 108027       | 365.70       |
| Jeff Kawell                               | Remove cassetts for inspections                   | 10/28/22 | 700.00         | 108028       | 1,400.00     |
|   | Reset Cassettes after inspection and repair       | 10/28/22 | 700.00         | 108028       |              |
| L.N. Curtis & Sons                        | Rech Battery                                      | 10/14/22 | 152.64         | 107960       | 152.64       |
| Lake Arrowhead Diversified Trucking       | Line hauling, backhoes for auction and service    | 10/14/22 | 1,200.00       | 107961       | 1,200.00     |
| Leslie's Poolmart, Inc                    | 55 Gallon Drum of 12.5% Bleach                    | 10/28/22 | 1,241.56       | 108029       | 1,241.56     |
| Life-Assist, Inc                          | Ambulance Supplies                                | 10/07/22 | 173.84         | 107938       | 496.96       |
|   | Ambulance Supplies                                | 10/07/22 | 323.12         | 107938       |              |
| Linda Mayfield                            | Reimbursement Claim                               | 10/07/22 | 340.20         | 107939       | 340.20       |
|   | Reimbursement Claim                               | 10/21/22 | 515.78         | 107998       | 1,478.78     |
|   | Reimbursement Claim                               | 10/21/22 | 963.00         | 107998       |              |
| Lou's Gloves, Inc                         | Nitrile Exam Gloves                               | 10/28/22 | 146.00         | 108030       | 146.00       |
| McMaster-Carr Supply Company              | Miscellaneous Parts and Supplies                  | 10/14/22 | 46.52          | 107962       | 46.52        |
|   | Miscellaneous Parts and Supplies                  | 10/28/22 | 721.25         | 108031       | 721.25       |
|   | Vacuum Gauge with Steel Case                      | 10/28/22 | -30.28         | 108031       |              |
|   | Vacuum Gauge with steel case                      | 10/28/22 | 30.28          | 108031       |              |
| MMBR                                      | MBR 1 upper modules                               | 10/21/22 | 46,973.07      | 107999       | 46,973.07    |
| Mountain Lifestyle                        | LT position ad Oct 22                             | 10/07/22 | 135.00         | 107940       | 135.00       |
| Nationwide                                | Employee Contributions PPE 10/3/22                | 10/07/22 | 1,770.00       | DFT0001815   | 1,770.00     |
|   | Employee Contributions PPE 10/17/22               | 10/21/22 | 1,770.00       | DFT0001827   | 1,770.00     |
| Nick Nikas                                | Reimbursement Claim                               | 10/07/22 | 1,617.20       | 107941       | 1,805.70     |
|   | Uniform Reimbursement                             | 10/07/22 | 188.50         | 107941       |              |
| Northern Safety Company Inc.              | Steel Toe Rubber Boots and Ear muffs              | 10/07/22 | 140.31         | 107942       | 140.31       |
| Obe & Sons Inc                            | District Heater maintenance                       | 10/07/22 | 135.00         | 107943       | 135.00       |
| One Stop Landscape Supply                 | Solids Handling                                   | 10/07/22 | 2,695.70       | 107944       | 2,695.70     |
| Patricia A. Monical                       | Industrial Paper Towels and toilet paper Treatmen | 10/28/22 | 186.25         | 108032       | 238.02       |
|   | Industrial Papertowels for Admin                  | 10/28/22 | 51.77          | 108032       |              |
| Principal Life Insurance Company          | Vision Insurance Premiums November 2022           | 10/21/22 | 140.09         | 108000       | 140.09       |
| Ram Software Systems, Inc                 | AIM Online Softwater October 2022                 | 10/01/22 | 250.00         | DFT0001811   | 250.00       |
| Redlands Community Hospital               | Ambulance Refund                                  | 10/14/22 | 686.69         | 107963       | 686.69       |
| Reliance Standard Life Insurance Company  | Life Insurance Premiums November 2022             | 10/21/22 | 1,402.20       | 108001       | 1,402.20     |
| Rocio Silva                               | Janitorial Services September 2022                | 10/07/22 | 485.00         | 107945       | 485.00       |
| Rogers Anderson Malody & Scott LLP        | Consultant Fees September 2022                    | 10/14/22 | 5,925.00       | 107964       | 5,925.00     |
| Running Springs Professional Firefighters | October 2022 Union Dues                           | 10/21/22 | 500.00         | 108002       | 500.00       |
| Ryan Gross                                | Gym Reimbursement                                 | 10/14/22 | 180.00         | 107965       | 180.00       |



| Vendor Name                                      | Description                                     | Date     | Invoice Amount | Check Number | Check Amount |
|--|---|----------|----------------|--------------|--------------|
| Ryan Gross                                       | Reimbursement Claim                             | 10/14/22 | 56.96          | 107965       | 952.99       |
|  | Reimbursement Claim                             | 10/14/22 | 716.03         | 107965       |              |
| Ryan Herco Flow Solutions                        | Pressure transducer for NaOCl at owl rock       | 10/21/22 | 1,137.62       | 108003       | 1,137.62     |
| Safeguard Business Systems                       | Chief Grzywa's Buisness Cards                   | 10/21/22 | 57.75          | 108004       | 57.75        |
| SCADA Integrations                               | Trouble shooting LS7                            | 10/14/22 | 1,147.50       | 107966       | 1,147.50     |
| Sedgwick Claims Management Services              | Workers Comp- Payments Issued                   | 10/17/22 | 119.77         | DFT0001830   | 119.77       |
| Southern California Edison Company               | Electricity September 2022                      | 10/07/22 | 13.90          | 107946       | 18,030.96    |
|  | Electricity September 2022                      | 10/07/22 | 619.64         | 107946       |              |
|  | Electricity September 2022                      | 10/07/22 | 26.91          | 107946       |              |
|  | Electricity September 2022                      | 10/07/22 | 123.73         | 107946       |              |
|  | Electricity September 2022                      | 10/07/22 | 516.77         | 107946       |              |
|  | Electricity September 2022                      | 10/07/22 | 183.84         | 107946       |              |
|  | Electricity September 2022                      | 10/07/22 | 667.65         | 107946       |              |
|  | Electricity September 2022                      | 10/07/22 | 692.67         | 107946       |              |
|  | Electricity September 2022                      | 10/07/22 | 165.04         | 107946       |              |
|  | Electricity September 2022                      | 10/07/22 | 596.37         | 107946       |              |
|  | Electricity September 2022                      | 10/07/22 | 147.63         | 107946       |              |
|  | Electricity September 2022                      | 10/07/22 | 14,276.81      | 107946       |              |
| Southern California Emergency Medicine           | New Hire Screening- Wingate                     | 10/28/22 | 65.00          | 108033       | 65.00        |
| Southern California Gas Company                  | Gas Usage September Station 50                  | 10/07/22 | 105.04         | 107947       | 158.97       |
|  | Gas Usage September 2022                        | 10/07/22 | 53.93          | 107947       |              |
|  | Gas Usage September 2022                        | 10/14/22 | 56.19          | 107967       | 160.19       |
|  | Gas Usage Billing September 2022                | 10/14/22 | 89.70          | 107967       |              |
|  | Gas Usage Billing September 2022                | 10/14/22 | 14.30          | 107967       |              |
| Special District Risk Management Authority       | Canon Scanner and New Backhoe                   | 10/14/22 | 1,230.51       | 107980       | 1,230.51     |
| State Water Resources Control Board              | D2 and T2 Dual Cert Renewal for Tom Shoopman    | 10/28/22 | 270.00         | 108034       | 270.00       |
| Stuart Bryer                                     | EMT Certificate Renewal                         | 10/28/22 | 107.00         | 108035       | 107.00       |
| Superior Automotive Warehouse                    | Miscellaneous parts and supplies                | 10/07/22 | 86.38          | 107948       | 199.75       |
|  | Miscellaneous parts and supplies                | 10/07/22 | 113.37         | 107948       |              |
| Terminix International Company LP                | Pest Control Collections                        | 10/21/22 | 88.00          | 108005       | 156.00       |
|  | Pest Control Treatment Plant                    | 10/21/22 | 68.00          | 108005       |              |
| TKE Engineering Inc.                             | ROWCO Wtr System Improve-Designing              | 10/14/22 | 4,255.00       | 107975       | 4,255.00     |
|  | ROWCO Water System Improvements Services        | 10/28/22 | 5,102.50       | 108036       | 5,102.50     |
| Trevor Miller                                    | Reimbursement Claim                             | 10/14/22 | 40.00          | 107976       | 40.00        |
| Tyler Technologies, Inc                          | Insite Transaction Fees                         | 10/14/22 | 4,858.75       | 107977       | 4,983.95     |
|  | Utility Billing Notification Calls              | 10/14/22 | 125.20         | 107977       |              |
| Underground Service Alert of Southern California | New dig tickets and maintenance Oct 2022        | 10/07/22 | 136.00         | 107949       | 136.00       |
| Universal Power Systems Inc                      | Troubleshooting generator Station 50            | 10/21/22 | 502.00         | 108006       | 502.00       |
| Valic  | Employee Contributions PPE 10/3/22              | 10/03/22 | 2,315.36       | DFT0001816   | 2,315.36     |
|  | Employee Contribution PPE 10/17/22              | 10/18/22 | 1,817.79       | DFT0001828   | 1,817.79     |
| Verizon Wireless Services LLC                    | Cell Phones, ipads, hot spots September 2022    | 10/14/22 | 636.04         | 107978       | 636.04       |
| Visa   | Gross - Zoom & Spectrum                         | 10/13/22 | 28.99          | DFT0001819   | 28.99        |
|  | Crowder- CSDA Conference, Misc Supplies, New Hi | 10/13/22 | 2,450.82       | DFT0001820   | 2,450.82     |
|  | Strebel- Emergency Services Day Supplies        | 10/13/22 | 218.92         | DFT0001821   | 218.92       |
|  | Ellsberry- Misc Supplies and Active 911         | 10/14/22 | 677.31         | DFT0001822   | 677.31       |
|  | Miller- AX Control, Pest Control CWEA           | 10/14/22 | 2,580.00       | DFT0001823   | 2,580.00     |
| Vyanet Operating Group                           | Security Services Nov 22- Jan 23                | 10/21/22 | 193.85         | 108007       | 193.85       |
| Zachary Granzow                                  | Reimbursement Claim                             | 10/07/22 | 120.70         | 107950       | 120.70       |
|  | Reimbursement Claim                             | 10/21/22 | 94.80          | 108008       | 94.80        |
| Zoll Medical Corporation GPO                     | Ambulance Supplies                              | 10/07/22 | 69.57          | 107951       | 733.01       |

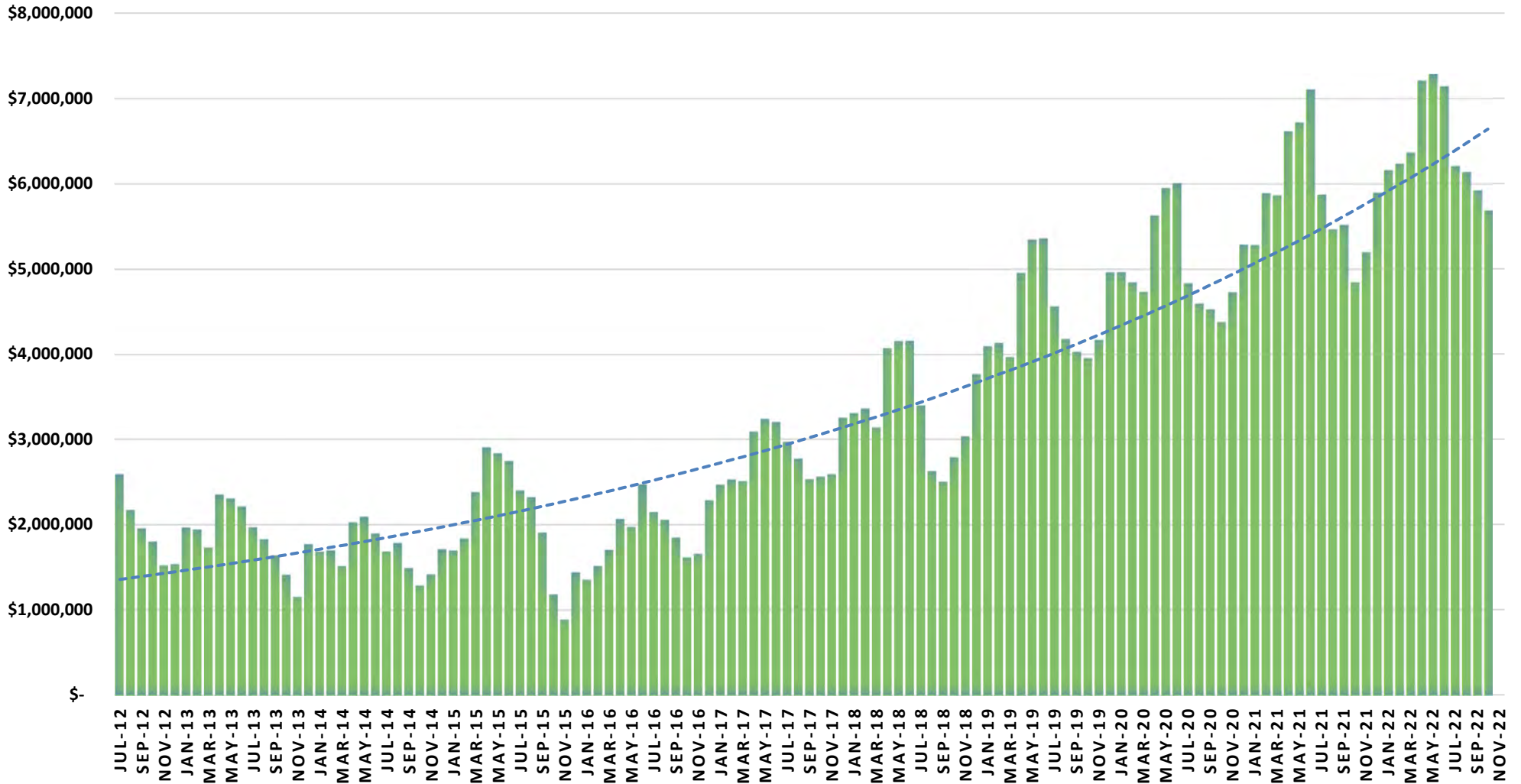
| Vendor Name                  | Description        | Date     | Invoice Amount | Check Number | Check Amount |
|------------------------------|--------------------|----------|----------------|--------------|--------------|
| Zoll Medical Corporation GPO | Ambulance Supplies | 10/07/22 | 182.15         | 107951       | 733.01       |
|                              | Ambulance Supplies | 10/07/22 | 481.29         | 107951       |              |
|                              | Ambulance Supplies | 10/14/22 | 278.30         | 107979       | 418.38       |
|                              | CPR Training Kit   | 10/14/22 | 140.08         | 107979       |              |

**Totals**

| Payment Type   | Payable<br>Count | Payment<br>Count | Payment           |
|----------------|------------------|------------------|-------------------|
| Regular Checks | 134              | 95               | 233,682.62        |
| Manual Checks  | 0                | 0                | 0.00              |
| Voided Checks  | 0                | 7                | 0.00              |
| Bank Drafts    | 15               | 15               | 82,921.75         |
| EFT's          | 0                | 0                | 0.00              |
| <b>Totals</b>  | <b>149</b>       | <b>117</b>       | <b>316,604.37</b> |

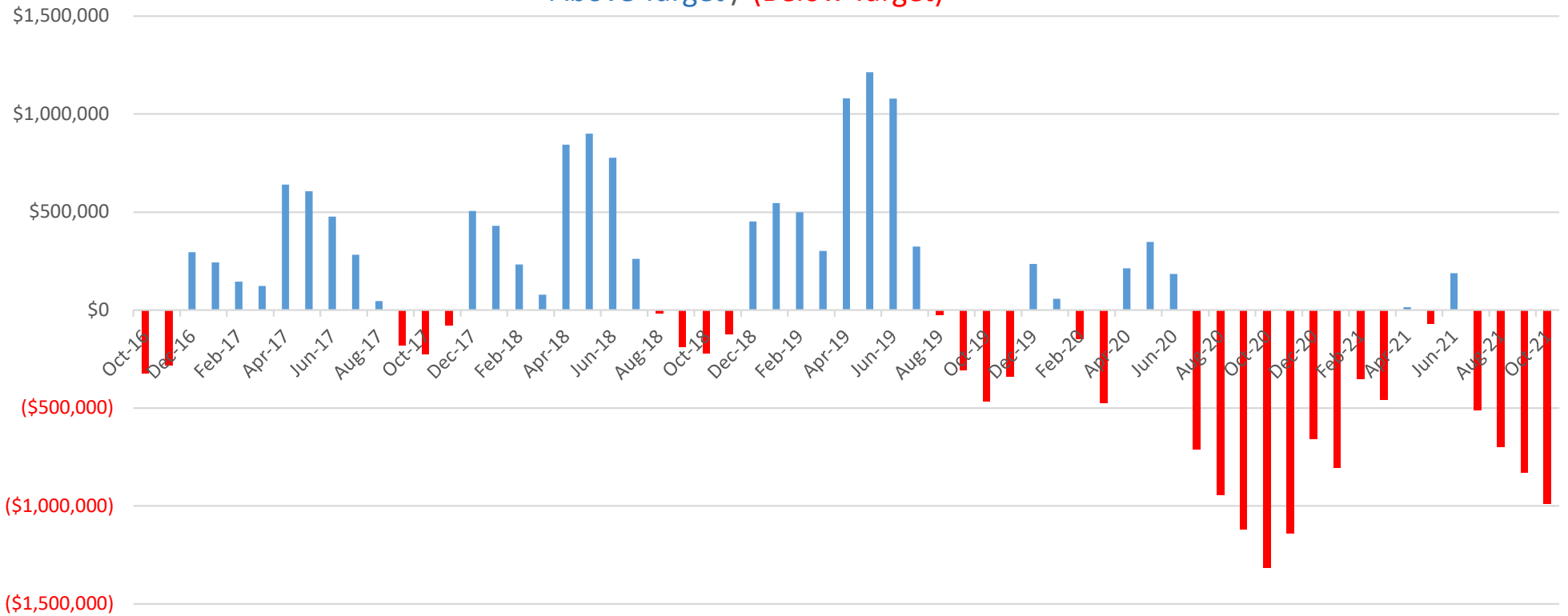
| <b>Fund Balances as of October 31, 2022</b>   |                     |
|---|---------------------|
| <b>Fire &amp; Ambulance Department</b>  |                     |
| Fire & Ambulance Department Operating Fund  | 593,278             |
| <b>Recommended Operating Reserve Fund Target (6 Months Operating Expenses)</b>        | <b>1,583,636</b>    |
| <b>Fire &amp; Ambulance Department Operating Fund, Fully Funded or (Below Target)</b> | <b>(990,358)</b>    |
| <b>Wastewater Division</b>  |                     |
| Wastewater Capital Improvement Project Reserve  | 1,603,356           |
| Wastewater System Connection & Capacity Charges                                       | 11,630              |
| CWSRF Loan Agreement 14-813 Debt Reserve (Restricted for SLS 1-3 Debt Service)        | 171,537             |
| Wastewater Operating Reserve Fund   | 619,190             |
| <b>Recommended Operating Reserve Fund Target (4 Months Operating Expenses)</b>        | <b>619,190</b>      |
| <b>Wastewater Operating Reserve, Fully Funded or (Below Target)</b>                   | <b>Fully Funded</b> |
| <b>Water Division</b>   |                     |
| Water Capital Improvement Project Reserve   | 1,817,254           |
| Water System Connection & Capacity Charges  | 151,128             |
| Water Infrastructure R&R Reserve (MFC & AMR SRF Debt Reserve)                         | 89,334              |
| Water Operating Reserve   | 561,875             |
| <b>Recommended Operating Reserve Fund Target (4 Months Operating Expenses)</b>        | <b>561,875</b>      |
| <b>Water Operating Reserve, Fully Funded or (Below Target)</b>                        | <b>Fully Funded</b> |
| <b>Assessment Districts Restricted Funds</b>  |                     |
| Water Assessment District No. 10 Construction Funds                                   | 26,421              |
| Water Assessment District No. 10 O&M  | 39,972              |
| <b>Subtotal Assessment Districts</b>  | <b>66,394</b>       |
| <b>Total District Designated &amp; Operating Reserve Funds</b>                        | <b>5,618,581</b>    |
| <b>Assessment District Funds</b>  | <b>66,394</b>       |
| <b>Combined Pooled Cash</b>   | <b>5,684,975</b>    |
| <b>Checking Account (General)</b>   | <b>202,218</b>      |
| <b>LAIF - Investment</b>  | <b>4,284,501</b>    |
| <b>MBS Investments (Laddered CDs)</b>   | <b>1,192,262</b>    |
| <b>York Insurance Deposit / Sedgwick</b>  | <b>4,994</b>        |
| <b>Petty Cash</b>   | <b>1,000</b>        |
| <b>Combined Pooled Cash</b>   | <b>5,684,975</b>    |
|   | -                   |

### COMBINED POOLED CASH BALANCE



**Fire Department Operating Reserve Policy Target is 6 Months of Budgeted Operating Expenses or \$1,583,636**

Above Target / (Below Target)



**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** November 17, 2022

**TO:** Board of Directors

**FROM:** Ryan Gross, General Manager

**SUBJECT:** CONSIDER ADOPTION OF RESOLUTION NO. 11-21 TO CONTINUE VIRTUAL MEETINGS PURSUANT TO AB 361

**RECOMMENDED BOARD ACTION**

That the Running Springs Water District Board of Directors reaffirm Resolution No. 11-21 and vote to continue remote meetings pursuant to AB 361 based upon the continued state of emergency for COVID-19 and find that (1) declares that it has reconsidered the circumstances of the state of emergency declared by the Governor and at least one of the following is true: (a) the state of emergency, continues to directly impact the ability of the members of this legislative body to meet safely in person; and/or (b) state or local officials continue to impose or recommend measures to promote social distancing; and (2) this legislative body declares it will be conducting teleconferencing and virtual meetings pursuant to AB 361.

**REASON FOR RECOMMENDATION**

To continue virtual meetings if necessary.

**BACKGROUND INFORMATION**

AB 361 amended the Brown Act to allow local legislative bodies to continue using teleconferencing and virtual meeting technology as long as there is a “proclaimed state of emergency.” To accommodate individuals during these teleconferences and virtual meetings, a public comment period is offered where the public can address the legislative body directly in real time. Additionally, public comments are allowed up until the public comment period is closed at the meetings. The agenda includes information on the manner in which the public may access the meeting and provide comments remotely. If technical problems arise that result in the public’s access being disrupted, the legislative body does not take any votes or other official action until the technical disruption is corrected and public access is restored.

On October 20, 2021, the Board adopted Resolution No. 11-21 to authorize this legislative body to conduct remote “telephonic” meetings pursuant to AB 361. Government Code 54953(e)(3) authorizes this legislative body to continue to conduct these remote “telephonic” meetings under AB 361 provided that it has timely made the findings specified therein. Findings must include: (a) the state of emergency, continues to

directly impact the ability of the members of this legislative body to meet safely in person; and/or (b) state or local officials continue to impose or recommend measures to promote social distancing. In light of AB 361 and in order to promote social distancing and avoid an imminent safety risk to attendees, teleconferencing and virtual meetings may continue to take place until further notice.

The Board of Directors may also decide to not proceed with remote meetings pursuant to AB 361, which would result in a return to in person Board meetings and all Brown Act requirements.

## **ATTACHMENTS**

Attachment 1 – Resolution No. 11-21

**RESOLUTION NO. 11-21**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE RUNNING SPRINGS  
WATER DISTRICT AUTHORIZING VIRTUAL BOARD AND COMMITTEE  
MEETINGS PURSUANT TO AB 361**

**WHEREAS**, the Running Springs Water District (“District”) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

**WHEREAS**, all meetings of the District’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate in the Agency’s meetings; and

**WHEREAS**, starting in March 2020, in response to the spread of COVID-19 in the State of California, the Governor issued a number of executive orders aimed at containing the COVID-19 virus; and

**WHEREAS**, among other things, these orders waived certain requirements of the Brown Act to allow legislative bodies to meet virtually; and

**WHEREAS**, pursuant to the Governor’s executive orders, the District has been holding virtual meetings during the pandemic in the interest of protecting the health and safety of the public, District staff and Directors; and

**WHEREAS**, the Governor’s executive order related to the suspension of certain provisions of the Brown Act expired on September 30, 2021; and

**WHEREAS**, on September 16, 2021 the Governor signed AB 361 (in effect as of October 1, 2021 – Government Code Section 54953(e)), which allows legislative bodies to meet virtually provided there is a state of emergency, and either (1) state or local officials have imposed or recommended measures to promote social distancing; or (2) the legislative body determines by majority vote that meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, such conditions now exist in the District, specifically, a state of emergency has been proclaimed related to COVID-19, state or local officials are recommending measures to promote social distancing, or because of the ongoing threat of COVID-19, meeting in person would present imminent risks to the health and safety of attendees;

**NOW, THEREFORE, BE IT RESOLVED THE BOARD OF DIRECTORS OF THE  
RUNNING SPRINGS WATER DISTRICT DOES HEREBY RESOLVE AS  
FOLLOWS:**

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Remote Teleconference Meetings. Consistent with the provisions of Government




Code Section 54953(e), the Board of Directors finds and determines that (1) a state of emergency related to COVID-19 is currently in effect; (2) state or local officials have recommended measures to promote social distancing in connection with COVID-19; or (3) due to the COVID-19 emergency, meeting in person would present imminent risks to the health and safety of attendees. Based on such facts, findings and determinations, the Board authorizes staff to conduct remote teleconference meetings of the Board of Directors, including Committee meetings, under the provisions of Government Code Section 54953(e).

Section 3. Effective Date of Resolution. This Resolution shall take effect November 1, 2021 and shall be effective for 30 days or until this Resolution is extended by a majority vote of the Board of Directors in accordance with Section 4 of this Resolution.


Section 4. Extension by Motion. The Board of Directors may extend the application of this Resolution by motion and majority vote by up to 30 days at a time, provided that it makes all necessary findings consistent with and pursuant to the requirements of Section 54953(e)(3).

**PASSED AND ADOPTED** by the Board of Directors of the Running Springs Water District this 20<sup>th</sup> day of October 2021, by the following vote:

**AYES:** TERRY, CONRAD, ACCIANI, DYBERG  
**NOES:** 0  
**ABSENT:** MACKZUM  
**ABSTAIN:** 0

  
Mike Terry, Vice-President of the  
Board of Directors of the Running  
Springs Water District

ATTEST:

  
Amie R. Crowder, Secretary of the  
Running Springs Water District and to  
the Board of Directors



**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** November 17, 2022  
**TO:** Board of Directors  
**FROM:** Ryan Gross, General Manager  
**SUBJECT:** CONSIDER RECEIVING, FILING AND AUTHORIZING THE DISTRIBUTION OF THE DISTRICT'S FISCAL YEAR ENDING 2022 ANNUAL FINANCIAL REPORT AND AUDIT RESULTS

**RECOMMENDED BOARD ACTION**

It is recommended that the Board of Directors consider receiving, filing and authorizing the distribution of the District's Fiscal Year Ending 2022 Annual Financial Report and Audit Results.

**REASON FOR RECOMMENDATION**

The District is required to have an annual independent audit and to distribute financial information to parties interested in the finances of the District.

**BACKGROUND INFORMATION**

The District is required to have an annual independent financial audit. Van Lant & Fankhanel, LLP (VLF) will present their team's findings and the results from the audit of the District's financial data for fiscal year ending 2021. A copy of the Fiscal Year Ending 2022 Annual Financial Report is included as Attachment 1 and is also available at the District office for review by any interested member of the public.

**FISCAL INFORMATION**

The cost for VLF's services to perform this year's audit was \$23,900.

**ATTACHMENTS**

Attachment 1 - Fiscal Year Ending 2022 Annual Financial Report



**Independent Auditor’s Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Running Springs Water District  
Running Springs, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the State Controller’s Minimum Audit Requirements for California Special Districts, the financial statements of each major fund and the aggregate remaining fund information of the Running Springs Water District (the “District”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated November 10, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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**Van Lant & Fankhanel, LLP**

29970 Technology Drive, Suite 105 A  
Murrieta, CA 92563  
909.856.6879

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Van Lant + Fankhanel, LLP*

November 10, 2022

November 10, 2022

Board of Directors  
Running Springs Water District  
Running Springs, California

We have audited the financial statements of each major fund, and the aggregate remaining fund information of the Running Springs Water District for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 25, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements as a whole.

Management's estimate of the net pension and net OPEB liabilities are based on actuarial information provided by the California Public Employee Retirement System's (CalPERS) actuarial office, and other sources. We evaluated the key factors and assumptions used to develop these liabilities in determining that the estimated liabilities are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of accumulated depreciation in Note 5 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosures for the net pension and net OPEB liabilities in Notes 9 and 10 to the financial statements are based on assumptions for discount rates, etc., which could differ from actual experience. The notes disclose the differences in these liabilities if different assumptions are used in estimating these liabilities.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the

financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 10, 2022.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the required supplementary information (RSI), as listed in the table of contents, that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This information is intended solely for the use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Van Lant & Fankhanel, LLP*



**INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES  
APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS**

Board of Directors  
Running Springs Water District  
Running Springs Water District, California

We have performed procedures enumerated below to be the accompanying Appropriations Limit worksheet of the Running Springs Water District, for the year ended June 30, 2022. These procedures, which were agreed to by the Running Springs Water District and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*), were performed solely to assist the District in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The District's management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the Board of Directors. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the Board of Directors.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

Finding: No exceptions were noted as a result of our procedures.

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the Board of Directors during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by the League publication entitled *Article XIII B of the California Constitution*.

This report is intended solely for the use of the Board of Directors and management of the Running Springs Water District and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Handwritten signature in black ink that reads "Van Lant + Fankhanel, LLP".

November 10, 2022

**RUNNING SPRINGS WATER DISTRICT  
 APPROPRIATIONS LIMIT COMPUTATION  
 2021-2022**

|   | 2021-2022    |
|---|--------------|
| Change in Per Capita Personal Income                      | 5.73%        |
| Population Change   |              |
| Unincorporated County Population Growth                   | -0.20%       |
| Change in Per Capita Personal Income Converted to a Ratio | 1.0573       |
| Population Change Converted to a Ratio                    | 0.998        |
| Calculation Growth Factor                                 | 1.055        |
| 2020-2021 Appropriations Limit                            | \$ 5,559,701 |
| 2021-2022 Appropriations Limit<br>(\$5,559,701X 1.055)    | \$ 5,865,485 |

**RUNNING SPRINGS WATER DISTRICT**

**ANNUAL FINANCIAL REPORT**

Year Ended June 30, 2022

**Running Springs Water District**  
**Annual Financial Report**  
Year Ended June 30, 2022

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## **INTRODUCTORY SECTION**



RUNNING SPRINGS WATER DISTRICT  
A MULTI-SERVICE INDEPENDENT SPECIAL DISTRICT

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

November 10, 2022

Board of Directors  
Running Springs Water District

**Subject: Letter of Transmittal for Annual Financial Report and Independent Auditor's Report for the Fiscal Years Ending June 30, 2022 and 2021**

Honorable Directors:

We are pleased to provide you with this letter of transmittal for the Running Springs Water District's (District) Annual Financial Report and Independent Auditor's Report for the Fiscal Years Ending (FYE) June 30, 2022. The intended purpose of the financial report is to provide the Board of Directors, the customers of the District and other interested parties with reliable information on the finances of the District. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Van Lant & Fankhanel, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the FYE June 30, 2022, are free of material misstatement. The independent auditor concluded, based upon the audit, that in their opinion the District's financial statements for the FYE June 30, 2022 present fairly, in all material respects, the financial position of the business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2022 and the changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The District's MD&A can be found immediately following the Independent Auditor's Report in the financial section of this report.

In addition to the required components of the Financial Report, the District has elected to prepare this Letter of Transmittal. This Letter of Transmittal is intended to discuss the District's accomplishments and future direction. It is designed to complement the MD&A and should be read in conjunction with it.

## **DISTRICT OVERVIEW**

The Running Springs Water District ("RSWD" or "District") is a local public agency charged under the laws of the United States of America and the State of California, as well as our own District policies and regulations, with the duty of supplying and maintaining water service, providing fire and emergency medical care services and operating wastewater collection, treatment and disposal facilities for the residents, users and taxpayers of this community.

The District is an independent special district that was formed in 1958 and established under Division 12 of the California Water Code. In 1962, the District established a Fire Department to provide fire protection services for its service area. In 1976, a sewage disposal system was completed to provide sewer service for the District and certain communities upstream of the District. In 1983, ambulance service was established.

The District is a multi-service organization that presently operates four departments: a water department that provides retail water distribution, a fire department that provides fire protection, an ambulance department that provides pre-hospital emergency medical aid service, and a wastewater department that collects, treats, and disposes of the area's wastewater. The District's service area is approximately five square miles.

The District's power and authority is primarily regulated and defined by Division 12, Sections 30000-33901 of the California Water Code. The District's operations are governed by a five-member Board of Directors elected by registered voters in the community.

### **Business-Type Activities**

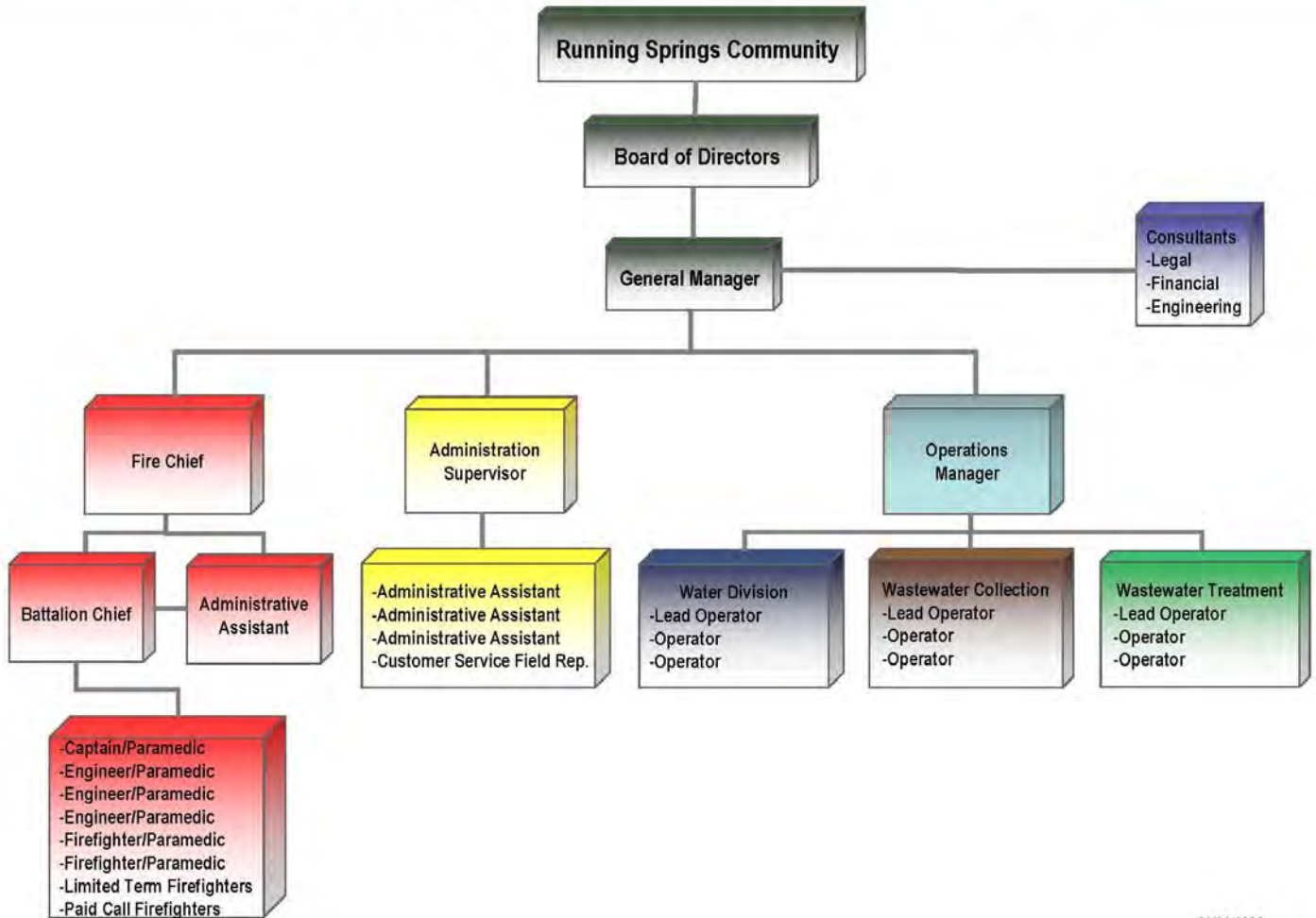
The District's Business-Type Activities include water, wastewater collection, wastewater treatment, ambulance and fire protection services where the fees for these services typically cover all or most of the cost of operation including depreciation.



## Staffing & Organizational Chart

Day-to-day management of the District is delegated to the General Manager of the District who reports directly to the locally elected Board of Directors. Reporting to the General Manager are the four department heads: Fire Chief, Administration Supervisor and Operations Manager. The following figure shows the current organization of the District.

### Running Springs Water District Organizational Chart



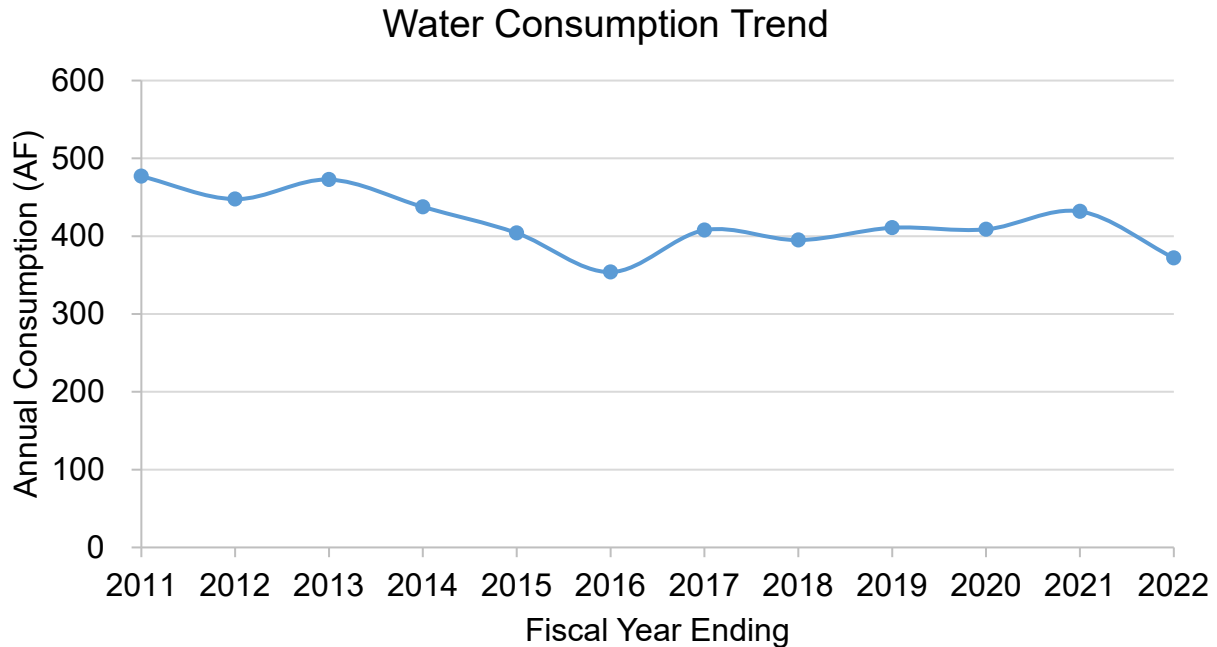
11/09/2022

## LOCAL ENVIRONMENT

Running Springs is an unincorporated area governed by the County of San Bernardino. The population of the District according to the 2020 US Census was 5,268.

## WATER RESOURCES MANAGEMENT

The District typically produces more than 50% of its water supply from local District owned groundwater wells. Additional imported groundwater is purchased from Arrowbear Park County Water District and State Water Project water from the Crestline-Lake Arrowhead Water Agency (CLAWA). The District's water consumption trend is shown on the following chart. The amount of purchased water varies with local groundwater production that is tied to precipitation and groundwater well recharge.



## WASTEWATER MANAGEMENT

The District must comply with local, state and federal regulations governing the collection, treatment and disposal of the Community's wastewater. The agencies regulating the District's wastewater activities include: The State Regional Water Quality Control Board (RWQCB), California Department of Public Health (CDPH), San Bernardino County Environmental Health and the United States Forest Service (USFS). The District's Wastewater system is operated under a set of Waste Discharge Requirements (WDR) as part of the Santa Ana Regional Board Order No. 87-8 issued February 11, 1987 by the RWQCB.

The District developed and implemented a Sewer System Management Plan (SSMP) in 2010 to improve its spill prevention and inflow and infiltration (I/I) prevention programs. The SSMP was most recently updated in 2020. The primary goal of the program is to prevent all spills from the wastewater collection system. Activities related to minimizing I/I are ongoing.

## **FEES AND CHARGES**

The District's fees and charges are collected through monthly bills, the County of San Bernardino tax roll, ambulance fees and charges and capacity/connection fees for new development. The monthly charges for water and wastewater service consist of a fixed component and a variable usage component.

For the fiscal years ending 2015-2023 water and wastewater rates were adjusted to increase revenue to cover operating expenses and fund operating and capital reserve funds. These rate increases were needed in order to fund several deferred capital replacement projects, to replace aging infrastructure and to fund cash reserves to the levels set forth in the District's Cash Reserve Policy.

## **FINANCIAL PLANNING**

In 2019, the District prepared a Water and Wastewater Rate Study. The District continues its focus on maintaining the necessary cash fund balances for the financial stability of the District and has adopted a Cash Reserve Policy as a guideline to achieve minimum cash balances in each of its reserve funds. The District's Cash Reserve Policy is a guideline for the priorities of operational revenue sources with the Operating Funds receiving the highest priority. After operational costs and debt service are covered, any free cash flow from operations moves into the Capital Improvement Funds up to an amount equal to annual depreciation plus 10%. Any remainder goes to the Rate Stabilization Funds for a balance not to exceed 20% of annual budgeted revenue.

## **ACCOUNTING AND INTERNAL CONTROLS**

The Administration Division is responsible for providing the financial services for the District, including financial accounting and reporting, payroll, accounts payable, budgeting, billing and collection of service charges, taxes, and other revenues. An outside consultant is used for special financial accounting, audit preparation and other analysis.

The District's management is responsible for establishing and maintaining a system of internal controls designed to safeguard the District's assets from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in accordance with generally accepted accounting principles. The system of internal controls is designed to provide reasonable assurance, not absolute, that these objectives are met. When establishing or reviewing controls, management must recognize that the cost to implement a control should not exceed the benefits likely to be derived, and that in order to assess cost versus benefit, estimates and judgment on the part of management will be required. All internal control evaluations occur within the above framework. Management believes the current system of internal controls adequately safeguards the District's assets and provides reasonable assurance that accounting transactions are properly recorded.

## BUDGETARY CONTROLS

The Board of Directors adopts an annual budget each year which is used as a management control tool for each of the District's divisions. Comparison information is presented to the Board quarterly to monitor revenues and expenditures and provides information regarding any major variances from budget. In addition, monthly comparison reports are provided to all department supervisors to monitor expenditures and to plan the year as it progresses in an effort to stay within the adopted budget.

## FINANCIAL CONDITION

The Management's Discussion and Analysis (MD&A), which can be found immediately following the Independent Auditor's Report in the financial section of this report, summarizes the Statements of Net Position and Statements of Activities and reviews the changes (from the beginning to the end of the period and current year to the prior year). The actual financial statements are presented on pages 13 through 22. These statements are intended to present the District in a more corporate-style basis and provide a view of the big picture.

Additionally, the fund financial statements (starting on page 13) are designed to address the individual funds by category (proprietary, as well as the fiduciary fund). An explanation of these complementary presentations can be found in the MD&A and in the notes (see Note 1).

Liquidity is the ability to cover short-term obligations. The Proprietary Fund is similar to a business so the current ratio, which is a measurement of liquidity, can be helpful in assessing the liquidity of the District. The current ratio increased from 8.34 at June 30, 2021 to 11.24 at June 30, 2022. The current ratio from the above condensed summary is as follows:

|                     | 2022         | 2021         |
|---------------------|--------------|--------------|
| Current Ratio       |              |              |
| Current Assets      | \$ 8,455,174 | \$ 8,207,389 |
| Current Liabilities | 751,955      | 984,565      |
| Current Ratio       | 11.24        | 8.34         |

However, since the current assets subtotal includes assets that are not immediately liquid, such as inventory, a more rigorous form of the ratio includes only cash, temporary investments and receivables. The following calculation shows that ratio as 7.70 at June 30, 2021 increased to 10.59 at June 30, 2022.

| Quick Ratio (more rigorous)                    | 2022                | 2021                |
|--|---------------------|---------------------|
| Cash   | \$ 130,318          | \$ 607,974          |
| Temporary Investments                          | 6,538,479           | 5,638,244           |
| Receivables                                    | 1,290,684           | 1,339,665           |
| Cash, Temporary Investments<br>and Receivables | <u>\$ 7,959,481</u> | <u>\$ 7,585,883</u> |
| Cash, Temporary Investments<br>and Receivables | \$ 7,959,481        | \$ 7,585,883        |
| Current Liabilities                            | 751,955             | 984,565             |
|  | <b>10.59</b>        | <b>7.70</b>         |

This increase in ratio indicates an increase in the ability of the District to cover short-term obligations.


Solvency is the ability to pay all debts. The debt ratio indicates the District's long-term debt paying ability. The following debt ratio calculation decreased from 0.47 at June 30, 2021 to 0.33 at June 30, 2022:

| Debt Ratio        | 2022         | 2021          |
|-------------------|--------------|---------------|
| Total Liabilities | \$ 9,814,221 | \$ 13,467,584 |
| Total Assets      | 29,468,791   | 28,891,430    |
| Debt Ratio        | <b>0.33</b>  | <b>0.47</b>   |

The above calculation is the conservative computation of debt ratio of the Proprietary Fund because it includes all liabilities. The lower the ratio, the better the debt-paying position of the District.

We would like to thank the District staff and consultants for their hard work in the preparation of this report and for the information they provide to management, the Board of Directors and to our outside auditors. We would also like to thank the Board of Directors for their support of our efforts to position the District for long-term financial health which benefits all the citizens of the community we serve.

Respectfully submitted,

  
**Ryan Gross**  
 General Manager

  
 Rogers, Anderson, Malody & Scott, LLP (RAMS)  
 District Financial Consultant

## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Running Springs Water District  
Running Springs, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Running Springs Water (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Running Springs Water District, as of June 30, 2022, and the respective 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 State Controller's Office and State regulations governing special districts.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November 10, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

A handwritten signature in black ink that reads "Van Lout + Fankhaed, LLP". The signature is written in a cursive, professional style.

November 10, 2022

## Management's Discussion and Analysis

Our discussion and analysis of Running Springs Water District's financial performance provides an overview of the District's financial activities for the fiscal years ending (FYE) June 30, 2022 and 2021. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal (beginning on page i) and the District's basic financial statements (beginning on page 13).

### FINANCIAL HIGHLIGHTS

- The District's total net position increased by \$257,740 and \$1,073,628 as of June 30, 2022 and 2021, respectively.
- Total operating revenues decreased \$314,012 (5%) for the year ended June 30, 2022 primarily due to a decrease of fire protection service outside of the district and non-operating revenue increased \$136,810 (6%) primarily due to an increase of property tax.
- Total operating expenses increased \$578,540 (8%) for the year ended June 30, 2022 primarily due to an increase of actuarial pension expense and non-operating expense decreased \$58,187 (51%) primarily due to a decrease of interest on long-term debt.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Required statements for proprietary funds are: 1) Statement of Net Position, 2) Statement of Revenues, Expenses and Changes in Net Position, and 3) Statement of Cash Flows. The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position are prepared using the economic resource measurement focus and the accrual basis of accounting.

The **Statement of Net Position** presents information on all of the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Over time, increases and decreases in net position can serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Nonfinancial factors should also be considered to assess the overall financial position of the District.

The **Statement of Revenues, Expenses and Changes in Net Position** reports the changes that have occurred during the year to the District's net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported for some items that will result in cash flows in the subsequent years.

The **Statement of Cash Flows**, as the name implies, is concerned solely with flows of cash and cash equivalents. Only transactions that affect the District's cash position are reflected in this statement. Transactions are segregated into four sections on the statement: 1) cash flows from operating activities, 2) cash flows from noncapital financing activities, 3) cash flows from capital and related financing activities, and 4) cash flows from investing activities.

The *Fiduciary Fund* financial statements include: **Statements of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position**, which consist solely of trust and custodial funds and are used to account for resources held for the benefit of parties outside the government (i.e. Assessment Districts). Fiduciary funds are *not* reflected in the *Statement of Net Position* and *Statement of Revenue, Expenses, and Changes in Net Position* because the resources of the fund are *not* available to support the District's own programs. Fiduciary funds are custodial in nature and, therefore, the accounting used does not involve the measurement of the results of operations. The basic fiduciary fund financial statements can be found on pages 21-22 of the Basic Financial Statements.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 24-47 of the Basic Financial Statements.

### **OVERVIEW OF SUPPLEMENTARY INFORMATION**

This annual financial report includes required supplementary information and other supplementary information. The required supplementary information consists of a *Schedule of the Districts Proportionate Share of the Net Pension Liability*, *Schedule of Plan Contributions* and related notes. The other schedules will eventually provide 10 years of information related to the Districts pension plan and OPEB liability.

Additional supplementary information is presented for the Fiduciary Custodial Funds which include two statements: *Combining Statement of Fiduciary Net Position* and *Combining Statement of Changes in Fiduciary Net Position*

## FINANCIAL ANALYSIS

The following condensed financial information summarizes the district net position:

### Condensed Statements of Net Position

|                                       | 2022                 | 2021                 | Change             |
|---------------------------------------|----------------------|----------------------|--------------------|
| <b>ASSETS</b>                         |                      |                      |                    |
| Current Assets                        | \$ 8,455,174         | \$ 8,207,389         | \$ 247,785         |
| Noncurrent Assets                     | 21,013,617           | 20,684,041           | 329,576            |
| Total Assets                          | <u>29,468,791</u>    | <u>28,891,430</u>    | <u>577,361</u>     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> | <u>2,334,699</u>     | <u>2,248,988</u>     | <u>85,711</u>      |
| <b>LIABILITIES</b>                    |                      |                      |                    |
| Current Liabilities                   | 751,955              | 984,565              | (232,610)          |
| Noncurrent Liabilities                | 9,062,266            | 12,483,019           | (3,420,753)        |
| Total Liabilities                     | <u>9,814,221</u>     | <u>13,467,584</u>    | <u>(3,653,363)</u> |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  | <u>4,247,204</u>     | <u>188,509</u>       | <u>4,058,695</u>   |
| <b>NET POSITION</b>                   |                      |                      |                    |
| Net Investment in Capital Assets      | 18,259,333           | 17,727,839           | 531,494            |
| Restricted for:                       |                      |                      |                    |
| Debt Service                          | 260,871              | 260,871              | -                  |
| Wastewater Expansion                  | 128,868              | 268,516              | (139,648)          |
| Unrestricted (deficit)                | (907,007)            | (772,901)            | (134,106)          |
| Total Net Position                    | <u>\$ 17,742,065</u> | <u>\$ 17,484,325</u> | <u>\$ 257,740</u>  |

- The assets of Running Springs Water District increased by \$577,361. The most significant changes are an increase in capital asset and cash and temporary investments primarily the result of the increase in net position.
- The Running Springs Water District's total liabilities decreased by \$3,653,363. The key factor in the decrease is net pension liabilities.
- Net position may serve over time as a useful indicator of a district's financial position. In the case of the Running Springs Water District, net position was \$17,742,065 at the close of June 30, 2022. Of this amount, \$(907,007) (*unrestricted net position*) may be used to meet the District's ongoing obligations to customers and creditors. Although these amounts are presented in the aggregate, the District must follow certain laws related to the spending of revenues which involve Proposition 218. Water and Sewer resources can only be spent on expenses, programs or projects related to the respective revenue source.
- The slight increase of \$257,740 for the year June 30, 2022 is the rate and property tax revenue increase. Operating revenues decreased 5%, and expenses increased 8%.

The following condensed financial information summarizes the changes in the district net position:

**Condensed Statement of Revenues, Expenses, and Changes in Net Position**

|   | 2022                 | 2021                 | Increase<br>(Decrease) |
|---|----------------------|----------------------|------------------------|
| Operating Revenues  |                      |                      |                        |
| Water   | \$ 2,257,702         | \$ 2,265,236         | \$ (7,534)             |
| Sewer Collection  | 1,206,467            | 1,126,279            | 80,188                 |
| Sewer Treatment   | 1,692,877            | 1,553,483            | 139,394                |
| Ambulance & Fire  | 906,251              | 1,432,311            | (526,060)              |
| Total Operating Revenues                                  | <u>6,063,297</u>     | <u>6,377,309</u>     | <u>(314,012)</u>       |
| Operating Expenses  |                      |                      |                        |
| Water Department  | 2,571,640            | 1,990,858            | 580,782                |
| Sewer Collection  | 1,103,369            | 852,163              | 251,206                |
| Sewer Treatment   | 1,578,369            | 1,379,641            | 198,728                |
| Ambulance & Fire Department                               | 2,976,093            | 3,428,269            | (452,176)              |
| Total Operating Expenses                                  | <u>8,229,471</u>     | <u>7,650,931</u>     | <u>578,540</u>         |
| Operating Income (Loss)                                   | (2,166,174)          | (1,273,622)          | (892,552)              |
| Non-Operating Revenues                                    | 2,393,556            | 2,256,746            | 136,810                |
| Non-Operating Expenses                                    | (56,636)             | (114,823)            | 58,187                 |
| Income (Loss) Before Property Contributions and Transfers | 170,746              | 868,301              | (697,555)              |
| Transfers In  |                      |                      |                        |
| Capital contributions                                     | 86,994               | 205,327              | (118,333)              |
| Change in Net Position                                    | <u>257,740</u>       | <u>1,073,628</u>     | <u>(815,888)</u>       |
| Net Position, Beginning of Year                           | 17,484,324           | 16,410,696           | 1,073,628              |
| Restatement of Net Position                               |                      | -                    |                        |
| Net Position, End of Year                                 | <u>\$ 17,742,064</u> | <u>\$ 17,484,324</u> | <u>\$ 257,740</u>      |

**Financial Analysis by Department**

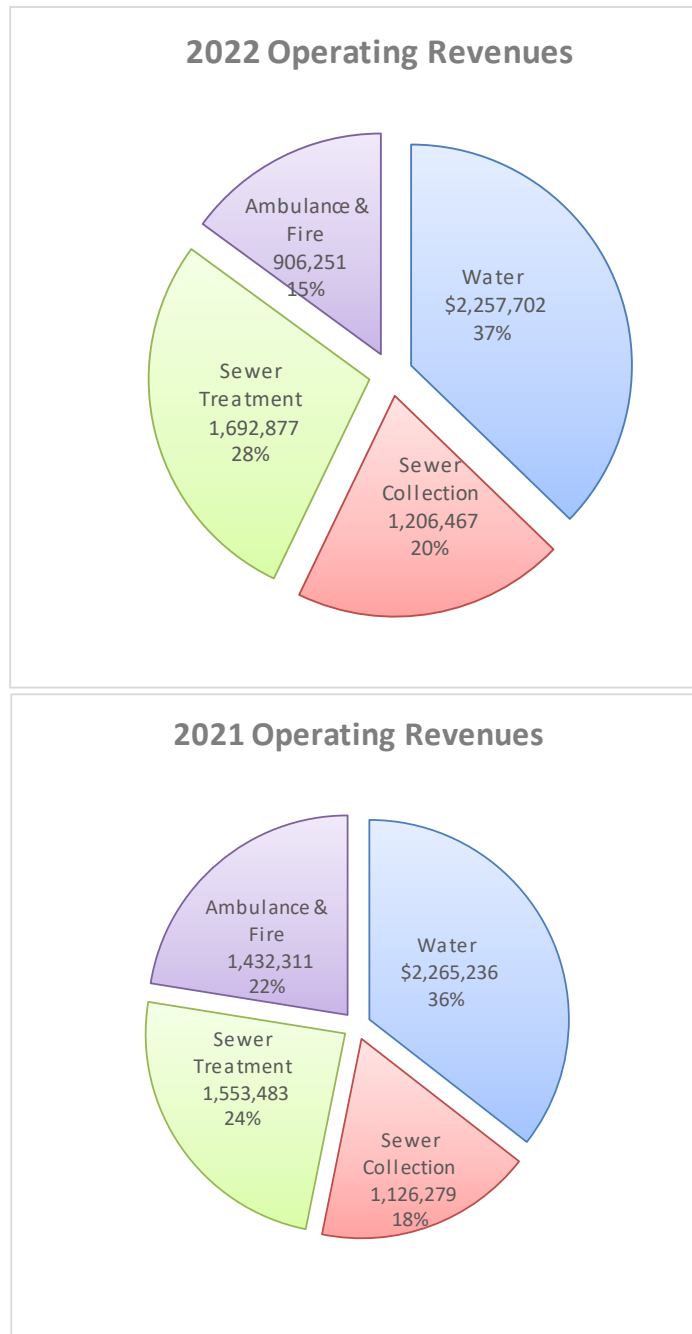
Below is condensed information by department.

**Condensed Summary of Schedules of Revenues, Expenses, and Changes in Net Position by Departments**

|  | Water Department    |                   | Sewer Collection   |                  | Sewer Treatment   |                   | Ambulance & Fire Department |                    |
|--|---------------------|-------------------|--------------------|------------------|-------------------|-------------------|-----------------------------|--------------------|
|  | 2022                | 2021              | 2022               | 2021             | 2022              | 2021              | 2022                        | 2021               |
| Operating Revenues                         | \$ 2,257,702        | \$ 2,265,236      | \$ 1,206,467       | \$ 1,126,279     | \$ 1,692,877      | \$ 1,553,483      | \$ 906,251                  | \$ 1,432,311       |
| Operating Expenses                         | <u>2,571,640</u>    | <u>1,990,858</u>  | <u>1,103,369</u>   | <u>852,163</u>   | <u>1,578,369</u>  | <u>1,379,641</u>  | <u>2,976,093</u>            | <u>3,428,269</u>   |
| Operating Income (Loss)                    | <u>(313,938)</u>    | <u>274,378</u>    | <u>103,098</u>     | <u>274,116</u>   | <u>114,508</u>    | <u>173,842</u>    | <u>(2,069,842)</u>          | <u>(1,995,958)</u> |
| Nonoperating Revenues                      | 74,452              | 80,483            | 12,676             | 11,467           | 20,977            | 5,146             | 2,285,451                   | 2,159,650          |
| Nonoperating Expenses                      | <u>(13,650)</u>     | <u>(15,945)</u>   | <u>(42,986)</u>    | <u>(45,341)</u>  | <u>-</u>          | <u>(53,537)</u>   | <u>-</u>                    | <u>-</u>           |
| Total Nonoperating Revenues (Expenses)     | <u>60,802</u>       | <u>64,538</u>     | <u>(30,310)</u>    | <u>(33,874)</u>  | <u>20,977</u>     | <u>(48,391)</u>   | <u>2,285,451</u>            | <u>2,159,650</u>   |
| Income (Loss) before Capital Contributions | (253,136)           | 338,916           | 72,788             | 240,242          | 135,485           | 125,451           | 215,609                     | 163,692            |
| Capital Contributions                      | 19,434              | 110,694           | 5,815              | 69,780           | -                 | -                 | 61,745                      | 24,853             |
| Transfers In/(Out)                         | -                   | -                 | (156,135)          | (212,109)        | 156,135           | 212,109           | -                           | -                  |
| Change in Net Position                     | <u>\$ (233,702)</u> | <u>\$ 449,610</u> | <u>\$ (77,532)</u> | <u>\$ 97,913</u> | <u>\$ 291,620</u> | <u>\$ 337,560</u> | <u>\$ 277,354</u>           | <u>\$ 188,545</u>  |

The condensed summary above shows that Water and WW Collection departments reported a decrease and WW Treatment and Ambulance and Fire departments reported an increase of change in net position for the year ended June 30, 2022. For the year ended June 30, 2021, the summary shows that all departments reported an increase of change in net position for the year ended June 30, 2021.

The following graph shows the breakdown of operating revenues:



## CAPITAL ASSETS

The Running Springs Water District's investment in capital assets as of June 30, 2022 and 2021 amounts to \$21,013,617 and \$20,684,041 (net of accumulated depreciation) respectively. The investment at June 30, 2022 represents a net increase (including additions and deductions) of 1.6% compared to a slight decrease (including additions and deductions) of 0.1% for the year ended June 30, 2021. The investment in capital assets includes land, buildings, improvements, water systems, sewer collection and treatment systems, fire trucks, ambulances, trucks, automobiles, machinery, equipment, and office furniture and equipment.

### Capital Assets at Year-end (Net of Depreciation)

|                                      | 2022                | 2021                | Increase<br>(Decrease) |
|--------------------------------------|---------------------|---------------------|------------------------|
| Land and Land Rights                 | \$ 1,429,332        | \$ 1,429,332        | \$ -                   |
| Construction in Progress             | 472,344             | 585,881             | (113,537)              |
| Water Plant and Facilities           | 6,439,984           | 6,605,955           | (165,971)              |
| Sewer Plant and Facilities           | 11,225,806          | 10,862,384          | 363,422                |
| Furniture and Equipment              | 339,865             | 320,447             | 19,418                 |
| Trucks and Automobiles               | 557,900             | 327,165             | 230,735                |
| Structures and Improvements          | 173,685             | 187,637             | (13,952)               |
| Fire Trucks and Mounted<br>Equipment | 181,038             | 159,413             | 21,625                 |
| Special Purpose Equipment            | 136,259             | 143,755             | (7,496)                |
| Office Equipment                     | 4,958               | 11,341              | (6,383)                |
| Shop and Station Equipment           | 10,915              | 17,859              | (6,944)                |
| Communication Equipment              | 41,531              | 32,872              | 8,659                  |
| <b>Total</b>                         | <b>\$21,013,617</b> | <b>\$20,684,041</b> | <b>\$ 329,576</b>      |

The most significant construction-in-progress jobs open at June 30, 2022 include the followings:

- Nob Hill Water System Improvement
- SCADA System Improvements
- GIS Water & Sewer Atlas Mapping
- Nordic Hydro Zone Improvements
- ROWCO Water System Improvements
- Valley View 4-in Steel Main Replacement

Additional information on the Running Springs Water District's capital assets can be found in Note 5 on pages 34-35 of the Basic Financial Statements.

## NONCURRENT LIABILITIES

The District's noncurrent liabilities at June 30, 2022 and 2021 are \$9,062,266 and \$12,483,019 respectively. Other than the net pension liability and total OPEB liability, both 2022 and 2021 liabilities included compensated absences and bonds payable (net of all amounts due within one year).

### Noncurrent Liabilities

|   | 2022                | 2021                 | Increase<br>(Decrease) |
|---|---------------------|----------------------|------------------------|
| Bonds and Notes Payable:                        |                     |                      |                        |
| Sewer Treatment, SWRCB 2014 Installment Payable | \$ 2,220,703        | \$ 2,347,635         | \$ (126,932)           |
| Water Supply, 2015 Installment Payable, Ayers   | 184,867             | 242,450              | (57,583)               |
| Ambulance, 2016 Installment Payable             | -                   | -                    | -                      |
| Water, SWRCB AMR Installment Payable            | 348,714             | 366,117              | (17,403)               |
| Total Bonds and Notes Payable                   | <u>2,754,284</u>    | <u>2,956,202</u>     | <u>(201,918)</u>       |
| Compensated Absences                            | 414,027             | 396,899              | 17,128                 |
| Total OPEB Liability                            | 1,022,329           | 794,332              | 227,997                |
| Net Pension Liability                           | 5,161,048           | 8,616,883            | (3,455,835)            |
| Less: Current Portion                           | (289,422)           | (281,297)            | (8,125)                |
| Noncurrent Portion                              | <u>\$ 9,062,266</u> | <u>\$ 12,483,019</u> | <u>\$ (3,420,753)</u>  |

The District paid principal payments on the bonds and notes payable of \$201,918 during the year ended June 30, 2022 and \$197,335 during the year ended June 30, 2021, respectively.

Additional information on the Running Springs Water District's noncurrent liabilities can be found in Note 7 on pages 35-37 of the Basic Financial Statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Running Springs Water District is located where there is not much opportunity for growth in the form of new development. The District provides mutual fire service aid to Green Valley Lake and Arrowbear with no financial compensation and incurs shared wastewater transportation, treatment and disposal costs for upstream users who are billed for reimbursement. It is expected that the Green Valley Lake wastewater collection service area will be annexed into the District's service area in 2023. This will add approximately 1,200 additional sewer customers.

For the fiscal years ending 2020-2024 water and wastewater rates will be adjusted to increase revenue to cover operating expenses and fund operating and capital reserve funds. The rate increases are needed in order to fund several deferred capital replacement projects, to replace aging infrastructure and to fund cash reserves to the levels set forth in the District's Cash Reserve Policy.



## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Running Springs Water District's finances for all those with an interest in the District's finances. Questions concerning this report or requests for additional financial information should be addressed to the General Manager, Running Springs Water District, PO Box 2206, Running Springs, California, 92382.

## **BASIC FINANCIAL STATEMENTS**

**Running Springs Water District**  
**Statements of Net Position**  
June 30, 2022 (2021 for Comparative Purposes Only)

|   | Water               |                     | Sewer Collection    |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 2022                | 2021                | 2022                | 2021                |
| <b>ASSETS</b>                                   |                     |                     |                     |                     |
| Current Assets:                                 |                     |                     |                     |                     |
| Cash  | \$ 950              | \$ 950              | \$ 50               | \$ 50               |
| Temporary Investments                           | 2,570,898           | 2,541,410           | 932,271             | 823,098             |
| Receivables:                                    |                     |                     |                     |                     |
| Customers - Net of Allowances                   | 224,952             | 250,713             | 199,379             | 221,190             |
| Other   | 36,055              | 34,549              | 11,960              | 11,575              |
| Taxes   | 1,518               | 1,532               | 4,441               | 4,446               |
| Interest  | 5,084               | 2,022               | 1,963               | 904                 |
| Material and Supplies Inventory                 | 68,905              | 57,082              | 19,142              | 20,436              |
| Prepaid Expenses                                | 3,650               | -                   | 273                 | -                   |
| Restricted:                                     |                     |                     |                     |                     |
| Cash  | 231,558             | 212,631             | 171,537             | 174,870             |
| Total Current Assets                            | <u>3,143,570</u>    | <u>3,100,889</u>    | <u>1,341,016</u>    | <u>1,256,569</u>    |
| Noncurrent Assets:                              |                     |                     |                     |                     |
| Capital Assets Not Being Depreciated:           |                     |                     |                     |                     |
| Land  | 688,492             | 688,492             | 326,164             | 326,164             |
| Construction in Progress                        | 428,351             | 192,157             | 43,993              | 173,526             |
| Capital Assets, Net of Accumulated Depreciation | <u>6,630,635</u>    | <u>6,742,871</u>    | <u>5,805,610</u>    | <u>5,812,921</u>    |
| Total Noncurrent Assets                         | <u>7,747,478</u>    | <u>7,623,520</u>    | <u>6,175,767</u>    | <u>6,312,611</u>    |
| Total Assets                                    | <u>10,891,048</u>   | <u>10,724,409</u>   | <u>7,516,783</u>    | <u>7,569,180</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>           |                     |                     |                     |                     |
| Deferred Pension Related Items                  | 828,138             | 731,225             | 191,109             | 168,744             |
| Deferred OPEB Related Items                     | 87,148              | 34,827              | 30,991              | 10,061              |
| Total Deferred Outflows of Resources            | <u>915,286</u>      | <u>766,052</u>      | <u>222,100</u>      | <u>178,805</u>      |
| <b>LIABILITIES</b>                              |                     |                     |                     |                     |
| Current Liabilities:                            |                     |                     |                     |                     |
| Accounts Payable and Accrued Liabilities        | 62,945              | 129,245             | 16,112              | 18,293              |
| Interest Payable                                | 4,855               | 5,553               | 28,322              | 29,940              |
| Other Payables                                  | 56,970              | 127,926             | -                   | -                   |
| Unearned Availability Charges                   | 37,250              | 37,742              | 13,419              | 13,580              |
| Current Portion of Long-term Liabilities        | <u>104,617</u>      | <u>96,763</u>       | <u>135,246</u>      | <u>132,293</u>      |
| Total Current Liabilities                       | <u>266,637</u>      | <u>397,229</u>      | <u>193,099</u>      | <u>194,106</u>      |
| Noncurrent Liabilities:                         |                     |                     |                     |                     |
| Noncurrent Portion of Long-term Liabilities     | <u>3,026,717</u>    | <u>4,229,718</u>    | <u>2,730,638</u>    | <u>3,095,778</u>    |
| Total Noncurrent Liabilities                    | <u>3,026,717</u>    | <u>4,229,718</u>    | <u>2,730,638</u>    | <u>3,095,778</u>    |
| Total Liabilities                               | <u>3,293,354</u>    | <u>4,626,947</u>    | <u>2,923,737</u>    | <u>3,289,884</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                     |                     |                     |                     |
| Deferred Pension Related Items                  | <u>1,964,968</u>    | <u>81,800</u>       | <u>453,454</u>      | <u>18,877</u>       |
| <b>NET POSITION</b>                             |                     |                     |                     |                     |
| Net Investment in Capital Assets                | 7,213,897           | 7,014,953           | 3,955,064           | 3,964,976           |
| Restricted for Debt Service                     | 89,334              | 89,334              | 171,537             | 171,537             |
| Restricted for Wastewater Expansion             | 128,868             | 119,964             | -                   | -                   |
| Unrestricted (deficit)                          | <u>(884,087)</u>    | <u>(442,537)</u>    | <u>235,091</u>      | <u>302,711</u>      |
| Total Net Position                              | <u>\$ 6,548,012</u> | <u>\$ 6,781,714</u> | <u>\$ 4,361,692</u> | <u>\$ 4,439,224</u> |

| Sewer Treatment |              | Ambulance and Fire |            | Total         |               |
|-----------------|--------------|--------------------|------------|---------------|---------------|
| 2022            | 2021         | 2022               | 2021       | 2022          | 2021          |
| \$ -            | \$ -         | \$ 129,318         | \$ 606,974 | \$ 130,318    | \$ 607,974    |
| 1,537,287       | 1,235,490    | 1,498,023          | 1,038,246  | 6,538,479     | 5,638,244     |
| 15,742          | 17,980       | 617,437            | 557,372    | 1,057,510     | 1,047,255     |
| 92,224          | 182,531      | 10,209             | 11,495     | 150,448       | 240,150       |
| -               | -            | 64,117             | 41,438     | 70,076        | 47,416        |
| 2,436           | 828          | 3,167              | 1,090      | 12,650        | 4,844         |
| -               | -            | -                  | -          | 88,047        | 77,518        |
| 16              | -            | 612                | -          | 4,551         | -             |
| -               | 148,553      | -                  | 7,934      | 403,095       | 543,988       |
| 1,647,705       | 1,585,382    | 2,322,883          | 2,264,549  | 8,455,174     | 8,207,389     |
| -               | -            | 414,676            | 414,676    | 1,429,332     | 1,429,332     |
| -               | 220,198      | -                  | -          | 472,344       | 585,881       |
| 5,682,736       | 5,125,648    | 992,960            | 987,388    | 19,111,941    | 18,668,828    |
| 5,682,736       | 5,345,846    | 1,407,636          | 1,402,064  | 21,013,617    | 20,684,041    |
| 7,330,441       | 6,931,228    | 3,730,519          | 3,666,613  | 29,468,791    | 28,891,430    |
| 254,812         | 224,992      | 827,624            | 1,046,634  | 2,101,683     | 2,171,595     |
| 30,991          | 10,835       | 83,886             | 21,670     | 233,016       | 77,393        |
| 285,803         | 235,827      | 911,510            | 1,068,304  | 2,334,699     | 2,248,988     |
| 51,712          | 142,680      | 61,192             | 75,624     | 191,961       | 365,842       |
| -               | -            | -                  | -          | 33,177        | 35,493        |
| 129,756         | 122,685      | -                  | -          | 186,726       | 250,611       |
| -               | -            | -                  | -          | 50,669        | 51,322        |
| 14,653          | 15,022       | 34,906             | 37,219     | 289,422       | 281,297       |
| 196,121         | 280,387      | 96,098             | 112,843    | 751,955       | 984,565       |
| 834,179         | 1,171,781    | 2,470,732          | 3,985,742  | 9,062,266     | 12,483,019    |
| 834,179         | 1,171,781    | 2,470,732          | 3,985,742  | 9,062,266     | 12,483,019    |
| 1,030,300       | 1,452,168    | 2,566,830          | 4,098,585  | 9,814,221     | 13,467,584    |
| 604,605         | 25,168       | 1,224,177          | 62,664     | 4,247,204     | 188,509       |
| 5,682,736       | 5,345,846    | 1,407,636          | 1,402,064  | 18,259,333    | 17,727,839    |
| -               | -            | -                  | -          | 260,871       | 260,871       |
| -               | 148,552      | -                  | -          | 128,868       | 268,516       |
| 298,603         | 195,321      | (556,614)          | (828,396)  | (907,007)     | (772,901)     |
| \$ 5,981,339    | \$ 5,689,719 | \$ 851,022         | \$ 573,668 | \$ 17,742,065 | \$ 17,484,325 |

**Running Springs Water District**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
Year Ended June 30, 2022 (2021 for Comparative Purposes Only)

|   | Water               |                     | Sewer Collection    |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | 2022                | 2021                | 2022                | 2021                |
| <b>OPERATING REVENUES</b>                                       |                     |                     |                     |                     |
| Monthly Service Charges   | \$ 1,360,801        | \$ 1,307,263        | \$ 1,178,160        | \$ 1,100,051        |
| Usage Charges   | 851,401             | 917,649             | -                   | -                   |
| Delinquent Charges  | 30,389              | 29,716              | 27,232              | 24,520              |
| Other Revenues  | 1,719               | 2,370               | 1,075               | 1,708               |
| Turn-on and Shut-off Charges                                    | 13,392              | 8,238               | -                   | -                   |
| Operating Grants and Contributions                              | -                   | -                   | -                   | -                   |
| Charges to Upstream Users                                       | -                   | -                   | -                   | -                   |
| <b>Total Operating Revenues</b>                                 | <b>2,257,702</b>    | <b>2,265,236</b>    | <b>1,206,467</b>    | <b>1,126,279</b>    |
| <b>OPERATING EXPENSES</b>                                       |                     |                     |                     |                     |
| Source of Supply  | 317,986             | 353,511             | -                   | -                   |
| Pumping   | 78,199              | 80,059              | -                   | -                   |
| Water Treatment   | 39,946              | 22,247              | -                   | -                   |
| Sewage Collections  | -                   | -                   | 69,060              | 66,532              |
| Sewage Treatment  | -                   | -                   | -                   | -                   |
| Salaries and Benefits   | 1,578,687           | 1,016,631           | 720,302             | 497,770             |
| Administrative Expenses   | 154,715             | 144,857             | 50,945              | 37,312              |
| Others  | 102,292             | 82,833              | 61,898              | 52,161              |
| Depreciation  | 299,815             | 290,720             | 201,164             | 198,388             |
| <b>Total Operating Expenses</b>                                 | <b>2,571,640</b>    | <b>1,990,858</b>    | <b>1,103,369</b>    | <b>852,163</b>      |
| <b>Operating Income (Loss)</b>                                  | <b>(313,938)</b>    | <b>274,378</b>      | <b>103,098</b>      | <b>274,116</b>      |
| <b>NONOPERATING REVENUES (EXPENSES)</b>                         |                     |                     |                     |                     |
| Property Taxes  | -                   | -                   | -                   | -                   |
| Assessments - Availability Charges                              | 39,863              | 41,188              | 8,229               | 14,411              |
| Investment Earnings   | 10,131              | 11,668              | 3,666               | 4,962               |
| Leasing Revenue   | 21,836              | 21,186              | -                   | -                   |
| Miscellaneous   | 2,622               | 2,000               | 781                 | 720                 |
| Gain/(Loss) on Disposal of Capital Assets                       | -                   | 4,441               | -                   | (8,626)             |
| Interest on Long-term Debt                                      | (13,650)            | (15,945)            | (42,986)            | (45,341)            |
| <b>Total Nonoperating Revenue (Expenses)</b>                    | <b>60,802</b>       | <b>64,538</b>       | <b>(30,310)</b>     | <b>(33,874)</b>     |
| <b>Income (Loss) Before Transfers and Capital Contributions</b> | <b>(253,136)</b>    | <b>338,916</b>      | <b>72,788</b>       | <b>240,242</b>      |
| Capital Contributions   | 19,434              | 110,694             | 5,815               | 69,780              |
| Transfers In  | -                   | -                   | -                   | -                   |
| Transfers Out   | -                   | -                   | (156,135)           | (212,109)           |
| <b>Change in Net Position</b>                                   | <b>(233,702)</b>    | <b>449,610</b>      | <b>(77,532)</b>     | <b>97,913</b>       |
| <b>Net Position, Beginning of Year</b>                          | <b>6,781,714</b>    | <b>6,332,104</b>    | <b>4,439,224</b>    | <b>4,341,311</b>    |
| <b>Net Position, End of Year</b>                                | <b>\$ 6,548,012</b> | <b>\$ 6,781,714</b> | <b>\$ 4,361,692</b> | <b>\$ 4,439,224</b> |

| Sewer Treatment     |                     | Ambulance and Fire |                    | Total                |                      |
|---------------------|---------------------|--------------------|--------------------|----------------------|----------------------|
| 2022                | 2021                | 2022               | 2021               | 2022                 | 2021                 |
| \$ 793,739          | \$ 793,739          | \$ 643,638         | \$ 594,171         | \$ 3,976,338         | \$ 3,795,224         |
| 142,919             | 151,745             | -                  | -                  | 994,320              | 1,069,394            |
| 5,383               | 5,383               | -                  | -                  | 63,004               | 59,619               |
| -                   | -                   | 181,780            | 643,487            | 184,574              | 647,565              |
| -                   | -                   | -                  | -                  | 13,392               | 8,238                |
| -                   | -                   | 80,833             | 194,653            | 80,833               | 194,653              |
| 750,836             | 602,616             | -                  | -                  | 750,836              | 602,616              |
| <u>1,692,877</u>    | <u>1,553,483</u>    | <u>906,251</u>     | <u>1,432,311</u>   | <u>6,063,297</u>     | <u>6,377,309</u>     |
| -                   | -                   | -                  | -                  | 317,986              | 353,511              |
| -                   | -                   | -                  | -                  | 78,199               | 80,059               |
| -                   | -                   | -                  | -                  | 39,946               | 22,247               |
| -                   | -                   | -                  | -                  | 69,060               | 66,532               |
| 303,163             | 323,702             | -                  | -                  | 303,163              | 323,702              |
| 855,022             | 651,205             | 2,271,287          | 2,825,002          | 5,425,298            | 4,990,608            |
| 48,291              | 40,182              | 74,680             | 58,090             | 328,631              | 280,441              |
| 90,628              | 78,943              | 489,768            | 407,400            | 744,586              | 621,337              |
| 281,265             | 285,609             | 140,358            | 137,777            | 922,602              | 912,494              |
| <u>1,578,369</u>    | <u>1,379,641</u>    | <u>2,976,093</u>   | <u>3,428,269</u>   | <u>8,229,471</u>     | <u>7,650,931</u>     |
| <u>114,508</u>      | <u>173,842</u>      | <u>(2,069,842)</u> | <u>(1,995,958)</u> | <u>(2,166,174)</u>   | <u>(1,273,622)</u>   |
| -                   | -                   | 2,036,001          | 1,916,714          | 2,036,001            | 1,916,714            |
| 5,987               | -                   | 203,938            | 203,548            | 258,017              | 259,147              |
| 4,553               | 5,146               | 5,182              | 4,607              | 23,532               | 26,383               |
| -                   | -                   | -                  | -                  | 21,836               | 21,186               |
| -                   | -                   | 40,330             | 34,781             | 43,733               | 37,501               |
| 10,437              | (53,537)            | -                  | -                  | 10,437               | (57,722)             |
| -                   | -                   | -                  | -                  | (56,636)             | (61,286)             |
| <u>20,977</u>       | <u>(48,391)</u>     | <u>2,285,451</u>   | <u>2,159,650</u>   | <u>2,336,920</u>     | <u>2,141,923</u>     |
| 135,485             | 125,451             | 215,609            | 163,692            | 170,746              | 868,301              |
| -                   | -                   | 61,745             | 24,853             | 86,994               | 205,327              |
| 156,135             | 212,109             | -                  | -                  | 156,135              | 212,109              |
| -                   | -                   | -                  | -                  | (156,135)            | (212,109)            |
| <u>291,620</u>      | <u>337,560</u>      | <u>277,354</u>     | <u>188,545</u>     | <u>257,740</u>       | <u>1,073,628</u>     |
| <u>5,689,719</u>    | <u>5,352,159</u>    | <u>573,668</u>     | <u>385,123</u>     | <u>17,484,325</u>    | <u>16,410,697</u>    |
| <u>\$ 5,981,339</u> | <u>\$ 5,689,719</u> | <u>\$ 851,022</u>  | <u>\$ 573,668</u>  | <u>\$ 17,742,065</u> | <u>\$ 17,484,325</u> |

**Running Springs Water District**  
**Statements of Cash Flows**  
Year Ended June 30, 2022 (2021 for Comparative Purposes Only)

|  | Water               |                     | Sewer Collection    |                   |
|--|---------------------|---------------------|---------------------|-------------------|
|  | 2022                | 2021                | 2022                | 2021              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                     |                     |                     |                   |
| Cash Received from Customers   | \$ 2,283,463        | \$ 2,256,664        | \$ 1,228,278        | \$ 1,104,672      |
| Cash Payments for Employee Services  | (977,901)           | (1,411,959)         | (571,243)           | (347,825)         |
| Cash Paid to Suppliers   | (832,880)           | (177,776)           | (176,094)           | (239,894)         |
| Other Operating Cash Receipts  | 24,458              | 23,186              | 781                 | 720               |
| Net Cash Provided (Used) by Operating Activities   | <u>497,140</u>      | <u>690,115</u>      | <u>481,722</u>      | <u>517,673</u>    |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                                    |                     |                     |                     |                   |
| Availability Charges   | 37,879              | 37,550              | 7,688               | 12,167            |
| Receipts from Property Taxes   | -                   | -                   | -                   | -                 |
| Cash Received (Paid to) Other Funds  | -                   | -                   | (156,135)           | (212,109)         |
| Net Cash Provided (Used) by Non-Capital Financing Activities                               | <u>37,879</u>       | <u>37,550</u>       | <u>(148,447)</u>    | <u>(199,942)</u>  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                            |                     |                     |                     |                   |
| Acquisition and Construction of Capital Assets   | (423,773)           | (127,710)           | (64,320)            | (177,190)         |
| Proceeds from Sale of Capital Assets   | -                   | 24,304              | -                   | -                 |
| Capital Contributions  | 19,434              | 110,694             | 5,815               | 69,780            |
| Principal Payments on Debt   | (74,986)            | (72,770)            | (126,932)           | (124,565)         |
| Interest Paid  | (14,348)            | (16,565)            | (44,604)            | (46,972)          |
| Net Cash Provided (Used) by Capital and Related Financing Activities                       | <u>(493,673)</u>    | <u>(82,047)</u>     | <u>(230,041)</u>    | <u>(278,947)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                     |                     |                     |                   |
| Interest on Investments  | 7,069               | 16,263              | 2,606               | 7,171             |
| Net Cash Provided (Used) by Investing Activities   | <u>7,069</u>        | <u>16,263</u>       | <u>2,606</u>        | <u>7,171</u>      |
| Net Increase (Decrease) in Cash and Cash Equivalents                                       | 48,415              | 661,881             | 105,840             | 45,955            |
| Cash and Cash Equivalents, Beginning of Year   | <u>2,754,991</u>    | <u>2,093,110</u>    | <u>998,018</u>      | <u>952,063</u>    |
| Cash and Cash Equivalents, End of Year   | <u>\$ 2,803,406</u> | <u>\$ 2,754,991</u> | <u>\$ 1,103,858</u> | <u>\$ 998,018</u> |
| <b>RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION</b> |                     |                     |                     |                   |
| Current Assets:  |                     |                     |                     |                   |
| Cash   | \$ 950              | \$ 950              | \$ 50               | \$ 50             |
| Temporary Investments  | 2,570,898           | 2,541,410           | 932,271             | 823,098           |
| Restricted Cash  | 231,558             | 212,631             | 171,537             | 174,870           |
| Totals   | <u>\$ 2,803,406</u> | <u>\$ 2,754,991</u> | <u>\$ 1,103,858</u> | <u>\$ 998,018</u> |

| Sewer Treatment     |                     | Ambulance and Fire  |                     | Total               |                     |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 2022                | 2021                | 2022                | 2021                | 2022                | 2021                |
| \$ 1,785,422        | \$ 1,417,018        | \$ 846,186          | \$ 1,280,288        | \$ 6,143,349        | \$ 6,058,642        |
| (669,051)           | (492,313)           | (2,342,528)         | (2,594,048)         | (4,560,723)         | (4,846,145)         |
| (520,477)           | (411,727)           | (707,267)           | (656,551)           | (2,236,718)         | (1,485,948)         |
| -                   | -                   | 40,330              | 34,781              | 65,569              | 58,687              |
| <u>595,894</u>      | <u>512,978</u>      | <u>(2,163,279)</u>  | <u>(1,935,530)</u>  | <u>(588,523)</u>    | <u>(214,764)</u>    |
| 5,987               | -                   | 205,224             | 205,089             | 256,778             | 254,806             |
| -                   | -                   | 2,013,322           | 1,917,159           | 2,013,322           | 1,917,159           |
| <u>156,135</u>      | <u>212,109</u>      | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>            |
| 162,122             | 212,109             | 2,218,546           | 2,122,248           | 2,270,100           | 2,171,965           |
| (618,154)           | (537,081)           | (145,930)           | (75,664)            | (1,252,177)         | (917,645)           |
| 10,437              | 2,785               | -                   | -                   | 10,437              | 27,089              |
| -                   | -                   | 61,745              | 24,853              | 86,994              | 205,327             |
| -                   | -                   | -                   | -                   | (201,918)           | (197,335)           |
| -                   | -                   | -                   | -                   | (58,952)            | (63,537)            |
| <u>(607,717)</u>    | <u>(534,296)</u>    | <u>(84,185)</u>     | <u>(50,811)</u>     | <u>(1,415,616)</u>  | <u>(946,101)</u>    |
| 2,945               | 8,023               | 3,105               | 8,477               | 15,725              | 39,934              |
| <u>2,945</u>        | <u>8,023</u>        | <u>3,105</u>        | <u>8,477</u>        | <u>15,725</u>       | <u>39,934</u>       |
| 153,244             | 198,814             | (25,813)            | 144,384             | 281,686             | 1,051,034           |
| <u>1,384,043</u>    | <u>1,185,229</u>    | <u>1,653,154</u>    | <u>1,508,770</u>    | <u>6,790,206</u>    | <u>5,739,172</u>    |
| <u>\$ 1,537,287</u> | <u>\$ 1,384,043</u> | <u>\$ 1,627,341</u> | <u>\$ 1,653,154</u> | <u>\$ 7,071,892</u> | <u>\$ 6,790,206</u> |
| \$ -                | \$ -                | \$ 129,318          | \$ 606,974          | \$ 130,318          | \$ 607,974          |
| 1,537,287           | 1,235,490           | 1,498,023           | 1,038,246           | 6,538,479           | 5,638,244           |
| -                   | 148,553             | -                   | 7,934               | 403,095             | 543,988             |
| <u>\$ 1,537,287</u> | <u>\$ 1,384,043</u> | <u>\$ 1,627,341</u> | <u>\$ 1,653,154</u> | <u>\$ 7,071,892</u> | <u>\$ 6,790,206</u> |

Continued



**Running Springs Water District**  
**Statements of Cash Flows - Continued**  
Year Ended June 30, 2022 (2021 for Comparative Purposes Only)

|   | Water             |                   | Sewer Collection  |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2022              | 2021              | 2022              | 2021              |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b> |                   |                   |                   |                   |
| Operating Income (Loss)   | \$ (313,938)      | \$ 274,378        | \$ 103,098        | \$ 274,116        |
| Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:    |                   |                   |                   |                   |
| Depreciation  | 299,815           | 290,720           | 201,164           | 198,388           |
| Other Income  | 24,458            | 23,186            | 781               | 720               |
| Changes in Assets and Liabilities:  |                   |                   |                   |                   |
| (Increase) Decrease in Accounts Receivable  | 25,761            | (8,572)           | 21,811            | (21,607)          |
| (Increase) Decrease in Prepaid Expenses   | (3,650)           | -                 | (273)             | -                 |
| (Increase) Decrease in Inventory  | (11,823)          | 3,299             | 1,294             | 1,558             |
| (Increase) Decrease in Deferred Outflows  | (149,234)         | 5,480             | (43,295)          | (759)             |
| Increase (Decrease) in Accounts Payable   | (53,313)          | 26,415            | 4,788             | 4,972             |
| Increase (Decrease) in Accrued Wages  | (12,987)          | (16,106)          | (6,969)           | 4,919             |
| Increase (Decrease) in Other Payables   | (70,956)          | 86,276            | -                 | -                 |
| Increase (Decrease) in Compensated Absences   | 27,832            | (84,498)          | 2,707             | 9,398             |
| Increase (Decrease) in Net Pension Liability  | (1,172,894)       | 142,926           | (270,668)         | 32,983            |
| Increase (Decrease) in Total OPEB Liability   | 24,901            | 82,637            | 32,707            | 44,375            |
| Increase (Decrease) in Deferred Inflows   | 1,883,168         | (136,026)         | 434,577           | (31,390)          |
| <b>TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>   | <b>\$ 497,140</b> | <b>\$ 690,115</b> | <b>\$ 481,722</b> | <b>\$ 517,673</b> |
| <b>SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                  |                   |                   |                   |                   |
| Acquisition and Construction of Capital Assets on Account   | \$ -              | \$ 63,883         | \$ -              | \$ -              |

| Sewer Treatment   |                   | Ambulance and Fire    |                       | Total               |                     |
|-------------------|-------------------|-----------------------|-----------------------|---------------------|---------------------|
| 2022              | 2021              | 2022                  | 2021                  | 2022                | 2021                |
| \$ 114,508        | \$ 173,842        | \$ (2,069,842)        | \$ (1,995,958)        | \$ (2,166,174)      | \$ (1,273,622)      |
| 281,265           | 285,609           | 140,358               | 137,777               | 922,602             | 912,494             |
| -                 | -                 | 40,330                | 34,781                | 65,569              | 58,687              |
| 92,545            | (136,465)         | (60,065)              | (152,023)             | 80,052              | (318,667)           |
| (16)              | -                 | (612)                 | -                     | (4,551)             | -                   |
| -                 | -                 | -                     | -                     | (10,529)            | 4,857               |
| (49,976)          | 1,568             | 156,794               | (79,817)              | (85,711)            | (73,528)            |
| (85,450)          | 5,788             | 17,536                | 3,687                 | (116,439)           | 40,862              |
| (5,518)           | 151               | (31,968)              | -                     | (57,442)            | (11,036)            |
| 7,071             | 122,685           | -                     | -                     | (63,885)            | 208,961             |
| (1,844)           | 5,358             | (11,567)              | 16,880                | 17,128              | (52,862)            |
| (360,891)         | 43,978            | (1,651,381)           | 155,683               | (3,455,834)         | 375,570             |
| 24,763            | 52,319            | 145,625               | (39,314)              | 227,996             | 140,017             |
| 579,437           | (41,855)          | 1,161,513             | (17,226)              | 4,058,695           | (226,497)           |
| <u>\$ 595,894</u> | <u>\$ 512,978</u> | <u>\$ (2,163,279)</u> | <u>\$ (1,935,530)</u> | <u>\$ (588,523)</u> | <u>\$ (214,764)</u> |

\$ -    \$ -    \$ -    \$ -    \$ -    \$ 63,883

**Running Springs Water District**  
**Statements of Fiduciary Net Position**  
**Custodial Fund (Assessment Districts)**  
June 30, 2022 (2021 for Comparative Purposes Only)

|                                | 2022      | 2021<br>(for Comparative<br>Purposes Only) |
|--------------------------------|-----------|--|
| <b>ASSETS</b>                  |           |  |
| Cash with Fiscal Agent         | \$ -      | \$ 116,475                                 |
| Temporary Investments          | 68,137    | 195,576                                    |
| Total Assets                   | 68,137    | 312,051                                    |
| <b>LIABILITIES</b>             |           |  |
| Accounts Payable               | 738       | 556  |
| Total Liabilities              | 738       | 556  |
| <b>NET POSITION</b>            |           |  |
| Restricted:                    |           |  |
| Held for the benefit of others | 67,399    | 311,495                                    |
| Total Net Position             | \$ 67,399 | \$ 311,495                                 |

**Running Springs Water District**  
**Statements of Changes in Fiduciary Net Position**  
**Custodial Fund (Assessment Districts)**  
Year Ended June 30, 2022 (2021 for Comparative Purposes Only)

|   | <u>2022</u>             | <u>2021</u><br>(for Comparative Purposes Only) |
|---|-------------------------|--|
| <b>ADDITIONS</b>                                  |                         |  |
| Contributions:                                    |                         |  |
| Taxes and assessments collected for others        | \$ 5,322                | \$ 154,365                                     |
| Investment Earnings:                              |                         |  |
| Interest  | <u>2</u>                | <u>6</u>                                       |
| Total Additions                                   | <u>5,324</u>            | <u>154,371</u>                                 |
| <b>DEDUCTIONS</b>                                 |                         |  |
| General and Administrative                        | 17,670                  | 25,222   |
| Interest and Fiscal Charges                       | <u>231,750</u>          | <u>80,450</u>                                  |
| Total Deductions                                  | <u>249,420</u>          | <u>105,672</u>                                 |
| Net Increase (decrease) in fiduciary net position | (244,096)               | 48,699   |
| Net Position, beginning of the year               | <u>311,495</u>          | <u>262,796</u>                                 |
| Net Position, end of the year                     | <u><u>\$ 67,399</u></u> | <u><u>\$ 311,495</u></u>                       |

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

| <u>NOTE</u> | <u>DESCRIPTION</u>                         | <u>PAGE</u> |
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**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Nature of Business and Reporting Entity**

The Running Springs Water District (the "District") was organized on March 17, 1958 under authority of the California Water Code. The District has been engaged in financing, constructing, operating, maintaining and furnishing water service to its customers since inception. In 1962, the District established a fire department to provide fire protection for the area included in the Water District. In 1976, the sewage disposal system was completed to provide sewer service for the District. An ambulance service has been provided by the District since 1983. In 2005, the Board adopted Ordinance No. 26 which provides authorization for the removal of dead or dying trees. The District is governed by a five-member Board of Directors whose members are elected by the registered voters in the District to staggered four-year terms.

The Board of Directors and officers of the District at June 30, 2022 are as follows:

| <u>NAME</u>    | <u>OFFICER</u>      | <u>TERM EXPIRES</u> |
|----------------|---------------------|---------------------|
| Errol Mackzum  | President           | December 2024       |
| Michael Terry  | Vice-President      | December 2024       |
| Laura Dyber    | Director            | December 2022       |
| William Conrad | Director            | December 2022       |
| Mark Acciani   | Director            | December 2022       |
| Ryan Gross     | General Manager     |                     |
| Amie Crowder   | Secretary/Treasurer |                     |

The Board of Directors meets on the third Wednesday of each month.

**Reporting Entity**

In determining the agencies or entities which comprise the governmental entity for financial reporting purposes, the criteria of oversight responsibility over such entities, special financing relationships and scope of public service provided by the entities are used. Oversight responsibility is determined by the extent of financial interdependency, control over the selection of the governing authority and management, ability to significantly influence operations and accountability for fiscal matters. Based on these criteria, the District has no component units at this time.

**B. Basis of Accounting and Financial Statement Presentation**

As a governmental agency, the District is subject to accounting and reporting standards established by the Governmental Accounting Standards Board (GASB). As the majority of revenues consist of water, sewer treatment/collection, ambulance and related services, the District reports its activities in enterprise funds. The District uses the accrual basis of accounting. The financial activities of the District are accounted for using the economic resources measurement focus. Under this method, all assets and liabilities associated with its operations are included on the statement of net position; revenues are recorded when earned and become measurable; and expenses are recorded when liabilities are incurred.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B. Basis of Accounting and Financial Statement Presentation - Continued**

The accounts of the District are reported in four enterprise funds:

The *Water Fund* - used to account for all activities relating to the District's water service operations.

The *Sewer Collection Fund* - used to account for all activities relating to the District's sewer collection operations.

The *Sewer Treatment Fund* - used to account for all activities relating to the District's sewer treatment operations.

The *Ambulance and Fire Fund* - used to account for all activities relating to the District's ambulance and fire protection services.

Additionally, the District reports a *Custodial Fund* which is used to account for assets held by the District as a custodian for property owners.

Revenues and expenses distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the District's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Donated plant and cash received for capital improvement without the requirement that the District give resources in exchange are recorded as contributions.

**C. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District currently reports deferred outflows resulting from the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C. Deferred Outflows/Inflows of Resources - Continued**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District currently reports deferred inflows resulting from the District's implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* which qualify for reporting in this category.

**D. Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the District's policy to consider restricted net position to have been depleted before unrestricted net position.

**E. Cash and Investments**

Investments for the District are reported at fair value.

For purposes of reporting changes in cash flows, the District considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents.

**F. Customer Billings and Allowance for Uncollectible Accounts**

Customers are billed on a monthly basis and the related revenues are recorded when customers are billed. Unbilled services are accrued at year-end.

Ambulance customers are billed after service has been provided. The District provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred in collection of the ambulance receivables. The allowance for uncollectible ambulance fees was \$764,574 and \$726,264 at June 30, 2022 and 2021, respectively.

**G. Inventories**

Inventories of materials and supplies, consisting of parts used for utility plant construction and repair, are carried at cost using the first-in, first-out method.



**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**H. Restricted Assets**

The District holds certain funds which are restricted for specific purposes. These restricted funds consist principally of construction receivable - upstream users (for debt service payments and repayment of funds advanced by the District for the water treatment expansion), debt service reserve requirements, and wastewater expansion charges collected. These funds are not available for general operations.

**I. Capital Assets**

Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year except for movable assets (assets that are freestanding and movable - vehicles, furniture, software and equipment) which are capitalized with initial cost of \$1,000 or more. As the District acquires or constructs capital assets they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets received prior to the implementation of GASB 72 were recorded at fair value on the date of donation. Donated capital assets received subsequent to the implementation of GASB 72 are recorded at acquisition value as of the date received.

Capital contributions represent cash or capital asset additions contributed to the District by property owners or developers desiring service that require capital expenses or capacity commitment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

|                         | <u>Years</u> |
|-------------------------|--------------|
| Plant and Facilities    | 20 - 75      |
| Furniture and Equipment | 3 - 10       |
| Trucks and Automobiles  | 5            |

**J. Compensated Absences Liability**

Employees are entitled to accumulate vacation leave. The total accumulated vacation time shall not exceed the total hours accrued in the preceding year in addition to the current year's accrual. Once the maximum limit is reached, all further accruals will cease until after an employee has taken vacation and his or her accrued vacation has dropped below the maximum limit. Upon termination of employment for any reason, the District shall compensate the employee for his/her accumulated vacation time at his/her straight time rate of pay at the time of termination. If an employee has reached the maximum accrual limit and is unable to take vacation because of the Department's workload, the following alternatives may be made available: (1) the General Manager may approve a waiver on the limit of maximum hours that may be accrued; or (2) the employee may request that the District buy back the unused vacation time, in accordance with the District's personnel policy manual. Any determinations in this regard are at the sole discretion of the General Manager.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**J. Compensated Absences Liability - Continued**

Regular full-time 40-hour week employees accrue 8 hours of sick time per month while 24-hour shift regular full-time employees accrue 12 hours of sick time per month. Upon termination of employment accrued sick time is only paid out based on an approved District formula to eligible employees who have 10 or more years of continuous service with the District and voluntarily terminate their employment with the District.

**K. Net Position**

The difference between assets and liabilities is reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding principal of related debt. Restricted net position reflects the carrying value of assets less related liabilities that have external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position represents the remaining fund equity balance.

**L. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates based on management's knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

**M. Property Tax**

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

|                  |                   |                 |
|------------------|-------------------|-----------------|
| Lien Date        | March 1           |                 |
| Levy Year        | July 1 to June 30 |                 |
| Due Dates        | November 1        | 1st Installment |
|                  | February 1        | 2nd Installment |
| Delinquent Dates | December 10       | 1st Installment |
|                  | April 10          | 2nd Installment |

Under California law, property taxes and other charges (such as assessments) are assessed and collected by counties up to 1% of assessed value, plus other increases approved by voters. Property tax revenues are pooled and then allocated to agencies based on complex formulas prescribed by state statutes.

**N. Reclassifications/Comparative Data**

Comparative total data for the prior year have been presented in order to provide an understanding of changes in the financial position and operations of the funds. However, the summarized prior year data does not represent a complete presentation in accordance with generally accepted accounting principles.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current years' presentation.

**O. New Accounting Pronouncements**

The Governmental Accounting Standards Board has issued the following Statements, which may affect the District's financial reporting requirements in the future:

*GASB 96 – Subscription-Based Information Technology Arrangements:* The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

**P. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Q. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within curtailed defined timeframes. For this report, the following timeframes are used:

|                    |                               |
|--------------------|-------------------------------|
| Valuation Date     | July 1, 2021                  |
| Measurement Date   | June 30, 2021                 |
| Measurement Period | July 1, 2020 to June 30, 2021 |

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**2) CASH AND TEMPORARY INVESTMENTS**

Cash and investments at June 30, 2022 and 2021 are presented as follows:

|                        | Statement of<br>Net Position | Statement of<br>Fiduciary<br>Net Position | 2022<br>Total       | 2021<br>Total       |
|------------------------|------------------------------|---|---------------------|---------------------|
| Cash                   | \$ 130,318                   | \$ -                                      | \$ 130,318          | \$ 607,974          |
| Temporary Investments  | 6,538,479                    | 68,137                                    | 6,606,616           | 5,833,820           |
| Restricted Cash        | 403,095                      | -   | 403,095             | 543,988             |
| Cash with Fiscal Agent | -                            | -   | -                   | 116,475             |
| <b>Total</b>           | <b>\$ 7,071,892</b>          | <b>\$ 68,137</b>                          | <b>\$ 7,140,029</b> | <b>\$ 7,102,257</b> |

Cash and investments consist of the following at June 30, 2022 and 2021:

|                                      | 2022                | 2021                |
|--------------------------------------|---------------------|---------------------|
| Deposits with Financial Institutions | \$ 134,312          | \$ 621,590          |
| Petty Cash                           | 1,000               | 1,000               |
| Local Agency Investment Fund (LAIF)  | 7,004,717           | 6,363,193           |
| Held by Bond Trustee:                |                     |                     |
| Money Market Fund                    | -                   | 116,474             |
| <b>Total Cash and Investments</b>    | <b>\$ 7,140,029</b> | <b>\$ 7,102,257</b> |

**Restricted Cash**

At June 30, 2022 and 2021, the District had the following cash balances restricted for specific purposes:

| Restricted for:                         | Restricted Cash   |                   |
|---|-------------------|-------------------|
|   | 2022              | 2021              |
| Workers' Compensation Insurance Claims  | \$ -              | \$ 14,601         |
| SRF Loan Debt Service Reserve           | 260,871           | 260,871           |
| Water and Wastewater Capacity Expansion | 142,224           | 268,516           |
| <b>Total</b>                            | <b>\$ 403,095</b> | <b>\$ 543,988</b> |

**Investments Authorized by the California Government Code and the District's Investment Policy**

The District's investment policy authorizes investment in the LAIF. The District's investment policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk. Cash and investments held and invested by fiscal agents on behalf of the District are pledged for payment or security of certain long-term debt issuances. Fiscal agents are mandated by bond indentures as to the types of investments in which such funds can be invested.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**2) CASH AND TEMPORARY INVESTMENTS - Continued**

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rates risk by limiting its investments to the State's investment pool. At June 30, 2022 and 2021, the District had the following investments:

|  | 2022<br>Amount      | 2022<br>Maturity Date<br>12 Months or<br>Less | 2021<br>Amount      | 2021<br>Maturity Date<br>12 Months or<br>Less |
|--|---------------------|---|---------------------|---|
| LAIF                                       | \$ 7,004,717        | \$ 7,004,717                                  | \$ 6,363,193        | \$ 6,363,193                                  |
| Held by Bond Trustee:<br>Money Market Fund | -                   | -   | 116,474             | 116,474                                       |
| Total                                      | <u>\$ 7,004,717</u> | <u>\$ 7,004,717</u>                           | <u>\$ 6,479,667</u> | <u>\$ 6,479,667</u>                           |

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, or debt agreements, and the actual rating as of year-end.

| Investment Type                            | 2022<br>Amount      | Minimum<br>Legal<br>Rating | Aaa         | Not<br>Rated        | 2021<br>Amount      |
|--|---------------------|----------------------------|-------------|---------------------|---------------------|
| LAIF                                       | \$ 7,004,717        | None                       | \$ -        | \$ 7,004,717        | \$ 6,363,193        |
| Held by Bond Trustee:<br>Money Market Fund | -                   | N/A                        | -           | -                   | 116,474             |
| Total                                      | <u>\$ 7,004,717</u> |                            | <u>\$ -</u> | <u>\$ 7,004,717</u> | <u>\$ 6,479,667</u> |

**Concentration of Credit Risk**

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2022 and 2021, the District had no investments in any one issuer (other than external pools) that represent 5% or more of total District investments.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**2) CASH AND TEMPORARY INVESTMENTS - Continued**

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022 and 2021, the District did not have any deposits with financial institutions in excess of federal depository insurance limits that were held in uncollateralized accounts.

**Fair Value of Investments**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has no investments subject to GASB 72 fair value measurements.

**Investment in State Investment Pool**

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at cost which approximates fair value at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**3) ACCOUNTS RECEIVABLE - CUSTOMERS**

Accounts receivable from customers consists of the following at June 30, 2022 and 2021:

|   | June 30, 2022 | June 30, 2021 |
|---|---------------|---------------|
| Customers - Water and Sewer                   | \$ 440,073    | \$ 489,883    |
| Ambulance Receivable                          | 1,382,191     | 1,283,636     |
| Allowance for Uncollectible Ambulance Charges | (764,754)     | (726,264)     |
|   | \$ 1,057,510  | \$ 1,047,255  |

Management considers the receivables from water and sewer customers to be fully collectible; accordingly, no allowance for doubtful accounts for water and sewer customers has been established.

**4) OTHER RECEIVABLES**

|                        | June 30, 2022 | June 30, 2021 |
|------------------------|---------------|---------------|
| Availability Charges   | \$ 58,064     | \$ 57,459     |
| Brookings Mutual Water | 160           | 160           |
| Upstream Users         | 92,224        | 182,531       |
| Total                  | \$ 150,448    | \$ 240,150    |

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**5) CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2022 was as follows:

|  | Beginning<br>Balance | Increases           | Decreases           | Ending<br>Balance   |
|--|----------------------|---------------------|---------------------|---------------------|
| <b>Capital Assets, Not Depreciated:</b>            |                      |                     |                     |                     |
| Land and Land Rights                               | \$ 1,429,332         | \$ -                | \$ -                | \$ 1,429,332        |
| Construction in Progress                           | 585,881              | 943,108             | 1,056,645           | 472,344             |
| <b>Total Capital Assets Not Depreciated</b>        | <b>2,015,213</b>     | <b>943,108</b>      | <b>1,056,645</b>    | <b>1,901,676</b>    |
| <b>Capital Assets, Being Depreciated:</b>          |                      |                     |                     |                     |
| Water Plant and Facilities                         | 11,812,500           | 90,176              | -                   | 11,902,676          |
| Sewer Plant and Facilities                         | 21,357,590           | 820,270             | -                   | 22,177,860          |
| Furniture and Equipment                            | 1,117,737            | 99,085              | -                   | 1,216,822           |
| Trucks and Automobiles                             | 1,189,597            | 271,998             | 39,417              | 1,422,178           |
| Structures and Improvements                        | 542,146              | -                   | -                   | 542,146             |
| Fire Trucks and Mounted Equipment                  | 1,122,651            | 61,745              | -                   | 1,184,396           |
| Special Purpose Equipment                          | 425,640              | 7,543               | -                   | 433,183             |
| Office Equipment                                   | 39,256               | -                   | -                   | 39,256              |
| Shop and Station Equipment                         | 45,450               | -                   | -                   | 45,450              |
| Communication Equipment                            | 51,056               | 14,898              | -                   | 65,954              |
| <b>Total Capital Assets Being Depreciated</b>      | <b>37,703,623</b>    | <b>1,365,715</b>    | <b>39,417</b>       | <b>39,029,921</b>   |
| <b>Less Accumulated Depreciation:</b>              |                      |                     |                     |                     |
| Water Plant and Facilities                         | (5,206,545)          | (256,147)           | -                   | (5,462,692)         |
| Sewer Plant and Facilities                         | (10,495,206)         | (456,848)           | -                   | (10,952,054)        |
| Furniture and Equipment                            | (797,290)            | (79,667)            | -                   | (876,957)           |
| Trucks and Automobiles                             | (862,432)            | (41,263)            | 39,417              | (864,278)           |
| Structures and Improvements                        | (354,509)            | (13,952)            | -                   | (368,461)           |
| Fire Trucks and Mounted Equipment                  | (963,238)            | (40,120)            | -                   | (1,003,358)         |
| Special Purpose Equipment                          | (281,885)            | (15,039)            | -                   | (296,924)           |
| Office Equipment                                   | (27,915)             | (6,383)             | -                   | (34,298)            |
| Shop and Station Equipment                         | (27,591)             | (6,944)             | -                   | (34,535)            |
| Communication Equipment                            | (18,184)             | (6,239)             | -                   | (24,423)            |
| <b>Total Accumulated Depreciation</b>              | <b>(19,034,795)</b>  | <b>(922,602)</b>    | <b>39,417</b>       | <b>(19,917,980)</b> |
| <b>Total Capital Assets Being Depreciated, Net</b> | <b>18,668,828</b>    | <b>443,113</b>      | <b>-</b>            | <b>19,111,941</b>   |
| <b>Capital Assets, Net</b>                         | <b>\$20,684,041</b>  | <b>\$ 1,386,221</b> | <b>\$ 1,056,645</b> | <b>\$21,013,617</b> |

For the fiscal year ended June 30, 2022, depreciation expense was charged to functions/programs of the primary government as follows:



**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**5) CAPITAL ASSETS - Continued**

|                    |            |
|--------------------|------------|
| Water              | \$ 299,815 |
| Sewer Collection   | 201,164    |
| Sewer Treatment    | 281,265    |
| Ambulance and Fire | 140,358    |
| Total Depreciation | \$ 922,602 |

**6) OTHER PAYABLES**

Other payables consist of the following at June 30, 2022 and 2021:

|                   | June 30, 2022 | June 30, 2021 |
|-------------------|---------------|---------------|
| Customer Deposits | \$ 186,678    | \$ 250,563    |
| Miscellaneous     | 48            | 48            |
| Total             | \$ 186,726    | \$ 250,611    |

**7) LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities for the year ended June 30, 2022:

|   | Beginning<br>Balance | Additions  | Retirements  | Ending<br>Balance | Due Within<br>One Year |
|---|----------------------|------------|--------------|-------------------|------------------------|
| Loans from direct borrowings<br>and direct placements:                                      |                      |            |              |                   |                        |
| Sewer Collection, SWRCB<br>Installment Payable, 2014  | \$ 2,347,635         | \$ -       | \$ 126,932   | \$ 2,220,703      | \$ 129,344             |
| Water Supply, 2015<br>Installment Payable, Ayers<br>Water, SWRCB AMR<br>Installment Payable | 242,450              | -          | 57,583       | 184,867           | 59,557                 |
| Total direct  | 2,956,202            | -          | 201,918      | 2,754,284         | 206,618                |
| Compensated Absences  | 396,899              | 359,451    | 342,323      | 414,027           | 82,804                 |
| Total OPEB Liability  | 794,332              | 227,997    | -            | 1,022,329         | -                      |
| Net Pension Liability   | 8,616,883            | -          | 3,455,835    | 5,161,048         | -                      |
| Total Long-term Liabilities   | \$ 12,764,316        | \$ 587,448 | \$ 4,000,076 | \$ 9,351,688      | \$ 289,422             |

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**7) LONG-TERM LIABILITIES - Continued**

**2014 SWRCB Installment Payable**

The District entered into an installment sale agreement as of May 15, 2015, with the California State Water Resources Control Board (SWRCB), to finance improvements to certain sewer lift stations (project). The SWRCB agreed to provide project funds of up to \$2,800,000 plus accrued interest of \$33,544, of for a total amount loaned of \$2,833,544. The project was completed in fiscal year 2018-19 and the District began making payments on the loan. The District's obligation to pay the installment payments is limited solely to the net revenues of the sewer collection enterprise. Installment payments will include principal and interest at 1.9% per annum. The installment is a direct borrowing. The term of the agreement is from September 8, 2014 to July 31, 2036.

The following represents the future debt service requirements to maturity:

| Year Ending<br>June 30, | Principal           | Interest          |
|-------------------------|---------------------|-------------------|
| 2023                    | \$ 129,344          | \$ 42,193         |
| 2024                    | 131,801             | 39,736            |
| 2025                    | 134,305             | 37,232            |
| 2026                    | 136,857             | 34,680            |
| 2027                    | 139,457             | 32,080            |
| 2028                    | 142,107             | 29,430            |
| 2029                    | 144,807             | 26,730            |
| 2030                    | 147,559             | 23,978            |
| 2031                    | 150,362             | 21,175            |
| 2032                    | 153,219             | 18,318            |
| 2033                    | 156,130             | 15,407            |
| 2034                    | 159,097             | 12,440            |
| 2035                    | 162,119             | 9,417             |
| 2036                    | 165,200             | 6,337             |
| 2037                    | 168,339             | 3,198             |
| Total                   | <u>\$ 2,220,703</u> | <u>\$ 352,351</u> |

**2015 Installment Payable**

The District entered into an installment sale agreement on March 1, 2015, with the Municipal Finance Corporation, to finance the District's share of the costs of constructing certain improvements to the water supply facilities. The District received \$550,000 under the agreement, which is to be repaid over a 10-year period, including interest at 3.4%. The District's obligation to pay the installment payments is limited solely to the net revenues of the water enterprise. The net revenues, as defined by the installment agreement, are irrevocably pledged to the payment of the installment payments and any parity obligations. The District has covenanted to set rates and fees which are sufficient to yield net revenues which are at least equal to 115% of the aggregate amount of installment payments each year. The installment payable is a direct borrowing. Debt service requirements to maturity are as follows:

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**7) LONG-TERM LIABILITIES - Continued**

| Year Ending<br>June 30, | Principal         | Interest         |
|-------------------------|-------------------|------------------|
| 2023                    | \$ 59,557         | \$ 5,784         |
| 2024                    | 61,599            | 3,741            |
| 2025                    | 63,711            | 1,629            |
| Total                   | <u>\$ 184,867</u> | <u>\$ 11,154</u> |

**SWRCB AMR Water Installment Payable**

On May 1, 2018, the District entered into an agreement with the State Water Resources Control Board (SWRCB) for the purchase and installation of automatic meter reading (AMR) technology for water meters in the District. The agreement provided \$800,000 in funding for the project with principal forgiveness upon completion of the project of \$400,000. The \$400,000 principal remaining is payable over 20 years with principal and interest payments beginning on December 31, 2019 with an interest rate of 1.8%. The District's obligation to pay the installment payments is limited solely to the net revenues of the water enterprise. The net revenues, as defined by the installment agreement, are irrevocably pledged to the payment of the installment payments and any parity obligations. The District has covenanted to set rates and fees which are sufficient to yield net revenues which are at least equal to 115% of the aggregate amount of installment payments each year. The installment is a direct borrowing. Debt service requirements to maturity are as follows:

| Year Ending<br>June 30, | Principal         | Interest         |
|-------------------------|-------------------|------------------|
| 2023                    | \$ 17,717         | \$ 6,277         |
| 2024                    | 18,036            | 5,958            |
| 2025                    | 18,360            | 5,633            |
| 2026                    | 18,691            | 5,303            |
| 2027                    | 19,027            | 4,966            |
| 2028                    | 19,370            | 4,624            |
| 2029                    | 19,718            | 4,275            |
| 2030                    | 20,073            | 3,920            |
| 2031                    | 20,434            | 3,559            |
| 2032                    | 20,802            | 3,191            |
| 2033                    | 21,177            | 2,817            |
| 2034                    | 21,946            | 2,436            |
| 2035                    | 22,341            | 2,048            |
| 2036                    | 22,743            | 1,652            |
| 2037                    | 23,152            | 1,250            |
| 2038                    | 23,569            | 841              |
| 2039                    | 21,558            | 424              |
| Total                   | <u>\$ 348,714</u> | <u>\$ 59,174</u> |

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**8) NO-COMMITMENT DEBT**

On July 21, 2003, the District issued \$1,361,000 limited obligation improvement bonds, Series 2003 for Assessment District No. 10. Interest ranging from 2.50% to 6.00% is payable semi-annually on March 2<sup>nd</sup> and September 2<sup>nd</sup> each year. The Bonds mature September 2<sup>nd</sup> commencing September 2, 2004 and continuing through 2023, however, the bonds were paid off early in fiscal year ended June 30, 2022.

The Bonds are limited obligations of the District payable solely from the installments of unpaid assessments levied on the assessment parcels within the District and other funds pledged under the fiscal agent agreement. Neither the faith and credit nor the taxing power of the District, the State of California or any of its political subdivisions is pledged to the payment of principal or the interest on the Bonds. Therefore none of the limited obligation improvement bonds have been included in the accompanying financial statements. As of June 30, 2022, and June 30, 2021, there were outstanding bonds of \$0 and \$225,000, respectively. The District in prior years received assessments for the payment of obligations for Assessment District No. 5, 7 and 9. The said obligations have been paid off; however, the District has a total of \$69,001 in excess assessments from the three Assessment Districts. These funds are being used to fund improvements and operations and maintenance in the three Assessment Districts, and are reported in the Custodial Funds.

**9) PENSION PLAN**

**General Information about the Defined Benefit Pension Plan**

**Plan Description** - All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous and Safety Employee Pension Plans, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** - The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2020 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2020 actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS' website under Forms and Publications.

The Plan provisions and benefits in effect at June 30, 2022, are summarized as follows:

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**9) PENSION PLAN - Continued**

|   | Miscellaneous               |                                |
|---|-----------------------------|--------------------------------|
|   | Prior to<br>January 1, 2013 | On or after<br>January 1, 2013 |
| Hire date   |                             |                                |
| Benefit formula                                   | 2.7% @ 55                   | 2% @ 62                        |
| Benefit vesting schedule                          | 5 years service             | 5 years service                |
| Benefit payments                                  | monthly for life            | monthly for life               |
| Retirement age                                    | 55                          | 62                             |
| Monthly benefits, as a % of eligible compensation | Highest single year         | 3-year average                 |
| Required employee contribution rates              | 8%                          | 6.25%                          |
| Required employer contribution rates              | 14.02% + \$452,278          | 7.590% + \$1,192               |
|   | Safety                      |                                |
|   | Prior to<br>January 1, 2013 | On or after<br>January 1, 2013 |
| Hire date   |                             |                                |
| Benefit formula                                   | 3% @ 50                     | 2.7% @ 57                      |
| Benefit vesting schedule                          | 5 years service             | 5 years service                |
| Benefit payments                                  | monthly for life            | monthly for life               |
| Retirement age                                    | 50                          | 55                             |
| Monthly benefits, as a % of eligible compensation | Highest single year         | 3-year average                 |
| Required employee contribution rates              | 9%                          | 11.5%                          |
| Required employer contribution rates              | 23.71% + \$256,629          | 13.13% + \$3,923               |

**Contributions** - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District pays the required employee contribution on behalf of the employees for Miscellaneous and Safety employees hired prior to April 1, 2014. Employees hired after April 1, 2014 pay the required employee contributions. Also, effective July 1, 2015, the District's Board adopted resolutions to phase out, over a 4-year period, the contributions paid by the District on behalf of the employees.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The District's required contribution for the unfunded liability was \$714,022 in fiscal year 2022.

For the year ended June 30, 2022, the District's contributions to the Plan was as follows:

|                          | Miscellaneous | Safety     |
|--------------------------|---------------|------------|
| Contributions - employer | \$ 797,487    | \$ 449,159 |

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**9) PENSION PLAN – Continued**

**Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2022, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

|                             | Proportionate Share of<br>Net Pension Liability |
|-----------------------------|---|
| Miscellaneous               | \$ 3,197,978                                    |
| Safety                      | 1,963,070                                       |
| Total Net Pension Liability | \$ 5,161,048                                    |

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability as of June 30, 2021 and 2022 was as follows:

|                              | Miscellaneous | Safety   |
|------------------------------|---------------|----------|
| Proportion - June 30, 2021   | 0.11860%      | 0.05425% |
| Proportion - June 30, 2022   | 0.16842%      | 0.05594% |
| Change - Increase (Decrease) | 0.04982%      | 0.00169% |

For the year ended June 30, 2022, the District recognized pension expense of \$1,919,419. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred Outflows | Deferred Inflows |
|--|-------------------|------------------|
| Pension contributions subsequent to measurement date   | \$ 1,246,646      | \$ -             |
| Differences between actual and expected experience   | 694,008           | -                |
| Changes in assumptions   | -                 | -                |
| Change in employer's proportion  | -                 | 264,487          |
| Differences between the employer's contributions and the employer's proportionate share of contributions | 161,029           | 22,648           |
| Net differences between projected and actual earnings on plan investments                                | -                 | 3,960,069        |
| Total  | \$ 2,101,683      | \$ 4,247,204     |

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**9) PENSION PLAN - Continued**

\$1,246,646 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ending<br>June 30, | Amount       |
|-------------------------|--------------|
| 2023                    | \$ (664,521) |
| 2024                    | (744,135)    |
| 2025                    | (890,511)    |
| 2026                    | (1,093,000)  |
| 2027                    | -            |
| Thereafter              | -            |

**Actuarial Assumptions** - The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

|                           | All Plans        |
|---------------------------|------------------|
| Valuation date            | June 30, 2020    |
| Measurement date          | June 30, 2021    |
| Actuarial cost method     | entry-age normal |
| Actuarial assumptions:    |                  |
| Discount rate             | 7.15%            |
| Inflation                 | 2.50%            |
| Projected salary increase | (1)              |
| Investment rate of return | 7.15%            |
| Mortality                 | (2)              |

(1) Depending on age, service and type of employment

(2) Derived using CalPERS' Membership Data for all Funds.

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

**Long-term Expected Rate of Return** - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**9) PENSION PLAN - Continued**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns.

| Asset Class         | New Strategic Allocation | Real Return<br>Years 1 - 10 (1) | Real Return<br>Years 11+ (2) |
|---------------------|--------------------------|---------------------------------|------------------------------|
| Global Equity       | 50%                      | 4.80%                           | 5.98%                        |
| Global Fixed Income | 28%                      | 1.00%                           | 2.62%                        |
| Inflation Assets    | 0%                       | 0.77%                           | 1.81%                        |
| Private Equity      | 8%                       | 6.30%                           | 7.23%                        |
| Real Assets         | 13%                      | 3.75%                           | 4.93%                        |
| Liquidity           | 1%                       | -                               | -0.92%                       |

(1) An expected inflation of 2.0% used for this period.

(2) An expected inflation of 2.92% used for this period.

**Discount Rate** - The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Subsequent Events** - On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.



**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**9) PENSION PLAN - Continued**

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                       | Miscellaneous |  | Safety       |
|-----------------------|---------------|--|--------------|
| Discount Rate - 1%    | 6.15%         |  | 6.15%        |
| Net Pension Liability | \$ 5,432,994  |  | \$ 3,836,159 |
| Current Discount Rate | 7.15%         |  | 7.15%        |
| Net Pension Liability | \$ 3,197,978  |  | \$ 1,963,070 |
| Discount Rate + 1%    | 8.15%         |  | 8.15%        |
| Net Pension Liability | \$ 1,350,322  |  | \$ 424,559   |

**Pension Plan Fiduciary Net Position** - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Payable to the Pension Plan** - At June 30, 2022, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

**10) OTHER POSTEMPLOYMENT BENEFITS**

**General Information About the OPEB Plan**

**Plan Description** - The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. The plan is a single-employer defined benefit post-employment healthcare benefits plan.

**Benefits Provided** - Employees are may retire directly from the District under CalPERS and receive a District contribution. The District contributes the PEMHCA minimum under the unequal method. The contribution is \$42.90 per month for retirees in 2021 and \$52.15 per month for retirees in 2022. Survivor benefits are available. The District also pays the CalPERS administrative fee of 0.25% of premium for 2021/22. The District's health plan does not issue a publicly available financial report.

**Employees Covered by Benefit Terms** - As of the July 1, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

|                                 |    |
|---------------------------------|----|
| Retirees or spouses of retirees |    |
| currently receiving benefits    | 4  |
| Active employees                | 21 |
|                                 | 25 |

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**10) OTHER POSTEMPLOYMENT BENEFITS - Continued**

**Contributions** - The contribution requirements of Plan members and the District are established and amended by the District. The required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. For the fiscal year ended June 30, 2021, the District's pay-as-you-go costs were \$1,214.

**Total OPEB Liability** - The District's total OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation dated July 1, 2021 (June 30, 2021). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

**Actuarial Assumption** - The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.:

|   |  |
|---|--|
| Valuation Date  | July 1, 2021   |
| Actuarial Cost Method                                     | Entry Age Actuarial Cost   |
| Mortality   | CalPERS Public Agency Miscellaneous and Schools Pre-Retirement Mortality and CalPERS Public Agency Post-Retirement Mortality |
| Recognition of deferred Inflows and outflows of resources | Closed period equal to the average of the expected remaining Service lives of all employees provided with OPEB               |
| Health Care Trend Rate                                    | 5.20% initial, 4.0% ultimate   |
| Inflation Rate  | 2.50%  |
| Salary Changes  | 3.00%  |
| Discount Rate   | 1.92% - Bond Buyer 20-Bond GO index for 2021   |
| Medical CPI   | 3.50% - used to project PERS statutory minimum benefit   |

**Discount Rate** - The discount rate used to measure the total OPEB liability was 2.45 percent and 1.92 percent as of June 30, 2020 and June 30, 2021 (measurement period), and is based on the Bond Buyer 20-Bond GO index.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**10) OTHER POSTEMPLOYMENT BENEFITS - Continued**

**Changes in the Total OPEB Liability**

|   | Total OPEB<br>Liability (TOL) |
|---|-------------------------------|
| Balance at June 30, 2020 (June 30, 2021 reporting date) | \$ 794,332                    |
| Changes in the year:                                    |                               |
| Service cost  | 31,403                        |
| Interest on the total OPEB liability                    | 20,189                        |
| Changes of assumptions                                  | 166,852                       |
| Difference between actual and expected experience       | 12,947                        |
| Benefit payments, including implicit subsidy            | (3,394)                       |
| Net changes   | 227,997                       |
| Balance at June 30, 2021 (June 30, 2022 reporting date) | \$ 1,022,329                  |

**Sensitivity of the Total OPEB Liability to changes in the Discount Rate** - The following presents the total OPEB liability of the District if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

|                      | 1% Decrease<br>(0.92%) | Discount Rate<br>(1.92%) | 1% Increase<br>(2.92%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB liability | \$ 1,197,263           | \$ 1,022,329             | \$ 880,948             |

**Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates** - The following presents the net OPEB liability of the District, as well as what the District's Net OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

|                      | 1% Decrease<br>(4.2% decreasing<br>to 3.0%) | Current Rates<br>(5.2% decreasing<br>to 4.0%) | 1% Increase<br>(6.2% decreasing<br>to 5.0%) |
|----------------------|---|---|---|
| Total OPEB liability | \$ 845,238                                  | \$ 1,022,329                                  | \$ 1,255,416                                |

**OPEB Expense and Recognition of Deferred Outflows/Inflows of Resources Related to OPEB**

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

For the year ended June 30, 2022, the District recognized OPEB expense of \$75,767.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**10) OTHER POSTEMPLOYMENT BENEFITS - Continued**

For the reporting year ended June 30, 2022, the District recognized deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Difference between actual and expected experience | \$ 11,885                         | \$ -                             |
| Changes of assumptions                            | 221,131                           | -                                |
| Total   | \$ 233,016                        | \$ -                             |

Amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

| Year Ending<br>June 30, | Amount    |
|-------------------------|-----------|
| 2023                    | \$ 24,175 |
| 2024                    | 24,175    |
| 2025                    | 24,175    |
| 2026                    | 24,175    |
| 2027                    | 24,175    |
| Thereafter              | 112,141   |

**11) RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Special District Risk Management Authority (Authority), a joint powers agreement authority. The Authority was created under the provisions of California Government Code Section 6500 *et. seq.*

The Authority is governed by a board consisting of seven members who are elected at-large from the membership. The board controls the operations of the Authority including selection of management and approval of operating budgets. The relationship between the District and the Authority is such that the Authority is not a component unit of the District for financial reporting purposes.

The purpose of the Authority is to provide risk financing and risk management services by arranging and administering programs of insurance. The District is insured up to \$10,000,000 with a \$500 deductible per occurrence for property damage claims and \$1,000 per occurrence for property damage losses and up to \$5,000,000 for workers' compensation liability with no deductible. The District is also insured under the Authority for automobile, property, employment practices, employee dishonesty, public officials and employee liability, and various other claims with various coverage limits. Separate financial statements of Authority may be obtained at Special District Risk Management Authority, 1112 "I" Street, Suite 300, Sacramento, CA 95814.

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year. There were no claims liabilities reported in these financial statements as of June 30, 2022 and 2021.

**Running Springs Water District**  
**Notes to Financial Statements**  
June 30, 2022

**12) SALVAGE VALUES PERTAINING TO GRANT MONIES**

The District received a Volunteer Fire Assistance (VFA) award from the State of California Department of Forestry and Fire Protection in the amount of \$180,000 during the year ended June 30, 2006. The grant was to assist with the purchase of the Type II Wildland Fire Engine, which was purchased in September 2005. Under the grant agreement, the Federal Government has a vested interest in the fire engine until such time as the fair market value is less than \$5,000. The VFA percentage used to purchase the equipment will be applied to the sale price and recovered for the Federal Government during the sale. The Federal Government may not have to be reimbursed if the disposal sale amounts to a fair market value of less than \$5,000.

**13) LOSS CONTINGENCY**

On January 1, 2010, Section 2 of Section 116875 of the Health and Safety Code of California became operative. The section modified the allowed content of lead in pipes and plumbing supplies in order to be considered "lead free." Management is in the process of evaluating the effects that this modified law will have on the District. The District has identified and removed obsolete inventory and there is the potential for additional inventory to be scrapped as obsolete. As of June 30, 2022, and June 30, 2021, the amount of the loss on the additional inventory cannot be reasonably estimated.

**14) COMMITMENTS**

At June 30, 2022, in the opinion of the District's management, there are no other outstanding matters which could have a significant effect on the financial position of the funds of the District.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Running Springs Water District  
Required Supplementary Information  
June 30, 2022**

**Schedule of the District's Proportionate Share of the Net Pension Liability  
Last 10 Years\***

| <u>Measurement Date</u> | <u>Proportion of<br/>the Net Pension<br/>Liability</u> | <u>Proportionate<br/>Share of Net<br/>Pension Liability</u> | <u>Covered<br/>Payroll</u> | <u>Proportionate<br/>Share of the Net<br/>Pension Liability<br/>as a % of Payroll</u> | <u>Plan Fiduciary<br/>Net Position as<br/>a % of the Total<br/>Pension Liability</u> |
|-------------------------|--|---|----------------------------|---|--|
| 2021                    | 0.09543%   | \$ 5,161,048  | \$ 2,494,245               | 206.92%   | 83.27%   |
| 2020                    | 0.07920%   | 8,616,883   | 2,602,202                  | 331.14%   | 71.61%   |
| 2019                    | 0.08043%   | 8,241,313   | 2,660,579                  | 309.76%   | 71.10%   |
| 2018                    | 0.08058%   | 7,764,971   | 2,560,653                  | 303.24%   | 71.50%   |
| 2017                    | 0.07981%   | 7,915,389   | 2,662,089                  | 297.34%   | 69.43%   |
| 2016                    | 0.08117%   | 7,024,013   | 2,439,595                  | 287.92%   | 69.63%   |
| 2015                    | 0.08544%   | 5,864,364   | 2,299,525                  | 255.03%   | 73.14%   |
| 2014                    | 0.08361%   | 5,073,557   | 2,047,220                  | 247.83%   | 69.63%   |

**Notes to the Schedule of the District's Proportionate Share of the Net Pension Liability**

**Benefit Changes:** None

**Changes in Assumptions:** In 2017, the accounting discount rate changed from 7.65% to 7.15%.

\*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.

**Running Springs Water District  
Required Supplementary Information  
June 30, 2022**

**Schedule of Plan Contributions  
Last 10 Years\***

| Fiscal Year | Contractually<br>Required<br>Contributions | Contributions in<br>Relation to the<br>Actuarially<br>Determined<br>Contributions | Contribution<br>Deficiency/<br>(Excess) | Covered<br>Payroll | Contributions<br>as a % of<br>Covered<br>Payroll |
|-------------|--|---|---|--------------------|--|
| 2022        | \$ 1,046,646                               | \$ (1,246,646)  | \$ (200,000)                            | \$ 2,563,516       | 48.63%   |
| 2021        | 1,062,496                                  | (1,262,496)   | (200,000)                               | 2,494,245          | 50.62%   |
| 2020        | 1,148,384                                  | (1,148,384)   | -                                       | 2,602,202          | 44.13%   |
| 2019        | 874,745                                    | (874,745)   | -                                       | 2,660,579          | 32.88%   |
| 2018        | 833,990                                    | (833,990)   | -                                       | 2,560,653          | 32.57%   |
| 2017        | 785,370                                    | (785,370)   | -                                       | 2,662,089          | 29.50%   |
| 2016        | 709,356                                    | (709,356)   | -                                       | 2,439,565          | 29.08%   |
| 2015        | 666,615                                    | (666,615)   | -                                       | 2,299,525          | 28.99%   |

**Notes to the Schedule of Plan Contributions**

Valuation Date: 6/30/13, 6/30/14, 6/30/15, 6/30/16, 6/30/17, 6/30/18, 6/30/19, 6/30/20

\*Fiscal year 2015 was the first year of implementation; therefore, 10 years of information are not yet available.



**Running Springs Water District  
Required Supplementary Information  
June 30, 2022**

**Schedule of Changes in the District's  
Net OPEB Liability and Related Ratios  
Last 10 Fiscal Years\***

|  | Measurement Period  |                   |                   |
|--|---------------------|-------------------|-------------------|
|  | 2021                | 2020              | 2019              |
| <b>Total OPEB Liability</b>                                      |                     |                   |                   |
| Service cost   | \$ 31,403           | \$ 32,908         | \$ 31,950         |
| Interest on total OPEB liability                                 | 20,189              | 21,491            | 19,893            |
| Changes in assumptions   | 166,852             | 86,831            | -                 |
| Difference between actual and expected experience                | 12,947              | -                 | -                 |
| Changes in benefits  | -                   | -                 | -                 |
| Benefit payments, including implicit subsidy                     | (3,394)             | (1,214)           | (2,220)           |
| Net change in total OPEB liability                               | 227,997             | 140,016           | 49,623            |
| Total OPEB liability - beginning                                 | 794,332             | 654,316           | 604,693           |
| Total OPEB liability - ending                                    | <u>\$ 1,022,329</u> | <u>\$ 794,332</u> | <u>\$ 654,316</u> |
| Covered-employee payroll   | \$ 2,494,245        | \$ 2,602,202      | \$ 2,660,579      |
| Total OPEB liability as a percentage of covered-employee payroll | 243.98%             | 327.60%           | 406.62%           |

**Notes to the Schedule of Changes in the District's Total OPEB Liability**

No assets are accumulated in a trust that meets the criteria in GASBS No. 75, paragraph 4, to pay related benefits.

**Benefit Changes:** None

**Changes in Assumptions:** The discount rate changed from 3.13% in the July 1, 2019 actuarial valuation to 1.92% in the July 1, 2021 actuarial valuation.

\*Fiscal year 2020 was the first year of implementation, therefore, 10 years of information is not yet available.

**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** November 17, 2022

**TO:** Board of Directors

**FROM:** Ryan Gross, General Manager

**SUBJECT:** **CONSIDER APPROVING A PROFESSIONAL SERVICES AGREEMENT TO COMPLETE THE REQUIRED ENVIRONMENTAL STUDIES FOR THE VALLEY VIEW WATER MAIN REPLACEMENT PROJECT**

**RECOMMENDED BOARD ACTION**

It is recommended that the Board of Directors consider approving a Professional Services Agreement with Tom Dodson & Associates in the amount not to exceed \$30,100 to complete the required environmental studies for the Valley View water main replacement project.

**REASON FOR RECOMMENDATION**

CalTrans is requiring these environmental studies as part of their permitting process.

**BACKGROUND INFORMATION**

The District submitted its encroachment permit application to CalTrans on April 27, 2022. On September 21, 2022 CalTrans notified the District that six environmental technical studies will be required to proceed including the following:

1. Biological Study/Memo
2. Cultural Study/Memo
3. Hazardous Waste Assessment or ISA Checklist
4. Paleontology Study/Memo
5. Air Study
6. Noise Study - if exempt, please state that in the Summary

In October 2022, the District requested proposals from our design engineer and Tom Dodson and Associates. The following proposals were received:

|                         |                     |
|-------------------------|---------------------|
| Tom Dodson & Associates | \$25,600 - \$30,100 |
| Ardurra                 | \$33,796 - \$38,843 |

The range of fees depends on whether or not the Noise Study will be required.

**FISCAL INFORMATION**

If approved, the not to exceed amount of \$30,100 would be funded out of the Water System Connection and Capacity Charge Reserve Fund which has a balance of \$151,128.

**ATTACHMENTS**

Attachment 1 – CalTrans Correspondence

Attachment 2 – Proposals

**Ryan Gross**

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**From:** Saqqa, Noura@DOT <Noura.Saqqa@dot.ca.gov>  
**Sent:** Tuesday, October 18, 2022 9:03 AM  
**To:** Ryan Gross  
**Subject:** RE: 1st review comment letter for CT #08-22-N-UT-2161

Hi Ryan,

Unfortunately this cannot be waived. This is our protocol here at Caltrans.

Thanks,  
Noura Saqqa, EIT  
Transportation Engineer (Civil)  
Caltrans, District 8  
Encroachment Permits  
464 W. Fourth St., 6FL, MS 619  
San Bernardino, CA 92401  
Telework (213) 317-0227

Encroachment Permit Hourly Rate Increase Notice:

<https://dot.ca.gov/-/media/dot-media/programs/traffic-operations/documents/encroachment-permits/hourly-rate-flyer-a11y.pdf>

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**From:** Ryan Gross <rgross@runningspringswd.com>  
**Sent:** Monday, October 17, 2022 3:06 PM  
**To:** Saqqa, Noura@DOT <Noura.Saqqa@dot.ca.gov>  
**Subject:** RE: 1st review comment letter for CT #08-22-N-UT-2161

Hi Noura,

Will you please check with your environmental group and management to see if these studies can be waived since we are simply replacing an existing water pipeline across 80-feet of CalTrans ROW. There really is no environmental impact whatsoever.

Thanks,  
Ryan

Ryan Gross, P.E., BCEE  
General Manager  
Running Springs Water District  
[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

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**From:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Sent:** Monday, October 17, 2022 10:13 AM  
**To:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Subject:** RE: 1st review comment letter for CT #08-22-N-UT-2161

Hi Ryan,

The following response is from our environmentalist:

- **Biology:** This study would need to be prepared by a biologist. It would identify the species of plants or animals that are in the area or have the potential to be in the area. There may also be avoidance, minimization, and/or mitigation measures for if/when a species is encountered what action would be taken or how would the project avoid impacts to those species. It would contain an official species list that is less than 180 days old.
- **Cultural:** The study would need to be prepared by an Archaeologist and would need to comply with Public Resources Code 5024. The study may identify an Area of Potential Affect (APE) and the affect to historical resources.
- **Hazardous Waste:** The Initial Site Assessment (ISA) or ISA Checklist is prepared by an engineer and would identify soil disturbances, if the soils or striping is hazardous, subsurface utility relocations, etc.
- **Paleontology:** The study/memo would identify if there is a need for paleo and if there would be impacts.

Thanks,

Noura Saqqa, EIT  
Transportation Engineer (Civil)  
Caltrans, District 8  
Encroachment Permits  
464 W. Fourth St., 6FL, MS 619  
San Bernardino, CA 92401  
Telework (213) 317-0227

Encroachment Permit Hourly Rate Increase Notice:

<https://dot.ca.gov/-/media/dot-media/programs/traffic-operations/documents/encroachment-permits/hourly-rate-flyer-a11y.pdf>

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**From:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Sent:** Wednesday, October 12, 2022 8:56 AM  
**To:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Subject:** RE: 1st review comment letter for CT #08-22-N-UT-2161

Hello Noura,

Our environmental consultant is stating their fee for the environmental technical studies would be \$40-\$50K! This seems outrageous for such a small categorically exempt project. Maybe our consultant is interpreting the required environmental studies incorrectly. Will you please check and confirm what exactly we need to submit for this project related to environmental?

Thanks,  
Ryan

Ryan Gross, P.E., BCEE  
General Manager  
Running Springs Water District  
[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

---

**From:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Sent:** Thursday, September 22, 2022 10:58 AM  
**To:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Subject:** RE: 1st review comment letter for CT #08-22-N-UT-2161

Hi Ryan,

Can you please give me an estimated timeline that you are requesting for an extension?

Also,

See attached.

Thanks,  
Noura Saqqa, EIT  
Transportation Engineer (Civil)  
Caltrans, District 8  
Encroachment Permits  
464 W. Fourth St., 6FL, MS 619  
San Bernardino, CA 92401  
Telework (213) 317-0227

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<https://dot.ca.gov/-/media/dot-media/programs/traffic-operations/documents/encroachment-permits/hourly-rate-flyer-a11y.pdf>

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**From:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Sent:** Thursday, September 22, 2022 10:20 AM  
**To:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Subject:** RE: 1st review comment letter for CT #08-22-N-UT-2161

**EXTERNAL EMAIL.** Links/attachments may not be safe.

Hello Noura,

We will need to request a time extension to complete the requested items. Also, will you please forward the sample summary of the project description, I did not receive the attachment.

Thanks,  
Ryan

---

**From:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Sent:** Wednesday, September 21, 2022 11:54 AM  
**To:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Subject:** 1st review comment letter for CT #08-22-N-UT-2161

Hi Ryan,

I'm sending the e-mail dated 9/21/2022 as the 1st review comment letter for CT #08-22-N-UT-2161 to you. Please see the list of items below.

**Permit Specialist**

1. Please see attached comments "60793\_08-22-N-UT-2161\_PLAN\_FIRST REVIEW COMMENT.pdf"
2. Please see attached details "Dec 2019 Trench Details\_New.pdf"

### Environmental

1. The applicant did not provide the technical studies for Environmental review. Applicant stated that the project is Categorically Exempt. However, Caltrans Environmental requires the applicant to submit the following technical studies for the work within CT ROW:

- Project Location Map
- Summary of the project description (attached pdf is a sample)
- Biological Study/Memo
- Cultural Study/Memo
- Hazardous Waste Assessment or ISA Checklist
- Paleontology Study/Memo
- Air Study - if exempt, please state that in the Summary
- Noise Study - if exempt, please state that in the Summary

### Geotechnical

1. Please indicate the following on the Plans:
  - Minimum cover of 4 feet from top of casing or pipe to finished grade to be maintained throughout Caltrans Right of Way

Due to the Covid-19, you can e-mail me the plans and respond letter through my e-mail. We will continue processing this application upon receipt the file of the plans/documents for the review. The resubmittal shall include a response letter addressing each item. If no resubmittal is made before 9/28/2022, your file (request for an encroachment permit) will be closed and you will be required to resubmit at a time when you are able to address all the required stipulations listed in this comment letter. If you need more time for the preparation of the next resubmittal after the due date, you can send me a e-mail to state the process status and request the time extension for your resubmittal preparation.

Please feel free to call or email me if you have any comments or questions.

Thanks,  
Noura Saqqa, EIT  
Transportation Engineer (Civil)  
Caltrans, District 8  
Encroachment Permits  
464 W. Fourth St., 6FL, MS 619  
San Bernardino, CA 92401

Telework (213) 317-0227

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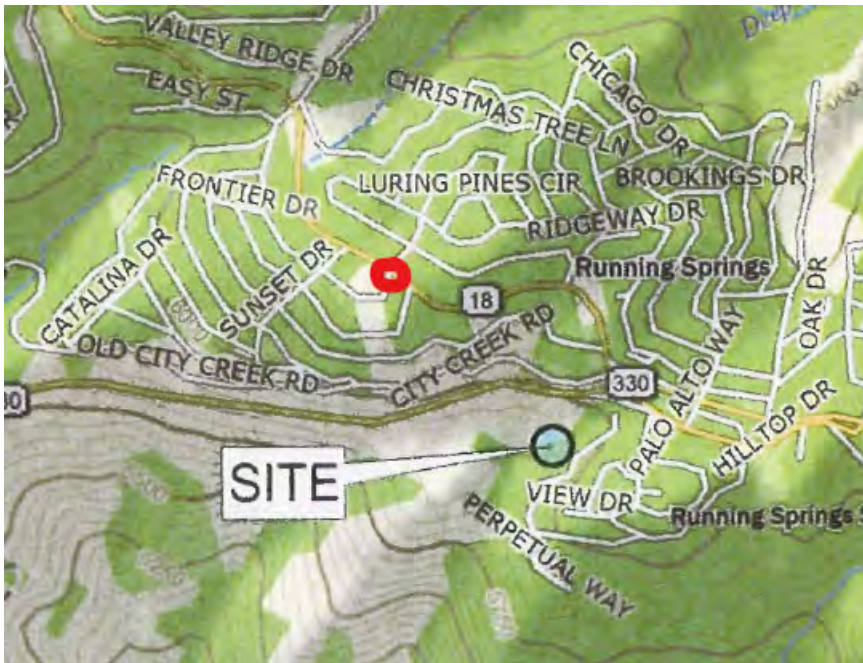
**From:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>

**Sent:** Tuesday, September 13, 2022 11:31 AM

**To:** Saqqa, Noura@DOT <[Noura.Sagqa@dot.ca.gov](mailto:Noura.Sagqa@dot.ca.gov)>

**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Attached is a Geotech report from a project we did in the vicinity. The following screen shot shows where the current project location is in the red circle in relation to the soil boring for the previous project. The geology is pretty much the same everywhere up here in the mountains with mostly hard rock encountered everywhere 3-5 feet below surface.



Ryan Gross, P.E., BCEE  
General Manager  
Running Springs Water District  
[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

---

**From:** Saqqa, Noura@DOT <[Noura.Sagqa@dot.ca.gov](mailto:Noura.Sagqa@dot.ca.gov)>

**Sent:** Tuesday, September 13, 2022 11:20 AM

**To:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>

**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hi Ryan,

Do you have any geotechnical reports from previous project in that area? If not, would you be able to provide some soil samplings showing the hard rock and cobbles.



Thanks,  
Noura Saqqa, EIT  
Transportation Engineer (Civil)  
Caltrans, District 8  
Encroachment Permits  
464 W. Fourth St., 6FL, MS 619  
San Bernardino, CA 92401  
Telework (213) 317-0227

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**From:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Sent:** Tuesday, September 13, 2022 11:15 AM  
**To:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hi Noura,

The trenchless method is really not feasible for this short segment of pipe. We will need to use open trench to cross Highway 18. The amount of time added to the construction in CalTrans ROW if we were to use the trenchless method is prohibitive and there really is not sufficient available space for the excavation pits needed for the trenchless method. Using the open trench method will enable the contractor to complete the construction in CalTrans ROW 2 to 5 days versus 2-3 weeks.

If you still need a geotechnical report for the open trench method please let me know.

Thanks,  
Ryan

---

**From:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Sent:** Tuesday, September 13, 2022 11:05 AM  
**To:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hi Ryan,

Since you are likely to encounter hard rock and cobbles where the access pits are excavating if you were to use trenchless method per your memo, I will need a geotechnical report for this permit.

Thanks,  
Noura Saqqa, EIT  
Transportation Engineer (Civil)  
Caltrans, District 8  
Encroachment Permits  
464 W. Fourth St., 6FL, MS 619  
San Bernardino, CA 92401  
Telework (213) 317-0227

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**From:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Sent:** Tuesday, September 13, 2022 11:03 AM  
**To:** Saqqa, Noura@DOT <[Noura.Sagqa@dot.ca.gov](mailto:Noura.Sagqa@dot.ca.gov)>  
**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hi Noura,

No we do not have a geotechnical report for this project.

Ryan

---

**From:** Saqqa, Noura@DOT <[Noura.Sagqa@dot.ca.gov](mailto:Noura.Sagqa@dot.ca.gov)>  
**Sent:** Tuesday, September 13, 2022 10:59 AM  
**To:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hi Ryan,

Do you have a geotechnical report for this permit?

Thanks,  
Noura Saqqa, EIT  
Transportation Engineer (Civil)  
Caltrans, District 8  
Encroachment Permits  
464 W. Fourth St., 6FL, MS 619  
San Bernardino, CA 92401  
Telework (213) 317-0227

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**From:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Sent:** Tuesday, September 6, 2022 3:58 PM  
**To:** Saqqa, Noura@DOT <[Noura.Sagqa@dot.ca.gov](mailto:Noura.Sagqa@dot.ca.gov)>  
**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hi Noura,

Please see attached revised application.

Ryan Gross, P.E., BCEE  
General Manager  
Running Springs Water District  
[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

---

**From:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Sent:** Tuesday, September 6, 2022 1:12 PM  
**To:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hi Ryan,

Please update the application to show that (#7, #18b).

Please also fill out the Disturbed Soil Area outside of Caltrans ROW #25 on the application

Thanks,  
Noura Saqqa, EIT  
Transportation Engineer (Civil)  
Caltrans, District 8  
Encroachment Permits  
464 W. Fourth St., 6FL, MS 619  
San Bernardino, CA 92401  
Telework (213) 317-0227

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**From:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Sent:** Tuesday, September 6, 2022 11:28 AM  
**To:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

We will be hiring a contractor to perform the work and they will be responsible for the TCP.

Ryan

---

**From:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Sent:** Tuesday, September 6, 2022 11:05 AM  
**To:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hi Ryan,

I don't see any TCP is your contractor performing the work or is there a specific standard plan you are using?

Thanks,  
Noura Saqqa, EIT  
Transportation Engineer (Civil)  
Caltrans, District 8  
Encroachment Permits  
464 W. Fourth St., 6FL, MS 619

San Bernardino, CA 92401  
Telework (213) 317-0227

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**From:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Sent:** Wednesday, August 31, 2022 11:52 AM  
**To:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hi Noura,

Please see attached.

Ryan Gross, P.E., BCEE  
General Manager  
Running Springs Water District  
[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

---

**From:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Sent:** Wednesday, August 31, 2022 11:41 AM  
**To:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hi Ryan,

Can you please send me the application?

Thanks,  
Noura Saqqa, EIT  
Transportation Engineer (Civil)  
Caltrans, District 8  
Encroachment Permits  
464 W. Fourth St., 6FL, MS 619  
San Bernardino, CA 92401  
Telework (213) 317-0227

Encroachment Permit Hourly Rate Increase Notice:

<https://dot.ca.gov/-/media/dot-media/programs/traffic-operations/documents/encroachment-permits/hourly-rate-flyer-a11y.pdf>

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**From:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Sent:** Friday, August 26, 2022 11:36 AM  
**To:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Cc:** Contreras, Brittany@DOT <[Brittany.Contreras@dot.ca.gov](mailto:Brittany.Contreras@dot.ca.gov)>; D8 e-permits@DOT <[D8.e-permits@dot.ca.gov](mailto:D8.e-permits@dot.ca.gov)>  
**Subject:** Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hello Noura,

Attached is a copy of the filed CEQA Notice of Exemption. Please advise as to the next steps.

Ryan Gross, P.E., BCEE  
General Manager  
Running Springs Water District  
[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

---

**From:** Ryan Gross  
**Sent:** Wednesday, August 24, 2022 9:49 AM  
**To:** 'Noura.Saqqa@dot.ca.gov' <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Subject:** Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hello Noura,

I wanted to check in with you to see what the status is on our project. Please see attached letter, CEQA Notice of Exemption and the plan and profile drawing for the Running Springs Water District small project in Running Springs.

Ryan Gross, P.E., BCEE  
General Manager  
Running Springs Water District  
[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

---

**From:** Ryan Gross  
**Sent:** Friday, August 12, 2022 8:26 AM  
**To:** 'Saqqa, Noura@DOT' <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Subject:** Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hi Noura,

Please see attached letter, CEQA Notice of Exemption and the plan and profile drawing for the Running Springs Water District small project in Running Springs.

Ryan Gross, P.E., BCEE  
General Manager  
Running Springs Water District  
[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

---

**From:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Sent:** Tuesday, May 3, 2022 1:18 PM  
**To:** Ryan Gross [rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)  
**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hi Ryan,

- PLEASE PROVIDE JUSTIFICATIONS ON WHY OPEN (TRENCH) CUT METHOD IS THE MOST FEASIBLE METHOD OF INSTALLATION. PLEASE ALSO DISCUSS WHY TRENCHLESS METHODS OF INSTALLATIONS ARE NOT FEASIBLE.
- Please clearly show where Caltrans ROW is on the plans.

- Shoring Plans and Calculations to be stamped by two qualified registered California engineers (designer and reviewer). Or the applicant can submit pre-certified or prefabricated shoring sheets, if excavation is 5 FT or more in depth.
- PLEASE SUMIT APPROVED ENVIRONMENTAL DOCUMENT AND REFER TO ATTACHED EP CHECKLIST FOR ENVIRONMENTAL REVIEW. THE APPLICANT ALSO NEEDS TO PROVIDE SUMMARIES OF THE BIOLOGICAL, CULTURAL, HAZARDOUS WASTE, PALEONTOLOGY AND NOISE AND AIR QUALITY STUDIES WITHIN CALTRANS RIGHT OF WAY.

Thanks,  
Noura Saqqa, EIT  
Transportation Engineer (Civil)  
Caltrans, District 8  
Encroachment Permits  
464 W. Fourth St., 6FL, MS 619  
San Bernardino, CA 92401  
Telework (213) 317-0227

Encroachment Permit Hourly Rate Increase Notice:

<https://dot.ca.gov/-/media/dot-media/programs/traffic-operations/documents/encroachment-permits/hourly-rate-flyer-a11y.pdf>

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**From:** Contreras, Brittany@DOT <[Brittany.Contreras@dot.ca.gov](mailto:Brittany.Contreras@dot.ca.gov)> **On Behalf Of** D8 e-permits@DOT  
**Sent:** Thursday, April 28, 2022 10:27 AM  
**To:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Cc:** Saqqa, Noura@DOT <[Noura.Saqqa@dot.ca.gov](mailto:Noura.Saqqa@dot.ca.gov)>  
**Subject:** RE: Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Good morning,

Thank you for your application for an encroachment permit.

Noura, would you please review this request?

Thanks!

Brittany Contreras  
Traffic Operations-Encroachment Permits  
Caltrans, District 08  
464 W. 4<sup>th</sup> Street MS 1212  
San Bernardino, CA 92401  
(909) 383-6245

---

**From:** Ryan Gross <[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)>  
**Sent:** Wednesday, April 27, 2022 3:16 PM  
**To:** D8 e-permits@DOT <[D8.e-permits@dot.ca.gov](mailto:D8.e-permits@dot.ca.gov)>  
**Subject:** Running Springs Water District - 4-inch Steel Water Pipeline Replacement

Hello,

Please see attached application and drawing for a replacement of a 4-inch steel water pipeline.

Ryan Gross, P.E., BCEE  
General Manager  
Running Springs Water District  
[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

**Ryan Gross**

---

**From:** Tom Dodson <tda@tdaenv.com>  
**Sent:** Monday, October 24, 2022 1:42 PM  
**To:** Ryan Gross  
**Subject:** RE: 1st review comment letter for CT #08-22-N-UT-2161

Ryan, I obtained the last of the technical proposals from my associates regarding the pipeline crossing of State Highway 18 (CT #08-22-N-UT-2161). However, in this e-mail I will address both compliance with Caltrans' data request and your lamentation about the project possibly being considered an "emergency." My firm (Tom Dodson & Associates, TDA) can oversee preparation of the data/reports requested by Caltrans. TDA will prepare the project location map(s) and the summary project description. I have in hand five proposals to address the biology study, cultural study, paleontological memo, hazardous waste assessment, and air quality report. In fact, I do not believe that air quality or noise is needed because the short pipeline segment within Caltrans jurisdiction will not come close to exceeding emission thresholds. Regarding noise, once you have staged for the work in the Caltrans alignment, I would expect that it will not require more than a day or two to install the pipeline across the Caltrans ROW. Since you would not be using large construction equipment (scraper or dozer) and no pile drivers, construction noise within the Caltrans ROW will not be higher than background traffic noise at the pipeline location. The cost for compiling the air quality is minimal, and a noise study should not be needed. Anyhow, we will request relief for Noise and provide an Air Quality Study, unless otherwise directed. Now to fees (note all costs reflect meeting Caltrans report requirements):

|               |                     |
|---------------|---------------------|
| Biology:      | \$2,500             |
| Cultural:     | \$15,500            |
| Hazardous:    | \$1,500             |
| Paleontology: | \$2,600             |
| Air Study:    | \$2,000             |
| Noise Study:  | if required \$4,500 |
| TDA fee:      | \$1,500             |

Schedule, everything except the cultural report can be completed in 30 days or less. The cultural report, meeting Caltrans requirements, will require 3 months due to the slow turn around at the regional data center.

Total fee: \$25,600, excluding a noise study

Now regarding the use of an emergency CEQA compliance. This is allowed by Section 15269( c) of the State CEQA Guidelines, but it is awkward to use. It would probably require that your Board declare an emergency regarding replacing the steel pipeline beneath the Caltrans ROW because of concerns that the pipeline could fail and cause damage to the roadway and perhaps an accident due to this damage. Also, prior to declaring the emergency I would verify that Caltrans will accept the emergency declaration as a suitable finding and agree that the project does not fall within the jurisdiction of CEQA. Could save time and a fair amount of money, but carries risk. Call me if you wish to further discuss.

Tom Dodson

 **\*\* Stay Safe \*\***

### *Tom Dodson & Associates*

*(Mailing Address: PO Box 2307, San Bernardino, CA 92406-2307)*

*(Physical Address: 2150 N. Arrowhead Avenue, San Bernardino, CA 92405)*

Tel: (909) 882-3612

Fax: (909) 882-7015





October 27, 2022

Running Springs Water District  
Mr. Ryan Gross, P.E, BCEE  
31242 Hilltop Blvd  
Running Springs, CA 92382

**REFERENCE: Proposal for Caltrans Environmental Technical Studies for Valley View 4-Inch Pipeline Replacement Project**

Dear Mr. Gross:

Thank you for the opportunity to develop a proposal for Caltrans Environmental Technical Studies for Valley View 4-Inch Pipeline Replacement Project. The following includes Ardurra's understanding, scope of work, deliverables, schedule and fee estimate for professional environmental services.

### Understanding

The Valley View 4-Inch Pipeline Replacement Project is located in the community of Running Springs, California, in the County of San Bernardino. The existing 4-inch steel main lies within the paved street of Valley View Drive in a residential area. The northern extent of the Project terminates at Luring Pines Tank with the southern extent near the intersection of State Highway 18 and Pleasant Drive within Caltrans ROW (Figure 1). Ardurra is the design engineer for the Project.

Running Springs Water District has applied for a Caltrans encroachment permit. Caltrans requires the applicant submit the following environmental technical studies for work within the ROW:

- Project Location Map
- Summary of the project description
- Biological Study/Memo
- Cultural Study/Memo
- Hazardous Waste Assessment or ISA Checklist
- Paleontology Study/Memo
- Air Study - if exempt, please state that in the Summary
- Noise Study - if exempt, please state that in the Summary

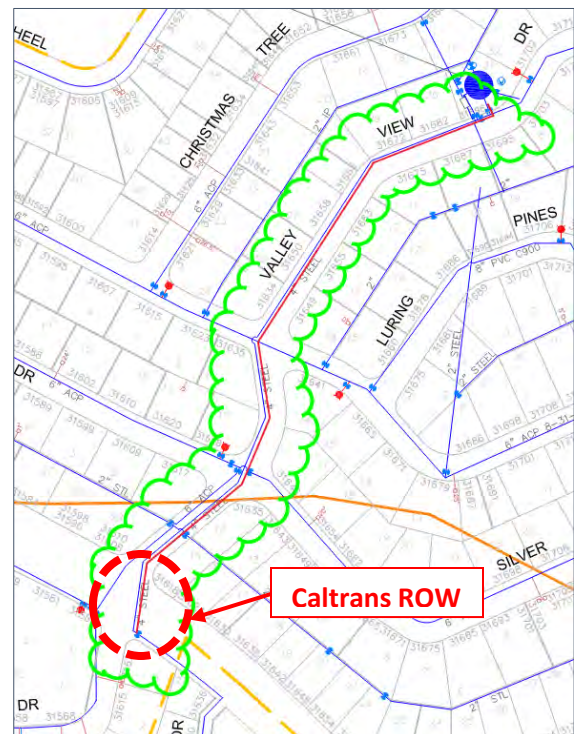


Figure 1



**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** November 17, 2022

**TO:** Board of Directors

**FROM:** Trevor Miller, Operations Manager  
Ryan Gross, General Manager

**SUBJECT:** CONSIDER AUTHORIZING WASTEWATER DEPARTMENT EXPENDITURES

**RECOMMENDED BOARD ACTION**

Consider authorizing staff to proceed with the following expenditures:

1. Purchase new submersible mixer for wastewater treatment plant (WWTP) – \$12,000
2. Rebuild existing submersible mixer for use as a stand-by - \$12,522
3. Purchase new service bed and service crane for Collections Utility Truck - \$35,000
4. Surplus Unit #58 Plow Truck / Flat Bed

**REASON FOR RECOMMENDATION**

1. **New Submersible Mixer** – This mixer will replace the current mixer that needs to be repaired.
2. **Rebuild Submersible Mixer** – This mixer will be used as a back-up mixer for the anoxic tank and equalization (EQ) basin.
3. **Service Bed and Service Crane** – The service bed and service crane will be used for sewer lift station and water distribution system maintenance. The bed will be installed on the existing collections division F-350 utility vehicle.
4. **Surplus Unit #58 Flatbed Plow Truck** – A replacement truck has been purchased, so this vehicle is no longer needed.

**BACKGROUND INFORMATION**

**New Submersible Mixer** – These mixers are used in the anoxic tank to keep the wastewater mixed and provide treatment of the wastewater. Currently the WWTP does not have a spare mixer for when one of them needs to be repaired. This new mixer will be placed in service once it is received. Purchasing this mixer and repairing the existing mixer will provide the spare unit. This mixer can also serve as a mixer for the EQ basin in the event one of those mixers needs repair.

**Submersible Mixer Rebuild** – The current mixer in service at the WWTP needs to be rebuilt. Although the price quoted to rebuild this mixer is more than the price to purchase a new mixer, staff is recommending the mixer be rebuilt for several reasons, these include:

1. The lead time to repair the mixer is less than the lead time for the new mixer.
2. The rebuilt mixer will be used a spare mixer when any of the Anoxic Tank or EQ Basin mixers need repair.
3. The cost estimate is worst case scenario. There is a possibility that some of the higher costs parts quoted for replacement will not be needed.

**Service Body and Service Crane** – The service body and service crane will be installed on the existing Collections Division utility vehicle; this vehicle is a 2007 Ford F-350 truck. The truck currently has a small service crane that can be used for lifting lighter pumps and barrels into the pickup bed of the truck. The new service body will provide a secure place for all the tools needed for lift station repairs, collection system repairs as well as water distribution system repairs. The service crane will be a 3,200-pound capacity crane and will provide a safer lifting option for submersible pumps, chemical barrels, vault lids and other equipment used in the repair and maintenance of lift stations and water distribution system. Assuming that the CSA 79 annexation is completed in early 2023, this vehicle will also be utilized to service the Green Valley Lake area and part of the cost would be allocated to that enterprise fund.

**Surplus Unit #58** – This is the current 1997 flatbed plow truck with 127,423 miles that the water department has been using. A replacement truck has been purchased and is currently at the shop getting the new flatbed installed. The new truck will be in service within the next 2 weeks. Unit #58 will be sent to the auction and sold to the highest bidder.



## FISCAL INFORMATION

**New Submersible Mixer** – The total cost for the new submersible mixer will be \$12,000.

**Submersible Mixer Rebuild** – The total cost for the submersible mixer is a not to exceed price of \$12,522. This price is subject to change once the mixer is inspected and

the parts that need replacement are determined. To prevent any extended lead times staff is asking for the full rebuild amount in case that is what is needed.

**Service Body and Service Crane** – The total cost for the service bed, service crane and installation will be \$35,000.

If approved, the funding source for these expenditures would be from the Wastewater Capital Improvement Reserve Fund which has a balance of \$1,603,356 as of October 31, 2022.

#### **ATTACHMENTS**

Attachment 1 – Quotes



Landia, Inc  
 111 Triangle Trade Drive  
 Cary, NC 27513  
 Phone: 919.466.0603

# ATTACHMENT 1

NC Corporation Number: 210229028  
 E-mail: info@landiainc.com  
 Website: www.landiainc.com  
 FAX: 919.460.1666

## Service quote SE7300

Running Springs Water District  
 Trevor Miller  
 P.O. Box 2206  
 31242 Hilltop Blvd.  
 Running Springs, CA-92382  
 USA

Page 1  
 Date 10/28/22  
 Customer No. 9098672766  
 Reference:  
 Job no. 28992

| Part no.     | Description   | Qty.  | Price    | Price            |
|--------------|---|-------|----------|------------------|
| <b>14347</b> | <b>POD-I 4.9 HP-900 rpm. ms.112</b>                           |       |          |                  |
| 9280092      | St. steel washer U WRG 1/4"                                   | 1 PCS | 5.71     | 5.71             |
| 9260133      | Acidproof Allen screw CH DIN 912                              | 3 PCS | 7.14     | 7.14             |
| 9280147      | Mechanical shaft seal   | 1 PCS | 636.00   | 636.00           |
| 9260243      | Acidproof Allen screw CH DIN 912                              | 6 PCS | 21.60    | 21.60            |
| 9280085      | St. steel washer U  | 4 PCS | 22.84    | 22.84            |
| 9260172      | Acidproof plug w/6 edges DIN 908                              | 1 PCS | 31.86    | 31.86            |
| 9360007      | Locking ring  | 1 PCS | 2.42     | 2.42             |
| 9280149      | Mechanical shaft seal - Hydrogenated Nitrile Polished         | 1 PCS | 669.00   | 669.00           |
| 3320000E     | Bearing flange, ms100/112, epoxy                              | 1 PCS | 793.00   | 793.00           |
| 3220213      | Shaft, POD-I ms112, 3.0/750                                   | 1 PCS | 2,391.00 | 2,391.00         |
| 9360245      | Ball bearing  | 1 PCS | 123.80   | 123.80           |
| 9360244      | Ball bearing  | 1 PCS | 73.95    | 73.95            |
| 8117028E     | Cable entry, ms112/132, w/max. 7 m of cable SOW 7AWG14, epoxy | 1 PCS | 1,713.00 | 1,713.00         |
| 9340007      | St. steel hose clamp OETIKER                                  | 1 PCS | 6.60     | 6.60             |
| 9340003      | Protection hose, 1"   | 0.5 M | 14.32    | 14.32            |
| 9340002      | St. steel hose clamp OETIKER                                  | 1 PCS | 7.56     | 7.56             |
| 9300033      | Stator  | 1 PCS | 3,239.00 | 3,239.00         |
| 3310008E     | End cover, ms112, epoxy                                       | 1 PCS | 893.00   | 893.00           |
| 9380001      | Oil CRB Multi 15W-40  | 1 L   | 25.09    | 25.09            |
| 60011        | Shop supplies   | 1 PCS | 30.00    | 30.00            |
| 60012        | Epoxy re-coating of unit                                      | 1 PCS | 240.00   | 240.00           |
| 60013        | Electrical and pressure testing                               | 1 PCS | 42.50    | 42.50            |
| 60022        | Freight cost  | 1 PCS | 450.00   | -100.00          |
| DLV          | Hours in workshop   | 8 HRS | 680.00   | 680.00           |
| <b>14347</b> | <b>SUM</b>  |       |          | <b>11,669.39</b> |

**Total in USD 11,669.39**

### Delivery address

Running Springs Water District  
 Trevor Miller  
 P.O. Box 2206  
 31242 Hilltop Blvd. Running  
 USA

Payment Terms: Net 30 days  
 See Landia's terms of sales and delivery: www.landiainc.com



## Quote 12141

Running Springs Water District  
 Trevor Miller  
 P.O. Box 2206  
 31242 Hilltop Blvd.  
 Running Springs, CA-92382  
 USA

Page 1 of 1  
 Date 10/28/2022  
 Customer no. 9098672766  
 Job no. 28992  
 Your ref. REPL. POD-I MIXER

| Part no. | Description   | Qty.  | Total |
|----------|---|-------|-------|
|          | POD-I 4.9 HP-900 rpm. ms.112<br>Replacement mixer             |       |       |
| 1228303  | POD-I 4.9 HP-900 rpm, ms112                                   | 1 PCS |       |
| 7914009  | Option, st. steel POD-I propeller and protection collar       | 1 PCS |       |
| 7917005  | Option, 2-comp. coating, POD-I ms80-112                       | 1 PCS |       |
| 7917234  | Cable mesh including st. steel carabiner hook                 | 1 PCS |       |
| 7114043  | St. steel suspension bracket for hook, POP/POD/B-I, ms100/112 | 1 PCS |       |

This price includes delivery and lead time is 6-8 weeks.  
 If the stainless steel propeller and suspension bracket are in  
 good shape, they can be transferred to the new mixer by  
 plant personnel. Please deduct \$1,200 from the price quoted,

existing propeller and handle can be transferred back and forth  
 between the two mixers.

|                  |                    |
|------------------|--------------------|
| <b>Total USD</b> | <b>12,306.00</b>   |
|                  | -1200.00           |
|                  | \$11,106.00        |
| Tax              | \$ 860.72          |
| <b>Total</b>     | <b>\$11,966.72</b> |

**Delivery address**

Running Springs Water District  
 31242 Hilltop Blvd.  
 Running Springs, CA-92382  
 USA

**Country of origin: Denmark**

Delivery terms: Delivered Duty Paid  
 Payment terms: Net 30 days  
 See Landia's terms of sales and delivery: www.landiainc.com





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|                  |            |
|------------------|------------|
| Sales Order #    | 55374      |
| Purchase Order # |            |
| VIN #            |            |
| Unit / Truck#    |            |
| Key Tag #        |            |
| Date             | 11/09/2022 |
| Salesman         | Tyler      |
| Terms            | COD        |

231 21st Street  
Bakersfield, CA 93301  
douglasstruckbodies.com

Phone: 661.327.0258  
Toll Free: 800.635.7641  
Fax: 661.327.3894

**Bill To:** Running Springs Water District  
31242 Hilltop Blvd  
Running Springs, CA 92382

**Ship** Running Springs Water District  
31242 Hilltop Blvd  
Running Springs, CA 92382  
Phone: (909) 867-2766

|                      |                   |                |   |
|----------------------|-------------------|----------------|---|
| Truck Make: Ford     | Model: F-350      | Year: 2005     | Additional Information:<br>Attn: Trevor<br>Phone: (909) 499-0447<br>Email: tmiller@runningspringswd.com<br>*** Customer To Confirm Truck And Bed Specs. *** |
| Chassis Color: White | Body Color: White | Paint Code:    |   |
| Cab Type: Crew Cab   | Cab Axle: 40"     | Rear Axle: SRW |   |

| Ln# | Item Code | Qty | Description  | List Price | Extension   |
|-----|-----------|-----|--|------------|-------------|
|     |           | 1.0 | Douglass Custom 7' Maximizer<br><br>*** Build Body Low Profile ***<br>*** Build Rear Compartments At 26' W<br><br>- List Price: \$7,450.00   |            | \$ 6,332.50 |
|     |           | 1.0 | Custom 26" Rear Compartments<br><br>- Build DSR/CSR AT 26" W   |            | \$ 550.00   |
| 3   | 003-0170  | 1.0 | Round Wheel Well (PER PAIR)<br>- Heavy duty 12ga one piece round wheel well reinforced with 3/4" split tube.   | \$ 242.00  | \$ 0.00     |
| 4   | 008-2004  | 1.0 | 3 - Point Stainless Steel Latch System for Model D/MAX/15.5<br>- Full contact strikers offer positive locking to the body in three places for maximum security.m   | \$ 465.00  | \$ 395.25   |
| 5   | 008-4004  | 1.0 | Triple Seal Weatherstripping for Model D/MAX/15.5<br>- OEM style weather stripping designed to protect your tools and equipment from the elements.   | \$ 457.00  | \$ 388.45   |
| 6   | 008-0414  | 1.0 | Wiring Harness, Ford Pickup 2008-2010<br>- OEM type harness that plugs directly into vehicles existing light wiring harness requiring no cutting or splicing.  | \$ 229.00  | \$ 201.52   |
| 7   | 008-0052  | 1.0 | LED Tail Light Package (Grommet Style)<br>- Brighter than bulb style lights for increased visibility and safety.<br>- Mounted in shock absorbing rubber grommet.<br>- Includes 9 Diode White LED back-up, 6 Diode Red Stop/Turn lights, and 3/4" Clearance lights package. | \$ 277.00  | \$ 243.76   |

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|                |            |
|----------------|------------|
| Sales Order #  | 55374      |
| Purchase Order |            |
| VIN #          |            |
| Unit / Truck#  |            |
| Key Tag #      |            |
| Date           | 11/09/2022 |
| Salesman       | Tyler      |
| Terms          | COD        |

| Ln# | Item Code | Qty  | Description   | List Price  | Extension   |
|-----|-----------|------|---|-------------|-------------|
| 8   | 009-0031  | 1.0  | Mount 7' Douglass Truck Body<br>- Douglass certified mounting that meets or exceeds all D.O.T. requirements.  | \$ 795.00   | \$ 795.00   |
| 9   | 010-0003  | 1.0  | Paint 7' Douglass Truck Body<br>- PPG high solids corrosion resistant primer and PPG Delfeet paint applied by a certified PPG Technician.   | \$ 1,420.00 | \$ 1,420.00 |
| 11  | 003-0141  | 1.0  | Latching Tailgate (10" High)<br>- Heavy duty self supporting tailgate.<br>- 2-Position automotive style rotary latches.<br>- Actuated Stainless Steel Paddle Handle<br>- Drops down level with bed to create flush work table                         | \$ 242.00   | \$ 205.70   |
| 12  | 008-3065  | 2.0  | Stainless Grab Handle w/ Gasket   | \$ 28.00    | \$ 49.28    |
| 13  | 009-0080  | 2.0  | Fold Down Step  | \$ 146.00   | \$ 292.00   |
| 14  | 009-0001  | 1.0  | Standard Bumper<br>- All steel bumper formed with 6" step standard.   | \$ 391.00   | \$ 332.35   |
| 15  | 009-0009  | 1.0  | Cab Protector, Standard<br>- Constructed with 2" x 2" square tubing for added strength.<br>- Covered with expanded metal for maximum window protection.   | \$ 659.00   | \$ 560.15   |
| 16  | 010-0115  | 1.0  | Paint Cab Protector   | \$ 343.00   | \$ 343.00   |
| 17  | 069-0029  | 1.0  | * * * Standard Towing Package * * *   | \$ 0.00     | \$ 0.00     |
| 18  | 009-0073  | 1.0  | Hitch, 2" Square Receiver, Class V (12K Capacity)<br>- 12,000 lb Gross Tow Weight Rating<br>- 1,200 lb Tongue Weight Rating<br>- Never exceed the vehicle's weight rating, or the lowest rating of any component of the towing system                 | \$ 695.00   | \$ 695.00   |
| 19  | 060-0045  | 1.0  | 7-Prong OEM plug for pickups and all GM's   | \$ 23.50    | \$ 21.86    |
| 20  | 009-0075  | 1.0  | Install / Wire 7 - Prong Plug   | \$ 64.00    | \$ 64.00    |
| 21  | 069-0031  | 1.0  | * * * Interior Configurations * * *   | \$ 0.00     | \$ 0.00     |
| 22  | 069-0002  | 1.0  | Driver Side Front Compartment Interiors   | \$ 0.00     | \$ 0.00     |
| 23  | 003-0101  | 40.0 | Adjustable Shelving (SRW)<br>- Heavy duty galvanized steel for corrosion resistance.<br>- Shelves are "Fully" adjustable with virtually infinite placement options.<br>- Mounted on rolled channel and secured with spring-nuts for easy adjustments. | \$ 3.00     | \$ 102.00   |

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# DOUGLASS Truck Bodies

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|                |            |
|----------------|------------|
| Sales Order #  | 55374      |
| Purchase Order |            |
| VIN #          |            |
| Unit / Truck#  |            |
| Key Tag #      |            |
| Date           | 11/09/2022 |
| Salesman       | Tyler      |
| Terms          | COD        |

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Bakersfield, CA 93301  
douglasstruckbodies.com

Phone: 661.327.0258  
Toll Free: 800.635.7641  
Fax: 661.327.3894

| Ln# | Item Code | Qty  | Description  | List Price   | Extension    |
|-----|-----------|------|--|--------------|--------------|
| 24  | 069-0005  | 1.0  | Driver Side Horizontal Compartment Interiors<br><br>*** Open Compartment ***   | \$ 0.00      | \$ 0.00      |
| 25  | 069-0006  | 1.0  | Driver Side Rear Compartment Interiors   | \$ 0.00      | \$ 0.00      |
| 26  | 003-0101  | 40.0 | Adjustable Shelving (SRW)<br>- Heavy duty galvanized steel for corrosion resistance.<br>- Shelves are "Fully" adjustable with virtually infinite placement options.<br>- Mounted on rolled channel and secured with spring-nuts for easy adjustments.  | \$ 3.00      | \$ 102.00    |
| 27  | 069-0007  | 1.0  | Curb Side Front Compartment Interiors<br><br>*** Open Compartment ***  | \$ 0.00      | \$ 0.00      |
| 28  | 069-0010  | 1.0  | Curb Side Horizontal Compartment Interiors<br><br>*** Open Compartment ***   | \$ 0.00      | \$ 0.00      |
| 29  | 069-0011  | 1.0  | Curb Side Rear Compartment Interiors   | \$ 0.00      | \$ 0.00      |
| 30  | 003-0101  | 40.0 | Adjustable Shelving (SRW)<br>- Heavy duty galvanized steel for corrosion resistance.<br>- Shelves are "Fully" adjustable with virtually infinite placement options.<br>- Mounted on rolled channel and secured with spring-nuts for easy adjustments.  | \$ 3.00      | \$ 102.00    |
| 31  | 069-0032  | 1.0  | * * * Crane Configurations * * *   | \$ 0.00      | \$ 0.00      |
| 32  | 061-1011  | 1.0  | Auto Crane EHC-3 <sup>2</sup> PRX-HW, 320989002<br>- Hydraulic extension from 7' to 11', manual from 11'-15'<br>- 360° Continuous Power Rotation<br>- 30 ft Hard-Wired Control<br>- Swivel block with hook latch<br>- Power -5° to 75° boom elevation<br>- Automatic overload protection<br>- Meets OSHA 1910.180 requirements and ANSI B30.5 safety standards<br>- 8,800 GVWR minimum chassis requirement<br>- Two Year Factory Warranty<br><br>*** Current Lead Time: 7-8 Months *** | \$ 14,977.00 | \$ 13,479.30 |

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|                |            |
|----------------|------------|
| Sales Order #  | 55374      |
| Purchase Order |            |
| VIN #          |            |
| Unit / Truck#  |            |
| Key Tag #      |            |
| Date           | 11/09/2022 |
| Salesman       | Tyler      |
| Terms          | COD        |

| Ln# | Item Code | Qty | Description   | List Price | Extension |
|-----|-----------|-----|---|------------|-----------|
| 33  | 040-20    | 1.0 | Inbound Freight for AC3203 Crane  | \$ 325.00  | \$ 325.00 |
| 34  | 009-0065  | 1.0 | Install, Crane, 1000# - 3500#   | \$ 277.00  | \$ 277.00 |
| 35  | 060-0089  | 1.0 | ANL-300, Bussman Fuse & Holder Kit  | \$ 87.00   | \$ 87.00  |
| 36  | 003-0060  | 1.0 | Hoist Support, 3000lb- Cranes<br>- Upgraded understructure and compartment support for crane.   | \$ 775.00  | \$ 658.75 |
| 37  | 009-0058  | 1.0 | Boom Support, up to 3,500# Cap.   | \$ 340.00  | \$ 289.00 |
| 38  | 009-0104  | 1.0 | Stiff Leg, Crank Style  | \$ 263.00  | \$ 231.44 |
| 39  | 067-0011  | 1.0 | A-1 Springs, F-350 SRW 2 Spring Crane Side 1 Other  | \$ 914.00  | \$ 850.02 |
| 40  | 069-0036  | 1.0 | * * * Body Protection Package * * *   | \$ 0.00    | \$ 0.00   |
| 41  | 003-0001  | 2.0 | Alum Dia Plate, Rock Splash Guards 35"-41"<br>- Aluminum placed on front of compartments behind cab to protect body from rocks and other road debris.   | \$ 140.00  | \$ 238.00 |
| 42  | 003-0007  | 2.0 | Alum Dia Plate, Overlay (7' SRW)<br>- Aluminum caps placed on top of the compartments protect your body<br>from the wear and tear caused from daily use.<br>- Aluminum caps also cover the drip edge of the body. | \$ 204.00  | \$ 346.80 |
| 43  | 068-0002  | 1.0 | Arma Coat Cargo Area, (7' Bodies)<br>- 100% Solids, heat applied spray-on coating.<br>- Hybrid design, 30% Polyurea and 70% Polyurethane.<br>- Superior resistance to fuels and chemicals.                        | \$ 695.00  | \$ 646.35 |
| 44  | 068-0014  | 1.0 | Arma Coat Standard Bumper<br>- Gives bumper a non-skid surface when climbing in and out of the cargo area.  | \$ 145.00  | \$ 134.85 |
| 45  | 008-0300  | 1.0 | Mud Flaps, Logo 14x14 & 24, SRW   | \$ 43.00   | \$ 37.84  |

NON-TAX ITEMS

| Ln# | Item Code | Qty | Description  | List Price | Extension |
|-----|-----------|-----|--|------------|-----------|
| 10  | 060-23    | 1.0 | Weight Certificate<br>- certified vehicle weight certificate for DMV registration. | \$ 40.00   | \$ 40.00  |

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|                |            |
|----------------|------------|
| Sales Order #  | 55374      |
| Purchase Order |            |
| VIN #          |            |
| Unit / Truck#  |            |
| Key Tag #      |            |
| Date           | 11/09/2022 |
| Salesman       | Tyler      |
| Terms          | COD        |

To get started, we would require a 25% deposit with the balance remaining due upon pick up. We accept cash and checks, although we require personal and company checks to clear before pick up, which can take up to 3 weeks. If you would like to pay on the day of pick up, we would require a cashier's check.

---

**Subtotal:** \$ 30,837.17  
**Sales Tax:** \$ 2,540.77  
**Shipping:** \$ 0.00  
**Grand Total:** \$ 33,377.94

Received By: \_\_\_\_\_ Date: \_\_\_\_\_

Revision # 18

Authorized dealer of



**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** November 17, 2022

**TO:** Board of Directors

**FROM:** Ryan Gross, General Manager

**SUBJECT:** ANNUAL WATER LOSS AUDIT

**RECOMMENDED BOARD ACTION**

This is an information item only.

**REASON FOR RECOMMENDATION**

This is an information item only.

**BACKGROUND INFORMATION**

Senate Bill 555 requires all urban retail water suppliers to annually submit a water audit to assess water loss. Running Springs Water District (District) will be conducting these audits annually using the software provided by the American Water Works Association (AWWA). This top-down method takes into consideration many aspects of the system and provides a calculation for water loss and various scores that help identify areas for improvement. The Infrastructure Leakage Index (ILI) is a ratio of real losses to unavoidable losses and the Data Validity Score indicates a certainty level of the data that is input into the model.

This analysis has increased in relevance since the new water use efficiency legislation will include real water losses as part of the District's water allocation. The State Water Resources Control Board recently released its proposed regulations.

The District's Data Validity Score for the audit reporting period of Fiscal Year Ending (FYE) 2022 was 59. This score can be improved primarily by implementing annual meter accuracy testing.

The table below represents the data compiled by the AWWA from audits across the state.

| <b>Performance Indicator</b>                 | <b>FYE 2022</b> |
|--|-----------------|
| Infrastructure Leakage Index                 | 0.72            |
| Real Losses (gallons / connection / day)     | 11.84           |
| Apparent Losses (gallons / connection / day) | 0.54            |
| Data Validity Score                          | 59              |

**FISCAL INFORMATION**

This is an information item only.

**ATTACHMENTS**

Attachment 1 – Water Audit

Attachment 2 – Certified Validation Report

Attachment 3 – AWWA Article “Reporting Water Losses”





Optional area for consultant logo.

## Certified Validation Report Template, Part A: Provided by Validator

### Audit Information

**Water System Name:** Running Springs Water District

**Public Water System Identification (PWSID)<sup>1</sup>:** 3610062

<sup>1</sup>List only 1 PWSID, which should match the PWSID on the FWAS Instructions Tab. For Special cases where multiple water systems are connected with permanent two-way interties, list those additional PWSIDs in the **Notes** below and describe the water distribution system(s) configuration.

### PWSID and Water System Configuration Notes (Provided to Validator by Water System):

**Audit Period:** 7/1/2021-6/30/2022

### Water System Representatives

**Validation Date:** 11/3/2022

Ryan Gross

**Sufficient Supporting Documents Provided:** Yes

### Validation Findings & Confirmation Statement

#### Key Audit Metrics:

|   |     |                             |     |            |       |                  |                  |
|---|-----|-----------------------------|-----|------------|-------|------------------|------------------|
| Data Validity Score:                                      | 59  | Data Validity Tier (Level): | 3   | Real Loss: | 11.84 | gal / conn / day | gal / mile / day |
| Non-revenue water as percent of cost of operating system: | 2.9 | Apparent Loss:              | .54 | ILI:       | 0.72  | gal / conn / day |                  |

#### Certification Statement by Validator:

This water loss audit report has been Level 1 validated per the requirements of California Code of Regulations Title 23, Division 2, Chapter 7 and the California Water Code Section 10608.34.

All recommendations on volume derivation and Data Validity Grades were incorporated into the water audit.

*If not, rejected recommendations are included here:*

### Validator Information

Water Audit Validator: Katie Bellis

Qualifications: Water Audit Validator Certificate issued by the CA-NV Section of the AWWA

Validator Provided



# Certified Validation Report Template, Part B: Provided by Utility

Water System Name: \_\_\_\_\_

Public Water System Identification (PWSID)<sup>2</sup>: \_\_\_\_\_

<sup>2</sup> List only 1 PWSID, which should match the PWSID on the FWAS Instructions Tab. For special cases where multiple water systems are connected with permanent two-way interties, those additional PWSIDs should have been listed in the Notes Section on Page 1 by the Validator.

## Water Audit & Water Loss Improvement Steps:

**1. Steps Taken:** Water System to identify steps taken in the preceding 3 years to increase data validity, reduce real loss, and reduce apparent loss as informed by the annual validated water audit (23 CCR Section 638.5(b)(3): Beginning in 2018, information identifying steps taken by the urban retail water supplier in the preceding 3 years to increase the validity of data entered into the final audit, reduce the volume of apparent losses, and reduce the volume of real losses, as informed by the annual validated water audit (Please attach additional pages if space provided below is insufficient):

Last year:

2 Years Ago:

3 Years Ago:

**2. Planned Steps (OPTIONAL UNLESS** your audit reflects negative real losses or the cost of non-revenue water is greater than 100% of the operating costs. Your audit will not meet code requirements for these issues and you need to convey what steps you are planning in the coming year to address these issues. If you already know what steps you plan to take, you may list them here. If not, please prepare a response within 90 days (23 CCR Section 638.6(a)). Please attach additional pages if space provided below is insufficient:

## 3. Certification Statement by Utility Executive:

This water loss audit report meets the requirements of California Code of Regulations Title 23, Division 2, Chapter 7 and the California Water Code Section 10608.34 and has been prepared in accordance with the method adopted by the American Water Works Association, as contained in their manual, *Water Audit and Loss Control Programs, Manual M36, Fourth Edition* and in the Free Water Audit Software version 5.

| Executive Name(Print) | Executive Position | Signature   | Date    |
|-----------------------|--------------------|---|---------|
| Ryan Gross            | General Manager    |  | 11/9/22 |

Utility Provided

# Reporting Water Losses

Highlights from California's second year of water loss audits

By Kate Gasner and Sarah Reed-Guy

**F**OR THE SECOND YEAR IN A ROW, urban retail water suppliers in California submitted level 1 validated water audits to the California Department of Water Resources in compliance with Senate Bill 555, commonly known as the Water Loss Management Act. The water audit describes each distribution system's water losses — both real and apparent — and Level 1 validation is a process by which audit inputs are reviewed and data maintenance practices are acknowledged.

The 2018 submissions include water audits that describe the 2017 calendar year and the 2017-2018 fiscal year. As of early October 2018, 325 urban retail water suppliers submitted a level 1 validated water audit, representing nearly 79 percent of all water agencies required to report.

Last year's submission rate was higher at 93 percent of required water suppliers reporting. However, those submissions were a product of the Water Loss Technical Assistance Program, funded by the Environmental Protection Agency and the California State Water Resources Board and administered through the California-Nevada Section. This two-year program educated water suppliers on water audit methodology and provided the first round of level 1 validations at no cost to the supplier. This year, submissions required water suppliers to pursue validation on their own, either by having staff successfully secure a water audit validator certificate or by hiring a certified consultant.

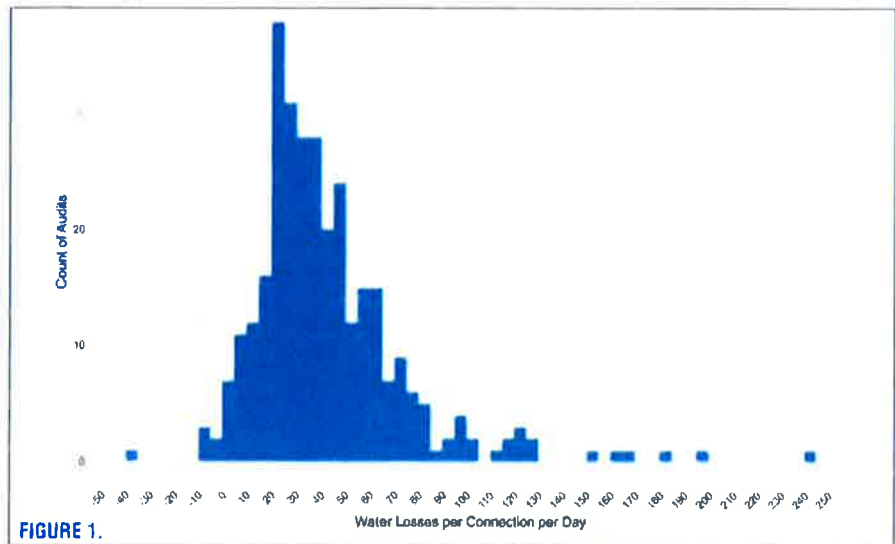
## Water Audit Results

The 2018 validated water audit submissions provide the most recent snapshot of water loss and utility operations for large California water utilities. Table 1 summarizes the key performance indicators for the complete dataset of level 1 validated audits. All audit results — including those with outlier performance — are presented here.

Please note that it is not safe to assume each audit's leakage estimation is accurate. Level 1 validation does

*Table 1: Key Performance Indicators for 2018 Water Audits*

| <b>All Audits — Key Performance Indicators Summary (N = 325)</b> |           |           |              |              |
|--|-----------|-----------|--------------|--------------|
| Key Performance Indicator  | Median    | Mean      | Min          | Max          |
| <b>Volumetric</b>  |           |           |              |              |
| Water Losses per Service Connection per Day (gal)                | 36.5      | 43.1      | -37.9        | 244.5        |
| Apparent Losses per Service Connection per Day (gal)             | 8.3       | 11.6      | -6.3         | 205.4        |
| Real Losses per Service Connection per Day (gal)                 | 26.6      | 32.9      | -41.4        | 240.3        |
| Real Losses per Service Connection per Day per PSI               | 0.3       | 0.5       | -0.7         | 4.8          |
| Infrastructure Leakage Index (ILI)                               | 1.5       | 2.0       | -3.2         | 21.5         |
| <b>Financial</b>   |           |           |              |              |
| Annual Cost of Apparent Losses                                   | \$183,718 | \$523,843 | -\$109,883   | \$24,433,925 |
| Annual Cost of Real Losses                                       | \$166,055 | \$516,307 | -\$1,883,349 | \$24,299,856 |
| Non-Revenue Water as a % of Total Operating Cost                 | 3.7%      | 4.1%      | -3.7%        | 43.9%        |
| Data Validity Score  | 64        | 64        | 43           | 89           |



not guarantee a perfect calculation of water losses for each utility, but it does confirm that each utility is compiling the best audit possible given their current data sources.

Each performance indicator varies widely, highlighting the spread of water loss audit results throughout the state. The distribution of total water losses per connection per day is presented in Figure 1. Though it is critical to distinguish

between apparent losses and real losses for cost considerations and action planning, we present the total water loss indicator here to summarize audit results.

The middle 50 percent of reporting water suppliers report between 24 and 56 water losses per connection per day. The highest quarter of reporting water suppliers report water losses across a much wider range, between 56 and 245 water losses per connection per day.

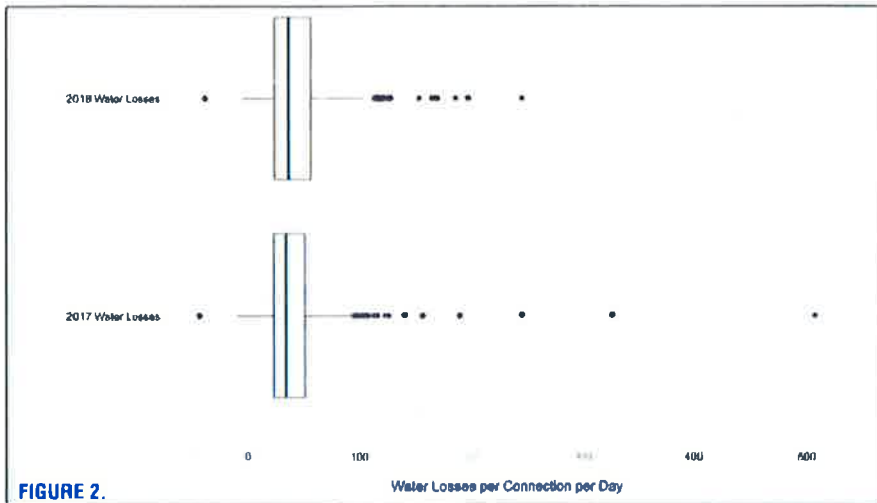


FIGURE 2.

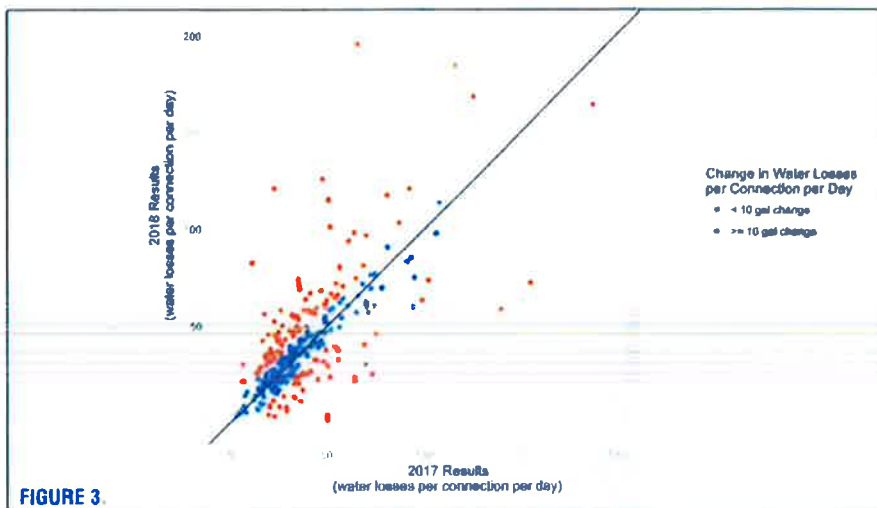


FIGURE 3.

**Variation in Water Losses**

Comparing the two years of level 1 validated water audit submissions, the population statistics remain similar. Figure 2 shows box plots for each year’s submission, presenting similar concentration of results around comparable medians (34.1 water losses per connection per day for 2017 submissions and 36.5 water losses per connection per day for 2018 submissions).

However, that consistency does not hold when examining changes between submissions for individual suppliers. Figure 3 shows results for each water supplier with both 2017 and 2018 submissions. A data point on the line presents a water supplier with the same results in each year of submission. Data points highlighted in blue did not change more than 10 gallons per connection per day; data points highlighted in red changed at least 10 gallons per connection

per day between submissions.

Variable water audits present challenges for water suppliers and regulatory agencies alike. Without more insight into the suppliers’ water loss efforts or data improvement work, we cannot easily distinguish between different sources of this variability. Some changes will be result of improving data sources and some changes will reflect shifts in water loss performance. As 2019 ushers in a phase of performance target setting, we encourage attention and sensitivity to the prevalence of variability in audit results. 💧



*Kate Gasner is a director for Water Systems Optimization, where she manages water loss control programs for utilities throughout the country.*



*Sarah Reed-Guy works as a data analyst and associate project manager at Water Systems Optimization.*

**FURTHER READING**

Sturm, R., Gasner, K., and Andrews, L. (2016). *Water audits in the United States: A review of water losses and data validity*. Water Research Foundation Project 4372B. <http://www.watort.org/Pages/Projects.aspx?PID=4372>

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