



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: JUNE 14, 2019
RE: REGULAR BOARD MEETING FROM: BOARD SECRETARY

The Regular Meeting of the Board of Directors of the Running Springs Water District will be held on Wednesday, June 19, 2019, at the hour of 6:00pm at the District Office located at 31242 Hilltop Boulevard, Running Springs, California. This agenda was posted prior to 5:00pm on June 14, 2019 at the Running Springs Water District Office and Website.

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

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

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

AGENDA

1. Call Meeting to Order and Pledge of Allegiance
2. Recognize and Hear from Visitors / Public Comment - This portion of the agenda is reserved for the public to make comments on matters within the jurisdiction of the Running Springs Water District that are **not on the agenda**. The Board, except to refer the matter to staff and/or place it on a future agenda, may take no action. It is in the best interest of the person speaking to the Board to be concise and to the point. A time limit of five minutes per individual will be allowed. Any person wishing to comment on an item that is on the agenda is requested to complete a request to speak form prior to the item being called for consideration or to raise their hand and be recognized by the Board President.
3. Action Items – The following action items will be considered individually and each **require a motion** by the Board of Directors for action.
 - A. Consolidated Public Hearings and Consideration of Adopting Resolution No. 10-19, Establishing Water and Wastewater Rates, Fees and Charges for District Services, Receiving and Filing the 2019 Rate Study and Capacity Fee Final Reports and Adopting the Fiscal Year 2019/2020 and 2020/2021 District Budget

1. Open Public Hearing;
 2. Staff Presentation;
 3. Written Public Comment;
 4. Oral Public Comment;
 5. Board Discussion/Comments;
 6. Close Public Hearing;
 7. Consider Adopting Resolution No. 10-19, Establishing Water and Wastewater Rates, Fees and Charges for District Services, Receiving and Filing the 2019 Rate Study and Capacity Fee Final Reports and Adopting the Fiscal Year 2019/2020 and 2020/2021 District Budget.
- B. Public Hearing and Consideration of Adopting Ordinance No. 52 Establishing Fees for Ambulance Services and Other Miscellaneous Fees **Page 187**
1. Open Public Hearing;
 2. Staff Presentation;
 3. Written Public Comment;
 4. Oral Public Comment;
 5. Board Discussion/Comments;
 6. Close Public Hearing;
 7. Consider Adoption of Ordinance No. 52.
- C. Consider Authorizing Expenditure and Purchase Order to Secure 2019 Ambulance Chassis and Ancillary Equipment for Replacement of Medical Aid Ambulance 50A (MA50A) **Page 196**
(Presenter: George Corley, Fire Chief)
- D. Consider Authorizing Expenditure for Zoll X Series Cardiac Monitors and Declare the old Cardiac Monitors Surplus Property that will be used for Trade In Value **Page 213**
(Presenter: George Corley, Fire Chief)
4. Approval of Consent Items – The following consent items are expected to be routine and non-controversial and will be acted on at one time without discussion unless an item is withdrawn by a Board Member for questions or discussion. Any person wishing to speak on the consent agenda may do so by raising his/her hand and being recognized by the Board President.
- A. Approve Meeting Minutes **Page 219**
 - B. Ratify Expenditures and Review Reserves **Page 224**
 - C. Consider Adoption of Resolution No. 11-19, Establishing Appropriations Limits for Fiscal Year 2019/2020 **Page 233**

- D. Ratify Employment Agreement with General Manager (to be provided at meeting)
- E. Consider Approving Ambulance Billing Write Offs **Page 241**
- F. Consider Authorizing Participation in the Intergovernmental Transfer (IGT) Program Providing Access to Federal Matching Funds for Emergency Medical Transport Services **Page 257**
- G. Consider Approving Contract for Financial Consulting Services **Page 278**
- 5. General Manager's Report
- 6. Report from Legal Counsel
 - A. California Voting Rights Act
- 7. Board Member Comments / Meetings
- 8. Meeting Adjournment

Upcoming Meetings: Regular Board Meeting, July 17, 2019 at 9:00 am

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: June 19, 2019

TO: Board of Directors

FROM: Ryan Gross, General Manager

SUBJECT: PUBLIC HEARING AND CONSIDERATION OF ADOPTING RESOLUTION NO. 10-19, ESTABLISHING WATER AND WASTEWATER RATES, FEES AND CHARGES FOR DISTRICT SERVICES, RECEIVING AND FILING THE 2019 RATE STUDY AND CAPACITY FEE FINAL REPORTS AND ADOPTING THE FISCAL YEAR 2019/2020 and 2020/2021 DISTRICT BUDGET

RECOMMENDED BOARD ACTION

Conduct a public hearing. At the conclusion of the public hearing, if the Running Springs Water District (District) has not received protests from more than 50% of its customers, it is recommended that the Board of Directors consider:

1. Adopting Resolution No. 10-19, Establishing Water and Wastewater Rates, Fees and Charges for District Services;
2. Receiving and Filing the 2019 Rate Study and Capacity Fee Final Reports and;
3. Adopting the Fiscal Year 2019/2020 and 2020/2021 District Budget.

REASON FOR RECOMMENDATION

District Ordinance No. 49 requires that fees and charges for water and wastewater services be established by resolution of the District's Board of Directors.

BACKGROUND INFORMATION

Historically each June, in conjunction with consideration of the District Budget, the Board of Directors considers approval of revised water and wastewater rates, fees and charges necessary to provide for the revenue requirements outlined in the District's policies and planning documents including the Budget.

The attached Proposition 218 notice of this public hearing was mailed to all affected property owners or tenants responsible for paying the bills for service in May 2019 to

comply with the 45 day notice requirement. In the notice the proposed rates and fees are outlined. Refer to Attachment 1.

The proposed water and wastewater rates, fees and charges for District services, 2019 Rate Study Final Report and Fiscal Year 2019/2020 and 2020/2021 District Budget have all been extensively reviewed by the Board of Directors, staff and members of the public at several public meetings since January of this year. The following public meetings have taken place in 2019:

January 22, 2019	Rate Study Workshop and Budget Planning
March 21, 2019	Budget Planning Presentation and Draft Rate Study Report
April 17, 2019	Draft Budget Review and Staff Directed to Proceed with Prop 218 Mailing
May 15, 2019	Final Rate Study Report
June 19, 2019	Public Hearing on Proposed Rate Adjustments

The Board is considering adjusting Connection and Capacity Charges by 3%. The adjusted Connection and Capacity Charges, if approved, would become effective July 1, 2019 and would be as listed in Attachment 2.

A copy of the proposed Resolution 10-19 is included as Attachment 2.

Written protests received as of the date this agenda was published are included in Attachment 3.

The proposed Final Fiscal Year 2019/2020 and 2020/2021 Budget document is also included as Attachment 4.

The 2019 Rate Study and Capacity Fee Final Reports are included in Attachment 5.

FISCAL INFORMATION

Refer to attached Fiscal Year 2019/2020 and 2020/2021 District Budget and 2019 Rate Study and Capacity Fee Final Reports.

ATTACHMENTS

- Attachment 1 – Proposition 218 Notice of Public Hearing
- Attachment 2 – Resolution No. 10-19
- Attachment 3 – Written protests (Provided under separate cover)
- Attachment 4 – Fiscal Year 2019/2020 and 2020/2021 Budget Document
- Attachment 5 – 2019 Rate Study and Capacity Fee Final Reports



RUNNING SPRINGS WATER DISTRICT

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

**NOTICE OF PUBLIC HEARING ON
PROPOSED WATER AND WASTEWATER RATE ADJUSTMENTS**

The Board of Directors of the Running Springs Water District (District) will be holding a public hearing on June 19, 2019 at 6:00 p.m. at the District office, 31242 Hilltop Blvd., Running Springs to consider adjusting the rates of its water and wastewater service charges. If adopted, the rates will be in effect beginning July 1, 2019, and will be adjusted each July 1 thereafter through and including July 1, 2023.

REASONS FOR THE PROPOSED RATE ADJUSTMENTS

The District is committed to providing the highest quality water and wastewater services at the lowest possible rates for our customers. To meet this commitment, the District engaged an independent rate consultant to perform a water and wastewater rate study that evaluates the infrastructure, programs and operations and maintenance costs of the District's water and wastewater services and the rates necessary to recover the costs of those services for the next five years. A cost of service and rate study demonstrates what it costs the District to provide these services and the appropriate rates to fairly and appropriately allocate the costs of providing them to our customers. The District's 2019 Rate Study, Cash Reserve Policy, Facilities Master Plans, as well as the draft fiscal year 2019/2020 and 2020/2021 District budgets were used as the basis upon which the proposed rates and charges were calculated. The rate adjustments were not the only measures used to generate a balanced budget. Other measures required to balance the budget included reductions in operating expenses where possible and deferral of nonessential activities and projects.

The results of the rate study demonstrate that adjustments in the water and wastewater rates are needed to recover increases in the costs of providing water and wastewater services. These costs include, among others, the costs of needed repairs and replacements of aging water and wastewater infrastructure, increased water purchase and electricity costs and the costs of developing additional local groundwater supplies.

PROPOSED RATES AND THE BASIS UPON WHICH THEY ARE CALCULATED

The proposed water rate structure has four customer classes - residential, commercial, schools, and irrigation - and is comprised of three components - a fixed monthly base charge, a variable volumetric rate, and a fixed monthly private fire service water meter base charge. The base charge is determined on the basis of the size of the water meter serving a property (in inches) and is designed to recover a portion of the District's fixed costs of operating and maintaining the water system, such as billing and collection, and repair and replacement of infrastructure. The volumetric rate is the same for all customer classes and is imposed per unit of delivered water, with one unit equal to one cubic foot (cf) or 7.48 gallons. The volumetric rate is calculated to recover a portion of the District's fixed costs and its variable costs of purchasing and providing water service. The private fire service water meter base charge is only imposed on customers who have private fire suppression systems. It is designed to recover the proportionate share of the costs of sizing the water system necessary to provide private fire suppression service and the costs of managing and inspecting backflow prevention devices for these private systems.

Under the current water rate structure, a different rate for the base charge is imposed on landscape irrigation customers than is imposed on all other customers, and a different rate for the consumption charge is imposed on customers who are served by but are located outside of the District's boundaries. Under the proposed rate structure, the same base charge and volumetric rate will be applicable to all customers. The current water rate structure also imposes a fixed monthly infrastructure repair and replacement charge to fund water infrastructure projects. This charge is proposed to be eliminated from the District's water rate structure. As proposed under the new rate structure, the costs of repairing and replacing water infrastructure will be recovered from the District's base charge.

The proposed wastewater rate structure has two customer classes - commercial and residential - and is comprised of two components - a fixed monthly wastewater base charge and a variable wastewater volumetric rate. The wastewater base charge is determined on a per equivalent dwelling unit (EDU) basis and is designed to recover a portion of the District's fixed costs of operating and maintaining the wastewater system. The wastewater volumetric rate is based on a customer's estimated monthly wastewater discharge and is designed to recover a portion of the District's fixed costs and

its variable costs of providing wastewater services. The method for estimating customers' wastewater discharge is proposed to be revised under the new wastewater rate structure from a percentage of the billed monthly water usage.

Under the current wastewater rate structure, a different rate for the volumetric rate is imposed on commercial customers than is imposed on residential customers. Under the proposed rate structure, the same wastewater volumetric rate will be applicable to all customers. The current wastewater rate structure also imposes a fixed monthly infrastructure repair and replacement charge to fund wastewater infrastructure projects. This charge is proposed to be eliminated from the District's wastewater rate structure. As proposed under the new rate structure, the costs of repairing and replacing wastewater infrastructure will be recovered from the District's monthly wastewater base charge. The proposed water and wastewater rate adjustments are identified in the tables below.

CURRENT RESIDENTIAL, COMMERCIAL, AND IRRIGATION CUSTOMERS' MONTHLY WATER BASE CHARGE RATES (\$/METER SIZE)			
Meter Size	Residential and Commercial	Monthly Infrastructure Repair and Replacement Charge	Irrigation
5/8" X 3/4"	\$31.42	\$1.88/EDU	\$13.13
1"	\$70.77	\$1.88/EDU	\$32.78
1 1/2"	\$136.29	\$1.88/EDU	\$65.54
2"	\$214.95	\$1.88/EDU	\$104.87
3"	\$463.97	\$1.88/EDU	-

PROPOSED RESIDENTIAL, COMMERCIAL, AND IRRIGATION CUSTOMERS' MONTHLY WATER BASE CHARGE RATES (\$/METER SIZE)					
Meter Size	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
5/8" x 3/4"	\$34.19	\$35.22	\$36.28	\$37.36	\$38.49
1"	\$79.01	\$81.38	\$83.82	\$86.33	\$88.93
1 1/2"	\$153.70	\$158.31	\$163.06	\$167.95	\$172.99
2"	\$243.33	\$250.63	\$258.15	\$265.89	\$273.87
3"	\$482.34	\$496.81	\$511.72	\$527.07	\$542.88

CURRENT AND PROPOSED PRIVATE FIRE SERVICE WATER METER BASE CHARGE (\$/METER SIZE)						
Meter Size	Current	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
1" and smaller	\$15.75	\$3.20	\$3.30	\$3.40	\$3.50	\$3.60
1 1/2"	\$26.21	\$5.40	\$5.56	\$5.73	\$5.90	\$6.07
2"	\$43.58	\$9.18	\$9.46	\$9.74	\$10.03	\$10.34
3"	\$60.95	\$22.77	\$23.45	\$24.16	\$24.88	\$25.63
4"	\$78.32	\$46.20	\$47.59	\$49.02	\$50.49	\$52.00
6"	\$95.65	\$130.30	\$134.21	\$138.24	\$142.39	\$146.66
8"	\$113.02	\$275.36	\$283.62	\$292.13	\$300.89	\$309.92

CURRENT AND PROPOSED WATER VOLUMETRIC RATES (\$/CF)*					
Current Inside the District	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
\$0.0469	\$0.0483	\$0.0498	\$0.0513	\$0.0528	\$0.0544
Current Outside the District**					
\$0.0519	\$0.0483	\$0.0498	\$0.0513	\$0.0528	\$0.0544

*One cubic foot (CF) = 7.48 gallons.

CURRENT RESIDENTIAL AND COMMERCIAL WASTEWATER RATES AND CHARGES			
Customer Class	Monthly Base Charge	Wastewater Volumetric Rate	Monthly Infrastructure Repair and Replacement Charge
Residential	\$44.49	15% of Monthly billed Water Consumption Charge	\$5.25/EDU
Commercial	\$44.49	1/3 of Monthly billed Water Consumption Charge	\$5.25/EDU

PROPOSED RESIDENTIAL AND COMMERCIAL WASTEWATER RATES AND CHARGES					
	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023
Monthly Base Charge (\$/EDU)*	\$50.98	\$52.51	\$54.08	\$55.71	\$57.38
Wastewater Volumetric Rate (\$/CF)**	\$0.0099	\$0.0102	\$0.0105	\$0.0109	\$0.0112

*One EDU is the flow associated with a typical single family dwelling. The District can reassess EDUs for each customer to properly estimate sewer flow. **Sewer use (CF) = Water use (CF) x 90%.

The District purchases wholesale water from Crestline-Lake Arrowhead Water Agency (CLAWA) and Arrowbear Park County Water District (APCWD). These costs are recovered through the proposed water volumetric rate. In developing its rates, the District included projected increases in these wholesale water costs as part of its long-range financial plan. To ensure that there are sufficient revenues to provide water services to our customers, the District is also proposing to annually pass through to our customers: (1) any increases in the rates for wholesale water and any other charges that either CLAWA or APCWD imposes on the District that are greater than those projected in the District's long-range financial plan (each a "Pass Through Adjustment"). A Pass Through Adjustment will only impact the rates of the water volumetric rate set forth in the tables above. If approved by the Board of Directors, the District may implement a Pass Through Adjustment for either CLAWA or APCWD rate increases for a five-year period commencing July 1, 2019, and at any time through and including June 30, 2024. Provided, however, that: (1) any increase in the water volumetric rate described above as a result of any Pass Through Adjustment for either a CLAWA rate increase or a APCWD increase shall not exceed 8% per year; and (2) in no event shall the rates be increased as a result of a Pass Through Adjustment by more than the cost of providing water service. Prior to implementing any Pass Through Adjustment, the District will provide written notice to customers not less than 30 days prior to their effective date.

WHAT THIS MEANS TO OUR AVERAGE CUSTOMERS WATER & WASTEWATER BILL

If approved, after July 1, 2019, for an average District customer who uses 500 cubic feet (3,740 gallons) of water per month, the monthly impacts would be as follows:

CURRENT RATES & CHARGES (7/1/2018-6/30/2019)		PROPOSED RATES & CHARGES (7/1/2019-6/30/2020)	
Water Rates			
Monthly Water Base Charge	\$31.42	Monthly Water Base Charge	\$34.19
Monthly Water Volumetric Rate	\$23.45	Monthly Water Volumetric Rate	\$24.15
Infrastructure Repair/Replacement Charge	\$1.88		
Total Monthly Water Charges:	\$56.75	Total Monthly Water Charges:	\$58.34
Wastewater Rates			
Monthly Wastewater Base Charge	\$44.49	Monthly Wastewater Base Charge	\$50.98
Monthly Wastewater Volumetric Rate	\$3.52	Monthly Wastewater Volumetric Rate	\$4.46
Infrastructure Repair/Replacement Charge	\$5.25		
Total Monthly Wastewater Charges:	\$53.26	Total Monthly Wastewater Charges:	\$55.44
Total Monthly Water & Wastewater Charges			
Total Current Water & Wastewater Charges:	\$110.01	Total Proposed Water & Wastewater Charges:	\$113.78
			Total Proposed Monthly Adjustment:
			\$3.77

As you can see from the information in the table above, for an average use customer with a 3/4-inch water meter, **the proposed rate and fee adjustments for the fiscal year ending 2020 would result in a \$3.77 per month increase in the total bill for water and wastewater services.** The proposed rates and charges being considered for the fiscal years ending 2020-2024 are as indicated in the tables on Pages 2 and 3.

PUBLIC HEARING

A public hearing to consider the proposed water and wastewater rates and charges will be held at a regular meeting of the Running Springs Water District Board of Directors on June 19, 2019 at 6:00 p.m. at the District office, 31242 Hilltop Blvd., Running Springs, CA, 92382. At the hearing, the RSWD Board of Directors will consider adoption of a resolution that adjusts the water and wastewater rates and charges as set forth in this notice. Any record owner of a parcel upon which the rates and charges are proposed for imposition, or any tenant directly responsible for the payment of water and/or wastewater service charges (i.e., a customer of record), may submit a written protest to the proposed rate adjustments; provided, however, only one protest will be counted per identified parcel. A valid protest must: (1) be in writing; (2) identify the specific rate increase or increases for which the protest is being submitted; (3) provide the location of the identified parcel (by service address or assessor's parcel number) sufficient to identify the property where service is provided; and (4) provide the name and signature of the property owner of record as shown on the last equalized assessment roll used by the County of San Bernardino for assessing taxes, or the name and signature accompanied by written evidence that the signer is the owner if he or she is not identified as the owner of record on the last tax roll, or the name and signature of the tenant responsible for paying the water and/or wastewater bills for service. All valid written protests must be received by the District prior to close of the June 19, 2019 public hearing, which will occur when all public testimony on the proposed rates has been concluded. Any protest submitted by email or other electronic means will not be counted as a valid written protest. Written protests may be mailed, or personally delivered to:

Running Springs Water District
P.O. Box 2206, 31242 Hilltop Blvd.
Running Springs, CA 92382

Written protests may also be delivered at the public hearing. Please identify on the front of the envelope for any protest, whether mailed or submitted in person, that the enclosed letter is for the Public Hearing on Proposed Rate Increases.

The Board of Directors will consider all valid written protests timely submitted and hear and consider all public comments made at the public hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. At the conclusion of the public hearing, the Board of Directors will determine whether to adopt the proposed rate increases and Pass Through Adjustments described in this notice. If, after the close of the public hearing, written protests against the proposed rate increases and Pass Through Adjustments as outlined above are not presented by a majority of the record owners and customers of record of the identified parcels upon which they are proposed to be imposed, the Board of Directors will be authorized to impose the rate adjustments and Pass Through Adjustments.

A WORD ABOUT YOUR WATER BILL

Please note that in the RSWD rate structure an important impact on your bill is the amount of water you use each day. As our customer, you may lower your bill by reducing the amount of water that you use. District staff is available to talk with you about your specific water conservation needs. Please feel free to contact us at (909) 867-2766 about your conservation needs or any questions you may have regarding the proposed rates.

NOTE: This notice was mailed using information contained on the last equalized assessment roll obtained from the County of San Bernardino. You may receive more than one copy if you own multiple properties or own property under more than one name. While District policy holds property owners responsible for payment of the Districts bills for water and/or wastewater, if the property in question is occupied by a tenant that you hold directly responsible for payment of the District's bills for water and/or wastewater service, please forward this notice to that tenant.

RESOLUTION 10-19

RESOLUTION OF THE BOARD OF DIRECTORS OF RUNNING SPRINGS WATER DISTRICT ESTABLISHING WATER AND WASTEWATER RATES, FEES AND CHARGES FOR DISTRICT SERVICES, RECEIVING AND FILING THE 2019 RATE STUDY FINAL REPORT AND ADOPTING THE FISCAL YEAR 2019/2020 AND 2020/2021 DISTRICT BUDGET

WHEREAS, Ordinance No. 49 of the Running Springs Water District (“District”) provides that fees and charges for water service will be established by resolution of the District’s Board of Directors; and

WHEREAS, it is in the best interest of this District and the public for whom services are provided to have these and other fees and charges set forth in written resolution; and

WHEREAS, consistent with the requirements of Article XIID, Section 6 of the California Constitution, on June 19, 2019, this Board of Directors conducted a public hearing to consider an adjustment in certain water and wastewater rates, fees and charges; and

WHEREAS, the water service charges are proposed to comprise a monthly base charge, uniform for all customer classes and derived based on the size of the meter serving the property; a water consumption charge, determined based on the amount of water serving the property and measured in dollars per cubic foot (i.e. 7.48 gallons); and, a fire service water meter monthly base charge, determined based on the fire service meter serving the property, and applicable to those properties with a private fire service meter, and the District is further proposing to eliminate separate base charges for landscape irrigation customers and for extra-territorial customers; and

WHEREAS, the wastewater service charges are comprised of two components – a fixed monthly sewer base charge, determined on a per equivalent dwelling unit (“EDU”) basis and designed to recover a portion of the District’s fixed costs of operating and maintaining the wastewater system; and, a sewer usage charge, determined based on a customer’s estimated monthly wastewater discharge using water usage data; and

WHEREAS, the revenues derived from the proposed Property Related Fees are designed to generate only sufficient revenue to cover the costs of operating the respective utility system, and are allocated proportionately to each parcel served by the District. Revenues will only be used for the purposes for which the Property Related Fees are imposed, and are for services that are actually used or immediately available to parcels subject to the Property Related Fees; and

WHEREAS, following the June 19, 2019 public hearing on proposed adjustments to the District’s water and wastewater rates, fees and charges (collectively

ATTACHMENT 2

referred to herein as the “Property Related Fees”), the Board has determined that the written protests filed in opposition to the proposed increases were far below the level that would prevent the Board from taking action on the proposed increases; and

WHEREAS, consistent with Government Code section 66016 the District also conducted a public meeting on June 19, 2019 to consider an increase in water and wastewater connection fees and capacity charges (collectively referred to herein as the “Connection and Capacity Fees”); and

WHEREAS, pursuant to Government Code section 66013 and article XIII C, section 1(e)(2) of the California Constitution, the Wastewater Connection and Capacity Fees do not exceed the reasonable estimated costs of providing the services for which they are imposed; and

WHEREAS, following the public meeting on proposed increases in water and Wastewater Connection and Capacity Fees, the Board has determined that those proposed increases should also take effect; and

WHEREAS, the 2019 Water and Wastewater Rate Study and Capacity Fee Final Reports prepared by Raftelis are being received and filed, copies of which are attached and incorporated herein by reference and have been available for inspection for at least 10 days prior to this meeting; and

WHEREAS, consistent with Government Code section 66018, the District also conducted a public hearing on June 19, 2019, to consider an increase to certain miscellaneous fees of the District (referred to herein as the “Miscellaneous Fees”); and

WHEREAS, consistent with article XIII C, section 1(e) of the California Constitution, the increased Miscellaneous Fees do not exceed the reasonable costs of the services or products provided, the regulatory activities for which they are imposed, or are imposed as penalties for a violation of District or State law; and

WHEREAS, following the public hearing on proposed increases to the Miscellaneous Fees, the Board has determined that those proposed increases should also take effect; and

WHEREAS, the proposed water and wastewater rates, fees and charges have been incorporated into the District’s fiscal year 2019/2020 and 2020/2021 budget, a copy of which is attached and incorporated herein by reference;

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

1. Rates for Water Service Within District

ATTACHMENT 2

- (a) Minimum water service charge for connected meters within the District shall vary according to the size of the meter, and shall be billed monthly, as follows:

Residential, Commercial, and Irrigation Customers' Monthly Water Base Charge Rates (\$/meter size)					
Meter Size	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
5/8" x 3/4"	\$34.19	\$35.22	\$36.28	\$37.36	\$38.49
1"	\$79.01	\$81.38	\$83.82	\$86.33	\$88.93
1 1/2"	\$153.70	\$158.31	\$163.06	\$167.95	\$172.99
2"	\$243.33	\$250.63	\$258.15	\$265.89	\$273.87
3"	\$482.34	\$496.81	\$511.72	\$527.07	\$542.88

The calculation for the fixed monthly water service charge per meter size is based on multiples of the manufacturer's recommended normal flow rate in gallons per minute per meter using a 5/8" x 3/4" meter as the base.

Said fixed monthly water service charge shall commence when the meter is installed and shall continue even though a meter may be locked, because the fixed monthly water service charge collects revenues to pay for costs incurred by the District for the provision of water service, such as meter inspection and infrastructure upkeep, which costs are incurred regardless of whether a property is taking water. The fixed monthly water service charge stops only when the meter has been deactivated or disconnected.

- (b) All water consumption recorded by each water meter will result in an additional consumption charge per cubic foot for such water at the volumetric rates listed in the following table, which shall be added to the fixed monthly water service charge for the size of meter indicated above. One (1) cubic foot (CF) equals 7.48 gallons.

Water Volumetric Rates (\$/CF)				
7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
\$0.0483	\$0.0498	\$0.0513	\$0.0528	\$0.0544

The District purchases wholesale water from Crestline-Lake Arrowhead Water Agency (CLAWA) and Arrowbear Park County Water District (APCWD). These costs are recovered through the proposed water volumetric rate. In developing its rates, the District included projected increases in these wholesale water costs as part of its long-range financial plan. To ensure that there are sufficient revenues to provide water services to our customers, the District is also proposing to annually pass through to our customers: (1) any increases in the rates for wholesale water and any other charges that either CLAWA or APCWD imposes on the District that are greater than those projected in the District's long-range financial plan (each a "Pass Through Adjustment"). A Pass Through Adjustment will only impact the rates of the water volumetric rate set forth in the tables above. If approved by the Board of Directors, the District may implement a Pass Through

ATTACHMENT 2

Adjustment for either CLAWA or APCWD rate increases for a five-year period commencing July 1, 2019, and at any time through and including June 30, 2024. Provided, however, that: (1) any increase in the water volumetric rate described above as a result of any Pass Through Adjustment for either a CLAWA rate increase or a APCWD increase shall not exceed 8% per year; and (2) in no event shall the rates be increased as a result of a Pass Through Adjustment by more than the cost of providing water service. Prior to implementing any Pass Through Adjustment, the District will provide written notice to customers not less than 30 days prior to their effective date.

2. Meter Installation and Connection Fee

- (a) The District’s fee for water meter installation shall be as follows:

<u>Size of Meter</u>	<u>Installation Fee</u>
5/8" x 3/4"	\$1,091
1"	\$1,310
1½" or larger	\$724 plus actual cost of meter, installation, plus 10%

* There is an additional charge of \$4,452 per equivalent dwelling unit (EDU) for the Water Facilities Capacity Charge. Refer to Section 3.

- (b) Fees shall be paid to the District prior to installation. If the amount of the fee is based upon the cost of the meter and installation plus 10 percent, the General Manager will estimate the fee in advance of installation, and the amount thereof will be deposited with the District. Following installation, the customer shall pay such additional amounts, or the District shall refund such amounts, as may be necessary to reflect the actual fee.
- (c) When a request is made to upgrade the size of a meter, the charge shall be the difference between the current installation fees of the meters, provided that the new installation does not require the cutting of the street. If street cutting is required, then the customer will be charged for that cost in addition to the difference in installation fees.
- (d) Connection to the District’s water system must occur within one year after payment of the water meter installation fee. If connection to the District’s water system does not occur within one year after payment of the water meter installation fee, the fee shall be returned to the customer, less a \$50 administration fee and any plan check fees which the District shall retain. If the fee is returned, the customer thereafter may reapply for water service upon payment of the meter installation fee in effect at the time of

reapplication.

- (e) The fee for disconnecting or deactivating and reconnecting or reactivating a water meter account for each EDU or portion thereof, shall be the sum of \$200.

3. Water Facilities Capacity Charge

The Water Facilities Capacity Charge for connecting to the District’s water distribution system shall be \$4,452 for each EDU or portion thereof, based on the Equivalent Fixture Unit calculation from the Water Supply Fixture Unit table in the Uniform Plumbing Code in effect at the time of connection. Each 20 Fixture Units shall equal one (1) EDU, except however, that each single-family residence shall be calculated as one (1) EDU. Except for single-family residences, fractional increments over 20 Fixture Units shall be charged on a pro-rated basis. The charge shall apply both inside and outside the District boundary.

Payment of the Water Facilities Capacity Charge is required for the customer to receive the Water Service Application issued by the District. The application will automatically expire one (1) year after the date of issuance.

If the connection to the District’s water system does not occur within one (1) year after issuance of the Water Service Application, the Water Facilities Capacity Charge shall be returned to the permittee, less a \$50 administration fee which the District shall retain. Thereafter, the customer may reapply for a Water Service Application upon payment of the Water Facilities Capacity Charge in effect at the time of reapplication.

4. Rates for Fire Meter Service Within District

- (a) Fixed monthly fire meter service charge for connected meters within the District shall vary according to the size of the meter, and shall be billed monthly as follows:

Private Fire Service Water Meter Base Charge (\$/meter size)					
Meter Size	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
1” and smaller	\$3.20	\$3.30	\$3.40	\$3.50	\$3.60
1 1/2”	\$5.40	\$5.56	\$5.73	\$5.90	\$6.07
2”	\$9.18	\$9.46	\$9.74	\$10.03	\$10.34
3”	\$22.77	\$23.45	\$24.16	\$24.88	\$25.63
4”	\$46.20	\$47.59	\$49.02	\$50.49	\$52.00
6”	\$130.30	\$134.21	\$138.24	\$142.39	\$146.66
8”	\$275.36	\$283.62	\$292.13	\$300.89	\$309.92

ATTACHMENT 2

(b) The District’s fee for fire meter installation shall be billed on a time and material basis. A deposit will be required for all fire meter connections. Following installation, the customer shall pay such additional amounts, or the District shall refund such amounts, as may be necessary to reflect the actual cost. Deposits shall vary according to the size of the meter and are as follows:

Fire Service Water Meter Size (inches)	Deposit Amount
1	\$2,500
1.5	\$3,000
2	\$3,500
3	\$4,000
4	\$4,500

(c) Based on availability of District staff to complete the work and site-specific construction conditions and requirements the District has the right to request the customer or dually appointed contractor to obtain required permits and install the fire service connection under direction of District appointed inspector.

5. Rates for Residential Landscape Irrigation Meter Within the District

(a) Fixed monthly residential landscape irrigation meter service charge for connected meters within the District shall vary according to the size of the meter, and shall be billed monthly as per section 1(a). Deposits shall vary according to the size of the meter and are as follows:

Deposit Rates (May be non-refundable):

Landscape Irrigation Meter Size (inches)	Deposit Amount
5/8 x3/4	\$300
1	\$400
1.5	\$600
2	\$800

Refer to Section 1(b) above for Landscape Irrigation Water Consumption Charge per cubic foot, which shall be the same as the Water Service Consumption Charge.

6. Temporary Fire Hydrant Deposit Fees and Charges

Meter Size (inches)	Installation Deposit
3/4	\$100
1	\$150

ATTACHMENT 2

1.5	\$400
2.5	\$900
Set-up Fee	\$50
Daily Rental Fee	\$2.50
Meter Relocation Fee	\$50
Water Volumetric Charge	Refer to Section 1(b)

7. Water Meter Turn Off/On, Lock/Unlock Charges

District customers who have signed the service application card shall be charged a service fee when the water meter is turned off/on by District employees. Except as provided below, this fee shall apply when the meter is turned off either as a result of a leak regardless of who reports the leak, or when requested by the customer to prevent a leak.

The fee to be charged and collected by the District when turning off/on, locking/unlocking a water meter, between the hours of 7:00 A.M. and 5:00 P.M. shall be \$50 (\$25 per trip). Any customer who requests that a meter be turned off/on or unlocked after normal working hours, from 5:00 P.M. to 7:00 P.M., or on weekends and holidays, will be charged an additional \$50. Meters will not be turned off/on or unlocked after 7:00 P.M. and before 7:00 A.M. Additional time may be required to turn off/on or unlock a meter during inclement weather such as when there is a snow berm on top of the meter box and the fee will be adjusted based on actual time spent.

If the District's Board of Directors has declared a water shortage emergency, an additional charge may be added pursuant to the District's Water Conservation Ordinance.

No charge will be made where the District employees turn the meter off as a result of a water leak that occurs in the plumbing between the District's meter and the control valve (including the valve itself) or where the customer is replacing, repairing or installing a control valve and the request is during normal working hours.

In the event that the nature of the leak or water loss is unclear, and the charge is disputed by the property owner, the General Manager or Administration Supervisor may waive these charges on a one-time basis for the property owner.

8. Customer Service Fee

A \$25 customer service fee will be charged each time a water distribution operator is sent to a residence to lock the meter and the customer calls in

ATTACHMENT 2

the payment or an extension of time for payment is granted per the request of the customer.

9. Water Meter Tamper/Vandalism Fees

In the event that the District determines its water meter, lock, valve, box, or other facilities have been tampered with or vandalized an additional \$75 tamper/vandalism fee will be charged plus any additional time and material on any repairs.

10. Delinquent Fee

Any past due account for water and sewer services will be charged a delinquent fee in the amount of \$10 or 3% of the unpaid balance, whichever is higher. The delinquent fee will be added to the customer's account balance.

11. Rates and Charges for Wastewater Service

The rates to be charged and collected by the District for wastewater service will commence with the installation of a water meter to the premises and shall be as follows:

Residential And Commercial Wastewater Rates And Charges					
	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
Monthly Base Charge (\$/EDU)*	\$50.98	\$52.51	\$54.08	\$55.71	\$57.38
Wastewater Volumetric Rate (\$/CF)**	\$0.0099	\$0.0102	\$0.0105	\$0.0109	\$0.0112

*One EDU is the flow associated with a typical single family dwelling. The District can reassess EDUs for each customer to properly estimate sewer flow. **Sewer use (CF) = Water use (CF) x 90%.

12. Sewer Facilities Capacity Charge

The base fee for connecting to the District's sewer system shall be \$5,815 for each EDU or portion thereof, based on Equivalent Fixture Unit calculation from the Drainage Fixture Unit table in the current Uniform Plumbing Code in effect at the time of connection. Each 20 Fixture Units shall equal one (1) EDU, except however, that each single-family residential lot shall be calculated as one (1) EDU. Except for single-family residences, fractional increments over 20 Fixture Units shall be charged on a pro-rated basis. The Sewer Facilities Capacity Charge shall apply both inside and outside the District boundary. The District can reassess EDUs for each customer to properly estimate sewer flow.

ATTACHMENT 2

Payment of the fee will entitle the customer to a sewer connection permit issued by the District. The permit will automatically expire one year after the date of issuance.

If the connection to the District's sewer system does not occur within one year after issuance of the sewer connection permit, the Sewer Facilities Capacity Charge shall be returned to the permittee, less a \$50 administration fee and any plan check fees, which the District shall retain. If the fee is returned, the customer thereafter may reapply for a sewer connection permit upon payment of the Sewer Facilities Capacity Charge in effect at the time of reapplication.

13. Customer Sewer Service

(a) Hot Taps

The fee for hot tapping shall be the actual cost of time and material, which consists of the regular wage schedule for straight time plus material or overtime plus material (not time chargeable to others).

(b) Plugged Laterals Dye Testing

The user/customer will be responsible for reimbursing the District for time and material if it is determined to be the customer's responsibility for blockage of the building sewer/lateral/sewer line (Refer to Ordinance #49).

14. Sewer Service Outside the District

Customers receiving sewer service outside the District boundaries will be charged for such service in accordance with this District's Policy for Sewer Service and Water Service outside the District as established by resolution of this Board of Directors.

15. Discharge of Pumped Septage Waste (Septic Tanks)

The fee shall be \$50 for each load of 1,500 gallons or less.

16. Service Charge for Pre-Treated Groundwater Discharge into the District's Sewage Collection System

Commercial and industrial users within the Running Springs Water District will be permitted to discharge pre-treated groundwater or construction water into the District's sewage collection system upon successfully completing a water "profile" test of the water to be

ATTACHMENT 2

discharged into the sewer system. The District will provide for the testing or, at its discretion, may allow the user to provide for testing acceptable to the District.

The tests shall demonstrate to the Running Springs Water District that, (a) the discharge water will not disrupt the treatment process at the wastewater treatment plant, (b) the chemical analysis of the discharge water shows all hydrocarbons and other constituents to be within the threshold limits established by the District and any regulatory agencies, (c) the discharge water is free of the gasoline additive methyl tert-butyl ether (MTBE), and (d) the pre-treated water does not violate the District's Wastewater Discharge Requirements. In the event the water quality samples do not meet the objectives stated above, the District reserves the right to cease accepting groundwater discharge immediately. Provisions shall be provided for the Running Springs Water District to set a meter to measure flows into the sewerage collection system and collect samples from time to time as the District deems necessary. All water sample tests shall be at the applicant's expense.

Applicant shall pay a monthly service charge to the Running Springs Water District based upon the following formula:

$$\begin{aligned} 80 \text{ gpcd} \times 2.6 \text{ (people per dwelling)} &= 208 \text{ gals per day } ^{(1)} \\ 208 \times 30.4 \text{ days} &= 6,323 \text{ gals per month} \\ \text{Current monthly sewer base charge divided by } 6,323 &= \$ \text{ per gallon} \end{aligned}$$

However, since the discharge groundwater will be pre-treated to meet the above requirements, the Biological Oxygen Demand (BOD) and Suspended Solids (SS) at the treatment plant will be nil. Based upon loadings of one-third (1/3) for flow, one-third (1/3) for BOD, and one-third (1/3) for SS ⁽²⁾ it can be determined that only the loading for flow will apply or one-third (1/3) the cost of the currently monthly sewer service charge, therefore,

$$\begin{aligned} \$ \text{ per gallon (from above)} \div 3 &= \$ \text{ per gallon} \\ \text{or} \\ \text{Service Charge } \$ \text{ per gallon} \times 7.48 &= \$ \text{ per cubic foot} \end{aligned}$$

⁽¹⁾ As set forth in the District's design criteria

⁽²⁾ Formula accepted by E.P.A. and State of California for an Equivalent Service Unit (ESU)

17. Conceptual Development Fee

- (a) An hourly rate of \$120 per hour (District expense) will be charged for the research required for investigating feasibility of new developments and other related issues.

(b) The General Manager may deem that the complexity of the conceptual development requires a feasibility study under Section 13.2 of Ordinance No. 49. An initial feasibility study deposit of \$1,500 will be required and the final fee will be based on actual time spent.

18. Plan Checks

- (a) Plan review for issuance of water and sewer letters - \$50
- (b) Plan review with fire flow and construction requirements - \$75
- (c) Sprinkler, alarm, standpipe, extinguishing, or special system review - \$75 plus consultant fee if required
- (d) Additional commercial inspections after the initial inspection and one follow up - \$65
- (e) Technical consultation - \$40 per hour for Department time or actual consultant fee for outside assistance

19. Photocopying Service

- (a) The charge for personal document photocopying for both standard size and legal size copies is \$0.15 cents per sheet.
- (b) The charge for photocopying District documents on the premises by District staff is \$0.15 cents per sheet, plus personnel and overhead costs as determined by the General Manager.
- (c) With the General Manager's approval the District will allow up to 100 copies at no charge for an outside governmental agency in the event of necessity.
- (d) Charges for maps or other large documents that cannot be photocopied on the District's duplicating machine and must be professionally copied will be for direct cost plus District overhead costs.
- (e) The District carries extra copies of more frequently requested material. The charge for these copies is as follows:

<u>Description</u>	<u>Charge</u>
District Boundary Map	As determined by General Manager
District Sphere of Influence Map	\$2.00 each
District Standards/Specifications	\$25.00 each

20. Equipment Fees Chargeable to Others

Air Compressor	\$30/hr.	Backhoe	\$100/hr.
Gas Driven Pump	\$15/hr.	Leak Locator	\$15/hr.
Demolition Saw	\$10/hr.	Pipeline Locator	\$15/hr.
Sewer Jetter	\$50/hr.	Plate Compactor	\$15/hr.
Generator/Welder	\$20/hr.	Road Plate	\$25/Day

21. Returned Checks

The administrative fee for processing checks returned for insufficient funds or for other reasons shall be \$30.

22. Filing of Lien

Upon discontinuance of water service for failure to pay delinquent rates, charges or fees, the District may immediately record a statement of lien with the county recorder of any county in which the customer responsible for paying the delinquency is known or suspected to own real property. The fee for filing of a lien shall be \$50.

23. Delinquent Water/Sewer Bills Collection Fee

When an account has been determined to be delinquent it may be sent to a collection agency and a one-time collection fee of \$40 added to the account.

24. Repeal

This Resolution supersedes and replaces Resolution No. 13-14, which is hereby rescinded. All other resolutions or motions inconsistent herewith, are repealed.

25. Recovery of Costs for Small Claims Court

All costs associated, as approved in statute, with the recovery of small claims court costs for customer delinquent fees.

26. Continuation of Rates after the Fiscal Year Ending in 2024

After the end of the fiscal year ending in 2024, the rates set forth in this Resolution for the fiscal year ending in 2024 shall continue at the same rates in subsequent fiscal years unless hereafter revised by this Board of Directors in the manner provided by law.

ATTACHMENT 2

27. Adoption of Fiscal Year 2019/2020 and 2020/2021 District Budget

The District budget for Fiscal Year 2019/2020 and 2020/2021 is hereby adopted, as presented to this Board of Directors, but may be hereafter amended by simple motion of the Board. A copy thereof shall be retained by the District and available for review upon request.

ADOPTED this 19th day of June 2019

Ayes:

Noes:

Abstentions:

Absent:

President, Board of Directors
Running Springs Water District

ATTEST:

Secretary, Board of Directors
Running Springs Water District

Attachment 3

Written Protests (Provided under separate cover)

Running Springs Water District Running Springs Fire Department



Final Budget Fiscal Year 2019/2020 and 2020/2021 June 19, 2019

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Elected District Officials and Staff

Board of Directors

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

General Manager

Ryan Gross

Secretary to the Board of Directors, Treasurer

Joan C. Eaton

Management Team

Randy Bobroff, Water Operations Manager
George Corley, Fire Chief
Joan C. Eaton, Administration Division Supervisor
Trevor Miller, Wastewater Operations Manager
Mike Vasquez, Fire Battalion Chief

**Running Springs Water District
Fiscal Years 2019/2020 and 2020/2021 Budget**

Executive Summary

Mission and Vision

The mission of the Running Springs Water District (RSWD or District) is to provide water, fire, emergency medical service, sewer, and other beneficial services to the community: The goal of the District shall be to do so with the highest level of integrity and ethical principles and in the most efficient and cost effective manner possible.

The vision of the District is to acquire and sustain the resources necessary to provide for the current and projected service needs of the Running Springs community in the following areas:

- Water Service: The Water Division will provide excellent water quality that consistently meets or exceeds regulatory and customer requirements and water quantity that recognizes the limited availability of supply in our area yet satisfies the essential needs of our customers.
- Fire and Emergency Medical Service: The Running Springs Fire Department will be an exemplary organization dedicated to community service and acclaimed for our hometown attentiveness as we provide fire protection and life safety services whenever called to duty.
- Wastewater Collection and Treatment Service: The Wastewater Division will provide extraordinary wastewater collection service for the Running Springs area and wastewater transmission and treatment service for the Running Springs, Arrowbear, and Green Valley Lake areas that protects the environment, complies with regulatory requirements, satisfies the needs of our customers, and provides beneficial uses for our reclaimed water.
- Administration Service: The Administration Division will provide exceptional customer service to the community and support services to all District divisions in a manner that demonstrates professionalism, utilizing advanced levels of technology.

All services will be provided in a manner that makes use of community outreach, sound management principles, responsible financial practices, and appropriate levels of technology. The Board will provide sound governance and strive to attract and retain a highly qualified, productive workforce and maintain a workplace environment where excellence is valued and where creativity, teamwork, and open communication between divisions is actively encouraged.

The District has prepared this fiscal year 2019/2020 and 2020/2021 budget with the District's mission and vision in mind and the staff and Board of Directors at the District are committed to ensuring the ongoing reliability of the extensive infrastructure that provides a foundation for the community of Running Springs. This budget continues the District's focus on operational efficiency, public health and safety, environmental stewardship and fiscal responsibility.

Budget Process & Schedule

The District Board of Directors adopts an annual budget each year and this will be the first time a two year budget is proposed. The Finance Committee and Board of Directors have reviewed the draft fiscal year 2019/2020 and 2020/2021 Division Budgets as follows:

March 20, 2019	Budget Planning & Assumptions
February 20 – April 2	Prepare Draft Budgets for fiscal year 2019-20 and 2020-21
April 10, 2019	Finance Committee Draft Budget Review
April 17, 2019	Board of Directors Draft Budget Review
April 30, 2019	Mail Prop 218 Notices
June 19, 2019	Prop 218 Public Hearing and Adoption of Two Year Budget

District Profile

The Running Springs Water 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. In 1983, ambulance service was established.

Government Activities

The District's Government Activities include fire protection services for the community of Running Springs.

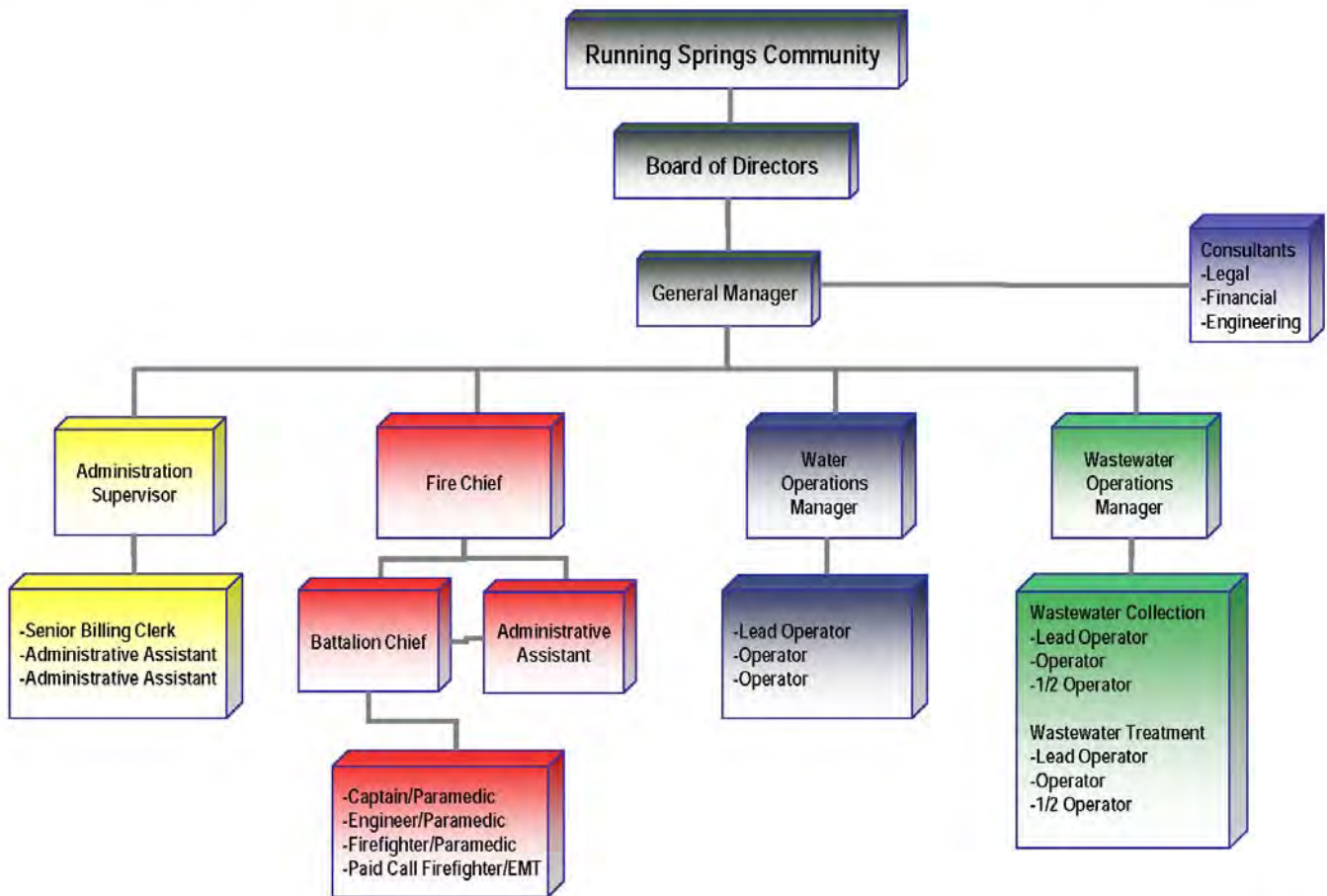
Business-Type Activities

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

Staffing & Organizational Chart

The following figure shows the current organization of the District.

Running Springs Water District Organizational Chart



3/8/2019

Financial Policies

In 2010 the District prepared a Financial Master Plan (FMP) and Water and Wastewater Master Plan. These documents provided a basis for the strategic direction of the District but the recent economic downturn forced the District to deviate from some of the elements in these plans. In fiscal year 2018-2019 the District conducted a comprehensive rate study and prepared a Water and Wastewater Financial Plan, Rates and Capacity Fees and a Fire and Ambulance Financial Plan.

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.

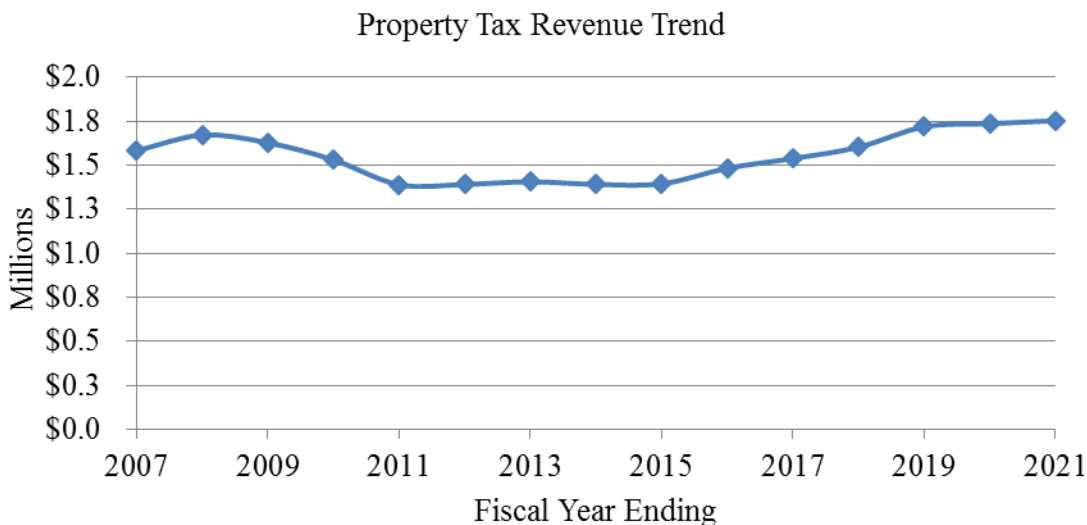
Revenue

The 2019/2020 budget includes total revenue of \$7.85 million, which is an increase of 6.7% as compared to the 2018/2019 budget. The 2020/2021 budget includes total revenue of \$8 million, which is an increase of 2.2% as compared to the 2019/2020 budget.

Total Revenue Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Water	\$ 2,165,672	\$ 2,220,206	2.5%	\$ 2,283,711	2.9%
Collections	\$ 1,113,579	\$ 1,043,632	-6.3%	\$ 1,078,372	3.3%
Treatment	\$ 1,230,658	\$ 1,468,409	19.3%	\$ 1,510,736	2.9%
Ambulance	\$ 859,000	\$ 891,614	3.8%	\$ 903,214	1.3%
Fire	\$ 1,992,000	\$ 2,231,680	12.0%	\$ 2,249,607	0.8%
District Total	\$ 7,360,910	\$ 7,855,541	6.7%	\$ 8,025,640	2.2%

The District's Government Activities which includes the Fire Department are funded by a combination of property taxes and a special tax (Fire Availability Fee) that was established in 1980. Ambulance services are funded by a combination of property taxes and ambulance fees and charges. For fiscal year 2019/2020 and 2020/2021, all of the anticipated property tax revenue has been allocated to fund the Fire Department and Ambulance Services.

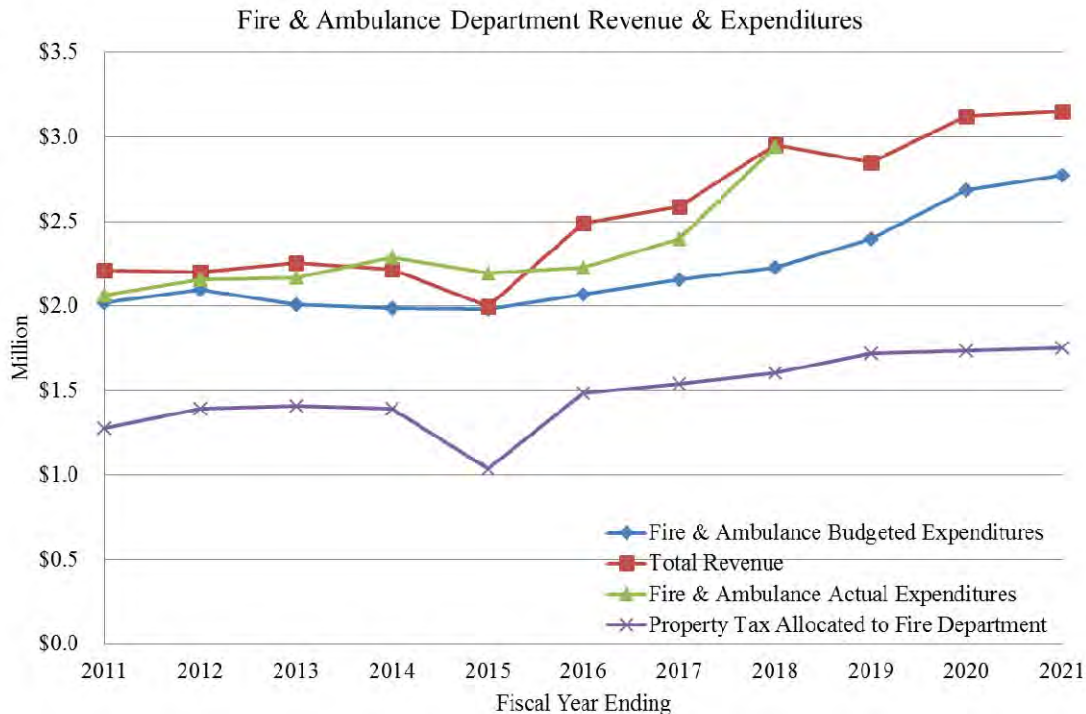
Property tax revenues are showing a slight improvement. The District anticipates property tax revenue for fiscal year 2019/2020 to increase 1% from the actual amount received in fiscal year 2018/2019. The following chart shows the historical actual property tax revenue for the District going back to 2007 and the estimated property tax revenue for the fiscal years ending 2020 and 2021.



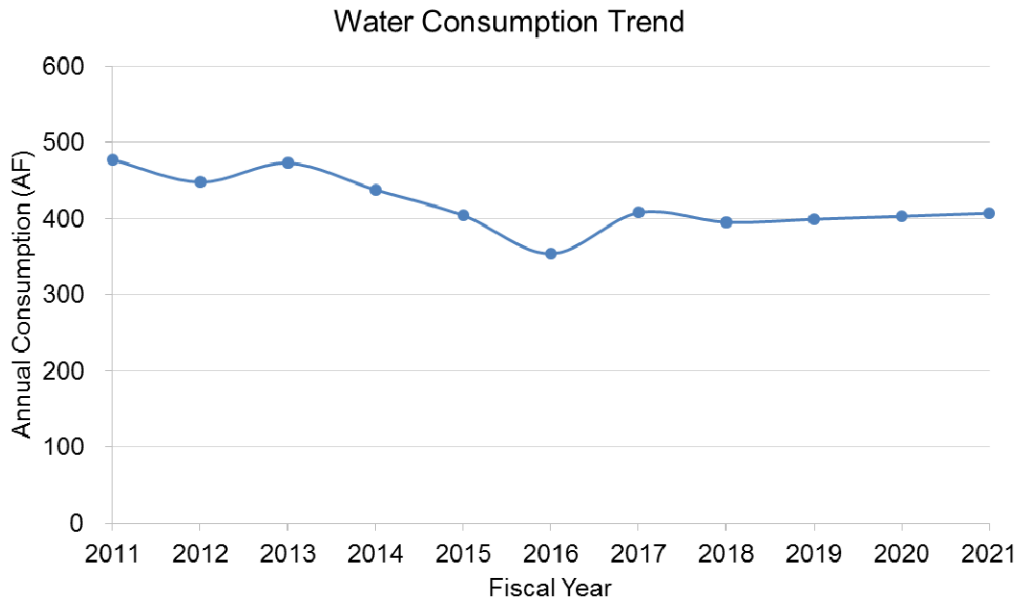
Fiscal Year Ending	Amount	% Change
2007	\$1,583,490	60%
2008	\$1,672,105	6%
2009	\$1,628,493	-3%
2010	\$1,531,039	-6%
2011	\$1,390,221	-9%
2012	\$1,391,767	0%
2013	\$1,406,699	1%
2014	\$1,392,109	-1%
2015	\$1,395,269	0.2%
2016	\$1,483,527	6.3%
2017	\$1,539,135	3.7%
2018	\$1,603,236	4.2%
2019	\$1,719,485	7.3%
2020	\$1,736,680	1.0%
2021	\$1,754,047	1.0%

FYE 2019-2021 is estimated.

The District’s Business-Type Activities or Water, Sewer and Ambulance services are funded by rates and fees with the Ambulance services being partially funded from a portion of the property tax revenue. Historically, a portion of the property tax revenue was also allocated to the water and sewer divisions, but in recent years all of property tax revenue has been allocated to the Fire Department. The Fire and Ambulance Department historical revenue and expenditures are shown graphically in the following figure.



For fiscal year 2019/2020 and 2020/2021, the District has projected water consumption to slightly increase. The following chart shows the historical water consumption for 2011-2021.



Rate & Fee Adjustments

Water rates have been adjusted to increase revenue which is needed in order to fund several deferred Capital Improvement Projects (CIP), to replace aging infrastructure and to fund cash reserves to the levels set forth in the District’s Cash Reserve Policy. Refer to Appendix A for the specific rate adjustments.

The Residential and Commercial Sewer Monthly Base Charge have also been adjusted to increase revenue which is needed in order to fund several deferred Capital Improvement Projects (CIP), to replace aging infrastructure and to fund cash reserves to the levels set forth in the District’s Cash Reserve Policy. The increase in wastewater rates is primarily due to the loss of the non-operating revenue that has been collected since 2002 from the County of San Bernardino for the disposal of leachate from the Heap’s Peak landfill. The loss of this non-operating revenue along with the need to move forward with several Capital Improvement Projects that were identified in the District’s Wastewater Master Plan, including the replacement of aging infrastructure that has been deferred is the driving force for this rate adjustment. Refer to Appendix A for the specific rate adjustments.

A copy of the Proposition 218 Notice of Public Hearing that will be mailed to all District property owners and customers notifying them of the proposed rate and fee adjustments for the fiscal years ending 2020 through 2024 is included in Appendix A. The notice contains a table that lists the specific rate and fee adjustments for the Water and Wastewater Divisions. Other miscellaneous rates and fees are included in Appendix B.

A copy of the Ambulance Fees for fiscal year 2019/2020 is also included in Appendix C.

Expenditures

The District's goal is to maintain the highest level of service at the lowest possible cost. Operating expenses are the on-going day to day costs of providing water, fire, emergency medical service, sewer and other beneficial services to the community and are funded by rates, fees and property taxes. Detailed lists of operating expenses for each division are included in the subsequent sections of this budget document.

The fiscal year 2019/2020 budget includes total expenses of \$6.85 million which reflects a 1.9% increase from the 2018/2019 budget. The fiscal year 2020/2021 budget includes total expenses of \$7 million which reflects a 2.9% increase from the 2019/2020 budget.

Expenditure Summary by Department (Including Depreciation Expense)					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Water	\$ 1,853,467	\$ 1,883,855	1.6%	\$ 1,937,471	2.8%
Collections	\$ 1,068,649	\$ 913,652	-14.5%	\$ 937,062	2.6%
Treatment	\$ 1,277,627	\$ 1,263,618	-1.1%	\$ 1,295,727	2.5%
Ambulance	\$ 631,883	\$ 669,848	6.0%	\$ 691,685	3.3%
Fire	\$ 1,890,248	\$ 2,121,760	12.2%	\$ 2,190,644	3.2%
District Total	\$ 6,721,874	\$ 6,852,733	1.9%	\$ 7,052,589	2.9%

Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 4,234,523	\$ 4,386,926	3.6%	\$ 4,536,199	3.4%
Operations & Maintenance	\$ 1,174,105	\$ 1,215,777	3.5%	\$ 1,257,190	3.4%
Administrative Services	\$ 329,021	\$ 305,680	-7.1%	\$ 314,850	3.0%
Depreciation Expense	\$ 984,224	\$ 944,350	-4.1%	\$ 944,350	0.0%
District Total	\$ 6,721,874	\$ 6,852,733	1.9%	\$ 7,052,589	2.9%

Administrative Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 697,791	\$ 763,345	9.4%	\$ 790,062	3.5%
Services and Supplies	\$ 378,156	\$ 290,680	-23.1%	\$ 300,854	3.5%
District Total	\$ 1,075,947	\$ 1,054,025	-2.0%	\$ 1,090,916	3.5%

Water Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 656,722	\$ 702,436	7.0%	\$ 727,021	3.5%
Operations & Maintenance	\$ 400,685	\$ 417,108	4.1%	\$ 431,707	3.5%
Administrative Services	\$ 530,258	\$ 481,061	-9.3%	\$ 495,493	3.0%
Depreciation Expense	\$ 265,802	\$ 283,250	6.6%	\$ 283,250	0.0%
District Total	\$ 1,853,467	\$ 1,883,855	1.6%	\$ 1,937,471	2.8%

Wastewater Collections Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 541,066	\$ 401,017	-25.9%	\$ 415,053	3.5%
Operations & Maintenance	\$ 148,147	\$ 148,712	0.4%	\$ 153,917	3.5%
Administrative Services	\$ 126,686	\$ 138,973	9.7%	\$ 143,142	3.0%
Depreciation Expense	\$ 252,749	\$ 224,950	-11.0%	\$ 224,950	0.0%
District Total	\$ 1,068,649	\$ 913,652	-14.5%	\$ 937,062	2.6%

Wastewater Treatment Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 466,900	\$ 457,554	-2.0%	\$ 473,569	3.5%
Operations & Maintenance	\$ 332,692	\$ 331,570	-0.3%	\$ 343,175	3.5%
Administrative Services	\$ 137,988	\$ 149,663	8.5%	\$ 154,153	3.0%
Depreciation Expense	\$ 340,047	\$ 324,830	-4.5%	\$ 324,830	0.0%
District Total	\$ 1,277,627	\$ 1,263,618	-1.1%	\$ 1,295,727	2.5%

Ambulance Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 440,917	\$ 454,614	3.1%	\$ 470,525	3.5%
Operations & Maintenance	\$ 81,151	\$ 90,622	11.7%	\$ 93,794	3.5%
Administrative Services	\$ 72,799	\$ 106,902	46.8%	\$ 110,110	3.0%
Depreciation Expense	\$ 37,016	\$ 17,710	-52.2%	\$ 17,710	0.0%
District Total	\$ 631,883	\$ 669,848	6.0%	\$ 692,138	3.3%

Fire Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 1,431,128	\$ 1,607,960	12.4%	\$ 1,664,239	3.5%
Operations & Maintenance	\$ 211,431	\$ 227,765	7.7%	\$ 234,598	3.0%
Administrative Services	\$ 159,081	\$ 192,424	21.0%	\$ 198,197	3.0%
Depreciation Expense	\$ 88,609	\$ 93,610	5.6%	\$ 93,610	0.0%
District Total	\$ 1,890,248	\$ 2,121,760	12.2%	\$ 2,190,644	3.2%

Direct costs are budgeted for each division based on actual costs and staff time tracked for the prior two to three year period and indirect costs are allocated based on an administrative services time study.

Personnel Expense

The fiscal year 2019/2020 and 2020/2021 budgets include 24 full-time equivalent (FTE) positions. The fiscal year 2019/2020 budget includes a total personnel expense of \$4.38 million which reflects a 3.6% increase from the 2018/2019 budget. The fiscal year 2020/2021 budget includes total personnel expense of \$4.5 million which reflects a 3.5% increase from the 2019/2020 budget. Increases in personnel expense are primarily due to increases in salaries, pension expense and health insurance.

The fiscal year 2019/2020 Budget includes a 3% Cost of Living Adjustment (COLA) for non-exempt employees and a 1.5% COLA for exempt employees. The COLA index to be used going forward will be the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) for Riverside-San Bernardino-Ontario with a future floor of 0% and maximum of 3%.

Future adjustments to the District’s contribution for employee’s health insurance and/or medical reimbursement plans will be made in January of each year.

CalPERS Pension

The District is a member of the California Public Employee Retirement System (CalPERS) which is the nation's largest public pension fund with investments of over \$355 billion in both domestic and international markets and one of the largest private equity investors in the world.

Since 1969, the District has participated in the CalPERS defined benefit plan. The District has four distinct plans within the Miscellaneous and Safety Risk Pools as follows:

- 2.7% @ 55 (16 Full Time Miscellaneous)
- 2.0% @ 62 (1 Full Time Miscellaneous PEPRAs) – all new employees who are not members of CalPERS before January 2013
- 3.0% @ 50 (6 Full Time and 4 Part Time Safety)
- 2.7% @ 57 (1 Full Time and 7 Part Time Safety PEPRAs) – all new employees who are not members of CalPERS before January 2013

2018-2019 CalPERS Pension Contribution Rates				
Plan	Employer	Employee	Total	Number of Employees
Miscellaneous - Classic	12.212%	7.952%	20.164%	16
Miscellaneous - PEPRAs	6.842%	6.250%	13.092%	1
Safety – Classic	20.556%	8.989%	29.545%	6 FT + 4 PT
Safety - PEPRAs	12.141%	12.000%	24.141%	1 FT + 7 PT

CalPERS has implemented many pension plan changes over the past few years to ensure its sustainability including the following:

- Public Employee's Pension Reform Act (PEPRA) (effective 2012-13)
- Assumption Changes in mortality rate (effective 2016-17)
- Investment/Discount Rate Changes (effective 2017-18)
- Risk Mitigation Policy (effective 2017-18, suspended until 2020-21)
- Amortization Policy (effective 2018-19)

Of the plan changes above, assumption changes, investment/discount rate changes, and the amortization policy all directly impact the District's annual pension expense.

For Fiscal Year 2019/2020 and 2020/2021 the District is budgeting an additional lump sum prepayment to the CalPERS Unfunded Accrued Liability (UAL) in order to pay down the UAL and save on interest cost. The additional lump sum UAL prepayment amounts are as follows:

Administration Division = \$15,000
 Water Division = \$15,000
 Wastewater Division = \$20,000
 Fire Department = \$100,000

Capital Improvement Plan

The District has a five year capital improvement plan that is included in each division's budget. Refer to the tables at the end of each division's budget for a specific list of the planned five year capital improvement projects. Several capital improvement projects that were recommended in the 2010 Water and Sewer Master Plans have been deferred due to lack of available funding. There are also several key water system improvement projects that continue to be deferred such as replacing aging back yard steel water mains and rehabilitating or replacing water storage tanks.

The fiscal year 2019/2020 and 2020/2021 budgets include total capital expenditures of \$1.5 million and \$0.68 million respectively. The projects are funded by the Capital Improvement Plan Reserve Funds.

Capital Improvement Plan Summary		
	2019-20 Budget	2020-21 Budget
Water	\$ 436,250	\$ 172,000
Collections	\$ 211,000	\$ 183,000
Treatment	\$ 368,500	\$ 198,400
Ambulance	\$ 270,000	\$ 35,000
Fire	\$ 168,341	\$ 96,000
District Total	\$ 1,454,091	\$ 684,400

Debt

The District has three debt issuances from 2015, 2016 and 2018 have been included in this budget. One is an installment sale agreement with the State Water Resources Control Board (SWRCB) Clean Water State Revolving Fund (CWSRF) Program for the Sewer Lift Station Nos. 1-3 Improvements in the amount of \$2,800,000 on a 20 year term at a 1.9% interest rate. The second is an installment sale agreement with the Municipal Finance Corporation for a \$550,000 loan to help fund the construction of the Ayers Acres Groundwater Well Backbone Infrastructure Project with a 10 year term at a 3.4% interest rate. The third is a CWSRF Green Project Reserve Financing with 50% principal forgiveness for the District's Automatic Meter Reading (AMR) Technology Upgrade Project. This is an \$800,000 loan with a 20 year term at an interest rate of 1.8% and \$400,000 of the principal will be forgiven.

These three debt service issuances will help to spread the costs of this major capital outlay over the life of the projects and not burden the existing rate payers all at once. This is done mainly because these facilities provide services over many years, their large dollar costs can be difficult to pay for all at once and different generations of rate payers benefit from the facilities.

The District also has a bond issuance in its Assessment District No. 10 which is a water only service area in the southeastern part of the District also known as Rimwood Ranch and has a principal and interest balance of approximately \$350,000 in limited obligation improvement bonds outstanding with the final payment due in 2023.

Conclusion

The fiscal year 2019/2020 and 2020/2021 budget as developed by District staff is balanced and funds the District's costs to maintain services and its capital improvement plan. The budget is consistent with the Board's policy direction and continues to support the District's mission to provide water, fire, emergency medical service, sewer, and other beneficial services to the community with the highest level of integrity and ethical principles and in the most efficient and cost effective manner possible.

Financial Summary

The following financial summary section includes a Combined Statement of Revenues, Expenses and Changes in Net Position for Fiscal Year 2019-20 and 2020-21 for each fund.

A Comparative Statement of Revenues, Expenses and Change in Net Position is also included for each fund that shows the Fiscal Year 2016-17 and 2017-18 actuals compared to the Fiscal Year 2018-19, 2019-20 and 2020-21 Budgets.

Five-year operating and cash flow projections are also included for water and wastewater and a ten-year operating and cash flow projection is included for Fire and Ambulance.

Fiscal Year 2019-20 Budget

Combined Statements of Revenues, Expenses and Changes in Net Position

	Admin	Water	Sewer Collection	Sewer Treatment	Ambulance	Fire	Total
<u>OPERATING REVENUES</u>							
Service Charges		1,272,197	1,059,894	793,739	\$575,000	-	3,700,829
Usage Charges		813,782	-	139,660	-	-	953,441
Property Tax		-	-	-	-	1,736,680	1,736,680
Arrowbear & CSA 79 Charges		-	-	365,574	-	-	365,574
GEMT, IGT & Other Reimbursements		-	-	-	307,614	240,000	547,614
Other Revenues		37,000	7,224	5,383	4,000	22,000	75,607
Total Operating Revenues	-	2,122,978	1,067,118	1,304,355	886,614	1,998,680	7,379,745
<u>OPERATING EXPENSES</u>							
Salaries and Benefits	763,345	702,436	401,017	457,554	454,614	1,607,960	4,386,926
Operations & Maintenance	290,680	417,108	148,712	331,570	90,622	227,765	1,506,457
Administrative Services	(1,069,025)	481,061	138,973	149,663	106,902	192,424	-
Depreciation Expense		283,250	224,950	324,830	17,710	93,610	944,350
Total Operating Expenses	(15,000)	1,883,855	913,652	1,263,618	669,848	2,121,760	6,837,733
NET OPERATING INCOME	15,000	239,123	153,466	40,738	216,766	(123,080)	542,013
<u>NON-OPERATING REVENUES</u>							
Availability Charges		42,000	8,033	5,987	-	205,000	261,020
Connection & Capacity Charges		16,146	6,470	4,822	-	-	27,438
Investment Income		18,000	10,443	7,783	5,000	28,000	69,226
Miscellaneous Income		25,000	862	642	-	-	26,504
Arrowbear & CSA 79 CIP		-	-	144,821	-	-	144,821
Leasing Revenue		11,204	-	-	-	-	11,204
Interest on Long-term Debt		(15,122)	(49,294)	-	-	-	(64,416)
Total Non-operating Revenue	-	97,228	(23,485)	164,053	5,000	233,000	475,796
NET INCOME (LOSS)	15,000	336,351	129,981	204,791	221,766	109,920	1,017,809
<u>TOTAL REVENUES</u>							
	-	2,220,206	1,043,632	1,468,409	891,614	2,231,680	7,855,541
<u>TOTAL EXPENSES</u>							
	(15,000)	1,883,855	913,652	1,263,618	669,848	2,121,760	6,837,733
CHANGE IN NET POSITION							
	15,000	336,351	129,981	204,791	221,766	109,920	1,017,809
<u>CASH CONSIDERATIONS</u>							
Depreciation Non-Cash Expense		283,250	224,950	324,830	17,710	93,610	944,350
Principal Loan Payments		(69,672)	(122,243)	-	-	-	(191,915)
Capital Projects & Fixed Assets	(15,000)	(436,250)	(211,000)	(368,500)	(270,000)	(168,341)	(1,469,091)
CHANGE IN CASH BALANCE	-	113,679	21,688	161,121	(30,524)	35,189	301,153

Fiscal Year 2020-21 Budget

Combined Statements of Revenues, Expenses and Changes in Net Position

	Admin	Water	Sewer Collection	Sewer Treatment	Ambulance	Fire	Total
<u>OPERATING REVENUES</u>							
Service Charges		1,310,362	1,091,691	817,551	586,500	-	3,806,104
Usage Charges		838,195	-	143,850	-	-	982,045
Property Tax		-	-	-	-	1,754,047	1,754,047
Arrowbear & CSA 79 Charges		-	-	376,541	-	-	376,541
GEMT, IGT & Other Reimbursements		-	-	-	307,614	240,000	547,614
Other Revenues		38,110	7,441	5,545	4,000	22,000	77,095
Total Operating Revenues	-	2,186,667	1,099,131	1,343,486	898,114	2,016,047	7,543,446
<u>OPERATING EXPENSES</u>							
Salaries and Benefits	790,062	727,021	415,053	473,569	470,525	1,664,239	4,540,469
Operations & Maintenance	300,854	431,707	153,917	343,175	93,340	234,598	1,557,591
Administrative Services	(1,090,916)	495,493	143,142	154,153	110,110	198,197	10,180
Depreciation Expense		283,250	224,950	324,830	17,710	93,610	944,350
Total Operating Expenses	-	1,937,471	937,062	1,295,727	691,685	2,190,644	7,052,589
NET OPERATING INCOME	-	249,196	162,070	47,759	206,429	(174,597)	490,857
<u>NON-OPERATING REVENUES</u>							
Availability Charges		42,000	8,033	5,987	-	205,000	261,020
Connection & Capacity Charges		16,630	6,664	4,966	-	-	28,261
Investment Income		18,360	10,652	7,938	5,100	28,560	70,611
Miscellaneous Income		25,000	862	642	-	-	26,504
Arrowbear & CSA 79 CIP		-	-	147,717	-	-	147,717
Leasing Revenue		11,484	-	-	-	-	11,484
Interest on Long-term Debt		(16,431)	(46,972)	-	-	-	(63,402)
Total Non-operating Revenue	-	97,044	(20,760)	167,250	5,100	233,560	482,194
NET INCOME (LOSS)	-	346,240	141,310	215,009	211,529	58,963	973,051
<u>TOTAL REVENUES</u>	-	2,283,711	1,078,372	1,510,736	903,214	2,249,607	8,025,640
<u>TOTAL EXPENSES</u>	-	1,937,471	937,062	1,295,727	691,685	2,190,644	7,052,589
CHANGE IN NET POSITION	-	346,240	141,310	215,009	211,529	58,963	973,051
<u>CASH CONSIDERATIONS</u>							
Depreciation Non-Cash Expense		283,250	224,950	324,830	17,710	93,610	944,350
Principal Loan Payments		(72,953)	(124,565)	-	-	-	(197,518)
Capital Projects & Fixed Assets		(372,000)	(183,000)	(320,000)	(35,000)	(40,341)	(950,341)
CHANGE IN CASH BALANCE	-	184,537	58,695	219,839	194,239	112,232	769,541

Fiscal Years 2019-20 and 2020-21 Budget

Comparative Statements of Revenues, Expenses and Changes in Net Position

Combined Total District

	2016-17	2017-18	2018-19	2019-20	2020-21	2019-20 vs.	2020-21 vs.
DISTRICT TOTAL	Actual	Actual	Budget	Budget	Budget	2018-19	2019-20
						Budget	Budget
<u>OPERATING REVENUES</u>							
Service Charges	3,250,399	3,356,598	3,637,587	3,700,829	3,806,104	63,242	105,275
Usage Charges	829,502	864,738	932,841	953,441	982,045	20,600	28,603
Property Tax	1,539,135	1,603,236	1,585,000	1,736,680	1,754,047	151,680	17,367
Arrowbear & CSA 79 Charges	312,529	363,264	353,622	365,574	376,541	11,952	10,967
GEMT, IGT & Other Reimbursements	194,171	689,198	410,000	547,614	547,614	137,614	-
Other Revenues	170,530	123,777	83,455	75,607	77,095	(7,848)	1,488
Total Operating Revenues	6,296,266	7,000,811	7,002,505	7,379,745	7,543,446	377,240	163,700
						5.4%	2.2%
<u>OPERATING EXPENSES</u>							
Salaries and Benefits	3,435,661	3,565,390	3,536,732	3,623,581	3,750,406	86,849	126,825
Operations & Maintenance	1,099,559	1,123,472	1,174,105	1,215,777	1,256,737	41,671	40,960
Administrative Services*	964,161	1,532,664	1,026,812	1,069,025	1,101,096	42,213	32,071
Depreciation Expense	779,459	895,799	984,224	944,350	944,350	(39,874)	-
Total Operating Expenses	6,278,840	7,117,325	6,721,874	6,852,733	7,052,589	130,859	199,856
NET OPERATING INCOME	17,426	(116,515)	280,632	527,013	490,857	246,381	(36,156)
						1.9%	2.9%
<u>NON-OPERATING REVENUES</u>							
Availability Charges	261,019	254,554	257,750	261,020	261,020	3,270	-
Connection & Capacity Charges	5,382	5,382	27,438	27,438	28,261	-	823
Investment Income	16,623	41,851	27,000	69,226	70,611	42,226	1,385
Miscellaneous Income	46,794	86,052	26,500	26,504	26,504	4	-
Arrowbear & CSA 79 CIP	94,224	39,120	73,527	144,821	147,717	71,293	2,896
Leasing Revenue	10,636	(119,410)	11,060	11,204	11,484	144	280
Interest on Long-term Debt	(21,499)	(136,085)	(64,871)	(64,416)	(63,402)	455	1,014
Total Non-operating Revenue	413,179	171,464	358,404	475,796	482,194	117,392	6,398
NET INCOME (LOSS)	430,605	54,950	639,036	1,002,809	973,051	363,773	(29,758)
<u>TOTAL REVENUES</u>							
	6,709,445	7,172,275	7,360,910	7,855,541	8,025,640	494,632	170,098
<u>TOTAL EXPENSES</u>							
	6,278,840	7,117,325	6,721,874	6,852,733	7,052,589	130,859	199,856
CHANGE IN NET POSITION**	430,605	54,950	639,036	1,002,809	973,051	363,773	(29,758)
<u>CASH CONSIDERATIONS</u>							
Depreciation Non-Cash Expense	779,459	895,799	984,224	944,350	944,350	(39,874)	-
Principal Loan Payments	(55,198)	(176,234)	(172,007)	(191,915)	(197,518)	(19,908)	(5,604)
Capital Projects & Fixed Assets	(387,719)	(314,952)	(966,500)	(1,454,091)	(950,341)	(487,591)	503,750
CHANGE IN CASH BALANCE	767,147	459,562	484,753	301,153	769,541	(183,600)	468,388

*Administrative Services were backed out and are estimated for 2016-17 and 2017-18

**Change in net position is different for fire due to inflow/outflow, compensated absences and pension liability

Fiscal Years 2019-20 and 2020-21 Budget

Comparative Statements of Revenues, Expenses and Changes in Net Position

Water Proprietary Fund

WATER PROPRIETARY FUND	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Budget	2019-20 vs. 2018-19 Budget	2020-21 vs. 2019-20 Budget
<u>OPERATING REVENUES</u>							
Service Charges	1,125,783	1,177,963	1,227,077	1,272,197	1,310,362	45,119	38,166
Usage Charges	727,487	757,676	817,936	813,782	838,195	(4,154)	24,413
Other Revenues	52,989	52,659	37,000	37,000	38,110	-	1,110
Total Operating Revenues	1,906,259	1,988,298	2,082,013	2,122,978	2,186,667	40,965	63,689
						2.0%	3.0%
<u>OPERATING EXPENSES</u>							
Salaries and Benefits	601,671	623,990	656,722	702,436	727,021	45,714	24,585
Operations & Maintenance	346,081	343,530	400,685	417,108	431,707	16,423	14,599
Administrative Services*	650,658	834,585	530,258	481,061	495,493	(49,197)	14,432
Depreciation Expense	208,942	241,771	265,802	283,250	283,250	17,448	-
Total Operating Expenses	1,807,352	2,043,876	1,853,467	1,883,855	1,937,471	30,389	53,616
NET OPERATING INCOME	98,907	(55,578)	228,547	239,123	249,196	10,576	10,073
						1.6%	2.8%
<u>NON-OPERATING REVENUES</u>							
Availability Charges	45,321	39,817	38,750	42,000	42,000	3,250	-
Connection & Capacity Charges	5,382	5,382	16,146	16,146	16,630	-	484
Investment Income	3,593	12,158	6,000	18,000	18,360	12,000	360
Miscellaneous Income	17,594	2,254	25,000	25,000	25,000	-	-
Leasing Revenue	10,636	10,840	11,060	11,204	11,484	144	280
Interest on Long-term Debt	(16,232)	(14,548)	(13,297)	(15,122)	(16,431)	(1,825)	(1,309)
Total Non-operating Revenue	66,294	55,903	83,659	97,228	97,044	13,569	(184)
NET INCOME (LOSS)	165,201	325	312,206	336,351	346,240	24,145	9,889
<u>TOTAL REVENUES</u>							
	1,972,553	2,044,201	2,165,672	2,220,206	2,283,711	54,534	63,505
<u>TOTAL EXPENSES</u>							
	1,807,352	2,043,876	1,853,467	1,883,855	1,937,471	30,389	53,616
<u>CHANGE IN NET POSITION</u>							
	165,201	325	312,206	336,351	346,240	24,145	9,889
<u>CASH CONSIDERATIONS</u>							
Depreciation Non-Cash Expense	208,942	241,771	265,802	283,250	283,250	17,448	-
Principal Loan Payments	(48,650)	(50,318)	(52,043)	(69,672)	(72,953)	(17,629)	(3,281)
Capital Projects & Fixed Assets	(121,810)	(57,249)	(388,500)	(436,250)	(372,000)	(47,750)	64,250
CHANGE IN CASH BALANCE	203,682	134,529	137,464	113,679	184,537	(23,785)	70,858

*Administrative Services were backed out and are estimated for 2016-17 and 2017-18

Fiscal Years 2019-20 and 2020-21 Budget

Comparative Statements of Revenues, Expenses and Changes in Net Position

Wastewater Collections Proprietary Fund

COLLECTIONS PROPRIETARY FUND	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Budget	2019-20 vs. 2018-19 Budget	2020-21 vs. 2019-20 Budget
<u>OPERATING REVENUES</u>							
Service Charges	951,803	1,013,473	1,077,219	1,059,894	1,091,691	(17,325)	31,797
Usage Charges	56,108	58,884	63,198	-	-	(63,198)	-
Other Revenues	25,815	19,380	5,500	7,224	7,441	1,724	217
Total Operating Revenues	1,033,726	1,091,737	1,145,917	1,067,118	1,099,131	(78,799)	32,014
						-6.9%	3.0%
<u>OPERATING EXPENSES</u>							
Salaries and Benefits	503,591	504,896	541,066	401,017	415,053	(140,049)	14,036
Operations & Maintenance	97,267	113,985	148,147	148,712	153,917	564	5,205
Administrative Services*	(82,962)	232,146	126,686	138,973	143,142	12,287	4,169
Depreciation Expense	160,324	229,966	252,749	224,950	224,950	(27,799)	-
Total Operating Expenses	678,220	1,080,993	1,068,649	913,652	937,062	(154,997)	23,410
NET OPERATING INCOME	355,506	10,744	77,269	153,466	162,070	76,197	8,604
						-14.5%	2.6%
<u>NON-OPERATING REVENUES</u>							
Availability Charges	8,036	7,134	7,700	8,033	8,033	333	-
Connection & Capacity Charges			6,211	6,470	6,664	260	194
Investment Income		859	4,500	10,443	10,652	5,943	209
Miscellaneous Income	(220,279)	397,432	825	862	862	37	-
Interest on Long-term Debt		(120,625)	(51,574)	(49,294)	(46,972)	2,279	2,323
Total Non-operating Revenue	(212,243)	284,800	(32,338)	(23,485)	(20,760)	8,853	2,726
NET INCOME (LOSS)	143,263	295,544	44,931	129,981	141,310	85,050	11,329
<u>TOTAL REVENUES</u>	821,483	1,376,537	1,113,579	1,043,632	1,078,372	(69,947)	34,739
<u>TOTAL EXPENSES</u>	678,220	1,080,993	1,068,649	913,652	937,062	(154,997)	23,410
CHANGE IN NET POSITION	143,263	295,544	44,931	129,981	141,310	85,050	11,329
<u>CASH CONSIDERATIONS</u>							
Depreciation Non-Cash Expense	160,324	229,966	252,749	224,950	224,950	(27,799)	-
Principal Loan Payments	-	(119,137)	(119,963)	(122,243)	(124,565)	(2,279)	(2,323)
Capital Projects & Fixed Assets	-	(31,620)	(169,500)	(211,000)	(183,000)	(41,500)	28,000
CHANGE IN CASH BALANCE	303,587	374,752	8,216	21,688	58,695	13,472	37,007

*Administrative Services were backed out and are estimated for 2016-17 and 2017-18

Fiscal Years 2019-20 and 2020-21 Budget

Comparative Statements of Revenues, Expenses and Changes in Net Position

Wastewater Treatment Proprietary Fund

TREATMENT PROPRIETARY FUND	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Budget	2019-20 vs. 2018-19 Budget	2020-21 vs. 2019-20 Budget
<u>OPERATING REVENUES</u>							
Service Charges	624,321	671,663	713,290	793,739	817,551	80,448	23,812
Usage Charges	45,907	48,178	51,707	139,660	143,850	87,953	4,190
Arrowbear & CSA 79 Charges	312,529	363,264	353,622	365,574	376,541	11,952	10,967
Other Revenues	3,672	8,376	21,955	5,383	5,545	(16,572)	161
Total Operating Revenues	986,429	1,091,481	1,140,575	1,304,355	1,343,486	163,781	39,131
						14.4%	3.0%
<u>OPERATING EXPENSES</u>							
Salaries and Benefits	446,874	463,613	466,900	457,554	473,569	(9,346)	16,014
Operations & Maintenance	256,445	272,122	332,692	331,570	343,175	(1,122)	11,605
Administrative Services*	240,140	239,333	137,988	149,663	154,153	11,675	4,490
Depreciation Expense	287,789	306,641	340,047	324,830	324,830	(15,217)	-
Total Operating Expenses	1,231,248	1,281,709	1,277,627	1,263,618	1,295,727	(14,010)	32,109
NET OPERATING INCOME	(244,819)	(190,228)	(137,053)	40,738	47,759	177,790	7,021
						-1.1%	2.5%
<u>NON-OPERATING REVENUES</u>							
Availability Charges	6,398	6,915	6,300	5,987	5,987	(313)	-
Connection & Capacity Charges			5,081	4,822	4,966	(260)	145
Investment Income	-	927	4,500	7,783	7,938	3,283	156
Miscellaneous Income**	243,599	(332,697)	675	642	642	(33)	-
Arrowbear & CSA 79 CIP	94,224	39,120	73,527	144,821	147,717	71,293	2,896
Gain/(Loss) on Disposal of Assets	-	(136,975)	-	-	-	-	-
Interest on Long-term Debt	(4,124)	-	-	-	-	-	-
Total Non-operating Revenue	340,097	(422,710)	90,083	164,053	167,250	73,970	3,197
NET INCOME (LOSS)	95,278	(612,938)	(46,969)	204,791	215,009	251,760	10,218
<u>TOTAL REVENUES</u>	1,326,526	668,771	1,230,658	1,468,409	1,510,736	237,750	42,327
<u>TOTAL EXPENSES</u>	1,231,248	1,281,709	1,277,627	1,263,618	1,295,727	(14,010)	32,109
CHANGE IN NET POSITION	95,278	(612,938)	(46,969)	204,791	215,009	251,760	10,218
<u>CASH CONSIDERATIONS</u>							
Depreciation Non-Cash Expense	287,789	306,641	340,047	324,830	324,830	(15,217)	-
Capital Projects & Fixed Assets	(219,600)	(66,122)	(193,500)	(368,500)	(320,000)	(175,000)	48,500
CHANGE IN CASH BALANCE	163,467	(372,419)	99,578	161,121	219,839	61,543	58,718

*Administrative Services were backed out and are estimated for 2016-17 and 2017-18

**Miscellaneous Income includes \$334,197 transfer to Collections in FY 2017-18

Fiscal Years 2019-20 and 2020-21 Budget

Comparative Statements of Revenues, Expenses and Changes in Net Position

Ambulance Proprietary Fund

AMBULANCE PROPRIETARY FUND	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Budget	2019-20 vs. 2018-19 Budget	2020-21 vs. 2019-20 Budget
<u>OPERATING REVENUES</u>							
Service Charges	548,492	493,499	\$620,000	575,000	586,500	(45,000)	11,500
GEMT, IGT & Other Reimbursements	59,977	301,393	235,000	307,614	307,614	72,614	-
Other Revenues	71,400	29,201	4,000	4,000	4,000	-	-
Total Operating Revenues	679,869	824,093	859,000	886,614	898,114	27,614	11,500
						3.2%	1.3%
<u>OPERATING EXPENSES</u>							
Salaries and Benefits	447,978	369,485	440,917	454,614	470,525	13,697	15,911
Operations & Maintenance	257,425	220,699	81,151	90,622	93,340	9,471	2,719
Administrative Services*	51,676	64,660	72,799	105,402	108,565	32,603	3,162
Depreciation Expense	41,880	35,341	37,016	17,710	17,710	(19,306)	-
Total Operating Expenses	798,960	690,186	631,883	668,348	690,140	36,465	21,792
NET OPERATING INCOME	(119,091)	133,907	227,117	218,266	207,974	(8,851)	(10,292)
						5.8%	3.3%
<u>NON-OPERATING REVENUES</u>							
Investment Income	1,448	2,632	-	5,000	5,100	5,000	100
Miscellaneous Income	170	110	-	-	-	-	-
Gain/(Loss) on Disposal of Assets	-	6,725	-	-	-	-	-
Interest on Long-term Debt	(1,143)	(912)	-	-	-	-	-
Total Non-operating Revenue	475	8,555	-	5,000	5,100	5,000	100
NET INCOME (LOSS)	(118,616)	142,462	227,117	223,266	213,074	(3,851)	(10,192)
<u>TOTAL REVENUES</u>	680,344	832,648	859,000	891,614	903,214	32,614	11,600
<u>TOTAL EXPENSES</u>	798,960	690,186	631,883	668,348	690,140	36,465	21,792
CHANGE IN NET POSITION	(118,616)	142,462	227,117	223,266	213,074	(3,851)	(10,192)
<u>CASH CONSIDERATIONS</u>							
Depreciation Non-Cash Expense	41,880	35,341	37,016	17,710	17,710	(19,306)	-
Principal Loan Payments	(6,548)	(6,779)	-	-	-	-	-
Capital Projects & Fixed Assets	-	-	(215,000)	(270,000)	(35,000)	(55,000)	235,000
CHANGE IN CASH BALANCE	(83,284)	171,024	49,133	(29,024)	195,784	(78,157)	224,808

*Administrative Services were backed out and are estimated for 2016-17 and 2017-18

Fiscal Years 2019-20 and 2020-21 Budget

Comparative Statements of Revenues, Expenses and Changes in Net Position

Fire Department Governmental Fund

FIRE GOVERNMENTAL FUND	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Budget	2019-20 vs. 2018-19 Budget	2020-21 vs. 2019-20 Budget
<u>OPERATING REVENUES</u>							
Property Tax	1,539,135	1,603,236	1,585,000	1,736,680	1,754,047	151,680	17,367
GEMT, IGT & Other Reimbursements	134,194	387,805	175,000	240,000	240,000	65,000	-
Other Revenues	16,654	14,161	15,000	22,000	22,000	7,000	-
Total Operating Revenues	1,689,983	2,005,202	1,775,000	1,998,680	2,016,047	223,680	17,367
						12.6%	0.9%
<u>OPERATING EXPENSES</u>							
Salaries and Benefits	1,435,546	1,603,405	1,431,128	1,607,960	1,664,239	176,833	56,279
Operations & Maintenance	142,341	173,136	211,431	227,765	234,598	16,335	6,833
Administrative Services*	104,649	161,940	159,081	192,424	198,197	33,343	5,773
Depreciation Expense	80,524	82,080	88,609	93,610	93,610	5,001	-
Total Operating Expenses	1,763,061	2,020,561	1,890,248	2,121,760	2,190,644	231,511	68,884
NET OPERATING INCOME	(73,078)	(15,359)	(115,248)	(123,080)	(174,597)	(7,831)	(51,517)
						12.2%	3.2%
<u>NON-OPERATING REVENUES</u>							
Availability Charges	201,264	200,688	205,000	205,000	205,000	-	-
Investment Income	11,582	25,275	12,000	28,000	28,560	16,000	560
Miscellaneous Income	5,710	18,953	-	-	-	-	-
Total Non-operating Revenue	218,556	244,916	217,000	233,000	233,560	16,000	560
NET INCOME (LOSS)	145,478	229,557	101,752	109,920	58,963	8,169	(50,957)
<u>TOTAL REVENUES</u>	1,908,539	2,250,118	1,992,000	2,231,680	2,249,607	239,680	17,927
<u>TOTAL EXPENSES</u>	1,763,061	2,020,561	1,890,248	2,121,760	2,190,644	231,511	68,884
CHANGE IN NET POSITION**	145,478	229,557	101,752	109,920	58,963	8,169	(50,957)
<u>CASH CONSIDERATIONS</u>							
Depreciation Non-Cash Expense	80,524	82,080	88,609	93,610	93,610	5,001	-
Capital Projects & Fixed Assets	(46,309)	(159,961)		(168,341)	(40,341)	(168,341)	128,000
CHANGE IN CASH BALANCE	179,693	151,676	190,361	35,189	112,232	(155,172)	77,043

*Administrative Services were backed out and are estimated for 2016-17 and 2017-18

**Change in net position is different from financial statements for fire due to inflow/outflow, compensated absences and pension liability

Operating Projection

The District relies on projections of operating revenues and expenses to determine cash availability for capital improvement projects and to determine if cash reserve goals will be met. These projections also serve as a strategic plan for rate setting. The operating projections included in this budget for each fund assumes that the rate increases will be necessary resulting in the following change in operating revenue:

Proprietary Fund	2019-20	2020-21	2021-22	2022-23	2023-24
Water	3%	3%	3%	3%	3%
Wastewater	3%	3%	3%	3%	3%

Projections for personnel and other operating expenses include maximum anticipated increases as detailed below in accordance with the recent rate study and other known or anticipated factors. Operating projections suggest that the Water Enterprise will be meeting all its cash reserve funding goals by the end of fiscal year 2018-19, if expenses hold and there is no increase in consumption. The Wastewater Enterprise is expected to meet all of its cash targets in fiscal year 2020-21. Please see the Fund Balance section of this budget for further information.

O&M (Cost) Inflation	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
General	Budget	Budget	3.0%	3.0%	3.0%	3.0%
Salary	Budget	Budget	3.0%	3.0%	3.0%	3.0%
Benefits	Budget	Budget	4.0%	4.0%	4.0%	4.0%
Electricity	Budget	Budget	5.0%	5.0%	5.0%	5.0%
Water Purchase Cost Escalation						
Arrowbear Park County Water District (APCWD)	Budget	Budget	2.0%	2.0%	2.0%	2.0%
Crestline Lake Arrowhead Water Agency (CLAWA)	Budget	Budget	2.0%	2.0%	2.0%	2.0%

The following tables list the projected five year operating cash flow for each division.

Five Year Water Operating Cash Flow

Line		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1	Service Charge Revenue	1,227,373	1,228,016	1,228,839	1,229,663	1,230,488
2	Volumetric Revenue	790,395	790,905	791,416	791,927	792,438
3						
4	FY 2020	\$60,533	\$60,568	\$60,608	\$60,648	\$60,688
5	FY 2021		\$62,385	\$62,426	\$62,467	\$62,508
6	FY 2022			\$64,299	\$64,341	\$64,384
7	FY 2023				\$66,271	\$66,315
8	FY 2024					\$68,305
9	Revenue Adjustments	\$60,533	\$122,952	\$187,332	\$253,727	\$322,200
10	Total Revenue from Rates	\$2,078,302	\$2,141,874	\$2,207,588	\$2,275,317	\$2,345,125
11	Credit Card Fee Revenue	\$1,571	\$1,575	\$1,579	\$1,583	\$1,587
12	Meter Turn-on & Shut-Off Charge	\$17,043	\$17,085	\$17,128	\$17,171	\$17,214
13	Delinquent Fees	\$20,050	\$20,100	\$20,150	\$20,201	\$20,251
14	Admin Expense Reimbursements	\$0	\$0	\$0	\$0	\$0
15	Water Service Standby/Avail Charges	\$38,750	\$38,847	\$38,944	\$39,041	\$39,139
16	Connection Charges	\$3,180	\$3,188	\$3,196	\$3,204	\$3,212
17	Interest Income	\$16,687	\$17,498	\$23,114	\$31,244	\$32,732
18	Misc Income	\$25,000	\$25,063	\$25,125	\$25,188	\$25,251
19	San Bernardino Library Leasing	\$11,204	\$11,232	\$11,260	\$11,288	\$11,316
20	Total Revenue	\$2,211,787	\$2,276,462	\$2,348,084	\$2,424,237	\$2,495,827
21						
22	Expenses					
23	Salaries and Benefits	\$694,577	\$717,911	\$742,044	\$767,006	\$792,824
24	Repairs & Maint, Supplies, Utilities	\$30,652	\$31,572	\$32,519	\$33,494	\$34,499
25	Pumping Power and Vehicles	\$6,600	\$6,798	\$7,002	\$7,212	\$7,428
26	Water Purchases	\$289,074	\$272,854	\$279,490	\$286,290	\$293,260
27	Water Testing & Analysis	\$23,358	\$24,059	\$24,781	\$25,524	\$26,290
28	Administrative	\$543,407	\$559,709	\$576,500	\$593,796	\$611,609
29	Subtotal Expenses	\$1,587,668	\$1,612,902	\$1,662,336	\$1,713,322	\$1,765,910
30						
31	Net Revenue	\$624,119	\$663,559	\$685,749	\$710,916	\$729,917
32						
33	Debt Service	\$89,384	\$89,384	\$89,384	\$89,384	\$89,384
34						
35	Capital Projects	\$631,000	\$391,750	\$182,000	\$172,000	\$932,000
36						
37	Net Cash Flows (All Reserves)	\$ (96,265)	\$ 182,426	\$ 414,365	\$ 449,532	\$ (291,467)
38	Debt Coverage Ratio	6.98	7.42	7.67	7.95	8.17

*This table is from the 2019 Rate Study and may vary slightly from budget due to the timing of completing the rate study and this budget.

Five Year Wastewater Operating Cash Flow

Line	Wastewater Revenue	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1	WW Fixed Charge (Include IR&R)	\$1,808,379	\$1,809,580	\$1,810,781	\$1,811,984	\$1,813,187
2	Volumetric Revenue	\$127,060	\$127,136	\$127,213	\$127,289	\$127,366
3	Total Revenue Adjustments	\$58,063	\$117,946	\$179,704	\$243,396	\$309,080
4	Total Revenue from Rates	\$1,993,502	\$2,054,662	\$2,117,699	\$2,182,669	\$2,249,633
5	Other and Non-Operating Revenue					
6	Delinquent Charges & Service Fees	\$12,607	\$12,638	\$12,670	\$12,701	\$12,733
7	Outside Service Agrmnt Charges	\$0	\$0	\$0	\$0	\$0
8	Other Service Fees	\$0	\$0	\$0	\$0	\$0
9	Arrowbear O&M Reimbursement	\$156,673	\$161,373	\$166,214	\$171,201	\$176,337
10	CSA 79 O&M Reimbursement	\$195,335	\$201,195	\$207,231	\$213,448	\$219,851
11	Property Taxes	\$0	\$0	\$0	\$0	\$0
12	Sewer Service Availability Charges	\$14,020	\$14,040	\$14,061	\$14,081	\$14,101
13	Sewer Hot Taps and Septic Dumping	\$1,504	\$1,508	\$1,511	\$1,515	\$1,519
14	Interest	\$18,226	\$22,348	\$27,145	\$31,755	\$37,528
15	Total Revenue	\$2,391,867	\$2,467,764	\$2,546,531	\$2,627,370	\$2,711,702
16	Check					
17	Expenses					
18	Personnel Expense - Collection	\$387,834	\$400,830	\$414,271	\$428,172	\$442,548
19	Services and Supplies - Collection	\$285,442	\$294,005	\$302,825	\$311,910	\$321,267
20	Personnel Expense - Treatment	\$447,555	\$460,982	\$474,811	\$489,055	\$503,727
21	Services and Supplies - Treatment	\$478,818	\$493,183	\$507,978	\$523,217	\$538,914
22	Subtotal Expenses	\$1,599,649	\$1,649,000	\$1,699,886	\$1,752,354	\$1,806,456
23	Check					
24	Net Revenue	\$792,218	\$818,764	\$846,645	\$875,015	\$905,245
25						
26	Total Debt Service	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537
27						
28	Total Capital Improvement Projects*	\$367,798	\$462,108	\$350,442	\$538,305	\$285,442
29						
30	Net Cash Flow	\$252,883	\$185,119	\$324,666	\$165,173	\$448,266
31	* CIP Shown includes Running Springs' Share of Treatment Projects					

*This table is from the 2019 Rate Study and may vary slightly from budget due to the timing of completing the rate study and this budget.

Five Year Fire & Ambulance Operating Cash Flow

Line No.	Fire and Ambulance Cash Flow	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1	Fire					
2	Property Tax	\$1,635,300	\$1,651,653	\$1,668,170	\$1,684,851	\$1,701,700
3	Fire Availability Charges (Special Tax Assessment)	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000
4	Hazard Abatement Program Revenue	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
5	Ambulance					
6	Ambulance Service Fees	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000
7	Ground Emergency Medical Transportation (GEMT) Reimb	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000
8	Intergovernmental Transfer (IGT) Reimb	\$77,614	\$77,614	\$77,614	\$77,614	\$77,614
9	Other Revenue					
10	Total Revenue from Rates	\$3,222,914	\$3,239,267	\$3,255,784	\$3,272,465	\$3,289,314
11	Other Revenue (Plan Check Fees, Grants, Comm Contrib)	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
12	Interest Income	\$31,945	\$34,138	\$36,867	\$34,599	\$29,376
13	Fire Outside District Assignments Reimb Income	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000
14	Ambulance Late Fees	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
15	Ambulance Contractual Allowance	-\$550,000	-\$550,000	-\$550,000	-\$550,000	-\$550,000
16	Total Revenue	\$2,888,859	\$2,907,405	\$2,926,650	\$2,941,064	\$2,952,689
17						
18	Fire Expenses					
19	Personnel	\$1,507,960	\$1,559,776	\$1,613,409	\$1,668,924	\$1,726,390
20	Other Expenses	\$413,084	\$425,477	\$438,241	\$451,388	\$464,930
21	Ambulance Expenses					
22	Personnel	\$454,614	\$468,252	\$482,300	\$496,769	\$511,672
23	Other Expenses	\$195,799	\$201,673	\$207,723	\$213,955	\$220,373
24	Subtotal Expenses	\$2,571,457	\$2,655,177	\$2,741,673	\$2,831,036	\$2,923,365
25						
26	CIP Expenditures	\$275,341	\$61,250	\$86,000	\$450,000	\$244,408
27						
28	Net Cash Flows	\$42,061	\$190,978	\$98,978	-\$339,972	-\$215,084

*This table is from the 2019 Rate Study and may vary slightly from budget due to the timing of completing the rate study and this budget.

Fund Balance Summary as of May 31, 2019

Fire & Ambulance Department	
Fire Department Operating Reserve	1,788,851
Ambulance Department Operating Reserve	537,694
Subtotal Fire & Ambulance Department Operating Reserve Funds	2,326,545
Recommended Operating Reserve Fund Target (6 Months Operating Expenses)	1,112,969
Fire & Ambulance Department Operating Reserve Surplus / (Shortfall)	1,213,577
Wastewater Division	
Wastewater Capital Improvement Project Reserve	482,762
Wastewater System Connection & Capacity Charges	193,983
CWSRF Loan Agreement 14-813 Debt Reserve (Restricted for SLS 1-3 Debt Service)	171,537
Wastewater Operating Reserve Fund	554,896
Recommended Operating Reserve Fund Target (4 Months Operating Expenses)	554,896
Wastewater Operating Reserve Surplus / (Shortfall)	-
Water Division	
Water Capital Improvement Project Reserve	730,223
Water System Connection & Capacity Charges	18,348
Water Infrastructure R&R Reserve (MFC Debt Reserve)	65,341
Water Operating Reserve	528,461
Recommended Operating Reserve Fund Target (4 Months Operating Expenses)	528,461
Water Operating Reserve Surplus / (Shortfall)	-
Assessment Districts Restricted Funds	
Water Assessment District No. 9 Construction Funds	22,987
Water Assessment District No. 10 Construction Funds	26,421
Water Assessment District No. 10 O&M	108,837
Water Assessment District No. 10 Bond Reserve Fund	113,074
Subtotal Assessment Districts	271,319
Total District Designated & Operating Reserve Funds	5,072,095
Assessment District Funds	271,319
Combined Pooled Cash	5,343,414
Checking Account (General)	234,472
LAIF	4,980,268
York Insurance Deposit	14,601
BNY Mellon (AD #10 Bond Reserve)	113,074
Petty Cash	1,000
Combined Pooled Cash	5,343,414

Rates & Fees

The District is committed to providing the highest quality water and wastewater services at the lowest possible rates for our customers. To meet this commitment, the District engaged an independent rate consultant to perform a water and wastewater rate study that evaluates the infrastructure, programs and operations and maintenance costs of the District's water and wastewater services and the rates necessary to recover the costs of those services for the next five years. A cost of service and rate study demonstrates what it costs the District to provide these services and the appropriate rates to fairly and appropriately allocate the costs of providing them to our customers. The District's 2019 Rate Study, Cash Reserve Policy, Facilities Master Plans, as well as the draft fiscal year 2019/2020 and 2020/2021 District budgets were used as the basis upon which the proposed rates and charges were calculated. The rate adjustments were not the only measures used to generate a balanced budget. Other measures required to balance the budget included reductions in operating expenses where possible and deferral of nonessential activities and projects.

The results of the rate study demonstrate that adjustments in the water and wastewater rates are needed to recover increases in the costs of providing water and wastewater services. These costs include, among others, the costs of needed repairs and replacements of aging water and wastewater infrastructure, increased water purchase and electricity costs and the costs of developing additional local groundwater supplies.

The proposed water rate structure has four customer classes - residential, commercial, schools, and irrigation - and is comprised of three components - a fixed monthly base charge, a variable volumetric rate, and a fixed monthly private fire service water meter base charge. The base charge is determined on the basis of the size of the water meter serving a property (in inches) and is designed to recover a portion of the District's fixed costs of operating and maintaining the water system, such as billing and collection, and repair and replacement of infrastructure. The volumetric rate is the same for all customer classes and is imposed per unit of delivered water, with one unit equal to one cubic foot (cf) or 7.48 gallons. The volumetric rate is calculated to recover a portion of the District's fixed costs and its variable costs of purchasing and providing water service. The private fire service water meter base charge is only imposed on customers who have private fire suppression systems. It is designed to recover the proportionate share of the costs of sizing the water system necessary to provide private fire suppression service and the costs of managing and inspecting backflow prevention devices for these private systems.

Under the current water rate structure, a different rate for the base charge is imposed on landscape irrigation customers than is imposed on all other customers, and a different rate for the consumption charge is imposed on customers who are served by but are located outside of the District's boundaries. Under the proposed rate structure, the same base charge and volumetric rate will be applicable to all customers. The current water rate structure also imposes a fixed monthly infrastructure repair and replacement charge to fund water infrastructure projects. This charge is proposed to be eliminated from the District's water rate structure. As proposed under the new rate structure, the costs of repairing and replacing water infrastructure will be recovered from the District's base charge.

The proposed wastewater rate structure has two customer classes - commercial and residential -

and is comprised of two components - a fixed monthly wastewater base charge and a variable wastewater volumetric rate. The wastewater base charge is determined on a per equivalent dwelling unit (EDU) basis and is designed to recover a portion of the District's fixed costs of operating and maintaining the wastewater system. The wastewater volumetric rate is based on a customer's estimated monthly wastewater discharge and is designed to recover a portion of the District's fixed costs and its variable costs of providing wastewater services. The method for estimating customers' wastewater discharge is proposed to be revised under the new wastewater rate structure from a percentage of the billed monthly water usage.

Under the current wastewater rate structure, a different rate for the volumetric rate is imposed on commercial customers than is imposed on residential customers. Under the proposed rate structure, the same wastewater volumetric rate will be applicable to all customers. The current wastewater rate structure also imposes a fixed monthly infrastructure repair and replacement charge to fund wastewater infrastructure projects. This charge is proposed to be eliminated from the District's wastewater rate structure. As proposed under the new rate structure, the costs of repairing and replacing wastewater infrastructure will be recovered from the District's monthly wastewater base charge. The proposed water and wastewater rate adjustments are identified in the tables below.

CURRENT RESIDENTIAL, COMMERCIAL, AND IRRIGATION CUSTOMERS' MONTHLY WATER BASE CHARGE RATES (\$/METER SIZE)			
Meter Size	Residential and Commercial	Monthly Infrastructure Repair and Replacement Charge	Irrigation
5/8" X 3/4"	\$31.42	\$1.88/EDU	\$13.13
1"	\$70.77	\$1.88/EDU	\$32.78
1 1/2"	\$136.29	\$1.88/EDU	\$65.54
2"	\$214.95	\$1.88/EDU	\$104.87
3"	\$463.97	\$1.88/EDU	-

PROPOSED RESIDENTIAL, COMMERCIAL, AND IRRIGATION CUSTOMERS' MONTHLY WATER BASE CHARGE RATES (\$/METER SIZE)					
Meter Size	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
5/8" x 3/4"	\$34.19	\$35.22	\$36.28	\$37.36	\$38.49
1"	\$79.01	\$81.38	\$83.82	\$86.33	\$88.93
1 1/2"	\$153.70	\$158.31	\$163.06	\$167.95	\$172.99
2"	\$243.33	\$250.63	\$258.15	\$265.89	\$273.87
3"	\$482.34	\$496.81	\$511.72	\$527.07	\$542.88

CURRENT AND PROPOSED PRIVATE FIRE SERVICE WATER METER BASE CHARGE (\$/METER SIZE)						
Meter Size	Current	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
1" and smaller	\$15.75	\$3.20	\$3.30	\$3.40	\$3.50	\$3.60
1 1/2"	\$26.21	\$5.40	\$5.56	\$5.73	\$5.90	\$6.07
2"	\$43.58	\$9.18	\$9.46	\$9.74	\$10.03	\$10.34
3"	\$60.95	\$22.77	\$23.45	\$24.16	\$24.88	\$25.63
4"	\$78.32	\$46.20	\$47.59	\$49.02	\$50.49	\$52.00
6"	\$95.65	\$130.30	\$134.21	\$138.24	\$142.39	\$146.66
8"	\$113.02	\$275.36	\$283.62	\$292.13	\$300.89	\$309.92

CURRENT AND PROPOSED WATER VOLUMETRIC RATES (\$/CF)*					
Current Inside the District	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
\$0.0469	\$0.0483	\$0.0498	\$0.513	\$0.0528	\$0.0544
Current Outside the District**					
\$0.0519	\$0.0483	\$0.0498	\$0.513	\$0.0528	\$0.0544

*One cubic foot (CF) = 7.48 gallons.

CURRENT RESIDENTIAL AND COMMERCIAL WASTEWATER RATES AND CHARGES			
Customer Class	Monthly Base Charge	Wastewater Volumetric Rate	Monthly Infrastructure Repair and Replacement Charge
Residential	\$44.49	15% of Monthly billed Water Consumption Charge	\$5.25/EDU
Commercial	\$44.49	1/3 of Monthly billed Water Consumption Charge	\$5.25/EDU

PROPOSED RESIDENTIAL AND COMMERCIAL WASTEWATER RATES AND CHARGES					
	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023
Monthly Base Charge (\$/EDU)*	\$50.98	\$52.51	\$54.08	\$55.71	\$57.38
Wastewater Volumetric Rate (\$/CF)	\$0.0099	\$0.0102	\$0.0105	\$0.0109	\$0.0112

*One EDU is the flow associated with a typical single family dwelling. The District can reassess EDUs for each customer to properly estimate sewer flow. **Sewer use (CF) = Water use (CF) x 90%.

The District purchases wholesale water from Crestline-Lake Arrowhead Water Agency (CLAWA) and Arrowbear Park County Water District (APCWD). These costs are recovered through the proposed water volumetric rate. In developing its rates, the District included projected increases in these wholesale water costs as part of its long-range financial plan. To ensure that there are sufficient revenues to provide water services to our customers, the District is also proposing to annually pass through to our customers: (1) any increases in the rates for wholesale water and any other charges that either CLAWA or APCWD imposes on the District that are greater than those projected in the District’s long-range financial plan (each a “Pass Through Adjustment”). A Pass Through Adjustment will only impact the rates of the water volumetric rate set forth in the tables above. If approved by the Board of Directors, the District may implement a Pass Through Adjustment for either CLAWA or APCWD rate increases for a five-year period commencing July 1, 2019, and at any time through and including June 30, 2024. Provided, however, that: (1) any increase in the water volumetric rate described above as a result of any Pass Through Adjustment for either a CLAWA rate increase or a APCWD increase shall not exceed 8% per year; and (2) in no event shall the rates be increased as a result of a Pass Through Adjustment by more than the cost of providing water service. Prior to implementing any Pass Through Adjustment, the District will provide written notice to customers not less than 30 days prior to their effective date.

WHAT THIS MEANS TO OUR AVERAGE CUSTOMERS WATER & WASTEWATER BILL

If approved, after July 1, 2019, for an average District customer who uses 500 cubic feet (3,740 gallons) of water per month, the monthly impacts would be as follows:

CURRENT RATES & CHARGES (7/1/2018-6/30/2019)		PROPOSED RATES & CHARGES (7/1/2019-6/30/2020)	
Water Rates			
Monthly Water Base Charge	\$31.42	Monthly Water Base Charge	\$34.19
Monthly Water Volumetric Rate	\$23.45	Monthly Water Volumetric Rate	\$24.15
Infrastructure Repair/Replacement Charge	\$1.88		
Total Water Charges:	\$56.75	Total Water Charges:	\$58.34
Wastewater Rates			
Monthly Wastewater Base Charge	\$44.49	Monthly Wastewater Base Charge	\$50.98
Monthly Wastewater Volumetric Rate	\$3.52	Monthly Wastewater Volumetric Rate	\$4.46
Infrastructure Repair/Replacement Charge	\$5.25		
Total Wastewater Charges:	\$53.26	Total Wastewater Charges:	\$55.44
Total Water & Wastewater Charges			
Total Current Water & Wastewater Charges:	\$110.01	Total Proposed Water & Wastewater Charges:	\$113.78
			Total Proposed Monthly Adjustment:
			\$3.77

As you can see from the information in the table above, for an average use customer with a 3/4-inch water meter, **the proposed rate and fee adjustments for the fiscal year ending 2020 would result in a \$3.77 per month increase in the total bill for water and wastewater services.** The proposed rates and charges being considered for the fiscal years ending 2020-2024 are as indicated in the table on Pages 28 and 29.

Administration Division

Vision: The Running Springs Water District Administration Division will provide exceptional customer service to the community and support services to all District divisions in a manner that demonstrates professionalism, utilizing advanced levels of technology.

As part of the Administration Division, the General Manager is responsible for the overall management of the District. The General Manager is responsible for the effective management and administration of all aspects of the District's operations such as; developing and maintaining short and long range plans for the District, preparing the budget, directing the operation of efficient administrative control and accounting procedures, staffing plans, employee relations officer, personnel transactions, managing consultants, board meetings, public relations, emergency planning, legal compliance, legislative matters and execution of Board policy.

Core Functions, Goals & Objectives

Core Functions	Goals & Objectives
General Administration	
Administrative Costs (District-Wide) <ul style="list-style-type: none"> • Administrative Support – All Divisions • Professional Services (Engineering & Financial Consultants, Legal Counsel) • Paychex Payroll Reporting • Public Notices/Public Records Requests • Insurance/Property Liability/Workers Comp • Computer Technical Support • Office Supplies & Materials/Furniture & Equipment • Printing & Publications • Memberships & Subscription • Office Utilities & Janitorial Service 	<ul style="list-style-type: none"> • Review & Update District Policies • Develop & Maintain Short & Long Range Plans • Refine Administration Procedures Manual • Obtain Funds to Support Plans • Evaluate Outside Funding & Grant Options
Board Administration	
<ul style="list-style-type: none"> • Public Records Act Requests • Board Meeting Administration • Form 700 Statements of Economic Interest • Maintain Resolutions, Ordinances & Minutes • Registrar of Voters/Board Election Coordination • Director Training 	<ul style="list-style-type: none"> • Records Management/Retention Program • Implement & Enforce Board Policy • Recommend New Policies & Procedures • Records Retention Implementation
Customer Service	
<ul style="list-style-type: none"> • Customer Relations • Customer Correspondence • Customer Payments • Billing 	<ul style="list-style-type: none"> • Continue to Improve Customer Service • Cross Training Staff • Refine Administration Procedures • Records Retention Implementation

<ul style="list-style-type: none"> • Accounts Payable • Accounts Receivable • Customer Account Analysis 	<ul style="list-style-type: none"> • Refine Administration for AMR Project • Prepare for SB 998 (Restrictions Water Service Discontinuation)
Public Outreach & Information	
<ul style="list-style-type: none"> • Provide Public Outreach Support to all Divisions • Design/Distribution of Public Outreach Materials/District Newsletters • District Representation at Community Events 	<ul style="list-style-type: none"> • Fine Tune District Website • Inform Customers on District Core Functions
Budget & Finance	
<ul style="list-style-type: none"> • Prepare Annual Budget • Annual Financial Audit • Payroll Processing • Accounts Payable • Accounts Receivable • Investment & Fund Balance Administration • Availability/Standby Charges to Tax Roll • Maintain General Ledger • Billing • Cash Management & Projections • Financial Reporting & Analysis • State Controller's Compensation Reporting 	<ul style="list-style-type: none"> • Improve Financial Reporting Capabilities • Continue to Explore Investment Options • Refine Budget & Investment Policies • Recommend/Develop Policies & Procedures • Records Retention Implementation • Refine allocation of Administrative Costs • Ambulance Billing Procedures Manual • Tyler Technologies Efficiency and Productivity Training
Personnel & Risk Management	
<ul style="list-style-type: none"> • Human Resources • Succession Planning • Staffing Plans • Benefits Administration • Medical Reimbursement Administration • Health/Life/Disability Insurance Admin. • Property & Liability Insurance Admin. • Workers Compensation Administration • CalPERS (Pension Administration) • Risk Management & Loss Control • Employee Recruitment & Retention • Employee Development, Orientation & Training • Employee & Labor Relations 	<ul style="list-style-type: none"> • Continue to Administer Employee/Labor Relations & Benefits • Records Retention Implementation • Annual Staff Training/Target Safety • Update Emergency Plan Manual
Information Technology	
<ul style="list-style-type: none"> • Administer Computer Support Services 	<ul style="list-style-type: none"> • Continue to Administer Support Services/Liaison for Computer Technical Issues and Upgrades

Budgeted Operating Expense Details

Administrative Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 697,791	\$ 763,345	9.4%	\$ 790,062	3.5%
Services and Supplies	\$ 378,156	\$ 290,680	-23.1%	\$ 300,854	3.5%
District Total	\$ 1,075,947	\$ 1,054,025	-2.0%	\$ 1,090,916	3.5%

ADMINISTRATION	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Budget	2019-20 vs. 2018-19 Budget	2020-21 vs. 2019-20 Budget
Wages	457,630	471,628	492,275	505,404	523,093	13,129 3%	17,689 3%
Medicare Tax (FICA)	6,636	6,839	7,138	7,328	7,585	190 3%	256 3%
Workers Comp	-	-	-	5,000	5,175	5,000	175 4%
Group Insurance	34,408	43,787	58,215	66,313	68,634	8,098 14%	2,321 3%
CalPERS Retirement	125,000	136,524	140,163	179,299	185,575	39,136 28%	6,275 3%
Director's Compensation	8,550	8,550	8,000	8,700	9,005	700 9%	305 4%
Education & Seminars	1,500	1,500	1,500	3,000	3,105	1,500 100%	105 3%
Memberships & Subscriptions	2,500	3,500	3,000	3,000	3,105	- 0%	105 3%
Fees & Permits	10,000	10,310	10,310	10,310	10,671	- 0%	361 3%
Professional Services	216,828	196,900	263,200	182,900	189,302	(80,300) -31%	6,401 3%
Repair & Maintenance (Main Office)	12,000	12,320	12,320	12,070	12,492	(250) -2%	422 3%
Office Supplies & Expenses	57,060	62,326	62,326	57,700	59,720	(4,626) -7%	2,019 3%
Utilities (Telephone, Heat & Lights)	16,000	18,160	17,500	13,000	13,455	(4,500) -26%	455 3%
Total Administrative Expenses	948,112	972,344	1,075,947	1,054,025	1,090,916	(21,922) -2%	36,891 3%

*Does not include depreciation non-cash expense.

The percent allocation of administrative services expenses to each division is based on a combination of an administrative services time study and percent of O&M expenses for each division. The following is the current allocation in the fiscal year 2019-20 and 2020-21 budgets:

- Water = 45%
- Wastewater Collections = 13%
- Wastewater Treatment = 14%
- Ambulance = 10%
- Fire = 18%

Employee Classifications and Wage Scales

RUNNING SPRINGS WATER DISTRICT						
ADMINISTRATION DIVISION						
2019-20 HOURLY WAGE SCHEDULE						
Exempt Positions						
CLASSIFICATION		STEP				
		A	B	C	D	E
ADMINISTRATION SUPERVISOR 3	Hourly	\$64.78	\$66.40	\$68.06	\$69.76	\$71.50
Board Secretary, Treasurer	Monthly	\$11,229	\$11,509	\$11,797	\$12,092	\$12,393
	Annual	\$134,742	\$138,112	\$141,565	\$145,101	\$148,720
ADMINISTRATION SUPERVISOR 2	Hourly	\$41.56	\$42.60	\$43.67	\$44.76	\$45.88
Board Secretary	Monthly	\$7,204	\$7,384	\$7,569	\$7,758	\$7,953
Treasurer	Annual	\$86,445	\$88,608	\$90,834	\$93,101	\$95,430
ADMINISTRATION SUPERVISOR 1	Hourly	\$32.74	\$33.56	\$34.40	\$35.26	\$36.14
Board Secretary	Monthly	\$5,675	\$5,817	\$5,963	\$6,112	\$6,264
Treasurer	Annual	\$68,099	\$69,805	\$71,552	\$73,341	\$75,171
Non-Exempt Positions						
CLASSIFICATION		STEP				
		A	B	C	D	E
SENIOR BILLING CLERK	Hourly	\$27.86	\$28.56	\$29.27	\$30.00	\$30.75
	Monthly	\$4,829	\$4,950	\$5,073	\$5,200	\$5,330
	Annual	\$57,949	\$59,405	\$60,882	\$62,400	\$63,960
ADMINISTRATIVE ASSISTANT 3	Hourly	\$25.75	\$26.43	\$27.09	\$27.77	\$28.47
	Monthly	\$4,463	\$4,581	\$4,696	\$4,813	\$4,935
	Annual	\$53,560	\$54,974	\$56,347	\$57,762	\$59,218
ADMINISTRATIVE ASSISTANT 2	Hourly	\$22.76	\$23.33	\$23.91	\$24.51	\$25.12
	Monthly	\$3,945	\$4,044	\$4,144	\$4,248	\$4,354
	Annual	\$47,341	\$48,526	\$49,733	\$50,981	\$52,250
ADMINISTRATIVE ASSISTANT 1	Hourly	\$20.12	\$20.62	\$21.14	\$21.67	\$22.21
	Monthly	\$3,487	\$3,574	\$3,664	\$3,756	\$3,850
	Annual	\$41,850	\$42,890	\$43,971	\$45,074	\$46,197

Five-Year Capital Improvement Program (CIP) Plan

Administration Division 5-Year CIP Plan						
Project Description	2020	2021	2022	2023	2024	TOTAL
Paint Interior of Administration Building		\$5,000				\$5,000
Paint Exterior of Administration Building	\$10,000					\$10,000
Replace RSWD Administration Building Sign	\$5,000					\$5,000
Replace Industrial Carpet Administration Building					\$10,000	\$10,000
Administration Projects Subtotal	\$15,000	\$5,000	\$0	\$0	\$10,000	\$30,000

Water Division

Vision: The Running Springs Water Division will provide excellent water quality that consistently meets or exceeds regulatory and customer requirements and water quantity that recognizes the limited availability of supply in our area yet satisfies the essential needs of our customers.

Core Functions, Goals & Objectives

Core Functions	Goals & Objectives
Operations & Maintenance Administration	
<ul style="list-style-type: none"> • Manage safe & reliable water supplies • Operation & Maintenance (O&M) of over 43 miles of water pipelines • Manage security in the distribution system • Public health protection • Maintain a good relationship with customers & employees • Operate efficiently & meet customer expectations • Technical advice & training of system operators • Day to day management of the system • Reporting to State & Local regulatory agencies 	<ul style="list-style-type: none"> • Improve safety & emergency response programs • Manage backflow prevention & cross connection program for 90+ devices • Access source & storage facilities to meet today's standards • Reduce power for pumping costs • Succession Planning • Records Retention Implementation
Regulatory Compliance	
<ul style="list-style-type: none"> • Monitor State Water Boards regulatory requirements • Monitor South Coast Air Quality Management District (AQMD) requirements • Monitor Certified Unified Program Agency (CUPA) requirements • Monitor disinfection, treatment, sampling & lab analysis • Update, revise & review safety practices & programs within the District 	<ul style="list-style-type: none"> • Continue monitoring updates & requirements from State & Local regulatory agencies to maintain compliance in the District
Repair & Maintenance	
<ul style="list-style-type: none"> • Preventative maintenance of water system • Annual valve maintenance • Leak detection program & repairs • Box & valve repairs • Annual dead end main flushing program • Conduct weekly distribution sampling • Fire hydrant repairs 	<ul style="list-style-type: none"> • Review District Operating plan with the State Water Boards • Underground Service Alerts (USA) • Continue monitoring Automatic Meter Reading (AMR) system

Water Division Core Functions & FY 2019/2020 Goals & Objectives (continued)

Core Functions	Goals & Objectives
Groundwater Wells	
<ul style="list-style-type: none"> • O&M of 11 vertical & 16 horizontal groundwater wells • O&M of 5 remote treatment plants • Monitor well head protection • Monitor source water protection plan • Conduct weekly sampling of sources 	<ul style="list-style-type: none"> • Continue researching sources for future water well development
Pump Stations & Storage Tanks	
<ul style="list-style-type: none"> • O&M of 8 booster pump stations • O&M of 11 water storage tanks • O&M of 5 fore bays & 2 hydro-pneumatic systems • O&M of 3 standby generators 	<ul style="list-style-type: none"> • Annual inspection, cleaning and repairs of a minimum of two water storage tanks • Improve security, safety & access to storage tanks • Install transfer pumps between CLAWA and the Nob Hill 1MG Tank • Replace Nob Hill Hydro System
SCADA System	
<ul style="list-style-type: none"> • O&M of Supervisory Control & Data Acquisition (SCADA) system for remote management of storage tanks & pump stations 	<ul style="list-style-type: none"> • Upgrade SCADA at Nob Hill Hydro & 1MG tank site & building for complete remote management of transfer pumps & Hydro system
Vehicle Maintenance	
<ul style="list-style-type: none"> • Maintain safe operating vehicles for all weather conditions • O&M of snow cats & backhoe • O&M of main office generator & portable emergency generator 	<ul style="list-style-type: none"> • Continue current maintenance schedule
Safety, Training & Certifications	
<ul style="list-style-type: none"> • Maintain required certifications • Emergency operations training • Safety training 	<ul style="list-style-type: none"> • Provide opportunities for training & classes to maintain District approved certifications • Provide annual training for emergency response & preventative maintenance • Provide safety training at least weekly to minimize injuries & to ensure a safe work environment

Budgeted Operating Expense Details

Water Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 656,722	\$ 702,436	7.0%	\$ 727,021	3.5%
Operations & Maintenance	\$ 400,685	\$ 417,108	4.1%	\$ 431,707	3.5%
Administrative Services	\$ 530,258	\$ 481,061	-9.3%	\$ 495,493	3.0%
District Total	\$ 1,587,665	\$ 1,600,605	0.8%	\$ 1,654,221	3.3%

WATER PROPRIETARY FUND	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Budget	2019-20 vs. 2018-19 Budget		2020-21 vs. 2019-20 Budget	
Wages	397,627	408,951	434,210	435,237	450,470	1,027	0%	15,233	3%
Medicare Tax (FICA)	11,031	10,118	6,296	6,311	6,532	15	0%	221	4%
Workers Comp	13,513	14,834	21,539	23,908	24,745	2,369	11%	837	3%
Group Insurance	58,336	55,701	59,663	57,537	59,551	(2,126)	-4%	2,014	3%
CalPERS Retirement	119,930	133,543	133,164	177,963	184,192	44,799	34%	6,229	3%
Uniforms	1,234	843	1,850	1,480	1,532	(370)	-20%	52	4%
Education & Seminars	2,096	981	3,000	3,000	3,105	-	0%	105	3%
Fuel & Oil	5,767	6,207	9,833	9,820	10,164	(13)	0%	344	3%
Property/Liability Insurance	19,501	23,435	26,529	27,856	28,831	1,326	5%	975	3%
Memberships & Subscriptions	4,651	3,530	2,575	2,350	2,432	(225)	-9%	82	4%
Miscellaneous Supplies, Tools & Expenses	3,475	2,383	4,745	4,548	4,707	(197)	-4%	159	3%
Permits & Fees	32,185	19,274	17,535	22,535	23,324	5,000	29%	789	3%
Repair & Maintenance (Water System)	6,210	5,718	21,450	21,342	22,088	(108)	-1%	747	4%
Office Utilities - SCADA & Cell Phone	12,281	11,187	8,770	450	466	(8,320)	-95%	16	3%
Utilities - Power for Pumping	51,695	52,565	73,800	72,000	74,520	(1,800)	-2%	2,520	4%
Vehicle Maintenance	8,020	3,546	6,600	6,600	6,831	-	0%	231	3%
Water Purchases	176,493	184,559	200,000	218,750	226,406	18,750	9%	7,656	3%
Water Testing & Analysis	23,706	30,145	25,848	27,858	28,833	2,010	8%	975	4%
Administrative Services	650,658	834,585	530,258	481,061	495,493	(49,197)	-9%	14,432	3%
Total Water Expenses	1,598,410	1,802,105	1,587,665	1,600,605	1,654,221	12,941	1%	53,616	3%

*Does not include depreciation non-cash expense.

Employee Classifications and Wage Scales

RUNNING SPRINGS WATER DISTRICT						
WATER DIVISION						
2019-20 HOURLY WAGE SCHEDULE						
Exempt Positions						
CLASSIFICATION		STEP				
		A	B	C	D	E
OPERATIONS MANAGER 3 D3 & T2	Hourly	\$64.78	\$66.40	\$68.06	\$69.76	\$71.50
	Monthly	\$11,229	\$11,509	\$11,797	\$12,092	\$12,393
	Annual	\$134,742	\$138,112	\$141,565	\$145,101	\$148,720
OPERATIONS MANAGER 2	Hourly	\$50.94	\$52.22	\$53.52	\$54.86	\$56.23
Water Distribution Grade 3	Monthly	\$8,830	\$9,051	\$9,277	\$9,509	\$9,747
Water Treatment Grade 2	Annual	\$105,955	\$108,618	\$111,322	\$114,109	\$116,958
OPERATIONS MANAGER 1	Hourly	\$45.03	\$46.16	\$47.31	\$48.49	\$49.70
Water Distribution Grade 3	Monthly	\$7,805	\$8,001	\$8,200	\$8,405	\$8,615
Water Treatment Grade 2	Annual	\$93,662	\$96,013	\$98,405	\$100,859	\$103,376
Non-Exempt Positions						
CLASSIFICATION*		STEP				
		A	B	C	D	E
COMPLIANCE/SAFETY OPERATOR 3 Grade 3 Distribution, Grade 2 Treatment Collection System Maintenance Grade 1	Hourly	\$35.49	\$36.37	\$37.28	\$38.21	\$39.16
	Monthly	\$6,152	\$6,304	\$6,462	\$6,623	\$6,788
	Annual	\$73,819	\$75,650	\$77,542	\$79,477	\$81,453
OPERATOR 3 Grade 3 Distribution Grade 2 Treatment	Hourly	\$32.40	\$33.21	\$34.04	\$34.89	\$35.76
	Monthly	\$5,616	\$5,756	\$5,900	\$6,048	\$6,198
	Annual	\$67,392	\$69,077	\$70,803	\$72,571	\$74,381
OPERATOR 2 Grade 3 Distribution Grade 1 Treatment	Hourly	\$28.60	\$29.32	\$30.05	\$30.80	\$31.57
	Monthly	\$4,957	\$5,082	\$5,209	\$5,339	\$5,472
	Annual	\$59,488	\$60,986	\$62,504	\$64,064	\$65,666
OPERATOR 1 Grade 2 Distribution Grade 1 Treatment	Hourly	\$23.36	\$23.94	\$24.54	\$25.15	\$25.78
	Monthly	\$4,049	\$4,150	\$4,254	\$4,359	\$4,469
	Annual	\$48,589	\$49,795	\$51,043	\$52,312	\$53,622
OPERATOR IN TRAINING Entry Level / No Certification Required	Hourly	\$20.64	\$21.16	\$21.69	\$22.23	\$22.79
	Monthly	\$3,578	\$3,668	\$3,760	\$3,853	\$3,950
	Annual	\$42,931	\$44,013	\$45,115	\$46,238	\$47,403

Five-Year Capital Improvement Program (CIP) Plan

Water Division 5-Year CIP Plan						
Project Description	2020	2021	2022	2023	2024	TOTAL
Replace Nob Hill Hydropneumatic Pumping System	\$ 274,050					\$ 274,050
Nob Hill & CLAWA Tank Interconnection Improvements	\$ 130,200					\$ 130,200
SCADA Communications Improvements	\$ 12,000					\$ 12,000
Groundwater Pumping Equipment Replacements	\$ 20,000					\$ 20,000
Relocate Back Lot Meters (80 Total)		\$ 32,000	\$ 32,000	\$ 32,000		\$ 96,000
Replace 4X4 Vehicle Unit # 60 with 1 Ton Service Truck						\$ -
Replace Water & Fire 50Kw Generator shared cost 50%		\$ 25,000				\$ 25,000
Replace Rowco Booster's and Building		\$ 200,000				\$ 200,000
Replace 4X4 Vehicle Unit # 68		\$ 35,000				\$ 35,000
Nob Hill 0.133 MG Tank Rehabilitation		\$ 80,000				\$ 80,000
Purchase New Backhoe Tractor Shared Cost 50%			\$ 60,000			\$ 60,000
Vehicle & Equipment Storage Building at Harris Property			\$ 60,000			\$ 60,000
Replace 4X4 Vehicle Unit # 58 Flatbed Snowplow			\$ 60,000			\$ 60,000
Rowco 0.3 MG Tank Rehabilitation				\$ 90,000		\$ 90,000
Replace 4X4 Vehicle Unit # 76				\$ 50,000		\$ 50,000
Replace Dump Truck (shared cost 1/3 each division)				\$ 25,000		\$ 25,000
Replace Rowco 0.1 MG Tanks with one 0.5 MG Tank					\$ 650,000	\$ 650,000
Nob Hill 1 MG Tank Rehabilitation					\$ 167,000	\$ 167,000
Replace 1965 Thiokol Snow Cat with Truck Mounted Tracks					\$ 50,000	\$ 50,000
Replace Portable 50Kw Generator					\$ 40,000	\$ 40,000
Replace Portable Compressor and Jackhammer					\$ 25,000	\$ 25,000
Water Division Improvements Subtotal	\$ 436,250	\$ 372,000	\$ 212,000	\$ 197,000	\$ 932,000	\$ 2,149,250

Vehicle & Equipment Replacement Schedule

Water Division Vehicle & Equipment Replacement Schedule							
Vehicle Description	Year	Mileage	Hours	Use Status	Replacement Year	Age (Years)	Replacement Cost
Water & Fire Complex Generator	1984		918	Limited	2021	35	\$50,000
Ford 4x4 Ranger Truck (Unit #68)	2001	82,941		Daily	2021	18	\$35,000
Ford 4X4 Plow Truck (Unit #58)	1997	126,172		Utility	2022	22	\$60,000
Ford 555 Backhoe (Unit #42)	1990		3,740	Treatment	2022	29	\$120,000
Portable Cat Generator	1996		177	Limited	2026	23	\$40,000
Ford 4X4 Ranger Truck (Unit #76)	2007	49,850		Daily	2027	12	\$50,000
Portable Compressor	1998		599	Limited	2028	21	\$25,000
Ford 4X4 Ranger Truck (Unit #82)	2011	35,048		Daily	2031	8	\$35,000
Ford 4X4 Ranger Truck (Unit #83)	2011	26,549		Daily	2031	8	\$35,000
Portable Welder	2002		151	Limited	2032	17	\$10,000
Ford 575E Backhoe (Unit #59)	1998		4,498	Special	Deferred	21	\$120,000
Thiokol - Snow Cat (Unit #36)	1965		819	Winter	Deferred	54	\$100,000

Wastewater Collections Division

Vision: The Running Springs Wastewater Division will provide extraordinary wastewater collection service for the Running Springs area and wastewater transmission and treatment service for the Running Springs, Arrowbear, and Green Valley Lake areas that protects the environment, complies with regulatory requirements, satisfies the needs of our customers, and provides beneficial uses for our reclaimed water.

Core Functions, Goals & Objectives

Core Functions	Goals & Objectives
Operations & Maintenance Administration	
<ul style="list-style-type: none"> • Manage, repair & replacement of wastewater collection system • Ensure the California Integrated Water Quality System (CIWQS) requirements pertaining to Sanitary Sewer Overflow (SSO) reporting procedures are adhered to • Customer service related to service orders • Ensure Fats, Oils & Grease (FOG) program is administered 	<ul style="list-style-type: none"> • Respond to USA to accurately mark sewer mains to prevent contractors, or agencies from exposing or destroying infrastructure • Maintain accurate records of all preventative maintenance, maps & improvements • Inspect all Food Service Establishments (FSE's) to ensure full compliance with FOG. ordinance • Maintain compliance with state, regional & local requirements of sewer collection system • Ensure a safe, efficient & educated work force • Maintain an outstanding level of customer service
Repair & Maintenance	
<ul style="list-style-type: none"> • Preventative maintenance • Inspection & maintenance of 60 miles of sewer collection pipeline • Clean 1.75 miles per year of sewer collection pipeline identified hot spots • Inspection of sewer manholes & lift station wet wells for infiltration & inflow (I&I) & degradation 	<ul style="list-style-type: none"> • Investigate smoke testing program to minimize illegal connections & I&I • Clean & video inspect sewer collection pipeline & manholes • Repair several mainline deficiencies identified in CCTV work throughout the District • Repair broken mortar on sewer manhole grade rings throughout the District
Sewer Collection System	
<ul style="list-style-type: none"> • O&M of over 60 miles of sewer collection pipeline • O&M of 2.25 miles of sewer force mains • O&M of over 2,000 sewer manholes • Raise manholes to ensure proper accessibility • Control odors to minimize harmful & corrosive gasses & customer complaints 	<ul style="list-style-type: none"> • Reduce I&I by sealing manhole & cleanout lids throughout the District • Prevent sewer backups or spills by cleaning known hot spots every three months • Install locking manhole covers at key inspection & hot spot locations

Wastewater Collection Division Core Functions, Goals & Objectives (continued)

Core Functions	Goals & Objectives
Sewer Lift Stations	
<ul style="list-style-type: none"> • O&M of 9 sewer lift stations • O&M of 8 standby generators Control odors to minimize harmful & corrosive gasses & customer complaints	<ul style="list-style-type: none"> • General maintenance, monthly testing, inspection & repairs of 7 lift station generators and 1 portable generator • Inspect pumps for performance, efficiency & premature wear to prevent failures
SCADA System	
<ul style="list-style-type: none"> • O&M of Supervisory Control & Data Acquisition (SCADA) system 	<ul style="list-style-type: none"> • Testing at least monthly of SCADA alarms to ensure proper performance • Testing at least monthly of AD 2000 back up alarms to ensure proper performance
Vehicle Maintenance	
<ul style="list-style-type: none"> • O&M of District vehicles & equipment 	<ul style="list-style-type: none"> • General maintenance of all Division vehicles & equipment • Inspections weekly, monthly & annually of all vehicles & equipment to ensure maximum operation & efficiency
Safety, Training & Certifications	
<ul style="list-style-type: none"> • Maintain required certifications • Emergency operations training • Safety training 	<ul style="list-style-type: none"> • Provide opportunities for training & classes to maintain District approved certifications • Provide monthly, bi-annual & annual training for emergency response & preventative maintenance • Provide safety training at least weekly to minimize injuries & to ensure a safe work environment • Work closely with District Compliance Safety Officer to improve Safety Program

Budgeted Operating Expense Details

Wastewater Collections Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 541,066	\$ 401,017	-25.9%	\$ 415,053	3.5%
Operations & Maintenance	\$ 148,147	\$ 148,712	0.4%	\$ 153,917	3.5%
Administrative Services	\$ 126,686	\$ 138,973	9.7%	\$ 143,142	3.0%
District Total	\$ 815,899	\$ 688,702	-15.6%	\$ 712,112	3.4%

COLLECTIONS PROPRIETARY FUND	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Budget	2019-20 vs. 2018-19 Budget		2020-21 vs. 2019-20 Budget	
Wages	353,468	338,860	360,050	254,469	263,376	(105,581)	-29%	8,906	3%
Medicare Tax (FICA)	2,305	4,317	5,221	3,690	3,819	(1,531)	-29%	129	3%
Workers Comp	10,847	11,829	18,447	20,476	21,193	2,029	11%	717	3%
Group Insurance	36,634	38,880	38,134	22,200	22,977	(15,934)	-42%	777	4%
CalPERS Retirement	99,822	109,986	117,734	98,702	102,156	(19,032)	-16%	3,455	3%
Uniforms	514	1,023	1,480	1,480	1,532	-	0%	52	4%
Education/Seminars	910	844	1,000	2,000	2,070	1,000	100%	70	4%
Fuel & Oil	4,415	4,452	6,190	6,515	6,743	325	5%	228	4%
Property/Liability Insurance	11,247	14,493	16,233	17,045	17,641	812	5%	597	3%
Memberships & Subscriptions	4,335	4,841	5,521	5,077	5,255	(444)	-8%	178	3%
Office Supplies	648	4,860	7,130	1,000	1,035	(6,130)	-86%	35	4%
Permits/Fees	11,079	10,917	11,806	11,806	12,219	-	0%	413	3%
Collection System Maintenance	4,818	19,558	28,550	28,670	29,673	120	0%	1,003	3%
Sewer Lift Station Repair & Maintenance	32,287	23,408	34,110	31,128	32,217	(2,982)	-9%	1,089	3%
Miscellaneous Supplies	437	2,073	5,043	5,993	6,203	950	19%	210	4%
Utilities	21,054	25,890	26,014	32,928	34,080	6,914	27%	1,152	3%
Vehicle & Equipment Maintenance	6,037	2,649	6,550	6,550	6,779	-	0%	229	3%
Administrative Services	(82,962)	232,146	126,686	138,973	143,142	12,287	10%	4,169	3%
Total Wastewater Collections Expenses	517,896	851,027	815,899	688,702	712,112	(127,197)	-16%	23,410	3%

*Does not include depreciation non-cash expense.

Employee Classifications and Wage Scales

COLLECTIONS DIVISION						
2019-20 HOURLY WAGE SCHEDULE						
Non-Exempt Positions						
CLASSIFICATION		STEP				
LEAD OPERATOR		A	B	C	D	E
Collection System Maintenance Grade 3	Hourly	\$35.49	\$36.37	\$37.28	\$38.21	\$39.16
Mechanical Technologist Grade 2	Monthly	\$6,152	\$6,304	\$6,462	\$6,623	\$6,788
Electrical/Instrumentation Grade 1	Annual	\$73,819	\$75,650	\$77,542	\$79,477	\$81,453
OPERATOR 3	Hourly	\$32.40	\$33.21	\$34.04	\$34.89	\$35.76
Collection System Maintenance Grade 3	Monthly	\$5,616	\$5,756	\$5,900	\$6,048	\$6,198
Mechanical Technologist Grade 1	Annual	\$67,392	\$69,077	\$70,803	\$72,571	\$74,381
OPERATOR 2	Hourly	\$28.60	\$29.32	\$30.05	\$30.80	\$31.57
Collection System Maintenance Grade 2	Monthly	\$4,957	\$5,082	\$5,209	\$5,339	\$5,472
Mechanical Technologist Grade 1	Annual	\$59,488	\$60,986	\$62,504	\$64,064	\$65,666
OPERATOR 1	Hourly	\$23.36	\$23.94	\$24.54	\$25.15	\$25.78
Collection System Maintenance Grade 1	Monthly	\$4,049	\$4,150	\$4,254	\$4,359	\$4,469
Mechanical Technologist Grade 1	Annual	\$48,589	\$49,795	\$51,043	\$52,312	\$53,622
OPERATOR IN TRAINING	Hourly	\$20.64	\$21.16	\$21.69	\$22.23	\$22.79
Entry Level / No Certification Required	Monthly	\$3,578	\$3,668	\$3,760	\$3,853	\$3,950
	Annual	\$42,931	\$44,013	\$45,115	\$46,238	\$47,403

Five-Year Capital Improvement Program (CIP) Plan

Wastewater Collections Division 5-Year CIP Plan						
Project Description	2020	2021	2022	2023	2024	TOTAL
Collection System Improvements - I&I Reduction						
Purchase Video Inspection & Line Cleaning Equipment	\$ 100,000	\$ 100,000				\$ 200,000
Seal Coat Sewer Manholes 5 per year at \$1,500 each	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 37,500
Point Repairs Utilizing Pipe Liner 5 per year at \$1,500 each	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ 37,500
Point Repairs (in house) 10 per year at \$500 each O&M	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 25,000
Purchase Sewer Manhole Lids 20 per year at \$400 each	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 40,000
Collection System - I&I Improvements Subtotal	\$ 128,000	\$ 128,000	\$ 28,000	\$ 28,000	\$ 28,000	\$ 340,000
Pump Stations						
Upgrade Control Panels & SCADA Screens at Sewer Lift Stations Nos. 7, 8 & 9	\$ 10,000					\$ 10,000
SCADA Communications Improvements	\$ 25,000					\$ 25,000
Install Flow Meter & Vault at Sewer Lift Station 7		\$ 35,000				\$ 35,000
Pump Stations Subtotal	\$ 35,000	\$ 35,000	\$ -	\$ -	\$ -	\$ 70,000
Pipeline Rehab & Replacement						
Wagon Wheel Easement E-W between MH's 108 and 109				\$ 150,000		\$ 150,000
Increase 120' of mainline from 10" to 15" on school trunk MH 52-51		\$ 20,000				\$ 20,000
Pipeline Rehab & Replacement Subtotal	\$ -	\$ 20,000	\$ -	\$ 150,000		\$ 170,000
Other Wastewater System Improvements						
Purchase New Bypass Pump Equipment	\$ 20,000					\$ 20,000
Purchase Service Bed & Crane for Utility Truck	\$ 28,000			\$ 30,000		\$ 58,000
Replace Unit 70 Light Utility Service Truck				\$ 30,000		\$ 30,000
Replace Dump Truck (shared cost 1/3 each division)				\$ 25,000		\$ 25,000
Replace Unit 77 Light Utility Service Truck					\$ 30,000	\$ 30,000
Replace Unit 75 Medium Utility / Snow Plow / Jetter Tow / Service Truck					\$ 50,000	\$ 50,000
Replace Unit 84 Light Utility Service Truck					\$ 30,000	\$ 30,000
Replace Collection Building Generator					\$ 5,000	\$ 5,000
Vehicle & Equipment Storage Building at Harris Property			\$ 60,000			\$ 60,000
Purchase New Backhoe Tractor Shared Cost 50%			\$ 60,000			\$ 60,000
Other Wastewater System Improvements Subtotal	\$ 48,000	\$ -	\$ 120,000	\$ 85,000	\$ 115,000	\$ 368,000
Collections Division Improvements Subtotal	\$ 211,000	\$ 183,000	\$ 148,000	\$ 263,000	\$ 143,000	\$ 948,000

Vehicle & Equipment Replacement Schedule

Collections Division Vehicle & Equipment Replacement Schedule							
Vehicle Description	Year	Mileage	Hours	Use Status	Replacement Year	Age (Years)	Replacement Cost
Air Compressor	1985		1,230	Limited	2019	34	\$25,000
Utility Truck (Unit # 70)	2003	67,596		Daily	2023	16	\$30,000
Utility Truck (Unit # 77)	2007	47,183		Daily	2024	12	\$30,000
Medium Utility Truck (Unit # 75)	2007	17,813		As-Needed	2024	12	\$50,000
Utility Truck (Unit # 84)	2011	25,915		Daily	2024	8	\$30,000
Dump Truck (Unit # 62)	1995	121,500		Limited	2025	24	\$75,000
Collections Building Generator	2008		51	Limited	2028	11	\$5,000
Hydro	2010		110	Limited	2030	9	\$50,000

Wastewater Treatment Division

Vision: The Running Springs Wastewater Division will provide extraordinary wastewater collection service for the Running Springs area and wastewater transmission and treatment service for the Running Springs, Arrowbear, and Green Valley Lake areas that protects the environment, complies with regulatory requirements, satisfies the needs of our customers, and provides beneficial uses for our reclaimed water.

Core Functions, Goals & Objectives

Core Functions	Goals & Objectives
Operations & Maintenance Administration	
<ul style="list-style-type: none"> • Manage treatment plant & disposal facilities • Maintain compliance with Santa Ana Regional Water Quality Control Board (SARWQCB) Waste Discharge Requirements (WDR) • Maintain United States Forest Service (USFS) Special Use Permit (SUP) • Train staff on new processes & procedures • Review & implement staff recommended process & procedure changes • Reporting to regulatory agencies 	<ul style="list-style-type: none"> • Implement changes identified by continued process evaluation
Repair & Maintenance	
<ul style="list-style-type: none"> • Preventative maintenance • Perform necessary repairs revealed by routine / preventative maintenance • Respond to equipment / machinery failures 	<ul style="list-style-type: none"> • Upgrade SCADA System • Replace Fine Bubble Aeration System in MBR 2 • Perform Annual MBR take down & mechanical inspection
Wastewater Treatment Plant	
<ul style="list-style-type: none"> • O&M of 1MGD MBR plant • Perform process control laboratory analysis • Manage disposal of 648 wet tons per year of biosolids • Continue to evaluate treatment processes to maintain an efficient operation • Respond to after hour emergencies & equipment failures • Complying with unfunded mandates from regulatory agencies 	<ul style="list-style-type: none"> • Continue to evaluate effluent reuse options • Optimize New US500 OMUs in MBR 1
Treated Wastewater Disposal Facilities	
<ul style="list-style-type: none"> • O&M of 1.58 miles of outfall pipeline • O&M of 18 acre disposal site • O&M of 13 percolation ponds 	<ul style="list-style-type: none"> • Grade roads around ponds to maintain access

**Wastewater Treatment Division Core Functions, Goals & Objectives
(continued)**

Core Functions	Goals & Objectives
SCADA System	
<ul style="list-style-type: none"> • O&M of Supervisory Control & Data Acquisition (SCADA) system to provide remote monitoring & operation of treatment plant processes & disposal facilities • Log, analyze & archive operational data • Continued improvement of process automation 	<ul style="list-style-type: none"> • Evaluate SCADA system • Upgrade SCADA based on the continuing treatment process evaluation
Safety, Training & Certifications	
<ul style="list-style-type: none"> • Maintain required certifications • Emergency operations training • Safety training 	<ul style="list-style-type: none"> • Provide opportunities for training & classes to maintain District approved certifications • Provide monthly, bi-annual & annual training for emergency response & preventative maintenance • Provide safety training at least weekly to minimize injuries & to ensure a safe work environment • Work closely with District Compliance Safety Officer to improve Safety Program

Budgeted Operating Expense Details

Wastewater Treatment Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 466,900	\$ 457,554	-2.0%	\$ 473,569	3.5%
Operations & Maintenance	\$ 332,692	\$ 331,570	-0.3%	\$ 343,175	3.5%
Administrative Services	\$ 137,988	\$ 149,663	8.5%	\$ 154,153	3.0%
District Total	\$ 937,580	\$ 938,788	0.1%	\$ 970,897	3.4%

TREATMENT PROPRIETARY FUND	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Budget	2019-20 vs. 2018-19 Budget	2020-21 vs. 2019-20 Budget		
Wages	327,972	314,512	325,150	283,580	293,505	(41,570)	-13%	9,925	3%
Medicare Tax (FICA)	4,026	4,403	4,716	4,112	4,256	(604)	-13%	144	4%
Workers Comp	10,093	10,816	17,265	19,165	19,835	1,900	11%	671	4%
Group Insurance	20,626	43,668	24,637	40,485	41,902	15,848	64%	1,417	3%
CalPERS Retirement	83,287	89,289	94,022	109,103	112,922	15,081	16%	3,819	3%
Uniforms	871	925	1,110	1,110	1,149	-	0%	39	3%
Education/Seminars	783	574	1,000	2,500	2,588	1,500	150%	88	4%
Effluent Disposal Site Maintenance	4,649	1,700	4,000	4,000	4,140	-	0%	140	4%
Fuel & Oil	5,852	1,888	7,150	7,150	7,400	-	0%	250	3%
Property/Liability Insurance	11,247	11,993	13,587	14,266	14,765	679	5%	499	4%
Memberships & Subscriptions	3,638	5,076	3,253	2,835	2,934	(418)	-13%	99	4%
Permits/Fees (Treatment)	26,122	28,982	30,736	27,403	28,362	(3,333)	-11%	959	4%
Permits/Fees (SLS #2)	-	-	1,710	1,710	1,770	(0)	0%	60	4%
Interceptor Pipeline Maintenance	2,642	4,824	8,125	8,125	8,409	-	0%	284	4%
SLS #2 & Interceptor Pipeline Maintenance	-	-	4,500	5,700	5,900	1,200	27%	199	3%
Treatment Plant Maintenance	28,707	42,740	65,500	67,000	69,345	1,500	2%	2,345	4%
Biosolids Handling & Disposal	60,693	66,291	56,740	57,040	59,036	300	1%	1,996	3%
Miscellaneous Supplies	9,628	6,604	6,693	7,443	7,704	750	11%	261	4%
Office Supplies	796	5,352	5,500	6,500	6,728	1,000	18%	227	3%
Utilities (Joint Use Facilities)	82,365	80,337	93,228	93,228	96,491	-	0%	3,263	4%
Utilities (SLS #2)	-	-	6,120	6,120	6,334	-	0%	214	4%
Vehicle & Equipment Maintenance	5,040	3,716	10,650	6,350	6,572	(4,300)	-40%	222	3%
Wastewater Testing & Analysis	14,282	12,047	14,200	14,200	14,697	-	0%	497	3%
Administrative Services	240,140	239,333	137,988	149,663	154,153	11,675	8%	4,490	3%
Total Wastewater Treatment Expenses	943,459	975,068	937,580	938,788	970,897	1,208	0%	32,109	3%

*Does not include depreciation non-cash expense.

Arrowbear O&M Reimbursement (17.6% of O&M Costs + SLS #2) \$ 165,227 \$ 13,769 per month
 CSA 79 O&M Reimbursement (21.7% of O&M Costs - SLS #2) \$ 203,717 \$ 16,976 per month

Employee Classifications and Wage Scales

TREATMENT DIVISION						
2019-20 HOURLY WAGE SCHEDULE						
Exempt Positions						
CLASSIFICATION		STEP				
OPERATIONS MANAGER 3		A	B	C	D	E
Grade 3 WWTP Operator	Hourly	\$64.78	\$66.40	\$68.06	\$69.76	\$71.50
Collection System Maintenance Grade 3	Monthly	\$11,229	\$11,509	\$11,797	\$12,092	\$12,393
Mechanical Technologist Grade 1	Annual	\$134,742	\$138,112	\$141,565	\$145,101	\$148,720
Water Distribution Grade 1						
Water Treatment Grade 1						
OPERATIONS MANAGER 2	Hourly	\$52.72	\$54.04	\$55.39	\$56.78	\$58.20
Grade 3 WWTP Operator	Monthly	\$9,138	\$9,367	\$9,601	\$9,842	\$10,088
Collection System Maintenance Grade 2	Annual	\$109,658	\$112,403	\$115,211	\$118,102	\$121,056
Mechanical Technologist Grade 1						
OPERATIONS MANAGER 1	Hourly	\$46.60	\$47.77	\$48.96	\$50.18	\$51.44
Grade 3 WWTP Operator	Monthly	\$8,077	\$8,280	\$8,486	\$8,698	\$8,916
Collection System Maintenance Grade 2	Annual	\$96,928	\$99,362	\$101,837	\$104,374	\$106,995
Mechanical Technologist Grade 1						
Non-Exempt Positions						
CLASSIFICATION*		STEP				
LEAD OPERATOR		A	B	C	D	E
Grade 3 WWTP Operator	Hourly	\$36.71	\$37.63	\$38.57	\$39.53	\$40.52
Mechanical Technologist Grade 2	Monthly	\$6,363	\$6,523	\$6,685	\$6,852	\$7,023
Collection System Maintenance Grade 1	Annual	\$76,357	\$78,270	\$80,226	\$82,222	\$84,282
OPERATOR 3	Hourly	\$32.45	\$33.26	\$34.09	\$34.94	\$35.81
Grade 3 WWTP Operator	Monthly	\$5,625	\$5,765	\$5,909	\$6,056	\$6,207
Grade 1 Collections	Annual	\$67,496	\$69,181	\$70,907	\$72,675	\$74,485
OPERATOR 2	Hourly	\$28.64	\$29.36	\$30.09	\$30.84	\$31.61
Grade 2 WWTP Operator	Monthly	\$4,964	\$5,089	\$5,216	\$5,346	\$5,479
Grade 1 Collections	Annual	\$59,571	\$61,069	\$62,587	\$64,147	\$65,749
OPERATOR 1	Hourly	\$23.36	\$23.94	\$24.54	\$25.15	\$25.78
Grade 1 WWTP Operator	Monthly	\$4,049	\$4,150	\$4,254	\$4,359	\$4,469
Grade 1 Collections	Annual	\$48,589	\$49,795	\$51,043	\$52,312	\$53,622
OPERATOR IN TRAINING	Hourly	\$20.64	\$21.16	\$21.69	\$22.23	\$22.79
Entry Level / No Certification Required	Monthly	\$3,578	\$3,668	\$3,760	\$3,853	\$3,950
	Annual	\$42,931	\$44,013	\$45,115	\$46,238	\$47,403

Five-Year Capital Improvement Program (CIP) Plan

Wastewater Treatment Division 5-Year CIP Plan						
Project Description	2020	2021	2022	2023	2024	TOTAL
Upgrade Screenings Conditioning Equipment at Headworks	\$ 120,000					\$ 120,000
Upgrade Grit Removal System at Headworks	\$ 165,000					\$ 165,000
Mixer & Submersible Pump Rebuilds	\$ 20,000	\$ 20,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 130,000
Upgrade, R&R Treatment SCADA, Pumps, Mixers, Etc.	\$ 40,000					\$ 40,000
Replacement Fine Bubble Aeration System MBR 2	\$ 7,500					\$ 7,500
Solids Handling Loading Area Improvements	\$ 15,000					\$ 15,000
Plant Road Paving (54,000 SF)	\$ 1,000	\$ 150,000				\$ 151,000
Replacement of Disposal Ponds Piping & Valve Structures		\$ 150,000				\$ 150,000
Grit Removal Equipment			\$ 300,000			\$ 300,000
Replace UV System				\$ 350,000		\$ 350,000
Utility Truck Unit 69 Replacement		\$ 35,000				\$ 35,000
Plow Truck Unit 39 Replacement			\$ 35,000			\$ 35,000
Utility Truck Unit 67 Replacement				\$ 35,000		\$ 35,000
Replace Dump Truck (shared cost 1/3 each division)				\$ 25,000		\$ 25,000
Utility Truck Unit 80 Replacement					\$ 35,000	\$ 35,000
Wheel Loader Replacement					\$ 150,000	\$ 150,000
Generator & ATS Replacement					\$ 150,000	\$ 150,000
Treatment Plant Improvements Subtotal	\$ 368,500	\$ 355,000	\$ 365,000	\$ 440,000	\$ 365,000	\$ 1,893,500
Net Cost to RS Rate Payers (62%):	\$ 228,470	\$ 220,100	\$ 226,300	\$ 272,800	\$ 226,300	\$ 1,173,970

Arrowbear Proportionate Share of Capital Improvements (17.6%) \$ 64,856 \$ 5,405 per month
 CSA 79 Proportionate Share of Capital Improvements (21.7%) \$ 79,965 \$ 6,664 per month

Vehicle & Equipment Replacement Schedule

Treatment Division Vehicle & Equipment Replacement Schedule							
Vehicle Description	Year	Mileage	Hours	Use Status	Replacement Year	Age (Years)	Replacement Cost
Plant Utility (Unit # 69)	2001	53,205		Daily	2021	18	\$35,000
Plant Plow Truck (Unit #39)	1990	26,618		Limited	2022	29	\$35,000
Plant Utility (Unit # 67)	1999	91,672		Daily	2023	20	\$25,000
Plant Utility (Unit # 80)	2008	23,162		Daily	2024	11	\$25,000
Backup Power Generator	1979		911	Limited	2024	40	\$150,000
John Deere Loader	1992		2,942	3 times/week	2024	27	\$150,000
Plant Utility (Unit # 85)	2011	7,876		Daily	2025	8	\$40,000
Ford Sport Tract/Utility (Unit # 78)	2007	18,441		Daily	2027	12	\$35,000
Bobcat Skid Steer	2014			Daily	2040	5	\$75,000

Fire Department

Vision: The Running Springs Fire Department will be an exemplary organization dedicated to community service and acclaimed for our hometown attentiveness as we provide fire protection and life safety services whenever called to duty.

Core Functions, Goals & Objectives

Core Functions	Goals & Objectives
Fire Department	
<ul style="list-style-type: none"> • The protection of life & property within the boundaries of the Fire District. • The prevention of public losses by education, public awareness & an active fire suppression & prevention program. • Maintaining the safety & welfare of the Firefighters that work for the Fire Department. • The pre-planning of emergencies to reduce losses in the event of a local disaster. • To be an active participant in the Fire Service & with other emergency service agencies, to meet the needs of the public. • Maintaining a positive involvement within the community by the Fire Department. 	<ul style="list-style-type: none"> • To reduce cost of maintaining the programs of the Fire Department whenever possible. • Maintain staffing numbers to meet the needs of the community & to maintain the mission of the Fire Department. • Reduction of job related injuries. • Conduct 2 to 5 community functions such as an Open House, Christmas Function, Community Emergency Response Team (CERT) Meetings, Senior Blood Pressure Testing, etc. during the fiscal year.

Fire Department Core Functions, Goals & Objectives (continued)

Core Functions	Goals & Objectives
Hazard Abatement Program	
<ul style="list-style-type: none"> • Reduce the potential harm to human life & the destruction of property by the abatement of hazardous fire receptive fuels that would pose a threat within the Fire District. • Awareness to the public of the dangers of not abating & decreasing fire hazards on their property. • Advocate fire safe communities by education & enforcement of the Hazard Abatement Program. • Continue to be an active member of the interagency efforts of hazardous fuels reduction. 	<ul style="list-style-type: none"> • Compliance of 100% of the reduction of fire fuel hazards & needed abatement in the Community of Running Springs. • Inspect 100% of the properties within the Fire District for compliance with the hazard abatement program. • Continue to pursue & support cost recovery efforts to support the expenditures of management of non-compliant properties of the hazard abatement program.
Vehicle Maintenance	
<ul style="list-style-type: none"> • To have & maintain a fleet of vehicles to meet the demands of the Fire Department's mission. • To have vehicles with suitable equipment, to provide for the safety & needs of the public & the Fire Department's employees. 	<ul style="list-style-type: none"> • To pursue cost cutting measures for the operation & the owning of vehicles needed for the operations of the Fire Departments mission. • To pursue cost cutting measures for maintaining & owning emergency equipment needed in the operations of the Fire Departments mission.
Training	
<ul style="list-style-type: none"> • Continued training & maintaining skills of the fire staff to provide the best & safest service possible to the public & the emergency service employees of the Fire Department. • Continued learning of new skills & technology to enhance the ability to protect life & property, while protecting Fire Department employees from hazards. 	<ul style="list-style-type: none"> • Train & maintain skills & abilities of staff to 100% of current standards. • Recruit & train 2 to 5 new Paid Call Firefighters (PCFs) during the fiscal year.

Budgeted Operating Expense Details

Fire Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 1,431,128	\$ 1,607,960	12.4%	\$ 1,664,239	3.5%
Operations & Maintenance	\$ 211,431	\$ 227,765	7.7%	\$ 234,598	3.0%
Administrative Services	\$ 159,081	\$ 192,424	21.0%	\$ 198,197	3.0%
District Total	\$ 1,801,639	\$ 2,028,150	12.6%	\$ 2,097,034	3.4%

FIRE GOVERNMENTAL FUND	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Budget	2019-20 vs. 2018-19 Budget	2020-21 vs. 2019-20 Budget
Wages	852,403	1,076,955	807,142	832,217	861,344	25,074	3%
Medicare Tax (FICA)	11,279	14,269	11,704	12,067	12,489	364	3%
Workers Comp Insurance	41,923	38,276	58,910	65,390	67,679	6,480	11%
Group Insurance	88,914	84,855	90,066	94,066	97,358	4,000	4%
CalPERS Retirement	438,117	384,031	457,305	598,220	619,158	140,915	31%
Uniform Allowance	2,911	5,019	6,000	6,000	6,210	-	0%
Education, Training & Seminars	4,969	6,574	13,500	13,500	13,905	-	0%
Fuel & Oil	6,819	8,955	12,318	13,780	14,193	1,463	12%
Hazard Abatement Program	7,934	8,000	8,000	10,000	10,300	2,000	25%
Property/Liability Insurance	12,095	14,271	15,791	15,791	16,265	-	0%
Memberships & Subscriptions	2,775	4,868	3,695	5,825	6,000	2,130	58%
Office Supplies	3,594	4,704	7,980	8,000	8,240	20	0%
Fees & Permits	4,434	4,211	4,500	4,500	4,635	-	0%
Dispatching Services	37,617	41,371	51,114	57,000	58,710	5,886	12%
General Station Maintenance	3,013	6,655	9,500	9,500	9,785	-	0%
Safety Clothing, Supplies & Equipment	16,141	27,115	27,300	30,200	31,106	2,900	11%
Utilities - Electric, Gas, Phone, Trash	20,310	18,657	21,733	22,669	23,349	936	4%
Vehicle & Equipment Repair & Maintenance	22,641	27,756	36,000	37,000	38,110	1,000	3%
Administrative Services	104,649	161,940	159,081	192,424	198,197	33,343	21%
Total Fire Expenses	1,682,537	1,938,481	1,801,639	2,028,150	2,097,034	226,511	13%

*Does not include depreciation non-cash expense.

Employee Classifications and Wage Scales

RUNNING SPRINGS WATER DISTRICT													
FIRE DEPARTMENT													
2019-20 HOURLY WAGE SCHEDULE													
Non-Exempt Positions													
CLASSIFICATION*		STEP											
		A	A-1	B	B-1	C	C-1	D	D-1	E	E-1	F	F-1
CAPTAIN/PARAMEDIC (56 Hour Work Week)	Hourly	\$30.18	\$30.93	\$31.70	\$32.49	\$33.30	\$34.13	\$34.98	\$35.85	\$36.75	\$37.67	\$38.61	\$39.58
	Monthly	\$7,520	\$7,707	\$7,899	\$8,095	\$8,297	\$8,504	\$8,716	\$8,933	\$9,157	\$9,386	\$9,620	\$9,862
	Annual	\$90,238	\$92,481	\$94,783	\$97,145	\$99,567	\$102,049	\$104,590	\$107,192	\$109,883	\$112,633	\$115,444	\$118,344
ENGINEER/PARAMEDIC (56 Hour Work Week)	Hourly	\$27.11	\$27.79	\$28.49	\$29.20	\$29.93	\$30.68	\$31.45	\$32.24	\$33.05	\$33.88	\$34.73	\$35.60
	Monthly	\$6,755	\$6,924	\$7,099	\$7,276	\$7,458	\$7,644	\$7,836	\$8,033	\$8,235	\$8,442	\$8,654	\$8,870
	Annual	\$81,059	\$83,092	\$85,185	\$87,308	\$89,491	\$91,733	\$94,036	\$96,398	\$98,820	\$101,301	\$103,843	\$106,444
FIREFIGHTER/PARAMEDIC (56 Hour Work Week)	Hourly	\$24.90	\$25.52	\$26.16	\$26.79	\$27.46	\$28.16	\$28.86	\$29.58	\$30.32	\$31.08	\$31.86	\$32.66
	Monthly	\$6,204	\$6,359	\$6,518	\$6,675	\$6,842	\$7,017	\$7,191	\$7,370	\$7,555	\$7,744	\$7,938	\$8,138
	Annual	\$74,451	\$76,305	\$78,218	\$80,102	\$82,105	\$84,198	\$86,291	\$88,444	\$90,657	\$92,929	\$95,261	\$97,653
ADMINISTRATIVE ASSISTANT (40-hr Work Week)	Hourly	\$29.72	\$30.46	\$31.22	\$32.00	\$32.80	\$33.62	\$34.46	\$35.32	\$36.20	\$37.10	\$38.03	\$38.98
	Monthly	\$5,151	\$5,280	\$5,411	\$5,547	\$5,685	\$5,827	\$5,973	\$6,122	\$6,275	\$6,431	\$6,592	\$6,756.53
	Annual	\$61,818	\$63,357	\$64,938	\$66,560	\$68,224	\$69,930	\$71,677	\$73,466	\$75,296	\$77,168	\$79,102	\$81,078

RUNNING SPRINGS WATER DISTRICT						
FIRE DEPARTMENT						
2019-20 HOURLY WAGE SCHEDULE						
Non-Exempt Positions (NEW HIRES)						
CLASSIFICATION*		STEP				
		A	B	C	D	E
CAPTAIN/PARAMEDIC (56 Hour Work Week)	Hourly	\$32.36	\$33.17	\$34.00	\$34.85	\$35.72
	Monthly	\$8,063	\$8,265	\$8,472	\$8,683	\$8,900
	Annual	\$96,756	\$99,178	\$101,660	\$104,202	\$106,803
ENGINEER/PARAMEDIC (56 Hour Work Week)	Hourly	\$27.92	\$28.62	\$29.33	\$30.07	\$30.82
	Monthly	\$6,957	\$7,131	\$7,308	\$7,492	\$7,679
	Annual	\$83,481	\$85,574	\$87,697	\$89,909	\$92,152
FIREFIGHTER/PARAMEDIC (56 Hour Work Week)	Hourly	\$24.09	\$24.69	\$25.31	\$25.94	\$26.59
	Monthly	\$6,002	\$6,152	\$6,306	\$6,463	\$6,625
	Annual	\$72,029	\$73,823	\$75,677	\$77,561	\$79,504

*Proposed new hire wage schedule. Existing staff remains on current wage schedule.

FIRE DEPARTMENT							
2019-20 HOURLY WAGE SCHEDULE							
Exempt Positions							
CLASSIFICATION*		STEP					
		A	B	C	D	E	F
CHIEF (40-hr Work Week)	Hourly	\$67.15	\$68.83	\$70.55	\$72.31	\$74.12	\$80.38
	Monthly	\$11,639	\$11,931	\$12,229	\$12,534	\$12,847	\$13,933
	Annual	\$139,672	\$143,166	\$146,744	\$150,405	\$154,170	\$167,190
STEP							
BATTALION CHIEF (40-hr Work Week)		A	B	C	D	E	
BATTALION CHIEF (40-hr Work Week)	Hourly	\$59.34	\$60.83	\$62.35	\$63.91	\$65.51	
	Monthly	\$10,286	\$10,544	\$10,807	\$11,078	\$11,355	
	Annual	\$123,427	\$126,526	\$129,688	\$132,933	\$136,261	

RUNNING SPRINGS WATER DISTRICT		
FIRE DEPARTMENT		
2019-20 HOURLY WAGE SCHEDULE		
Paid Call Firefighters	EMT	Paramedic
Entry Level Firefighter	\$12.00	\$13.15
Firefighter 1	\$13.15	\$14.48
Firefighter 2	\$14.36	\$15.79
Engineer	\$15.54	\$17.11
Captain	\$16.76	\$18.43

Five-Year Capital Improvement Program (CIP) Plan

Fire Department 5-Year CIP Plan						
Project Description	2020	2021	2022	2023	2024	TOTAL
Replace Staff Vehicle (2003 Dodge)	\$ 55,000					\$ 55,000
Radios 800mhz x 6	\$ 48,000					\$ 48,000
Furniture (Recliners)/ Kitchen Table	\$ 3,200					\$ 3,200
Command Tablets	\$ 2,500					\$ 2,500
Breathing Apparatus Purchase- 3 SCBAs	\$ 15,000					\$ 15,000
Radios VHF Digital x 6	\$ 15,000					\$ 15,000
15 Voice Amps for SCBA Masks	\$ 4,641					\$ 4,641
Replace Water & Fire 50Kw Generator shared cost 50%	\$ 25,000					\$ 25,000
New Windows downstairs Station 50 (double pane)		\$ 2,000				\$ 2,000
Exterior Paint Station 50		\$ 4,000				\$ 4,000
Replace Concrete Aprons at Station 50 and Station 51		\$ 50,000				\$ 50,000
Vehicle & Equipment Storage Building at Harris Property			\$ 60,000			\$ 60,000
Kitchen Remodel			\$ 6,000			\$ 6,000
Replace (2005 Chevrolet Utility)			\$ 55,000			\$ 55,000
Replace 1999 Type 1 KME Engine (E-51)				\$ 500,000		\$ 500,000
Replace 2003 KME Pumper					\$ 500,000	\$ 500,000
Fire Department Subtotal	\$ 168,341	\$ 56,000	\$ 121,000	\$ 500,000	\$ 500,000	\$ 1,345,341

Vehicle & Equipment Replacement Schedule

Fire & Ambulance Department Vehicle & Equipment Replacement Schedule							
Vehicle Description	Year	Mileage	Hours	Use Status	Replacement Year	Age (Years)	Replacement Cost
2005 Chevrolet Utility	2005	45035		Daily	2012	14	\$50,000
2007 Chevy MA50A	2007	113579		Daily	2020	12	\$150,000
2007 Chevy MA51	2009	88855		Daily	2025	10	\$150,000
2003 Dodge	2003	79702		Daily	2019	16	\$55,000
1999 KME Pumper	2000	130001		Daily	2023	19	\$500,000
2003 KME Pumper	2003	15102		Daily	2024	16	\$500,000
2005 BME Engine	2005	13525		Daily	2025	14	\$500,000
2015 Ford F450 Squad 51	2015	19321		Daily	2025	4	\$100,000
2016 Ford F450 MA50	2016	61091		Daily	2026	3	\$200,000
1969 Thiokol Snow Cat 51	2011		835	Winter	n/a	8	Donation
1985 Thiokol Snow Cat 51A	2011		824	Winter	n/a	8	Donation
1993 Chevy Cheyenne	1993	113,078		Daily/Winter	2019	26	\$50,000
		Quantity					
Zoll E Series	2004	3	\$25,000	Daily	2019	15	\$85,000
2001 TNT Rescue Tool	2000	1 Set	\$13,873	Daily	2019	19	\$20,000
Breathing Support	2002	1	\$24,000	Daily	2019	17	\$35,000
Oxygen Generator	2012	1	\$20,000	Daily	2019	7	\$25,000
Sparky Suit	1991	1	\$1,358	Daily	2021	28	\$2,000
CAFS in Squad 51	2006	1	\$7,920	Daily	2021	13	\$12,000
Honda Snow Blower	2015	1	\$1,358	Winter	2025	4	\$3,500
SCOTT Packs w/full components	2018	15	\$4,500	Daily	2030	1	\$70,000
SCBA Masks	2018	13	\$300	Daily	2030	1	\$5,000
RIC Pack	2018	3	\$2,650	Daily	2030	1	\$5,000
SCBA Bottles/ Spare	Varied	3	\$500	Daily	Variable		\$2,000
		Quantity					
Personal Computer/Chief	2011	1	\$800	Daily	2019	8	\$1,000
Personal Computer/Chief	2014	1	\$800	Daily	2019	5	\$1,000
Clothes Dryer Sta. 50	1989	1	\$400	Daily	2019	30	\$1,000
Washing Machine Sta.50	2013	1	\$446	Daily	2019	6	\$1,000
Continental Extractor	2008	1	\$7,500	Daily	2023	11	\$12,000
Personal Computer/ Admin	2018	1	\$1,500	Daily	2023	1	\$2,000
Personal Computer/ST. 50	2019	1	\$1,200	Daily	2024	0	\$1,500
Personal Computer Training	2019	1	\$2,000	Daily	2024	0	\$2,500
Washing Machine Sta. 51	2016	1	\$650	Daily	2036	3	\$1,000
Clothes Dryer Sta. 51	2016	1	\$650	Daily	2036	3	\$1,000

Ambulance Division

Vision: The Running Springs Fire Department will be an exemplary organization dedicated to community service and acclaimed for our hometown attentiveness as we provide fire protection and life safety services whenever called to duty.

Core Functions, Goals & Objectives

Core Functions	Goals & Objectives
Ambulance Service	
<ul style="list-style-type: none"> • The protection of life & bodily harm by rendering aid to the sick & injured. • Maintaining a highly efficient staff to provide pre-hospital medical attention to the public we provide service to. • Maintaining & using medical emergency equipment to serve the needs of the public. 	<ul style="list-style-type: none"> • Dedication to community service and hometown attentiveness as we provide fire protection and life safety services whenever called to duty. • Continue to pursue & support cost recovery efforts to support the expenditures to maintain the Ambulance Service. • Seek out additional revenue sources to support the Ambulance Service.
Vehicle Maintenance	
<ul style="list-style-type: none"> • To have & maintain a fleet of vehicles to meet the demands of the Fire Department’s mission. • To have vehicles with suitable equipment, to provide for the safety & needs of the public & the Fire Department’s employees. 	<ul style="list-style-type: none"> • To pursue cost cutting measures for the operation & the owning of vehicles needed for the operations of the Fire Departments mission. • To pursue cost cutting measures for maintaining & owning emergency equipment needed in the operations of the Fire Departments mission.
Training	
<ul style="list-style-type: none"> • Continued training & maintaining skills of the fire staff to provide the best & safest service possible to the public & the emergency service employees of the Fire Department. • Continued learning of new skills & technology to enhance the ability to protect life & property, while protecting Fire Department employees from hazards. 	<ul style="list-style-type: none"> • Train & maintain skills & abilities of staff to 100% of current standards.

Budgeted Operating Expense Details

Ambulance Expenditure Summary					
	2018-19 Budget	2019-20 Budget	% Change From Prior Year	2020-21 Budget	% Change From Prior Year
Personnel Expense	\$ 440,917	\$ 454,614	3.1%	\$ 470,525	3.5%
Operations & Maintenance	\$ 81,151	\$ 90,622	11.7%	\$ 93,794	3.5%
Administrative Services	\$ 72,799	\$ 106,902	46.8%	\$ 110,110	3.0%
District Total	\$ 594,867	\$ 652,138	9.6%	\$ 674,428	3.4%

AMBULANCE PROPRIETARY FUND	2016-17 Actual	2017-18 Actual	2018-19 Budget	2019-20 Budget	2020-21 Budget	2019-20 vs. 2018-19 Budget	2020-21 vs. 2019-20 Budget		
Wages	441,651	364,508	434,615	448,116	463,800	13,501	3%	15,684	3%
Medicare Tax (FICA)	6,327	4,977	6,302	6,498	6,725	196	3%	227	3%
Fuel & Oil	7,329	6,764	10,895	10,245	10,604	(650)	-6%	359	3%
Property/Liability Insurance	7,232	9,619	11,057	11,057	11,444	-	0%	387	4%
Memberships & Subscriptions	3,435	5,435	4,795	12,800	13,248	8,005	167%	448	3%
Equipment Repair & Maintenance	2,774	7,778	3,500	3,700	3,830	200	6%	130	3%
Medical Supplies	22,539	17,658	24,000	25,800	26,703	1,800	8%	903	3%
Miscellaneous Supplies & Expenses	7,138	6,095	6,000	6,000	6,210	-	0%	210	3%
Office Supplies	1,622	372	1,700	1,700	1,760	-	0%	59	3%
Communications	1,417	1,848	2,304	2,320	2,401	16	1%	81	3%
Vehicle Repair & Maintenance	16,299	13,999	16,900	17,000	17,595	100	1%	595	4%
Uncollectable Accounts	187,641	151,133	-	-	-	-	-	-	-
Administrative Services	51,676	64,660	72,799	106,902	110,110	34,103	47%	3,207	3%
Total Ambulance Expenses	757,080	654,845	594,867	652,138	674,428	57,271	10%	22,290	3%

*Does not include depreciation non-cash expense.

Five-Year Capital Improvement Program (CIP) Plan

Ambulance Division 5-Year CIP Plan						
Project Description	2020	2021	2022	2023	2024	TOTAL
Replace MA50A (2007 Chevrolet)	\$ 210,000					\$ 210,000
Oxygen Generator		\$ 35,000				\$ 35,000
Replace Zoll M Series Monitors	\$ 60,000		\$ 45,000			\$ 105,000
Auto Pulse			\$ 15,000			\$ 15,000
Replace MA51 (2007 Chevrolet)					\$210,000	\$ 210,000
Ambulance Department Subtotal	\$ 270,000	\$ 35,000	\$ 60,000	\$ -	\$ 210,000	\$ 575,000

Appendix A – Draft Proposition 218 Notice FYE 2020-2024



RUNNING SPRINGS WATER DISTRICT

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

NOTICE OF PUBLIC HEARING ON PROPOSED WATER AND WASTEWATER RATE ADJUSTMENTS

The Board of Directors of the Running Springs Water District (District) will be holding a public hearing on June 19, 2019 at 6:00 p.m. at the District office, 31242 Hilltop Blvd., Running Springs to consider adjusting the rates of its water and wastewater service charges. If adopted, the rates will be in effect beginning July 1, 2019, and will be adjusted each July 1 thereafter through and including July 1, 2023.

REASONS FOR THE PROPOSED RATE ADJUSTMENTS

The District is committed to providing the highest quality water and wastewater services at the lowest possible rates for our customers. To meet this commitment, the District engaged an independent rate consultant to perform a water and wastewater rate study that evaluates the infrastructure, programs and operations and maintenance costs of the District's water and wastewater services and the rates necessary to recover the costs of those services for the next five years. A cost of service and rate study demonstrates what it costs the District to provide these services and the appropriate rates to fairly and appropriately allocate the costs of providing them to our customers. The District's 2019 Rate Study, Cash Reserve Policy, Facilities Master Plans, as well as the draft fiscal year 2019/2020 and 2020/2021 District budgets were used as the basis upon which the proposed rates and charges were calculated. The rate adjustments were not the only measures used to generate a balanced budget. Other measures required to balance the budget included reductions in operating expenses where possible and deferral of nonessential activities and projects.

The results of the rate study demonstrate that adjustments in the water and wastewater rates are needed to recover increases in the costs of providing water and wastewater services. These costs include, among others, the costs of needed repairs and replacements of aging water and wastewater infrastructure, increased water purchase and electricity costs and the costs of developing additional local groundwater supplies.

PROPOSED RATES AND THE BASIS UPON WHICH THEY ARE CALCULATED

The proposed water rate structure has four customer classes - residential, commercial, schools, and irrigation - and is comprised of three components - a fixed monthly base charge, a variable volumetric rate, and a fixed monthly private fire service water meter base charge. The base charge is determined on the basis of the size of the water meter serving a property (in inches) and is designed to recover a portion of the District's fixed costs of operating and maintaining the water system, such as billing and collection, and repair and replacement of infrastructure. The volumetric rate is the same for all customer classes and is imposed per unit of delivered water, with one unit equal to one cubic foot (cf) or 7.48 gallons. The volumetric rate is calculated to recover a portion of the District's fixed costs and its variable costs of purchasing and providing water service. The private fire service water meter base charge is only imposed on customers who have private fire suppression systems. It is designed to recover the proportionate share of the costs of sizing the water system necessary to provide private fire suppression service and the costs of managing and inspecting backflow prevention devices for these private systems.

Under the current water rate structure, a different rate for the base charge is imposed on landscape irrigation customers than is imposed on all other customers, and a different rate for the consumption charge is imposed on customers who are served by but are located outside of the District's boundaries. Under the proposed rate structure, the same base charge and volumetric rate will be applicable to all customers. The current water rate structure also imposes a fixed monthly infrastructure repair and replacement charge to fund water infrastructure projects. This charge is proposed to be eliminated from the District's water rate structure. As proposed under the new rate structure, the costs of repairing and replacing water infrastructure will be recovered from the District's base charge.

The proposed wastewater rate structure has two customer classes - commercial and residential - and is comprised of two components - a fixed monthly wastewater base charge and a variable wastewater volumetric rate. The wastewater base charge is determined on a per equivalent dwelling unit (EDU) basis and is designed to recover a portion of the District's fixed costs of operating and maintaining the wastewater system. The wastewater volumetric rate is based on a customer's estimated monthly wastewater discharge and is designed to recover a portion of the District's fixed costs and

its variable costs of providing wastewater services. The method for estimating customers' wastewater discharge is proposed to be revised under the new wastewater rate structure from a percentage of the billed monthly water usage.

Under the current wastewater rate structure, a different rate for the volumetric rate is imposed on commercial customers than is imposed on residential customers. Under the proposed rate structure, the same wastewater volumetric rate will be applicable to all customers. The current wastewater rate structure also imposes a fixed monthly infrastructure repair and replacement charge to fund wastewater infrastructure projects. This charge is proposed to be eliminated from the District's wastewater rate structure. As proposed under the new rate structure, the costs of repairing and replacing wastewater infrastructure will be recovered from the District's monthly wastewater base charge. The proposed water and wastewater rate adjustments are identified in the tables below.

CURRENT RESIDENTIAL, COMMERCIAL, AND IRRIGATION CUSTOMERS' MONTHLY WATER BASE CHARGE RATES (\$/METER SIZE)			
Meter Size	Residential and Commercial	Monthly Infrastructure Repair and Replacement Charge	Irrigation
5/8" X 3/4"	\$31.42	\$1.88/EDU	\$13.13
1"	\$70.77	\$1.88/EDU	\$32.78
1 1/2"	\$136.29	\$1.88/EDU	\$65.54
2"	\$214.95	\$1.88/EDU	\$104.87
3"	\$463.97	\$1.88/EDU	-

PROPOSED RESIDENTIAL, COMMERCIAL, AND IRRIGATION CUSTOMERS' MONTHLY WATER BASE CHARGE RATES (\$/METER SIZE)					
Meter Size	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
5/8" x 3/4"	\$34.19	\$35.22	\$36.28	\$37.36	\$38.49
1"	\$79.01	\$81.38	\$83.82	\$86.33	\$88.93
1 1/2"	\$153.70	\$158.31	\$163.06	\$167.95	\$172.99
2"	\$243.33	\$250.63	\$258.15	\$265.89	\$273.87
3"	\$482.34	\$496.81	\$511.72	\$527.07	\$542.88

CURRENT AND PROPOSED PRIVATE FIRE SERVICE WATER METER BASE CHARGE (\$/METER SIZE)						
Meter Size	Current	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
1" and smaller	\$15.75	\$3.20	\$3.30	\$3.40	\$3.50	\$3.60
1 1/2"	\$26.21	\$5.40	\$5.56	\$5.73	\$5.90	\$6.07
2"	\$43.58	\$9.18	\$9.46	\$9.74	\$10.03	\$10.34
3"	\$60.95	\$22.77	\$23.45	\$24.16	\$24.88	\$25.63
4"	\$78.32	\$46.20	\$47.59	\$49.02	\$50.49	\$52.00
6"	\$95.65	\$130.30	\$134.21	\$138.24	\$142.39	\$146.66
8"	\$113.02	\$275.36	\$283.62	\$292.13	\$300.89	\$309.92

CURRENT AND PROPOSED WATER VOLUMETRIC RATES (\$/CF)*					
Current Inside the District	7/1/2019	7/1/2020	7/1/2021	7/1/2022	7/1/2023
\$0.0469	\$0.0483	\$0.0498	\$0.0513	\$0.0528	\$0.0544
Current Outside the District**					
\$0.0519	\$0.0483	\$0.0498	\$0.0513	\$0.0528	\$0.0544

*One cubic foot (CF) = 7.48 gallons.

CURRENT RESIDENTIAL AND COMMERCIAL WASTEWATER RATES AND CHARGES			
Customer Class	Monthly Base Charge	Wastewater Volumetric Rate	Monthly Infrastructure Repair and Replacement Charge
Residential	\$44.49	15% of Monthly billed Water Consumption Charge	\$5.25/EDU
Commercial	\$44.49	1/3 of Monthly billed Water Consumption Charge	\$5.25/EDU

PROPOSED RESIDENTIAL AND COMMERCIAL WASTEWATER RATES AND CHARGES					
	July 1, 2019	July 1, 2020	July 1, 2021	July 1, 2022	July 1, 2023
Monthly Base Charge (\$/EDU)*	\$50.98	\$52.51	\$54.08	\$55.71	\$57.38
Wastewater Volumetric Rate (\$/CF)**	\$0.0099	\$0.0102	\$0.0105	\$0.0109	\$0.0112

*One EDU is the flow associated with a typical single family dwelling. The District can reassess EDUs for each customer to properly estimate sewer flow. **Sewer use (CF) = Water use (CF) x 90%.

The District purchases wholesale water from Crestline-Lake Arrowhead Water Agency (CLAWA) and Arrowbear Park County Water District (APCWD). These costs are recovered through the proposed water volumetric rate. In developing its rates, the District included projected increases in these wholesale water costs as part of its long-range financial plan. To ensure that there are sufficient revenues to provide water services to our customers, the District is also proposing to annually pass through to our customers: (1) any increases in the rates for wholesale water and any other charges that either CLAWA or APCWD imposes on the District that are greater than those projected in the District's long-range financial plan (each a "Pass Through Adjustment"). A Pass Through Adjustment will only impact the rates of the water volumetric rate set forth in the tables above. If approved by the Board of Directors, the District may implement a Pass Through Adjustment for either CLAWA or APCWD rate increases for a five-year period commencing July 1, 2019, and at any time through and including June 30, 2024. Provided, however, that: (1) any increase in the water volumetric rate described above as a result of any Pass Through Adjustment for either a CLAWA rate increase or a APCWD increase shall not exceed 8% per year; and (2) in no event shall the rates be increased as a result of a Pass Through Adjustment by more than the cost of providing water service. Prior to implementing any Pass Through Adjustment, the District will provide written notice to customers not less than 30 days prior to their effective date.

WHAT THIS MEANS TO OUR AVERAGE CUSTOMERS WATER & WASTEWATER BILL

If approved, after July 1, 2019, for an average District customer who uses 500 cubic feet (3,740 gallons) of water per month, the monthly impacts would be as follows:

CURRENT RATES & CHARGES (7/1/2018-6/30/2019)		PROPOSED RATES & CHARGES (7/1/2019-6/30/2020)	
Water Rates			
Monthly Water Base Charge	\$31.42	Monthly Water Base Charge	\$34.19
Monthly Water Volumetric Rate	\$23.45	Monthly Water Volumetric Rate	\$24.15
Infrastructure Repair/Replacement Charge	\$1.88		
Total Monthly Water Charges:	\$56.75	Total Monthly Water Charges:	\$58.34
Wastewater Rates			
Monthly Wastewater Base Charge	\$44.49	Monthly Wastewater Base Charge	\$50.98
Monthly Wastewater Volumetric Rate	\$3.52	Monthly Wastewater Volumetric Rate	\$4.46
Infrastructure Repair/Replacement Charge	\$5.25		
Total Monthly Wastewater Charges:	\$53.26	Total Monthly Wastewater Charges:	\$55.44
Total Monthly Water & Wastewater Charges			
Total Current Water & Wastewater Charges:	\$110.01	Total Proposed Water & Wastewater Charges:	\$113.78
			Total Proposed Monthly Adjustment:
			\$3.77

As you can see from the information in the table above, for an average use customer with a 3/4-inch water meter, **the proposed rate and fee adjustments for the fiscal year ending 2020 would result in a \$3.77 per month increase in the total bill for water and wastewater services.** The proposed rates and charges being considered for the fiscal years ending 2020-2024 are as indicated in the tables on Pages 2 and 3.

PUBLIC HEARING

A public hearing to consider the proposed water and wastewater rates and charges will be held at a regular meeting of the Running Springs Water District Board of Directors on June 19, 2019 at 6:00 p.m. at the District office, 31242 Hilltop Blvd., Running Springs, CA, 92382. At the hearing, the RSWD Board of Directors will consider adoption of a resolution that adjusts the water and wastewater rates and charges as set forth in this notice. Any record owner of a parcel upon which the rates and charges are proposed for imposition, or any tenant directly responsible for the payment of water and/or wastewater service charges (i.e., a customer of record), may submit a written protest to the proposed rate adjustments; provided, however, only one protest will be counted per identified parcel. A valid protest must: (1) be in writing; (2) identify the specific rate increase or increases for which the protest is being submitted; (3) provide the location of the identified parcel (by service address or assessor's parcel number) sufficient to identify the property where service is provided; and (4) provide the name and signature of the property owner of record as shown on the last equalized assessment roll used by the County of San Bernardino for assessing taxes, or the name and signature accompanied by written evidence that the signer is the owner if he or she is not identified as the owner of record on the last tax roll, or the name and signature of the tenant responsible for paying the water and/or wastewater bills for service. All valid written protests must be received by the District prior to close of the June 19, 2019 public hearing, which will occur when all public testimony on the proposed rates has been concluded. Any protest submitted by email or other electronic means will not be counted as a valid written protest. Written protests may be mailed, or personally delivered to:

Running Springs Water District
P.O. Box 2206, 31242 Hilltop Blvd.
Running Springs, CA 92382

Written protests may also be delivered at the public hearing. Please identify on the front of the envelope for any protest, whether mailed or submitted in person, that the enclosed letter is for the Public Hearing on Proposed Rate Increases.

The Board of Directors will consider all valid written protests timely submitted and hear and consider all public comments made at the public hearing. Oral comments at the public hearing will not qualify as formal protests unless accompanied by a written protest. At the conclusion of the public hearing, the Board of Directors will determine whether to adopt the proposed rate increases and Pass Through Adjustments described in this notice. If, after the close of the public hearing, written protests against the proposed rate increases and Pass Through Adjustments as outlined above are not presented by a majority of the record owners and customers of record of the identified parcels upon which they are proposed to be imposed, the Board of Directors will be authorized to impose the rate adjustments and Pass Through Adjustments.

A WORD ABOUT YOUR WATER BILL

Please note that in the RSWD rate structure an important impact on your bill is the amount of water you use each day. As our customer, you may lower your bill by reducing the amount of water that you use. District staff is available to talk with you about your specific water conservation needs. Please feel free to contact us at (909) 867-2766 about your conservation needs or any questions you may have regarding the proposed rates.

NOTE: This notice was mailed using information contained on the last equalized assessment roll obtained from the County of San Bernardino. You may receive more than one copy if you own multiple properties or own property under more than one name. While District policy holds property owners responsible for payment of the Districts bills for water and/or wastewater, if the property in question is occupied by a tenant that you hold directly responsible for payment of the District's bills for water and/or wastewater service, please forward this notice to that tenant.

Appendix B – Miscellaneous Fees and Charges

FEE	FY 2019/2020
Delinquent Fee	\$10 or 3% if greater
Water Meter Turn Off/On, Lock/Unlock Charges (Normal Business Hours)	\$50 (\$25 per trip)
Unlock After Hours	\$75
Filing of Lien Fee	\$50
Water Off/On Fee (due to leak or by customer request)	\$25 per trip
Return Check Fee	\$30
Meter Reconnection	\$200
Delinquent Water/Sewer Bills Collection Fee	\$40
Water Meter Tamper/Vandalism Fees	\$75
Water & Sewer Plan Check Fees	\$50
Fire Plan Check Fees	\$75
Additional commercial inspections after initial inspection	\$65
Technical consultation or actual consultant fee for outside assistance	\$120 / hour
Conceptual Development Review Fee	\$120 / hour
Water Connection/Capacity Charge	\$4,452
Wastewater Connection/Capacity Charge	\$5,815
Annual Water Standby/Availability Charge	\$30
Annual Sewer Standby/Availability Charge	\$10
Annual Fire Suppression Charge	\$65
Discharge of Pumped Septage Waste (Septic Tanks) 1,500 gallons or less	\$50 / load
Photocopying	\$0.15 per page

Appendix C – Ambulance Service Fees



Inland Counties Emergency Medical Agency

1425 South D Street, San Bernardino, CA 92415-0060 ■ (909) 388-5823 ■ Fax (909) 388-5825 ■ www.icema.net

Serving San Bernardino, Inyo, and Mono Counties
Tom Lynch, EMS Administrator
Reza Vaezazizi, MD, Medical Director

DATE: May 28, 2019
TO: EMS Ground Transport Providers - San Bernardino County
FROM: Tom Lynch
 EMS Administrator
SUBJECT: **FY 2019-20 AMBULANCE RATE ADJUSTMENT**
EFFECTIVE JULY 1, 2019 - JUNE 30, 2020

In conformance with the ICEMA Reference #5080 - ICEMA Ground Based Ambulance Rate Setting Policy - San Bernardino County approved by the ICEMA Governing Board on May 8, 2012, the following represents ambulance rate adjustments effective July 1, 2019. The attached "Ground Ambulance Service Rate Definitions" will be utilized in the application of the rates.

Ambulance Rate Components	Base Rate FY 2018-19		Increase CPI + County Comparison		Final Rate FY 2019-20	
	Urban Operating Areas	Rural/ Wilderness Operating Areas	Urban Operating Areas	Rural/ Wilderness Operating Areas	Urban Operating Areas	Rural/ Wilderness Operating Areas
Advanced Life Support (ALS) Base Rate (All Inclusive)	\$1,579.44	\$1,737.38	\$28.97	\$31.87	\$1,608.41	\$1,769.25
Basic Life Support (BLS) Rate	\$1,044.80	\$1,149.28	\$72.36	\$79.60	\$1,117.16	\$1,228.88
Emergency Fee	\$278.64	\$306.52	\$5.11	\$5.62	\$283.75	\$312.14
Oxygen	\$172.83	\$190.10	\$3.17	\$3.49	\$176.00	\$193.59
Night Charge	\$199.50	\$219.48	\$3.66	\$4.03	\$203.16	\$223.51
Critical Care Transport	\$1,872.10	\$2,059.30	\$34.34	\$37.77	\$1,906.44	\$2,097.07
Mileage (per mile or fraction thereof)	\$29.31	\$29.31	\$0.54	\$0.54	\$29.85	\$29.85
Wait Time	\$52.33	\$52.33	\$0.96	\$0.96	\$53.29	\$53.29
EKG	\$118.97	\$118.97	\$2.18	\$2.18	\$121.15	\$121.15

If you have any questions regarding the policy and associated rate calculations, please contact me at (909) 388-5823 or via e-mail at tom.lynch@cao.sbcounty.gov or George Stone, Program Coordinator, at (909) 388-5807 or via e-mail at george.stone@cao.sbcounty.gov.

TL/GS/jlm

Attachment

c: File Copy

BOARD OF DIRECTORS

Robert A. Lovingood
First District

Janice Rutherford
Second District

Dawn Rowe
Third District

Curt Hagman
Chairman
Fourth District

Josie Gonzales
Vice Chair
Fifth District

Gary McBride
Chief Executive Officer

Ground Ambulance Service Rate Definitions

ICEMA Region

Effective July 1, 2018

NOTE: Rates are allowable only upon transport of a patient.

BLS All Inclusive Base Rate:

1. When an EMT staffed ambulance responds to a call; or
2. When an advanced life support (ALS) or limited advanced life support (LALS) staffed ambulance responds to a scheduled call when not requested and/or ALS or LALS intervention is not provided.

ALS All Inclusive Base Rate:

Any response of an approved ALS (paramedic) or LALS (AEMT) transport provider to a request for service. This charge will include, but not necessarily be limited to, the provision of the following:

1. An authorized ALS or LALS staffed and equipped ambulance response.
2. Care modalities including cardiac monitoring, telemetry, IV administration, drug administration, defibrillation, blood draw, wound dressing, splinting and disposable first aid and medical supplies related to such care and treatment.

Emergency:

Applies to BLS All Inclusive Base Rate when a BLS scheduled response is upgraded to emergency status either in response or during transport. **This charge is included in the ALS All Inclusive Rate and cannot be charged in addition to the ALS All Inclusive Rate.**

ECG Monitoring:

Applies when ECG Monitoring is performed as per protocol or base hospital order. **This charge is included in the ALS All Inclusive Base Rate and cannot be charged in addition to the ALS All Inclusive Base Rate.** In most cases, this charge is broken out as a line item for Medi-Cal which does not recognize the charge in the ALS All Inclusive Base Rate.

EMS Aircraft - Appropriate fee for service:

EMS ground transportation providers may charge All Inclusive Base Rate when;

1. Ambulance personnel and/or equipment are directly involved in patient care prior to the transport and transfer of patient(s) to EMS aircraft.
2. Provider's supplies and/or procedures are utilized at rate specified in the current ambulance rates.
3. Approved mileage rate from point of transport by ground ambulance to transfer site to EMS aircraft.

Mileage:

Applies for each patient mile or fraction thereof from point of pick-up to destination.

Night:

Applies for services provided between the hours 1900 and 0659, military time.

Oxygen:

Applies for services provided whenever oxygen is administered. This charge is inclusive of material such as tubing, masks, etc., which may be used for the administration of oxygen.

Wait Time:

Applies to scheduled calls and is charged per fifteen (15) minutes of waiting time or portion thereof, after the first fifteen-minute period lapse occurs when an ambulance must wait for a patient at the request of the person/organization hiring the service. This rate is not contractual “stand-by” charge rate for special events.

Specialty Care Transport:

Applies to transportation provider’s medical personnel when equipment is needed to provide care, monitoring at a level outside and/or higher than a paramedic’s scope of practice; or utilization of specialized equipment or specialized vehicle, based upon patient’s needs. Examples of Specialty Care Transport may include Neonatal (incubator/team) transport, Bariatric unit transport, high-risk maternal team transport, ALS Respiratory Therapist transport, PA-NP-OD-MD transport, etc.

Running Springs Water District

Water and Wastewater Rate Study and Fire and Ambulance Financial Plan

Final Report / April 2019



April 29, 2019

Mr. Ryan Gross
General Manager
Running Springs Water District
31242 Hilltop Blvd.
Running Springs, CA 92382

Subject: Water and Wastewater Rate Study and Fire and Ambulance Financial Plan

Dear Mr. Gross:

Raftelis is pleased to present this Water and Wastewater Rate Study and Fire and Ambulance Financial Plan Report. The report describes how we projected revenues and expenses and the revenue adjustments and rates needed to maintain financially healthy enterprises.

It was a pleasure working with you and we wish to express our thanks for your support during the project. If you have any questions, please call me at 714.351.2013.

Sincerely,



Steve Gagnon, PE (AZ)
Manager

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1.3. List of Appendices

- APPENDIX A: Water, Wastewater and Fire and Ambulance Capital Improvement Plan Detail**
- APPENDIX B: Projected Reserves Balances as a Result of Two Additional CalPERS Payment Options**

1. Executive Summary

1.1. Background

In the Fall of 2018, the Running Springs Water District (District) engaged Raftelis Financial Consultants, Inc. (Raftelis) to conduct a Water and Wastewater Rate Study and well as a Financial Plan review for the Fire and Ambulance Department (Study). The Study included a Financial Plan, Cost of Service Study and rate calculation for the Water and Wastewater Enterprises and a Financial Plan for the Fire and Ambulance Department. This report presents the resulting rates for Water and Wastewater for implementation in July 2019.

The District wishes to establish fair and equitable rates that:

1. Meet the District’s fiscal needs in terms of operational expenses, reserve goals, and capital investment to maintain the system;
2. Are fair, equitable, and proportionately allocate the costs of providing service in accordance with California Constitution Article XIII D, section 6 (commonly referred to as Proposition 218); and
3. Result in stable charges for customers and stable revenues for the District over time.

1.2. Results and Recommendations

Note: In this report, the numbers shown are the raw numbers from Microsoft excel calculations. Numbers in excel have many decimal places and therefore the totals shown in some of the tables may not add exactly to the total shown in the Table because of not rounding numbers in Excel.

Table 1-1 shows the revenue adjustments for the water and wastewater enterprises as selected by the Board of Directors after a presentation in January 2019. The revenue adjustments are the additional amount of revenue collected for each enterprise compared to the prior year and do not necessarily reflect what the proposed change in any particular customers actual bill would be.

Table 1-1: Recommended Yearly Revenue Adjustments

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Water Enterprise	3.0%	3.0%	3.0%	3.0%	3.0%
Wastewater Enterprise	3.0%	3.0%	3.0%	3.0%	3.0%

1.2.1. Factors Affecting Revenue Adjustments

The following items affect the District’s revenue requirement (revenues that are necessary to recover its costs) and thus its rates for each enterprise. The District’s expenses include Operations and Maintenance (O&M) expenses, capital expenses, debt service (for water and wastewater) and reserve funding.

1. O&M Expenses: The District’s O&M expenses increase each year in line with general cost inflation and the increasing cost of employee benefits.

2. Water Purchased Costs: The District purchases water from the Crestline Lake Arrowhead Water Agency (CLAWA) and Arrowbear Park County Water District (APCWD). These wholesale rates are expected to increase; however, the District is uncertain as to how much at this time.
3. Capital Investment: The District plans to invest over \$2 Million in the water system and \$2.5 Million in the wastewater system over the next five years.

1.3. Water Enterprise

1.3.1. Current Water Rates

Table 1-2 shows the District’s current water rates, which consist of a fixed monthly service charge, an infrastructure repair and replacement charge, a volumetric charge, and a private fire service charge. The District currently charges different volumetric rates for properties that are served by the District but located outside of the District’s boundaries. Raftelis recommends discontinuing the different rates for customers outside District boundaries. Raftelis also recommends that the monthly service charge for Irrigation customers be the same as all other customers. Lastly, we recommend that the costs currently funded by the infrastructure repair and replacement charge be funded by the monthly service charge.

Table 1-2: Current Water Rates

Meter Size	Monthly Service Charge	Monthly Service Charge -Irrigation	Meter Size	Private Fire Service Charge
5/8" x 3/4"	\$31.42	\$13.13	1" and Smaller	\$15.75
1"	\$70.77	\$32.78	1.5"	\$26.21
1.5"	\$136.29	\$65.54	2"	\$43.58
2"	\$214.95	\$104.87	3"	\$60.95
3"	\$463.97		4"	\$78.32
			6"	\$95.65
			8"	\$113.02
Infrastructure Repair & Replacement	\$1.88			
Volumetric Rate	\$/ cubic foot			
Inside District	\$0.0469			
Outside District	\$0.0519			

1.3.2. Proposed Water Rates

The District’s proposed water rate structure maintains two components: (1) a fixed monthly service charge, and (2) a volumetric charge. Customers that have a private fire suppression system on their property are also charged a separate private fire service in addition to the fixed monthly service charge and volumetric charge. Each of these charges is described below.

1.3.3. Proposed Fixed Monthly Service Charge

The District’s proposed fixed monthly service charge includes two cost components. The first cost component is the meter service charge and it is based on the meter size serving a property. The meter service charge is

calculated to recover the costs to maintain and replace meters as well as capacity costs (fixed costs associated with providing service). The rate structure assumes the cost is proportional to the size of the meter and goes up with meter size according to standards set forth by the American Water Works Association (AWWA). The second cost component is the customer service component. This component recovers costs associated with answering customer calls and billing customers. These costs are not related to meter size. The full derivation of the total service charge is described in Section 5, and the total proposed monthly service charge is shown in Table 1-3. Note that the monthly service charge is set in proportion to the potential flow through each meter size, according to published values by the American Water Works Association. Therefore, realigning this charge in proportion to potential flows caused the rates for the service charge for larger meter sizes to increase more than the 5/8" x 3/4" meters. Table 1-3 shows the proposed rates for the monthly service charge for the next five fiscal years.

Table 1-3: Proposed Monthly Service Charge (\$/Meter Size)

Meter Size	Current Charge	July 2019	July 2020	July 2021	July 2022	July 2023
Revenue Adjustment ----->>			3.0%	3.0%	3.0%	3.0%
5/8" x 3/4"	\$33.30	\$34.19	\$35.22	\$36.28	\$37.36	\$38.49
1"	\$72.65	\$79.01	\$81.38	\$83.82	\$86.33	\$88.93
1.5"	\$138.17	\$153.70	\$158.31	\$163.06	\$167.95	\$172.99
2"	\$216.83	\$243.33	\$250.63	\$258.15	\$265.89	\$273.87
3"	\$465.85	\$482.34	\$496.81	\$511.72	\$527.07	\$542.88

1.3.4. Proposed Volumetric Rate

Table 1-4 shows the proposed volumetric rates which are used to calculate a customer's volumetric charge for the next 5 fiscal years. Note that "CF" stands for cubic feet of water.

Table 1-4: Proposed Volumetric Rates (\$/CF)

	Current Rate	July 2019 Rate	July 2020 Rate	July 2021 Rate	July 2022 Rate	July 2023 Rate
Revenue Adjustment			3%	3%	3%	3%
Volumetric Rate (\$ / CF)	\$0.0469	\$0.0483	\$0.0498	\$0.0513	\$0.0528	\$0.0544

1.3.5. Proposed Monthly Private Fire Service Charge

Table 1-5 shows the proposed monthly private fire charges. These charges are applicable to customers with private fire service connections.

Table 1-5: Proposed Private Fire Charges

Line No.	Meter Size	Current Charge	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1	1" & Smaller	\$15.75	\$3.20	\$3.30	\$3.40	\$3.50	\$3.60
2	1.5"	\$26.21	\$5.40	\$5.56	\$5.73	\$5.90	\$6.07
3	2"	\$43.58	\$9.18	\$9.46	\$9.74	\$10.03	\$10.34
4	3"	\$60.95	\$22.77	\$23.45	\$24.16	\$24.88	\$25.63
5	4"	\$78.32	\$46.20	\$47.59	\$49.02	\$50.49	\$52.00
6	6"	\$95.65	\$130.30	\$134.21	\$138.24	\$142.39	\$146.66
7	8"	\$113.02	\$275.36	\$283.62	\$292.13	\$300.89	\$309.92

1.4. Wastewater Enterprise

1.4.1. Proposed Wastewater Rates

The District’s current wastewater rates include a fixed service charge per Equivalent Dwelling Unit (EDU) and a volumetric charge as shown in Table 1-6. The flow associated with one EDU is based on the District’s Master Plan assumptions for a typical single family residential dwelling. The District can reassess the number of assigned EDUs for each customer to properly estimate sewer flow. For example, if the District determines that a particular camp or other commercial customer is generating significantly more wastewater per EDU per day than a typical single family residential customer, then the District may adjust the number of EDUs for the camp or commercial customer to account for the additional flow. The volumetric portion of a customer’s bill is based on a percentage of the customer’s monthly water usage. Raftelis recommends revising the volumetric charge¹ to be based on estimated sewer discharges, instead of the water bill, and incorporating the infrastructure repair and replacement charge into the fixed service charge. Table 1-7 shows the proposed wastewater rates for the next 5 fiscal years.

Table 1-6: Current Wastewater Rates

Wastewater Current Rates	FY 2019
Fixed Service Charge	\$44.49
Infrastructure R&R	\$5.25
Total Fixed Charge per Equivalent Dwelling Unit	\$49.74
Plus a volumetric charge:	
SFR & Outside District	15% of the water bill
Commercial/Schools	33.3% of the water bill

Table 1-7: Proposed Wastewater Rates

Rate Component	Current Rates	July 2019 FY 2020	July 2020 FY 2021	July 2021 FY 2022	July 2022 FY 2023	July 2023 FY 2024
Revenue Adjustment			3%	3%	3%	3%
Sewer Fixed Charge (Includes IR&R C)	\$49.74	\$50.98	\$52.51	\$54.08	\$55.71	\$57.38
Sewer Volumetric Rate (\$/CF)	15% of water bill 33% of water bill	\$0.0099	\$0.0102	\$0.0105	\$0.0109	\$0.0112

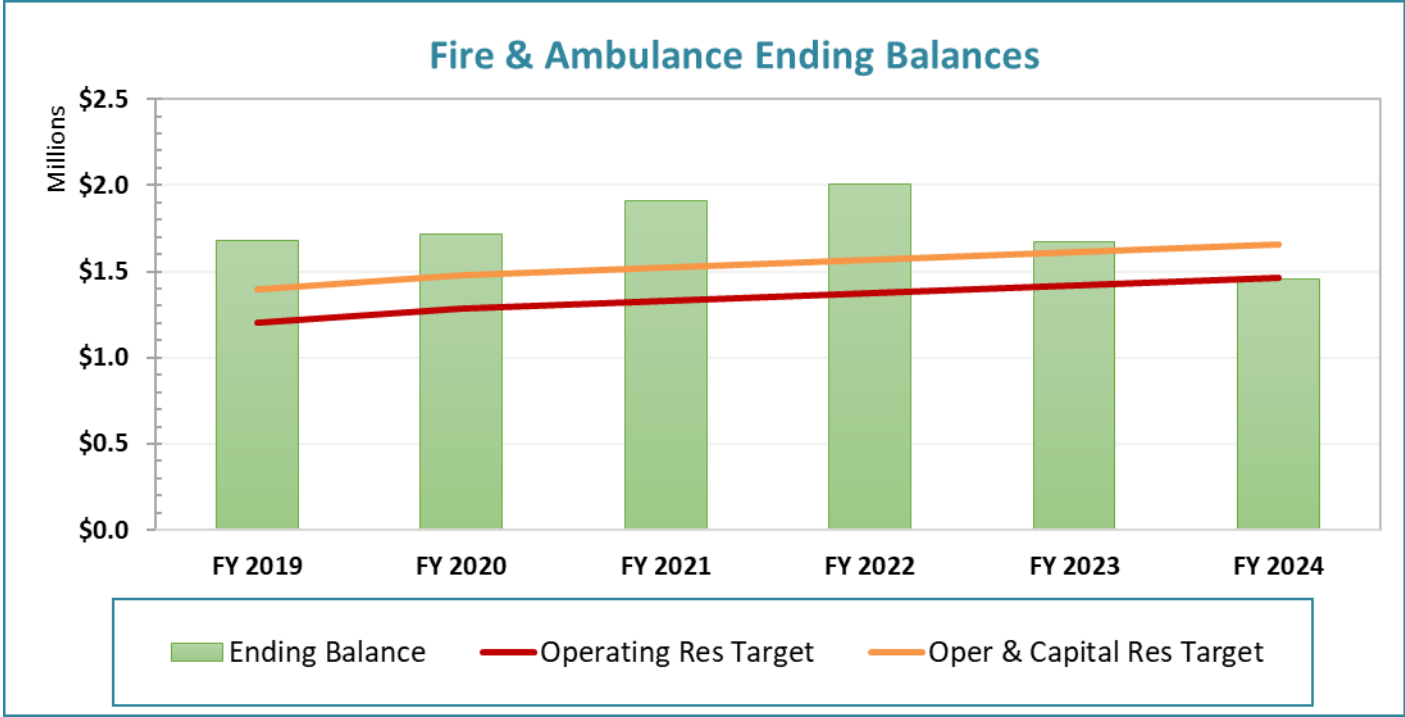
¹ Not that often the terms rate and charge are used interchangeably, however the term rate implies a dollar amount per unit of use (\$/CF) that is applied to a customer’s use to yield a charge.

1.5. Fire and Ambulance

1.5.1. Financial Plan Review

Raftelis prepared a Fire and Ambulance financial plan to project the financial health of the enterprise. We assumed that the only revenue growth was a 1% yearly increase in property tax revenue and that expenses would grow 3 to 4% per year (5% for electricity). The resulting projected reserve balances are shown in Figure 1-1. Fire and Ambulance reserves decrease in FY 2023 due to the planned purchase of a new fire engine. The full Financial Plan is detailed in Section 8.

Figure 1-1: Fire and Ambulance Projected Reserve Balances



2. Water Enterprise

Section 2 describes the water enterprise rate study, starting with the water financial plan, followed by the cost of service analysis, rate design, and customer bill impacts.

2.1. Water System Background

The District’s water distribution system consists of 9 pressure zones, 13 storage reservoirs, and 14 booster pumping stations that lift water to upper zones or to replenish storage and meet demand. The District has approximately 43 miles of water mains ranging in size from 2 to 16 inches in diameter. The 2-inch lines are back-lot lines planned to be systematically replaced.

The District acquires water from local wells and two wholesale water suppliers: CLAWA and APCWD.

2.2. Financial Plan Assumptions

2.2.1. Number of Accounts, Account growth

The District provided water use and account data which Raftelis used to project revenue and develop a financial plan for fiscal years (FY) 2019 through FY 2024 (also known as the study period). Raftelis calculated rate revenue (without rate adjustments) by multiplying the number of accounts by the fixed monthly service charge and multiplying the total water use by the volumetric charge rates (in \$/cf, where cf stands for cubic foot).

The revenue calculated for each fiscal year in the Financial Plan is a function of the number of accounts, account growth, water use trends, and existing rates. Table 2-1 shows the assumed account growth rates and water demand growth. The account growth equates to about two or three new homes a year and we assumed water use would remain unchanged over the study period given the low projected account growth rate. We projected the number of accounts using FY 2018 account data provided by the District and escalated the number of accounts using the account growth factor shown in Table 2-1.

Table 2-1: Account Growth and Water Use Assumptions

Revenue Growth	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
SFR Account Growth	0.07%	0.07%	0.07%	0.07%	0.07%	0.07%
Water Use	100%	100%	100%	100%	100%	100%

Based on the assumptions in Table 2-1, Table 2-2 shows the projected number of water accounts, including private fire service accounts (i.e., accounts that have private fire suppression systems), by meter size for the study period. FY 2020 is known as the “test year” or the year used to develop rates. Raftelis projected the number of meters using FY 2018 meter data provided by the District. The number of accounts is used to forecast the amount of fixed revenue the District will receive from fixed monthly service charges.

Table 2-2: Projected Potable and Private Fire Service Accounts by Meter Size

Meter Size	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
5/8" x 3/4"	2,928	2,930	2,932	2,934	2,936	2,938
1"	30	30	30	30	30	30
1.5"	1	1	1	1	1	1
2"	5	5	5	5	5	5
3"	1	1	1	1	1	1
Total	2,965	2,967	2,969	2,971	2,973	2,975
Private Fire Connections						
1"	20	20	20	20	20	20
1.5"	-	-	-	-	-	-
2"	1	1	1	1	1	1
3"	-	-	-	-	-	-
4"	3	3	3	3	3	3
6"	1	1	1	1	1	1
8"	2	2	2	2	2	2
10"	-	-	-	-	-	-
Total	27	27	27	27	27	27

2.2.2. Water Use

Table 2-3 shows the estimated FY 2020 number of accounts and water use by customer class. The number of accounts and water use were projected from FY 2018 account and water use data using an escalation factor based on the account and water use growth assumptions shown in Table 2-1.

Table 2-3: Accounts and Water Use in Cubic Feet by Customer Class

Customer Class	FY 2020 No. of Accounts	FY 2020 Water Use (cubic feet)	Percent of Water Use
Single Family Residential	2,903	15,537,925	92.2%
Commercial	59	1,121,568	6.7%
Schools	1	109,692	0.7%
Irrigation	3	49,345	0.3%
Outside District	1	30,950	0.2%
Total	2,967	16,849,480	100%

2.2.3. Inflationary and Water Purchase Cost Assumptions

To ensure future O&M costs are reasonably projected, Raffelis, in consultation with District staff, made informed assumptions about inflationary factors, water costs and water use projections. Table 2-4 shows the inflationary categories that were used to escalate the District's FY 2020 O&M expense budget (for the water, wastewater and fire/ambulance enterprises). The inflationary factors shown in Table 2-4 reflect long-term

averages for general inflation and energy prices. The District provided the salary and benefit inflationary factors reflecting employee salary and benefit obligations. Note that the personnel budget for FY 2020 was lower due to the elimination of one position.

The District’s wholesale water suppliers have not raised rates in 26 years, resulting in the conservative water wholesale cost escalation factors from the customer’s point of view as shown in Table 2-4. The District has three potable water sources: 1) local groundwater wells; 2) Arrowbear Park County Water District; and 3) Crestline Lake Arrowhead Water Agency. Table 2-4 shows the estimated increases in wholesale water rates from these two agencies. Should the wholesale rates increase significantly more than as shown in Table 2-4, the District could rely on reserves and/or elect to pass-through wholesale rate increases that are greater than 2%. The District plans on describing a Pass Through Adjustment provision in its Public Hearing Notice.

Table 2-4: O&M and Water Purchase Inflationary Assumptions

O&M (Cost) Inflation	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
General	Budget	Budget	3.0%	3.0%	3.0%	3.0%
Salary	Budget	Budget	3.0%	3.0%	3.0%	3.0%
Benefits	Budget	Budget	4.0%	4.0%	4.0%	4.0%
Electricity	Budget	Budget	5.0%	5.0%	5.0%	5.0%
Water Purchase Cost Escalation						
Arrowbear Park County Water District (APCWD)	Budget	Budget	2.0%	2.0%	2.0%	2.0%
Crestline Lake Arrowhead Water Agency (CLAWA)	Budget	Budget	2.0%	2.0%	2.0%	2.0%

Table 2-5 shows the estimated water purchase costs in the bottom line, over the study period. It assumes an average rainfall year. Actual water purchase costs may vary depending on rainfall and drought conditions.

Table 2-5: Projected Water Purchases Costs

Water Purchase Costs	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Groundwater	\$300	\$309	\$318	\$328	\$338	\$348
APCWD	\$1,050	\$1,071	\$1,092	\$1,114	\$1,137	\$1,159
CLAWA	\$1,150	\$1,173	\$1,196	\$1,220	\$1,245	\$1,270
Volume from Each Agency (Acre Feet)						
Groundwater - Acre Feet (All Wells)	246	240	265	265	265	265
APCWD	70	32	32	32	32	32
CLAWA	110	154	128	129	129	129
Total	426	426	425	426	426	426
Water Purchase Cost						
Groundwater	\$73,800	\$74,160	\$84,342	\$86,872	\$89,478	\$92,162
APCWD	\$73,500	\$34,272	\$34,957	\$35,657	\$36,370	\$37,097
CLAWA	\$126,500	\$180,642	\$153,555	\$156,961	\$160,443	\$164,001
Total	\$273,800	\$289,074	\$272,854	\$279,490	\$286,290	\$293,260

Raftelis used the assumptions shown in Table 2-1 through Table 2-5 to project revenues and costs used in the District’s Water Financial Plan. The plan uses projected annual operating expenses and revenues, capital expenditures, reserve fund balances, and annual debt service coverage ratios to estimate the amount of

additional rate revenue needed per year. The following section provides a discussion of projected O&M expenses, the Capital Improvement Plan (CIP), reserve funding, projected revenue under existing rates, and the revenue adjustments necessary to ensure the fiscal sustainability and solvency of the water enterprise.

2.3. Water System Expenses

The District’s expenses include O&M expenses, capital expenses, and debt service payments, each of which is described below.

2.3.1. O&M Expenses

The District’s current and projected O&M expenses are shown by fiscal year in Table 2-6, which incorporate the inflationary factors discussed in Table 2-4. In FY 2020, water purchase costs make up approximately 14% of the total annual O&M budget. The FY 2020 budget includes expense reductions due to the elimination of one position.

Table 2-6: Current & Projected O&M Expenses

Expenses	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Salaries and Benefits	\$656,722	\$694,577	\$717,911	\$742,044	\$767,006	\$792,824
Repairs & Maint, Supplies, Utilities	\$30,720	\$30,652	\$31,572	\$32,519	\$33,494	\$34,499
Pumping Power and Vehicles	\$6,600	\$6,600	\$6,798	\$7,002	\$7,212	\$7,428
Water Purchases	\$273,800	\$289,074	\$272,854	\$279,490	\$286,290	\$293,260
Water Testing & Analysis	\$25,848	\$23,358	\$24,059	\$24,781	\$25,524	\$26,290
Administrative	\$593,475	\$543,407	\$559,709	\$576,500	\$593,796	\$611,609
Total	\$1,587,165	\$1,587,668	\$1,612,902	\$1,662,336	\$1,713,322	\$1,765,910

2.3.2. Capital Improvement Plan (CIP)

Table 2-7 shows the District’s Capital Improvement Plan (CIP) summary. The District is planning to fund capital investments through rate revenue and reserve funds (also known as PAY-GO funding). The detailed CIP showing project names and projected costs is included in Appendix A. The FY 2019 budget accounts for a \$400,000 grant received for automated meter infrastructure.

Table 2-7: Capital Improvement Plan Summary

Water Capital Expenses	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
All Other Projects	\$798,250	\$631,000	\$391,750	\$182,000	\$172,000	\$282,000
Tank Replacement 0.1 to 0.5 MGD						\$650,000
Total Water	\$798,250	\$631,000	\$391,750	\$182,000	\$172,000	\$932,000

2.3.3. Existing Debt Service

Table 2-8 shows the District’s existing annual debt service payments. The Financial Plan presented in this section assumes no additional debt.

Table 2-8: Existing Water Annual Debt Service

Water Debt Service	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
2015 Ayers Acres Groundwater Well Loan	\$65,341	\$65,341	\$65,341	\$65,341	\$65,341	\$65,341
AMR Technology Upgrade	\$0	\$24,043	\$24,043	\$24,043	\$24,043	\$24,043
Total	\$65,341	\$89,384	\$89,384	\$89,384	\$89,384	\$89,384

2.4. Revenue Adjustments

Using the number of accounts, water use and current rates, Raftelis estimated annual revenue and subtracted the expenses discussed in the prior sections to develop a financial plan for the study period (FY 2020 to FY 2024). The financial plan is used to determine the overall revenue adjustments required to ensure water enterprise financial stability. This study establishes rates from FY 2020 to FY 2024.

The proposed revenue adjustments allow the District to fund operating expenses, capital expenditures, and comply with bond covenants. Financial Plan modeling assumes the FY 2020 revenue adjustment will occur in July of 2019, with subsequent annual adjustments occurring every July. The proposed revenue adjustments would enable the District to cover operating expenses (shown in Table 2-6) and execute the CIP (shown in Table 2-7) and meet its debt service coverage requirement of 115% in each year beyond FY 2020.

Table 2-9 shows the proposed revenue adjustments selected by the District Board at a Board Meeting in January 2019. The rates presented in Section 5 are based on these revenue adjustments.

Table 2-9: Proposed Revenue Adjustments

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue Adjustment	3.0%	3.0%	3.0%	3.0%	3.0%

2.4.1. Cash Flow Analysis (i.e., the Financial Plan)

Table 2-10 shows the District’s cash flow projections over the study period, assuming the revenue adjustments shown in Table 2-9. Line 10 shows the total additional revenue from the revenue adjustments. Line 37 shows the yearly ending cash flow after subtracting expenses, debt service and capital expenses from total projected revenue. The District has a yearly operating surplus to fund reserves for the tank replacement in FY 2024. Line 38 shows that the District meets its debt service coverage requirement of 115% each year. Debt service coverage is calculated by subtracting O&M expenses from revenues (net revenues) and dividing the net revenue by debt service (line 20 - line 29 / line 33).

Table 2-10: Water Enterprise Proposed Financial Plan (Cash Flow Projections)

Line		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1	Service Charge Revenue	1,226,551	1,227,373	1,228,016	1,228,839	1,229,663	1,230,488
2	Volumetric Revenue	789,886	790,395	790,905	791,416	791,927	792,438
3							
4	FY 2020		\$60,533	\$60,568	\$60,608	\$60,648	\$60,688
5	FY 2021			\$62,385	\$62,426	\$62,467	\$62,508
6	FY 2022				\$64,299	\$64,341	\$64,384
7	FY 2023					\$66,271	\$66,315
8	FY 2024						\$68,305
9	Revenue Adjustments		\$60,533	\$122,952	\$187,332	\$253,727	\$322,200
10	Total Revenue from Rates	\$2,016,437	\$2,078,302	\$2,141,874	\$2,207,588	\$2,275,317	\$2,345,125
11	Credit Card Fee Revenue	\$1,567	\$1,571	\$1,575	\$1,579	\$1,583	\$1,587
12	Meter Turn-on & Shut-Off Charge	\$17,000	\$17,043	\$17,085	\$17,128	\$17,171	\$17,214
13	Delinquent Fees	\$20,000	\$20,050	\$20,100	\$20,150	\$20,201	\$20,251
14	Admin Expense Reimbursements	\$159,792	\$0	\$0	\$0	\$0	\$0
15	Water Service Standby/Avail Charges	\$38,750	\$38,750	\$38,847	\$38,944	\$39,041	\$39,139
16	Connection Charges	\$3,180	\$3,180	\$3,188	\$3,196	\$3,204	\$3,212
17	Interest Income	\$19,126	\$16,687	\$17,498	\$23,114	\$31,244	\$32,732
18	Misc Income	\$25,000	\$25,000	\$25,063	\$25,125	\$25,188	\$25,251
19	San Bernardino Library Leasing	\$11,060	\$11,204	\$11,232	\$11,260	\$11,288	\$11,316
20	Total Revenue	\$2,311,912	\$2,211,787	\$2,276,462	\$2,348,084	\$2,424,237	\$2,495,827
21							
22	Expenses						
23	Salaries and Benefits	\$656,722	\$694,577	\$717,911	\$742,044	\$767,006	\$792,824
24	Repairs & Maint, Supplies, Utilities	\$30,720	\$30,652	\$31,572	\$32,519	\$33,494	\$34,499
25	Pumping Power and Vehicles	\$6,600	\$6,600	\$6,798	\$7,002	\$7,212	\$7,428
26	Water Purchases	\$273,800	\$289,074	\$272,854	\$279,490	\$286,290	\$293,260
27	Water Testing & Analysis	\$25,848	\$23,358	\$24,059	\$24,781	\$25,524	\$26,290
28	Administrative	\$593,475	\$543,407	\$559,709	\$576,500	\$593,796	\$611,609
29	Subtotal Expenses	\$1,587,165	\$1,587,668	\$1,612,902	\$1,662,336	\$1,713,322	\$1,765,910
30							
31	Net Revenue	\$724,747	\$624,119	\$663,559	\$685,749	\$710,916	\$729,917
32							
33	Debt Service	\$89,384	\$89,384	\$89,384	\$89,384	\$89,384	\$89,384
34							
35	Capital Projects	\$798,250	\$631,000	\$391,750	\$182,000	\$172,000	\$932,000
36							
37	Net Cash Flows (All Reserves)	\$ (162,887)	\$ (96,265)	\$ 182,426	\$ 414,365	\$ 449,532	\$ (291,467)
38	Debt Coverage Ratio	8.11	6.98	7.42	7.67	7.95	8.17

2.4.2. Graphical Financial Plan

Figure 2-1 through Figure 2-3 display the Financial Plan from Table 2-10 in graphical format. The blue bars in Figure 2-1 signify the projected revenue adjustments and the green line shows the calculated debt coverage ratio. As shown, the debt coverage ratio exceeds the minimum required debt coverage ratio of 1.15 or 115%.

Figure 2-1: Revenue Adjustments and Debt Coverage

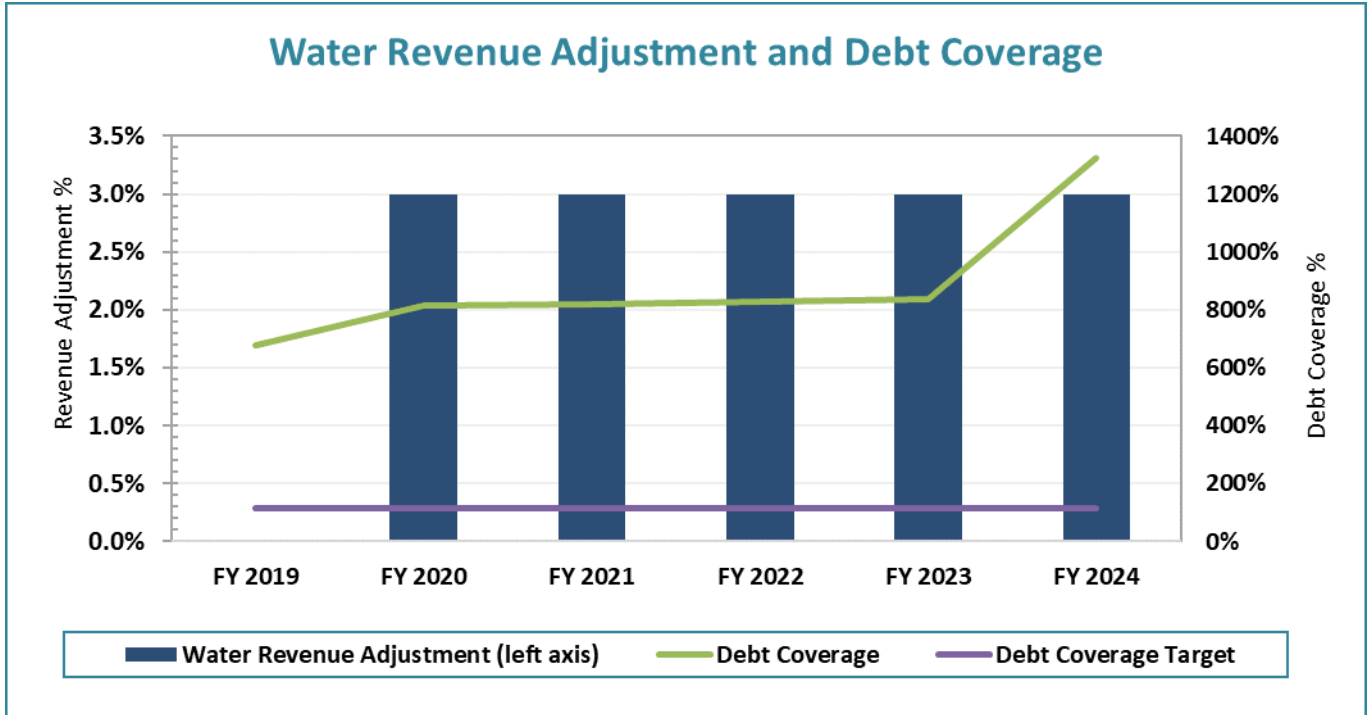


Figure 2-2 compares projected current (blue line) and proposed (orange line) revenue against expenses shown by the stacked bars broken down into the categories shown in the legend. The District has a large capital expenditure planned in FY 2024 (a tank expansion and replacement) and will use reserves to fund this project, as shown by the purple area below the x-axis.

Figure 2-2: Revenue and Expenses

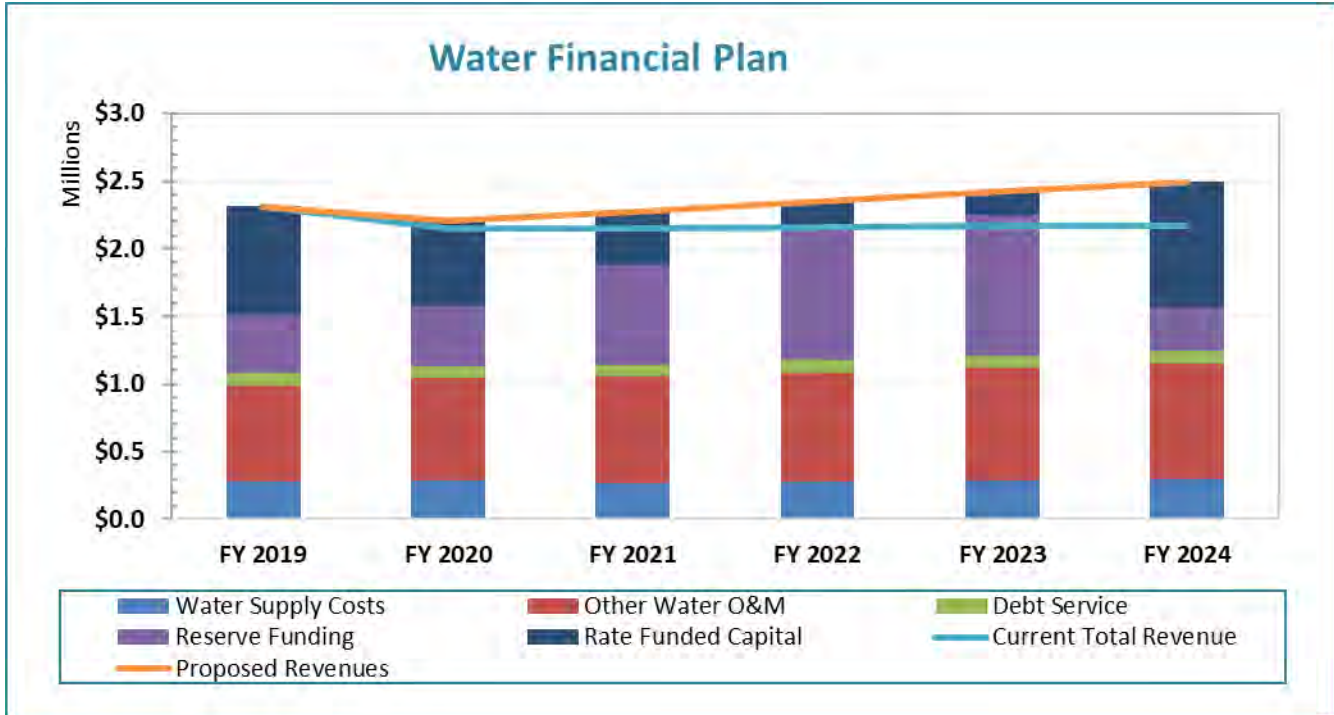
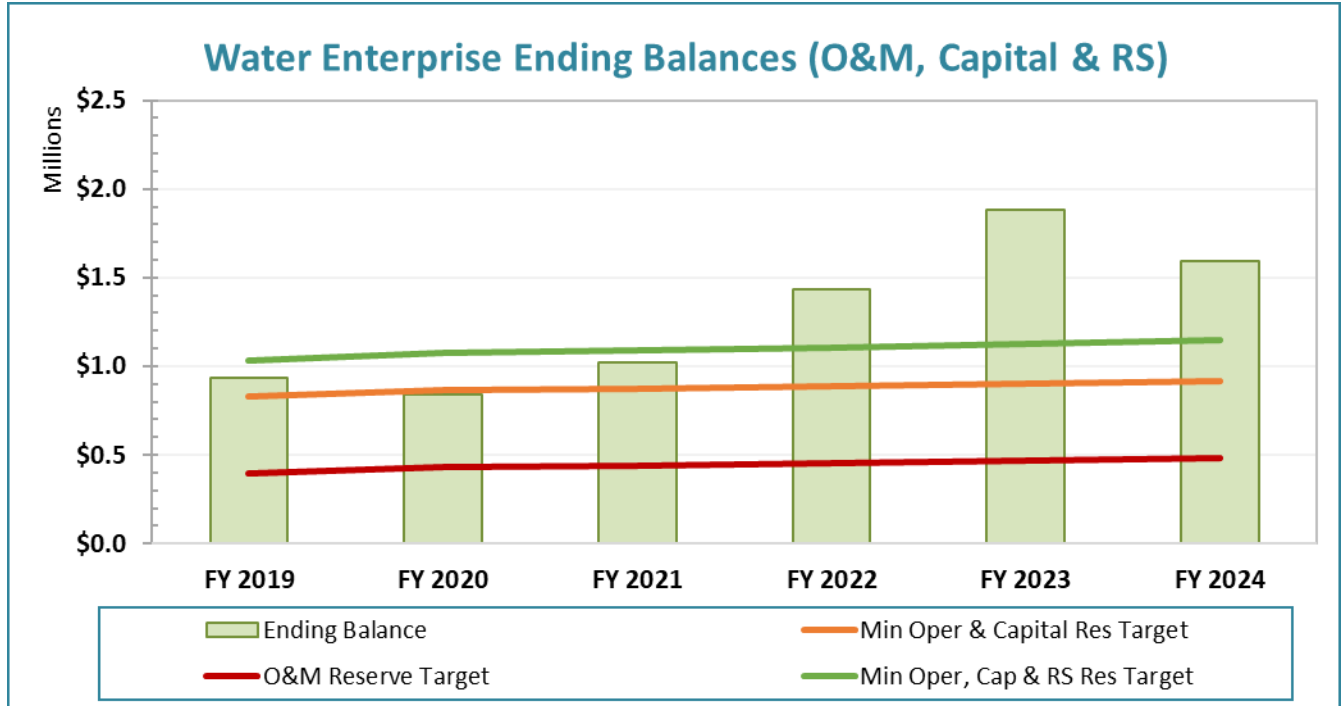


Figure 2-3 shows the District’s projected ending reserve balances. The red line is the Operating and Maintenance Reserve (25% of O&M expenses), the orange line is the sum of the O&M and capital reserve target (the average yearly capital expense), and the green line is the sum of the O&M, capital and rate stabilization reserve (10% of rate revenue). Note that in any given year, should actual reserves vary from projected reserves, the District Board can choose to implement revenue adjustments lower than those shown in Table 2-9. Appendix B shows the projected reserve balances with two options for additional CalPERS pension obligation payments.

Figure 2-3: Projected Fiscal Year Ending Reserve Balances



3. Cost of Service Analysis

The water rates were developed using cost of service principles set forth by the American Water Works Association M1 Manual titled *Principles of Water Rates, Fees, and Charges* (AWWA M1 Manual). Cost of service principles endeavor to distribute costs to customer classes in accordance with the way each class uses the water system. Raftelis allocated the District's revenue requirement (yearly revenue needed) using the Base-Extra Capacity Method of the AWWA M1 Manual to distribute costs. Cost causation components are the cost centers used to distribute costs to customer classes based on their water use characteristics. The cost causation components include:

1. Base (average) costs
2. Peaking costs (maximum day and maximum hour)
3. Meter service
4. Billing and customer service
5. Fire protection
6. Conservation
7. General and administrative costs

Base costs are costs that are associated with meeting average daily demand needs and include operations and maintenance costs and capital costs designed to meet average load conditions. A cost of service study analysis considers both the average quantity of water consumed (base costs) and the peak rate at which it is consumed. Peaking costs (i.e., extra capacity costs) are costs associated with meeting peak demand.² Peaking costs are further divided into maximum day and maximum hour demand. The maximum day demand is the maximum amount of water used in a single day in a year. The maximum hour demand is the maximum hour usage on the maximum usage day. Both maximum day and maximum hour peaking demand is used to calculate peaking unit rates to distribute costs to customer classes. Certain facilities, such as distribution and storage facilities, are designed to meet the peaking demands of customers. Therefore, extra capacity costs include the O&M and capital costs associated with meeting peak customer demand. Billing and customer service costs are costs associated with serving customers, such as meter reading, billings and collections, customer service, etc. Fire protection costs are related solely to the fire protection function of a water system, such as fire hydrants and related branch mains and valves. Conservation costs are costs associated with the District's water conservation and efficiency program. General and administrative costs are all other costs not otherwise assigned to any of the other cost causation components.

3.1. Allocation of Expenses to Cost Components

To allocate costs to cost components, Raftelis used system-wide peaking factors, as provided in the District's Water Master Plan, which are shown in column B, Table 3-1. The system-wide peaking factors are used to derive the cost component allocation bases (i.e., percentages) shown in columns C through E of Table 3-1.

² System capacity is the system's ability to supply water to all delivery points at the time when demanded. Coincident peaking factors are calculated for each customer class at the time of greatest system demand. The time of greatest demand is known as peak demand. Both the operating costs and capital asset related costs incurred to accommodate the peak flows are allocated to each customer class based upon the class's contribution to the peak day and hour event.

Expenses are *functionalized* or grouped into the various cost categories related to providing water service. For the water utility, this typically includes supply, treatment, transmission and distribution, storage, meter servicing, customer billing, direct fire protection, direct private fire protection, general and administration, and conservation cost categories. This step is largely accomplished by the utility’s accounting system. For this study, the functionalized expenses are then allocated to the cost components using the allocation bases shown in column A. To understand the interpretation of the percentages shown in columns B through E we must first establish the base use as the average daily demand during the year – which is assigned an allocation basis of 1.0. If the base allocation basis is used to allocate an expense, it means that the costs associated with that expense are to meet average daily demand (base) related costs.

Expenses that are allocated to the cost causation components using the maximum day bases (line 2) attribute 50% (1.00/2.00) of the demand (and therefore costs) to base (average daily demand) use and the remaining 50% to maximum day (peaking) use. Expenses allocated using the maximum hour bases assume 25% (1.00/4.00) of costs are due to base demands, 25% due to max day ((2.00-1.00/4.00)) and 50% ((4.00-2.00)/4.00) are due to max hour costs. Collectively, the maximum day and hour cost components are known as peaking costs. These allocation bases are used to allocate District O&M functions, shown in column A of Table 3-2, to the cost causation components also shown across the top of Table 3-2. Note that the total expenses in line 11 equal the expenses shown in Table 2-10 for FY 2020.

Table 3-1: System-Wide Peaking Factors and Allocation to Cost Components

Line No.	Allocation Basis (A)	Peaking Factor (B)	Base (C)	Max Day (D)	Max Hour (E)	Total (F)	System MDD/ System	Max Hour /Max Day
1	Base	1.00	100%			100%		
2	Max Day	2.00	50%	50%		100%	1.31	
3	Max Hour	4.00	25%	25%	50%	100%		2.00

Table 3-2: Allocation of O&M Expenses to Cost Causation Components

Line No.	Functions (A)	FY 2020 Budget (B)	Allocation Basis (C)	Supply (D)	Base (E)	Max Day (F)	Max Hour (G)	Meter Service (H)	Customer Billing (I)	Con servation (J)	Direct Fire Protection (K)	Direct Private Fire Protection (L)	Gen & Admin (M)	Sub -Total (N)
1	Supply	\$384,844	Base	100%										100%
2	Treatment	\$65,793	Max Day		50%	50%								100%
3	Transmission & Distribution	\$139,639	Max Day		50%	50%								100%
4	Storage	\$139,639	Max Hour		25%	25%	50%							100%
5	Meter Service	\$119,030	Meter					100%						100%
6	Customer Billing	\$118,078	Customer						100%					100%
7	Direct Fire Protection	\$9,484	Direct Fire								100%			100%
8	Direct Costs -Private Fire Proteciton	\$534	Private Fire									100%		100%
9	Gen & Admin	\$593,226	General										100%	100%
10	Conservation	\$17,402	Conservation							100%				100%
11	Total	\$1,587,668		\$384,844	\$137,626	\$137,626	\$69,819	\$119,030	\$118,078	\$17,402	\$9,484	\$534	\$593,226	\$1,587,668
12	O&M Expense Allocation			24.2%	8.7%	8.7%	4.4%	7.5%	7.4%	1.1%	0.6%	0.03%	37.4%	100.00%

Total Expenses equal FY 2020 Expenses Shown in Table 2-10

The allocation bases, shown in Column C, are used to allocate the functionalized costs, shown in Column A, to each cost causation component. For example, 25% of the storage expense is allocated to the base cost component. Lines 11 and 12 show the total O&M costs allocated to each cost component and the corresponding percentage of the O&M budget allocated to each cost component, respectively.

We chose the allocation bases, in column C, based on the type of cost for each line item and the proportion of those costs associated with each cost causation component (maximum day, maximum hour, general, conservation, etc.). For example, Transmission & Distribution costs, line 3, are allocated using the maximum day basis since transmission & distribution costs are associated with serving both average day demands and peak day demands. This is because the transmission & distribution system must be sized and operated to meet maximum and average day demands. Certain cost bases are identical to the cost causation components – such as Meter Service and Customer Billing – and therefore are easily allocated to the cost component with the same name.

The total O&M expenses in line 11, column N, equals the total FY 2020 O&M in line 29 of Table 2-10. This resulting allocation is used to allocate the District's operating revenue requirement (discussed in Section 3.2) to the cost components.

The District provided a database of their current assets and allocated these assets to the cost causation components as shown in Table 3-3. The resulting total asset allocation is derived in the same manner as the O&M allocation in Table 3-2. Raftelis functionalized, shown in lines 1 through 10, the District's assets and then allocated them to the cost causation components in the same manner as O&M expenses. Part of the District's revenue requirement includes rate funded capital – which is discussed in Section 3-2. The capital portion of the revenue requirement is allocated to the cost causation components using the asset allocation shown in line 14 of Table 3-3.

Table 3-3: Allocation of Assets to Cost Causation Components

Line No.	Functions (A)	RCLD (B)	Allocation Basis (C)	Supply (D)	Base (E)	Max Day (F)	Max Hour (G)	Meter Service (H)	Customer Billing (I)	Con servation (J)	Direct Fire Protection (K)	Direct Private Fire Protection (L)	Gen & Admin (M)	Capital (N)	Sub -Total (P)
1	Land	\$1,695,744	Base		100%										100%
2	Supply	\$2,079,500	Max Day	100%											100%
3	Treatment	\$69,869	Max Day		50%	50%	0%								100%
4	Storage	\$1,430,061	Max Hour		25%	25%	50%								100%
5	Trans/Dist	\$7,725,844	Max Day		50%	50%	0%								100%
6	Fire Hydrants	\$105,113							100%						100%
7	Meter Service	\$128,928						100%							100%
8	General & Admin	\$602,679											100%		100%
9	Vehicles	\$0											100%		100%
10	Total	\$13,837,738		\$2,079,500	\$5,951,116	\$4,255,372	\$715,030	\$128,928	\$105,113	\$0	\$0	\$0	\$602,679	\$0	\$13,837,738
11	Allocation w/o Gen & Admin			16%	45%	32%	5%	1%	1%	0%	0%	0%			100%
12	Reallocated Gen & Admin			\$94,693	\$270,993	\$193,775	\$32,560	\$5,871	\$4,786	\$0	\$0	\$0	\$0	\$0	\$602,679
13	Total Capital Allocation to Cost Components			\$2,174,194	\$6,222,109	\$4,449,147	\$747,590	\$134,798	\$109,899	\$0	\$0	\$0		\$0	\$13,837,738
14	Capital Alloc			15.7%	45.0%	32.2%	5.4%	1.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	100%

3.2. Revenue Requirement Determination

Table 3-4 shows the revenue requirement derivation. The total revenue required from water rates is shown on line 28. The total in line 28, column B, is the O&M revenue requirement that is allocated to the cost components using the percentages derived in line 12 of Table 3-2. The capital revenue requirement in line 28, column C, is allocated to the cost components using the percentages derived in line 14 of Table 3-3.

Raftelis calculated the revenue requirement using FY 2020 expenses (this is known as the test year), which include the items shown in lines 2 – 9 of Table 3-4. To arrive at the rate revenue requirement in line 28, column D, the total revenue offsets (shown in line 22) are subtracted from the total revenue requirement in line 10 and an adjustment is made for the yearly ending balance in line 25. The adjustment, shown as negative values, are subtracted (therefore added, as a result of subtracting a negative number) to arrive at the total revenue required from District rates in line 28, column D. This is the total amount the District's fixed service charges and volumetric rates are designed to collect in FY 2020 if rates were applied for a full Fiscal Year.

Line 10, column B, is the same as line 29 for FY 2020 in Table 2-10. The revenue offsets are taken from lines 11 through 19, in the FY 2020 column in Table 2-10. These non-rate revenues decrease the revenue required from rates. The adjustment for cash balance, in line 25, is the net cash balance taken from Table 2-10.

Table 3-4: Revenue Requirement Determination

Line No.	FY 2020 (A)	Operating (B)	Capital (C)	Total (D)
1	Revenue Requirement			
2	Salaries and Benefits	\$694,577		\$694,577
3	Repairs & Maint, Supplies, Utilities	\$30,652		\$30,652
4	Pumping Power and Vehicles	\$6,600		\$6,600
5	Water Purchases	\$289,074		\$289,074
6	Water Testing & Analysis	\$23,358		\$23,358
7	Administrative	\$543,407		\$543,407
8	Existing Debt Service		\$89,384	\$89,384
9	Rate Funded Capital		\$631,000	\$631,000
10	Total - Revenue Requirement	\$1,587,668	\$720,384	\$2,308,052
11				
12	Revenue Offsets			
13	Credit Card Fee Revenue	\$1,571		\$1,571
14	Meter Turn-on & Shut-Off Charge	\$17,043		\$17,043
15	Delinquent Fees	\$20,050		\$20,050
16	Administrative Expense Reimbursement	\$0		\$0
17	Water Service Standby / Avail Charges	\$38,750		\$38,750
18	Connection Charges		\$3,180	\$3,180
19	Interest Income	\$16,687		\$16,687
20	Misc Income		\$25,000	\$25,000
21	San Bernardino County Library Leasing	\$11,204		\$11,204
22	Total - Revenue Offsets	\$105,305	\$28,180	\$133,485
23				
24	Adjustments			
25	Adjustment for Cash Balance	\$96,265		\$96,265
26	Total - Adjustments	\$96,265	\$0	\$96,265
27				
28	Revenue Required from Rates	\$1,386,098	\$692,204	\$2,078,302

3.3. Allocation of Costs to Cost Components

The next step is to allocate the total revenue requirement in Table 3-4, to the cost components as shown in Table 3-5. Lines 1 and 2 in Table 3-5 allocate the operating and capital revenue requirements (for operating and capital revenue requirement in Table 3-5, lines 1 and 2 respectively, add lines 28 and line 22 in Table 3-4) and line 3 allocates the revenue offsets (column D, line 22) to the cost components in proportion to the O&M and capital allocations from Table 3-2 and Table 3-3, respectively. Lines 5 and 6 reallocate general costs (column M) to the other cost components in proportion to each component's share of total costs. This reflects the fact that general costs support the other functions in proportion to their share of costs. The total revenue requirement by cost component is shown in line 7 which is then divided by the units of service (line 9) to yield the unit cost of service in line 11. Line 10 shows the units for the unit costs of service.

Table 3-5: Expense Allocation to Cost Components

Line Nc	Cost of Service Allocation	Allocation Bases	Supply	Base	Max Day	Max Hour	Meter Service	Customer Billing	Con servation	Direct Fire Protection	Direct Private Fire Protection	Gen & Admin	Capital	Sub Total	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	FY
1	Operating Expenses	O&M Alloc	\$361,510	\$129,281	\$129,281	\$65,586	\$111,813	\$110,919	\$16,347	\$8,909	\$501	\$557,257	\$0	\$1,491,403	
2	Capital Expenses	Capital Cost	\$113,187	\$323,919	\$231,620	\$38,919	\$7,018	\$5,721	\$0	\$0	\$0	\$0	\$0	\$720,384	
3	Revenue Offset	Revenue Offsets	-\$23,772	-\$48,107	-\$35,210	-\$6,882	-\$3,442	-\$3,241	-\$360	-\$196	-\$11	-\$12,265	\$0	-\$133,485	
4	Total Cost of Service		\$450,925	\$405,093	\$325,691	\$97,623	\$115,389	\$113,399	\$15,987	\$8,713	\$490	\$544,992	\$0	\$2,078,302	
5	Percent Excluding Gen & Admin		29.4%	26.4%	21.2%	6.4%	7.5%	7.4%	1.0%	0.6%	0.0%			100.00%	
6	Allocation of General Admin		\$160,274	\$143,984	\$115,762	\$34,699	\$41,013	\$40,306	\$5,682	\$3,097	\$174	-\$544,992		\$0	
7	Total Adjusted Cost of Service		\$611,199	\$549,077	\$441,453	\$132,322	\$156,402	\$153,705	\$21,669	\$11,809	\$664	\$0	\$0	\$2,078,302	
8	Rev Req. Allocated to Cost Components		29.4%	26.4%	21.2%	6.4%	7.5%	7.4%	1.0%	0.6%	0.0%	0.0%			
9	Unit of Service		168,495	168,495	651	4,322	3,066	2,967	168,495	3,066	27	3,066	3,066		
10	Units		hcf	hcf	hcf/day	hcf/day	equiva- lent meters	bills	hcf	hcf	hcf	hcf	equiva- lent meters		
11	Unit Cost of Service		\$3.63	\$3.26	\$677.67	\$30.62	\$51.01	\$51.80	\$0.13	\$3.85	\$24.61	\$0.00	\$0.00		

HCF = Hundred Cubic Feet

3.4. Public and Private Fire Protection Costs

3.4.1. Fire Protection Costs

Line 11 of Table 3-5 shows the max day and max hour unit costs in dollars per hundred cubic feet per day (\$/hcf /day). Converting these costs into dollars per thousand gallons per day (\$/1,000 gal/day) yields the unit cost of service shown in line 1 of Table 3-6. These are used to calculate public and private fire protection costs. Raftelis derived the total costs to maintain fire capacity in the water system by assuming a two-hour fire requiring 2,000 gallons per minute (gpm) – and therefore requiring a maximum day and maximum hour capacity (in 1,000 gallons per day) as shown in line 4 of Table 3-6. A 2-hour fire needing 2,000 gpm is appropriate for residential neighborhoods. Line 5, which is the total cost to maintain the capacity to fight a 2-hour fire, is line 4 multiplied by line 1. We allocate the total fire protection costs in line 5, to public and private fire costs in proportion to the potential flow to fire hydrants and private fire connections. The potential flow for public and private fire connections is shown in Table 3-7.

Table 3-6: Derivation of Total, Public and Private Fire Protection Costs

Line No.	Fire Protection Cost Allocation	Max Day	Max Hour	Total
	(A)	(B)	(C)	(D)
1	Unit Cost of Service	\$905.97	\$40.93	
2	Unit	\$ / 1,000 gal /day	\$ / 1,000 gal /day	
3	Fire Protection			
4	Units of Service (1,000 gallons)	240	2,640	
5	Allocated Cost of Service	\$217,434	\$108,066	\$325,500
6	Public Fire Protection	\$210,720	\$104,729	\$315,450
7	Private Fire Service	\$6,713	\$3,337	\$10,050

In Table 3-7, we calculate the potential fire demand (known as equivalent demand) of public and private fire accounts in lines 3 and 14 of Table 3-7, respectively. Line 1 calculates the potential flow through public fire hydrants using the Hazen Williams equation for pipe flow. Lines 5 through 13 calculate the potential flow through private fire connections also using the Hazen Williams equation³. The resulting potential fire demand, and therefore cost allocation for public fire and private fire costs, is shown in lines 16 and 17 of Table 3-7. The total demand units in column D are calculated by multiplying the potential demand (column B) by the number of connections/hydrants in service (column C). Table 3-7, lines 16 and 17, show the proportion of public and private fire protection costs allocated to public and private fire accounts.

³ The Hazen Williams equation states that the flow through a conduit is proportional to the diameter raised to the 2.63 power.

Table 3-7: Derivation of Potential Flow to Private and Public Fire Connections

Line No.	Fire Line Size - Public Hydrants (A)	Fire Demand (B)	Number of Fire Hydrants (C)	Equivalent Demand (D)
1	1-4" x 2-2" Type	50.70	450	22,815
2				
3	Total		450	22,815
4	Fire Line Size - Private Fire	Fire Demand	Number of Lines	Equivalent Demand
5	3/4"	0.47	0	0.0
6	1"	1.00	20	20.0
7	1.5"	2.90	0	0.0
8	2"	6.19	1	6.2
9	3"	17.98	0	0.0
10	4"	38.32	3	115.0
11	6"	111.31	1	111.3
12	8"	237.21	2	474.4
13	10"	426.58	0	0.0
14	Total		27	727
15				
16	Percent Allocated to Public Fire Protection			96.9%
17	Percent Allocated to Private Fire Protection			3.1%

After calculating public and private fire protection costs, we complete the cost of service cost component allocation by making final adjustments for fire protection costs shown in Table 3-8.

Line 1 in Table 3-8 is the same as line 7 in Table 3-5. We reallocate costs to other cost components so that the District can collect these costs through the fixed monthly meter service charge to meet revenue stability goals. This is further discussed in Section 4-3.

In line 2 of Table 3-8, we reallocate the private fire protection costs we derived above to the private fire cost component in column K. In line 3 we reallocate public fire protection costs from the max day and hour component, derived in line 6 of Table 3-6, to the meter service component in column F so that public fire protection costs will be collected through the meter service charge. Direct private fire protection, in column J, is the cost to manage backflow prevention devices. This cost will be collected through private fire protection charges and will be derived in Section 4.

The last adjustment is shown in line 4 of Table 3-8. The District collects a majority of its revenue through a fixed charge to 1) meet fixed revenue goals for revenue stability and 2) equitably charge absentee customers for costs associated with maintaining a water system in a ready-to-serve status. To do so we reallocate maximum day, maximum hour, and base costs as shown in columns C, D and E to the meter service & capacity component, so that the District can collect these costs through a fixed charge. Reallocating peaking to the Meter Service & Capacity component is a common way to provide greater revenue stability. It also increases equity between full-time District residents and absentee owners who don't use as much water as full-time residents, as it causes full time residents to bear the cost burden associated with fixed water system costs.

The final Cost of Service allocation to the cost components is shown in line 5 of Table 3-8. Once we have allocated the District's expenses to the cost causation components, the total costs shown in column L of Table 3-8 are proportionately allocated to each customer class. The allocation is based on each customer class's cost causation (i.e., benefits received from and burdens placed on the system and its resources). Once costs are allocated, we can derive the revenues from each customer class required to achieve cost-based rates. This process is discussed in detail in Section 4.

Table 3-8: Final Cost of Service Allocation to Cost Components

Line No.	Cost of Service Allocation (A)	Supply (B)	Base (C)	Max Day (D)	Max Hour (E)	Meter Service & Capacity (F)	Customer Billing (G)	Con-servation (H)	Direct Fire Protection (I)	Direct Private Fire Protection (J)	Capacity for Private Fire Protection (K)	Sub Total (L)
1	Cost of Service	\$611,199	\$549,077	\$441,453	\$132,322	\$156,402	\$153,705	\$21,669	\$11,809	\$664		\$2,078,302
2	Private Fire Protection			-\$6,713	-\$3,337						\$10,050	\$0
3	Alloc Public Fire to Meter Service			-\$210,720	-\$104,729	\$315,450			\$0			
4	Allocation of Peaking to Meter		-\$367,333	-\$224,019	-\$24,256	\$615,608						\$0
5	Total Adjusted Cost of Service	\$611,199	\$181,745	\$0	\$0	\$1,087,460	\$153,705	\$21,669	\$11,809	\$664	\$10,050	\$2,078,302
6	% Allocated to Cost Component	29.4%	8.7%	0.0%	0.0%	52.3%	7.4%	1.0%	0.6%	0.0%	0.5%	100%

4. Rate Derivation

4.1. Existing Rate Structure and Rates

The District’s existing rate structure consists of a fixed monthly service charge determined by meter size. The current rates are the same for all customers except irrigation customers as shown in Table 4-1. The District also charges a monthly infrastructure repair and replacement (IR&R) charge, which is also the same for each meter size. The volumetric charges have different rates for customers located within District boundaries except for customer located outside District boundaries. Table 4-1 also shows the current private fire service charges. This charge is imposed only on customers that have private fire suppression systems. Raftelis recommends three changes to the rate structure and rates:

- 1) Discontinue imposing different rates for the volumetric charge for the one customer located outside of the District charges to meet Proposition 218 requirements;
- 2) Implement the same monthly fixed service charge for all customers, thereby eliminating the separate irrigation monthly fixed service charge; and
- 3) Eliminate the IR&R charge and instead recover the infrastructure repair and replacement costs from the monthly service charge in proportion to meter size. Recovering these costs in proportion to meter size is one reason why the proposed rates of the monthly fixed service charge increase more for larger meter sizes than compared to the 5/8” x 3/4” meters.

Table 4-1: Existing Rate Structure and Rates

Meter Size	Monthly Service Charge	Monthly Service Charge -Irrigation	Meter Size	Private Fire Service Charge
5/8" x 3/4"	\$31.42	\$13.13	1" and Smaller	\$15.75
1"	\$70.77	\$32.78	1.5"	\$26.21
1.5"	\$136.29	\$65.54	2"	\$43.58
2"	\$214.95	\$104.87	3"	\$60.95
3"	\$463.97		4"	\$78.32
			6"	\$95.65
			8"	\$113.02
Infrastructure Repair & Replacement	\$1.88			
Volumetric Rate	\$/ cubic foot			
Inside District	\$0.0469			
Outside District	\$0.0519			

4.2. Proposed Rate Structure

Note: In this report, the numbers shown are the raw numbers from Microsoft excel calculations. Numbers in excel have many decimal places and therefore the totals shown in some of the tables may not add exactly to the total shown in the Table because of not rounding numbers in Excel.

In Table 3-8, the District’s revenue requirement was allocated to each cost causation component. Table 4-2 shows how the District will collect each cost component – through a fixed monthly service charge, private fire service charge, or a volumetric charge. The total in Table 4-2 matches the total in column L of Table 3-8. Table 4-2 shows that the District will collect approximately 60% (including private fire service protection in line 12) through the monthly service charge and private fire service charges, and 40% through volumetric charges. The percentage of revenue collected through the fixed service charge is slightly higher than the norm to account for a large proportion of absentee ownership and provide revenue stability. The District has many seasonal vacation homes which are vacant for weeks or months at a time, hence these properties consume little water. A rate structure which collects more fixed costs through the volumetric charge would charge full-time residents a disproportionately greater share of these costs. The District’s fixed costs of operating and maintaining the water system are incurred regardless of whether the District treats or sells any water. Thus, charging a higher fixed service charge to recover the District’s fixed costs proportionately allocates these costs to all customers and ensures that the system is ready and available to be used upon demand.

Table 4-2: Fixed vs Volumetric Charge Revenue Collection

Line No.	Cost Component	Revenue	%
1	Supply	\$611,199	
2	Delivery	\$181,745	
3	Conservation	\$21,669	
4	Subtotal Volumetric Revenue	\$814,613	39.2%
5	Meter Service & Extra Capacity	\$772,010	
6	Customer Billing	\$153,705	
7	Public Fire Protection	\$315,450	
8	Direct Public Fire Protection	\$11,809	
9	Subtotal Fixed Charge	\$1,252,975	60.3%
10	Direct Private Fire Protection	\$664	
11	Capacity for Private Fire Protection	\$10,050	
12	Subtotal Private Fire Protection	\$10,714	0.5%
13	Total	\$2,078,302	100.0%

4.2.1. Proposed Monthly Service Charge

To derive the rates of the monthly service charge we must first calculate the number of equivalent meters by meter size as shown in Table 4-3. This is used to derive the rates of the monthly service charge to collect the amount shown in Table 4-2, line 9. Equivalent meter units account for the potential flow through larger meters and equate this flow to the total flow through the smallest meter – in this case - the 5/8” x 3/4”-inch meter. Equivalent meter units are calculated by multiplying the number of meters by the American Water

Works Association (AWWA) capacity ratios to yield equivalent meters in the right most column. The capacity ratios, which are a function of a meter's safe maximum flow rate, are used to increase the meter service component for larger capacity meters. The meter capacity ratios are shown in column B of Table 4-5. This assumes that the potential capacity (peaking) demand is proportional to the potential flow through each meter size as established by the AWWA hydraulic capacity ratios. The ratios shown in column B of Table 4-5 are the ratio of potential flow through each meter size compared to the flow through a 5/8" x 3/4" meter. The 5/8" x 3/4" meter is used as the base since it is the smallest and most numerous meter size. Larger meters have the potential to demand more peak capacity. For example, column B of Table 4-5 shows that the hydraulic capacity of a 2-inch meter is 8.0 times that of a 5/8" x 3/4" meter and therefore the meter service component is 8.0 times that of the 5/8" x 3/4" meter.

Table 4-3: Derivation of Equivalent Meter Units

Meter Size - All Customer Classes	Capacity (gpm)	AWWA Ratio	Number of Meters	Equivalent Meters
5/8" x 3/4"	20	1.0	2,930	2,930
1"	50	2.5	30	75
1.5"	100	5.0	1	5
2"	160	8.0	5	40
3"	320	16.0	1	16
4"	500	25.0	0	0
6"	1,000	50.0	0	0
8"	1,600	80.0	0	0
10"	2,300	115.0	0	0
Total			2,967	3,066

There are two cost components that comprise the monthly service charge: 1) **meter service and capacity** and 2) **customer service**, described below.

4.2.1.1. Meter Service and Capacity Costs

The meter service and capacity component recovers three types of costs: 1) costs associated with maintaining and servicing meters (meter service component); 2) capacity (also known as peaking costs) costs; and 3) public fire protection costs. The District is collecting capacity costs through the meter service charge to attain revenue stability and to equitably allocate costs discussed in Section 4.2.

The total meter, capacity and public fire protection costs, lines 5,7 and 8 in Table 4-2, are recovered through the monthly service charge and shown on lines 1 and 2 of Table 4-4. We derive the monthly meter and capacity charge components by dividing the total cost in line 3 by the number of equivalent meters to yield the monthly service charge per equivalent meter (i.e., a 5/8" or 3/4" meter) in line 5.

The meter service and capacity charge components is scaled up using the AWWA capacity ratios shown in column B of Table 4-5 to yield the charges shown in column E of Table 4-5.

4.2.1.2. Customer Component

The customer component derivation, shown in lines 7 through 9 of Table 4-4, recovers costs associated with meter reading, customer billing and collection, as well as answering customer calls. These costs are shown in line 6 of Table 4-2. These costs are the same for all meter sizes, as it costs the same amount to read and bill a small meter as it does a larger meter.

4.2.1.3. Total Monthly Service Charge

Table 4-5 shows the derivation of the total monthly service charge by meter size in column G, which is the addition of the meter service and capacity component and the customer service bill component (columns E and F). The total estimated revenue from the monthly service charge is equal to the amount shown in line 9 of Table 4-2.

Table 4-4: Monthly Meter and Capacity Charge Derivation

Line No.	Costs	Amount
1	Total Meter Service & Capacity Costs	\$772,010
2	Public and Direct Public Fire Protection	\$327,259
3	Subtotal	\$1,099,269
4	Number of Equivalent Meters	3,066
5	Monthly Charge per Equivalent Meter	\$29.88
6		
7	Total Customer Billing costs	\$153,705
8	Number of Meters	2,967
9	Monthly Charge per Meter	\$4.32

Table 4-5: Derivation of the Monthly Service Charge (\$/Meter Size)

Line No.	Meter Size (A)	Meter Ratio (5/8" Meter as the Base) (B)	Number of Meters (C)	Equivalent Meters (D)	Meter Service & Capacity (E)	Customer Bill (F)	Proposed Monthly Fixed Charge (G)
1	5/8" x 3/4"	1.00	2,930	2,930	\$29.88	\$4.32	\$34.19
2	1"	2.50	30	75	\$74.69	\$4.32	\$79.01
3	1.5"	5.00	1	5	\$149.38	\$4.32	\$153.70
4	2"	8.00	5	40	\$239.01	\$4.32	\$243.33
5	3"	16.00	1	16	\$478.03	\$4.32	\$482.34
6	4"	25.00	0	0	\$746.92	\$4.32	\$751.23
7	Total		2,967	3,066			

4.2.1.4. Five-Year Monthly Service Charge

Table 4-6 shows the recommended rates for the monthly service charge for the next five fiscal years. They are derived by applying the revenue adjustments shown in Table 2-9 to the service charges for FY 2020 and beyond as shown in Table 4-5.

Table 4-6: Five-Year Rates of Monthly Fixed Service Charge (\$/Meter Size)

Meter Size	Current Charge	July 2019	July 2020	July 2021	July 2022	July 2023
Revenue Adjustment ----->>			3.0%	3.0%	3.0%	3.0%
5/8" x 3/4"	\$33.30	\$34.19	\$35.22	\$36.28	\$37.36	\$38.49
1"	\$72.65	\$79.01	\$81.38	\$83.82	\$86.33	\$88.93
1.5"	\$138.17	\$153.70	\$158.31	\$163.06	\$167.95	\$172.99
2"	\$216.83	\$243.33	\$250.63	\$258.15	\$265.89	\$273.87
3"	\$465.85	\$482.34	\$496.81	\$511.72	\$527.07	\$542.88

4.2.2. Proposed Private Fire Service Charges

The total costs associated with public and private fire protection were derived at the end of Section 3 in Table 3-6. Table 4-7 derives the two components of the monthly private fire service charge: 1) the charge for fire capacity in line 3, and 2) the charge to manage the testing of backflow devices in line 6. The monthly private fire service charge shown in line 3 is calculated by dividing line 1 by line 2. Line 2, the equivalent demand, was derived in column D of Table 3-7. The private fire service charge is divided by 12 to create a monthly rate for the private fire service charge.

The monthly backflow charge in line 6 of Table 4-7, is line 4 divided by the number of private fire service connections. This charge is also divided by 12 to create a monthly charge.

Table 4-7: Calculation of Monthly Private Fire Service for 1" and Smaller Connections

Line No.	Private Fire Protection Derivation	
1	Capacity Costs for Private Fire Protection	\$10,050
2	Equivalent Demand	727
3	Monthly Private Fire Charge for 1" & Smaller	\$1.15
4	Backflow Management Costs	\$664
5	Number of Connections	27
6	Monthly Backflow Management Charge	\$2.05

Table 4-8 shows the derivation of the total monthly rates for the private fire service charge in column I. It is the summation of columns E and F. Note that private fire charge shown in column F is scaled up in proportion to the potential flow through each connection size shown in column C. Private fire charges are calculated in accordance with principles set forth in the AWWA M1 Manual, *Principles of Water Rates, Fees, and Charges*.

Table 4-8: Derivation of Monthly Rates for Private Fire Service Charge for Larger Meter Sizes (\$/Meter Size)

Line No.	Meter Size	Number of Meters	Potential Demand	Equivalent Demand	Backflow Maintenance	Monthly Private Fire Charge	Proposed Total Monthly Rate
	(A)	(B)	(C)	(D)	(E)	(F)	(I)
1	1" & Smaller	20	1.00	20.0	\$2.05	\$1.15	\$3.20
2	1.5"	0	2.90	0.0	\$2.05	\$3.35	\$5.40
3	2"	1	6.19	6.2	\$2.05	\$7.13	\$9.18
4	3"	0	17.98	0.0	\$2.05	\$20.72	\$22.77
5	4"	3	38.32	115.0	\$2.05	\$44.15	\$46.20
6	6"	1	111.31	111.3	\$2.05	\$128.25	\$130.30
7	8"	2	237.21	474.4	\$2.05	\$273.31	\$275.36
8		27		726.9			

The total projected private fire service charge revenue is equal to the amount shown in line 12 of Table 4-2. Rates will increase in subsequent years by the adjustments shown in Table 2-9. The private fire service charges for the study period are shown in Table 4-9.

Table 4-9: Five-Year Monthly Private Service Fire Charges (\$/Meter Size)

Line No.	Meter Size	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1	1" & Smaller	\$3.20	\$3.30	\$3.40	\$3.50	\$3.60
2	1.5"	\$5.40	\$5.56	\$5.73	\$5.90	\$6.07
3	2"	\$9.18	\$9.46	\$9.74	\$10.03	\$10.34
4	3"	\$22.77	\$23.45	\$24.16	\$24.88	\$25.63
5	4"	\$46.20	\$47.59	\$49.02	\$50.49	\$52.00
6	6"	\$130.30	\$134.21	\$138.24	\$142.39	\$146.66
7	8"	\$275.36	\$283.62	\$292.13	\$300.89	\$309.92

4.3. Volumetric Rates

4.3.1. Total Volumetric Charge Revenue

Table 4-2, line 4 shows the total amount of revenue the volumetric rates are designed to collect. The next step is to derive each component of the volumetric rate.

4.3.2. Volumetric Rate Derivation

The total volumetric rates (\$/CF) is the summation of unit rates for each cost component: Supply, Delivery, Peaking (also known as extra capacity or maximum day and hour), and Conservation. We derive each unit rate and add them together to get the total volumetric rates for all customers. Each cost component is defined below.

4.3.3. Cost Component Definitions

Raftelis derived the volumetric rates by summing the unit rates (\$ / HCF or \$ / CF)⁴ for:

1. Water Supply
2. Delivery
3. Peaking
4. Conservation

Water Supply costs are costs associated with obtaining and treating water to make it ready for delivery from each District source:

1. Groundwater
2. Arrowbear Park County Water District

⁴ \$ /HCF stands for dollars per hundred cubic feet of water

\$ / CF stand for dollars per cubic foot of water

There are 100 cubic feet of water in one HCF

3. Crestline Lake Arrowhead Water Agency

Delivery costs are the operating and capital costs associated with delivering water to all customers through the distribution system (pipelines and storage reservoirs) at a constant average rate of use – also known as serving customers under average daily demand conditions. Therefore, delivery costs are spread over all units of water which results in an equal delivery unit cost for all customers.

Peaking costs, or extra-capacity costs, represent costs incurred to meet customer peak demands in excess of base use (or in excess of average daily demand). Peaking costs are the sum of columns D and E in Table 3-8 – that is maximum day and maximum hour costs. However, in the final derivation of the costs by cost component in Table 3-8, we reallocated the peaking costs in columns D and E to the meter and capacity component to collect these costs through a fixed charge for two reasons:

- 1) To meet the District’s revenue stability goals, and
- 2) To ensure that fixed water system costs are proportionately allocated amongst full-time residents and absentee owners (vacation homes).

The reallocation of peaking costs to the meter and capacity component means we are allocating peaking costs in proportion to the potential flow through each meter size. This is a common way to increase revenue stability, and proportional allocation as described in item 2 above. Therefore, the volumetric rate derivation consists of the three remaining cost components: 1) supply, 2) delivery, and 3) conservation.

Conservation costs are costs which cover water conservation and efficiency programs and efforts. These programs exist to reduce customer demands.

4.3.4. Derivation of the Cost Component Unit Costs

4.3.4.1. Supply Unit Costs (\$ / HCF)⁵

Table 4-10 shows the supply cost derivation for all customers. Line 4 shows the projected water purchase costs for FY 2020 (known as the test year). Line 6 includes water purchase costs plus other costs that are associated with obtaining water supply such as general management and capital costs. It is known as the supply revenue requirement. The supply revenue requirement is allocated to each water supply source in line 6 in proportion to the amount of water from each source. Line 7 shows the weighted average supply rate from all three sources in column E. This is the weighted average water supply rate considering the three District’s water sources. Note that in the following tables we have restated the unit rates in dollars per cubic feet, as this is the unit the District uses to bill customers.

⁵ \$ / HCF = dollars per hundred cubic feet of water

\$ / CF = dollars per cubic foot of water, 1 HCF = 100 cubic feet of water

Table 4-10: Supply Cost Derivation for All Customers

Line No.		Groundwater	Arrowbear Park County Water District	Crestline Lake Arrowhead Water Agency	Total	Source
	(A)	(B)	(C)	(D)	(E)	(F)
1	Acre Feet (AF)	240	32	154	426	
2	Percent of Supply (%)	56%	8%	36%	100%	
3	Water Use by Source (HCF)	94,927	12,657	60,911	168,495	
4	Water Cost (\$)	\$74,160	\$34,272	\$180,642	\$289,074	Table 2-6
5	Proportion of Water Cost (%)	26%	12%	62%	100%	
6	Water Supply Revenue Requirement (\$)	\$156,799	\$72,462	\$381,938	\$611,199	Table 4-2, Line 1
7	Unit Cost (\$ / HCF)	\$1.65	\$5.73	\$6.27	\$3.63	
8	Unit Cost (\$ / CF)	\$0.0165	\$0.0573	\$0.0627	\$0.0363	

4.3.4.2. Delivery Cost

The delivery rate, derived in Table 4-11, is calculated by dividing total delivery costs by total water use and is shown in line 3 of Table 4-11. This is the rate to deliver water under average daily demand conditions.

Table 4-11: Derivation of the Delivery Unit Cost

Line No.	Delivery Rate	\$ / HCF	Source
1	Delivery Costs	\$181,745	Table 5-2, Line 2
2	Total Use	168,495	
3	Delivery Rate (\$ / HCF)	\$1.08	
4	Delivery Rate (\$ / CF)	\$0.0108	

4.3.4.3. Peaking Rate

As described at the beginning of Section 4.3.3, peaking costs (also known as extra capacity costs) were identified and will be collected through the meter and capacity charge component of the volumetric rates, in proportion to the flow through each meter size.

4.3.4.4. Conservation Rate

Table 4-12 shows the conservation rate derivation. The conservation rate, shown in line 3, is derived by dividing the conservation costs, shown in line 1, by total water use, shown in line 2.

Table 4-12: Derivation of Conservation Unit Costs

Line No.	Conservation Rate	\$ / HCF	Source
1	Conservation Cost	\$21,669	Table 5-2, Line 3
2	Total Use (HCF)	168,495	
3	Conservation Rate (\$ / HCF)	\$0.13	
4	Conservation Rate (\$ / CF)	\$0.0013	

4.3.5. Final Rate Derivation

Table 4-10 through Table 4-12 derive the unit rates for each cost component - supply, delivery and conservation. Table 4-13 shows the total volumetric rate derivation, which is the summation of all rate components. The total volumetric rate shown is designed to collect the total volumetric costs shown in line 4 of Table 4-2.

Table 4-13: Derivation of Volumetric Rate

Volumetric Rate	Supply	Base Delivery	Con-servation	Total Volumetric Rate (\$ / CF)	Current Rate (\$ / CF)
All Customers	\$0.0363	\$0.0108	\$0.0013	\$0.0483	\$0.0469

4.3.6. Five-Year Volumetric Rates

Table 4-14 shows the proposed volumetric rates for the next five fiscal years by escalating the volumetric rate derived in Table 4-13 by the proposed revenue adjustments shown in Table 2-9. Customer bill impacts are discussed in Section 5.

Table 4-14: Five-Year Volumetric Rates (\$/CF)

	Current Rate	July 2019 Rate	July 2020 Rate	July 2021 Rate	July 2022 Rate	July 2023 Rate
Revenue Adjustment			3%	3%	3%	3%
Volumetric Rate (\$ / CF)	\$0.0469	\$0.0483	\$0.0498	\$0.0513	\$0.0528	\$0.0544

5. Bill Impacts

5.1. Monthly Single Family Residential Bill Impacts

Table 5-1 shows the monthly Single Family Residential customer bill impacts for various usage levels, assuming a 5/8 x 3/4-inch meter, which is the most common meter size for Single Family Residential customers. Column F shows the percentage of bills that fall below specific usage levels, shown in column A, during the year. For example, 65% of the annual bills are for customers who use 400 cubic feet (CF) or less. The average monthly Single Family Residential water usage is approximately 445 CF. Note that a 5/8 inch x 3/4-inch meter is a meter with 3/4-inch connections but with a 5/8 inch chamber, which means the flow is that of a 5/8 inch meter.

Table 5-1: Single Family Residential Monthly Bill Impacts (5/8" x 3/4" Meter)

Use (CF) (A)	Current Monthly Bill (B)	Proposed	Dollar Difference (D)	Percent Difference (E)	% of Customers (F)
		Monthly Bill (C)			
200	\$42.68	\$43.86	\$1.18	2.8%	48%
400	\$52.06	\$53.53	\$1.47	2.8%	65%
600	\$61.44	\$63.20	\$1.76	2.9%	78%
800	\$70.82	\$72.87	\$2.05	2.9%	86%
1000	\$80.20	\$82.54	\$2.34	2.9%	91%
1200	\$89.58	\$92.21	\$2.63	2.9%	94%

5.2. Commercial and Other Customers

Table 5-2 shows commercial and other customer class bill impacts for various usage levels, assuming a 5/8-inch meter, which is also the most common meter size for commercial customers. The approximate average monthly water usage for commercial customers is 1,580 CF.

Table 5-2: Commercial Monthly Bill Impacts (5/8" Meter)

Use (CF) (A)	Current Monthly Bill (B)	Proposed	Dollar Difference (D)	Percent Difference (E)
		Monthly Bill (C)		
500	\$56.75	\$58.37	\$1.62	2.8%
1000	\$80.20	\$82.54	\$2.34	2.9%
1500	\$103.65	\$106.71	\$3.06	3.0%
2000	\$127.10	\$130.89	\$3.79	3.0%
2500	\$150.55	\$155.06	\$4.51	3.0%

6. Wastewater Enterprise

The District's sewer system consists of one interceptor system and 3.2 miles of trunk lines. The collection system has pipelines ranging from 6 inches to 15 inches spanning 58.3 miles. The District has one wastewater treatment plant with a maximum treatment capacity of 1 million gallons per day (MGD) or more depending on the size of the cassettes installed in the Membrane Bioreactor System.

6.1. Current Wastewater Rates

Table 6-1 shows current wastewater rates effective January 1, 2017. All users are billed a monthly fixed sewer service charge, an IR&R charge and a volumetric charge. The volumetric charge is a percent of the customer's water bill by customer class, as shown in Table 6-1. For example, if a Single Family Residential customers water bill is \$5, then the sewer volumetric charge is $0.15 \times \$5 = \0.75 . Raftelis proposes to eliminate the sewer IR&R charge and recover sewer infrastructure and replacement costs from the proposed sewer fixed charge and to bill customers based on estimated sewer discharge instead of using a percent of the water bill as shown in Table 6-1.

Table 6-1: Current Sewer Service Charges

Wastewater Current Rates	FY 2019
Fixed Service Charge	\$44.49
Infrastructure R&R	\$5.25
Total Fixed Charge per Equivalent Dwelling Unit	\$49.74
Plus a volumetric charge:	
SFR & Outside District	15% of the water bill
Commercial/Schools	33.3% of the water bill

Table 6-2 shows the number of wastewater equivalent dwelling units (EDUs)⁶ and the billed yearly water usage that is used to calculate *current* customer wastewater bills in cubic feet (CF) for each customer class. The EDU count increased in FY 2020 due to the annexation of Pali Mountain Camp.

⁶ EDU or Equivalent Dwelling Units is the sewer flow associated with one Single Family dwelling. Customers in the commercial class are assigned EDUs in proportion to their flow compared to a Single Family dwelling. An account with an EDU of 2, discharges twice the sewer flow compared to typical single family home.

Table 6-2: Number of Accounts and Billed Water Use (CF) by Customer Class

Number of Equivalent Dwelling Unit	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Residential	2,874	2,876	2,878	2,880	2,882
Commercial	136	136	136	136	136
Outside District	4	4	4	4	4
Schools	16	16	16	16	16
Subtotal	3,030	3,032	3,034	3,036	3,038
Billed Water Use (CF)					
Residential	15,496,210	15,507,057	15,517,912	15,528,775	15,539,645
Commercial	1,120,633	1,120,633	1,120,633	1,120,633	1,120,633
Outside District	30,950	30,950	30,950	30,950	30,950
Schools	18,175	18,175	18,175	18,175	18,175
Subtotal (CF)	16,665,968	16,676,815	16,687,670	16,698,533	16,709,403

Raftelis estimated current sewer utility revenue by multiplying the current sewer service charge by the number of accounts and billed water usage as described in Table 6-2 for each fiscal year. This revenue is shown at the top of Table 6-5, lines 1 through 3.

6.2. Wastewater Expenses

6.2.1. O&M Expenses

Raftelis projected wastewater O&M expenses by applying the inflationary factors shown in Table 2-4 (the same inflationary factors were applied to water, sewer and fire and ambulance) to the FY 2019 O&M budget. The projected expenses are shown in lines 18 through 21 in Table 6-5.

6.2.2. Capital Improvement Program

The District’s wastewater capital improvement program through the end of the Study period is shown in Table 6-3. The proposed capital improvement program will be funded entirely through rate revenue and is a main driver for the proposed revenue adjustments. Note that the table shows the District’s share of treatment capital expenses.

Table 6-3: Wastewater Capital Improvement Projects

Wastewater Capital Expenses	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Collection	\$58,000	\$171,000	\$58,000	\$58,000	\$58,000	\$58,000
Pump Stations	\$68,500		\$35,000	\$0	\$0	\$25,000
Pipeline Rehab & Replacement	\$0		\$20,000	\$0	\$150,000	\$0
Other Wastewater System Improvements	\$48,000		\$89,000	\$92,000	\$56,975	\$2,000
Treatment (Running Springs Share = 60%)	\$122,532	\$196,798	\$260,108	\$200,442	\$273,330	\$200,442
Total Wastewater CIP	\$297,032	\$367,798	\$462,108	\$350,442	\$538,305	\$285,442

Table shows Running Springs share of treatment CIP which is 60.7%

6.3. Proposed Financial Plan

To ensure that the Wastewater Enterprise has adequate revenue to fund operating and capital expenditures as well as sufficient reserves, the Board selected revenue adjustments at a meeting in January 2019, as shown in Table 6-4. The first revenue adjustment is assumed to take effect in July 2019.

Table 6-4: Proposed Wastewater Revenue Adjustments

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue Adjustment	3.0%	3.0%	3.0%	3.0%	3.0%

Table 6-5 shows the cash flow projections, also known as the financial plan, with the proposed revenue adjustments from Table 6-4. The proposed financial plan meets the District’s long-term reserve goals. Lines 1 and 2 show the District’s current revenue, line 3 shows the total revenue from the revenue adjustments shown in Table 6-4. Lines 6 through 14 show non-rate revenue sources. Lines 18 through 21 show the District’s projected expenses. Line 30 shows the resulting yearly cash flow which is used to fund prudent reserves.

Table 6-5: Sewer Enterprise Proposed Financial Plan (Cash Flow Projection)

Line No.	Wastewater Revenue	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1	WW Fixed Charge (Include IR&R)	\$1,778,708	\$1,808,379	\$1,809,580	\$1,810,781	\$1,811,984	\$1,813,187
2	Volumetric Revenue	\$126,984	\$127,060	\$127,136	\$127,213	\$127,289	\$127,366
3	Total Revenue Adjustments	\$0	\$58,063	\$117,946	\$179,704	\$243,396	\$309,080
4	Total Revenue from Rates	\$1,905,692	\$1,993,502	\$2,054,662	\$2,117,699	\$2,182,669	\$2,249,633
5	Other and Non-Operating Revenue						
6	Delinquent Charges & Service Fees	\$10,000	\$12,607	\$12,638	\$12,670	\$12,701	\$12,733
7	Outside Service Agrmnt Charges	\$38,789	\$0	\$0	\$0	\$0	\$0
8	Other Service Fees	\$0	\$0	\$0	\$0	\$0	\$0
9	Arrowbear O&M Reimbursement	\$158,568	\$156,673	\$161,373	\$166,214	\$171,201	\$176,337
10	CSA 79 O&M Reimbursement	\$195,054	\$195,335	\$201,195	\$207,231	\$213,448	\$219,851
11	Property Taxes	\$0	\$0	\$0	\$0	\$0	\$0
12	Sewer Service Availability Charges	\$14,000	\$14,020	\$14,040	\$14,061	\$14,081	\$14,101
13	Sewer Hot Taps and Septic Dumping	\$1,500	\$1,504	\$1,508	\$1,511	\$1,515	\$1,519
14	Interest	\$9,000	\$18,226	\$22,348	\$27,145	\$31,755	\$37,528
15	Total Revenue	\$2,332,603	\$2,391,867	\$2,467,764	\$2,546,531	\$2,627,370	\$2,711,702
16							
17	Expenses						
18	Personnel Expense - Collection	\$587,597	\$387,834	\$400,830	\$414,271	\$428,172	\$442,548
19	Services and Supplies - Collection	\$228,303	\$285,442	\$294,005	\$302,825	\$311,910	\$321,267
20	Personnel Expense - Treatment	\$512,136	\$447,555	\$460,982	\$474,811	\$489,055	\$503,727
21	Services and Supplies - Treatment	\$425,444	\$478,818	\$493,183	\$507,978	\$523,217	\$538,914
22	Subtotal Expenses	\$1,753,480	\$1,599,649	\$1,649,000	\$1,699,886	\$1,752,354	\$1,806,456
23							
24	Net Revenue	\$579,123	\$792,218	\$818,764	\$846,645	\$875,015	\$905,245
25							
26	Total Debt Service	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537	\$171,537
27							
28	Total Capital Improvement Projects*	\$297,032	\$367,798	\$462,108	\$350,442	\$538,305	\$285,442
29							
30	Net Cash Flow	\$110,554	\$252,883	\$185,119	\$324,666	\$165,173	\$448,266
31	* CIP Shown includes Running Springs' Share of Treatment Projects						

6.3.1. Graphical Financial Plan

Figures Figure 6-1 through Figure 6-3 show the financial plan in graphical format. The blue bars in Figure 6-1 signify the proposed revenue adjustments and the green line shows the calculated debt coverage ratio. As shown, the calculated debt coverage ratio exceeds the minimum required debt coverage ratio of 1.15 or 115%.

Figure 6-1: Wastewater Revenue Adjustments and Debt Coverage

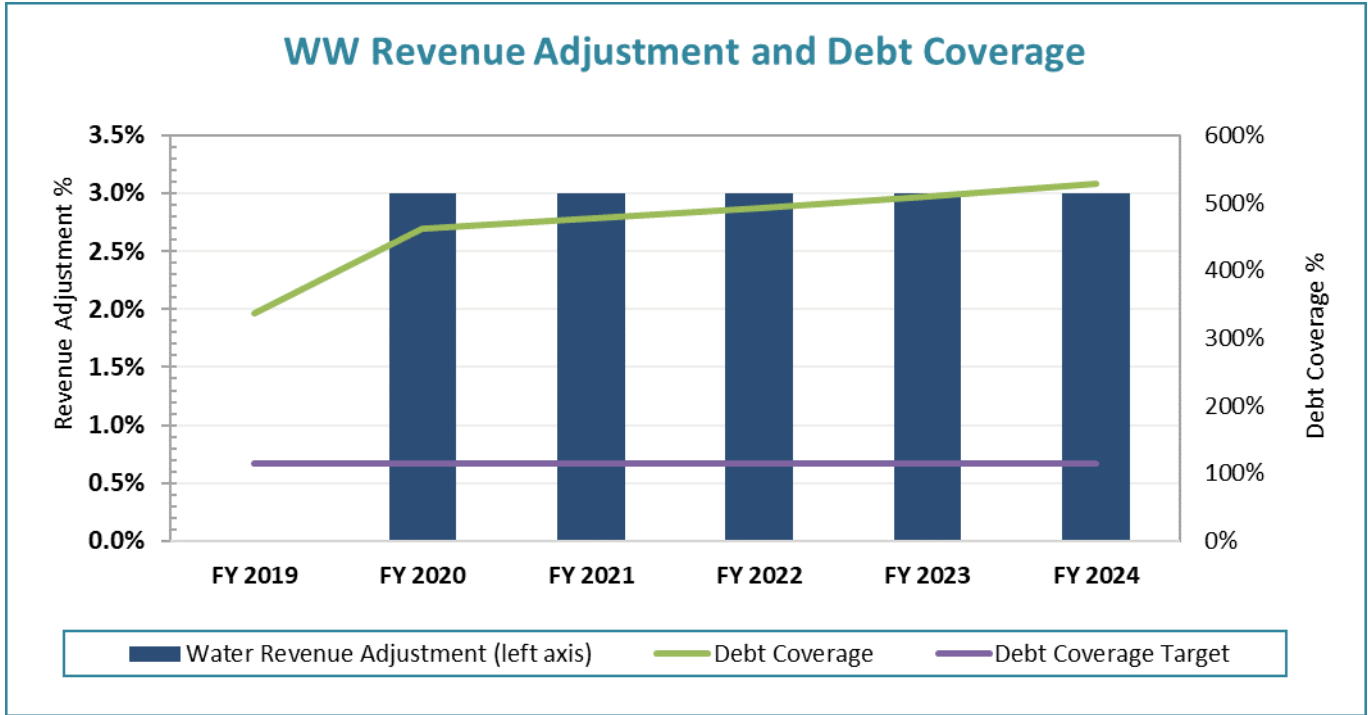


Figure 6-2 shows the financial plan in a graphical format. The stacked bars convey the expenses, and the light blue and orange lines show the current and proposed revenue, respectively.

Figure 6-2: Proposed Wastewater Operating Financial Plan

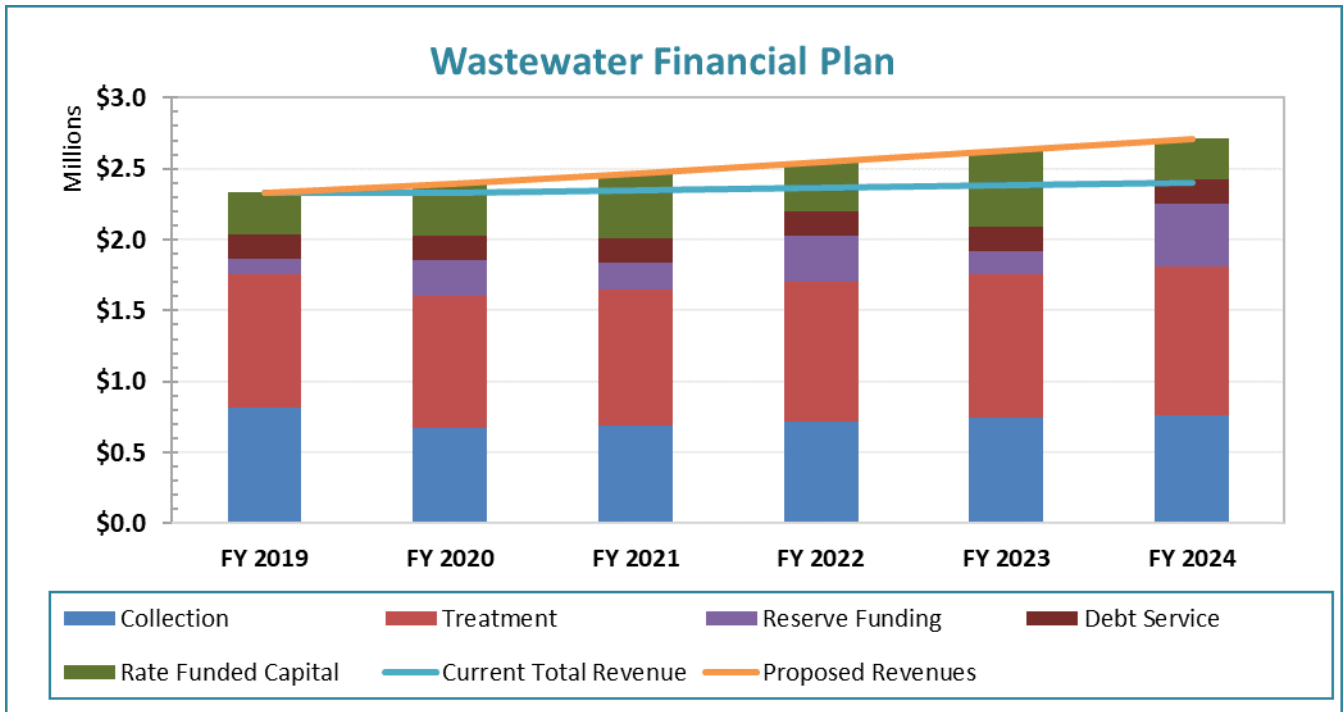
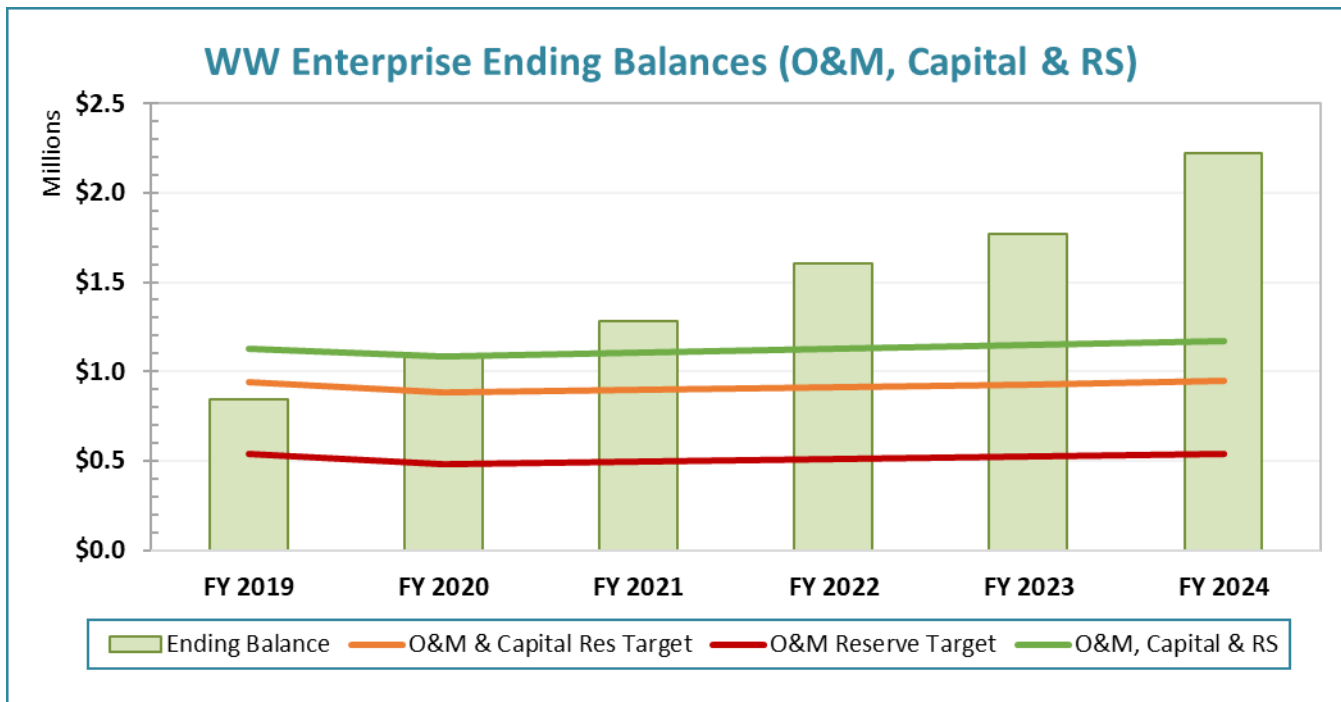


Figure 6-3 shows the District’s projected ending reserve balances as a result of the revenue adjustments in Table 6-4. The horizontal lines are the reserve targets. The O&M reserve target is equal to four months of operating expenses. The orange line adds the capital reserve target to the O&M reserve target, which is equal to an average year’s capital expense. The green reserve target includes the O&M and capital reserve targets and adds the rate stabilization reserve target, equal to 10% of wastewater rate revenue. Note that as the Board monitors yearly cash reserve, it can choose to implement lower revenue adjustments than those shown without a public hearing. However, higher revenue adjustments than those shown require a public hearing. Appendix B shows the projected reserve balances with two options for additional CalPERS pension obligation payments.

Figure 6-3: Wastewater Enterprise Ending Balances



7. Wastewater Cost of Service and Rate Derivation

The District collects and treats wastewater. The District prepares separate budgets for wastewater collection and treatment. The proposed rate structure maintains the current level of fixed revenue collected from monthly sewer service charges – which is approximately 90%. To maintain this fixed revenue level, a major portion of collection and treatment costs are collected through the fixed service charge as discussed below.

7.1. Cost Allocation to Wastewater Functions

Table 7-1 shows the District’s operating expense allocation to collection and treatment. The total allocation in line 14 is used to allocate the District’s revenue requirement in Table 7-5.

Table 7-1: Operating Expense Allocation to Cost Components

Line No.	Budget Item	Collection	Treatment	Total
1	Personnel Expense - Collection	100%	0.0%	100%
2	Services and Supplies - Collection	100%	0.0%	100%
3	Personnel Expense - Treatment	0%	100.0%	100%
4	Services and Supplies - Treatment	0%	100.0%	100%
5				
6				
7	Budget Item	Collection	Treatment	Total
8	Personnel Expense - Collection	\$387,834	\$0	\$387,834
9	Services and Supplies - Collection	\$285,442	\$0	\$285,442
10	Personnel Expense - Treatment	\$0	\$447,555	\$447,555
11	Services and Supplies - Treatment	\$0	\$478,818	\$478,818
12				
13	Total O&M Expenses	\$673,276	\$926,373	\$1,599,649
14	Percent Allocation	42%	58%	100%

Table 7-2 shows the District’s asset allocation to each wastewater function. Raftelis reviewed the District’s assets and assigned functions based on asset type. The asset items displayed in Table 7-2 are summed in line 15, showing the approximate percentage of the District’s assets that are related to collection and treatment. This allocation is used to distribute the capital wastewater revenue requirement to each function.

Table 7-2: Allocation of the District's Wastewater Assets to Cost Components

Line					
No.	Asset Item	Collection	Treatment	General	Total
1	Land	25%	75%		100%
2	Collection	100%			100%
3	Treatment		100%		100%
4	Disposal		100%		100%
5	General & Admin			100%	100%
6	Vehicles (Gen & Admin)			100%	100%
7	Asset Item	Collection	Treatment	General	Total
8	Land	\$205,268	\$615,805	\$0	\$821,073
9	Collection	\$17,886,218	\$0	\$0	\$17,886,218
10	Treatment	\$0	\$5,728,961	\$0	\$5,728,961
11	Disposal	\$0	\$982,016	\$0	\$982,016
12	General & Admin	\$0	\$0	\$113,045	\$113,045
13	Vehicles (Gen & Admin)	\$0	\$0	\$0	\$0
14	Total Assets	\$18,091,487	\$7,326,782	\$113,045	\$25,531,314
15	Allocation with reallocated General	71%	29%		100%

7.2. Revenue Requirement Derivation

The revenue required from rates is the amount of revenue required to cover all wastewater expenses in FY 2020, also known as the test year. Table 7-3 shows the derivation of the revenue requirement for FY 2020. Line 19, column C, shows the District yearly revenue required from rates.

Table 7-3: Revenue Requirement Derivation

Line No.	Revenue Requirement	FY 2020		Total (C)
		Operating (A)	Capital (B)	
1	O&M Expenses	\$1,599,649		\$1,599,649
2	Debt Service		\$171,537	\$171,537
3	Rate Funded CIP		\$367,798	\$367,798
4	Subtotal	\$1,599,649	\$539,335	\$2,138,984
5				
6	Less Other Revenue			
7	Delinquent Charges & Service Fees	\$12,607		\$12,607
8	Arrowbear O&M Reimbursement	\$156,673		\$156,673
9	CSA 79 O&M Reimbursement	\$195,335		\$195,335
10	Sewer Service Availability Charges		\$14,020	\$14,020
11	Sewer Hot Taps and Septic Dumping		\$1,504	\$1,504
12	Interest		\$18,226	\$18,226
13	Subtotal	\$364,615	\$33,750	\$398,364
14				
15	Less Adjustments			
16	Adjustments for Annual Cash Balance		(\$252,883)	(\$252,883)
17	Subtotal	\$0	(\$252,883)	(\$252,883)
18				
19	Revenue to be Recovered from Rates	\$1,235,034	\$758,468	\$1,993,502

The total wastewater revenue requirement includes O&M, debt service and capital expenses shown in lines 1 through 3. Revenue from other sources is subtracted and shown in line 13. In line 16, another adjustment is made for the yearly ending cash balance. This negative value is subtracted, adding the cash balance (subtracting a negative number is the same as adding a positive number) shown in line 16 to the revenue requirement. Line 19 shows that the total revenue required from rates in FY 2020 is almost \$2 million.

7.3. Allocating the Revenue Requirement to Collection and Treatment

The total revenue requirement in Table 7-3 is allocated to collection and treatment. The operating revenue required from rates is shown in line 1, of Table 7-4 for FY 2020. It is derived by applying the percentages shown at the bottom of Table 7-1 to the total operating revenue requirement in column A of Table 7-3. The capital revenue required from rates is shown in line 2, of Table 7-4 for FY 2020. It is derived by applying the percentages shown at the bottom of Table 7-2 to the capital revenue requirement in column B of Table 7-3. The total revenue required from rates is shown in column D, Table 7-4 is the same as column C, Table 7-3.

Table 7-4: FY 2020 Revenue Requirement Allocation to Cost Components and Rate Calculation

Line No.	Revenue Requirement (A)	Collection (B)	Treatment (C)	Total (D)
1	Operating Expenses	\$519,813	\$715,221	\$1,235,034
2	Capital Expenses	\$539,840	\$218,627	\$758,468
3	Subtotal	\$1,059,654	\$933,848	\$1,993,502

To calculate rates based on sewer discharges (flow), Raftelis estimated the sewer flows for each customer class. Raftelis estimated annual sewer flow for all customers by applying a **return to sewer factor** to customer’s monthly water usage as shown in Table 7-5. Raftelis estimated the return to sewer factors, shown in columns B and C by comparing the difference between winter and summer water use. For example, using schools, Raftelis annualized winter water usage (December through April) and compared annualized winter water usage to actual yearly usage. If a school used water throughout the year like it does in the winter, it would generate monthly wastewater flows of about 46% of its actual water use. Therefore, it is reasonable to conclude that approximately 54% of water usage is for outdoor irrigation and 46% of water usage is returned to the sewer system. We used the same approach for all other customer classes to determine return to sewer factors. Ninety percent is an industry-accepted standard for a single family (90% was confirmed for SFR by looking at winter water usage versus year-round usage) and a commercial return to sewer factor. Table 7-5 shows how the District will estimate each of the customer classes’ sewer flows in column C.

Table 7-5: Sewer Flow Estimation Methodology

Customer Class (A)	Sewer Flow Calculation (B)	District Monthly Sewer Bill Calculation (C)
Residential	90% x Annual Water Use	Monthly Water Use x 90%
Commercial	90% x Annual Water Use	Monthly Water Use x 90%
Outside District	64% x Annual Water Use	Monthly Water Use x 64%
Schools	46% x Annual Water Use	Monthly Water Use x 46%

7.4. Rate Derivation

As with the water rates, we propose to eliminate the IR&R charge and recover infrastructure repairs and replacement costs from the fixed sewer service charge. Table 7-6 shows this rate calculation. Line 1 restates the collection and treatment revenue requirement from Table 7-4. Column B shows that 100% of collection-related costs are collected from the fixed sewer service charge. The sewer service charge rates are derived by dividing line 1, column B by the number of equivalent dwelling units⁷ shown in line 7 to yield the fixed sewer service charge rates in line 10. This portion of the fixed sewer service charge covers collection-related costs. Column C shows the percentage of treatment costs that are also collected from the fixed charge; the treatment charge shown in line 10 is equal to line 4 divided by line 7. The two fixed charges in line 10 are added to yield the total fixed charge.

⁷ Equivalent Dwelling Units or EDUs. The District can reassess EDUs based on the observed or estimated flow from each customers. For customers such as the Pali Mountain Camp, when actual sewer flow is measured, the District will adjust the EDU value accordingly based on actual gallons per day per EDU.

A portion of treatment charges, as shown in column E, are collected from the volumetric rate derived in column E, line 12. The volumetric rate, in dollars per cubic feet of estimated sewer flow, is equal to line 5 divided by line 8 yielding line 12. Line 8 shows the estimated sewer flow for all District customers.

Table 7-6: Wastewater Rate Calculation

Line No.	(A)	Collection		Treatment	
		(B)	(C)	(E)	(F)
1	Total Cost of Service	\$1,059,654	\$933,848		\$1,993,502
2		Fixed Charge %	Fixed Charge %	Volumetric Rate %	
3		100%	85%	15%	
4	Collected through Fixed Service Charge	\$1,059,654	\$793,771		\$1,853,425
5	Collected through Volumetric Rate			\$140,077	\$140,077
6					
7	Units of Service (EDUs)	3,030	3,030		
8	Sewer Use (CF)			14,107,051	
9					
10	Proposed Fixed Charge per EDU (\$/ EDU)	\$29.15	\$21.83		
11					
12	Proposed Volumetric Rate (\$/CF) - Line 5 / Line 8			\$0.0099	

7.5. Five-Year Proposed Rates

Table 7-7 shows the proposed five-year sewer rates for all customer classes. The volumetric charge will be calculated by multiplying the proposed sewer rate by a customer’s water use and the return to sewer factor for the customer’s class shown in Table 7-4. The out-year rates are derived by escalating the rates derived in Table 7-6 by the revenue adjustments from Table 6-4.

Table 7-7: Proposed Five-Year Fixed and Variable Sewer Rates

Rate Component	Current Rates	July 2019 FY 2020	July 2020 FY 2021	July 2021 FY 2022	July 2022 FY 2023	July 2023 FY 2024
Revenue Adjustment			3%	3%	3%	3%
Sewer Fixed Charge (Includes IR&R Charge)	\$49.74	\$50.98	\$52.51	\$54.08	\$55.71	\$57.38
	15% of water bill					
Sewer Volumetric Rate (\$/CF)	33% of water bill	\$0.0099	\$0.0102	\$0.0105	\$0.0109	\$0.0112

7.6. Customer Bill Impacts

Raftelis estimated Single Family Residential monthly bill impacts as shown in Table 7-8. Based on the return to sewer factor for Single Family Residential (90%) shown in Table 7-4, we estimate the average Single Family Residential sewer discharge to be 377 CF per month. A Single Family customer’s volumetric portion of his/her bill would be equal to his/her water use multiplied by 90% (return to sewer factor) which yields an estimate of their sewer flow, multiplied by the volumetric rate shown in Table 7-6.

Table 7-8: Single Family Residential Wastewater Monthly Bill Impact

Single Family Residential	Water Use (CF)	Sewer Use		Current Monthly SFR Bill	Proposed Bill	Dollar Difference (\$)	Percent Difference (%)
		= Water Use x 0.90 (CF)					
Low	356	321		\$52.25	\$54.16	\$1.92	3.7%
Avg	419	377		\$52.69	\$54.73	\$2.04	3.9%
High	482	434		\$53.13	\$55.29	\$2.16	4.1%
Very High	545	491		\$53.57	\$55.85	\$2.28	4.2%

Table 7-9 shows anticipated commercial monthly bill impacts for several commercial customers with water usage levels near the median usage for this class. As shown, commercial bills will decrease slightly due to the difference in how the volumetric rate is calculated. The current commercial volumetric rate is based on 33.3% of a commercial customer’s monthly water usage, however will now be calculated using the volumetric rate shown in Table 7-7. A commercial customer’s volumetric portion of his/her bill would be equal to his/her monthly water usage multiplied by 90% (return to sewer factor), yielding an estimate of his/her monthly sewer flow, multiplied by the rate shown in Table 7-6.

Table 7-9: Commercial Wastewater Bill Impacts

Sewer Use (CF)	Equivalent Dwelling Units	Current Monthly Bill	Proposed Yearly Bill	Dollar Change (\$)	Percent Change (%)
3,640	1	\$55.01	\$53.99	-\$1.02	-1.9%
4,357	1	\$56.05	\$54.58	-\$1.46	-2.6%
4,611	1	\$56.41	\$54.79	-\$1.62	-2.9%
4,858	1	\$56.77	\$55.00	-\$1.77	-3.1%
4,985	2	\$106.70	\$106.08	-\$0.61	-0.6%
5,320	1	\$57.44	\$55.38	-\$2.06	-3.6%
10,805	1	\$65.38	\$59.92	-\$5.46	-8.4%
11,325	1	\$66.13	\$60.35	-\$5.78	-8.7%

8. Fire and Ambulance

Raftelis developed a 10-year financial plan for the Fire and Ambulance Departments (combined) in the same manner as modeled for Water and Wastewater. This section presents the results of the financial plan.

8.1. Fire and Ambulance Background

While the fundamental purpose of the District's Fire Department is the protection of life and property, several operational functions are provided by the Fire Department as well. These functions include a variety of public assistance services, field emergency medical care services, ambulance transportation services, and community education and awareness programs. Of the services provided, the greatest public emphasis and need has been on field emergency medical care. Over the years, medical aid responses have grown to the point where they significantly outnumber fire-related responses. To provide improved service and better meet the needs of the community, in September 1978 the District's Fire Department implemented advanced life support (paramedics) into its medical care services. With the implementation of advanced life support procedures, the District's Fire Department became the first fire agency in the San Bernardino Mountains to provide a 24-hour continuous paramedic program.

To enhance its emergency medical care system, the District's Board of Directors authorized the Fire Department to provide ambulance transportation services. Prior to this decision, ambulance service had been provided by the Lake Arrowhead Fire Protection District. Improved patient care, public need and economics were the primary reasons for the Directors' authorization of this additional service. The ambulance service boundary includes Running Springs, Smiley Park, Arrowbear, Green Valley Lake, Snow Valley and along State Highway 18 to Lake View Point. The ambulance coverage also includes State Highway 330 to City Creek Ranger Station. The District's Fire Department is designated EOA 19 as the Exclusive Operating Area for the Ambulance service provided. The Fire Department currently operates from two fire stations located within the District's boundaries.

8.2. Financial Plan Assumptions

8.2.1. Revenue Forecast Assumptions

Table 8-1 shows the assumptions used in predicting future revenues for the next 10 years. As shown, we assumed that all revenue sources except property tax would remain unchanged. Property tax revenue fluctuates with property values; however, 1% growth is a conservative assumption based on a review of historical property tax growth over the last decade. As noted at the bottom of the table, we assumed a 1.9% interest rate on cash reserves.

Table 8-1: Account Growth and Water Use Assumptions

Revenue Escalation Factors	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Fire										
Property Tax	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Fire Availability Charge (Special Tax Assessment)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hazard Abatement Program	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Revenue (Plan check, grants, community contributor)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outside District Assignments Reimbursement Income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ambulance										
Property Tax	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ambulance Service Fees	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ground Emergency Medical Transport (GEMT) Reimbursement	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Intergovernmental Transfer (IGT) Reimbursement	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ambulance Late Fees	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ambulance Contractual Allowance (expense)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Population Growth	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest on Cash Reserves	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%

8.2.2. Expense Forecast Assumptions

Raftelis, in consultation with District staff, made informed assumptions about inflationary factors utilized in the model. Table 8-2 shows the inflationary factors used to escalate the District’s FY 2019 O&M expenses budget. They are the same inflationary factors used for the Water and Sewer Enterprises. The inflationary factors shown in Table 8-2 reflect long-term averages for general inflation and energy prices. The District provided the salary and benefit inflationary factors which reflect employee salaries and benefit obligations.

Table 8-2: O&M and Water Purchase Inflationary Assumptions

O&M Escalation Factors	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
General	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	0.0%
Salary	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	0.0%
Benefits	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	0.0%
Electricity	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	0.0%

8.3. Fire and Ambulance Expenses

The District’s Fire and Ambulance expenses include O&M expenses, capital expenses, and debt service payments, each of which is described below.

8.3.1. O&M Expenses

The District’s Fire and Ambulance projected O&M expenses are shown in lines 19 through 25 in Table 8-4. The projected O&M expenses incorporate the respective inflationary factors as displayed in Table 8-2.

8.3.2. Capital Improvement Plan (CIP)

Table 8-3 shows the Fire and Ambulance CIP. The District is funding capital investment through operating revenue. To estimate CIP expenditures beyond FY 2023, Raftelis averaged the CIP expense for the prior five years as shown in FY 2024 through FY 2028.

Table 8-3: Detailed Capital Improvement Plan

Fire CIP	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Flooring replaced Station 50	\$ 22,000									
Furniture (Recliners)/ Kithcen Table		\$ 3,200								
Computer with monitor Station 51/BC	\$ 1,700									
Command Tablets		\$ 2,500								
New Windows downstairs Station 50 (double pane)			\$ 2,000							
Kitchen Remodel				\$ 6,000						
Exterior Paint Station 50			\$ 4,000							
Breathing Apparatus Purcahse- 3 SCBAs		\$ 15,000								
Breathing Appartus Support Service Equipment	\$ 13,000									
Replace Staff Vehicle (2003 Dodge)	\$ 55,000									
Replace 1999 Type 1 KME Engine (E-51)					\$ 450,000					
Replace Concrete Aprons at Station 50 and Station 51			\$ 50,000							
Replace (2005 Chevrolet Utility)				\$ 55,000						
Replace 2003 Type 1 KME Engine (E-50)										
Radios 800mhz x 6	\$ 48,000									
Radios VHF Digital x 6		\$ 15,000								
15 Voice Amps for SCBA Masks		\$ 4,641								
Total Fire CIP	\$ 139,700	\$ 40,341	\$ 56,000	\$ 61,000	\$ 450,000	\$ 149,408	\$ 149,408	\$ 149,408	\$ 149,408	\$ 149,408
Ambulance CIP										
Ambulance CIP		\$ 235,000								
Replace MA 50A (2007 Chevrolet)	\$ 190,000									
Replace MA 51 (2007 Chevrolet)	\$ -									
Replace Zoll M Series Monitors	\$ 25,000	\$ -		\$ 25,000						
Subtotal	\$ 215,000	\$ 235,000	\$ -	\$ 25,000	\$ -	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000
Fire & Amb Share of Admin CIP	\$ 5,250	\$ -	\$ 5,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Fire & Ambulance CIP	\$ 359,950	\$ 275,341	\$ 61,250	\$ 86,000	\$ 450,000	\$ 244,408	\$ 244,408	\$ 244,408	\$ 244,408	\$ 244,408

8.3.3. Cash Flow Analysis (i.e. Financial Plan)

Table 8-4 shows the 10-year Fire and Ambulance cash flow projections. Lines 16 and 24 show total revenue and expenses, respectively. Line 28 shows the yearly cash flows, which turn negative in FY 2023 and thereafter due to the large expense of a fire truck. The CIP for FY 2024 and beyond is an estimate based on the average of the prior 5 years.

Table 8-4: Ten-Year Fire and Ambulance Operating Cash Flow

Line No.	Fire and Ambulance Cash Flow	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1	Fire										
2	Property Tax	\$1,635,300	\$1,651,653	\$1,668,170	\$1,684,851	\$1,701,700	\$1,718,717	\$1,735,904	\$1,753,263	\$1,770,796	\$1,635,300
3	Fire Availability Charges (Special Tax Assessment)	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000	\$205,000
4	Hazard Abatement Program Revenue	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
5	Ambulance										
6	Ambulance Service Fees	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000	\$1,125,000
7	Ground Emergency Medical Transportation (GEMT) Reimb	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000
8	Intergovernmental Transfer (IGT) Reimb	\$77,614	\$77,614	\$77,614	\$77,614	\$77,614	\$77,614	\$77,614	\$77,614	\$77,614	\$77,614
9	Other Revenue										
10	Total Revenue from Rates	\$3,222,914	\$3,239,267	\$3,255,784	\$3,272,465	\$3,289,314	\$3,306,331	\$3,323,518	\$3,340,877	\$3,358,410	\$3,222,914
11	Other Revenue (Plan Check Fees, Grants, Comm Contrib)	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
12	Interest Income	\$31,945	\$34,138	\$36,867	\$34,599	\$29,376	\$24,544	\$18,104	\$9,965	\$36	\$31,945
13	Fire Outside District Assignments Reimb Income	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000
14	Ambulance Late Fees	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
15	Ambulance Contractual Allowance	-\$550,000	-\$550,000	-\$550,000	-\$550,000	-\$550,000	-\$550,000	-\$550,000	-\$550,000	-\$550,000	-\$550,000
16	Total Revenue	\$2,888,859	\$2,907,405	\$2,926,650	\$2,941,064	\$2,952,689	\$2,964,875	\$2,975,622	\$2,984,842	\$2,992,446	\$2,888,859
17											
18	Fire Expenses										
19	Personnel	\$1,507,960	\$1,559,776	\$1,613,409	\$1,668,924	\$1,726,390	\$1,785,876	\$1,847,454	\$1,911,199	\$1,977,189	\$1,507,960
20	Other Expenses	\$413,084	\$425,477	\$438,241	\$451,388	\$464,930	\$478,878	\$493,244	\$508,041	\$523,282	\$413,084
21	Ambulance Expenses										
22	Personnel	\$454,614	\$468,252	\$482,300	\$496,769	\$511,672	\$527,022	\$542,833	\$559,118	\$575,891	\$454,614
23	Other Expenses	\$195,799	\$201,673	\$207,723	\$213,955	\$220,373	\$226,985	\$233,794	\$240,808	\$248,032	\$195,799
24	Subtotal Expenses	\$2,571,457	\$2,655,177	\$2,741,673	\$2,831,036	\$2,923,365	\$3,018,760	\$3,117,325	\$3,219,166	\$3,324,396	\$2,571,457
25											
26	CIP Expenditures	\$275,341	\$61,250	\$86,000	\$450,000	\$244,408	\$244,408	\$244,408	\$244,408	\$244,408	\$275,341
27											
28	Net Cash Flows	\$42,061	\$190,978	\$98,978	-\$339,972	-\$215,084	-\$298,293	-\$386,111	-\$478,732	-\$576,358	\$42,061

8.3.4. Graphical Financial Plan

Figures Figure 8-1 through Figure 8-2 display the Financial Plan from Table 8-4 in graphical format. The stacked bars show the expense categories and the black line is the yearly Fire and Ambulance revenue. Red bars below the axis show that expenses are greater than the revenue for that year, also known as an operating deficit.

Figure 8-1: Revenue and Expenses

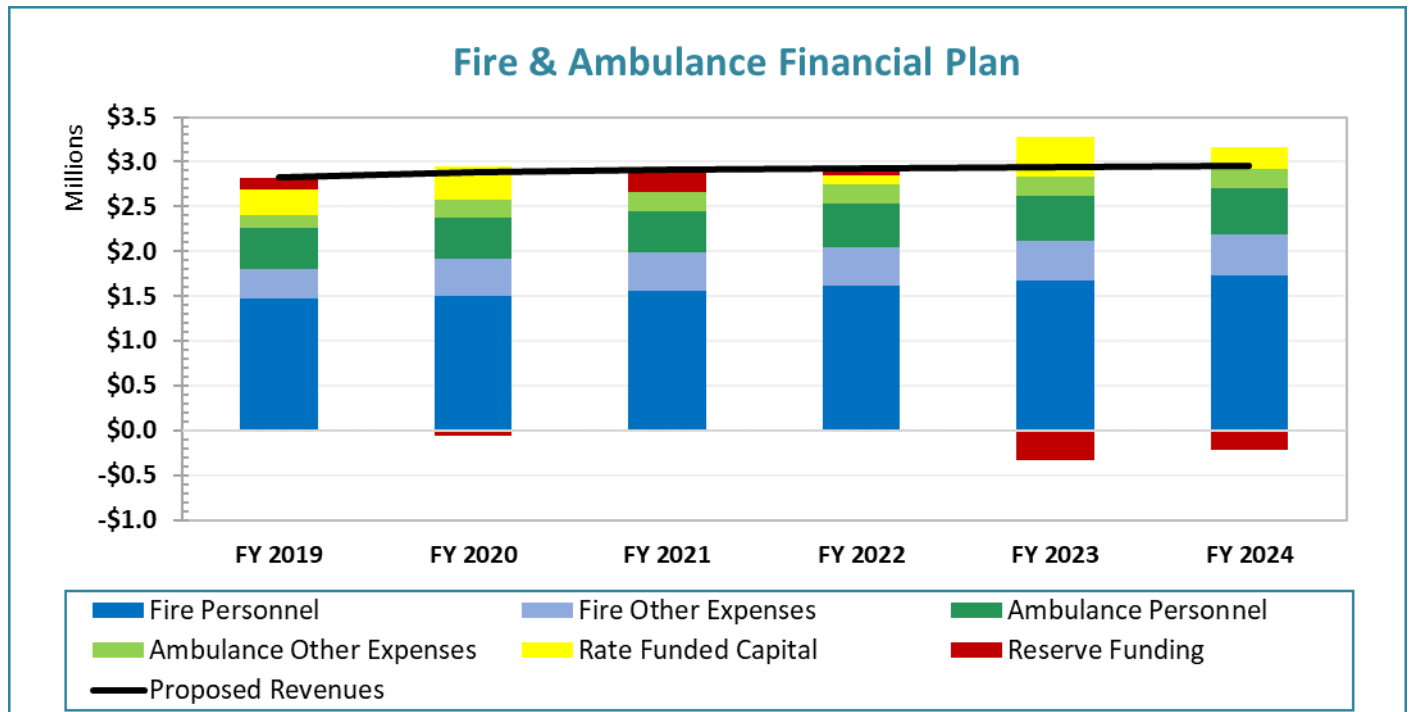
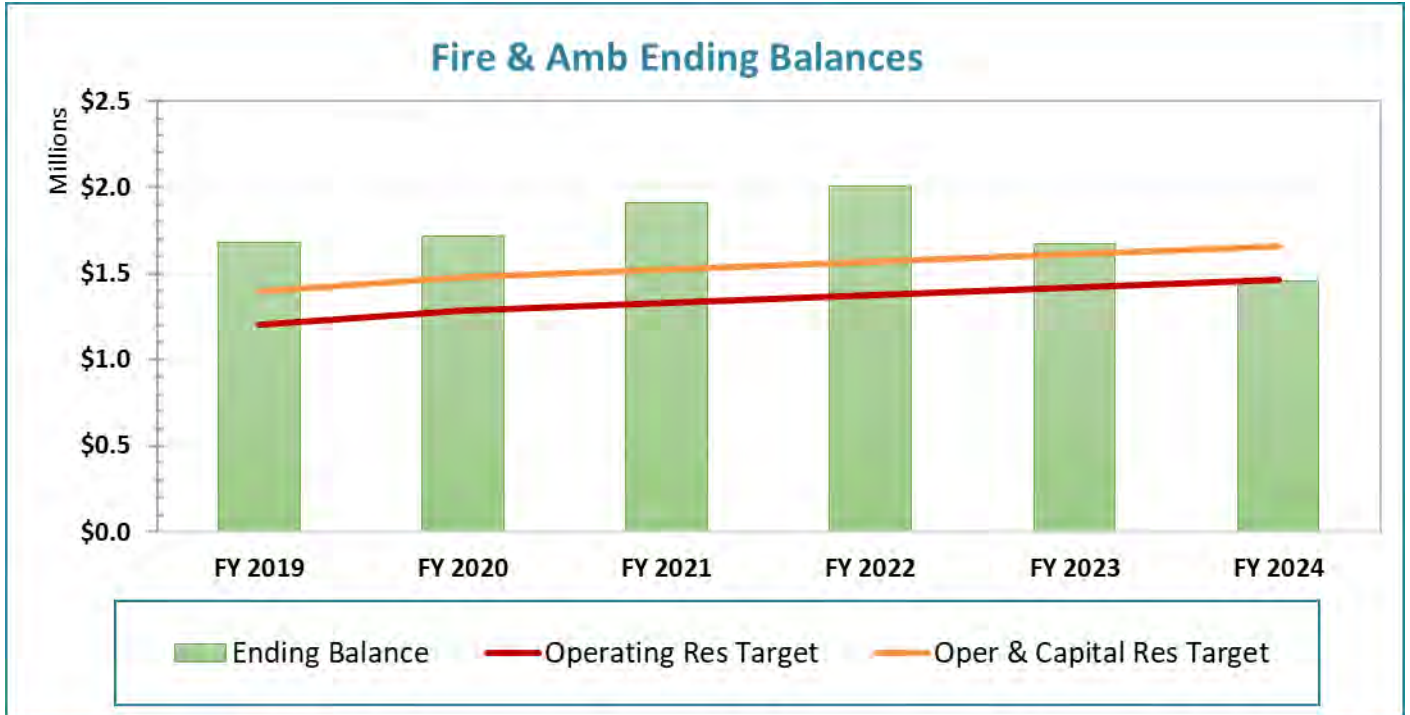


Figure 8-2 shows the Fire and Ambulance fiscal year ending reserve balances. The red line is the Operating and Maintenance Reserve (25% of O&M expenses), while the orange line is the sum of the O&M and capital reserve target (equal to average yearly capital expense). As shown, the District builds reserves until FY 2022. In FY 2023, the District plans to use reserves to replace a fire engine. Appendix B shows the projected reserve balances with two options for additional CalPERS pension obligation payments.

Figure 8-2: Fiscal Year Ending Reserve Balances



8.3.5. Results

Our results assume no revenue growth aside from a 1% growth in property tax revenue, and growth in expenses as described in Section 8.3.2. As shown in the above graphs, the District should be able to fund operations for the next five years.

APPENDIX A:

Capital Improvement Programs

Water Capital Improvement Program

Water CIP	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Source: CIP Summary in Budget file sent 2-16-2018						
Installation of 2,900 (AMR) Meters	\$ 400,000					
Relocate Back Lot Meters (80 Total)			\$ 32,000	\$ 32,000	\$ 32,000	
Replace Nob Hill SCADA Communication Building	\$ 241,000					
Nob Hill & CLAWA Tank Interconnection Improvements	\$ 50,000					
Groundwater Pumping Equipment Replacements	\$ 20,000					
Heath Aqua-Scope Leak Detector	\$ 3,000					
Water Department Inventory	\$ 7,500					
Replace Computer Workstations	\$ 2,000					
Paint Main Office Interior	\$ 5,000					
Replace Rowco Booster's and Building (used to be 200k in 2020)			\$ 200,000			
Replace Rowco 0.1 MG Tanks with one 0.5 MG Tank						\$ 650,000
Nob Hill 1 MG Tank Rehabilitation						\$ 167,000
Replace Water & Fire Complex 50Kw Generator			\$ 35,000			
Purchase new backhoe tractor shared cost 50%				\$ 60,000		
Vehicle & Equipment Storage Building at Harris Property				\$ 30,000		
Nob Hill 0.133 MG Tank Rehabilitation			\$ 80,000			
Rowco 0.3 MG Tank Rehabilitation					\$ 90,000	
Replace 4X4 Vehicle Unit # 60 with 1 Ton Service Truck	\$ 60,000					
Replace 4X4 Vehicle Unit # 68			\$ 35,000			
Replace 4X4 Vehicle Unit # 58 Flatbed Snowplow				\$ 60,000		
Replace 4X4 Vehicle Unit # 76					\$ 50,000	
Replace 1965 Thiokol Snow Cat with Truck Mounted Tracks						\$ 50,000
Replace Portable 50Kw Generator						\$ 40,000
Replace Portable Compressor and Jackhammer						\$ 25,000
Water Dept Inventory		\$ 7,500				
Water Facility CIP		\$ 623,500				
Uninflated Subtotal	\$788,500	\$631,000	\$382,000	\$182,000	\$172,000	\$932,000
Water CIP						
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Debt Funded (Current Debt) CIP	\$400,000	\$0	\$0	\$0	\$0	\$0
Admin CIP	\$9,750	\$0	\$9,750	\$0	\$0	\$0
Full Water & Admin CIP	\$ 798,250	\$ 631,000	\$ 391,750	\$ 182,000	\$ 172,000	\$ 932,000

Wastewater Capital Improvement Program

Wastewater CIP	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Collection						
Collection System Improvements - I&I Reduction						
Annual line cleaning and video inspection	\$ 30,000		\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Seal coat sewer manholes 5 per year at \$1,500 each	\$ 7,500		\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Point repairs utilizing pipe liner 5 per year at \$1,500 each	\$ 7,500		\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500
Point repairs (in house) 10 per year at \$500 each O&M	\$ 5,000		\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Purchase new sewer manhole lids 20 per year at \$400 each	\$ 8,000		\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
Collection Division CIP		\$ 169,000				
Collection Division Inventory		\$ 2,000				
Collection System - I&I Improvements Subtotal	\$ 58,000	\$ 171,000	\$ 58,000	\$ 58,000	\$ 58,000	\$ 58,000
Pump Stations						
Seal coat wet well at Sewer Lift Stations No. 8	\$ 8,500					
Upgrade SCADA system shared cost 50% with water. Total \$50,000 (internet based comms)						\$ 25,000
Install flow meter and vault at Sewer Lift Station 7			\$ 35,000			
Upgrade control panels and SCADA at Sewer Lift Stations Nos. 7, 8 & 9						
Replace Generator at Sewer Lift Station No. 7	\$ 60,000					
Pump Stations Subtotal	\$ 68,500	\$ -	\$ 35,000	\$ -	\$ -	\$ 25,000
Pipeline Rehab & Replacement						
Wagon Wheel Easement E-W between MH's 108 and 109 52-51					\$ 150,000	
			\$ 20,000			
Pipeline Rehab & Replacement Subtotal	\$ -	\$ -	\$ 20,000	\$ -	\$ 150,000	\$ -
Other Wastewater System Improvements						
Repave Road to Sewer Lift Stations No. 5	\$ 12,000		\$ 12,000			
Annual updates to sewer maps						
Purchase new bypass pump equipment						
Replace Unit 70 light utility service truck					\$ 30,000	
Replace dump truck shared cost 1/3 each division. Water, WWC, WWT \$75,000					\$ 24,975	
Replace Unit 77 light utility service truck						
Replace Unit 75 medium utility / snow plow / jetter tow / service truck						
Replace Unit 84 light utility service truck						
Replace portable air compressor and jackhammer	\$ 25,000					
Replace Sewer jetter						
Replace Collection Building generator						
Replace Unit 69 with full size pump service truck with crane			\$ 70,000			
Vehicle and equipment storage building at Harris Property				\$ 30,000		
Purchase new backhoe tractor shared cost 50%				\$ 60,000		
Wastewater Collections Department Inventory	\$ 2,000		\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Purchase Trailer to Mount Old Sewer Lift Station No. 3						
Generator to Make it Portable	\$ 4,000					
Other Wastewater System Improvements Subtotal	\$ 43,000	\$ -	\$ 84,000	\$ 92,000	\$ 56,975	\$ 2,000
Admin CIP	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ -	\$ -
Collections Division Improvements Subtotal (Includes Admin CIP)	\$ 174,500	\$ 171,000	\$ 202,000	\$ 150,000	\$ 264,975	\$ 85,000
Treatment (Total CIP)						
Upgrade, R&R Treatment SCADA, Pumps, Mixers, Etc.	\$ 40,000					
Replacement Fine Bubble Aeration System MBR 2	\$ 7,500					
Replacement Motor and Impeller for MBR Blower	\$ 18,000					
Replacement Actuators and Flow Control Valves For MBR 1	\$ 12,000					
Mixer & Submersible Pump Rebuilds	\$ 20,000		\$ 20,000	\$ 30,000	\$ 30,000	\$ 30,000
Purchase new solids handling bins & improve loading area	\$ 30,000					
Repair Plant Wash Water System	\$ 65,000					
Plant Road Paving (54,000 SF)	\$ 1,000					
Screenings Conditioning Equipment			\$ 250,000			
Replacement of Disposal Ponds Piping & Valve Structures			\$ 150,000			
Grit Removal Equipment				\$ 300,000		
Replace UV System					\$ 350,000	
Unit 67 Replacement					\$ 35,000	
Unit 80 Replacement					\$ 35,000	
Wheel Loader Replacement						\$ 150,000
Generator & ATS Replacement						\$ 150,000
Treatment Facilities CIP (Allocation to Run Springs is below)		\$ 324,000				
Subtotal	\$ 193,500	\$ 324,000	\$ 420,000	\$ 330,000	\$ 450,000	\$ 330,000
Admin CIP	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ -	\$ -
Allocation to Running Springs (60.7%)	\$ 122,532	\$ 196,798	\$ 260,108	\$ 200,442	\$ 273,330	\$ 200,442
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Full WW & Admin CIP	\$297,032	\$367,798	\$462,108	\$350,442	\$538,305	\$285,442

Fire and Ambulance Capital Improvement Program

Fire CIP	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Source: CIP Summary in Budget file sent 2-16-2018						
Flooring replaced Station 50	\$ 22,000					
Furniture (Recliners)/ Kithcen Table		\$ 3,200				
Computer with monitor Station 51/BC	\$ 1,700					
Command Tablets		\$ 2,500				
New Windows downstairs Station 50 (double pane)			\$ 2,000			
Kitchen Remodel				\$ 6,000		
Exterior Paint Station 50			\$ 4,000			
Breathing Apparatus Purcahse- 3 SCBAs		\$ 15,000				
Breathing Appartus Support Service Equipment	\$ 13,000					
Replace Staff Vehicle (2003 Dodge)	\$ 55,000					
Replace 1999 Type 1 KME Engine (E-51)					\$ 450,000	
Replace Concrete Aprons at Station 50 and Station 51			\$ 50,000			
Replace (2005 Chevrolet Utility)				\$ 55,000		
Replace 2003 Type 1 KME Engine (E-50)						
Radios 800mhz x 6	\$ 48,000					
Radios VHF Digital x 6		\$ 15,000				
15 Voice Amps for SCBA Masks		\$ 4,641				
Uninflated Subtotal	\$139,700	\$40,341	\$56,000	\$61,000	\$450,000	\$149,408
Ambulance CIP	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Replace MA 50A (2007 Chevrolet)	\$ 190,000					
Replace MA 51 (2007 Chevrolet)						
Replace Zoll M Series Monitors	\$ 25,000	\$ -		\$ 25,000		
Ambulance CIP		\$ 235,000				
Spaceholder						
Uninflated Subtotal	\$215,000	\$235,000	\$0	\$25,000	\$0	\$95,000
						average
Admin CIP	\$5,250	\$0	\$5,250	\$0	\$0	\$0
Total Fire and Ambulance	\$359,950	\$275,341	\$61,250	\$86,000	\$450,000	\$244,408

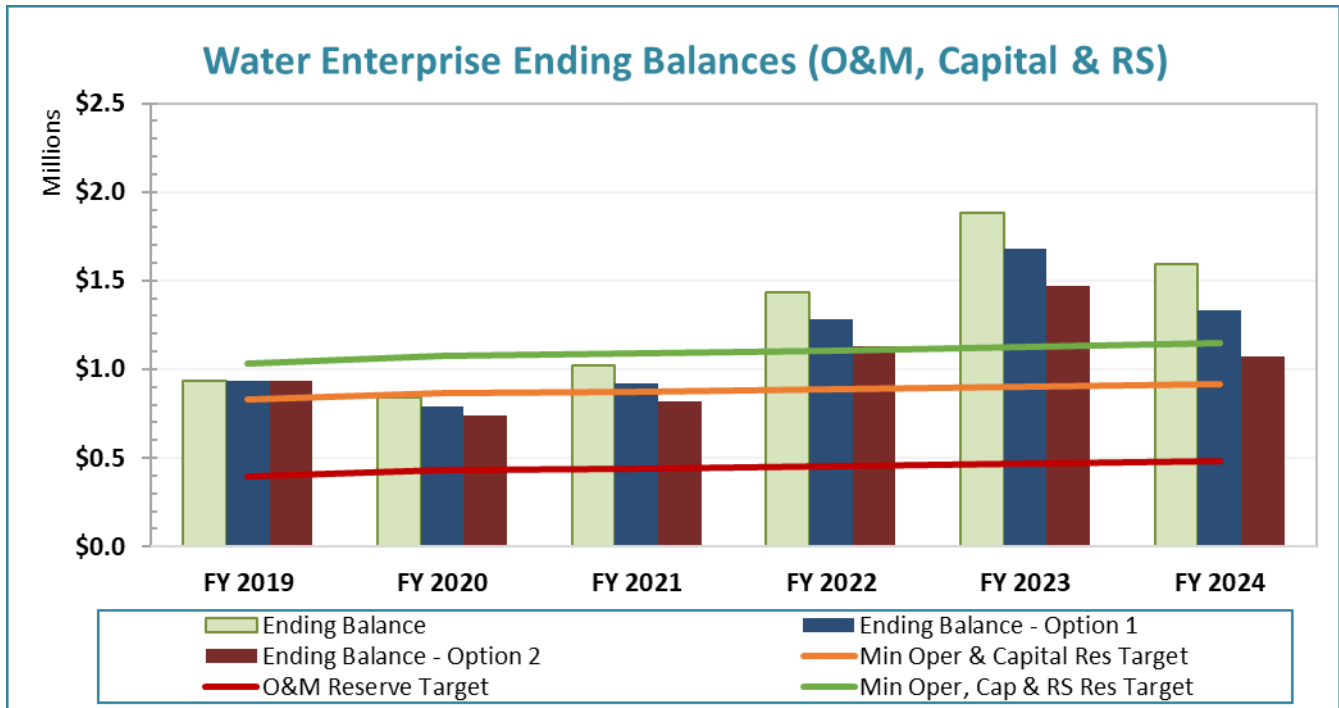
APPENDIX B:

Resulting Reserve Balances with Additional CalPERS Payments to Pay Down Pension Costs (Water, Wastewater, Fire and Ambulance)

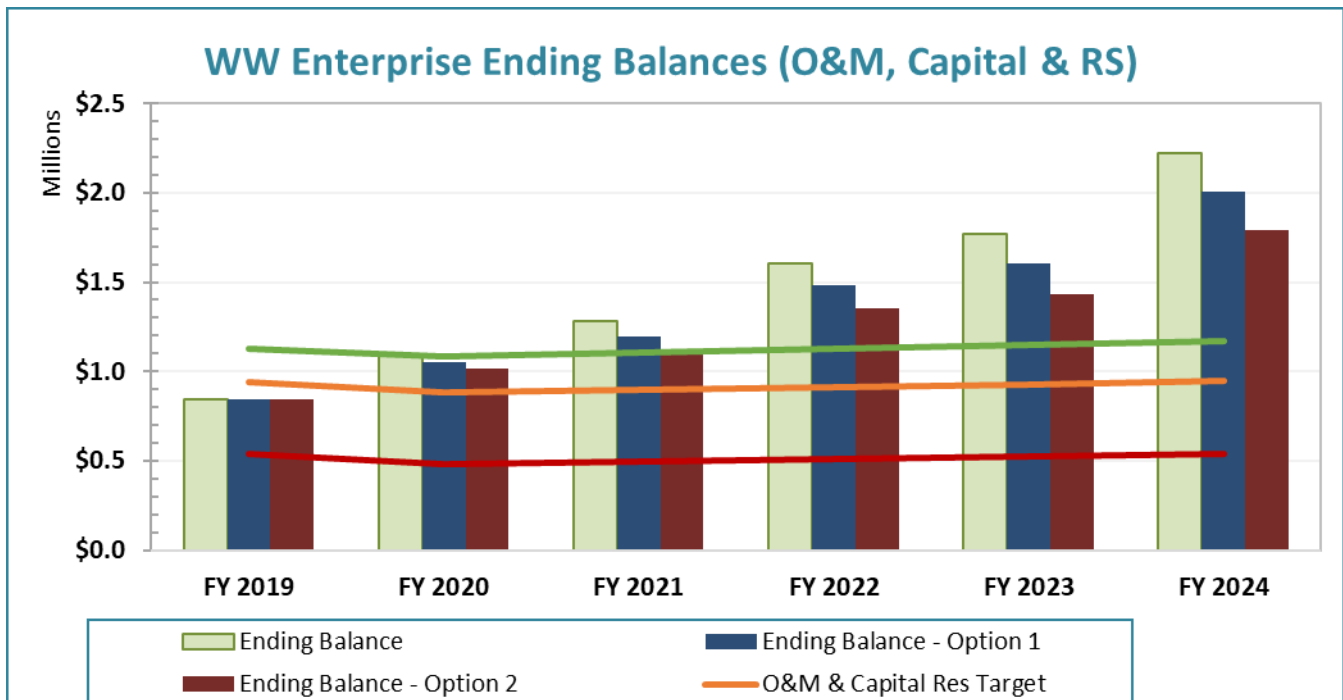
Total Interest Savings Shown in the CalPERS Table at the end of
Appendix B

Utility	Option 1 - Payment Each Year for 5 Years	Option 2 - Payment Each Year for 5 Years
Water	\$50,000	\$100,000
Wastewater	\$25,000	\$50,000
Fire and Ambulance	\$100,000	\$200,000

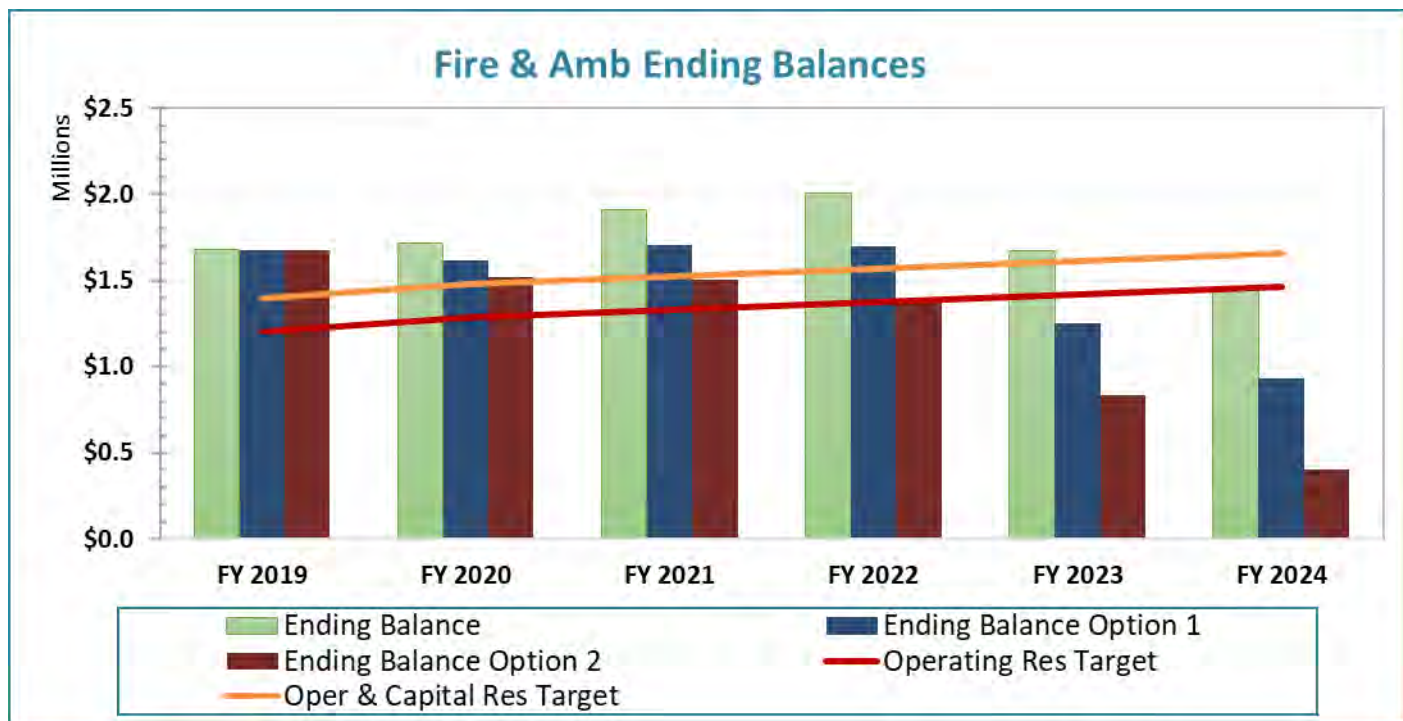
Water



Wastewater



Fire and Ambulance



Year	Original		Extra \$50,000 per year for five years		Extra \$100,000 per year for five years	
	Beginning of Year Balance	Payment During Fiscal Year	Beginning of Year Balance	Payment During Fiscal Year	Beginning of Year Balance	Payment During Fiscal Year
2018-19	\$ 3,238	\$ 242	\$ 3,188	\$ 241	\$ 3,188	\$ 241
2019-20	\$ 3,214	\$ 281	\$ 3,111	\$ 278	\$ 3,009	\$ 276
2020-21	\$ 3,149	\$ 303	\$ 2,991	\$ 297	\$ 2,834	\$ 291
2021-22	\$ 3,055	\$ 235	\$ 2,895	\$ 226	\$ 2,735	\$ 218
2022-23	\$ 3,026	\$ 253	\$ 2,814	\$ 239	\$ 2,601	\$ 225
2023-24	\$ 2,976	\$ 260	\$ 2,763	\$ 245	\$ 2,550	\$ 231
2024-25	\$ 2,916	\$ 267	\$ 2,703	\$ 252	\$ 2,490	\$ 237
2025-26	\$ 2,844	\$ 274	\$ 2,631	\$ 259	\$ 2,418	\$ 244
2026-27	\$ 2,759	\$ 282	\$ 2,547	\$ 266	\$ 2,335	\$ 251
2027-28	\$ 2,660	\$ 290	\$ 2,450	\$ 274	\$ 2,240	\$ 258
2028-29	\$ 2,547	\$ 298	\$ 2,339	\$ 281	\$ 2,130	\$ 265
2029-30	\$ 2,417	\$ 306	\$ 2,211	\$ 289	\$ 2,006	\$ 272
2030-31	\$ 2,270	\$ 314	\$ 2,067	\$ 297	\$ 1,865	\$ 279
2031-32	\$ 2,104	\$ 323	\$ 1,905	\$ 305	\$ 1,706	\$ 287
2032-33	\$ 1,917	\$ 317	\$ 1,723	\$ 298	\$ 1,529	\$ 280
2033-34	\$ 1,724	\$ 310	\$ 1,535	\$ 291	\$ 1,346	\$ 272
2034-35	\$ 1,523	\$ 297	\$ 1,341	\$ 278	\$ 1,159	\$ 258
2035-36	\$ 1,323	\$ 283	\$ 1,148	\$ 263	\$ 973	\$ 243
2036-37	\$ 1,122	\$ 268	\$ 956	\$ 248	\$ 790	\$ 227
2037-38	\$ 923	\$ 155	\$ 767	\$ 134	\$ 610	\$ 113
After 2037-38		\$ 1,047		\$ 856		\$ 664
Total Scheduled Payments		\$ 6,605		\$ 6,117		\$ 5,632
Total Extra Payments		\$ -		\$ 250		\$ 500
Total Payments		\$ 6,605		\$ 6,367		\$ 6,132
Interest Savings				\$ (238)		\$ (473)

All numbers are in thousands.

This is based on the Amortization Bases from the June 30, 2016 Annual Valuation.

The discount rate and payroll growth are based on a 7% discount rate, and a 2.75% payroll growth rate.

These estimates are the assumptions that will be in place for the June 30, 2018 Annual Valuation.

Due to bases dropping off and payments changing payments after 2037-38 are grouped

Running Springs Water District

Water and Wastewater Capacity Fee Report

March 2019



March 22, 2019

Mr. Ryan Gross
General Manager
Running Springs Water District
31242 Hilltop Blvd.
Running Springs, CA 92382

Subject: 2019 Water and Wastewater Capacity Fee Report

Dear Mr. Gross:

Raftelis is pleased to present to the Running Springs Water District (District) the attached Water and Wastewater Capacity Fee Report. The enclosed recommendations are based on sound principles and defensible methodologies resulting in fair and equitable fees reflective of the current value of the water and wastewater utilities.

We enjoyed the opportunity to help the District develop water and wastewater capacity fees as well as water and wastewater rates (described in a separate report). Should you have any questions or comments regarding this report please contact me at (714) 351-2013.

Sincerely,

A handwritten signature in blue ink that reads "Steve Gagnon".

Steve Gagnon, PE (AZ)
Manager

1. Executive Summary

This document describes the purpose, methodology, and calculation of water and wastewater capacity fees for the Running Springs Water District (District). This executive summary summarizes the results of the capacity fee calculations.

Economic and Legal Framework

Capacity fees can be levied on new customers connecting to a utility or customers requiring more capacity in the water or wastewater system. Capacity fees are one-time fees paid up-front as a condition of new development or expansion and are designed to recover the cost of the facilities required to provide service. Capacity fees reimburse existing customers for their past capital investment which they have funded through payment of monthly/bi-monthly fees to cover capital costs and debt service payments. Using this approach, all customers, both existing and new, will equally contribute to the construction costs of capital facilities.

The legal grounds for charging capacity fees are established in Government Code Sections 66013, 66016, 66022, and 66023. Per Section 66013, capacity fees imposed by an agency “shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed...” This report establishes the nexus between the capacity fee and the cost of providing capacity in the water and wastewater utilities.

Approach

There are three accepted methods to calculate capacity fees. The two that are most prevalent are the buy-in approach and the incremental cost approach. The third is a hybrid of these two approaches. The buy-in approach is most appropriate for agencies that have capacity available in their current facilities. Capacity fees calculated using the buy-in methodology collect the cost of existing facilities. By contrast, the incremental approach is most appropriate for agencies anticipating construction of new facilities to meet new demand. The costs of the new facilities are distributed to customers based on their expected utilization of the new plant/system capacity. All methodologies are designed to ensure that “growth pays for growth.”

Raftelis recommends that the District use the buy-in approach to determine its capacity fees since the District has capacity in existing facilities to serve new and expanding customers in the near term. These users will need to “buy into” the current system by paying for their share of capacity.

Buy-in Approach Calculation

There are two types of buy-in approaches; the **system buy-in** approach and the **equity buy-in** approach. The equity buy-in approach includes cash reserves while the system buy-in approach does not. The equity buy-in approach divides by *current* customer demand while the system buy-in approach divides by *total* (ultimate) system capacity. The differences are fully explained in Section 4 and the results are shown in Tables 1-1 and Table 1-2.

There are several methods used to value utility infrastructure and assets. Raftelis recommends that the District value its system based on the Replacement Cost Less Depreciation (RCLD) method, which recognizes that the District’s water system assets are not new. This method escalates each asset’s purchase value and accumulated depreciation to current dollars using the asset’s acquisition date and the Engineering News Record’s nation-wide Construction Cost Index (ENR-CCI). The ENR-CCI is a widely-used index for determining construction cost inflation.

Raftelis calculated the water and wastewater systems’ asset value using the RCLD method. We then used the resulting total asset value to calculate the capacity fees based on the system buy-in and equity buy-in methodologies. Table 1 and 2 show the water and wastewater capacity fees respectively using these two methods. Note that the capacity fees for the water system are based on meter size and the capacity fees for the wastewater system are based on equivalent dwelling units (EDUs), which the District will calculate at the time of connection. The District can select one of the methodologies with input from its legal counsel. The full derivation and calculations for these fees are described in Section 4. Note that the District can charge fees lower than those shown in Tables 1-1 and 1-2.

Table 1-1: Proposed Water Capacity Fees

Current Capacity Fee per EDU	Meter Size	System Buy-in Proposed Capacity Fee	Equity Buy-in Proposed Capacity Fee
\$4,322	5/8" x 3/4"	\$4,010	\$4,626
	1"	\$10,026	\$11,565
	1.5"	\$20,052	\$23,129
	2"	\$32,083	\$37,007
	3"	\$64,166	\$74,014
	4"	\$100,259	\$115,646
	6"	\$200,518	\$231,292

Table 1-2: Proposed Wastewater Capacity Fees

Current Capacity Fee per EDU	System Buy-in Capacity Fee per EDU	Equity Buy-in Capacity Fee per EDU
\$5,646	\$2,341	\$7,840

2. Introduction

The District engaged Raftelis to perform a water and wastewater rate study and calculate capacity fees. The results of the water rate study are contained in a separate report. This report describes the Capacity fee calculation. Capacity fees are one-time fees paid up front as a condition of new or expanded real estate development when the development connects to or expands its connection to (i.e. increases its meter size) the water and wastewater system. Capacity fees are designed to recover the cost of the facilities needed to provide water and wastewater service. Per California Government Code Section 66013, the fees “shall not exceed the reasonable cost of providing service.” Therefore, the fees are required to reflect the estimated cost of the existing or additional system capacity needed to serve them. Other common terms for capacity fees are connection fees, impact fees, system development charges, development impact fees, plant and facility connection charges, and capital facility charges.

Current Fees

The District currently charges water and wastewater capacity fees for new and expanded connections. The current fees are levied per Equivalent Dwelling Unit (EDU), which reflects the portion of system capacity used by the utility customer. The proposed water capacity fees will instead be levied by meter size while wastewater will continue to be levied by EDU. Table 2-1 shows the District’s current water and wastewater capacity fees.

Table 2-1: Current Water and Wastewater Capacity Fees

Current Water Capacity Fee per EDU	Current Wastewater Capacity Fee per EDU
\$4,322	\$5,646

The proposed capacity fees reflect the current value of the water system as described in **Section 4**, which provides the nexus required by California Government Code Section 66013 between water and wastewater capacity fees and the cost to provide water system capacity.

3. Capacity Fee Economic and Legal Environment

Economic Basis

For publicly owned utilities, capital facilities are often funded by existing customers through (monthly or bimonthly) rate and charge revenue, among other sources. Existing customers' investment in system capacity allows newly connecting customers to take advantage of unused surplus capacity. Through the implementation of capacity fees, new and expanding customers pay for the cost of the excess system capacity that will serve them so existing customers are not subsidizing capital costs for new customers. This effectively puts new customers on par with existing customers for the capital costs to build the utility. In other words, the new users are *buying into* the existing system, and this revenue will be used for expansion capital, thereby benefitting existing customers for their prior investment. Thus, the term "buy-in."

The philosophy that those using the capacity should pay for the cost of capacity is often referred to using the phrase "growth should pay for growth." This principal is summarized in the American Water Works Association (AWWA) *Manual M1, Principles of Water Rates and Charges* in the Section on System Development Charges.

Legal Framework¹

The District has the authority to price and implement water capacity fees. The most salient limitation on this authority is the requirement that fees imposed on new and expanding development must bear a reasonable relationship to the needs and benefits brought about by the development. Courts have long used a standard of reasonableness to evaluate the legality of capacity fees. The basic statutory standards governing water (and wastewater) capacity fees are embodied by California Government Code Sections 66013, 66016, 66022, and 66023. Government Code Section 66013, in particular, contains requirements specific to pricing water and wastewater capacity fees:

"Notwithstanding any other provision of law, when a local agency imposes fees for water connections or sewer connections, or imposes capacity charges, those fees or charges shall not exceed the estimated reasonable cost of providing the service for which the fee or charge is imposed, unless a question regarding the amount the fee or charge in excess of the estimated reasonable cost of providing the services or materials is submitted to, and approved by, a popular vote of two-thirds of those electors voting on the issue."

Section 66013 also includes the following general requirements:

- Local agencies must follow a process set forth in the law, making certain determinations regarding the purpose and use of the fee; they must establish a nexus or relationship between a development project and the public improvement being financed with the fee.

¹ Raftelis does not practice law nor does it provide legal advice. The above discussion is to provide a general review of state institutional constraints and is labeled "legal framework" for literary convenience only. The District should consult with its legal counsel for clarification of any of the topics discussed in this section.

- If the agency is a City, the capacity fee revenue must be segregated from the general fund to avoid commingling of capacity fees and the general fund.
- Section 66013 also requires annual reporting requirements for capacity fees revenue.

4. Capacity Fee Methodologies

There are three main methods to calculate capacity fees. Each approach has evolved largely based on changing public policy, legal requirements, and the unique and special circumstances of each local agency. The three main methods are the “buy-in”, “incremental-cost”, and “hybrid” approaches.

Buy-In Method

The buy-in approach rests on the premise that new customers “buy-in” to the utility to reimburse existing customers who have already constructed and maintain the facilities that will serve new customers, including the costs associated with financing those services. Under this approach, a new single-family customer pays an amount equal to the value of the capacity required to serve a new home – which is measured in either gallons per day, equivalent dwelling units or equivalent meter size. One equivalent dwelling unit is the amount of water or wastewater used by an average single-family home.

To determine the value of capacity, the total value of the water utility is divided by either the system *ultimate capacity* (system buy-in approach) or the *current system demand* (equity buy-in approach). The equity buy-in approach also includes the system reserve balances.

To provide an example of the system buy-in approach: if an existing system can serve 100 single-family homes and a new customer wants to build a new single-family home (and connect to the water system), then the new customer would pay 1/100th of the total existing system net value. By paying the capacity fee, the new customer has bought into the existing system – thus, the term **buy-in**. The user has effectively acquired a financial position on par with existing customers and will face future capital and operating costs on equal financial footing with existing customers. This approach is suited for agencies that have excess capacity in their existing system. This is the methodology that Raftelis used for the District’s capacity fee study because the District does not have a major plant/system expansion planned to serve new customers.

Incremental Cost Method

While the buy-in method was chosen for the District, we will describe the two other methodologies to provide a more complete understanding of capacity fees. When new users connect to a utility system, they use either surplus capacity from the existing system or they require construction of new capacity to accommodate their needs. When a substantial amount of new facility construction is required to support growth, the incremental cost method may be used. Under the incremental cost approach, new customers pay for the cost of additional capacity regardless of the value of past investments made by existing customers.

For instance, if it costs X dollars to construct new infrastructure (additional capacity) to serve 100 new single-family homes and a new customer builds a home, then the new user would pay $\$X/100$ to connect to the system. In other words, a new customer pays the *incremental cost of capacity*. As with the equity buy-in approach, new connectors will effectively acquire a financial position that is on par with existing customers. This approach is best suited for growing communities where additional facilities are needed to accommodate growth and is not recommended for the District at this time.

Hybrid Method

In addition to the above two methodologies, there is also a hybrid approach which uses aspects of both the buy-in approach and the incremental cost approach. This is appropriate when agencies have some existing reserve (unused) capacity available, but are also in the process of planning or building additional capacity. The fee produced by the hybrid approach recognizes that new customers benefit from both existing infrastructure and planned capital improvements.

5. Capacity Fee Calculation

Capacity Fee Methodology

Raftelis used the **buy-in** approach to calculate water and wastewater capacity fees since there is enough capacity in each system to serve new users.

Utility System Valuation Methodology

There are several ways to establish the value of a utility including:

1. Original Cost (also known as book cost or historical cost)
2. Original Cost Less Depreciation (which subtracts depreciation)
3. Replacement Cost
4. Replacement Cost Less Depreciation

The most common valuation method is the Replacement Cost Less Depreciation (RCLD). It is often preferred because of its defensibility. Barring, for example, instances of water and wastewater systems that have depreciated significantly due to lack of replacement and repair, RCLD is the most legally-defensible option for valuation because the total asset value:

1. Is inflation-adjusted by the Engineering News Record nationwide Construction Cost Index (ENR-CCI), and thus recovers the cost of replacing the infrastructure in current dollars.
2. Accounts for depreciation thus addresses the fact that the water system is not new and equipment and facilities have depreciated in value.

Water Capacity Fee

Table 5-1 shows the capacity fee calculation. We will walk the reader through each calculation for the system buy-in and equity buy-in calculations.

Table 5-1: Capacity Fee System and Equity Buy-in Calculations

Water Capacity Fee Calculation		System Buy-in	Equity Buy-in
Buy-In Methodology		(B)	(C)
(A)		Replacement	Replacement
Line No.		Cost Less	Cost Less
1	Land	\$1,695,744	\$1,695,744
2	Supply	\$2,079,500	\$2,079,500
3	Treatment	\$69,869	\$69,869
4	Storage	\$1,430,061	\$1,430,061
5	Trans/Dist	\$7,725,844	\$7,725,844
6	Fire	\$105,113	\$105,113
7	Meter Service	\$128,928	\$128,928
8	General & Admin	\$602,679	\$602,679
9	Vehicles (Gen & Admin)	\$0	\$0
10	Total	\$13,837,738	\$13,837,738
11	Check		
12	Less Outstanding Debt Principal	\$751,952	\$751,952
13	Total Water System Valuation - System Buy-in	\$13,085,786	\$13,085,786
14	Add Reserve Balances		\$1,097,651
15	Total Water System Valuation incl. Reserves - Equity Buy -in		\$14,183,437
16	Ultimate Equivalent Meters	3,263	
17	Current Equivalent Meters		3,066
18	System Buy-In Method charge per 5/8" Meter (line 13/16)	\$4,010	
19			
20	Equity Buy-in Method charge per 5/8" Meter (line 15/17)		\$4,626
21			
22	Current Capacity Fee	\$4,322	\$4,322

System Buy-in uses ultimate capacity and no reserves

Equity Buy-in uses "currently served" capacity and adds reserves

Lines 1 through 9 in Table 5-1 show the asset valuation of the water utility using the RCLD method and categorized by function. Land assets (line 1) were escalated by the consumer price index rather than the ENR-CCI². Depreciation was not factored into the valuation of land assets since land is not normally depreciated.

Line 12 subtracts the outstanding principal debt from the total asset value because this would otherwise double charge customers – once through the capacity fees and again through monthly rates and charges. Line 13 shows the RCLD value of the water system less outstanding debt principle for the system buy-in calculation.

For the equity buy-in calculation, shown in column C, the utility value includes water enterprise reserves, as shown in line 14. The basis for including reserves is that past customers have accumulated these reserves through their monthly bill payments and future users will benefit from these cash reserves since the reserves may lower rate revenue requirements. Thus, reserves can be counted as part of the value of the utility. This is similar to valuing a business in which cash equivalents are added to the discounted value of future cash flows to ascertain the total business value. The system value under the equity buy-in is shown in line 15.

Line 16, Column B shows the ultimate equivalent meters -- i.e. the total estimated equivalent number of 5/8-inch meters the District could serve – which is used for the system buy-in calculation. Line 17 shows the current number of in-service equivalent meters, which is derived and shown at the bottom of Table 5-2.

The system buy-in fee, shown in line 18, is line 13 divided by line 16 – the value of the system divided by the *ultimate*³ number of equivalent meters. The equity buy-in calculation, in Line 20, uses the system value shown in Line 15, which includes reserves, and divides by *current* equivalent meters shown in Line 17.

² The Consumer Price Index is not a perfect measure of land value inflation. Since we don't have access to comparable sales data it is reasonable to assume that real estate values generally keep pace with salaries and inflation. The Bureau of Labor Statistics recommends using the CPI- All Urban Consumers when adjusting prices because the regional CPIs are subject to high levels of volatility and sampling error due to the smaller sample size. Raftelis used the CPI-All Urban Consumers. The same argument is made for national and regional Engineering News Record Construction Cost Indexes.

³ The term ultimate is often used to mean the condition in which the system/plant can no longer serve new customers without capacity expansion.

Table 5-2: Current Equivalent Meters Calculation

Meter Size	AWWA Hydraulic		Meter Count	Equivalent Meters
	Capacity Factor	Ratio to 5/8 Inch Meter		
3/4"	20	1.0	2,930	2,930
1"	50	2.5	30	75
1.5"	100	5.0	1	5
2"	160	8.0	5	40
3"	320	16.0	1	16
4"	500	25.0	-	-
6"	1,000	50.0	-	-
8"	1,600	80.0	-	-
10"	2,300	115.0	-	-
			2,967	3,066

Table 5-3 includes the proposed capacity fees for larger size meters for each method. The capacity fee for larger meters is escalated in proportion to the safe potential flow through each meter size as estimated by the American Water Works Association, shown in Table 5-1. For example, the flow through a 1-inch meter is 2.5 times (3rd column) that of a 5/8-inch meter, thus the capacity fee for a 1-inch meter is 2.5 times higher. Table 5-2 shows the proposed capacity fees using both the system buy-in and the equity buy-in calculation approaches. The District will select one capacity fee method with input from its legal counsel.

Table 5-3: Capacity Fees for Larger Meter Sizes

Current Capacity Fee per EDU	Meter Size	System Buy-in Proposed Capacity Fee	Equity Buy-in Proposed Capacity Fee
\$4,322	5/8" x 3/4"	\$4,010	\$4,626
	1"	\$10,026	\$11,565
	1.5"	\$20,052	\$23,129
	2"	\$32,083	\$37,007
	3"	\$64,166	\$74,014
	4"	\$100,259	\$115,646
	6"	\$200,518	\$231,292

Wastewater Capacity Fee

Table 5-4 shows the wastewater capacity fee calculation. We will walk the reader through each calculation for the system buy-in and equity buy-in calculations.

Lines 1 through 8 in Table 5-3 show the wastewater asset valuation using the RCLD method and categorized by function, with total asset value summed in line 8. Land assets were escalated by the consumer price index rather than the ENR-CCI⁴. Depreciation was not factored into the valuation of land assets since land is not normally depreciated.

Lines 1 through 6 show the valuation assets for the water system. Line 11 subtracts the outstanding principal debt (line 10) from the total asset value (line 8) because this would otherwise double charge customers – once through the capacity fees and again through monthly rates and charges. Line 11 is the wastewater RCLD for the *system* buy-in calculation.

For the *equity* buy-in calculation, shown in column C, the utility value includes wastewater enterprise reserves, as shown in line 12. The basis for including them is that past customers have accumulated these reserves through their monthly bill payments and future users will benefit from these cash reserves since the reserves may lower rate revenue requirements. Thus, reserves can be counted as part of the value of the utility. Reserves are excluded from the system buy-in calculation. This is like valuing a business in which cash equivalents are added to the discounted value of future cash flows to ascertain the total business value. The system value, under the equity buy-in, is shown in line 13.

Lines 14 and 15 show the ultimate and current EDUs as provided by the District. Line 16, the system buy-in calculation is line 11 divided by line 14. Line 18, the equity system buy-in, is line 13 divided by line 15. As with water, the District will consult its legal counsel and select a capacity fee. The District can choose to charge a lower capacity fee than those shown. The District would also evaluate the EDU's of the new development and charge for each EDU.

⁴ The Consumer Price Index is not a perfect measure of land value inflation; however, under normal circumstances (barring local/regional recessions) and over time, real estate values generally tend to keep pace with salaries and inflation and, therefore, is a reasonable method of estimating a property's value in the absence of other reliable information. The Bureau of Labor Statistics recommends using the CPI- All Urban Consumers when adjusting prices because the regional CPIs are subject to high levels of volatility and sampling error due to the smaller sample size. Raftelis used the CPI-All Urban Consumers. The same argument is made for national and regional Engineering News Record Construction Cost Indexes.

Table 5-4: Wastewater Capacity Fee Calculation

Wastewater Buy-In Methodology		System Buy-In	Equity Buy-In
(A)		(B)	(C)
Line No.	Asset Type	Replacement Cost Less Depreciation	Replacement Cost Less Depreciation
1	Land	\$821,073	\$821,073
2	Collection	\$17,886,218	\$17,886,218
3	Treatment	\$5,728,961	\$5,728,961
4	Disposal	\$982,016	\$982,016
5	General & Admin	\$113,045	\$113,045
6	Vehicles (Gen & Admin)	\$0	\$0
7			
8	Total	\$25,531,314	\$25,531,314
9	Check		
10	Less Outstanding Debt Principal	\$2,594,435	\$2,594,435
11	Total WW System Valuation - System Buy-in	\$22,936,879	\$22,936,879
12	Add Reserve Balances		\$731,372
13	Total WW System Valuation incl. Reserves - Equity Buy-in		\$23,668,251
14	Ultimate Plant Equivalent Dwelling Units	9,799	
15	Current "In-Service" EDUs		3,019
16	System Buy-In Methodology (Line 11/14)	\$2,341	
17			
18	Equity Buy-in Methodology (Line 13/15)		\$7,840
19			
20	Current Capacity Fee per EDU	\$5,646	\$5,646

6. Discussion

Capacity fees are established to promote equity between past and new customers so that new customers contribute to the investment made by current and past customers to build and maintain a valuable utility. Raftelis calculated capacity fees for the District's consideration based on system value using both the system buy-in and the equity buy-in methodologies. Both are acceptable methods to establish capacity fees and have been used in the past. In-light of the regulations surrounding impact fees for other facility types (fire, library, police, parks etc.) one could argue that the system buy-in is the method least susceptible to legal challenge. However, water and wastewater capacity fees are unique and exempt from certain requirements. The equity method has been used in the past and results in a higher capacity fee since the methodology includes reserves in the valuation and divides by current customer demand (capacity) instead of ultimate capacity. Raftelis suggests the District consult its legal counsel in determining which fee to implement. The District can choose to establish a fee based on either method upon legal review or can choose to establish a lower fee than those presented in this report.

Annual Update

The District can choose to update their capacity fees annually or, at least, every few years. The easiest way to update the fees is to multiply the current fee by the yearly change in the (nationwide) ENR-CCI, which tracks changes in construction costs. For example, if the ENR –CCI for FYE 2019 is 3% higher than the ENR-CCI for FYE 2018, then the District could increase the capacity fees by 3%. This method of escalating the District's capacity fees should be used for no more than four to five years. After four to five years, Raftelis recommends that the District update the fees based on the updated valuation of the District's infrastructure to reflect depreciation and additions to system assets to maintain capacity fee defensibility.

7. Conclusion

The proposed fees are viable and defensible capacity fees which are reflective of the value of the District's water system. These fees follow generally accepted fee design criteria, adhere to the requirements of California government code, and reflect the District's current water and wastewater asset value. The proposed fees are reflective of the cost to provide the capacity to serve new customers and are based on the cost to "buy-in" to the water utility so that new customers are on par with the past investment made by existing customers.

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: June 19, 2019

TO: Board of Directors

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

**SUBJECT: PUBLIC HEARING AND CONSIDERATION OF ADOPTING
ORDINANCE NO. 52 ESTABLISHING FEES FOR AMBULANCE
SERVICES AND OTHER MISCELLANEOUS FEES**

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors consider adopting Ordinance No. 52, Establishing Fees for Ambulance Services and other miscellaneous fees.

REASON FOR RECOMMENDATION

A schedule of fees adopted pursuant to the Fire District Protection Law should be adopted by ordinance. (Health & Safety Code, § 13916(b)).

BACKGROUND INFORMATION

California Water Code section 31120 allows County Water Districts, unlike many other types of water districts, to "...exercise any of the powers, functions, and duties which are vested in, or imposed upon, a fire protection district pursuant to the Fire Protection District Law of 1987." In turn, the Fire Protection District Law provides that fire protection districts shall have the power to provide ambulance services. (Health & Safety Code, § 13862).

For ambulance services, the Board may charge a fee to cover the cost of those services, but the fee cannot exceed the cost to provide the service for which the fee is charged. (Health & Safety Code, § 13916(a)). We understand that the Board normally adopts the fees allowed by ICEMA.

A schedule of fees adopted pursuant to the Fire District Protection Law should be adopted by ordinance. (Health & Safety Code, § 13916(b)). Before approving the fee, the District must publish notice of the fee pursuant to Government Code section 6066.¹ (*Ibid.*) (Notice of this Ordinance was published in the Alpine Mountaineer Newspaper on

¹ Generally, publication of notice pursuant to this section shall be once a week for two successive weeks. (Gov. Code, § 6066.)

June 6th and June 13th, 2019). Notice shall also be mailed to any party who has filed a written request for mailed notice of the meeting on new or increased fees. (Health & Safety Code, § 13916(c)). At least ten (10) days before the meeting, the District must provide data to the public showing the cost to provide the service for which the fee is charged and the revenue sources anticipated to provide the service, including general fund revenues. (Health & Safety Code, § 13916(d)). The Board must hear and consider any objections to the proposed fees. (Health & Safety Code, § 13913(f)).

FISCAL INFORMATION

Refer to attached Ordinance No. 52, Exhibit A and Exhibit B

ATTACHMENTS

Attachment 1 – Ordinance No. 52

**ORDINANCE NO. 52
OF THE RUNNING SPRINGS WATER DISTRICT
ESTABLISHING FEES FOR AMBULANCE SERVICES AND OTHER
MISCELLANEOUS FIRE DEPARTMENT FEES**

WHEREAS, pursuant to Water Code section 31120, the Running Springs Water District has the authority to exercise any of the powers, functions, and duties which are vested in, or imposed upon, a fire protection district pursuant to the Fire Protection District Law of 1987; and

WHEREAS, the District provides ambulance services pursuant to the Fire Protection District Law of 1987, specifically Section 13862 of the Health and Safety Code; and

WHEREAS, the Inland Counties Emergency Medical Agency (“ICEMA”) has approved a list of ambulance fees as set forth in Exhibit “A” incorporated herein by this reference, that are calculated so as not to exceed the estimated cost to provide ambulance services; and

WHEREAS, the Running Springs Fire Department has established a list of miscellaneous fees as set forth in Exhibit “B” incorporated herein by this reference, that are calculated so as not to exceed the estimated cost to provide services; and

WHEREAS, Health and Safety Code Section 13916 authorizes this District to charge a fee to cover the cost of any service which the District provides and to adopt an ordinance establishing a schedule of such fees at a meeting conducted by the Board of Directors following notice of the Board’s intention to establish such fees as provided in Health and Safety Code Section 13916; and

WHEREAS, this District has provided notice of the fees set forth herein and has made available to the public, at least ten (10) days in advance hereof, the data indicating the estimated cost required to provide the services.

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

1. The fees for ambulance services set forth in Exhibit “A” are hereby adopted.
2. The fees for the services set forth in Exhibit “B” are hereby adopted.
3. The fees may be collected by any means available to the District.
4. This ordinance shall become effective immediately upon its adoption.

ADOPTED this 19th day of June, 2019.

Ayes:

Noes:

Abstentions:

Absent:

President of the Board of Directors
of Running Springs Water District

ATTEST:

Board Secretary



EXHIBIT "A"

Inland Counties Emergency Medical Agency

1425 South D Street, San Bernardino, CA 92415-0060 ■ (909) 388-5823 ■ Fax (909) 388-5825 ■ www.icema.net

Serving San Bernardino, Inyo, and Mono Counties
Tom Lynch, EMS Administrator
Reza Vaezazizi, MD, Medical Director

DATE: May 28, 2019
TO: EMS Ground Transport Providers - San Bernardino County
FROM: Tom Lynch
 EMS Administrator
SUBJECT: **FY 2019-20 AMBULANCE RATE ADJUSTMENT**
EFFECTIVE JULY 1, 2019 - JUNE 30, 2020

In conformance with the ICEMA Reference #5080 - ICEMA Ground Based Ambulance Rate Setting Policy - San Bernardino County approved by the ICEMA Governing Board on May 8, 2012, the following represents ambulance rate adjustments effective July 1, 2019. The attached "Ground Ambulance Service Rate Definitions" will be utilized in the application of the rates.

Ambulance Rate Components	Base Rate FY 2018-19		Increase CPI + County Comparison		Final Rate FY 2019-20	
	Urban Operating Areas	Rural/ Wilderness Operating Areas	Urban Operating Areas	Rural/ Wilderness Operating Areas	Urban Operating Areas	Rural/ Wilderness Operating Areas
Advanced Life Support (ALS) Base Rate (All Inclusive)	\$1,579.44	\$1,737.38	\$28.97	\$31.87	\$1,608.41	\$1,769.25
Basic Life Support (BLS) Rate	\$1,044.80	\$1,149.28	\$72.36	\$79.60	\$1,117.16	\$1,228.88
Emergency Fee	\$278.64	\$306.52	\$5.11	\$5.62	\$283.75	\$312.14
Oxygen	\$172.83	\$190.10	\$3.17	\$3.49	\$176.00	\$193.59
Night Charge	\$199.50	\$219.48	\$3.66	\$4.03	\$203.16	\$223.51
Critical Care Transport	\$1,872.10	\$2,059.30	\$34.34	\$37.77	\$1,906.44	\$2,097.07
Mileage (per mile or fraction thereof)	\$29.31	\$29.31	\$0.54	\$0.54	\$29.85	\$29.85
Wait Time	\$52.33	\$52.33	\$0.96	\$0.96	\$53.29	\$53.29
EKG	\$118.97	\$118.97	\$2.18	\$2.18	\$121.15	\$121.15

If you have any questions regarding the policy and associated rate calculations, please contact me at (909) 388-5823 or via e-mail at tom.lynch@cao.sbcounty.gov or George Stone, Program Coordinator, at (909) 388-5807 or via e-mail at george.stone@cao.sbcounty.gov.

TL/GS/jlm

Attachment

c: File Copy

BOARD OF DIRECTORS

Robert A. Lovingood
First District

Janice Rutherford
Second District

Dawn Rowe
Third District

Curt Hagman
Chairman
Fourth District

Josie Gonzales
Vice Chair
Fifth District

Gary McBride
Chief Executive Officer

Ground Ambulance Service Rate Definitions

ICEMA Region

Effective July 1, 2018

NOTE: Rates are allowable only upon transport of a patient.

BLS All Inclusive Base Rate:

1. When an EMT staffed ambulance responds to a call; or
2. When an advanced life support (ALS) or limited advanced life support (LALS) staffed ambulance responds to a scheduled call when not requested and/or ALS or LALS intervention is not provided.

ALS All Inclusive Base Rate:

Any response of an approved ALS (paramedic) or LALS (AEMT) transport provider to a request for service. This charge will include, but not necessarily be limited to, the provision of the following:

1. An authorized ALS or LALS staffed and equipped ambulance response.
2. Care modalities including cardiac monitoring, telemetry, IV administration, drug administration, defibrillation, blood draw, wound dressing, splinting and disposable first aid and medical supplies related to such care and treatment.

Emergency:

Applies to BLS All Inclusive Base Rate when a BLS scheduled response is upgraded to emergency status either in response or during transport. **This charge is included in the ALS All Inclusive Rate and cannot be charged in addition to the ALS All Inclusive Rate.**

ECG Monitoring:

Applies when ECG Monitoring is performed as per protocol or base hospital order. **This charge is included in the ALS All Inclusive Base Rate and cannot be charged in addition to the ALS All Inclusive Base Rate.** In most cases, this charge is broken out as a line item for Medi-Cal which does not recognize the charge in the ALS All Inclusive Base Rate.

EMS Aircraft - Appropriate fee for service:

EMS ground transportation providers may charge All Inclusive Base Rate when;

1. Ambulance personnel and/or equipment are directly involved in patient care prior to the transport and transfer of patient(s) to EMS aircraft.
2. Provider's supplies and/or procedures are utilized at rate specified in the current ambulance rates.
3. Approved mileage rate from point of transport by ground ambulance to transfer site to EMS aircraft.

Mileage:

Applies for each patient mile or fraction thereof from point of pick-up to destination.

Night:

Applies for services provided between the hours 1900 and 0659, military time.

Oxygen:

Applies for services provided whenever oxygen is administered. This charge is inclusive of material such as tubing, masks, etc., which may be used for the administration of oxygen.

Wait Time:

Applies to scheduled calls and is charged per fifteen (15) minutes of waiting time or portion thereof, after the first fifteen-minute period lapse occurs when an ambulance must wait for a patient at the request of the person/organization hiring the service. This rate is not contractual “stand-by” charge rate for special events.

Specialty Care Transport:

Applies to transportation provider’s medical personnel when equipment is needed to provide care, monitoring at a level outside and/or higher than a paramedic’s scope of practice; or utilization of specialized equipment or specialized vehicle, based upon patient’s needs. Examples of Specialty Care Transport may include Neonatal (incubator/team) transport, Bariatric unit transport, high-risk maternal team transport, ALS Respiratory Therapist transport, PA-NP-OD-MD transport, etc.

EXHIBIT B

RUNNING SPRINGS FIRE DEPARTMENT FEE SCHEDULE

Service	DESCRIPTION	FEE
Adminstration/FIRE	Returned Check	\$30.00
	Collections	\$30.00
	Fire Cause and Origin Report	\$30.00
	Blank	\$0.00
Plans Review	FIRE SPRINKLER SYSTEMS	
	New Commercial NFPA Fire Sprinkler System	
	Plans Review/FIRE Letter	\$313.00
	Inspection, 1-20 fire sprinkler heads, 1st riser	\$197.00
	Inspection, 21-50 fire sprinkler heads, 1st riser	\$294.00
	Inspection, 51-100 fire sprinkler heads, 1st riser	\$294.00
	Inspection, >101 fire sprinkler heads, 1st riser	\$393.00
	Each additional riser (same hazard class)	\$98.26
	Single Family Residnetial -NFPA 13D Fire Sprinkler	
	Plans Review/FIRE Letter	\$157.00
	Inspection, 1-3,600 sq.ft	\$197.00
	Inspection, 3,600-5,000 sq.ft	\$197.00
	Inspection, >5,000 sq.ft	\$295.00
	Multi-Family Residential Fire Sprinkler, NFPA 13R	Per Riser
	Plans Review/FIRE Letter	\$313.00
	Inspection, 1-50 fire sprinkler heads, per riser	\$197.00
	Inspection, >100 fire sprinkler heads, per riser	\$294.00
	Per-Engineered Systems/Equipment	
	Inspection, Industrial Ovens, per system	\$197.00
	Inspection, Hood and Duct Extinguishing System	\$197.00
	Single Family Residnetial Construction Projects	
	Plans Review	\$157.00
	Inspection,new construction	\$98.00
	Inspection, addition	\$98.00
	Multi-Family Residential Construction Projects	
	Plans Review	\$313.00
	Inspection, 1-10,000 sq. ft	\$197.00
	Inspection, >10,000 sq. ft	\$295.00
	Commercial/Industrial New Construction Projects	
	Plans Review	\$313.00
	Inspection, 1-10,000 sq. ft	\$197.00
	Inspection >10,000 sq.ft	\$295.00

RUNNING SPRINGS FIRE DEPARTMENT FEE SCHEDULE

Service	DESCRIPTION	FEE
Special Permits	Special Event	
	Film/Movie Shoot	\$157.00
	Special Event/Temporay Use	\$157.00
	Tents, Canopies, and Temporary Membrane Structure	\$157.00
***Fee can be waived or adjusted for other Agencies or Non-Profit or Special Community Groups		
Mandated Inspections	State Fire Marshall Regulated Occupancies	
	Organized Camps- Group C Occupancy	\$203.00
	Day Care Facility- Group E Occupancy	\$203.00
	Multi-Family Housing- Hotel/Motel/Apartments	\$203.00
	Public and Private Schools-Group E Occupancy	\$203.00
	Blank	\$0.00
	Blank	\$0.00
Fire Prevention	Weed Abatement Program	
	Property Violation/Non-Compliance	\$250.00
	Property Warrant/Cost Recovery	\$425.00
	Non-Compliance Extension	\$34.00
	Property Abatement- Contractor Cost	Actual Cost
	Hydrants	
	Hydrant Flow Test	\$225.00
Public Education	Education	Per Student
	CPR Training/Certification	\$76.70
	First Aid Training/Certification	\$51.10
Cost Recovery	Employee Clasification	Per Hour
	Administrative Secretary	\$58.47
	Fire Chief	\$121.24
	Battalion Chief	\$98.26
	Fire Captian/Paramedic	\$59.37
	Engineer/Pramedic	\$53.70
	Firefighter/Paramedic	\$41.65

RUNNING SPRINGS FIRE DEPARTMENT FEE SCHEDULE

Service	DESCRIPTION	FEE
Cost Recovery	Equipment Rates (does not include staffing)	Per Hour
	Ambulance	\$79.86
	Engine Type I	\$136.35
	Engine Type III	\$84.09
	Squad Unit	\$61.94
	Snow Cat (Includes Truck & Trailer)	\$225.26
	Utility Vehicle	\$27.96
	Special Event Stand By Fee	Per Hour
	Personnel	
	Billed at the same rate as the employee classification	
	hourly rate	
	Equipment (does not include staffing)	
	Fire Engine Type I	\$27.72
	Fire Engine Type III	\$25.20
	Ambulance	\$15.05
	Squad Unit	\$20.23

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: June 19, 2019

TO: Board of Directors

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

SUBJECT: CONSIDER AUTHORIZING EXPENDITURE AND PURCHASE ORDER TO SECURE 2019 4X4 CHASSIS FOR REPLACEMENT OF MEDICAL AID AMBULANCE 50A (MA50A)

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors authorize staff to expend up to \$210,000 to replace the existing Medical Aid Ambulance 50A (MA50A).

REASON FOR RECOMMENDATION

MA50A is a 2007 Chevy chassis that has reached the end of its useful life and is scheduled for replacement. MA50A was scheduled for replacement in 2015 but was held over due to other vehicles being deferred and having priority for replacement. MA50A is 12 years old and has 113,006 miles and has many additional non driving hours on the engine due to commitment time on scene and hospital bed delays. Medic ambulances need to be dependable and it is costing more each year to keep MA50A in a condition that is dependable due to its age and the amount of use on this vehicle. Most ambulance replacement schedules are from 5 to 10 years of service life depending on the extent of the use. MA50A is currently the Departments 3rd out Ambulance. It is also utilized as 2nd or 1st out Ambulance depending on the mechanical status of the other two Ambulances.

BACKGROUND INFORMATION

MA50A is a 2007 Chevy 4x4 Diesel with over 113,000 miles. The replacement of MA50A has been budgeted in fiscal year 2018/2019 for \$190,000, but with the increased cost of equipment, tariffs, additional items and tax the total cost is now estimated around \$210,000. The District requested pricing from three vendors: Emergency Vehicle Group, Inc., North Star Emergency Vehicles and Leader Industries. The following table lists the price quotes received:

Vendor	Price
EVG- Anaheim	\$198,420.13
REV- Florida	\$239,238.80
Arrow- Iowa	\$189,900.00

*Prices include all required ancillary equipment.



FISCAL INFORMATION

The fiscal year 2018/2019 budget includes \$190,000 for ambulance replacement. This budgeted amount does not include the ancillary equipment needed such as an additional set of winter rims & tires (\$5,000) and the additional sales tax for these items. It also should be noted that the rise in cost to build the Ambulance, sales tax and unforeseen increases in cost, have affected the overall amount needed for the expenditure. The Fiscal Year 2019/2020 budget includes an appropriate amount of \$210,000 for ambulance replacement.

If approved, the expenditure will be funded from the Fire/Ambulance Department Reserve Fund which has a balance of \$2,326,545 as of May 31, 2019 which is \$1,213,577 over the recommended reserve fund target. Combined with the purchase of the Cardiac Monitors the reserve fund will be reduced by up to \$290,000 leaving a reserve fund balance of \$2,036,545 and a surplus reserve fund balance of \$923,576.

It is recommended that the purchase of the Ambulance be made through Emergency Vehicle Group, Inc. (EVG). EVG is a local company out of Anaheim, CA. The Department currently has Medic Ambulance 50 (MA50) that was built by EVG. This purchase would keep the specifications consistent, continue the quality of the product and the working relationship with the manufacturer.

The Department would also like to secure a 2019 Ford chassis with a valid Purchase Order due to the 2019 order bank for Ford and Dodge which resulted in a lack of 2019 chassis. If a 2019 chassis is not secured before July 2019, a 2020 chassis will not be available until January 2020 and an increase in cost is likely.

The existing MA50A would also be put up for auction and sold.

ATTACHMENTS

- Attachment 1 – EVG Ambulance Quote
- Attachment 2 – REV Ambulance Quote
- Attachment 3 – Arrow Ambulance Quote
- Attachment 4 – EVG Email



September 17, 2018

Engineer Rob Aberg
Running Springs Fire Department
31250 Hilltop Blvd
Running Springs , California 92382

RE: Offer to Provide One (1) Wheeled Coach Type I 1153 Ambulance(s) on 2019 Ford F450, 4 x 4, Diesel Powered Two Door Standard Cab Chassis

Attention: Engineer Rob Aberg

On behalf of Emergency Vehicle Group, Inc., I would like to thank you for the opportunity to provide you with the following offer for the Running Springs Fire Department to purchase One (1) Wheeled Coach Type I 1153 Ambulance(s) on 2019 Ford F450, 4 x 4, Diesel Powered Two Door Standard Cab Chassis

Emergency Vehicle Group, Inc. (EVG) is proud to be in the business of serving those who bravely serve our communities and help ensure the safety of our families and friends. Our pledge is to offer you the same quality of service and expertise that is demanded from you. Over the years we have introduced fire departments, municipalities and private companies to the absolute best in service, sales and support for emergency vehicle products.

We proudly serve California, Arizona and Nevada and offer you premium custom products along with the best value available in the industry. EVG accomplishes this by representing Spartan Emergency Response, SMEAL Fire Apparatus, LTC, US Tanker, SVI Trucks, Wheeled Coach Ambulance, Road Rescue Ambulance, and McCoy Miller Ambulances as well as offering ambulance remount services and command vehicles built by EVG.

EVG employs EVT and ASE Certified Mechanics with decades of experience in servicing emergency vehicles, fire apparatus and ambulances. EVG recognizes the importance of these vehicles as a life saving device and take great pride in serving those that bravely serve and protect us. Our corporate office, remount and main service facility is located in Anaheim, CA.

Our mission is to develop long-term relationships and provide our customers with "honest, intelligent effort" in everything we do for you. We are committed to do whatever it takes to surpass customers' expectations by continually improving upon what we do.

All of us at Emergency Vehicle Group, Inc. believe in long-term relationships and we look forward to the opportunity of working with you and the Running Springs Fire Department. I would again like to thank you for the opportunity. Each of us at EVG offer you our sincere pledge of "Honest, Intelligent Effort" in everything we do for you now, and in the future.

Sincerely,

Chris Rasmussen
Regional Account Manager



The Following is an Offer and Purchase Agreement for:

**Running Springs Fire Department To Purchase
One (1) Wheeled Coach Type I 1153 Ambulance(s) on 2019 Ford F450, 4 x 4, Diesel Powered
Two Door Standard Cab(s)
September 17, 2018**

All prices are quoted to include Ford GPC Rebates. Pricing is subject to change if the current rebate/GPC amount changes or becomes unavailable per vehicle. If the Ford rebates amount changes, the difference will be invoiced to the Running Springs Fire Department. Price is subject to change and will be recalculated if additional options are requested.

Description	Qty	Price Each	Extended Price
One (1) Wheeled Coach Type I 1153 Ambulance(s) on 2019 Ford F450, 4 x 4, Diesel Powered Two Door Standard Cab Chassis Chassis VIN Number(s): To Be Determined After Production Start	1	\$184,063.00	\$184,063.00
Tax (Based on Rate of 7.75%)	1	\$14,264.88	\$14,264.88
Tire Fee	1	\$12.25	\$12.25
Document Fee	1	\$80.00	\$80.00
Total Purchase Price	1	\$198,420.13	\$198,420.13

This constitutes a contract for the purchase and sale of One (1) Wheeled Coach Type I 1153 Ambulance(s) on 2019 Ford F450, 4 x 4, Diesel Powered Two Door Standard Cab chassis between Emergency Vehicle Group, Inc. (Seller) and the Running Springs Fire Department (Buyer) in the total amount of:

**One Hundred Ninety Eight Thousand Four Hundred Twenty Dollars and Thirteen Cents
\$198,420.13**

Offer based on work order/specification and any associated drawing(s) as provided. A final approval work order/specification and drawing will be provided after all Pre-Construction changes are completed (if applicable). Pre-Construction changes may incur an additional cost.

Payment Terms: 100% payment of the contract is due at the time of delivery. Failure to pay the contract in full may result in interest accruing at an annual percentage rate of 6%. Proof of insurance and approved financing or payment will be required to execute this contract.

Signature below represents acceptance of above contract and terms:

Running Springs Fire Department:

Signature Date

Printed Name

Title

Emergency Vehicle Group:

Signature Date 9/17/2018

Chris Rasmussen

Printed Name

Regional Account Manager

Title



Road Rescue
REV GROUP

Road Rescue Ambulances
2737 N. Forsyth Road
Winter Park, FL 32792
877-813-9226 / 800-513-2688 Fax

	April 9th, 2019	<u>Sales Quote #</u>
Agency:	Running Springs Fire Dept.	RSFD-4919
Contact:	Rob Aberg	Type 1 ambulance
Address:	31250 Hilltop Blvd., Running Springs, CA 92382	
Email:	r.aberg@runningsringsfd.org	
Phone:	909-801-4143	
CONFIDENTIAL	DOCUMENT	
This quote is good for 45 days		
Project: Road Rescue Type 1 Metro Medic Ambulance		
Section 1 - Chassis		
F-550 Ford chassis >6.7L Power Stroke V8 diesel >Heating and Air Conditioning >6-speed Automatic transmission >Engine block heater >XL trim package >GVWR class 19,000 lbs. >Cruise control >4-wheel drive >AM/FM with CD/clock		
Section 2 - Module		
>Standard MetroMedic package including: >Weldon V-Mux electrical system with power nodes >External air conditioning condenser (cool bar) >Whelen M-series lighting package >Rub rail lights >Squad bench >10" square edge LED lighting in ceiling device rail		

- >Angled lights on upper cabinets
- >All aluminum body
- >Hidden door hinges
- >Glove storage over passenger side entry door
- >Avonite anti-microbial countertops
- >Pre-wired for Stryker or Ferno cot mounting systems
- >Tri-mark handles
- >Installation of customer supplied radios and radio heads

Pricing

Cost for unit as specified (components installed and tested)	\$219,720.00
Tax @ 7.75%	\$17,028.30
Total with sale tax	\$236,748.30
DMV license / registration & tire fees	\$90.50
Delivery to Running Springs FD	\$2,400.00
Subtotal	\$239,238.80
Total net price	\$239,238.80





17/13

2019 Ford F450 4x4 Heavy Duty Arrow Ambulance

\$189,900

[CONTACT SALES](#)

JOB NUMBER

35964

CONDITION

New

MILEAGE N/A

DRIVE 4x4

ENGINE 6.7L Turbo Diesel

CHASSIS Ford F450



**BACKED BY THE
ARROW
GUARANTEE**

VIEW



**100 POINT
INSPECTION**

View the walk around tour of this ambulance



CHASSIS & MODULE

Measurements

- Overall Length - 25'8"

- Overall Height - 9'8"
 - Modular Length - 172
 - Modular Width - 95
 - Interior Height - 72
-

Chassis Features

- 6.7L Powerstroke V8 Diesel
- Liquid Ride Rear Suspension with Kneeler Dump
- Custom built front metal console with drink and map/binder storage
- High Idle System
- Cruise Control
- Power Locks & Windows
- AM/FM Radio with Audio Jack for Mobile Device
- USB and 12V outlets on console
- Remote Mirrors
- Remote Keyless Entry
- Polished stainless steel running boards with traction surface
- 6 Speed Automatic Transmission
- Vinyl Flooring for Easy Clean Up
- Electronic Shift on the Fly 4x4
- Adjustable Brake/Gas Pedals
- Polished Forged Aluminum 19.5" Wheels
- Exhaust Brake

- Heated Power Mirrors
 - Voice Activated technology for Radio/Phone
-

Module Features

- Gen2 Remounted and Reconditioned T1 Walk Thru Ambulance with Extruded Aluminum Compartment Doors
- Seven Exterior Compartments
- LED Strip Lighting on Exterior Compartments
- Step Up Side Entry
- Modular Gen2 Extruded Aluminum Body
- Manual Module Door Locks
- Curbside Backboard Compartment
- Inside-Outside ALS cabinet access from Curbside for quick access to jump kits

ELECTRICAL & HVAC

Exterior Electrical

- Whelen M-Series Warning Light package
- Whelen Red LED Warning Lights in Front of Grille
- Whelen Red LED Intersection Warning Lights on Front Fenders
- Whelen Red LED Warning Lights (7) on Front of Body

- Whelen Red LED Warning Lights on Rear of Body (2) Upper Corners, (2) Window Level
 - Whelen Amber LED Warning light at rear center of body
 - Whelen LED Brake, LED Turn Light and LED Back up assemblies
 - LED Marker Lights
 - M Series LED Scene Lights (2) Each Side Upper Corners (2) Above Rear Doors
 - Kusmaul Auto Eject with Charge Indicator Light
 - LED Rubrail Lighting
-

Interior Electrical

- Solid State Electrical System with Circuit Breakers, Relays, Solenoids, etc.
- Driver's Switch Console with Back Lighting Battery On and Module Disconnect Switches in Console
- Amp Meter, Voltmeter, Hour Meter & Indicator Lights for Door Ajar
- Siren
- Whelen Interior LED Cot Lights
- Check out timer
- Vanner Inverter/Charger
- 12V Plugs - 1 Action Area, 1 ALS
- 115V Receptacles - 1 Action Area, 1 ALS, 1 Rear Counter, 1 Rear of Squad Bench
- USB Receptacles in Action Area
- Electric O2
- Disposable Suction, Vacuum Pump

Heat & A/C

- Digital Thermostat With Automatic Climate Control
- User-Selectable Fan speed control
- 3-way Heat/AC Control from Cab or Module
- Oxygen Outlets - 1 Action Area, 1 Above Squad Bench, and 1 on Ceiling
- (4) IV Hooks
- Over Head Grab Handle & Entry Door Grab Handles

PAINT & FINISHES

Outside Finish

- PPG Certified Paint Process
 - Stainless Steel Rock Guards
 - Polished Extruded Aluminum Rub Rails
 - Polished Fenderettes
 - Cast "Grabber" Door Stays on Rear Door
 - Heavy duty rear bumper with stainless bumper end caps
 - Stainless Steel Trim Package
-

Inside Finish

- Vacuum Formed Interior Upholstery
- Interior Flooring - Dark Gray Lonseal Lonplate II
- Swivel Captains Chair with Child's Safety Seat
- Glove Box Holders above Side & Rear Doors
- Interior Plexiglass Cabinet Doors with Full-Length Extruded Aluminum Handles
- Flip-Up Restocking Cabinets
- Left Side Attendant (CPR) Seat with 5 Point Harness
- Rear Action Area Countertop
- Intellitec Digital Clock
- Safety Net at Head of Squad Bench
- ALS Compartment with Adjustable Shelves Inside/Outside Access
- Adjustable Shelves throughout Interior
- 5 Point Harness Seat Belts On Squad Bench
- Suction Below Countertop
- Sharps Container Below Squad Bench
- Portable Oxygen Bottle Holders in Stepwell



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Rock Rapids, IA 51246

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- Progress Reports

COMPANY

- Contact
- Our Guarantee

Site by Fused Interactive

Notice: Undefined index: watch in **/home/forgearrowambulances.com/wp-content/themes/arrow/footer.php** on line **81**

Mike Vasquez

From: Chris Rasmussen <crasmussen@evginc.net>
Sent: Friday, April 19, 2019 3:09 PM
To: R Aberg
Cc: Mike Vasquez
Subject: Re: Budgetary number - Wheeled Coach ambulance

Rob,

Here's the current situation with Ford, Dodge and Chevy chassis.

Last year Dodge oversold their truck chassis allotment and as a result had to allocate 2019 chassis to make up the difference. This had a domino affect in the entire industry and has negatively affected lead times.

The 2019 order bank for Ford and Dodge chassis closed last week, which means that ambulance manufacturers who do not have 2019 chassis already on order will have to wait till mid August 2019 to order 2020 chassis. 2020 chassis won't start arriving at ambulance manufacturers doorsteps till January 2020.

Wheeled Coach has 2019 Ford 4x4's on order; once they run out they will have to order 2020 chassis which won't arrive till next year.

Wheeled Coach will not "hold" chassis for customers; only a valid PO will lock down a remaining 2019 currently in their allotment and on order.

I hope this helps clarify delivery.

Let me know if you have any questions.

Chris Rasmussen
Emergency Vehicle Group, Inc.
2883 E. Coronado st
Anaheim, CA 92806
Cell: 714-595-2881

On Mar 11, 2019, at 3:34 PM, Chris Rasmussen <crasmussen@evginc.net> wrote:

Hi Rob,

I've reviewed your Wheeled Coach Type 1 ambulance pricing submitted to you Sept. 2018. I would budget for \$195,000.00 before tax. We are confident that this number will not be exceeded based on your current specification.

In looking at your spec we do see some areas where we can take some cost out; mainly there are a lot of interior cabinets and exterior compartments with custom dimensions. As we get closer we should sit down and take a hard look at your needs; the more standardized options we can go with the more cost savings we will encounter.

Also, we do offer financing through Wheeled Coach and Community leasing. Both are very competitive and will tailor the financing package to your particular needs (Ex. Money down / no money down, one payment a year, extended terms etc.)

Just let us know what you need and we will do everything in our power to make it happen.

Thank you,
Chris

Chris Rasmussen | Regional Account Manager

Emergency Vehicle Group, Inc.

Representing Spartan ERV, Smeal, Ladder Tower Co. (LTI), US Tanker, SVI, Road Rescue, Wheeled Coach and McCoy Miller

2883 E. Coronado St. | Anaheim, CA 92806

Direct: 714.500.7451 | Cell: 714.595.2881

crasmussen@evginc.net | www.evginc.net

<image001.png> <image002.png>

RUNNING SPRINGS WATER DISTRICT**MEMORANDUM**

DATE: June 15, 2019

TO: Board of Directors

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

**SUBJECT: CONSIDER AUTHORIZING EXPENDITURE OF ZOLL X SERIES
CARDIAC MONITORS AND DECLARING OLD CARDIAC
MONITORS SURPLUS**

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors authorize staff to expend up to \$80,000 to replace two existing Zoll E Series Cardiac Monitors and declare the old cardiac monitors surplus. The purchase of the new Zoll X Series Monitors is at a discounted price through Zoll Medical Corporation.

REASON FOR RECOMMENDATION

The current Zoll E Series Monitors are over 12 years old and are no longer functioning properly. The three current monitors have been problematic on medical calls and have consistent problems with battery function. Currently, the Department is down two monitors for the three ambulances in service. One of the current monitors on the second out Ambulance is still problematic on calls shutting down periodically while in use.

BACKGROUND INFORMATION

The current Zoll E Series Monitors are over 12 years old with consistent functionality issues. The new Zoll X Series Monitors come with a newer technology system that provides a clear EKG and data reading, transmit EKG's directly to the hospital for activation of Serious Type Myocardial Infarction Patients (STEMI Patients). The X Series provide interface with the Paramedic Tuff books for Patient Care Reports and uses Lithium Ion batteries for longer use.



FISCAL INFORMATION

If approved, the expenditure will be funded from the Fire/Ambulance Department Reserve Fund which has a balance of \$2,326,545 as of May 31, 2019 which is \$1,213,577 over the recommended reserve fund target. Combined with the purchase of the new Ambulance the reserve fund will be reduced by up to \$290,000 leaving a reserve fund balance of \$2,036,545 and a surplus reserve fund balance of \$923,576.

The current Capital Improvement Plan is to purchase one monitor this Fiscal Year, 2018/2019 and then purchase the second monitor in July/August, Fiscal Year 2019/2020.

The current quote consists of a discounted contract rate of 18% and provides a trade in value on the old monitors of \$2,500 per unit. The cost of one unit with required accessories is \$39,409.16 with a total cost of 78,818.33 for two units.

ATTACHMENTS

Attachment 1 – Zoll X Series Price Quote



ZOLL Medical Corporation

Worldwide HeadQuarters
 269 Mill Rd
 Chelmsford, Massachusetts 01824-4105
 (978) 421-9655 Main
 (800) 348-9011
 (978) 421-0015 Customer Support
 FEDERAL ID#: 04-2711626

TO: Running Springs Fire Department
 31250 Hilltop Blvd
 Running Springs, CA 92382

Attn: **Cindy Strebele**

email: c.strebele@runningspringsfd.org

Tel: (909) 867-2630

QUOTATION 304988 V:1

DATE: April 10, 2019

TERMS: Net 30 Days

FOB: Shipping Point

FREIGHT: Free Freight

ITEM	MODEL NUMBER	DESCRIPTION	QTY.	UNIT PRICE	DISC PRICE	TOTAL PRICE
1	601-2231011-01	<p>X Series ® Manual Monitor/Defibrillator \$14,995 with 4 trace tri-mode display monitor/ defibrillator/ printer, comes with Real CPR Help®, advisory algorithm, advanced communications package (Wi-Fi, Bluetooth, USB cellular modem capable) USB data transfer capable and large 6.5"(16.5cm) diagonal screen, full 12 ECG lead view with both dynamic and static 12-lead mode display.</p> <p>Accessories Included:</p> <ul style="list-style-type: none"> • MFC cable • MFC CPR connector • A/C power adapter/ battery charger • A/C power cord • One (1) roll printer paper • 6.6 Ah Li-ion battery • Carry case • Declaration of Conformity • Operator's Manual • Quick Reference Guide <p>• One (1)-year EMS warranty</p> <p>Advanced Options: Real CPR Help Expansion Pack \$995 CPR Dashboard quantitative depth and rate in real time, release indicator, interruption timer, perfusion performance indicator (PPI)</p> <ul style="list-style-type: none"> • See - Thru CPR artifact filtering 	2	\$40,020.00	\$32,816.40	\$65,632.80 *

To the extent that ZOLL and Customer, or Customer's Representative have negotiated and executed overriding terms and conditions ("Overriding T's & C's"), those terms and conditions would apply to this quotation. In all other cases, this quote is made subject to ZOLL's Standard Commercial Terms and Conditions ("ZOLL T's & C's") which for capital equipment, accessories and consumables can be found at <http://www.zoll.com/GTC> and for software products can be found at <http://www.zoll.com/SSPTC> and for hosted software products can be found at <http://www.zoll.com/SSHTC>. Except in the case of overriding T's and C's, any Purchase Order ("PO") issued in response to this quotation will be deemed to incorporate ZOLL T's & C's, and any other terms and conditions presented shall have no force or effect except to the extent agreed in writing by ZOLL.

Bryan Pank
 Sr. EMS Account Executive
 617-901-6565

1. DELIVERY WILL BE MADE 120-150 DAYS AFTER RECEIPT OF ACCEPTED PURCHASE ORDER.
2. PRICES QUOTED ARE VALID FOR 60 DAYS.
3. APPLICABLE TAX, SHIPPING & HANDLING WILL BE ADDED AT THE TIME OF INVOICING.
4. ALL PURCHASE ORDERS ARE SUBJECT TO CREDIT APPROVAL BEFORE ACCEPTABLE BY ZOLL.
5. FORWARD PURCHASE ORDER AND QUOTATION TO ZOLL CUSTOMER SUPPORT AT esales@zoll.com OR FAX TO 978-421-0015.
6. ALL DISCOUNTS OFF LIST PRICE ARE CONTINGENT UPON PAYMENT WITHIN AGREED UPON TERMS.
7. PLACE YOUR ACCESSORY ORDERS ONLINE BY VISITING www.zollwebstore.com.



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TO: Running Springs Fire Department
 31250 Hilltop Blvd
 Running Springs, CA 92382

Attn: **Cindy Strebele**

email: c.strebele@runningspringsfd.org

Tel: (909) 867-2630

QUOTATION 304988 V:1

DATE: April 10, 2019

TERMS: Net 30 Days

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FREIGHT: Free Freight

ITEM	MODEL NUMBER	DESCRIPTION	QTY.	UNIT PRICE	DISC PRICE	TOTAL PRICE
		ZOLL Noninvasive Pacing Technology: \$2,550 Masimo Pulse Oximetry SP02 & SpCO \$4,540 • Signal Extraction Technology (SET) • Rainbow SET (for SpCO & SpMet) NIBP Welch Allyn includes: \$3495 • Smartcuff 10 foot Dual Lumen hose • SureBP Reusable Adult Medium Cuff End Tidal Carbon Dioxide monitoring (ETCO2) \$4,995 Oridion Microstream Technology: Order required Microstream tubing sets separately Interpretative 12- Lead ECG: \$8,450 • 12-Lead one step ECG cable- includes 4- Lead limb lead cable and removable precordial 6- Lead set				
2	8000-0341	SpO2/SpCO/SpMet Rainbow Resuable Patient Cable: Connects to Single Use Sensors (4 ft)	2	\$245.00	\$168.75	\$337.50 *

To the extent that ZOLL and Customer, or Customer's Representative have negotiated and executed overriding terms and conditions ("Overriding T's & C's"), those terms and conditions would apply to this quotation. In all other cases, this quote is made subject to ZOLL's Standard Commercial Terms and Conditions ("ZOLL T's & C's") which for capital equipment, accessories and consumables can be found at <http://www.zoll.com/GTC> and for software products can be found at <http://www.zoll.com/SSPTC> and for hosted software products can be found at <http://www.zoll.com/SSHTC>. Except in the case of overriding T's and C's, any Purchase Order ("PO") issued in response to this quotation will be deemed to incorporate ZOLL T's & C's, and any other terms and conditions presented shall have no force or effect except to the extent agreed in writing by ZOLL.

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ITEM	MODEL NUMBER	DESCRIPTION	QTY.	UNIT PRICE	DISC PRICE	TOTAL PRICE	
3	8000-000371	SpO2/SpCO/SpMet Rainbow DCI Adult Reusable Sensor with connector (3 ft)	2	\$845.00	\$340.30	\$680.60	*
4	8000-0895	Cuff Kit with Welch Allyn Small Adult, Large Adult and Thigh Cuffs	2	\$157.50	\$133.88	\$267.76	*
5	8000-0580-01	Six hour rechargeable Smart battery	4	\$495.00	\$420.75	\$1,683.00	*
6	8300-0250-01	SurePower Charger Adapter	4	\$295.00	\$82.45	\$329.80	*
7	8000-000910-01	X Series 80mm Thermal Paper with Grid (pack of 6 rolls)	2	\$24.00	\$19.68	\$39.36	*
8	8300-0520-01	Filterline Set Adult/Pediatric, Case of 25	2	\$275.00	\$233.75	\$467.50	*
9	8300-0524-01	Smart CapnoLine Plus O2 Adult (O2 tubing), Case of 25	2	\$355.00	\$301.75	\$603.50	*
10	8000-002005-01	Cable Sleeve, Propaq / X Series, ZOLL Blue	2	\$49.95	\$40.96	\$81.92	*
11		Estimated Sales Tax at 7.75%				\$5,434.59	

To the extent that ZOLL and Customer, or Customer's Representative have negotiated and executed overriding terms and conditions ("Overriding T's & C's"), those terms and conditions would apply to this quotation. In all other cases, this quote is made subject to ZOLL's Standard Commercial Terms and Conditions ("ZOLL T's & C's") which for capital equipment, accessories and consumables can be found at <http://www.zoll.com/GTC> and for software products can be found at <http://www.zoll.com/SSPTC> and for hosted software products can be found at <http://www.zoll.com/SSHTC>. Except in the case of overriding T's and C's, any Purchase Order ("PO") issued in response to this quotation will be deemed to incorporate ZOLL T's & C's, and any other terms and conditions presented shall have no force or effect except to the extent agreed in writing by ZOLL.

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QUOTATION 304988 V:1

DATE: April 10, 2019

TERMS: Net 30 Days

FOB: Shipping Point

FREIGHT: Free Freight

ITEM	MODEL NUMBER	DESCRIPTION	QTY.	UNIT PRICE	DISC PRICE	TOTAL PRICE
12	8 7 7 8 - 1 0 0 0 4 4	On-Site Support at Time of Sale, 4 Years	2	\$3,900.00	\$3,900.00	\$7,800.00
13	8 7 7 8 - 0 1 1 4	1 Year, 1 Preventative Maintenance. (At time of sale).	2	\$230.00	\$230.00	\$460.00
14	5 0 0 1 - 9 9 2 8	ZOLL E Series w/Pacing, 12 lead + 3 parameters or more Trade-In	2		(\$2,500.00)	(\$5,000.00) **

****Trade value guaranteed only through June 28, 2019.**

****Trade-In Value valid if all equipment purchased is in good operational and cosmetic condition, and includes all standard accessories. Customer assumes responsibility for shipping trade-in equipment to ZOLL Chelmsford within 60 days of receipt of new equipment. Customer agrees to pay cash value for trade-in equipment not shipped to ZOLL on a timely basis.**

***Reflects National Purchasing Partners (NPP) Contract Pricing.**

TOTAL	\$78,818.33
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To the extent that ZOLL and Customer, or Customer's Representative have negotiated and executed overriding terms and conditions ("Overriding T's & C's"), those terms and conditions would apply to this quotation. In all other cases, this quote is made subject to ZOLL's Standard Commercial Terms and Conditions ("ZOLL T's & C's") which for capital equipment, accessories and consumables can be found at <http://www.zoll.com/GTC> and for software products can be found at <http://www.zoll.com/SSPTC> and for hosted software products can be found at <http://www.zoll.com/SSHTC>. Except in the case of overriding T's and C's, any Purchase Order ("PO") issued in response to this quotation will be deemed to incorporate ZOLL T's & C's, and any other terms and conditions presented shall have no force or effect except to the extent agreed in writing by ZOLL.

Bryan Pank
 Sr. EMS Account Executive
 617-901-6565

1. DELIVERY WILL BE MADE 120-150 DAYS AFTER RECEIPT OF ACCEPTED PURCHASE ORDER.
2. PRICES QUOTED ARE VALID FOR 60 DAYS.
3. APPLICABLE TAX, SHIPPING & HANDLING WILL BE ADDED AT THE TIME OF INVOICING.
4. ALL PURCHASE ORDERS ARE SUBJECT TO CREDIT APPROVAL BEFORE ACCEPTABLE BY ZOLL.
5. FORWARD PURCHASE ORDER AND QUOTATION TO ZOLL CUSTOMER SUPPORT AT esales@zoll.com OR FAX TO 978-421-0015.
6. ALL DISCOUNTS OFF LIST PRICE ARE CONTINGENT UPON PAYMENT WITHIN AGREED UPON TERMS.
7. PLACE YOUR ACCESSORY ORDERS ONLINE BY VISITING www.zollwebstore.com.

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: June 19, 2019
TO: Board of Directors
FROM: Ryan Gross, General Manager
SUBJECT: CONSIDER APPROVING MEETING MINUTES

RECOMMENDATION

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

REASON FOR RECOMMENDATION

Approval of meeting minutes.

BACKGROUND INFORMATION

The attached draft meeting minutes are from the Regular Board Meeting held on May 15, 2019.

ATTACHMENTS

Attachment 1 – Draft Meeting Minutes

MINUTES – May 15, 2019
PAGE 1 OF 4

**MINUTES OF THE REGULAR MEETING OF THE
 BOARD OF DIRECTORS RUNNING SPRINGS WATER DISTRICT
 COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA
 MAY 15, 2019**

The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, May 15, 2019 at the hour of 9:00 A.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California.

The following Directors were present:

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

Also present were the following:

Ryan Gross, General Manager
 Joan C. Eaton, Board Secretary/Treasurer/Administration Supervisor
 George Corley, Fire Department Chief
 Mike Vasquez, Fire Department Battalion Chief
 Ward Simmons, Legal Counsel, Best, Best & Krieger

Visitors Present:

Gerhard Hilgenfeldt, Running Springs Resident

MEETING MINUTES

AGENDA ITEMS

1. Call Meeting to Order and Pledge of Allegiance

The meeting was called to order at 9:00 A.M. by President Grabow who also led the assembly in the pledge of allegiance to the flag.

2. Recognize and Hear From Visitors/Public Comment

Mr. Hilgenfeldt introduced himself for the record and expressed opposition to the District Rate Study conducted by Raftelis Financial Consultants (Raftelis) and the proposed five-year increase in rates and fees. Mr. Hilgenfeldt stated his concerns regarding equitable water and sewer rates and fees for part-time versus full-time residents. Discussion continued with the Board and staff commenting on expenses and inflation factors, rates and fees with variable cost components and the valuable commodities and services provided by the District that benefit all customers.

3. Approval of Consent Items

A. Approve April 17, 2019 Regular Board Meeting Minutes

B. Ratify April 2019 Expenditures and Review Reserves

The April Cash Reserve Fund balances increased by approximately \$1,000,000 (one million dollars) due to property tax revenue, the Ambulance Division Intergovernmental Transfer Program (IGT) and Ground Emergency Medical Transportation (GEMT) funds.

Battalion Chief Vasquez confirmed Fire Department policy that requires staff to utilize a company vehicle when available, to conduct work related issues.

C. Consider Approving Resolution No. 08-19, Adopting the Fire Department Terms for Response Away from Official Duty

Chief Corley said the Fire Department terms of responsibilities have not changed from the previous year.

D. Consider Accepting Proposal for Fiscal Year 2018/2019 Financial Audit Services

Upon **motion** by Director Mackzum, **second** by Director Acciani and **carried by a 5 to 0 vote**, the Consent Items were approved. (Resolution No. 08-19 on file in the District Office)

4. Action Items

A. Consider Approving Ordinance No. 51, Amending the District Employment Standards and Provisions, Adopting a Revised Personnel Manual

Manager Gross reported on Ordinance No. 51 that amends the District Employment Standards and Provisions and adopts the District Personnel Manual that was last updated in 2013. Various standalone policies have been adopted over the years and this update incorporates the revisions into the 2019 Personnel Manual. Discussion continued that included revisions regarding the early notice of retirement incentive that will apply to all District staff with five (5) or more employment years with the District.

Upon **motion** by Director Acciani, **second** by Director Terry and **carried by a 5 to 0 vote**, Ordinance No. 51, Amending the District Employment Standards and Provisions, and Adopting a Revised Personnel Manual, was approved with revisions to the Early Notice of Retirement Incentive and Sick Leave Policy. (Ordinance No. 51 on file in the District Office)

B. Consider Resolution No. 09-19, Adopting Sewer System Management Plan (SSMP) Self-Audit

Manager Gross reported on the Sewer System Management Plan (SSMP) and the California State Water Resources Control Board (SWRCB) who requires the District to update and approve the plan by resolution every five (5) years from the original adoption date. The SSMP requires the District to conduct periodic internal audits every two (2) years and Manager Gross said the District's original plan was approved by the governing board on April 21, 2010 and updated in August 2013 and May 2017. Manager Gross confirmed that there is no fiscal impact associated with adoption of the SSMP that also provides for emergency response procedures and he said the self-audit was completed by District staff.

Discussion continued that included the upstream agreements and Manager Gross clarified Ordinance No. 49, Rules and Regulations for Water and Wastewater Service, that supersedes Ordinance No. 23 and incorporates previously adopted water and wastewater services ordinances.

Upon motion by Director Terry, second by Director Conrad and carried by a 5 to 0 vote, Resolution No. 09-19, Sewer System Management Plan (SSMP) Self-Audit, was adopted. (Resolution No. 09-19 on file in the District Office)

5. Information Items

A. Final Rate Study and Capacity Fee Reports

Manager Gross reported on the final draft of the Rate Study and Capacity Fees Reports conducted by Raftelis Financial Consultants saying the proposed rates are included in the Proposition 218 Notice and the Rate Study reports will be returned to the Board in June for approval. Discussion continued that included the Water and Wastewater Capacity Fees that will be considered at the July Board Meeting and also the CalPERS Unfunded Liability prepayment options. Manager Gross confirmed that a representative with Raftelis will attend the June 19, 2019 Board Meeting and Public Hearing and he said if the District receives more than 1500 protests, the Board will not approve the rate increase as presented.

B. Quarterly Investment Report

C. Quarterly Operations Report Format

Division Operations Reports will be submitted to the Board quarterly beginning in July, 2019.

6. General Manager's Report

A community meeting will be held on June 8, 2019 at 10:00 A.M. in Green Valley Lake regarding the potential consolidation between CSA-79 and Running Springs Water District.

Manager Gross announced the upcoming retirement of Administration Supervisor/Treasurer/Board Secretary Joan C. Eaton on November 19, 2019.

7. Report From Legal Counsel

Attorney Simmons received a proposal to conduct a demographic census in Running Springs regarding minority characteristics that he will return to the Board in June, 2019.

8. Board Member Comments/Meetings

9. Closed Session

A. Public Employee Performance Evaluation, Title: General Manager. Pursuant to Government Code Section 54957

The meeting adjourned to Closed Session at 10:45 A.M.

10. Open Session

The Board of Directors came out of Closed Session at 11:32 A.M. and Attorney Simmons reported that upon **motion** by Vice-President Mackzum, **second** by Director Terry and **carried by a 5 to 0 vote**, it was approved to increase the General Manager’s base pay by 1.5% effective July 2, 2019, to restate the Employment Agreement with the General Manager with this change and authorize the Board President to execute the restated Employment Agreement.

11. Meeting Adjournment

Upon **motion** by Director Grabow, **second** by Director Acciani and **carried by a 5 to 0 vote**, the meeting was adjourned at 11:36 A.M.

Respectfully Submitted,

President, Board of Directors
Running Springs Water District

Secretary of the Board of Directors
Running Springs Water District

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: June 19, 2019
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 May 2019 expenditures.

A copy of the District's Cash Reserve Fund Summary as of May 31, 2019, the Pooled Cash Balance History and Fire Department Operating Reserve Fund Surplus/Shortfall History is also included for review and information.

REASON FOR RECOMMENDATION

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

BACKGROUND INFORMATION

Attached is a list of expenditures for May 2019.

FISCAL INFORMATION

Refer to attached accounts payable check register.

ATTACHMENTS

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

Running Springs Water District

Accounts Payable Checks

May 2019

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
2 Hot Uniforms inc	FF3 Station/Safety Boot for PCF Eatherly	05/22/19	244.58	103304	244.58
Action Automotive Repair Inc	Tires and Mounting and Balancing	05/01/19	2,410.23	103233	2,841.31
	Check Engine Light/ Radiator cap/Filter/Battery/	05/01/19	431.08	103233	
	Swap of Winter Tires	05/10/19	80.00	103256	80.00
Airgas Inc.	Large Helium	05/10/19	46.45	103257	46.45
Albert A. Webb Associates	Nob Hill Improvements For April 2019	05/30/19	13,096.25	103318	13,096.25
Allstar Fire Equipment	4 - SCBA Masks for PCF Staff	05/10/19	1,208.87	103258	1,208.87
	Scape Waist Pad loss of Stitching	05/17/19	18.60	103288	2,472.60
	Annual Maint Fit Test SCBA Masks	05/17/19	1,302.00	103288	
	Annual Maint FlowTest for SCBAs	05/17/19	1,152.00	103288	
American Family Life Assurance Company of Colun	Additional Insurance Premiums May 2019	05/01/19	367.50	103234	367.50
Ameripride Services, Inc	Cleaning Supplies	05/10/19	297.40	103259	297.40
Arrowhead Group Inc.	Test and Certify Valves (Backflow Testing)	05/30/19	225.00	103319	225.00
Bacon/Wagner Excavating, Inc.	Bio Solids Hauling	05/10/19	800.00	103260	800.00
	Bio Solids Hauling	05/30/19	1,200.00	103320	1,200.00
Bear Valley Fire Protection	Fire Extinguisher Service - Fire	05/10/19	214.03	103261	214.03
	Fire Extinguisher Testing	05/17/19	250.93	103289	352.93
	Fire Extinguisher Testing	05/17/19	102.00	103289	
	Fire Extinguisher Maintenance	05/30/19	200.50	103321	200.50
Best, Best & Krieger LLP	Legal Services April 2019	05/17/19	7,393.42	103290	7,393.42
BURR Group Inc.	Trash Service April 2019	05/01/19	69.04	103235	358.61
	Trash Service April 2019	05/01/19	108.18	103235	
	Trash Service April 2019	05/01/19	181.39	103235	
California Computer Options Inc	Network Maintenances and Monitoring May 2019	05/10/19	2,375.00	103262	4,266.42
	Business Workstation and set up	05/10/19	1,891.42	103262	
California Water Environment Association	Mech Tech Test Grade 2	05/17/19	185.00	103291	185.00
	Plant Maint Tech Grade 1 Renew	05/22/19	87.00	103305	87.00
	Collection System Maint Grade 1	05/30/19	87.00	103322	87.00
CalPERS	Health Insurance Premiums May 2019	05/01/19	16,000.31	DFT0000937	16,000.31
	Employ Contribu Classic/ Prepra PP 4/22/19	05/01/19	3,090.20	DFT0000938	3,090.20
	Employ Contribu Classic/Prepra 5/6/19	05/13/19	8,197.64	DFT0000943	8,197.64
	Employ Contribu Classic/Prepra 5/20/19	05/29/19	20,832.04	DFT0000948	20,832.04
Canon	Meter Usage and Service Fee May 2019	05/22/19	654.78	103306	654.78
Charter Communitcations	Telephone and Internet May-June 2019	05/22/19	197.72	103307	783.18
	Telephone and Internet May-June 2019	05/22/19	585.46	103307	
	Telephone and Internet May-June 2019	05/30/19	129.96	103323	129.96
Citibank, N.A.	Gloves- Misc Sizes	05/10/19	88.23	103263	88.23
	STAPLES -OFFICE SUPPLIES	05/22/19	457.60	103308	616.76
	Office Supplies	05/22/19	159.16	103308	
Clinical Laboratory of San Bernardino	Water Samples April 2019	05/30/19	892.00	103324	1,642.00
	Wastewater Samples April 2019	05/30/19	750.00	103324	
Cody Snow	Paramedic Renewal Reimbursement	05/01/19	270.00	103236	270.00
ConFire JPA	Radio and Pager Pass through Costs through June :	05/30/19	4,605.21	103325	4,605.21
Consolidated Electrical Distributors, Inc	Analog input card for WWTP	05/17/19	1,668.05	103292	2,043.25
	Power supply	05/17/19	299.06	103292	

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
Consolidated Electrical Distributors, Inc	2AWG In-Line Splice	05/17/19	76.14	103292	2,043.25
County of San Bernardino	3rd Quarter Administration Fees Jan-Mar 2019	05/01/19	570.00	103237	1,140.00
	4th Quarter Administration Fees April-June 2019	05/01/19	570.00	103237	
	Lien Release x2	05/17/19	16.00	103293	16.00
	Monthly Assessor Parcel Map Revisions May 2019	05/17/19	4.00	103294	4.00
	Lien Release x2	05/22/19	16.00	103309	16.00
	Lien Release x2	05/30/19	16.00	103326	16.00
Cypress Ancillary Benefits	Dental Insurance Premiums May 2019	05/01/19	924.26	103238	924.26
Dixi Willemse	Reimbursement Claim	05/30/19	481.00	103327	1,361.40
	Reimbursement Claim	05/30/19	880.40	103327	
Donald G. Rice	Mount and Balance Tires	05/10/19	151.33	103264	151.33
	Service Transmission	05/22/19	384.89	103310	874.70
	Check Brakes Front pads and rotors	05/22/19	347.89	103310	
	Replace Parking Brake	05/22/19	141.92	103310	
DXP Enterprises, Inc.	Joint Parts- Re issue check	05/22/19	713.63	103311	713.63
Employment Development Department	3rd Qtr Unemploy Insuran Bene Charge	05/17/19	1,213.82	103295	1,213.82
Fire Fighters Association	Association Dues May 2019	05/22/19	460.00	103312	460.00
Frontier Communications	Telephone Apr-May 2019	05/01/19	75.01	103239	191.11
	Telephone April-May 2019	05/01/19	58.05	103239	
	Telephone April-May 2019	05/01/19	58.05	103239	
	Telephone April-May 2019	05/10/19	195.50	103265	452.93
	Telephone May 2019	05/10/19	55.09	103265	
	Telephone May 2019	05/10/19	147.06	103265	
	Telephone May 2019	05/10/19	55.28	103265	
	Telephone May-June 2019	05/22/19	55.28	103313	163.63
	Scada Ine May-June 2019	05/22/19	108.35	103313	
	Telephone May-June 2019	05/30/19	75.01	103328	323.80
	Telephone May-June 2019	05/30/19	57.84	103328	
	Telephone May-June 2019	05/30/19	75.01	103328	
	Telephone May-June 2019	05/30/19	57.97	103328	
	Telephone May-June 2019	05/30/19	57.97	103328	
George Corley	Reimbursement Claim	05/01/19	1,234.15	103240	1,234.15
Grant Burkitt	Burkitt lock and key	05/30/19	1,142.00	103329	1,142.00
Houston & Harris PCS, Inc.	Hydro-wash Grit Chamber, Wet Wells and Root Lin	05/01/19	1,060.00	103241	1,060.00
Hub Construction Specialties, Inc	Misc parts and Supplies	05/22/19	63.07	103314	63.07
Inland Desert Security & Communications	Answering Service April-May 2019	05/17/19	109.30	103296	109.30
Inland Water Works Supply Company	Miscellaneous Parts and Supplies	05/01/19	245.37	103242	245.37
	Miscellaneous parts and supplies	05/17/19	1,321.25	103297	1,321.25
Jason Rivera	Ambulance Refund	05/10/19	250.00	103266	250.00
Joan Eaton	Reimbursement Claim	05/10/19	187.00	103267	677.00
	Reimbursement Claim	05/10/19	490.00	103267	
	Reimbursement Claim	05/17/19	512.00	103298	512.00
Leslie's Poolmart, Inc	NaOCl for MBR revocery cleaning	05/22/19	599.94	103315	599.94
Life-Assist, Inc	Ambulance Supplies	05/10/19	477.86	103268	556.87
	Ambulance Supplies	05/10/19	79.01	103268	
	Ambulance supplies	05/22/19	747.51	103316	747.51
Linda Mayfield	Reimbursement Claim	05/10/19	333.00	103269	333.00
	Reimbursement Claim	05/17/19	980.50	103299	980.50
Lou's Gloves, Inc	Nitrile Exam Gloves- Various Sizes	05/30/19	99.00	103330	99.00
MCI	Long Distance April 2019	05/01/19	49.05	103243	49.05

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
MCI	Long Distance May 2019	05/30/19	48.86	103331	48.86
McMaster-Carr Supply Company	supplies for collection system	05/30/19	189.34	103332	189.34
Metropolitan Life Insurance Company	Vision Insurance Premiums May 2019	05/01/19	153.43	103244	153.43
NAPA Auto Parts	Miscellaneous Auto Supplies	05/10/19	1,068.01	103270	1,068.01
	Miscellaneous Parts and Supplies	05/30/19	425.50	103333	578.15
	Hydraulic filter for backhoe	05/30/19	152.65	103333	
Neopost USA Inc	Postage Ink Cartridge	05/01/19	204.72	103245	204.72
Nestle Waters North America	Drinking Water for Treatment Plant	05/30/19	89.26	103334	89.26
Nick Nikas	Reimbursement Claim	05/01/19	96.00	103246	96.00
	Reimbursement Claim	05/10/19	766.03	103271	766.03
	Reimbursement Claim	05/30/19	278.35	103335	380.75
	Reimbursement Claim	05/30/19	102.40	103335	
Nuckles Oil Company, Inc	Gasoline and Diesel Purchase	05/01/19	7,415.29	103247	7,415.29
One Stop Landscape Supply	Bio Solids Hauling Jan. 19 to Jun.19	05/10/19	2,810.40	103272	2,810.40
Patricia A. Monical	Mic Liner and Antimic Soap	05/10/19	69.22	103273	69.22
Polydyne Inc.	Blanket PO for Polydyne	05/30/19	1,405.17	103336	1,405.17
Rafetlis	Rate Strudy and Revenue Analysis April 2019	05/30/19	5,412.50	103337	5,412.50
Reliance Standard Life Insurance Company	Life Insurance Premiums May 2019	05/01/19	1,039.17	103248	1,039.17
Richard Teter	Boot and Uniform Reimbursement	05/30/19	96.95	103338	96.95
Richard Viero	Reimbursement Claim	05/10/19	35.00	103274	35.00
Rocio Silva	Janitorial Services April 2019	05/10/19	485.00	103275	485.00
Roger E. Fox, M.D.	DOT Exam	05/10/19	50.00	103276	50.00
Rogers Anderson Malody & Scott LLP	Consulting Services April 2019	05/17/19	4,110.00	103300	4,110.00
Ryan Gross	Reimbursement Claim	05/10/19	1,291.40	103277	1,291.40
South Coast Air Quality Management District	I C E EM Elec Gen-Diesel Annual Renewal	05/01/19	406.79	103249	2,281.83
	I CE EM Elec Gen-Diesel Annual Renewal	05/01/19	813.58	103249	
	Flat Fee for Last FY Emissions	05/01/19	131.79	103249	
	Flat Fee for Last FY Emissions	05/01/19	131.79	103249	
	AQMD Fee July 18- June 2019	05/01/19	132.98	103249	
	AQMD Fee July 2018-June 2019	05/01/19	132.98	103249	
	AQMD Fee July 2018-June 2019	05/01/19	132.98	103249	
	AQMD Fee July 2018-June 2019	05/01/19	132.98	103249	
	AQMD Fee July 2018-June 2019	05/01/19	132.98	103249	
	AQMD Fee July 2018-June 2019	05/01/19	132.98	103249	
	AQMD Fee July 2018-July 2019	05/01/19	132.98	103249	
	AQMD Fee July 2018-June 2019	05/22/19	132.98	103317	398.94
	AQMD Fee July 2018 to June 2019	05/22/19	132.98	103317	
	AQMD Fee July 2018 to July 2019	05/22/19	132.98	103317	
Southern California Edison Company	Electricity April 2019	05/01/19	220.06	103250	5,637.16
	Electricity April 2019	05/01/19	432.95	103250	
	Electricity April 2019	05/01/19	264.47	103250	
	Electricity April 2019	05/01/19	161.12	103250	
	Electricity April 2019	05/01/19	1,445.71	103250	
	Electricity April 2019	05/01/19	838.51	103250	
	Electricity April 2019	05/01/19	90.03	103250	
	Electricity April 2019	05/01/19	78.17	103250	
	Electricity April 2019	05/01/19	148.02	103250	
	Electricity April 2019	05/01/19	260.71	103250	
	Electricity April 2019	05/01/19	147.76	103250	
	Electricity April 2019	05/01/19	182.40	103250	
	Electricity April 2019	05/01/19	60.69	103250	

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
Southern California Edison Company	Electricity April 2019	05/01/19	11.80	103250	5,637.16
	Electricity April 2019	05/01/19	873.62	103250	
	Electricity April 2019	05/01/19	142.37	103250	
	Electricity April 2019	05/01/19	278.77	103250	
	Electricity April 2019	05/10/19	96.42	103278	10,541.94
	Electricity April 2019	05/10/19	522.00	103278	
	Electricity April 2019	05/10/19	154.71	103278	
	Electricity April 2019	05/10/19	103.31	103278	
	Electricity April 2019	05/10/19	207.46	103278	
	Electricity April 2019	05/10/19	130.36	103278	
	Electricity April 2019	05/10/19	251.77	103278	
	Electricity April 2019	05/10/19	410.26	103278	
	Electricity April 2019	05/10/19	495.98	103278	
	Electricity April 2019	05/10/19	8,041.29	103278	
	Electricity April 2019	05/10/19	11.38	103278	
	Electricity April 2019	05/10/19	117.00	103278	
	Electricity May 2019	05/30/19	550.91	103339	3,323.26
	Electricity May 2019	05/30/19	122.51	103339	
	Electricity May 2019	05/30/19	221.98	103339	
	Electricity May 2019	05/30/19	137.33	103339	
Electricity May 2019	05/30/19	1,275.26	103339		
Electricity May 2019	05/30/19	751.93	103339		
Electricity May 2019	05/30/19	263.34	103339		
Southern California Gas Company	Gas Usage April 2019	05/17/19	165.19	103301	597.18
	Gas Usage April 2019	05/17/19	172.21	103301	
	Gas Usage April 2019	05/17/19	125.36	103301	
	Gas Usage April 2019	05/17/19	16.33	103301	
	Gas Usage April 2019	05/17/19	118.09	103301	
State of California - Department of Forestry & Fire	Aberg- Company Officer Certification	05/10/19	65.00	103279	65.00
	Aldama- Firefighter 2 Certification	05/10/19	40.00	103280	40.00
	QAF Quarterly Fee for GEMT	05/17/19	3,734.04	103302	3,734.04
Terminix International Company LP	Pest Control	05/01/19	67.00	103252	67.00
The Standard Insurance Company	Disability Insurance Premium May 2019	05/01/19	220.00	103253	220.00
Tyler Technologies, Inc	Bar Code Scanner Maintenance June 2019-May 20	05/01/19	84.70	103254	84.70
	Remain. of Maint inv due to credit mem error	05/10/19	15.50	103281	15.50
Underground Service Alert of Southern California	New Tickets and Maintenance Fee May 2019	05/01/19	33.10	103255	33.10
Verizon Wireless Services LLC	Cell phone April 2019	05/17/19	1,717.83	103303	1,717.83
Village Hardware	Miscellaneous Supplies	05/10/19	378.03	103282	378.03
Visa	Red Helmet Training - Company Officer 2A	05/10/19	580.00	103283	2,819.79
	Bobroff-Scada Line and Ipad app	05/10/19	38.32	103283	
	circuit breaker	05/10/19	250.13	103283	
	Corley- CPR cards and Uniform	05/10/19	199.29	103283	
	Admin Professionals Day Flowers	05/10/19	171.63	103283	
	Parcel Quest Subscription	05/10/19	149.95	103283	
	Gross - Ipad Cases	05/10/19	47.98	103283	
	Miller- Ipad App- Rockwell Tech	05/10/19	6.99	103283	
	CWEA exhibit registration	05/10/19	552.12	103283	
	Station Supplies	05/10/19	816.39	103283	
	Vasquez - Ipad App (Confire)	05/10/19	6.99	103283	
Vyanet Operating Group	Battery Service for alarm system	05/30/19	8.00	103340	8.00

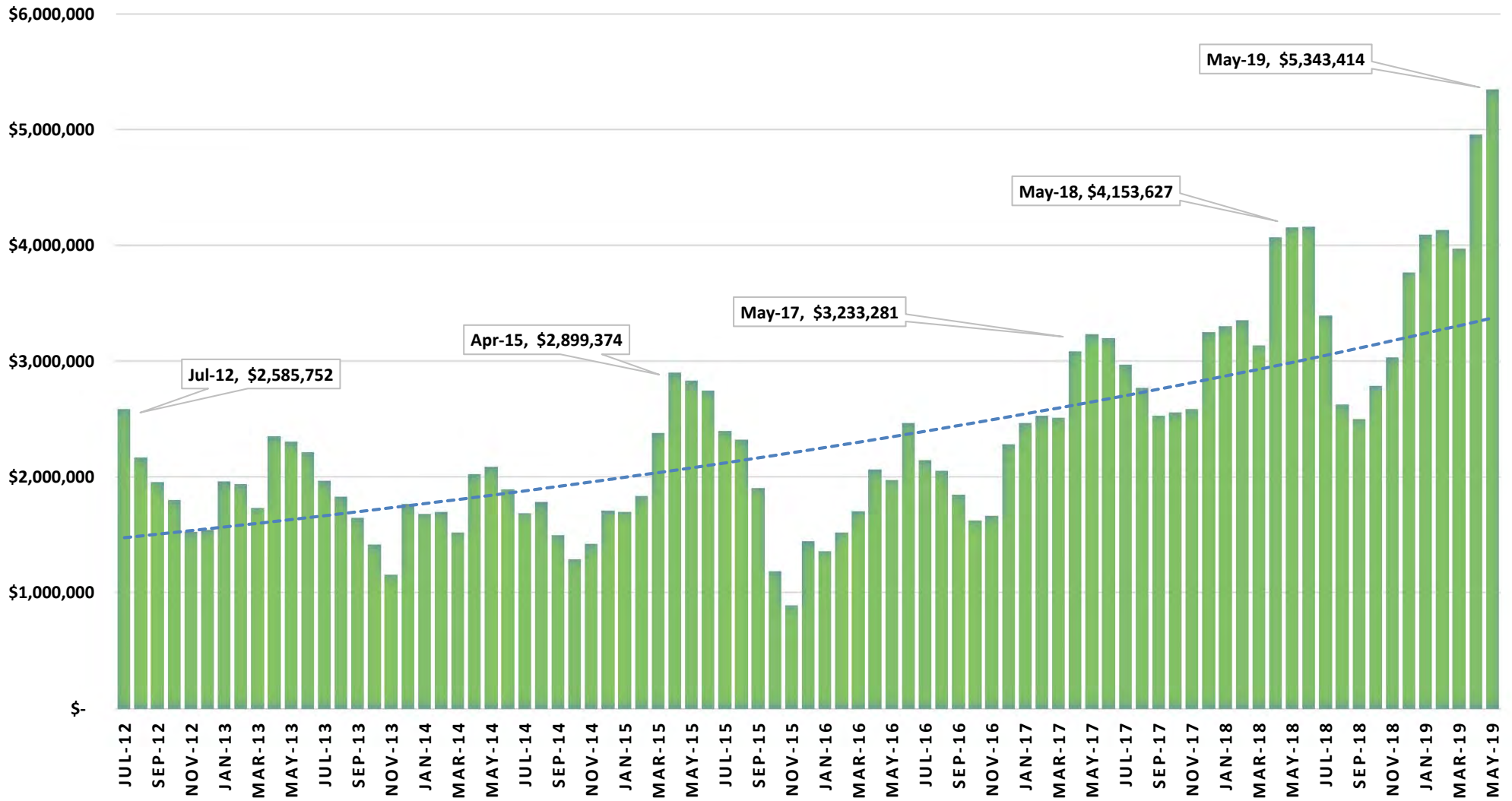
Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
W.W. Grainger, Inc	Miscellaneous Parts and Supplies	05/10/19	196.68	103285	196.68
York Risk Services Group, Inc	Wrk Comp Admin Fee April 2019	05/10/19	112.00	103286	112.00

Totals

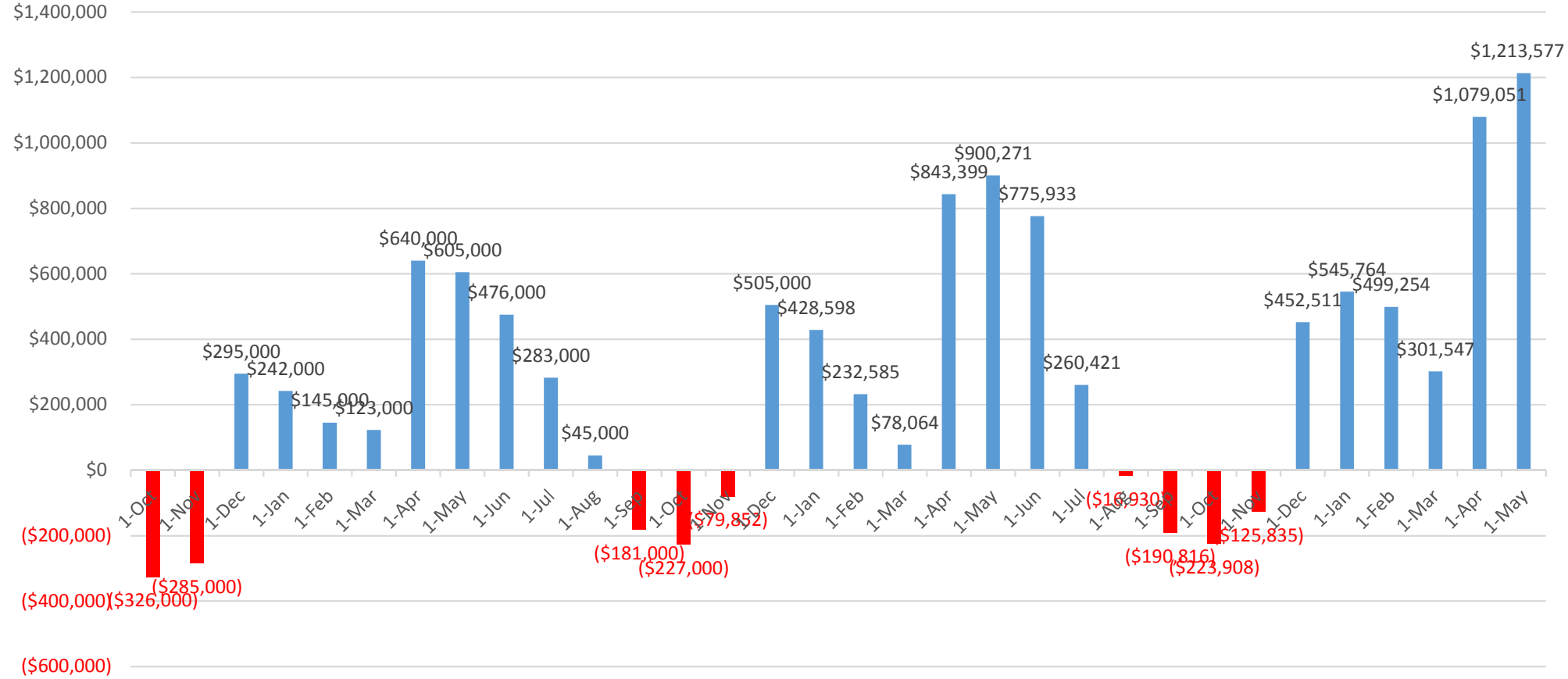
Payment Type	Payable Count	Payment Count	Payment
Regular Checks	193	105	124,927.49
Manual Checks	0	0	0.00
Voided Checks	0	2	0.00
Bank Drafts	4	4	48,120.19
EFT's	0	0	0.00
Totals	197	111	173,047.68

Fund Balances as of May 31, 2019	
Fire & Ambulance Department	
Fire Department Operating Reserve	1,788,851
Ambulance Department Operating Reserve	537,694
Subtotal Fire & Ambulance Department Operating Reserve Funds	2,326,545
Recommended Operating Reserve Fund Target (6 Months Operating Expenses)	1,112,969
Fire & Ambulance Department Operating Reserve Surplus / (Shortfall)	1,213,577
Wastewater Division	
Wastewater Capital Improvement Project Reserve	482,762
Wastewater System Connection & Capacity Charges	193,983
CWSRF Loan Agreement 14-813 Debt Reserve (Restricted for SLS 1-3 Debt Service)	171,537
Wastewater Operating Reserve Fund	554,896
Recommended Operating Reserve Fund Target (4 Months Operating Expenses)	554,896
Wastewater Operating Reserve Surplus / (Shortfall)	-
Water Division	
Water Capital Improvement Project Reserve	730,223
Water System Connection & Capacity Charges	18,348
Water Infrastructure R&R Reserve (MFC Debt Reserve)	65,341
Water Operating Reserve	528,461
Recommended Operating Reserve Fund Target (4 Months Operating Expenses)	528,461
Water Operating Reserve Surplus / (Shortfall)	-
Assessment Districts Restricted Funds	
Water Assessment District No. 9 Construction Funds	22,987
Water Assessment District No. 10 Construction Funds	26,421
Water Assessment District No. 10 O&M	108,837
Water Assessment District No. 10 Bond Reserve Fund	113,074
Subtotal Assessment Districts	271,319
Total District Designated & Operating Reserve Funds	5,072,095
Assessment District Funds	271,319
Combined Pooled Cash	5,343,414
Checking Account (General)	234,472
LAIF	4,980,268
York Insurance Deposit	14,601
BNY Mellon (AD #10 Bond Reserve)	113,074
Petty Cash	1,000
Combined Pooled Cash	5,343,414

COMBINED POOLED CASH BALANCE



Fire Department Operating Reserve Surplus / (Shortfall)



RUNNING SPRINGS WATER DISTRICT**MEMORANDUM**

DATE: June 19, 2019

TO: Board of Directors

FROM: Ryan Gross, General Manager

SUBJECT: CONSIDER ADOPTION OF RESOLUTION NO. 11-19,
ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL
YEAR 2019/2020

RECOMMENDED BOARD ACTION

Approval of Resolution No. 11-19 establishing the appropriations limit for fiscal year 2019/2020.

REASON FOR RECOMMENDATION

Section 7910 of the California Government Code implements Article XIII B of the California Constitution by requiring each local jurisdiction to establish, by resolution, its appropriations limit for each fiscal year and to make the documentation used in determining the appropriations limit available to the public fifteen days prior to adoption of the resolution establishing the appropriations limit.

BACKGROUND INFORMATION

The California Constitution places an annual limitation upon appropriations from proceeds of taxes by each local government of the State of California.

Consistent with Senate Constitutional Amendment No. 1, each fiscal year the District's Board of Directors is required to select either the percentage change in California per capita personal income or the percentage change in the local assessment roll due to the addition of local non-residential construction, and either the population change within the District or the population change within the unincorporated area of San Bernardino County, as the two factors to be applied in calculating the appropriations limit for each fiscal year.

The Board has historically selected the percentage change in California per capita personal income and also the population change within the unincorporated portion of San Bernardino County as factors in determining the District's appropriations limits for each fiscal year.

Resolution No. 11-19 uses the percentage change in California per capita personal income and also the population change within the unincorporated portion of San Bernardino County as factors in determining the District's appropriations limits for fiscal year 2019/2020.

The appropriation limit by definition includes property taxes plus revenues derived from service charges in excess of the reasonable cost of providing services. The District does not derive revenue from service charges that are in excess of the reasonable cost of providing the services. Therefore, the appropriation limit for the District only applies to the property tax received by the District.

The appropriations limit identified for fiscal year 2019/2020 is \$5,340,731, which is well in excess of the actual property tax appropriation anticipated for fiscal year 2019/2020, which is anticipated to be \$1,635,300.

FISCAL INFORMATION

N/A

ATTACHMENTS

Attachment 1 – Resolution No. 11-19, Establishing Appropriations Limit for Fiscal Year 2019/2020

RESOLUTION NO. 11-19

**RESOLUTION OF THE BOARD OF DIRECTORS OF
RUNNING SPRINGS WATER DISTRICT ESTABLISHING
APPROPRIATIONS LIMIT FOR FISCAL YEAR 2019-2020**

WHEREAS, Article XIII B of the California Constitution places an annual limitation upon appropriations from proceeds of taxes by each local government of the State of California; and

WHEREAS, Section 7910 of the California Government Code implements Article XIII B of the California Constitution by requiring each local jurisdiction to establish, by resolution, its appropriations limit for each fiscal year, beginning in 1980-81, and to make the documentation used in determining the appropriations limit available to the public fifteen days prior to adoption of the resolution establishing the appropriations limit; and

WHEREAS, in accordance with Senate Constitutional Amendment No. 1 approved by the voters of the State effective June 6, 1990, beginning with fiscal year 1990-91 and for each fiscal year thereafter, the District's Board of Directors is required to select either the percentage change in California per capita personal income or the percentage change in the local assessment roll due to the addition of local non-residential construction, and either the population change within the District or the population change within San Bernardino County, as the two factors to be applied in calculating the appropriations limit for each fiscal year; and

WHEREAS, this Board wishes to select, as factors in determining the District's appropriations limits for fiscal year 2019-2020, the percentage change in California per capita personal income and also the population change within the unincorporated area of San Bernardino County; and

WHEREAS, this District has documented its calculations of the District's appropriations limit for fiscal year 2019-2020, and said calculations have been posted on the District's main office front window and made available to the public at least fifteen days prior to the adoption of this resolution;

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

1. For fiscal year 2019-2020, the factors selected for calculating the appropriations limit are (a) the percentage change in California per capita personal income, and (b) the population change within the unincorporated area of the County of San Bernardino.

2. The appropriations limit applicable to this District pursuant to Article XIII B of the California Constitution for fiscal year 2019-2020 is hereby established and determined to be the sum of \$5,340,731.

3. A copy of the documentation used in the determination of the fiscal year 2019-2020 appropriations limit shall be affixed hereto and shall be available for public inspection.

4. Pursuant to Section 7910 of the California Government Code, any judicial action or proceeding to attack, review, set aside, void, or annul the establishment of the appropriations limits as set forth herein must be commenced within forty-five days of the adoption of this resolution.

ADOPTED this 19th day of June, 2019.

Ayes:

Noes:

Abstentions:

Absent:

President, Board of Directors
RUNNING SPRINGS WATER DISTRICT

ATTEST:

Secretary, Board of Directors
RUNNING SPRINGS WATER DISTRICT

RUNNING SPRINGS WATER DISTRICT
2019-2020 APPROPRIATIONS LIMIT

2018-2019 Appropriations Limit **\$5,115,643**

2019-2020 Adjustment:

Change in California Per Capita Income = 3.85 percent
Change in Population, Unincorporated San Bernardino County = 0.53 percent

$$\frac{3.85 + 100}{100} = 1.0385$$

$$\frac{0.53 + 100}{100} = 1.0053$$

$$1.0385 \times 1.0053 = 1.044$$

$$\$5,115,643 \times 1.044 = \$5,340,731$$

2019-2020 Appropriations Limit **\$5,340,731**

May 2019

Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of Finance to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2019, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2019-20. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2019-20 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. California Revenue and Taxation Code section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The code section and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. California Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2019.**

Please Note: The prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

KEELY BOSLER
Director
By:

Vivek Viswanathan
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2019-20 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2019-20	3.85

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2019-20 appropriation limit.

2019-20:

Per Capita Cost of Living Change = 3.85 percent
Population Change = 0.47 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.85 + 100}{100} = 1.0385$

Population converted to a ratio: $\frac{0.47 + 100}{100} = 1.0047$

Calculation of factor for FY 2019-20: $1.0385 \times 1.0047 = 1.0434$

County City	Percent Change 2018-2019	--- Population Minus Exclusions ---		Total Population
		1-1-18	1-1-19	1-1-2019
San Bernardino				
Adelanto	0.07	34,466	34,489	35,136
Apple Valley	0.79	72,891	73,464	73,464
Barstow	0.20	23,682	23,730	24,150
Big Bear Lake	0.63	5,427	5,461	5,461
Chino	2.43	82,328	84,329	89,829
Chino Hills	1.18	83,379	84,364	84,364
Colton	0.61	54,061	54,391	54,391
Fontana	1.25	209,455	212,078	212,078
Grand Terrace	0.67	12,570	12,654	12,654
Hesperia	1.30	95,127	96,362	96,362
Highland	0.82	55,326	55,778	55,778
Loma Linda	1.41	23,922	24,259	24,335
Montclair	0.87	39,220	39,563	39,563
Needles	0.36	5,067	5,085	5,085
Ontario	2.31	174,244	178,268	178,268
Rancho Cucamonga	0.44	178,619	179,412	179,412
Redlands	0.56	71,441	71,839	71,839
Rialto	0.65	106,582	107,271	107,271
San Bernardino	0.11	217,452	217,695	219,233
Twentynine Palms	1.85	18,502	18,845	28,958
Upland	0.58	78,027	78,481	78,481
Victorville	0.78	122,052	123,010	126,543
Yucaipa	1.01	54,293	54,844	54,844
Yucca Valley	0.66	21,905	22,050	22,050
Unincorporated	0.53	303,177	304,788	312,654
County Total	0.90	2,143,215	2,162,510	2,192,203

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: June 19, 2019

TO: Board of Directors

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

**SUBJECT: CONSIDER APPROVING THE WRITE OFF OF PAST DUE
UNCOLLECTIBLE AMBULANCE BILLS**

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors consider approving the write off of \$153,290.28 in past due uncollectible charges for ambulance service pursuant to Resolution No. 09-12 (Refer to Attachment 1).

REASON FOR RECOMMENDATION

To write off past due and uncollectible ambulance bills listed in Attachment 2 that have been dormant with no payment activity for seven years.

BACKGROUND INFORMATION

On May 16, 2012 the Board of Directors adopted Resolution No. 09-12, approving a policy for writing off uncollectible charges for ambulance service. A copy of Resolution No. 09-12 is included as Attachment 1.

The ambulance write off policy is a guide for District staff in halting or limiting continued efforts to collect delinquent bills for ambulance service provided by the District. This is the second round of proposed write offs since the Resolution was adopted.

The Board of Directors authorized the first round of write offs for uncollectible ambulance bills on April 17, 2013 in the amount of \$252,411.92.

On June 20, 2018, the Board of Directors authorized \$741,134.76 to be written off for uncollectible ambulance bills for the period from 1/1/2006 through 6/30/2011.

The accounts can be re-activated if payments commence.

FISCAL INFORMATION

If approved the total write off amount is \$153,290.28. The following table lists the balance sheet adjustments that will be made to the Ambulance Accounts Receivable account if approved:

Ambulance Accounts Receivable (400-12000)	
6/6/2019 A/R Balance	\$1,434,500.92
Write Off Amount	(\$153,290.28)
Adjusted A/R Balance	\$1,281,210.64
Total Write Off	\$153,290.28
Already Expensed as Bad Debt	\$148,998.92
Net Write Off Amount	\$4,291.36
Uncollectible Allowance Balance (400-12050)	\$964,790.98
Adjustment Due to Write Off	\$148,998.92
Adjusted Uncollectible Allowance Balance	\$815,792.06

The \$153,290.28 will be written off in the Ambulance Information Management (AIM) billing software to reduce the accounts receivable (A/R) balance.

Since 2006 we have been recording ambulance A/R balance as 97% uncollectible, we have already recorded 97% as bad expense in past years. So the net effect will be \$4,291.36 in this fiscal year. Refer to Attachment 3.

ATTACHMENTS

- Attachment 1 – Resolution No. 09-12
- Attachment 2 – List of uncollectible accounts
- Attachment 3 – Ambulance Balance Sheet

RESOLUTION NO. 09-12

**RESOLUTION OF THE BOARD OF DIRECTORS OF
RUNNING SPRINGS WATER DISTRICT APPROVING A
POLICY FOR WRITING OFF UNCOLLECTIBLE
CHARGES FOR AMBULANCE SERVICE**

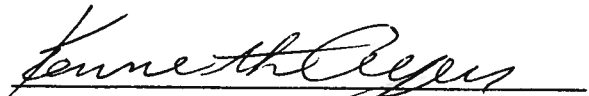
WHEREAS, the Fire Department of Running Springs Water District provides ambulance service and imposes charges for such service; and

WHEREAS, in a variety of circumstances the charges imposed for ambulance service cannot be recovered, in whole or in part, or it becomes apparent that continued efforts to recover such charges will not be successful or worthy of the effort; and

WHEREAS, it is in the best interest of the District to provide a policy to guide District staff in their decisions to halt or limit collection efforts;

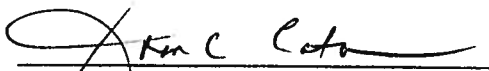
NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Running Springs Water District does hereby adopt the "Ambulance Charge Write-Off Policy" attached hereto as Exhibit "A" to guide District staff in halting or limiting continued efforts to collect delinquent bills for ambulance service provided by the District.

ADOPTED this 16th day of May, 2012.



President of the Board of Directors
Running Springs Water District

ATTEST:



Secretary of the Board of Directors
Running Springs Water District

Ambulance Charge Write-Off Policy

Claims in bankruptcy - All collection efforts on claims against someone who has filed for bankruptcy protection must cease immediately per Section 362 of the United States Code. When bankruptcy is officially declared, any amount not recovered from the bankruptcy proceedings must be written off.

Medicaid (Medi-Cal) claims – We must accept mandatory assignment on these claims per State mandate. Once payments are received on the account, the balance must be written off after any appeal efforts. Once we accept a valid Medicaid card, the patient no longer has any financial responsibility whether it is paid or not.

Medicare claims – We must accept mandatory assignment on these claims per federal mandate in Section 4531 of the Balanced Budget Act of 1977. After payment is made, we can charge for their 20% co-pay and then must write off the balance. If the charges are denied due to non-coverage at the time of service, the patient is responsible for the total amount billed.

Workers Compensation claims – These claims are paid at the Medicare fee schedule rates and the balance must be written off per federal mandate as required by Labor Code Section 5307.1.

All claims requiring mandatory assignment will be logged and must require 2 signatures.

Any outstanding charges of \$30 or less can be written off without further approval by the Board.

Accounts that have been dormant (with no payment activity) after 7 years will be presented to the Board to be written off. They will be presented to the Board by account number and last date of activity annually for write off. Accounts can be re-activated if payments commence.

RUNNING SPRINGS FIRE DEPARTMENT
ACCOUNTS TO BE WRITTEN OFF

ACCOUNT# Multiple accounts from 7/01/11 to 6/30/2012

PATIENT NAME Multiple patients

INSURANCE Various to none

AMOUNT OF BILL

WRITE OFF AMOUNT \$153,290.28

REASON FOR WRITE OFF Bad Debt Write off

SIGNATURE Dixi Wilens 6/6/19

APPROVED BY  6/7/2019

Pending Bills Report

Date: 6/6/2019 Time: 1:55:54PM

Running Springs Fire Dept
P O Box 2206 - 31250 Hilltop
P O Box 2206
Running Springs, CA 92382-2206

Date of Service Range: 07/01/2011 - 06/30/2012

Subtotals for Commercial

		Number of Trips
Pending Bills 0-29 Days Old:	\$0.00	0
Pending Bills 30-59 Days Old:	\$0.00	0
Pending Bills 60-89 Days Old:	\$0.00	0
Pending Bills 90+ Days Old:	\$17,541.05	22
Total Pending Bills:	\$17,541.05	22

Subtotals for Medicaid (CA)

		Number of Trips
Pending Bills 0-29 Days Old:	\$0.00	0
Pending Bills 30-59 Days Old:	\$0.00	0
Pending Bills 60-89 Days Old:	\$0.00	0
Pending Bills 90+ Days Old:	\$7,961.04	4
Total Pending Bills:	\$7,961.04	4

Subtotals for Medicare

		Number of Trips
Pending Bills 0-29 Days Old:	\$0.00	0
Pending Bills 30-59 Days Old:	\$0.00	0
Pending Bills 60-89 Days Old:	\$0.00	0
Pending Bills 90+ Days Old:	\$3,225.32	8
Total Pending Bills:	\$3,225.32	8

Subtotals for Patient

		Number of Trips
Pending Bills 0-29 Days Old:	\$0.00	0
Pending Bills 30-59 Days Old:	\$0.00	0
Pending Bills 60-89 Days Old:	\$0.00	0
Pending Bills 90+ Days Old:	\$124,779.72	67
Total Pending Bills:	\$124,779.72	67

Grand Totals

		Number of Trips
Pending Bills 0-29 Days Old:	\$0.00	0
Pending Bills 30-59 Days Old:	\$0.00	0
Pending Bills 60-89 Days Old:	\$0.00	0
Pending Bills 90+ Days Old:	\$153,507.13	101
Total Pending Bills:	\$153,507.13	101

- 216.85 active

\$153,290²⁸

Billing Receivables Report (Details)

Date: 5/31/2019 **Time:** 2:45:45PM

Running Springs Fire Dept
P O Box 2206 - 31250 Hilltop
P O Box 2206
Running Springs, CA 92382-2206

Date of Service Range: 07/01/2011 - 06/30/2012

Trip Number	Patient Name	DOS	Amount Billed	Late Chg/ Rev Adjs	Amount Paid	Amount C/A	Amount B/D	Balance Due	Pct Paid	Pct C/A	Pct B/D
0201200032		01/13/2012	\$2,330.31	\$0.00	\$261.81	\$2,068.50	\$0.00	\$0.00	11.23%	88.77%	0.00%
0201200080		01/31/2012	\$1,941.50	\$30.00	\$0.00	\$0.00	\$0.00	\$1,971.50	0.00%	0.00%	0.00%
2011000308		07/02/2011	\$2,124.47	\$0.00	\$2,124.47	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2011000311		07/03/2011	\$2,169.71	\$30.00	\$0.00	\$0.00	\$0.00	\$2,199.71	0.00%	0.00%	0.00%
2011000313		07/03/2011	\$2,147.09	\$0.00	\$585.84	\$1,561.25	\$0.00	\$0.00	27.29%	72.71%	0.00%
2011000315		07/04/2011	\$1,875.65	\$0.00	\$207.76	\$1,667.89	\$0.00	\$0.00	11.08%	88.92%	0.00%
2011000316		07/05/2011	\$2,000.31	\$0.00	\$592.73	\$1,407.58	\$0.00	\$0.00	29.63%	70.37%	0.00%
2011000317		07/05/2011	\$2,260.19	\$30.00	\$0.00	\$0.00	\$0.00	\$2,290.19	0.00%	0.00%	0.00%
2011000319		07/06/2011	\$2,011.37	\$30.00	\$574.68	\$1,466.69	\$0.00	\$0.00	28.57%	72.92%	0.00%
2011000323		07/09/2011	\$2,124.47	\$30.00	\$608.98	\$1,545.49	\$0.00	\$0.00	28.67%	72.75%	0.00%
2011000324		07/10/2011	\$2,214.95	\$0.00	\$606.42	\$1,608.53	\$0.00	\$0.00	27.38%	72.62%	0.00%
2011000325		07/11/2011	\$1,661.01	\$0.00	\$1,661.01	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2011000326		07/13/2011	\$2,124.47	\$30.00	\$608.98	\$1,545.49	\$0.00	\$0.00	28.67%	72.75%	0.00%
2011000327		07/13/2011	\$1,966.68	\$0.00	\$553.77	\$1,412.91	\$0.00	\$0.00	28.16%	71.84%	0.00%
2011000328		07/16/2011	\$1,875.65	\$0.00	\$181.74	\$1,693.91	\$0.00	\$0.00	9.69%	90.31%	0.00%
2011000332		07/18/2011	\$2,000.31	\$30.00	\$524.19	\$1,407.58	\$0.00	\$98.54	26.21%	70.37%	0.00%
2011000333		07/18/2011	\$2,101.85	\$0.00	\$226.66	\$1,875.19	\$0.00	\$0.00	10.78%	89.22%	0.00%
2011000334		07/19/2011	\$2,022.98	\$30.00	\$0.00	\$0.00	\$0.00	\$2,052.98	0.00%	0.00%	0.00%
2011000336		07/20/2011	\$1,966.13	\$30.00	\$0.00	\$0.00	\$0.00	\$1,996.13	0.00%	0.00%	0.00%
2011000339		07/22/2011	\$1,909.83	\$0.00	\$213.27	\$1,696.56	\$0.00	\$0.00	11.17%	88.83%	0.00%
2011000340		07/22/2011	\$1,909.83	\$0.00	\$171.96	\$1,737.87	\$0.00	\$0.00	9.00%	91.00%	0.00%
2011000344		07/23/2011	\$2,124.47	\$0.00	\$578.98	\$1,545.49	\$0.00	\$0.00	27.25%	72.75%	0.00%
2011000348		07/24/2011	\$2,294.42	\$0.00	\$2,294.42	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2011000350		07/25/2011	\$2,079.23	\$0.00	\$249.17	\$1,830.06	\$0.00	\$0.00	11.98%	88.02%	0.00%
2011000353		07/27/2011	\$2,000.31	\$0.00	\$592.70	\$1,407.61	\$0.00	\$0.00	29.63%	70.37%	0.00%
2011000355		07/27/2011	\$2,294.37	\$0.00	\$2,294.37	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2011000357		07/28/2011	\$2,101.85	\$0.00	\$572.12	\$1,529.73	\$0.00	\$0.00	27.22%	72.78%	0.00%
2011000358		07/29/2011	\$2,169.71	\$0.00	\$2,169.71	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2011000360		07/29/2011	\$1,728.87	\$0.00	\$1,728.87	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2011000370		07/31/2011	\$1,955.12	\$0.00	\$223.01	\$1,732.11	\$0.00	\$0.00	11.41%	88.59%	0.00%
2011000371		08/01/2011	\$1,808.34	\$0.00	\$226.53	\$1,581.81	\$0.00	\$0.00	12.53%	87.47%	0.00%
2011000374		08/03/2011	\$2,169.71	\$30.00	\$0.00	\$0.00	\$0.00	\$2,199.71	0.00%	0.00%	0.00%
2011000376		08/03/2011	\$1,955.07	\$30.00	\$1,985.07	\$0.00	\$0.00	\$0.00	101.53%	0.00%	0.00%
2011000379		08/06/2011	\$1,853.03	\$0.00	\$178.22	\$1,674.81	\$0.00	\$0.00	9.62%	90.38%	0.00%
2011000380		08/06/2011	\$2,147.09	\$0.00	\$259.71	\$1,887.38	\$0.00	\$0.00	12.10%	87.90%	0.00%
2011000383		08/08/2011	\$2,068.17	\$0.00	\$490.63	\$1,577.54	\$0.00	\$0.00	23.72%	76.28%	0.00%
2011000384		08/09/2011	\$1,796.73	\$0.00	\$1,796.73	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2011000385		08/09/2011	\$1,898.27	\$30.00	\$0.00	\$0.00	\$0.00	\$1,928.27	0.00%	0.00%	0.00%
2011000387		08/13/2011	\$2,101.85	\$0.00	\$2,101.85	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2011000388		08/14/2011	\$1,966.13	\$30.00	\$0.00	\$0.00	\$0.00	\$1,996.13	0.00%	0.00%	0.00%
2011000389		08/14/2011	\$2,509.01	\$0.00	\$2,509.01	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%

Trp Number	Patient Name	DOS	Amount Billed	Late Chg/ Rev Adjs	Amount Paid	Amount C/A	Amount B/D	Balance Due	Pct Paid	Pct C/A	Pct B/D
20110000393		08/17/2011	\$1,785.72	\$0.00	\$223.01	\$1,562.71	\$0.00	\$0.00	12.49%	87.51%	0.00%
20110000394	<i>ACTIVE</i>	08/17/2011	\$2,101.85	\$30.00	\$1,915.00	\$0.00	\$0.00	\$216.85	91.11%	0.00%	0.00%
20110000395		08/18/2011	\$2,407.47	\$30.00	\$2,145.17	\$0.00	\$0.00	\$292.30	89.10%	0.00%	0.00%
20110000397		08/20/2011	\$2,192.33	\$30.00	\$0.00	\$0.00	\$0.00	\$2,222.33	0.00%	0.00%	0.00%
20110000399		08/20/2011	\$2,282.81	\$0.00	\$692.21	\$1,590.60	\$0.00	\$0.00	30.32%	69.68%	0.00%
20110000401		08/23/2011	\$2,000.31	\$0.00	\$643.18	\$1,357.13	\$0.00	\$0.00	32.15%	67.85%	0.00%
20110000404		08/25/2011	\$1,977.69	\$0.00	\$585.84	\$1,391.85	\$0.00	\$0.00	29.62%	70.38%	0.00%
20110000406		08/27/2011	\$2,237.57	\$30.00	\$2,267.57	\$0.00	\$0.00	\$0.00	101.34%	0.00%	0.00%
20110000407		08/27/2011	\$1,830.41	\$0.00	\$0.00	\$0.00	\$0.00	\$1,830.41	0.00%	0.00%	0.00%
20110000409		08/27/2011	\$2,147.09	\$30.00	\$0.00	\$0.00	\$0.00	\$2,177.09	0.00%	0.00%	0.00%
20110000410		08/28/2011	\$1,988.75	\$0.00	\$0.00	\$1,988.75	\$0.00	\$0.00	0.00%	100.00%	0.00%
20110000416	08/29/2011	\$2,068.17	\$30.00	\$0.00	\$0.00	\$0.00	\$2,098.17	0.00%	0.00%	0.00%	
20110000417	08/29/2011	\$1,728.87	\$30.00	\$0.00	\$0.00	\$0.00	\$1,758.87	0.00%	0.00%	0.00%	
20110000418	08/30/2011	\$2,045.55	\$0.00	\$2,045.55	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%	
20110000419	08/31/2011	\$1,977.69	\$0.00	\$239.82	\$1,737.87	\$0.00	\$0.00	12.13%	87.87%	0.00%	
20110000420	09/01/2011	\$1,977.74	\$0.00	\$236.31	\$1,741.43	\$0.00	\$0.00	11.95%	88.05%	0.00%	
20110000421	09/01/2011	\$1,955.07	\$0.00	\$578.98	\$1,376.09	\$0.00	\$0.00	29.61%	70.39%	0.00%	
20110000422	09/02/2011	\$2,249.13	\$0.00	\$2,249.13	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%	
20110000423	09/02/2011	\$1,706.25	\$0.00	\$1,706.25	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%	
20110000425	09/03/2011	\$1,853.03	\$30.00	\$296.66	\$1,356.37	\$0.00	\$230.00	16.01%	73.20%	0.00%	
20110000426	09/03/2011	\$2,000.31	\$30.00	\$622.70	\$1,407.61	\$0.00	\$0.00	31.13%	70.37%	0.00%	
20110000429	09/04/2011	\$2,101.85	\$30.00	\$0.00	\$0.00	\$0.00	\$2,131.85	0.00%	0.00%	0.00%	
20110000432	09/05/2011	\$2,000.31	\$30.00	\$1,950.31	\$0.00	\$0.00	\$80.00	97.50%	0.00%	0.00%	
20110000434	09/07/2011	\$1,955.07	\$0.00	\$214.82	\$1,740.25	\$0.00	\$0.00	10.99%	89.01%	0.00%	
20110000436	09/09/2011	\$1,830.96	\$0.00	\$230.04	\$1,600.92	\$0.00	\$0.00	12.56%	87.44%	0.00%	
20110000437	09/10/2011	\$2,237.57	\$0.00	\$2,237.57	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%	
20110000438	09/10/2011	\$1,836.19	\$0.00	\$1,836.19	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%	
20110000439	09/10/2011	\$2,045.60	\$30.00	\$2,045.60	\$0.00	\$0.00	\$30.00	100.00%	0.00%	0.00%	
20110000441	09/14/2011	\$1,706.25	\$30.00	\$0.00	\$0.00	\$0.00	\$1,736.25	0.00%	0.00%	0.00%	
20110000442	09/15/2011	\$1,887.21	\$0.00	\$1,887.21	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%	
20110000443	09/15/2011	\$2,395.91	\$0.00	\$661.30	\$1,734.61	\$0.00	\$0.00	27.60%	72.40%	0.00%	
20110000445	09/17/2011	\$2,147.09	\$0.00	\$585.84	\$1,561.25	\$0.00	\$0.00	27.29%	72.71%	0.00%	
20110000447	09/17/2011	\$2,214.95	\$30.00	\$0.00	\$0.00	\$0.00	\$2,244.95	0.00%	0.00%	0.00%	
20110000448	09/18/2011	\$1,875.65	\$30.00	\$0.00	\$0.00	\$0.00	\$1,905.65	0.00%	0.00%	0.00%	
20110000452	09/19/2011	\$1,480.05	\$30.00	\$0.00	\$0.00	\$0.00	\$1,510.05	0.00%	0.00%	0.00%	
20110000453	09/19/2011	\$2,282.81	\$0.00	\$627.00	\$1,655.81	\$0.00	\$0.00	27.47%	72.53%	0.00%	
20110000455	09/20/2011	\$2,045.55	\$30.00	\$0.00	\$0.00	\$0.00	\$2,075.55	0.00%	0.00%	0.00%	
20110000456	09/20/2011	\$1,378.56	\$30.00	\$0.00	\$0.00	\$0.00	\$1,408.56	0.00%	0.00%	0.00%	
20110000458	09/22/2011	\$3,481.67	\$0.00	\$3,481.67	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%	
20110000459	09/23/2011	\$2,007.10	\$0.00	\$114.53	\$1,892.57	\$0.00	\$0.00	5.71%	94.29%	0.00%	
20110000460	09/24/2011	\$2,328.05	\$0.00	\$2,328.05	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%	
20110000462	09/26/2011	\$2,022.93	\$0.00	\$599.56	\$1,423.37	\$0.00	\$0.00	29.64%	70.36%	0.00%	
20110000465	09/29/2011	\$2,249.13	\$0.00	\$668.16	\$1,580.97	\$0.00	\$0.00	29.71%	70.29%	0.00%	
20110000466	09/29/2011	\$1,925.66	\$0.00	\$216.88	\$1,708.78	\$0.00	\$0.00	11.26%	88.74%	0.00%	
20110000467	09/30/2011	\$1,883.60	\$0.00	\$162.38	\$1,721.22	\$0.00	\$0.00	8.62%	91.38%	0.00%	
20110000468	10/01/2011	\$2,509.01	\$30.00	\$2,539.01	\$0.00	\$0.00	\$0.00	101.20%	0.00%	0.00%	
20110000469	10/02/2011	\$2,101.85	\$0.00	\$2,101.85	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%	
20110000472	10/02/2011	\$2,441.15	\$0.00	\$2,441.15	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%	
20110000474	10/03/2011	\$2,029.72	\$0.00	\$479.65	\$1,550.07	\$0.00	\$0.00	23.63%	76.37%	0.00%	
20110000475	10/04/2011	\$1,982.21	\$0.00	\$1,982.21	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%	
20110000477	10/06/2011	\$2,192.58	\$0.00	\$654.44	\$1,538.14	\$0.00	\$0.00	29.85%	70.15%	0.00%	
20110000479	10/06/2011	\$2,011.62	\$0.00	\$621.63	\$1,389.99	\$0.00	\$0.00	30.90%	69.10%	0.00%	
20110000482	10/09/2011	\$2,047.98	\$0.00	\$136.58	\$1,911.40	\$0.00	\$0.00	6.67%	93.33%	0.00%	
20110000485	10/13/2011	\$1,674.58	\$0.00	\$0.00	\$1,674.58	\$0.00	\$0.00	0.00%	100.00%	0.00%	

Trip Number	Patient Name	DOS	Amount Billed	Late Chg/ Rev Adjs	Amount Paid	Amount C/A	Amount B/D	Balance Due	Pct Paid	Pct C/A	Pct B/D
20110000489		10/14/2011	\$1,790.24	\$0.00	\$1,790.24	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000490		10/15/2011	\$2,203.64	\$30.00	\$0.00	\$0.00	\$0.00	\$2,233.64	0.00%	0.00%	0.00%
20110000491		10/15/2011	\$2,131.26	\$0.00	\$220.40	\$1,910.86	\$0.00	\$0.00	10.34%	89.66%	0.00%
20110000493		10/17/2011	\$1,670.06	\$0.00	\$394.03	\$1,276.03	\$0.00	\$0.00	23.59%	76.41%	0.00%
20110000494		10/17/2011	\$2,117.68	\$0.00	\$2,117.68	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000496		10/19/2011	\$2,274.01	\$30.00	\$481.88	\$1,592.13	\$0.00	\$230.00	21.19%	70.01%	0.00%
20110000498		10/20/2011	\$1,916.62	\$30.00	\$453.86	\$1,232.57	\$0.00	\$260.19	23.68%	64.31%	0.00%
20110000503		10/22/2011	\$2,266.98	\$0.00	\$2,266.98	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000504		10/22/2011	\$2,174.23	\$0.00	\$2,174.23	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000505		10/24/2011	\$2,384.60	\$0.00	\$661.30	\$1,723.30	\$0.00	\$0.00	27.73%	72.27%	0.00%
20110000506		10/25/2011	\$2,181.02	\$0.00	\$596.13	\$1,584.89	\$0.00	\$0.00	27.33%	72.67%	0.00%
20110000507		10/27/2011	\$1,697.20	\$0.00	\$397.33	\$1,299.87	\$0.00	\$0.00	23.41%	76.59%	0.00%
20110000508		10/27/2011	\$2,203.64	\$0.00	\$2,203.64	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000509		10/28/2011	\$2,020.67	\$0.00	\$2,020.67	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000510		10/28/2011	\$2,099.59	\$0.00	\$239.06	\$1,860.53	\$0.00	\$0.00	11.39%	88.61%	0.00%
20110000511		10/29/2011	\$2,239.83	\$0.00	\$825.80	\$1,414.03	\$0.00	\$0.00	36.87%	63.13%	0.00%
20110000513		10/30/2011	\$2,246.62	\$30.00	\$544.90	\$1,565.50	\$0.00	\$166.22	24.25%	69.68%	0.00%
20110000515		10/31/2011	\$2,092.80	\$0.00	\$251.28	\$1,841.52	\$0.00	\$0.00	12.01%	87.99%	0.00%
20110000516		10/31/2011	\$1,139.12	\$30.00	\$1,169.12	\$0.00	\$0.00	\$0.00	102.63%	0.00%	0.00%
20110000517		10/31/2011	\$922.43	\$0.00	\$0.00	\$922.43	\$0.00	\$0.00	0.00%	100.00%	0.00%
20110000522		11/02/2011	\$2,224.00	\$0.00	\$2,224.00	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000523		11/02/2011	\$2,041.03	\$0.00	\$606.42	\$1,434.61	\$0.00	\$0.00	29.71%	70.29%	0.00%
20110000526		11/04/2011	\$901.91	\$0.00	\$550.61	\$351.30	\$0.00	\$0.00	61.05%	38.95%	0.00%
20110000528		11/05/2011	\$1,857.55	\$30.00	\$1,887.55	\$0.00	\$0.00	\$0.00	101.62%	0.00%	0.00%
20110000533		11/11/2011	\$2,106.37	\$0.00	\$2,106.37	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000539		11/15/2011	\$2,382.34	\$30.00	\$0.00	\$0.00	\$0.00	\$2,412.34	0.00%	0.00%	0.00%
20110000540		11/15/2011	\$2,088.53	\$0.00	\$253.88	\$1,834.65	\$0.00	\$0.00	12.16%	87.84%	0.00%
20110000541		11/17/2011	\$1,873.73	\$0.00	\$232.79	\$1,640.94	\$0.00	\$0.00	12.42%	87.58%	0.00%
20110000545		11/18/2011	\$1,676.84	\$0.00	\$1,676.84	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000548		11/19/2011	\$2,122.21	\$30.00	\$378.29	\$1,543.92	\$0.00	\$230.00	17.83%	72.75%	0.00%
20110000550		11/20/2011	\$2,165.19	\$0.00	\$585.84	\$1,579.35	\$0.00	\$0.00	27.06%	72.94%	0.00%
20110000553		11/21/2011	\$1,986.74	\$0.00	\$1,986.74	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000554		11/21/2011	\$2,106.37	\$0.00	\$2,106.37	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000555		11/22/2011	\$1,688.15	\$0.00	\$397.33	\$1,290.82	\$0.00	\$0.00	23.54%	76.46%	0.00%
20110000557		11/22/2011	\$1,837.20	\$0.00	\$0.00	\$1,837.20	\$0.00	\$0.00	0.00%	100.00%	0.00%
20110000559		11/24/2011	\$2,007.10	\$0.00	\$592.70	\$1,414.40	\$0.00	\$0.00	29.53%	70.47%	0.00%
20110000560		11/24/2011	\$2,142.82	\$0.00	\$2,142.82	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000563		11/25/2011	\$1,846.24	\$30.00	\$0.00	\$0.00	\$0.00	\$1,876.24	0.00%	0.00%	0.00%
20110000564		11/26/2011	\$2,309.95	\$0.00	\$2,309.95	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000566		11/28/2011	\$1,862.08	\$0.00	\$496.66	\$1,365.42	\$0.00	\$0.00	26.67%	73.33%	0.00%
20110000568		11/28/2011	\$1,977.69	\$0.00	\$0.00	\$0.00	\$1,977.69	\$0.00	0.00%	0.00%	100.00%
20110000570		11/30/2011	\$2,149.35	\$0.00	\$2,149.35	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000571		11/30/2011	\$1,914.35	\$0.00	\$219.50	\$1,694.85	\$0.00	\$0.00	11.47%	88.53%	0.00%
20110000581		12/07/2011	\$1,984.48	\$0.00	\$587.90	\$1,396.58	\$0.00	\$0.00	29.62%	70.38%	0.00%
20110000584		12/08/2011	\$1,934.71	\$30.00	\$1,662.00	\$0.00	\$0.00	\$302.71	85.90%	0.00%	0.00%
20110000586		12/08/2011	\$2,409.48	\$0.00	\$2,409.48	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000588		12/10/2011	\$2,610.80	\$0.00	\$726.47	\$1,884.33	\$0.00	\$0.00	27.83%	72.17%	0.00%
20110000590		12/10/2011	\$2,384.60	\$0.00	\$661.50	\$1,723.10	\$0.00	\$0.00	27.74%	72.26%	0.00%
20110000591		12/10/2011	\$2,391.39	\$30.00	\$0.00	\$0.00	\$0.00	\$2,421.39	0.00%	0.00%	0.00%
20110000592		12/10/2011	\$2,251.14	\$0.00	\$620.14	\$1,631.00	\$0.00	\$0.00	27.55%	72.45%	0.00%
20110000594		12/12/2011	\$1,174.05	\$0.00	\$800.93	\$373.12	\$0.00	\$0.00	68.22%	31.78%	0.00%
20110000596		12/13/2011	\$1,685.89	\$0.00	\$178.22	\$1,507.67	\$0.00	\$0.00	10.57%	89.43%	0.00%
20110000598		12/13/2011	\$2,104.11	\$0.00	\$572.81	\$1,531.30	\$0.00	\$0.00	27.22%	72.78%	0.00%
20110000600		12/15/2011	\$2,000.31	\$0.00	\$592.70	\$1,407.61	\$0.00	\$0.00	29.63%	70.37%	0.00%

Trip Number	Patient Name	DOS	Amount Billed	Late Chg/ Rev Adjs	Amount Paid	Amount C/A	Amount B/D	Balance Due	Pct Paid	Pct C/A	Pct B/D
20110000601		12/15/2011	\$2,088.53	\$0.00	\$495.56	\$1,592.97	\$0.00	\$0.00	23.73%	76.27%	0.00%
20110000602		12/16/2011	\$2,156.14	\$0.00	\$249.60	\$1,906.54	\$0.00	\$0.00	11.58%	88.42%	0.00%
20110000604		12/17/2011	\$2,185.54	\$30.00	\$2,135.54	\$0.00	\$0.00	\$80.00	97.71%	0.00%	0.00%
20110000605		12/17/2011	\$2,334.84	\$30.00	\$0.00	\$0.00	\$0.00	\$2,364.84	0.00%	0.00%	0.00%
20110000606		12/17/2011	\$1,848.51	\$0.00	\$1,848.51	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000609		12/17/2011	\$2,167.45	\$30.00	\$0.00	\$0.00	\$0.00	\$2,197.45	0.00%	0.00%	0.00%
20110000612		12/19/2011	\$2,142.82	\$30.00	\$2,172.82	\$0.00	\$0.00	\$0.00	101.40%	0.00%	0.00%
20110000615		12/19/2011	\$1,882.44	\$0.00	\$404.47	\$1,477.97	\$0.00	\$0.00	21.49%	78.51%	0.00%
20110000616		12/20/2011	\$1,855.29	\$0.00	\$397.33	\$1,457.96	\$0.00	\$0.00	21.42%	78.58%	0.00%
20110000617		12/21/2011	\$2,154.13	\$0.00	\$2,154.13	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000619		12/21/2011	\$1,823.62	\$0.00	\$180.98	\$1,642.64	\$0.00	\$0.00	9.92%	90.08%	0.00%
20110000620		12/22/2011	\$2,126.73	\$0.00	\$595.03	\$1,531.70	\$0.00	\$0.00	27.98%	72.02%	0.00%
20110000622		12/22/2011	\$1,264.82	\$0.00	\$402.82	\$862.00	\$0.00	\$0.00	31.85%	68.15%	0.00%
20110000623		12/22/2011	\$1,923.40	\$30.00	\$5.00	\$0.00	\$0.00	\$1,948.40	0.26%	0.00%	0.00%
20110000624		12/22/2011	\$1,914.35	\$0.00	\$566.70	\$1,347.65	\$0.00	\$0.00	29.60%	70.40%	0.00%
20110000627		12/23/2011	\$2,151.61	\$0.00	\$469.77	\$1,681.84	\$0.00	\$0.00	21.83%	78.17%	0.00%
20110000629		12/23/2011	\$2,122.21	\$30.00	\$2,072.21	\$0.00	\$0.00	\$80.00	97.64%	0.00%	0.00%
20110000631		12/25/2011	\$2,287.33	\$0.00	\$0.00	\$2,287.33	\$0.00	\$0.00	0.00%	100.00%	0.00%
20110000633		12/26/2011	\$1,769.89	\$30.00	\$1,799.89	\$0.00	\$0.00	\$0.00	101.70%	0.00%	0.00%
20110000634		12/26/2011	\$2,016.14	\$30.00	\$0.00	\$0.00	\$0.00	\$2,046.14	0.00%	0.00%	0.00%
20110000635		12/26/2011	\$2,260.19	\$0.00	\$548.22	\$1,711.97	\$0.00	\$0.00	24.26%	75.74%	0.00%
20110000637		12/27/2011	\$1,823.87	\$0.00	\$1,815.09	\$8.78	\$0.00	\$0.00	99.52%	0.48%	0.00%
20110000639		12/27/2011	\$2,350.92	\$0.00	\$2,350.92	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000640		12/28/2011	\$2,052.34	\$0.00	\$227.90	\$1,824.44	\$0.00	\$0.00	11.10%	88.90%	0.00%
20110000641		12/28/2011	\$2,142.82	\$0.00	\$2,142.82	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000642		12/28/2011	\$2,070.43	\$30.00	\$0.00	\$0.00	\$0.00	\$2,100.43	0.00%	0.00%	0.00%
20110000643		12/28/2011	\$2,061.38	\$0.00	\$2,061.38	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000645		12/28/2011	\$2,068.17	\$30.00	\$2,098.17	\$0.00	\$0.00	\$0.00	101.45%	0.00%	0.00%
20110000646		12/28/2011	\$1,900.53	\$30.00	\$0.00	\$0.00	\$0.00	\$1,930.53	0.00%	0.00%	0.00%
20110000647		12/28/2011	\$1,846.24	\$30.00	\$296.66	\$1,349.58	\$0.00	\$230.00	16.07%	73.10%	0.00%
20110000651		12/30/2011	\$2,348.66	\$0.00	\$2,348.66	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000652		12/30/2011	\$2,140.55	\$0.00	\$2,140.55	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000656		12/30/2011	\$2,219.47	\$0.00	\$217.33	\$2,002.14	\$0.00	\$0.00	9.79%	90.21%	0.00%
20110000657		12/31/2011	\$2,153.88	\$30.00	\$0.00	\$0.00	\$0.00	\$2,183.88	0.00%	0.00%	0.00%
20110000658		12/31/2011	\$2,321.26	\$0.00	\$2,321.26	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000659		12/31/2011	\$2,307.69	\$0.00	\$2,307.69	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000660		12/31/2011	\$2,309.95	\$0.00	\$2,309.95	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110000661		12/31/2011	\$2,309.95	\$30.00	\$0.00	\$0.00	\$0.00	\$2,339.95	0.00%	0.00%	0.00%
20110000662		12/31/2011	\$1,828.15	\$0.00	\$1,828.15	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110004381		09/10/2011	\$1,836.19	\$30.00	\$0.00	\$0.00	\$0.00	\$1,866.19	0.00%	0.00%	0.00%
20110005161		10/31/2011	\$1,132.13	\$0.00	\$428.77	\$703.36	\$0.00	\$0.00	37.87%	62.13%	0.00%
20110005162		10/31/2011	\$1,139.12	\$0.00	\$460.47	\$678.65	\$0.00	\$0.00	40.42%	59.58%	0.00%
20110005171		10/31/2011	\$700.59	\$0.00	\$700.59	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110005172		10/31/2011	\$700.59	\$30.00	\$0.00	\$0.00	\$0.00	\$730.59	0.00%	0.00%	0.00%
20110005261		11/04/2011	\$901.91	\$0.00	\$901.91	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20110005262		11/04/2011	\$901.91	\$30.00	\$478.98	\$322.93	\$0.00	\$130.00	53.11%	35.81%	0.00%
20110005263		11/04/2011	\$901.91	\$30.00	\$931.91	\$0.00	\$0.00	\$0.00	103.33%	0.00%	0.00%
20110005941		12/12/2011	\$1,174.05	\$0.00	\$857.24	\$316.81	\$0.00	\$0.00	73.02%	26.98%	0.00%
20120000002		01/01/2012	\$2,000.06	\$0.00	\$2,000.06	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000007		01/01/2012	\$2,108.64	\$0.00	\$242.57	\$1,866.07	\$0.00	\$0.00	11.50%	88.50%	0.00%
20120000008		01/02/2012	\$1,658.75	\$0.00	\$402.36	\$1,256.39	\$0.00	\$0.00	24.26%	75.74%	0.00%
20120000009		01/02/2012	\$2,065.91	\$0.00	\$247.27	\$1,818.64	\$0.00	\$0.00	11.97%	88.03%	0.00%
20120000012		01/04/2012	\$1,961.86	\$0.00	\$1,961.86	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000016		01/04/2012	\$1,939.24	\$0.00	\$588.00	\$1,351.24	\$0.00	\$0.00	30.32%	69.68%	0.00%

Trip Number	Patient Name	DOS	Amount Billed	Late Chg/ Rev Adjs	Amount Paid	Amount C/A	Amount B/D	Balance Due	Pct Paid	Pct C/A	Pct B/D
2012000017		01/04/2012	\$2,244.36	\$30.00	\$504.15	\$1,467.45	\$0.00	\$302.76	22.46%	65.38%	0.00%
2012000018		01/05/2012	\$1,765.36	\$0.00	\$136.81	\$1,628.55	\$0.00	\$0.00	7.75%	92.25%	0.00%
2012000021		01/05/2012	\$1,866.85	\$30.00	\$0.00	\$0.00	\$0.00	\$1,896.85	0.00%	0.00%	0.00%
2012000022		01/06/2012	\$2,366.75	\$0.00	\$2,366.75	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000023		01/08/2012	\$2,233.05	\$0.00	\$2,233.05	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000026		01/11/2012	\$1,914.35	\$0.00	\$588.00	\$1,326.35	\$0.00	\$0.00	30.72%	69.28%	0.00%
2012000027		01/12/2012	\$2,181.02	\$0.00	\$2,181.02	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000030		01/13/2012	\$1,880.17	\$0.00	\$0.00	\$1,880.17	\$0.00	\$0.00	0.00%	100.00%	0.00%
2012000034		01/14/2012	\$1,839.46	\$0.00	\$190.62	\$1,648.84	\$0.00	\$0.00	10.36%	89.64%	0.00%
2012000036		01/15/2012	\$2,312.22	\$0.00	\$2,308.57	\$3.65	\$0.00	\$0.00	99.84%	0.16%	0.00%
2012000040		01/16/2012	\$1,704.04	\$30.00	\$0.00	\$0.00	\$0.00	\$1,734.04	0.00%	0.00%	0.00%
2012000042		01/18/2012	\$2,041.03	\$30.00	\$0.00	\$0.00	\$0.00	\$2,071.03	0.00%	0.00%	0.00%
2012000045		01/19/2012	\$2,258.18	\$0.00	\$693.45	\$1,564.73	\$0.00	\$0.00	30.71%	69.29%	0.00%
2012000046		01/19/2012	\$1,995.79	\$0.00	\$607.68	\$1,388.11	\$0.00	\$0.00	30.45%	69.55%	0.00%
2012000048		01/20/2012	\$2,136.03	\$30.00	\$0.00	\$0.00	\$0.00	\$2,166.03	0.00%	0.00%	0.00%
2012000050		01/21/2012	\$2,233.05	\$0.00	\$2,233.05	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000053		01/22/2012	\$2,153.88	\$0.00	\$602.62	\$1,551.26	\$0.00	\$0.00	27.98%	72.02%	0.00%
2012000054		01/22/2012	\$2,522.58	\$0.00	\$2,522.58	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000055		01/22/2012	\$1,818.76	\$0.00	\$1,818.76	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000060		01/24/2012	\$2,128.99	\$0.00	\$246.09	\$1,882.90	\$0.00	\$0.00	11.56%	88.44%	0.00%
2012000061		01/24/2012	\$1,927.93	\$0.00	\$608.87	\$1,319.06	\$0.00	\$0.00	31.58%	68.42%	0.00%
2012000065		01/27/2012	\$2,124.72	\$0.00	\$838.13	\$1,286.59	\$0.00	\$0.00	39.45%	60.55%	0.00%
2012000066		01/27/2012	\$2,122.21	\$0.00	\$595.03	\$1,527.18	\$0.00	\$0.00	28.04%	71.96%	0.00%
2012000069		01/28/2012	\$2,303.17	\$0.00	\$2,303.17	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000071		01/28/2012	\$1,549.58	\$0.00	\$1,549.58	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000072		01/28/2012	\$2,233.05	\$30.00	\$0.00	\$0.00	\$0.00	\$2,263.05	0.00%	0.00%	0.00%
2012000074		01/29/2012	\$2,432.10	\$0.00	\$693.45	\$1,738.65	\$0.00	\$0.00	28.51%	71.49%	0.00%
2012000078		01/30/2012	\$1,991.26	\$0.00	\$174.54	\$1,816.72	\$0.00	\$0.00	8.77%	91.23%	0.00%
2012000082		01/31/2012	\$2,018.41	\$30.00	\$225.00	\$0.00	\$0.00	\$1,823.41	11.15%	0.00%	0.00%
2012000085		02/02/2012	\$1,817.39	\$30.00	\$0.00	\$0.00	\$0.00	\$1,847.39	0.00%	0.00%	0.00%
2012000087		02/04/2012	\$2,242.09	\$0.00	\$2,242.09	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000093		02/11/2012	\$2,298.64	\$0.00	\$2,298.64	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000096		02/13/2012	\$2,097.33	\$30.00	\$0.00	\$0.00	\$0.00	\$2,127.33	0.00%	0.00%	0.00%
2012000097		02/13/2012	\$2,174.48	\$0.00	\$2,174.48	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000098		02/13/2012	\$2,167.70	\$0.00	\$846.25	\$1,321.45	\$0.00	\$0.00	39.04%	60.96%	0.00%
2012000101		02/15/2012	\$1,982.21	\$0.00	\$603.47	\$1,378.74	\$0.00	\$0.00	30.44%	69.56%	0.00%
2012000104		02/17/2012	\$1,855.54	\$0.00	\$564.10	\$1,291.44	\$0.00	\$0.00	30.40%	69.60%	0.00%
2012000107		02/18/2012	\$2,153.88	\$0.00	\$604.17	\$1,549.71	\$0.00	\$0.00	28.05%	71.95%	0.00%
2012000108		02/18/2012	\$2,242.09	\$0.00	\$2,242.09	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000109		02/18/2012	\$2,305.43	\$0.00	\$2,305.43	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000110		02/18/2012	\$2,352.93	\$0.00	\$2,352.93	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000111		02/18/2012	\$1,940.24	\$30.00	\$0.00	\$0.00	\$0.00	\$1,970.24	0.00%	0.00%	0.00%
2012000114		02/19/2012	\$2,201.38	\$0.00	\$2,201.38	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000115		02/19/2012	\$2,183.28	\$0.00	\$827.02	\$1,356.26	\$0.00	\$0.00	37.88%	62.12%	0.00%
2012000116		02/20/2012	\$2,142.82	\$30.00	\$0.00	\$0.00	\$0.00	\$2,172.82	0.00%	0.00%	0.00%
2012000117		02/20/2012	\$2,163.17	\$0.00	\$268.12	\$1,895.05	\$0.00	\$0.00	12.39%	87.61%	0.00%
2012000118		02/20/2012	\$1,620.29	\$0.00	\$304.31	\$1,315.98	\$0.00	\$0.00	18.78%	81.22%	0.00%
2012000120		02/23/2012	\$1,968.69	\$30.00	\$392.22	\$1,376.47	\$0.00	\$230.00	19.92%	69.92%	0.00%
2012000121		02/23/2012	\$2,142.82	\$30.00	\$0.00	\$0.00	\$0.00	\$2,172.82	0.00%	0.00%	0.00%
2012000122		02/23/2012	\$1,923.70	\$0.00	\$1,923.70	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
2012000123		02/24/2012	\$1,964.12	\$0.00	\$597.84	\$1,366.28	\$0.00	\$0.00	30.44%	69.56%	0.00%
2012000124		02/24/2012	\$2,142.82	\$30.00	\$783.32	\$1,389.50	\$0.00	\$0.00	36.56%	64.84%	0.00%
2012000125		02/24/2012	\$1,833.22	\$0.00	\$602.06	\$1,231.16	\$0.00	\$0.00	32.84%	67.16%	0.00%
2012000127		02/25/2012	\$2,456.98	\$0.00	\$700.48	\$1,756.50	\$0.00	\$0.00	28.51%	71.49%	0.00%

Trip Number	Patient Name	DOS	Amount Billed	Late Chg/ Rev Adjs	Amount Paid	Amount C/A	Amount B/D	Balance Due	Pct Paid	Pct C/A	Pct B/D
20120000128		02/26/2012	\$2,128.99	\$0.00	\$942.53	\$1,186.46	\$0.00	\$0.00	44.27%	55.73%	0.00%
20120000132		02/27/2012	\$1,902.79	\$30.00	\$0.00	\$0.00	\$0.00	\$1,932.79	0.00%	0.00%	0.00%
20120000135		03/01/2012	\$1,946.02	\$0.00	\$642.69	\$1,303.33	\$0.00	\$0.00	33.03%	66.97%	0.00%
20120000140		03/03/2012	\$2,106.37	\$0.00	\$2,106.37	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000141		03/04/2012	\$2,097.33	\$30.00	\$0.00	\$0.00	\$0.00	\$2,127.33	0.00%	0.00%	0.00%
20120000142		03/04/2012	\$2,128.99	\$0.00	\$567.19	\$1,561.80	\$0.00	\$0.00	26.64%	73.36%	0.00%
20120000143		03/05/2012	\$2,097.58	\$30.00	\$0.00	\$0.00	\$0.00	\$2,127.58	0.00%	0.00%	0.00%
20120000148		03/07/2012	\$2,065.91	\$0.00	\$2,065.91	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000149		03/08/2012	\$1,505.23	\$0.00	\$400.67	\$1,104.56	\$0.00	\$0.00	26.62%	73.38%	0.00%
20120000152		03/10/2012	\$1,855.29	\$30.00	\$0.00	\$0.00	\$0.00	\$1,885.29	0.00%	0.00%	0.00%
20120000154		03/11/2012	\$2,271.50	\$0.00	\$267.18	\$2,004.32	\$0.00	\$0.00	11.76%	88.24%	0.00%
20120000155		03/11/2012	\$1,756.06	\$0.00	\$455.84	\$1,300.22	\$0.00	\$0.00	25.96%	74.04%	0.00%
20120000156		03/11/2012	\$2,339.36	\$0.00	\$251.56	\$2,087.80	\$0.00	\$0.00	10.75%	89.25%	0.00%
20120000161		03/13/2012	\$2,013.88	\$0.00	\$693.97	\$1,319.91	\$0.00	\$0.00	34.46%	65.54%	0.00%
20120000162		03/14/2012	\$2,140.30	\$0.00	\$115.09	\$2,025.21	\$0.00	\$0.00	5.38%	94.62%	0.00%
20120000163		03/15/2012	\$2,034.24	\$0.00	\$117.17	\$1,917.07	\$0.00	\$0.00	5.76%	94.24%	0.00%
20120000165		03/17/2012	\$2,300.91	\$0.00	\$2,300.91	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000170		03/19/2012	\$1,952.56	\$0.00	\$1,952.56	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000176		03/21/2012	\$2,031.98	\$0.00	\$748.18	\$1,283.80	\$0.00	\$0.00	36.82%	63.18%	0.00%
20120000178		03/22/2012	\$1,941.50	\$30.00	\$1,941.50	\$0.00	\$0.00	\$30.00	100.00%	0.00%	0.00%
20120000179		03/22/2012	\$1,941.50	\$30.00	\$0.00	\$0.00	\$0.00	\$1,971.50	0.00%	0.00%	0.00%
20120000180		03/22/2012	\$2,036.50	\$0.00	\$620.34	\$1,416.16	\$0.00	\$0.00	30.46%	69.54%	0.00%
20120000181		03/23/2012	\$1,857.55	\$0.00	\$397.18	\$1,460.37	\$0.00	\$0.00	21.38%	78.62%	0.00%
20120000182		03/23/2012	\$2,142.82	\$0.00	\$2,142.82	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000184		03/25/2012	\$2,131.26	\$0.00	\$236.31	\$1,894.95	\$0.00	\$0.00	11.09%	88.91%	0.00%
20120000187		03/26/2012	\$2,016.14	\$0.00	\$2,016.14	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000188		03/26/2012	\$1,982.21	\$30.00	\$1,742.21	\$0.00	\$0.00	\$270.00	87.89%	0.00%	0.00%
20120000189		03/26/2012	\$1,878.16	\$0.00	\$154.76	\$1,723.40	\$0.00	\$0.00	8.24%	91.76%	0.00%
20120000190		03/26/2012	\$1,641.78	\$30.00	\$1,671.78	\$0.00	\$0.00	\$0.00	101.83%	0.00%	0.00%
20120000191		03/27/2012	\$2,147.34	\$30.00	\$0.00	\$0.00	\$0.00	\$2,177.34	0.00%	0.00%	0.00%
20120000194		03/30/2012	\$1,939.24	\$0.00	\$736.84	\$1,202.40	\$0.00	\$0.00	38.00%	62.00%	0.00%
20120000195		03/31/2012	\$2,108.64	\$0.00	\$597.88	\$1,510.76	\$0.00	\$0.00	28.35%	71.65%	0.00%
20120000197		04/01/2012	\$2,013.93	\$0.00	\$2,013.93	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000198		04/01/2012	\$1,857.55	\$30.00	\$547.70	\$1,339.85	\$0.00	\$0.00	29.49%	72.13%	0.00%
20120000200		04/02/2012	\$2,269.24	\$0.00	\$637.21	\$1,632.03	\$0.00	\$0.00	28.08%	71.92%	0.00%
20120000204		04/05/2012	\$1,964.12	\$0.00	\$1,964.12	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000206		04/07/2012	\$2,095.06	\$0.00	\$2,095.06	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000207		04/07/2012	\$1,853.03	\$0.00	\$408.54	\$1,444.49	\$0.00	\$0.00	22.05%	77.95%	0.00%
20120000208		04/07/2012	\$1,991.01	\$0.00	\$1,991.01	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000209		04/08/2012	\$1,841.72	\$0.00	\$190.62	\$1,651.10	\$0.00	\$0.00	10.35%	89.65%	0.00%
20120000210		04/09/2012	\$1,823.87	\$0.00	\$592.53	\$1,231.34	\$0.00	\$0.00	32.49%	67.51%	0.00%
20120000211		01/05/2012	\$1,574.22	\$30.00	\$1,604.22	\$0.00	\$0.00	\$0.00	101.91%	0.00%	0.00%
20120000212		01/05/2012	\$1,720.95	\$0.00	\$1,720.95	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000213		04/10/2012	\$2,041.03	\$0.00	\$246.85	\$1,794.18	\$0.00	\$0.00	12.09%	87.91%	0.00%
20120000214		04/10/2012	\$2,083.75	\$0.00	\$380.97	\$1,702.78	\$0.00	\$0.00	18.28%	81.72%	0.00%
20120000216		04/12/2012	\$1,914.35	\$0.00	\$213.37	\$1,700.98	\$0.00	\$0.00	11.15%	88.85%	0.00%
20120000217		04/12/2012	\$1,859.82	\$0.00	\$408.54	\$1,451.28	\$0.00	\$0.00	21.97%	78.03%	0.00%
20120000218		04/12/2012	\$2,133.52	\$0.00	\$1,920.17	\$213.35	\$0.00	\$0.00	90.00%	10.00%	0.00%
20120000219		04/13/2012	\$2,070.43	\$30.00	\$557.96	\$1,372.98	\$0.00	\$169.49	26.95%	66.31%	0.00%
20120000220		04/14/2012	\$2,190.07	\$0.00	\$609.04	\$1,581.03	\$0.00	\$0.00	27.81%	72.19%	0.00%
20120000223		04/14/2012	\$2,009.11	\$30.00	\$0.00	\$0.00	\$0.00	\$2,039.11	0.00%	0.00%	0.00%
20120000224		04/14/2012	\$2,018.16	\$0.00	\$228.52	\$1,789.64	\$0.00	\$0.00	11.32%	88.68%	0.00%
20120000225		04/15/2012	\$2,041.08	\$0.00	\$0.00	\$0.00	\$0.00	\$2,041.08	0.00%	0.00%	0.00%
20120000226		04/18/2012	\$1,690.42	\$30.00	\$0.00	\$0.00	\$0.00	\$1,720.42	0.00%	0.00%	0.00%

Trp Number	Patient Name	DOS	Amount Billed	Late Chg/ Rev Adjs	Amount Paid	Amount C/A	Amount B/D	Balance Due	Pct Paid	Pct C/A	Pct B/D
20120000227		04/18/2012	\$1,672.32	\$0.00	\$405.73	\$1,266.59	\$0.00	\$0.00	24.26%	75.74%	0.00%
20120000228		04/19/2012	\$1,939.24	\$0.00	\$588.00	\$1,351.24	\$0.00	\$0.00	30.32%	69.68%	0.00%
20120000229		04/20/2012	\$1,982.21	\$0.00	\$609.09	\$1,373.12	\$0.00	\$0.00	30.73%	69.27%	0.00%
20120000235		04/23/2012	\$2,076.97	\$0.00	\$580.27	\$1,496.70	\$0.00	\$0.00	27.94%	72.06%	0.00%
20120000236		04/24/2012	\$2,063.95	\$0.00	\$679.39	\$1,384.56	\$0.00	\$0.00	32.92%	67.08%	0.00%
20120000237		04/25/2012	\$2,309.95	\$0.00	\$2,309.95	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000238		04/26/2012	\$1,355.30	\$0.00	\$1,355.30	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000243		04/29/2012	\$1,877.91	\$30.00	\$0.00	\$0.00	\$0.00	\$1,907.91	0.00%	0.00%	0.00%
20120000245		05/01/2012	\$2,271.75	\$30.00	\$608.51	\$1,511.11	\$0.00	\$182.13	26.79%	66.52%	0.00%
20120000247		05/02/2012	\$1,541.42	\$0.00	\$184.35	\$1,357.07	\$0.00	\$0.00	11.96%	88.04%	0.00%
20120000248		05/02/2012	\$2,214.95	\$0.00	\$623.17	\$1,591.78	\$0.00	\$0.00	28.13%	71.87%	0.00%
20120000250		05/04/2012	\$1,663.27	\$0.00	\$190.62	\$1,472.65	\$0.00	\$0.00	11.46%	88.54%	0.00%
20120000253		05/04/2012	\$2,025.19	\$0.00	\$705.16	\$1,320.03	\$0.00	\$0.00	34.82%	65.18%	0.00%
20120000255		05/06/2012	\$2,032.03	\$0.00	\$2,032.03	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000256		05/06/2012	\$2,178.76	\$0.00	\$2,178.76	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000257		05/07/2012	\$2,050.07	\$30.00	\$1,995.49	\$0.00	\$0.00	\$84.58	97.34%	0.00%	0.00%
20120000258		05/07/2012	\$1,979.95	\$30.00	\$0.00	\$0.00	\$0.00	\$2,009.95	0.00%	0.00%	0.00%
20120000260		05/08/2012	\$2,009.41	\$0.00	\$481.65	\$1,527.76	\$0.00	\$0.00	23.97%	76.03%	0.00%
20120000261		05/09/2012	\$2,144.83	\$30.00	\$0.00	\$0.00	\$0.00	\$2,174.83	0.00%	0.00%	0.00%
20120000262		05/09/2012	\$1,950.55	\$30.00	\$0.00	\$0.00	\$0.00	\$1,980.55	0.00%	0.00%	0.00%
20120000263		05/10/2012	\$2,079.48	\$0.00	\$700.29	\$1,379.19	\$0.00	\$0.00	33.68%	66.32%	0.00%
20120000264		05/11/2012	\$1,952.81	\$0.00	\$594.33	\$1,358.48	\$0.00	\$0.00	30.43%	69.57%	0.00%
20120000266		05/12/2012	\$2,126.73	\$0.00	\$2,126.73	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000269		05/16/2012	\$1,665.53	\$0.00	\$174.71	\$1,490.82	\$0.00	\$0.00	10.49%	89.51%	0.00%
20120000271		05/17/2012	\$1,577.32	\$0.00	\$1,577.32	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000273		05/18/2012	\$1,939.24	\$0.00	\$590.11	\$1,349.13	\$0.00	\$0.00	30.43%	69.57%	0.00%
20120000274		05/19/2012	\$1,880.17	\$30.00	\$0.00	\$0.00	\$0.00	\$1,910.17	0.00%	0.00%	0.00%
20120000276		05/20/2012	\$2,104.41	\$30.00	\$0.00	\$0.00	\$0.00	\$2,134.41	0.00%	0.00%	0.00%
20120000279		05/21/2012	\$2,429.84	\$0.00	\$693.45	\$1,736.39	\$0.00	\$0.00	28.54%	71.46%	0.00%
20120000281		05/23/2012	\$2,088.53	\$30.00	\$2,118.53	\$0.00	\$0.00	\$0.00	101.44%	0.00%	0.00%
20120000286		05/28/2012	\$1,541.12	\$0.00	\$1,541.12	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000288		05/30/2012	\$2,280.80	\$0.00	\$700.48	\$1,580.32	\$0.00	\$0.00	30.71%	69.29%	0.00%
20120000296		06/03/2012	\$1,812.31	\$60.00	\$810.00	\$0.00	\$0.00	\$1,062.31	44.69%	0.00%	0.00%
20120000297		06/03/2012	\$1,812.31	\$0.00	\$342.62	\$1,469.69	\$0.00	\$0.00	18.91%	81.09%	0.00%
20120000303		06/05/2012	\$2,002.57	\$30.00	\$0.00	\$0.00	\$0.00	\$2,032.57	0.00%	0.00%	0.00%
20120000305		06/07/2012	\$2,122.21	\$30.00	\$1,909.99	\$0.00	\$0.00	\$242.22	90.00%	0.00%	0.00%
20120000308		06/08/2012	\$2,149.35	\$0.00	\$1,934.42	\$214.93	\$0.00	\$0.00	90.00%	10.00%	0.00%
20120000309		06/08/2012	\$1,959.59	\$0.00	\$602.06	\$1,357.53	\$0.00	\$0.00	30.72%	69.28%	0.00%
20120000312		06/10/2012	\$2,138.04	\$0.00	\$602.33	\$1,535.71	\$0.00	\$0.00	28.17%	71.83%	0.00%
20120000315		06/12/2012	\$1,986.79	\$0.00	\$1,986.79	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000316		06/12/2012	\$1,384.46	\$30.00	\$0.00	\$0.00	\$0.00	\$1,414.46	0.00%	0.00%	0.00%
20120000317		06/12/2012	\$2,194.59	\$30.00	\$2,133.57	\$0.00	\$0.00	\$91.02	97.22%	0.00%	0.00%
20120000318		06/12/2012	\$1,936.97	\$30.00	\$0.00	\$0.00	\$0.00	\$1,966.97	0.00%	0.00%	0.00%
20120000319		06/12/2012	\$1,922.05	\$0.00	\$140.88	\$1,781.17	\$0.00	\$0.00	7.33%	92.67%	0.00%
20120000323		06/15/2012	\$2,095.31	\$30.00	\$0.00	\$0.00	\$0.00	\$2,125.31	0.00%	0.00%	0.00%
20120000327		06/16/2012	\$2,237.87	\$30.00	\$0.00	\$0.00	\$0.00	\$2,267.87	0.00%	0.00%	0.00%
20120000330		06/18/2012	\$2,384.60	\$30.00	\$0.00	\$0.00	\$0.00	\$2,414.60	0.00%	0.00%	0.00%
20120000331		06/19/2012	\$2,266.98	\$0.00	\$637.82	\$1,629.16	\$0.00	\$0.00	28.14%	71.86%	0.00%
20120000333		06/20/2012	\$1,740.18	\$0.00	\$1,740.18	\$0.00	\$0.00	\$0.00	100.00%	0.00%	0.00%
20120000334		06/21/2012	\$1,652.26	\$30.00	\$1,682.26	\$0.00	\$0.00	\$0.00	101.82%	0.00%	0.00%
20120000335		06/21/2012	\$1,848.51	\$30.00	\$0.00	\$0.00	\$0.00	\$1,878.51	0.00%	0.00%	0.00%
20120000336		06/22/2012	\$1,805.65	\$30.00	\$0.00	\$0.00	\$0.00	\$1,835.65	0.00%	0.00%	0.00%
20120000337		06/22/2012	\$2,111.15	\$30.00	\$0.00	\$0.00	\$0.00	\$2,141.15	0.00%	0.00%	0.00%
20120000339		06/23/2012	\$2,036.25	\$0.00	\$849.79	\$1,186.46	\$0.00	\$0.00	41.73%	58.27%	0.00%

Balance Sheet
Account Summary
 As Of 06/06/2019

Running Springs Water District

Account	Name	Balance
Fund: 400 - Ambulance Operating Fund		
Assets		
400-10000-00	Ambulance Operating Fund	537,004.47
400-10000-01	Cash - For Conversion only	0.00
400-12000-00	Accounts receivable - Ambulance	1,434,500.92 1,281,210.64
400-12050-00	Allowance of uncollectible	964,790.98 815,792.06
400-12600-00	Interest Receivable	0.00
400-12900-00	A/R - Other	0.00
400-14000-00	Prepaid Expenses	0.00
400-16100-00	Work in progress	0.00
400-16400-00	Furniture and Equipment	27,015.30
400-16500-00	Trucks and Automobiles	472,361.25
400-16800-00	Intangible Asset	19,308.64
400-16900-00	Accm. Depreciation - Ambulance	-357,164.76
	Total Assets:	1,168,234.84 <u>1,163,943.48</u>
		Net Write Off Amount = \$4,291.36

1 - 0		
1 - 1	A/R Bal as of 6/6/19	1,434,500.92 +
1 - 2	Write Off Total	153,290.28 -
1 - T	Adjusted A/R Balance	1,281,210.64 *
2 - 0		
2 - 1	Allowance of uncollectible Bal as of 6/6/19	964,790.98 +
2 - 2	Allowance balance for FY2012	148,998.92 -
2 - T	Adjusted Allowance of uncollectible balance	815,792.06 *
3 - 0		
3 - 1	Total Write Off	153,290.28 +
3 - 2	Allowance already recorded	148,998.92 -
3 - T	Net Write Off Amount	4,291.36 *

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: June 19, 2019

TO: Board of Directors

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

**SUBJECT: INTERGOVERNMENTAL TRANSFER (IGT) PROGRAM -
FEDERAL MATCHING FUNDS FOR EMERGENCY MEDICAL
TRANSPORT SERVICES**

RECOMMENDED BOARD ACTION

Consider authorizing the Fire Chief and/or General Manager to execute agreements to allow the Running Springs Fire Department to participate in a voluntary rate range Intergovernmental Transfer (IGT) program with the California Department of Health Care Services (DHCS) to increase reimbursements for emergency medical ambulance transport services provided to Molina Healthcare of California and Inland Empire Health Plan (IEHP) members.

REASON FOR RECOMMENDATION

To increase reimbursement to the Running Springs Fire Department for services provided to Medi-Cal Managed Care Health Plan Members. This IGT program will allow the Fire Department to access funding which will offset the loss in cost recovery under the Medi-Cal Managed Care Programs as a result of significantly reduced regular reimbursement rates.

BACKGROUND INFORMATION

Since 2006, the DHCS has offered public healthcare providers the opportunity to participate in a program that increases reimbursement for services provided to Medi-Cal managed care plan members. The DHCS program, called a voluntary rate range IGT program (Welfare and Institutions Code §§ 14164, 14301.4) provides a way for Medi-Cal Managed Care Health Plan Providers to gain access to federal matching funds for Medi-Cal reimbursements. Recently this program has been expanded to include public Emergency Medical Service (EMS) providers, like the Running Springs Fire Department, who provides health care services to Medi-Cal managed care enrollees making them eligible to receive increased reimbursements from Medi-Cal Managed Care Health Plan Providers.

Under the IGT program, counties and other political subdivisions or governmental entities in the State may elect to transfer funds to the State in support of the Medi-Cal

program. These funds are used as a match for federal funds, which are eventually returned to the EMS providers through their respective Medi-Cal Managed Care Health Plan Providers. In San Bernardino County, the Medi-Cal Managed Care Health Plan Providers Inland Empire Health Plan (IEHP) and Molina Healthcare of California Partner Plan, Inc. (Molina). Both IEHP and Molina have agreed this year to participate in the IGT program along with its regional partners, including the Running Springs Fire Department.

The IGT program requires the transfer of eligible local dollars from the Running Springs Fire Department to the DHCS. DHCS in turn uses transferred funds from local governments to increase the monthly capitation rates it paid Medi-Cal Managed Care Health Plan Providers in the prior fiscal year, thus allowing DHCS to receive additional federal funding from the Centers for Medicare and Medicaid Services (CMS) for payment to the Medi-Cal Managed Care Health Plan Providers. The Medi-Cal Managed Care Health Plan Providers then pay most of their IGT funded rate increases to the local governments that transferred the funds. Ultimately, each local government participant receives back the funding it provided, plus the federal match in return.

The following is a summary of the IGT process and approximate transfer amounts for the Running Springs Fire Department, based upon current information from the State DHCS:

State DHCS Rate Increase Contract: Based on the participating agencies' signed contracts to transfer funds to DHCS, the state will contact Molina and IEHP to increase their per member, per month capitation rates. The Plan's rate will be increased to the highest actuarially sound rate.

Transfer from the Department to the State: Once the CMS has approved the entire IGT transaction and the Plan rate contracts have been signed by DHCS and the Medi-Cal Managed Care Health Plans throughout the State, DHCS will submit a request to participating agencies to transfer funds to the State. With the Running Springs Water District Board approval, the Fire Department will transfer approximately \$135,695 to DHCS. Additionally, the Department will make a separate payment of approximately \$27,139 (20%) to DHCS as authorized in Welfare and Institutions Code Section 14301.4, to cover the administrative costs (assessment fee) of operating the IGT program. If the State is unable to use all of the transferred funds to increase Plan rates, it will return any used funds and the associated 20% administrative fee.

Payment to the Fire Department: After receipt of the IGT funds as well as the assessment fee, the State will draw down federal funds from CMS. Upon receipt of the District funds as well as the new federal match, DHCS will increase Molina's rate payments. Upon the receipt of the increased payments Molina will increase payments made to local health providers who provide service to their Medi-Cal plan beneficiaries. Running Springs Fire Department should receive approximately \$271,390, which is comprised of the original contribution of \$135,695 and the federal matched funds in the amount of \$135,695 less the 20% prepaid administrative fee of \$27,139. The resulting net revenue received by the Fire Department will be approximately, \$108,556.

The rate range IGT will be implemented through execution of three contracts; one with the DHCS, one with IEHP and one with Molina. These documents spell out the obligations of each entity in regard to the transfer of local government funds, the use of funds by DHCS, the payment of funds to Molina, and the treatment of payments by Molina. Before any funds are transferred, all the contracts must be signed by the participating agencies and the Plan rate increases must be approved by the federal government. The specific contract documents are included as Attachments 1-3.

FISCAL INFORMATION

IEHP Estimated Non-Federal Share*	\$127,993
Molina Estimated Non-Federal Share*	\$7,702
RSFD Transfer to DHCS	\$135,695
DHCS Assessment Fee (20%)	\$27,139
Total RSFD Transfer to DHCS	\$162,834
Amount Returned to RSFD	\$271,390
Net Additional Funds to RSFD	\$108,556

*Refer to Attachment 1, Exhibit 1:

ATTACHMENTS

Attachment 1 – Agreement California Department Health Care Services (DHCS)

Attachment 2 – Agreement IEHP

Attachment 3 – Agreement Molina

**INTERGOVERNMENTAL AGREEMENT REGARDING
TRANSFER OF PUBLIC FUNDS**

This Agreement is entered into between the CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (“DHCS”) and the RUNNING SPRINGS FIRE DEPARTMENT (GOVERNMENTAL FUNDING ENTITY) with respect to the matters set forth below.

The parties agree as follows:

AGREEMENT

1. Transfer of Public Funds

1.1 The GOVERNMENTAL FUNDING ENTITY agrees to make a transfer of funds to DHCS pursuant to sections 14164 and 14301.4 of the Welfare and Institutions Code. The amount transferred shall be based on the sum of the applicable rate category per member per month (PMPM) contribution increments multiplied by member months, as reflected in Exhibit 1. The GOVERNMENTAL FUNDING ENTITY agrees to initially transfer amounts that are calculated using the Estimated Member Months in Exhibit 1, which will be reconciled to actual enrollment for the service period of July 1, 2018 through June 30, 2019 in accordance with Sub-Section 1.3 of this Agreement. The funds transferred shall be used as described in Sub-Section 2.2 of this Agreement. The funds shall be transferred in accordance with the terms and conditions, including schedule and amount, established by DHCS.

1.2 The GOVERNMENTAL FUNDING ENTITY shall certify that the funds transferred qualify for Federal Financial Participation pursuant to 42 C.F.R. part 433, subpart B, and are not derived from impermissible sources such as recycled Medicaid payments, Federal money excluded from use as State match, impermissible taxes, and non-bona fide provider-

related donations. Impermissible sources do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

1.3 DHCS shall reconcile the “Estimated Member Months,” in Exhibit 1, to actual enrollment in HEALTH PLAN(S) for the service period of July 1, 2018 through June 30, 2019 using actual enrollment figures taken from DHCS records. Enrollment reconciliation will occur on an ongoing basis as updated enrollment figures become available. Actual enrollment figures will be considered final two years after June 30, 2019. If this reconciliation results in an increase to the total amount necessary to fund the nonfederal share of the payments described in Sub-Section 2.2, the GOVERNMENTAL FUNDING ENTITY agrees to transfer any additional funds necessary to cover the difference. If this reconciliation results in a decrease to the total amount necessary to fund the nonfederal share of the payments described in Sub-Section 2.2, DHCS agrees to return the unexpended funds to the GOVERNMENTAL FUNDING ENTITY. If DHCS and the GOVERNMENTAL FUNDING ENTITY mutually agree, amounts due to or owed by the GOVERNMENTAL FUNDING ENTITY may be offset against future transfers.

2. Acceptance and Use of Transferred Funds

2.1 DHCS shall exercise its authority under section 14164 of the Welfare and Institutions Code to accept funds transferred by the GOVERNMENTAL FUNDING ENTITY pursuant to this Agreement as IGTs, to use for the purpose set forth in Sub-Section 2.2.

2.2 The funds transferred by the GOVERNMENTAL FUNDING ENTITY pursuant to Section 1 and Exhibit 1 of this Agreement shall be used to fund the non-federal share of Medi-Cal Managed Care actuarially sound capitation rates described in section 14301.4(b)(4) of the Welfare and Institutions Code as reflected in the contribution PMPM and rate categories

reflected in Exhibit 1. The funds transferred shall be paid, together with the related Federal Financial Participation, by DHCS to HEALTH PLAN(S) as part of HEALTH PLAN(S)' capitation rates for the service period of July 1, 2018 through June 30, 2019, in accordance with section 14301.4 of the Welfare and Institutions Code.

2.3 DHCS shall seek Federal Financial Participation for the capitation rates specified in Sub-Section 2.2 to the full extent permitted by federal law.

2.4 The parties acknowledge that DHCS will obtain any necessary approvals from the Centers for Medicare and Medicaid Services.

2.5 DHCS shall not direct HEALTH PLAN(S)' expenditure of the payments received pursuant to Sub-Section 2.2.

3. Assessment Fee

3.1 DHCS shall exercise its authority under section 14301.4 of the Welfare and Institutions Code to assess a 20 percent fee related to the amounts transferred pursuant to Section 1 of this Agreement, except as provided in Sub-Section 3.2. GOVERNMENTAL FUNDING ENTITY agrees to pay the full amount of that assessment in addition to the funds transferred pursuant to Section 1 of this Agreement.

3.2 The 20-percent assessment fee shall not be applied to any portion of funds transferred pursuant to Section 1 that are exempt in accordance with sections 14301.4(d) or 14301.5(b)(4) of the Welfare and Institutions Code. DHCS shall have sole discretion to determine the amount of the funds transferred pursuant to Section 1 that will not be subject to a 20 percent fee. DHCS has determined that \$0.00 of the transfer amounts will not be assessed a 20 percent fee, subject to Sub-Section 3.3.

3.3 The 20-percent assessment fee pursuant to this Agreement is non-refundable and shall be wired to DHCS separately from, and simultaneous to, the transfer amounts made under Section 1 of this Agreement. If, at the time of the reconciliation performed pursuant to Sub-Section 1.3 of this Agreement, there is a change in the amount transferred that is subject to the 20-percent assessment in accordance with Sub-Section 3.1, then a proportional adjustment to the assessment fee will be made.

4. Amendments

4.1 No amendment or modification to this Agreement shall be binding on either party unless made in writing and executed by both parties.

4.2 The parties shall negotiate in good faith to amend this Agreement as necessary and appropriate to implement the requirements set forth in Section 2 of this Agreement.

5. Notices. Any and all notices required, permitted or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States First Class, Certified or Registered mail with postage prepaid, addressed to the other party at the address set forth below:

To the GOVERNMENTAL FUNDING ENTITY:

George D. Corley, Fire Chief
Running Springs Fire Department
PO Box 2206
Running Springs, CA 92382
g.corley@runningspringsfd.org

With copies to:

Ryan Gross, General Manager
Running Springs Water District
PO Box 2206
Running Springs, CA 92382
rgross@runningspringswd.com

To DHCS:

Sandra Dixon
California Department of Health Care Services
Capitated Rates Development Division
1501 Capitol Ave., Suite 71-4002
MS 4413
Sacramento, CA 95814
Sandra.Dixon@dhcs.ca.gov

6. Other Provisions

6.1 This Agreement contains the entire Agreement between the parties with respect to the Medi-Cal payments described in Sub-Section 2.2 of this Agreement that are funded by the GOVERNMENTAL FUNDING ENTITY, and supersedes any previous or contemporaneous oral or written proposals, statements, discussions, negotiations or other agreements between the GOVERNMENTAL FUNDING ENTITY and DHCS relating to the subject matter of this Agreement. This Agreement is not, however, intended to be the sole agreement between the parties on matters relating to the funding and administration of the Medi-Cal program. This Agreement shall not modify the terms of any other agreement, existing or entered into in the future, between the parties.

6.2 The non-enforcement or other waiver of any provision of this Agreement shall not be construed as a continuing waiver or as a waiver of any other provision of this Agreement.

6.3 Sections 2 and 3 of this Agreement shall survive the expiration or termination of this Agreement.

6.4 Nothing in this Agreement is intended to confer any rights or remedies on any third party, including, without limitation, any provider(s) or groups of providers, or any right to medical services for any individual(s) or groups of individuals. Accordingly, there shall be no third party beneficiary of this Agreement.

6.5 Time is of the essence in this Agreement.

6.6 Each party hereby represents that the person(s) executing this Agreement on its behalf is duly authorized to do so.

7. State Authority. Except as expressly provided herein, nothing in this Agreement shall be construed to limit, restrict, or modify the DHCS' powers, authorities, and duties under Federal and State law and regulations.

8. Approval. This Agreement is of no force and effect until signed by the parties.

9. Term. This Agreement shall be effective as of July 1, 2018 and shall expire as of December 31, 2021 unless terminated earlier by mutual agreement of the parties.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date of the last signature below.

THE RUNNING SPRINGS FIRE DEPARTMENT:

By: George D Corley Date: 5/20/19
George D. Corley, Fire Chief, Running Springs Fire Department

THE STATE OF CALIFORNIA, DEPARTMENT OF HEALTH CARE SERVICES:

By: _____ Date: _____
Jennifer Lopez, Division Chief, Capitated Rates Development Division

Exhibit 1

Funding Entity:		Running Springs Fire Department	
Health Plan:		Inland Empire Health Plan	
Rating Region:		San Bernardino	
Rate Category	Contribution PMPM	Estimated Member Months	Estimated Contribution (Non-Federal Share)
Child - non MCHIP	\$ 0.01	2,618,136	\$ 26,181
Child - MCHIP	\$ 0.01	768,545	\$ 7,685
Adult - non MCHIP	\$ 0.03	1,225,649	\$ 36,769
Adult - MCHIP	\$ 0.03	24,253	\$ 728
SPD	\$ 0.10	469,093	\$ 46,909
SPD/Full-Dual (age 0-20)	\$ 0.04	18,535	\$ 741
BCCTP	\$ 0.14	535	\$ 75
Long Term Care	\$ 0.80	11,131	\$ 8,905
Estimated Total		5,135,877	\$ 127,993

Funding Entity:		Running Springs Fire Department	
Health Plan:		Molina Healthcare	
Rating Region:		San Bernardino	
Rate Category	Contribution PMPM	Estimated Member Months	Estimated Contribution (Non-Federal Share)
Child - non MCHIP	\$ 0.01	295,674	\$ 2,957
Adult - non MCHIP	\$ 0.02	118,688	\$ 2,374
SPD	\$ 0.03	64,122	\$ 1,924
SPD/Full-Dual (age 0-20)	\$ 0.01	2,211	\$ 22
BCCTP	\$ 0.06	27	\$ 2
Long Term Care	\$ 0.47	900	\$ 423
Estimated Total		481,622	\$ 7,702



LETTER OF AGREEMENT

This Letter of Agreement (“Agreement”) is made and entered into by and between *Inland Empire Health Plan* and *IEHP Health Access* (collectively referred to as “IEHP” or “PAYOR”), and **RUNNING SPRINGS WATER DISTRICT, DBA RUNNING SPRINGS FIRE DEPARTMENT** (“PROVIDER”) for the provision of medical services to PAYOR’s Members.

NOW, THEREFORE, in consideration of the mutual covenants and promises herein, the parties hereto agree as follows:

1. DUAL ELIGIBLE BENEFICIARY – shall mean an individual 21 years of age or older who is enrolled for benefits under Medicare Part A (42 U.S.C. § 1395c et seq.) and Medicare Part B (42 U.S.C. § 1395j et seq.) and is eligible for medical assistance under the Medi-Cal State Plan.
2. MEDICARE - A benefit package that offers a specific set of health benefits at a uniform premium and uniform level of cost-sharing to all people with Medicare who live in the service area covered by Health Access as outlined in Attachment C. Medicare includes the Capitated Financial Alignment Demonstration, also known as the “Duals Pilot Project,” which is the pilot program seeking to integrate care across delivery systems for Dual Eligible Beneficiaries, as developed by CMS and DHCS.
3. PROVIDER shall render medical services as authorized by PAYOR to Member and agrees to accept the Fee Schedule listed in Attachment A. PROVIDER shall not bill, charge or attempt to collect any payments, surcharges or other remuneration, excluding applicable copayments, from Members of HMOs or other such programs as regulated by the Knox-Keene Health Care Service Plan Act of 1975 and the Department of Health Care Services through Title 22 of the California Code of Regulations, as amended.
4. Healthcare services provided by PROVIDER under this Agreement require prior authorization. All authorizations for services are only valid for the individual PROVIDER named in the authorization. Authorizations issued to a PROVIDER within a Provider Group are not considered “Group Authorization,” but rather are only valid for the individual credentialed PROVIDER named in the authorization.
5. PROVIDER shall maintain a uniform medical record in accordance with community standards and in compliance with all applicable federal and state laws, rules and regulations for each Member. Upon request, PROVIDER shall allow IEHP, the Department of Managed Health Care (DMHC), the Department of Health Care Services (DHCS) and all other state and federal regulatory agencies to inspect medical records for Member(s) and shall provide copies of all medical records or other medical reports, without charge. Provider shall allow IEHP and Health Access to access and use PROVIDER’s practitioner performance data.

6. PROVIDER shall prepare and maintain such records, including books, records and papers related to medical services provided to Members, and provide access to such information to IEHP, and other applicable state and federal regulatory agencies as may be necessary to comply with federal and state laws, rules and regulations. This obligation shall survive the termination of this Letter of Agreement for minimum of ten (10) years.
7. PAYOR shall make payments to PROVIDER in accordance with Attachment A hereto, provided the member is eligible with the PAYOR at the time services are rendered. PROVIDER shall submit claims to PAYOR for authorized covered services provided to Members within one hundred and twenty (120) days from the date of service. The claim must be submitted on a CMS 1500 or a UB-04 claim form and shall include all Member identifying information and the authorization number provided by PAYOR relating to medical services *Emergency Ground Transportation Services* provided pursuant to this Agreement.
8. PAYOR shall compensate PROVIDER within forty-five (45) working days of receipt of a complete CMS 1500 Claim Form from PROVIDER. Any compensation disputes must be filed within 365 calendar days of payment or denial and shall be handled in accordance with Health and Safety Code § 1371 et seq.
9. PAYOR and PROVIDER shall abide by any applicable State and Federal laws and regulations including, but not limited to, all provisions found in the Knox-Keene Health Care Service Plan Act of 1975, as amended.
10. PAYOR'S financial obligation under this agreement is subject to the Member's eligibility being effective with PAYOR at the time services are rendered.
11. Throughout the term of this Agreement, PROVIDER shall maintain, at its sole cost and expense, policies for insurance providing coverage for PROVIDER's general liability and professional liability (errors and omissions), and any other insurance coverage PROVIDER deems prudent and customary in the exercise of PROVIDER's business operations, in amounts as may be necessary to protect PROVIDER and its officers, agent, and employees in the discharge of its responsibilities and obligations under this Agreement. Upon request, PROVIDER shall furnish PAYOR with evidence of such insurance coverage.
12. The term of this Letter of Agreement shall become effective as of **September 20, 2016** and shall continue in effect for an initial term of one year that shall automatically renew on the anniversary date for subsequent one year periods not to exceed four (4) years after the initial term.
13. Either party may terminate this Agreement without cause by providing the other party thirty (30) working days prior written notice to terminate via Certified Mail.

14. This Agreement shall terminate immediately, upon IEHP's written notice, in the event of the occurrence of any of the following:
- a. Failure to Provide Quality Services – PROVIDER's failure to maintain the standards as provided herein.
 - b. Failure to Render Services – PROVIDER's failure to provide Health Care Services to Members as provided herein.
 - c. Breach of Material Term – PROVIDER's breach of any material term, covenant or condition of the Agreement.
 - d. Licensing – Revocation, suspension, or restriction of PROVIDER's licenses, accreditation or certification required for the performance of the duties hereunder.
 - e. Loss of Insurance Coverage – Failure by PROVIDER to maintain adequate professional liability insurance coverage, as provided herein.
 - f. Fraud – Upon IEHP's determination that PROVIDER has engaged in a fraudulent activity against the Plan or its Members.
15. Any notices required to be given herein by either party to the other shall be effected by certified letter to the appropriate address as follows:

IEHP

Inland Empire Health Plan
P.O. Box 1800
Rancho Cucamonga, CA 91729-1800
(909) 890-2000
Attn: Director of Contracts

PROVIDER

Running Springs Water District
DBA Running Springs Fire Department
31250 Hilltop Blvd – P.O. Box 2206
Running Springs, CA 92382

16. Completed billing forms for services must be sent to:

Inland Empire Health Plan
Attn: Claims Department – IEHP Direct Auth.
PO Box 4349
Rancho Cucamonga, CA 91729-4349

17. Payment for services rendered will be sent to:

Running Springs Water District
DBA Running Springs Fire Department
31250 Hilltop Blvd – P.O. Box 2206
Running Springs, CA 92382

18. The relationship between PAYOR and PROVIDER is an independent contractor relationship. Neither PROVIDER nor its employee(s) and/or agent(s) shall be considered to be an employee(s) and/or agent(s) of PAYOR, and neither PAYOR nor any employee(s) and/or agent(s) of PAYOR shall be considered to be an employee(s) and/or agent(s) of PROVIDER. None of the provisions of this Agreement shall be construed to create a relationship of agency, representation, joint venture, ownership, control or employment between the parties other than that of independent parties contracting for the purposes of effectuating this Agreement.
19. This Agreement, including all attachments, which are incorporated herein by this reference, constitutes the entire agreement by and between the parties regarding the matters contemplated by this Agreement, and supersedes any and all other agreements, promises, negotiations or representations, either oral or written, between the parties with respect to the subject matter and period governed by this Agreement.
20. No alteration and/or amendment of any terms or conditions of this Agreement shall be binding, unless reduced to writing and signed by the parties hereto. Amendments required due to legislative, regulatory or other legal authority do not require the prior approval of PROVIDER and shall be deemed effective immediately upon PROVIDER's receipt of notice.
21. In the event any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.
22. The provisions of the Government Claims Act (Government Code section 900 et seq.) must be followed first for any disputes arising under this Agreement.
23. This Agreement shall be governed by and construed in accordance with the laws of the State of California. All actions and proceedings arising in connection with this Agreement shall be tried and litigated exclusively in the state or federal (if permitted by law and a party elects to file an action in federal court) courts located in the counties of San Bernardino or Riverside, State of California.
24. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) – IEHP PLAN and PROVIDER are subject to all relevant requirements contained in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-91, enacted August 21, 1996, the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009 (HITECH), Public Law 111-5, enacted February 17, 2009, and the laws and regulations promulgated subsequent hereto, for purposes of services rendered pursuant to the Agreement. Both parties agree to cooperate in accordance with the terms and intent of this Agreement for implementation of relevant law(s) and/or regulation(s) promulgated under HIPAA and HITECH. Both parties further agree that it shall be in compliance with the requirements of HIPAA, HITECH and the laws and regulations promulgated subsequent hereto.

IN WITNESS WHEREOF, the parties hereto have entered into this Letter of Agreement as of September 20, 2016.

PROVIDER:

By: George D. Corley
George D. Corley

Title: Fire Chief

Date: 09/28/2016

TIN#: 95-6006680

NPI#: 1902939390

PAYOR

By: _____
David Carrish

Title: Director of Provider Contracting

Date: _____

HEALTH PLAN-PROVIDER AGREEMENT

AMENDMENT TO AGREEMENT BETWEEN MOLINA HEALTHCARE OF CALIFORNIA PARTNERS PLAN, INC. AND RUNNING SPRINGS WATER DISTRICT, DBA: RUNNING SPRINGS FIRE DEPARTMENT.

AMENDMENT _

This Amendment is made by and between Molina Healthcare of California Partners Plan, Inc., a California corporation licensed pursuant to Health and Safety Code section 1349 et seq. to act as a health plan hereinafter referred to as "PLAN," and RUNNING SPRINGS FIRE DEPARTMENT, hereinafter referred to as "PROVIDER."

RECITALS:

WHEREAS, PLAN and PROVIDER have previously entered into an Agreement effective _____;

WHEREAS, _____ of such Agreement provides for amending such Agreement;

WHEREAS, Molina Healthcare of California Partners Plan, Inc., a corporate entity licensed under Health and Safety Code Section 1349 et seq. has a contract with the California Department of Health Care Services (State DHCS) pursuant to Welfare and Institutions Code Section 14087.3 to act as a Medi-Cal managed care plan. Molina Healthcare of California Partner Plan, Inc. has subsequently entered into the Agreement referenced above, and amendments to it, to allow PROVIDER to render such services to Molina Healthcare of California Partner Plan, Inc. Medi-Cal members in San Bernardino County;

WHEREAS, the PROVIDER is a all risk fire department that provides rescue, emergency responses, incident management, fire protection/suppression, EMS (BLS/ALS), and ambulance services; and

WHEREAS, PLAN and PROVIDER desire to amend the Agreement to provide for Medi-Cal managed care capitation rate increases to PLAN as a result of intergovernmental transfers ("IGTs") from the _____ (GOVERNMENTAL FUNDING ENTITY) to the California Department of Health Care Services ("State DHCS") to maintain the availability of Medi-Cal health care services to Medi-Cal beneficiaries.

NOW, THEREFORE, PLAN and PROVIDER hereby agree as follows:

Amendment _____ of the Agreement is added to read as follows:

2015-17 IGT MEDI-CAL MANAGED CARE CAPITATION RATE RANGE INCREASES

1. IGT Capitation Rate Range Increases to PLAN

A. Health Plan Retention

(1) The PLAN shall retain a two percent (2%) administrative fee based on the total amount of the IGT MMCRRIs received from DHCS for PLAN's cost to administer this program. Each provider's share of the 2% fee shall be calculated based on that provider's proportionate share of the LMMCRR IGT payments made by Plan in San Bernardino County.

(2) PLAN will not retain any other portion of the IGT MMCRRIs received from the State DHCS other than those mentioned above.

B. Conditions for Receiving Local Medi-Cal Managed Care Rate Range IGT Payments

As a condition for receiving LMMCRR IGT Payments, PROVIDER shall, as of the date the particular LMMCRR IGT Payment is due:

(1) remain a participating provider in the PLAN and not issue a notice of termination of the Agreement; and

(2) maintain its current emergency response services for PLAN Medi-Cal beneficiaries.

C. Schedule and Notice of Transfer of Non-Federal Funds

GOVERNMENTAL FUNDING ENTITY shall notify the PLAN within five business days after the funds referred to in the Intergovernmental Transfer Agreement have been transferred to the State.

D. Form and Timing of Payments

PLAN agrees to pay LMMCRR IGT Payments to PROVIDER in the following form and according to the following schedule:

(1) PLAN agrees to pay the LMMCRR IGT Payments to PROVIDER using the same mechanism through which compensation and payments are normally paid to PROVIDER (e.g., electronic transfer). After paying any required taxes and retaining the Plan's administrative fee, as shown in Section B above, PLAN will pay PROVIDER a percent of the remaining LMMCRR IGT payment equal to the PROVIDER's contribution as a percent of total governmental entity contributions to this IGT.

(2) PLAN will pay the LMMCRR IGT Payments to PROVIDER no later than thirty (30) calendar days after receipt of the IGT MMCRRIs from State DHCS.

E. Consideration

(1) As consideration for the LMMCRR IGT Payments, PROVIDER shall use the LMMCRR IGT Payments for the following purposes and shall treat the LMMCRR IGT Payments in the following manner:

(a) The LMMCRR IGT Payments shall represent compensation for Medi-Cal services rendered to Medi-Cal PLAN members by PROVIDER during the State fiscal year to which the LMMCRR IGT Payments apply.

(b) To the extent that total payments received by PROVIDER for any State fiscal year under this Amendment exceed the cost of Medi-Cal services provided to Medi-Cal beneficiaries by PROVIDER during that fiscal year, any remaining LMMCRR IGT Payment amounts shall be retained by PROVIDER to be expended for health care services. Retained LMMCRR IGT Payment amounts may be used by the PROVIDER in either the State fiscal year for which the payments are received or subsequent State fiscal years.

(2) For purposes of subsection (1) (b) above, if the retained LMMCRR IGT Payments, if any, are not used by PROVIDER in the State fiscal year received, retention of funds by PROVIDER will be established by demonstrating that the retained earnings account of PROVIDER at the end of any State fiscal year in which it received payments based on LMMCRR IGT Payments funded pursuant to the Intergovernmental Agreement, has increased over the unspent portion of the prior State fiscal year's balance by the amount of LMMCRR IGT Payments received, but not used. These retained PROVIDER funds may be commingled with other GOVERNMENTAL FUNDING ENTITY'S funds for cash management purposes provided that such funds are appropriately tracked and only the depositing facility is authorized to expend them.

(3) Both parties agree that none of these funds, either from the GOVERNMENTAL FUNDING ENTITY or federal matching funds will be recycled back to the GOVERNMENTAL FUNDING ENTITY'S general fund, the State, or any other intermediary organization. Payments made by the health plan to providers under the terms of this Amendment constitute patient care revenues.

F. PLAN's Oversight Responsibilities

PLAN's oversight responsibilities regarding PROVIDER's use of the LMMCRR IGT Payments shall be limited as described in this paragraph. PLAN shall request, within thirty (30) calendar days after the end of each State fiscal year in which LMMCRR IGT Payments were transferred to PROVIDER, a written confirmation that states whether and how PROVIDER complied with the provisions set forth in Paragraph 1.F above. In each instance, PROVIDER shall provide PLAN with written confirmation of compliance within thirty (30) calendar days of PLAN's request.

G. Cooperation Among Parties

Should disputes or disagreements arise regarding the ultimate computation or appropriateness of any aspect of the LMMCRR IGT Payments, PROVIDER and PLAN agree to

work together in all respects to support and preserve the LMMCRR IGT Payments to the full extent possible on behalf of the safety net in San Bernardino County.

H. Reconciliation

Within one hundred twenty (120) calendar days after the end of each of PLAN's fiscal years in which LMMCRR IGT Payments were made to PROVIDER, PLAN shall perform a reconciliation of the LMMCRR IGT Payments transmitted to the PROVIDER during the preceding fiscal year to ensure that the supporting amount of IGT MMCRRIs were received by PLAN from State DHCS. PROVIDER agrees to return to PLAN any overpayment of LMMCRR IGT Payments made in error to PROVIDER within thirty (30) calendar days after receipt from PLAN of a written notice of the overpayment error, unless PROVIDER submits a written objection to PLAN. Any such objection shall be resolved in accordance with the dispute resolution processes set forth in Section VIII of the Agreement. The reconciliation processes established under this paragraph are distinct from the indemnification provisions set forth in Section J below. PLAN agrees to transmit to the PROVIDER any underpayment of LMMCRR IGT Payments within thirty (30) calendar days of PLAN's identification of such underpayment.

I. Indemnification

PROVIDER shall indemnify PLAN in the event DHCS or any other federal or state agency recoups, offsets, or otherwise withholds any monies from or fails to provide any monies to PLAN, or PLAN is denied any monies to which it otherwise would have been entitled, as a direct result of the LMMCRR IGT arising from the Intergovernmental Agreement. Recovery by PLAN pursuant to this section shall include, but not be limited to, reduction in future LMMCRR IGTs paid to PROVIDER in an amount equal to the amount of MMCRRi payments withheld or recovered from PLAN, or by reduction of any other amounts owed by PLAN to PROVIDER.

J. Remittance Information

The IGT-funded payments made by the PLAN pursuant only to this Amendment, shall be mailed to the PROVIDER at the address set forth below:

2. **Term**; Payment will be sent to Running Springs Water District, C/O; Ryan Gross, General Manager, P.O. Box 2206, Running Springs, CA 92315.
rgross@runningswd.com, (909)-867-2766.

The term of this Amendment shall commence on July 1, 2017 and shall terminate on September 30, 2020.

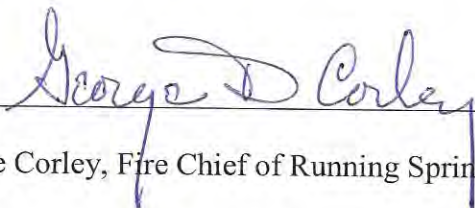
All other terms and provisions of said Agreement shall remain in full force and effect so that all rights, duties and obligations, and liabilities of the parties hereto otherwise remain unchanged;

provided, however, if there is any conflict between the terms of this Amendment and the Agreement, then the terms of this Amendment shall govern.

SIGNATURES

HEALTH PLAN:  Date: 5/22/18

Paul Van Duine, Vice President of Network Management and Operations, Molina Healthcare of California Partner Plan, Inc.

PROVIDER:  Date: 5/29/18
George Corley, Fire Chief of Running Springs Fire Department

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: June 19, 2019

TO: Board of Directors

FROM: Joan C. Eaton, Board Secretary/Administration Supervisor/Treasurer
Ryan Gross, General Manager

SUBJECT: CONSIDER APPROVING FISCAL YEAR 2019/2020
PROFESSIONAL SERVICES CONTRACT WITH ROGERS,
ANDERSON, MALODY AND SCOTT (RAMS)

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors consider approving a Professional Services Contract with Rogers, Anderson, Malody and Scott, LLP (RAMS) for Fiscal Year 2019/2020 Financial Consulting Services in an amount not to exceed \$48,000 for general accounting services and authorize the General Manager to execute the contract. Attachment 1 includes a draft of the RSWD RAMS Professional Services Contract, Attachment 2 RAMS Engagement Letter and Attachment 3 RAMS Accounting Services Expense Summary Projection.

REASON FOR RECOMMENDATION

The District has the continued need for Financial Consulting Services to assist staff in following consistent and accurate accounting practices and with preparing for the District's annual financial audit and other financial and accounting matters.

BACKGROUND INFORMATION

The Fiscal Year 2019/2020 Budget includes a total of \$48,000 for Financial Consulting Services and the Accounting Professional Services expenses are split between the Water, Wastewater and Fire/Ambulance Divisions. The Fiscal Year 2019/2020 RAMS Accounting Services Expense Summary projects a slight decrease from Fiscal Year 2018/2019 in regular accounting services expense that is due to completion of the Tyler Financial and Utility Billing system conversion.

FISCAL INFORMATION

Staff is recommending a not to exceed amount of \$48,000 be approved for Fiscal Year 2019/2020 for outside accounting services.

ATTACHMENTS

Attachment 1 - RSWD FY 2019/2020 RAMS Professional Services Contract

Attachment 2 - RAMS FY 2019/2020 Letter of Engagement

Attachment 3 - RAMS FY 2019/2020 Accounting Expense Summary

**RUNNING SPRINGS WATER DISTRICT
PROFESSIONAL SERVICES CONTRACT**

1. PARTIES AND DATE.

This Contract is made and entered into this 20th day of June, 2019, by and between the Running Springs Water District, an independent special district with its principal place of business at Running Springs, California (“DISTRICT”) and Rogers, Anderson, Malody and Scott (RAMS), with its principal place of business at San Bernardino, California (“Consultant”). District and Consultant are sometimes individually referred to as “Party” and collectively as “Parties.”

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by the District on the terms and conditions set forth in this Contract. Consultant represents that it is experienced in providing services as a Financial Consultant, is licensed in the State of California, and is familiar with the plans of District.

2.2 Project.

District desires to engage Consultant to render professional services for as-needed financial consulting services.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply consulting services necessary for the Project (“Services”). The Services are for as-needed financial consulting (Refer to Consultants Proposal Dated May 31, 2019). All Services shall be subject to, and performed in accordance with, this Contract and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Contract shall be from the date this contract is fully executed to the completion of the project, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Contract, and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor.

The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Contract. District retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Contract. Any additional personnel performing the Services under this Contract on behalf of Consultant shall also not be employees of District and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Contract and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Contract. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, District shall respond to Consultant's submittals in a timely manner. Upon request of District, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of District.

3.2.4 Substitution of Key Personnel. Consultant has represented to District that certain key personnel will perform and coordinate the Services under this Contract. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of District. In the event that District and Consultant cannot agree as to the substitution of key personnel, District shall be entitled to terminate this Contract for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the District, or who are determined by the District to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the District.

3.2.5 District's Representative. The District hereby designates the **General Manager**, or his or her designee, to act as its representative for the performance of this Contract ("District's Representative"). District's Representative shall have the power to act on behalf of the District for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than the District's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates Scott Manno, or his or her designee, to act as its representative for the performance of this Contract ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Contract. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Contract.

3.2.7 Coordination of Services. Consultant agrees to work closely with District staff in the performance of Services and shall be available to District's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Contract in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a District Business License, and that such licenses and approvals shall be maintained throughout the term of this Contract. As provided for in the indemnification provisions of this Contract, Consultant shall perform, at its own cost and expense and without reimbursement from the District, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the District to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the District, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the District, Consultant shall be solely responsible for all costs arising there from. Consultant shall defend, indemnify and hold District, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Contract, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence the Services under this Contract until it has provided evidence satisfactory to the District that it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the District that the subcontractor has secured all insurance required under this section.

3.2.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Contract by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Contract. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability:* Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability:* Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability:* Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits of: (1) *General Liability:* \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Contract/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability:* \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability:* Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.2.10.3 Professional Liability. Consultant shall procure and maintain, and require its sub-consultants to procure and maintain, for a period of three (3) years following completion of the Services, errors and omissions liability insurance appropriate to their profession. Such insurance shall be in an amount of \$1,000,000 per claim and aggregate.

3.2.10.4 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the District to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall be endorsed to state that: (1) the District, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the Services or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the District, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the District, its directors, officials, officers, employees, agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the District, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the District, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Each insurance policy required by this Contract shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced in contract limits or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the District, its directors, officials, officers, employees, agents and volunteers.

3.2.10.5 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the DISTRICT, its directors, officials, officers, employees, agents and volunteers.

3.2.10.6 Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by the District.

3.2.10.7 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VII, licensed to do business in California, and satisfactory to the District.

3.2.10.8 Verification of Coverage. Consultant shall furnish District with original certificates of insurance and endorsements (blanket endorsements acceptable) effecting coverage required by this Contract on forms satisfactory to the District. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the District if requested. All certificates and endorsements must be received and approved by the District before work commences. The District reserves the right to review complete, certified copies of all required insurance policies, at any time.

3.2.10.9 Claims-Made Form. If General Liability, Pollution and/or Asbestos Pollution Liability and/or Errors & Omissions coverage are written on a claims-made form:

3.2.10.9.1 The "Retro Date" must be shown, and must be before the date of the contract or the beginning of contract work.

3.2.10.9.2 Insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of the contract of work.

3.2.10.9.3 If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a "Retro Date" prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of three (3) years after completion of contract work.

3.2.10.9.4 A copy of the claims reporting requirements must be submitted to the Entity for review.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions as applicable shall include, but shall not be limited to: (A) adequate life protection and life saving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Contract. The total compensation shall not exceed **FORTY EIGHT THOUSAND** dollars (**\$48,000**) without written approval of District's General Manager. Extra Work may be authorized, as described below; and if authorized, said Extra Work will be compensated at the rates and manner set forth in this Contract.

3.3.2 Payment of Compensation. Consultant shall submit to District a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. District shall, within 45 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by District.

3.3.4 Extra Work. At any time during the term of this Contract, District may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by District to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Contract. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from District's Representative.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Contract. All such records shall be clearly identifiable. Consultant shall allow a representative of District during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Contract. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Contract for a period of three (3) years from the date of final payment under this Contract.

3.5 General Provisions.

3.5.1 Termination of Contract.

3.5.1.1 Grounds for Termination. District may, by written notice to Consultant, terminate the whole or any part of this Contract at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services

which have been adequately rendered to District, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Contract except for cause.

3.5.1.2 Effect of Termination. If this Contract is terminated as provided herein, District may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Contract. Consultant shall be required to provide such documents and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Contract is terminated in whole or in part as provided herein, District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Contract shall be given to the respective Parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: Scott W. Manno
RAMS
735 E. Carnegie Drive, Suite 100
San Bernardino, CA 92408
Direct: (909) 889-0871
Fax: (909) 889-5361
Email: smanno@ramscpa.net

District: Ryan Gross, General Manager
PO Box 2206, 31242 Hilltop Blvd.
Running Springs, CA 92382
Phone: 909.867.2766
Cell: 909.938.8061
Fax: 909.867.2828
Email: rgross@runningspringswd.com

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property.

This Contract creates a non-exclusive and perpetual license for District to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Contract ("Documents & Data"). Consultant shall require all subcontractors to agree in writing that District is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Contract. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the District. District shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Contract shall be at District's sole risk.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents and Data either created by or provided to Consultant in connection with the performance of this Contract shall be held confidential by Consultant. Such materials shall not, without the prior written consent of District, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use District's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of District.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Contract.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Contract, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification. Consultant shall defend, indemnify and hold the District, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner to the proportionate extent arising out of or incident to any alleged negligent

acts, omissions or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors arising out of or in connection with the performance of the Services, the Project or this Contract. To the extent of Consultant's negligence, Consultant shall pay and satisfy its share of any judgment, award or decree that may be rendered against District or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse District and its directors, officials, officers, employees, agents and/or volunteers, its share of legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the District, its directors, officials, officers, employees, agents or volunteers.

3.5.7 Entire Contract. This Contract contains the entire Contract of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or Agreements. This Contract may only be modified by a writing signed by both Parties.

3.5.8 Governing Law. This Contract shall be governed by the laws of the State of California. Venue shall be in San Bernardino County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Contract.

3.5.10 District's Right to Employ Other Consultants. District reserves right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Contract shall be binding on the successors and assigns of the Parties.

3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Contract or any interest herein without the prior written consent of the District. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Contract, the language of this Contract shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Contract. All references to District include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Contract. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Contract.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Contract shall be binding unless executed in writing and signed by both Parties.

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.16 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 Invalidity; Severability. If any portion of this Contract is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Contract. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, District shall have the right to rescind this Contract without liability. For the term of this Contract, no member, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Contract, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of any District's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Contract. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Contract.

Each Party warrants that the individuals who have signed this Contract have the legal power, right, and authority to make this Contract and bind each respective Party.

3.5.22 Counterparts. This Contract may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Contract, except as expressly stated herein, without prior written approval of District. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Contract.

Running Springs Water District

Rogers, Anderson, Malody &
Scott, LLP

By: _____
Ryan Gross
General Manager

By: _____
Scott W. Manno
Partner

EXHIBIT "A"

SCOPE OF SERVICES

REFER TO:

Consultant's Proposal dated May 31, 2019



735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

May 31, 2019

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradford A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)
Kirk A. Franks, CPA (Partner Emeritus)

DIRECTORS

Jenny Liu, CPA, MST

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Jingjie Wu, CPA
Evelyn Morentin-Barcena, CPA
Jin Gu, CPA, MT
Veronica Hernandez, CPA
Tara R. Thorp, CPA, MSA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

*Employee Benefit Plan
Audit Quality Center*

California Society of
Certified Public Accountants

Board of Directors
Running Springs Water District
31242 Hilltop Boulevard
Running Springs, California 92382

This letter is to confirm our understanding of the professional services we are to provide the Running Springs Water District for the fiscal year ended June 30, 2020.

Scope of Services - Professional Support

Monthly services:

- Capitalization of assets
- Construction in process
- Review of bank reconciliation
- Prepare and record monthly journal entries as needed
- Review upstream user quarterly billing and assist with reconciliation of costs billed to G/L
- Assist with adjustments for monthly financial reports that include budget to actual revenue and expenditures
- Review ambulance billings and payroll postings
- Assist with allocations on cash summary sheet
- Assist with implementation of new Governmental Accounting Standards Board Statements
- Review of cash receipts posting to identify items that may need to be reclassified, adjusted or monitored (grant or reimbursement receipts, proceeds from disposal of assets, other miscellaneous receipts)
- Available to answer questions as needed

Annual basis:

- Identify and post annual adjustments for the trial balance to be provided to the auditors
- Record interest receivables and payables
- Record internal work-orders to the G/L and other inventory adjustments as necessary
- Adjust allowance for uncollectible ambulance billings
- Accrue A/P and payroll related items such as wages, vacation, sick and comp time
- Prepare pension information for audit
- Adjust prepaid expenses
- Accrue A/R as needed including other amounts such as upstream user billings, other misc. billings
- Prepare necessary work papers for the outside auditors and assist in the audit process as needed

Additional assistance, as requested:

- Rate analysis
- Long range financial planning
- Staff training in various accounting functions

Our fee for these services will be based on actual time spent at our standard rates of \$110 - \$305 per hour, depending on staff level (excluding any special projects or services requested by the District). We estimate our fee for the above services to be \$48,000 - \$51,200 per year and is based on our estimated time and historical trends. As usual, we will only bill for work completed by our firm. The fee estimate is based on an hourly estimate of between 280 and 300 hours per year at approximately \$165 per hour.

Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. If either party elects to terminate our services, our engagement will be deemed to be completed upon written notification of termination. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Scott W. Mannó, CPA, CGMA
Partner

RESPONSE:

This letter correctly sets forth the understanding of the Running Springs Water District.

By: _____

Title: _____

Date: _____

ATTACHMENT 3

RAMS Accounting Expense Summary

Running Springs Water District
 FY 2019-2020

Description	Rate	Regular services			Total	Special projects	Total special	Grand total
		Year-end	Monthly	Travel				
Budget Hrs - SK	\$150	170	72	3	\$ 36,750	80	\$ 12,000	\$ 48,750
Budget Hrs - SM	\$305	30	7	2	11,895	5	1,525	13,420
Total Budget					\$ 48,645	85		\$ 62,170