



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:                      AUGUST 10, 2018

RE: REGULAR BOARD MEETING                      FROM:                      BOARD SECRETARY

The Regular Meeting of the Board of Directors of the Running Springs Water District will be held on Wednesday, August 15, 2018, at the hour of 9:00am at the District Office located at 31242 Hilltop Boulevard, Running Springs, California. This agenda was posted prior to 5:00pm on August 10, 2018 at the Running Springs Water District Office and Website.

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

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

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

**AGENDA**

1. Call Meeting to Order and Pledge of Allegiance
2. Recognize and Hear from Visitors / Public Comment - This portion of the agenda is reserved for the public to make comments on matters within the jurisdiction of the Running Springs Water District that are **not on the agenda**. The Board, except to refer the matter to staff and/or place it on a future agenda, may take no action. It is in the best interest of the person speaking to the Board to be concise and to the point. A time limit of five minutes per individual will be allowed. Any person wishing to comment on an item that is on the agenda is requested to complete a request to speak form prior to the item being called for consideration or to raise their hand and be recognized by the Board President.
3. Approval of Consent Items – The following consent items are expected to be routine and non-controversial and will be acted on at one time without discussion unless an item is withdrawn by a Board Member for questions or discussion. Any person wishing to speak on the consent agenda may do so by raising his/her hand and being recognized by the Board President.

A. Approve Meeting Minutes **Page 3**

B. Ratify Expenditures **Page 8**

- C. Consider Declaring 2000 Dodge Durango (C3600) Command Vehicle Surplus Property and Dispose at Auction **Page 16**
- 4. Action Items – The following action items will be considered individually and each **require a motion** by the Board of Directors for action.
  - A. Consider Awarding Contract for Wastewater Treatment Plant Wash Water Piping Replacement Project **Page 18**  
(Presenter: Ryan Gross, General Manager)
  - B. Consider Authorizing Expenditure for Wastewater Treatment Plant Headworks Improvements **Page 20**  
(Presenter: Trevor Miller, Wastewater Treatment Division Supervisor)
  - C. Consider Approving CSA 79 Wastewater Transportation, Treatment and Disposal Agreement **Page 25**  
(Presenter: Ryan Gross, General Manager)
  - D. Consider Awarding a Professional Services Agreement for the design of the Nob Hill Water Facilities Improvements Project **Page 35**  
(Presenter: Ryan Gross, General Manager)
  - E. Consider Awarding a Construction Contract for the Main Office Roof Improvements Project **Page 36**  
(Presenter: Ryan Gross, General Manager)
  - F. Consider Adopting Resolution No. 17-18, Approving the Department of Forestry and Fire Protection Agreement #7FG118093 **Page 38**  
(Presenter: George Corley, Fire Chief)
  - G. Consider Authorizing Staff to Issue a Request for Proposals (RFP) for a Comprehensive Rate Study **Page 40**  
(Presenter: Ryan Gross, General Manager)
- 5. General Manager's Report
- 6. Report from Legal Counsel
- 7. Board Member Comments / Meetings
- 8. Meeting Adjournment

Upcoming Meetings: Regular Board Meeting, September 19, 2018 at 9:00 am

**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** August 15, 2018  
**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 July 18, 2018.

**ATTACHMENTS**

Attachment 1 – Draft Meeting Minutes

**MINUTES – July 18, 2018**  
**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  
JULY 18, 2018**

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The Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, July 18, 2018 at the hour of 9:00 A.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California.

The following Directors were present:

Tony Grabow, President  
Mike Milliorn, Director  
Bill Conrad, Director

The following Directors were absent:

Errol Mackzum, Vice President  
Mike Terry, Director

Also present were the following:

Ryan Gross, General Manager  
George Corley, Fire Department Chief  
Randy Bobroff, Water Division Supervisor

Visitors Present:

None

**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**

No visitors were present.

**3. Approval of Consent Items**

**A. Approve June 20, 2018 Meeting Minutes**

**B. Ratify June 2018 Expenditures**

**C. Receive and File the Fiscal Year 2017/2018 Annual Board and Employee Expense Report**

**D. Consider Declaring Certain Equipment as Surplus and Authorize Staff to Dispose of Property**

Manager Gross clarified consent items C and D that are annual routine requirements.

Upon **motion** by Director Milliorn, **second** by Director Conrad and **carried by a 3 to 0 vote**, the Consent Items were approved.

**4. Action Items**

**A. Consider Adopting Resolution No. 15-18, Certifying Delinquent Charges to be Placed on the Tax Roll for Fiscal Year 2018/2019**

Upon **motion** by Director Conrad, **second** by Director Milliorn and **carried by a 3 to 0 vote**, Resolution No. 15-18 was adopted. (Resolution No. 15-18 on file in the District office)

**B. Consider Adopting Resolution No. 16-18, finding that certain properties located in the District constitute a public nuisance and ordering notification to property owners and setting a public hearing**

Chief Corley reported on the Hazard Abatement program and he said adoption of Resolution No. 16-18 is the beginning of the annual process. Manager Gross said the resolution declares the public nuisance and sets the public hearing on September 19, 2018. The Board will review the list of remaining non-compliant properties at the public hearing and consider approving warrant notification for those properties. Manager Gross confirmed the initial \$90 non-compliant hazard abatement fee that will increase if the property goes to warrant and is required to be abated by a contractor.

Upon **motion** by Director Conrad, **second** by Director Milliorn and **carried by a 3 to 0 vote**, Resolution No. 16-18 was adopted. (Resolution No. 16-18 on file in the District office)

**C. Consider Voting to Elect a Representative to the California Special Districts Association (CSDA) Board of Directors**

The Board discussed the candidates for the CSDA Board of Directors and no action was taken.

**D. Consider Authorizing Staff to Payoff Ambulance Loan**

Manager Gross requested Board consideration to pay off the Municipal Finance Corporation loan regarding the Ambulance that was purchased in 2015, resulting in approximately \$970 savings in interest expense.

Upon **motion** by President Grabow, **second** by Director Conrad and **carried by a 3 to 0 vote**, the motion was approved.

**E. Consider Authorizing Expenditure for Replacement of Sidewinder Groundwater Well Lower Booster Pump & Motor**

Supervisor Bobroff reported on the Sidewinder Groundwater Well lower booster pump and motor failure. Three (3) bids were received from reputable contractors and if approved, the funds will be utilized from the Water Capital Improvement Reserve Fund with a balance of \$435,756 as of June 30, 2018. With the system down, the District is required to purchase expensive imported water from the Crestline-Lake Arrowhead Water Agency (CLAWA) and Manager Gross asked for authorization to spend up to \$6,200 for the emergency repair.

Upon **motion** by Director Conrad, **second** by Director Milliorn and **carried by a 3 to 0 vote**, the motion authorizing the expenditure not to exceed \$6,200, was approved.

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

Manager Gross stated the District has begun deployment of the AMR project and he reported on a concerned customer regarding the AMR technology. The customer submitted a letter to the District and local newspapers stating health concerns and discussion continued regarding the option of an Opt-Out Program. Manager Gross said his recommendation is not to implement an Opt-Out option but rather continue to educate the customers and he added that there are no Opt-Out mandates in place regarding a special district. The staff report also contains several attachments with information on smart meters from the American Cancer Society, Water Online, Black & Veatch and Zenner that will be used as public outreach materials related to the District's AMR program.

Upon **motion** by Director Milliorn, **second** by Director Conrad and **carried by a 3 to 0 vote**, to not move forward with a Customer Opt-Out program at this time, was approved.

**5. Information Items**

**A. Quarterly Budget and Financial Report**

The Fiscal Year 2017/2018 quarterly budget, financial report and preliminary yearend figures were reviewed and discussed. A comprehensive rate study will be conducted in Fiscal Year 2018/19.

**B. Quarterly Investment Report**

Manager Gross reported on the Local Agency Investment Fund Remittance Advice for quarter ending June 30, 2018 earning \$17,196 interest at 1.9%. The interest is divided among the departments based on their proportionate share of the pooled cash balance.

**C. Water Production & Precipitation Report**

Manager Gross said regarding Fiscal Year 2017/18, the District produced over 50% of the local groundwater needs and purchased the remaining water from CLAWA and Arrowbear Park County Water District. The total water reduction from 2013 to 2017 was 14% indicating customers are continuing to do their part for water conservation.

**6. General Manager’s Report**

Manager Gross reported on the Pali Mountain Camp annexation and the County Fire Department opposition. Reference was made to the 2006 memo from the County Administrative Office to the Local Agency Formation Commission (LAFCO) and LAFCO Resolution 2986, both which took the official position that it is not the intent of the County Fire Department to object to the primary agency annexing areas within its sphere of influence in the future, with the normal property tax transfers taking place.

**7. Report From Legal Counsel**

No report.

**8. Board Member Comments/Meetings**

No comments or meetings.

**9. Meeting Adjournment**

The meeting was adjourned at 9:57 A.M.

Respectfully Submitted,

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President, Board of Directors  
Running Springs Water District

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Secretary of the Board of Directors  
Running Springs Water District

**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** August 15, 2018  
**TO:** Board of Directors  
**FROM:** Ryan Gross, General Manager  
**SUBJECT:** RATIFY EXPENDITURES

**RECOMMENDED BOARD ACTION**

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

A copy of the District's Cash Reserve Fund Summary as of July 31, 2018, the Pooled Cash Balance History and Fire Department Operating Reserve Fund Surplus/Shortfall History is also included for review and information.

**REASON FOR RECOMMENDATION**

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

**BACKGROUND INFORMATION**

Attached is a list of expenditures for July 2018 and the Cash Summary as of July 31, 2018.

**FISCAL INFORMATION**

Refer to attached accounts payable check register and cash summary.

**ATTACHMENTS**

- Attachment 1 – Accounts Payable Check Register for July 2018
- Attachment 2 – Cash Summary as of July 31, 2018
- Attachment 3 – Pooled Cash Balance History
- Attachment 4 – Fire Department Operating Reserve Fund Surplus/Shortfall History



## Running Springs Water District Accounts Payable Checks July 2018

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
2 Hot Uniforms inc	Uniform Allowance Mike Scotti	07/12/18	413.22	102131	413.22
Action Automotive Repair Inc	Mount and Balance 2 tires	07/03/18	70.00	102085	70.00
	New tires for utility vehicles	07/09/18	1,132.71	102108	1,132.71
	Brake Repairs	07/12/18	1,535.64	102132	1,535.64
	Center Support Bearing	07/26/18	324.21	102180	624.27
	C/V Axle	07/26/18	300.06	102180	
Airgas Inc.	Helium	07/12/18	46.60	102133	46.60
	Miscellaneous Supplies	07/19/18	73.73	102161	73.73
Alloquent LLC	PLC programming	07/26/18	500.00	102181	500.00
Allstar Fire Equipment	Rubber Bunker Boots For Structure Gear	07/12/18	1,346.88	102134	1,346.88
American Family Life Assurance Company of Colun	Additional Insurance Premium June 2018	07/03/18	528.04	102086	528.04
	Additional Insurance Premiums July 2018	07/26/18	792.06	102182	792.06
Ameripride Services, Inc	Cleaning Supplies June 2018	07/03/18	268.64	102087	268.64
Ariens Specialty Brands LLC	Uniform Allowance	07/03/18	319.92	102088	319.92
	Industrial Cargo Pants	07/26/18	176.94	102183	176.94
Arrowbear Park County Water District	Purchase water June 2018	07/09/18	7,023.70	102127	7,023.70
Boot Barn Inc.	Uniforms	07/26/18	205.15	102184	205.15
Brandyn Gonzales	Non-Cashed Payroll Check from 12/22/17	07/26/18	13.69	102185	13.69
BURR Group Inc.	Trash Service June 2018	07/03/18	67.29	102089	283.65
	Trash service and Load June 2018	07/03/18	216.36	102089	
	Trash Service June 2018	07/09/18	176.79	102109	176.79
California Computer Options Inc	Network Maintenance July 2018	07/03/18	2,375.00	102090	2,375.00
California Fire Chief Association	2018/2019 Annual Membership	07/09/18	250.00	102110	250.00
California Water Environment Association	CWEA Association Membership	07/09/18	180.00	102111	180.00
	Bobroff Annual Membership	07/19/18	188.00	102162	929.00
	CWEA Annual Membership	07/19/18	188.00	102162	
	Davis- CWEA Association Membership	07/19/18	188.00	102162	
	Hall-CWEA Association Membership	07/19/18	188.00	102162	
	Mech Tech grd2/ Plant tech grd 1 renewal	07/19/18	177.00	102162	
CalPERS	Health Insurance Premiums July 2018	07/03/18	19,538.52	DFT0000764	19,538.52
	Employ Contribur Classic/Pepra 7/2/18	07/10/18	23,229.87	DFT0000769	23,229.87
	Employ Contribu Classic/Pepra 7/16/18	07/24/18	28,305.90	DFT0000776	28,305.90
	PERS UAL 2018/2019	07/25/18	542,220.00	DFT0000777	542,220.00
Canon	Monthly Service fee/Usage July 2018	07/19/18	1,071.55	102163	1,071.55
Carol McAllsiter	Ambulance Refund	07/12/18	1,371.95	102135	1,371.95
Charter Communitcations	Telephone and Internet July 2018	07/12/18	576.14	102136	768.68
	Telephone/Internet July 2018	07/12/18	192.54	102136	
	Telephone/Internet July-Aug 2018	07/19/18	109.97	102164	109.97
Citibank, N.A.	Miscellaneous Supplies June 2018	07/12/18	209.05	102137	1,645.10
	misc. tools and equipment	07/12/18	1,436.05	102137	
	STAPLES- OFFICE SUPPLIES	07/26/18	457.21	102186	457.21
Clinical Laboratory of San Bernardino	Water Samples June 2018	07/19/18	1,578.00	102165	3,004.00
	Wastewater Samples June 2018	07/19/18	1,426.00	102165	
ConFire JPA	July -September 2018 - Dispatch	07/12/18	5,093.50	102138	5,093.50
County of San Bernardino	Lien Release	07/03/18	20.00	102091	20.00

Lump sum for full year

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
County of San Bernardino	2018/19 Provision of Medical Control	07/09/18	3,200.00	102112	3,200.00
	2 Lien Releases	07/12/18	16.00	102139	16.00
	Lien Release	07/19/18	8.00	102166	8.00
	Assessor parcel map revisions July 18	07/26/18	2.00	102187	2.00
	Permits T1800397, T1800421, T1800484	07/26/18	362.00	102188	362.00
Crestline-Lake Arrowhead Water Agency	Purchase Water June 2018	07/09/18	20,036.77	102113	20,036.77
	Annual Meter Connection Fee	07/12/18	695.00	102140	6,835.00
	Annual Meter Connection Fee	07/12/18	1,950.00	102140	
	Annual Meter Connection Fee	07/12/18	310.00	102140	
	Annual Meter Connection Fee	07/12/18	3,880.00	102140	
Cypress Ancillary Benefits	Dental Insurance Premiums July 2018	07/03/18	1,184.93	102092	1,184.93
Dixi Willemse	Reimbursement Claim	07/03/18	309.93	102093	706.93
	Reimbursement CLaim	07/03/18	397.00	102093	
	Reimbursement Claim	07/26/18	22.40	102189	22.40
Donald G. Rice	Clutch replacement unit 67	07/19/18	887.78	102167	887.78
ERLA INC	Stairchair testing/repair	07/26/18	1,295.20	102190	1,295.20
ESO Solutions Inc	Firehouse support contract	07/26/18	675.00	102191	675.00
EWT Holding III Corp	New transducer for Permeate compartment	07/12/18	616.33	102141	1,841.45
	level controller for green acres irrigation pump	07/12/18	1,225.12	102141	
Federal Express Corporation	Shipping Costs June 2018	07/19/18	107.01	102168	107.01
Fire Apparatus Solutions	Engine 51 Annual Servcie	07/19/18	4,464.15	102169	4,464.15
Fire Fighters Association	July 2018 Association Dues	07/19/18	440.00	102170	440.00
Frontier Communications	Telephone June-July 2018	07/03/18	55.27	102094	165.87
	Telephone June-July 2018	07/03/18	55.31	102094	
	Telephone June-July 2018	07/03/18	55.29	102094	
	Scada Line June 2018	07/09/18	101.83	102114	212.45
	Telephone June-July 2018	07/09/18	55.31	102114	
	Telephone July 2018	07/09/18	55.31	102114	
	Telephone July 2018	07/12/18	52.30	102142	52.30
	Telephone July 2018	07/19/18	143.08	102171	195.86
	Telephone July-Aug 2018	07/19/18	52.78	102171	
	Scada Line July-Aug 18	07/26/18	102.32	102192	358.13
	Telephone July-Aug 2018	07/26/18	72.38	102192	
	Telephone July-Aug 2018	07/26/18	55.52	102192	
	Telephone July-Aug 2018	07/26/18	72.41	102192	
	Telephone July-Aug 2018	07/26/18	55.50	102192	
GM Excavating, INC.	Station 51 Structural Repair	07/09/18	43,328.36	102115	43,328.36
	Release of Retention	07/19/18	4,454.05	102172	4,454.05
Haz Mat Trans, Inc.	Work Order # 85437	07/03/18	700.00	102095	700.00
	WO#85665	07/19/18	700.00	102173	700.00
HD Supply Facilities Maintenance LTD	Eyesaline Concentrate	07/03/18	110.26	102096	110.26
	Treatment Supplies	07/09/18	446.19	102116	446.19
	Test Strips	07/12/18	59.67	102143	59.67
Inland Desert Security & Communications	Answering Service July 2018	07/12/18	110.00	102144	110.00
Inland Water Works Supply Company	Miscellaneous Supplies	07/09/18	195.57	102117	195.57
Joan Eaton	Reimbursement Claim	07/09/18	409.00	102118	409.00
	Reimbursement Claim	07/26/18	537.42	102193	736.92
	Reimbursement Claim	07/26/18	199.50	102193	
Liberty Composting Inc	Tipping Fees Biosolids June 2018	07/12/18	370.20	102145	370.20
Life-Assist, Inc	Ambulance Supplies	07/03/18	357.74	102097	357.74

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
Life-Assist, Inc	Ambulance Supplies	07/19/18	2,404.91	102174	2,404.91
Linda Mayfield	Reimbursement Claim	07/19/18	1,005.20	102175	1,408.39
	Reimbursement Claim	07/19/18	403.19	102175	
Liquinox	Bioxide for Odor control	07/19/18	4,209.00	102176	4,209.00
Lou's Gloves, Inc	Nitrile Exam Gloves	07/19/18	100.00	102177	100.00
McMaster-Carr Supply Company	Enclosure for GA pump controller	07/09/18	174.35	102119	635.10
	SCADA Batteries	07/09/18	460.75	102119	
Metropolitan Life Insurance Company	Vision Insurance Premiums July 2018	07/09/18	181.96	102120	181.96
Mike Scotti	DMV Physical Reimbursement	07/09/18	55.00	102121	55.00
NAPA Auto Parts	Miscellaneous Auto Supplies	07/12/18	23.47	102146	887.75
	Miscellaneous Supplies	07/12/18	116.71	102146	
	Axle Hubs	07/12/18	747.57	102146	
Neofunds By Neopost	Office Postage Machine funds	07/26/18	1,000.00	102194	1,000.00
Neopost USA Inc	Lease Payment July-Oct 2018	07/03/18	385.58	102098	385.58
	POSTAGE INK CARTRIDGE	07/26/18	193.94	102195	193.94
Nestle Waters North America	Drinking Water for Treatment Plant June 2018	07/03/18	47.76	102099	47.76
Nierman Industrial Materials	Pre-Cut Bar	07/19/18	34.84	102178	34.84
Northern Safety Company Inc.	Rubber Coated Gloves	07/12/18	161.16	102147	161.16
Nuckles Oil Company, Inc	Fuel	07/12/18	5,282.35	102148	5,282.35
One Stop Landscape Supply	Blanket PO Bio Solids disposal	07/09/18	879.60	102122	879.60
Patricia A. Monical	Industrial Paper towels and Toilet seat cover	07/03/18	69.12	102100	69.12
Polydyne Inc.	Blanket PO for Polydyne	07/26/18	1,066.73	102196	1,066.73
Quinn Cat	Rental tractor for sewer easments	07/19/18	1,906.04	102179	1,906.04
Redlands Community Hospital	Ambulance Refund	07/12/18	2,475.68	102149	2,475.68
Reliance Standard Life Insurance Company	Life Insurance Premiums July 2018	07/03/18	1,141.92	102101	1,141.92
Rim Forest Lumber Company, Inc.	Miscellaneous Supplies	07/03/18	19.91	102102	364.06
	Capitol Expense Repair Wall At Station 50	07/03/18	344.15	102102	
Roger E. Fox, M.D.	DOT exam	07/12/18	50.00	102150	50.00
Rogers Anderson Malody & Scott LLP	Consultant Costs June 2018	07/26/18	3,169.72	102197	3,169.72
Running Springs Area Chamber of Commerce	Annual Membership Dues 2018/2019	07/03/18	125.00	102103	125.00
Sacramento Metropolitan Fire District	GEMT SFY 2016/2017 Cost per Transport	07/09/18	823.76	102123	823.76
Safeguard Business Systems	SAFEGUARD- DOOR TAGS	07/26/18	267.19	102198	267.19
Southern California Edison Company	Electricity June 2018	07/03/18	316.64	102104	705.33
	Electricity June 2018	07/03/18	142.35	102104	
	Electricity June 2018	07/03/18	246.34	102104	
	Electricity June 2018	07/09/18	1,576.16	102124	14,005.46
	Electricity June 2018	07/09/18	514.13	102124	
	Electricity June 2018	07/09/18	136.93	102124	
	Electricity June 2018	07/09/18	378.55	102124	
	Electricity June 2018	07/09/18	69.50	102124	
	Electricity June 2018	07/09/18	86.10	102124	
	Electricity June 2018	07/09/18	9,400.30	102124	
	Electricity June 2018	07/09/18	233.85	102124	
	Electricity June 2018	07/09/18	29.06	102124	
	Electricity June 2018	07/09/18	523.22	102124	
	Electricity June 2018	07/09/18	382.20	102124	
	Electricity June 2018	07/09/18	675.46	102124	
	Electricity June 2018	07/09/18	576.08	102128	5,696.06
	Electricity June 2018	07/09/18	530.31	102128	
	Electricity June 2018	07/09/18	149.01	102128	

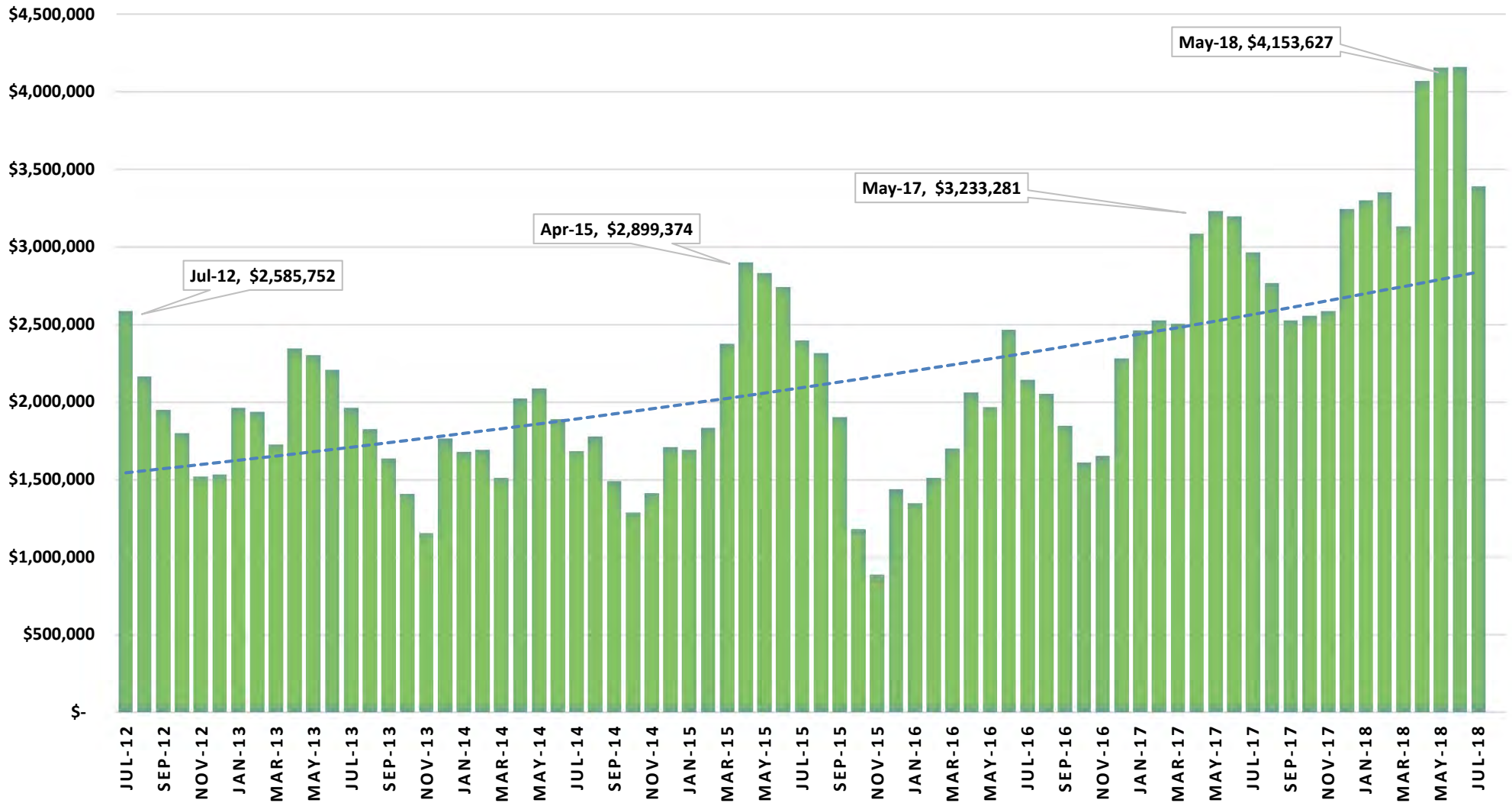
Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount	
Southern California Edison Company	Electricity June 2018	07/09/18	739.25	102128	5,696.06	
	Electricity June 2018	07/09/18	636.81	102128		
	Electricity June 2018	07/09/18	435.35	102128		
	Electricity June 2018	07/09/18	28.89	102128		
	Electricity June 2018	07/09/18	1,738.64	102128		
	Electricity June 2018	07/09/18	338.46	102128		
	Electricity June 2018	07/09/18	149.11	102128		
	Electricity June 2018	07/09/18	257.46	102128		
	Electricity June 2018	07/09/18	116.69	102128		
	Electricity June 2018	07/12/18	173.15	102151	184.01	
	Electricity June 2018	07/12/18	10.86	102151		
	Southern California Gas Company	Gas Usage June 2018	07/12/18	44.96	102152	173.95
		Gas Usage June 2018	07/12/18	29.66	102152	
Gas Usage June 2018		07/12/18	46.16	102152		
Gas Usage June 2018		07/12/18	38.87	102152		
Gas Usage- June 2018		07/12/18	14.30	102152		
Special District Risk Management Authority	2018/19 Workers Compensation Invoice	07/09/18	116,161.42	102129	199,358.32	
	2018/19 Property/Liability Invoice	07/09/18	83,196.90	102129		
	Auto Insurance for Chief Vehicle	07/12/18	162.34	102153	162.34	
State of California - State Water Resource Control	Grade 2- Water Treatment Op Cert	07/03/18	60.00	102105	60.00	
Terminix International Company LP	Pest Control	07/12/18	64.00	102154	64.00	
The Bank of New York Mellon Trust Co., NA	Administration Fee July 2018-June 2019	07/12/18	1,860.00	102155	1,860.00	
Underground Service Alert of Southern California	New Dig Tickets and Maintenance Fee July 18	07/09/18	97.45	102125	97.45	
US Postal Service	Permit #14 Postage	07/12/18	3,000.00	102156	3,000.00	
Verizon Wireless Services LLC	Cell Phone June 2018	07/12/18	199.69	102157	199.69	
Visa	2 pairs water work shoes, Win 911 Software	07/12/18	757.60	102158	2,849.78	
	Corley- Heart Savers CPR cards	07/12/18	122.00	102158		
	Miller- Staples- APC Battery Backup	07/12/18	70.03	102158		
	Collections demo gas saw & WWTP sewage pump	07/12/18	1,811.00	102158		
	Strebel- Station Supplies	07/12/18	89.15	102158		
Vyanet Operating Group	Security /Monitoring Aug-Oct 2018	07/12/18	125.00	102159	125.00	
York Insurance Services Group Inc., -CA	Fund Worker's Comp account	07/03/18	101.40	102106	101.40	
	Workers Comp Fund Ck 10395-10397	07/26/18	66.90	102199	66.90	
York Risk Services Group, Inc	Workers Comp Admin fee June 2018	07/09/18	112.00	102126	112.00	
Zenner Performance Meter, Inc	AMR Collect, Repeater and Battery	07/12/18	8,040.64	102160	8,040.64	
	AMR Metering Project	07/26/18	231.24	102200	231.24	

**Totals**

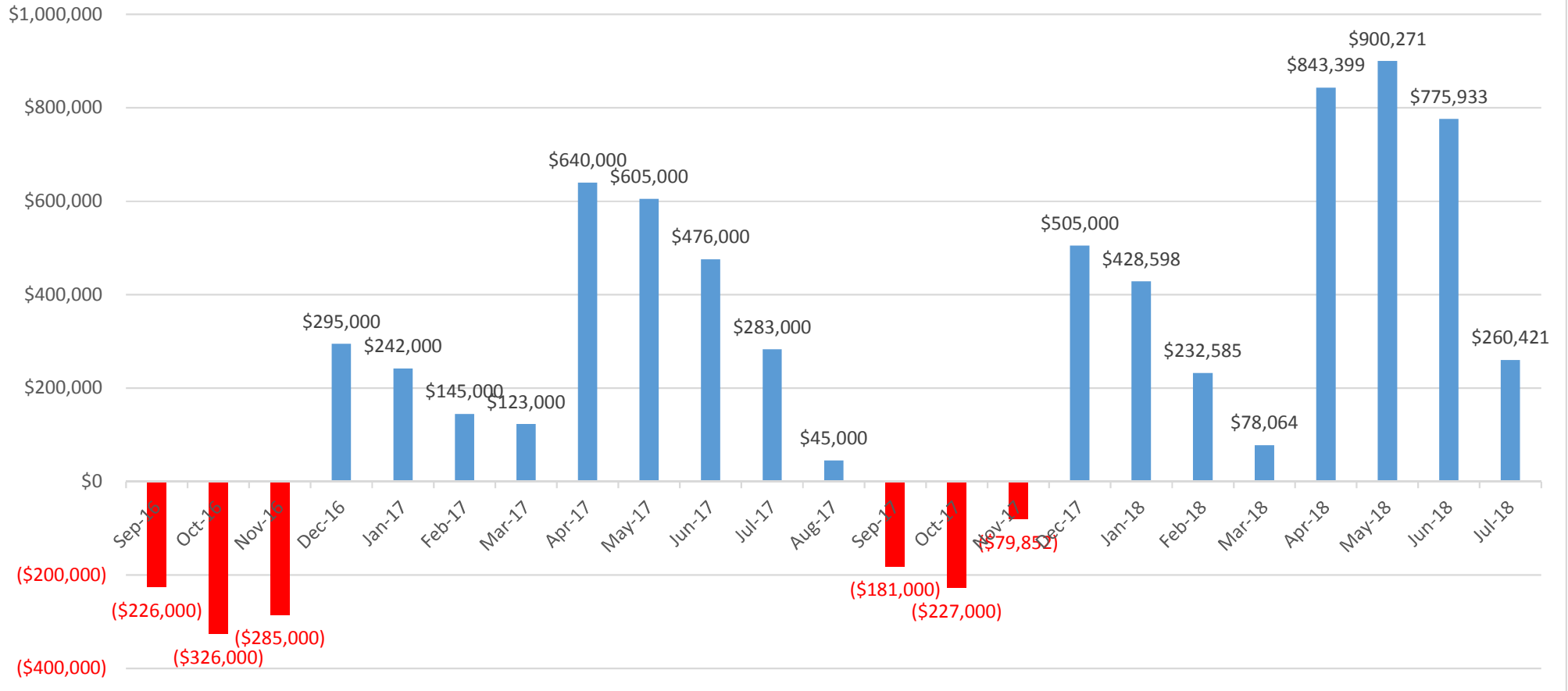
Payment Type	Payable Count	Payment Count	Payment
Regular Checks	177	114	394,274.91
Manual Checks	0	0	0.00
Voided Checks	0	1	-20.00
Bank Drafts	4	4	613,294.29
EFT's	0	0	0.00
<b>Totals</b>	<b>181</b>	<b>119</b>	<b>1,007,549.20</b>

<b>Fund Balances as of July 31, 2018</b>	
<b>Fire &amp; Ambulance Department</b>	
Fire Department Operating Reserve	1,136,599
Ambulance Department Operating Reserve	236,790
Subtotal Fire & Ambulance Department Operating Reserve Funds	1,373,389
<b>Recommended Operating Reserve Fund Target (6 Months Operating Expenses)</b>	<b>1,112,969</b>
<b>Fire &amp; Ambulance Department Operating Reserve Surplus / (Shortfall)</b>	<b>260,421</b>
<b>Wastewater Division</b>	
Wastewater Capital Improvement Project Reserve	265,750
Wastewater System Connection & Capacity Charges	195,960
CWSRF Loan Agreement 14-813 Debt Reserve (Restricted for SLS 1-3 Debt Service)	171,537
Wastewater Operating Reserve Fund	195,589
<b>Recommended Operating Reserve Fund Target (4 Months Operating Expenses)</b>	<b>554,896</b>
<b>Wastewater Operating Reserve Surplus / (Shortfall)</b>	<b>(359,307)</b>
<b>Water Division</b>	
Water Capital Improvement Project Reserve	316,556
Water System Connection & Capacity Charges	9,704
Water Infrastructure R&R Reserve (MFC Debt Reserve)	65,341
Water Operating Reserve	528,461
<b>Recommended Operating Reserve Fund Target (4 Months Operating Expenses)</b>	<b>528,461</b>
<b>Water Operating Reserve Surplus / (Shortfall)</b>	<b>-</b>
<b>Assessment Districts Restricted Funds</b>	
Water Assessment District No. 9 Construction Funds	31,179
Water Assessment District No. 10 Construction Funds	26,421
Water Assessment District No. 10 O&M	99,164
Water Assessment District No. 10 Bond Reserve Fund	112,131
<b>Subtotal Assessment Districts</b>	<b>268,894</b>
<b>Total District Designated &amp; Operating Reserve Funds</b>	<b>3,122,287</b>
<b>Assessment District Funds</b>	<b>268,894</b>
<b>Combined Pooled Cash</b>	<b>3,391,181</b>
Checking Account (General)	231,535
LAIF	3,026,015
York Insurance Deposit	14,601
BNY Mellon (AD #10 Bond Reserve)	118,031
Petty Cash	1,000
<b>Combined Pooled Cash</b>	<b>3,391,181</b>

## COMBINED POOLED CASH BALANCE



Fire Department Operating Reserve Surplus / (Shortfall)



**RUNNING SPRINGS WATER DISTRICT****MEMORANDUM**

**DATE:** August 15, 2018

**TO:** Board of Directors

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

**SUBJECT: CONSIDER 2000 DODGE DURANGO COMMAND VEHICLE (C3600) TO BE DECLARED AS SURPLUS PROPERTY AND AUTHORIZE STAFF TO DISPOSE OF PROPERTY BY AUCTION**

**RECOMMENDED BOARD ACTION**

It is recommended that the Board of Directors consider 2000 Dodge Durango Command Vehicle (C3600) surplus property and authorize staff to dispose of this vehicle in a resale auction process.

**REASON FOR RECOMMENDATION**

District staff has determined that the equipment, materials and/or property is no longer of any use or value to the District and recommends it be declared surplus and disposed of. Since this vehicle 2000 Dodge Durango still has value outside of the District it is recommended it be auctioned and resold to the highest bidder.

**BACKGROUND**

The 2000 Dodge Durango Command Vehicle (C3600) no longer meets the needs of the District and has been replaced by a newer 2018 Ford F-250; it is recommended that this vehicle be surplus and auctioned:





**FISCAL INFORMATION**

Quantity: One Vehicle Command Vehicle Yr. 2000- 152,638 miles  
Resale Value: \$1000  
Brand: Dodge Durango 4x4  
Recommendation: Resale/Auction

**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** August 15, 2018

**TO:** Board of Directors

**FROM:** Trevor Miller, Wastewater Treatment Division Supervisor  
Ryan Gross, General Manager

**SUBJECT:** CONSIDER AWARDING CONSTRUCTION CONTRACT FOR THE  
WASTEWATER TREATMENT PLANT WASH WATER PIPING  
REPLACEMENT PROJECT

**RECOMMENDED BOARD ACTION**

It is recommended that the Board of Directors:

1. Consider awarding a construction contract for the Wastewater Treatment Plant Wash Water Piping Replacement Project (Project) to Trinity Construction Company for their low bid of \$63,135.52;
2. Authorize the General Manager to execute the contract;
3. Authorize the General Manager to approve change orders for the Project during the course of the project as required not to exceed 15% of the original construction contract amount.

**REASON FOR RECOMMENDATION**

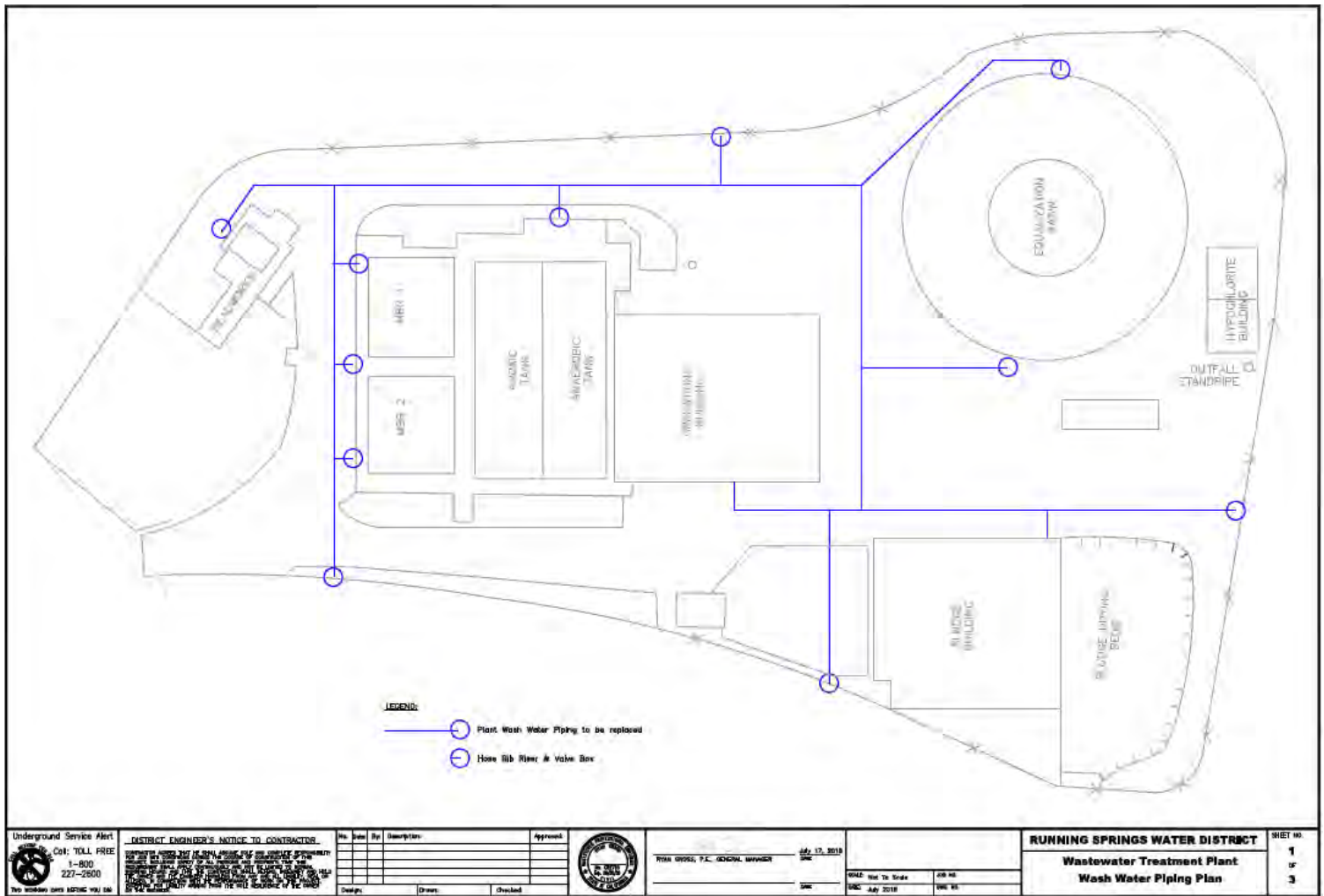
The bidding phase for the project is complete and award of a construction contract is the next step.

**BACKGROUND INFORMATION**

The bid opening was Monday, August 6, 2018. The following bids were received:

<b>Contractor</b>	<b>Total</b>
1. Trinity Construction Company	\$63,135.52
2. Bacon Wagner Excavation	\$63,474.00
3. GM Excavating	\$88,858.00

The project includes the replacement of the Wastewater Treatment Plant Wash Water Piping. All planning, field investigation, design, bidding, construction management and inspection is being performed in house.



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

**FISCAL INFORMATION**

If approved, the funding source for this contract would be from the Wastewater Capital Improvement Reserve Fund which has a balance of \$265,750 as of July 31, 2018.

**RUNNING SPRINGS WATER DISTRICT****MEMORANDUM**

**DATE:** August 15, 2018

**TO:** Board of Directors

**FROM:** Trevor Miller, Treatment Division Supervisor  
Ryan Gross, General Manager

**SUBJECT:** PURCHASE SURPLUS “ROTOShear” DRUM SCREEN FROM  
SAN BERNARDINO COUNTY SPECIAL DISTRICTS

**RECOMMENDED BOARD ACTION**

Authorize the expenditure not to exceed \$20,000 to purchase a surplus ROTOShear Drum Screen from San Bernardino County Special Districts and install it at the wastewater treatment plant

**REASON FOR RECOMMENDATION**

This drum screen will be installed upstream of the Membrane Bioreactor (MBR) process and used to screen the influent as well as a portion of the Return Activated Sludge before it enters MBR. This additional screening will remove more of the finer debris that causes fouling of the membranes and that cannot be removed by the other two screens at the headworks.

**BACKGROUND INFORMATION**

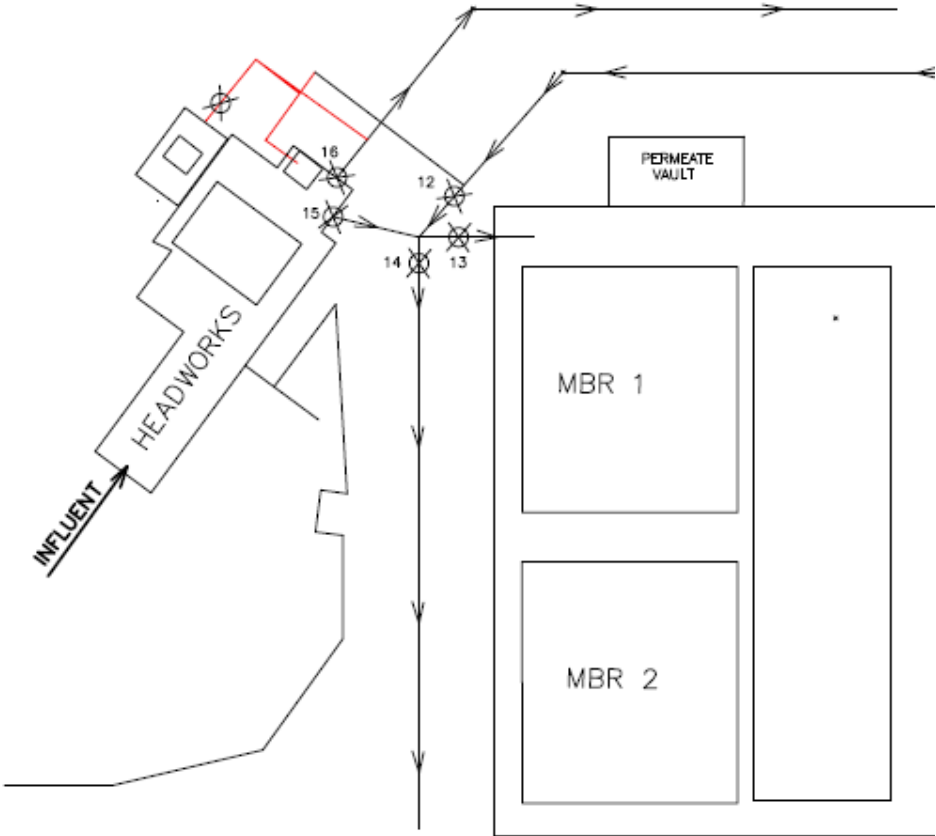
At a meeting earlier in the year with San Bernardino County Special District’s staff, they mentioned that the county was upgrading the Lytle Creek wastewater treatment plant and removing the ROTOShear drum screen. After talking with San Bernardino County Special District’s staff regarding the condition of the equipment and some more of the specifics, a meeting was setup to visit the Lytle Creek wastewater plant and inspect the unit. In addition to the inspection, the O&M manual was reviewed to ensure that the unit would work for District’s intended purpose.

The drum screen will be installed at the headworks of the treatment plant before the MBR process. There will be some civil works modifications needed to fit the drum screen into our process. These modifications will be performed by the treatment plant staff with help from outside contractors for specialty trades.

As part of the purchase, the District will be responsible for hauling the drum screen and ancillary equipment from the Lytle Creek treatment plant to Running Springs Wastewater Treatment Plant.









### **FISCAL INFORMATION**

During the discussion with San Bernardino County Special District's staff it was determined that the purchase price for the drum screen would be scrap metal value. Based on the weight of the drum screen and current scrap metal price, the purchase price will be approximately \$1,000. The additional \$19,000 will be for trucking, installation materials and outside labor.

This project will be funded out of the Wastewater Capital Improvement Project Reserve account which has a balance of \$265,750 as of July 31, 2018. This expense will be shared cost with upstream users, Arrowbear will be responsible for 17.56% or \$3,512 and CSA 79's share will be 21.70% or \$4,340. Running Springs share would be \$12,148.



(07/19/2018 DRAFT)

**WASTEWATER TRANSPORTATION, TREATMENT AND DISPOSAL AGREEMENT**

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

**RECITALS**

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

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

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

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

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

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

**TERMS OF AGREEMENT**

1. Incorporation of Recitals. Each and every one of the Recitals set forth above is a material part of this Agreement and is hereby incorporated by reference into and made part of this Agreement by this reference.

2. Facilities.

- A. Joint Use Facilities. As used in this Agreement, “**Joint Use Facilities**” shall mean those facilities located downstream of the Connection Point that are owned, operated, and maintained by Running Springs for the transmission, treatment, and disposal of wastewater collected within the service areas of Running Springs and CSA 79. Running Springs owns all Joint Use Facilities and shall be responsible for administration, operation, maintenance, repair, replacement, expansion, and improvement of those Joint Use Facilities, subject to contributions by CSA 79 as hereinafter provided.
- B. CSA 79 Facilities. CSA 79 owns all of its wastewater collection and delivery facilities located upstream of the Connection Point and shall be exclusively responsible for the operation, maintenance, repair, replacement, expansion, and improvement of such facilities.

3. Operations and Maintenance, Capital Improvements, Expansion or Replacement of Joint Use Facilities.

- A. Need to Expand, Modify or Replace. CSA 79 and Running Springs recognize that the Joint Use Facilities will need to be expanded, modified, or replaced from time to time as equipment and facilities wear out or are damaged, as wastewater flows increase, or as waste discharge requirements, special use permit requirements, or other regulatory requirements are modified. This includes capitalized expenditures to improve efficiency, to incorporate technological advances, and to handle natural disasters.
- B. Running Springs Responsibility. Running Springs shall have the sole responsibility and authority to determine when, if, and how the Joint Use Facilities will be operated, maintained, expanded, improved, modified, or replaced. Running Springs will be responsible for operating and maintaining the Joint Use Facilities in a good and workmanlike manner to keep the same in good order and repair. So far as the capacity of the Joint Use Facilities permits, Running Springs will treat and dispose of the wastewater delivered to and through the Joint Use Facilities in accordance with the conditions of this Agreement. Running Springs will maintain accurate records of expenses incurred in operating and maintaining such facilities. All Joint Use Facilities are and shall be exclusively owned, operated, and maintained by Running Springs. CSA 79 shall not have or claim any ownership interest in the Joint Use Facilities.
- C. Financial Obligation. CSA 79 agrees to be financially obligated for its share of the categories of expenditures set forth in the following expense accounts of the Running Springs Water District Wastewater Treatment Division Budget (including any necessary future debt service payments and subject to the allocations set forth in Section 3.E below) reasonably and necessarily incurred for operations and maintenance of the Joint Use Facilities (“**O&M Expenses**”) and for capital improvements, expansion, replacement, or modification of the Joint Use Facilities (“**Capital Improvements**”), excluding any fines, penalties, costs, or charges resulting from the management or operation of the Joint Use Facilities in violation of any

applicable laws, rules, or regulations. CSA 79’s share of such expenditures shall be determined by the proportionate share of the capacity in the Joint Use Facilities that is allocated to CSA 79.

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

<b>Running Springs Water District Wastewater Treatment Expenses</b>	
Account Number	Description
350-50100	Salaries & Wages
350-50110	Salaries & Wages - Overtime
350-50120	Medicare Tax (FICA)
350-50130	Workers Comp Insurance
350-50140	Group Insurance
350-50150	CalPERS Retirement
350-50160	Uniform Allowance
350-53200	Education/Seminars
350-53300	Effluent Disposal Site Maintenance
350-54100	Fuel & Oil
350-54300	Property/Liability Insurance
350-56100	Memberships & Subscriptions
350-57100	Permits/Fees
350-57140	Professional Services
350-57310	Interceptor Pipeline Maintenance
350-57314	Treatment Plant Maintenance
350-57430	Biosolids Handling & Disposal
350-57440	Miscellaneous Supplies
350-57444	Office Supplies

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

350-58251	Utilities
350-58301	Vehicle & Equipment Maintenance
350-59200	Wastewater Testing & Analysis
350-86000	Administrative Expenses
350-16###	Capital Improvement/Replacement

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

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

- F. Other Direct Expenses. Such additional expenses not identified above as may be agreed upon in writing, signed by the General Managers for CSA 79 and Running Springs prior to inclusion in the yearly reconciliation invoice, shall also be allocated to CSA 79 as agreed.
- G. Annual Estimate. Except for emergency expenditures, Running Springs will provide CSA 79 with an estimate of CSA 79’s proportionate share of projected costs for O&M Expenses and Capital Improvements for the upcoming fiscal year, approximately ninety (90) calendar days prior to the start of the upcoming fiscal year. Emergency expenditures or significant changes to the fiscal year estimate (more than \$15,000) will be communicated in writing to CSA 79 for budgeting and planning consideration as soon as reasonably possible.

4. Charges and Payments.

- A. Invoicing. Running Springs will submit monthly invoices to CSA 79 reflecting its estimated proportionate monthly cost for use of the Joint Use Facilities, as set forth in Section 3.D above.
- B. Final Annual Reconciliation to Actual Flow and Expenses. Within sixty (60) days after the end of each fiscal year, a final reconciliation invoice will be prepared by Running Springs and submitted to CSA 79 to account for actual wastewater flow and actual expenses for such fiscal year. In order to calculate the amount of the final

reconciliation invoice, CSA 79's actual annual average flow proportion for such fiscal year to the Joint Use Facilities (determined as set forth in Section 6 below), plus a 28% peaking capacity factor, will be multiplied by the actual dollar amount of the O&M Expenses and Capital Improvements for such fiscal year, including the indirect expenses as set forth in Section 3.E. above, and the corresponding credit or additional amount due will be invoiced.

- C. Payment. Invoices shall be due and payable upon presentation, and shall be delinquent sixty (60) calendar days after the date of the invoice ("**Billing Date**").
  - D. Delinquent Payment. Delinquencies in payment shall be assessed a one-time late payment charge of ten percent (10%).
  - E. Enforcement of Payment. Running Springs may commence and pursue an action against CSA 79 for delinquent payments due under this Agreement. Any judgment rendered in any such action shall include the amount of the delinquency and any late payment charges, together with interest thereon at the legal rate, Running Springs' costs of collection, court costs and reasonable attorneys' fees in such amount as the court may adjudge against CSA 79.
5. Future Funding. CSA 79 agrees to cooperate with Running Springs in its preparation, submittal, and processing of applications for grants, loans, or funds from any sources, public or private, to provide for Capital Improvements. In the event Running Springs elects not to renew the Agreement, CSA 79 shall have no obligation to continue to make payments on any repayment or debt service obligations from and after the termination of this Agreement. In the event that CSA 79 elects not to renew the Agreement, CSA 79 shall continue to make payments of its allocated annual repayment or debt service obligations, allocated at the rate in effect as of the expiration date of the Agreement, as provided in Section 3 and 4 of this Agreement less the additional 28% peaking capacity factor, unless an agreed upon Contribution Agreement is made to settle the outstanding debt service payments. The allocation of annual repayment or debt service obligations associated therewith during the term of this Agreement shall be as provided in Section 3 and 4 of this Agreement.
6. Flows.
- A. Recording of Flow Contributions. In order to determine and keep historical records of CSA 79's quantities of wastewater delivered to Running Springs and to calculate the proportional costs of all Wastewater Services, a recording flow meter with flow totalizer that is not reset each month for the daily measurement of wastewater which CSA 79 will deliver to Running Springs shall be used and maintained by CSA 79 at its sole expense located at CSA 79's Sewer Lift Station. A recording flow meter to measure the entire flow of wastewater into the Running Springs wastewater treatment plant shall be operated and maintained by Running Springs at the wastewater treatment plant. CSA 79 and Running Springs each shall have the right from time to time, as they reasonably determine necessary, to inspect and test the accuracy of these flow meters at their own expense. If testing reveals that a flow meter has been

malfunctioning or was inoperative during any period of measurement, Running Springs shall estimate the average flow of wastewater past the point otherwise metered during the period of malfunction or failure to operate. The average flow shall be determined based upon the average of such flows for the same period during the previous three years. Prompt effort shall be made by CSA 79 and Running Springs to have their own malfunctioning or inoperative meters repaired within thirty (30) calendar days, or as otherwise agreed to in writing, after discovery, at their own expense. During the first week of each month, CSA 79 shall deliver via email to Running Springs an Excel spreadsheet showing daily records of the amount of wastewater recorded to have flowed through its flow meter, for each day during the preceding calendar month. During wet weather events Running Springs may request flow data to be emailed on a daily basis in order to make any necessary adjustments to the operations of the Joint Use Facilities.

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

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

Total Joint Use Facilities Average Daily Design Flow = 500,000 gpd  
 Total Joint Use Facilities Peak Daily Design Flow = 1,000,000 gpd  
 Wastewater Treatment Plant (WWTP) Design Capacity = 1,000,000 gpd

Daily flows that are greater than 2.8 times the prior three years annual average daily flow shall be considered excessive infiltration and inflow and will require CSA 79 to conduct an investigation and prepare a corrective action plan to be implemented and reported to Running Springs.

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

If Running Springs reasonably determines that a capital expansion is required solely in order to accommodate additional wastewater flows to the Joint Use Facilities

generated within either Party's service area or from any other contributor to the Joint Use Facilities, then 100% of the cost of that expansion will be the responsibility of such Party or contributor, and such Party or contributor shall have the right to use the capacity created by such expansion for the remaining term of the Agreement.

7. Enforcement of Laws.

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

8. Term of Agreement.

- A. Initial Term; Automatic Renewals. Subject to the provisions of Section 5 above, the term of this Agreement shall commence on July 1, 2018, and extend from that date for ten (10) years. This Agreement shall automatically renew for additional subsequent terms of ten (10) years each, unless either Party gives the other Party written notice ("**Nonrenewal Notice**") at least twelve (12) months prior to the end of the then-current term.
- B. Good Faith Negotiations. In recognition that alternatives for the Wastewater Services may be infeasible, and that CSA 79 has contributed significant funding towards the construction, O&M Expenses, and Capital Improvements of the Joint Use Facilities, the Parties agree that if Running Springs gives a Nonrenewal Notice, then the Parties shall negotiate in good faith to reach a new agreement for the provision of Wastewater Services by Running Springs on terms that will fairly and equitably enable Running Springs to recover the reasonable and necessary costs of providing the Wastewater Services to CSA 79. If Good Faith Negotiations, as described in this Section 8.B. prove to be unsuccessful after ninety (90) calendar days after CSA 79's receipt of Running Springs' Nonrenewal Notice, or longer if the Parties agree, either Party may request mediation with a mutually acceptable mediator having experience with the costs of providing wastewater services, and the Parties shall share equally all costs associated with such mediation. Nothing herein shall prevent the Parties from amending this Agreement pursuant to Section 9.

9. Changes in Circumstances / Amendments. The Parties to this Agreement anticipate that circumstances may change and that additions, deletions, and amendments to this Agreement may only be made by mutual agreement in writing signed by both CSA 79 and Running Springs.
10. Litigation, Costs and Fees. In the event of any action or proceeding by either Party against the other related to this Agreement, the prevailing Party in such action shall be entitled to recovery of costs and reasonable attorneys' fees, as determined by a court of competent jurisdiction, in addition to any other relief to which it may be entitled.
11. Breach of Agreement. Except as set forth herein, in the event of a breach or alleged breach by either Party of any or all of the provisions of this Agreement, the Party alleging such breach shall give the breaching Party written notice of said breach in a manner provided for giving notices, and said breaching Party shall have thirty (30) calendar days from the date said written notice is so given to cure said breach. Such notice shall not be required for a breach resulting from wastewater contributions that do not satisfy applicable ordinances, rules, or regulations or that are in violation of applicable federal, state, county, or other laws or ordinances. Such violations shall be discontinued immediately upon verbal notice from the authorized agent of Running Springs to the authorized agent of CSA 79. Verbal notice of this type should be followed immediately by written notice.
12. Authorized Agent. Unless otherwise provided in writing, the Manager of CSA 79 or his/her designee and the General Manager of Running Springs or his/her designee shall be the agents authorized to act pursuant to the provisions of this Agreement.
13. Severability. If any provision of this Agreement shall be deemed or held to be invalid or unenforceable for any reason, such provision shall be adjusted, if possible, rather than voided, so as to achieve the intent of the parties to the fullest extent possible. In any event such provision shall be severable from, and shall not be construed to have any effect on, the remaining provisions of this Agreement, which shall continue in full force and effect.
14. Authority. Each Party warrants to the other that it is duly organized and existing and that it and the respective signatories have full right and authority to enter into and consummate this Agreement and all related documents and bind the Parties thereto.
15. Entire Agreement. This Agreement contains the entire understanding between the Parties, and supersedes any prior understanding and/or written or oral agreements between them, respecting the subject matter of this Agreement. There are no representations, agreements, arrangements, or understandings, oral or written, by and between the Parties relating to the subject matter of this Agreement, that are not fully expressed herein.
16. No Third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties hereto. No other person or entity shall have any right of action based upon the provisions of this Agreement.
17. Controlling Law. The interpretation and performance of this Agreement shall be governed by the laws of the State of California.



18. Venue. Any action taken to enforce this Agreement shall be maintained only in the Superior Court of San Bernardino County, California. The Parties expressly consent to the jurisdiction of said court and agree that said court shall be a proper venue for any such action.
19. Successors. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective heirs, successors, and assigns.
20. Waivers. A waiver or breach of covenant or provision in this Agreement shall not be deemed a waiver of any other covenant or provision in this Agreement, and no waiver shall be valid unless in writing and executed by the waiving Party. An extension of time for performance of any obligation or act shall not be deemed an extension of the time for performance of any other obligation or act.
21. Counterparts. This Agreement may be executed in several counterparts and all counterparts so executed shall constitute one agreement, which shall be binding on both Parties, notwithstanding that the Parties are not signatory to one original or the same. Signatures may be delivered electronically or by facsimile and shall be binding upon the Parties as if they were originals.
22. Further Acts. Each Party agrees to perform any further acts and to execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.
23. Notification. Any notice to be provided pursuant to this Agreement shall be served upon Running Springs by mailing such notice by certified United States mail, return receipt requested, postage prepaid, addressed to Running Springs, as follows:

General Manager  
Running Springs Water District  
P.O. Box 2206  
31242 Hilltop Boulevard  
Running Springs, CA 92382

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

Director  
Department of Special Districts  
San Bernardino County  
157 West Fifth Street, 2<sup>nd</sup> Floor  
San Bernardino, CA 92415

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

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

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

**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** August 15, 2018  
**TO:** Board of Directors  
**FROM:** Ryan Gross, General Manager  
**SUBJECT:** CONSIDER AWARDING PROFESSIONAL SERVICES AGREEMENT FOR THE DESIGN OF THE NOB HILL WATER FACILITIES IMPROVEMENTS PROJECT

**RECOMMENDED BOARD ACTION**

Consider awarding a Professional Services Agreement for the design of the Nob Hill Water Facilities Improvements Project (Project) to Albert A. Webb Associates and authorize the General Manager to execute the agreement.

**REASON FOR RECOMMENDATION**

To complete the necessary design and construction bid documents for the project.

**BACKGROUND INFORMATION**

The project includes the replacement of the existing Nob Hill Hydro Pneumatic System Facilities which are more than 40 years old. The project also includes a new pumping system to be installed on the interconnecting pipeline between the Crestline Lake Arrowhead Water Agency (CLAWA) and Running Springs Water District water storage tanks to alleviate the unreliable and unpredictable delivery of purchased CLAWA water due to the tank elevations being within 8 feet of each other.

**FISCAL INFORMATION**

This project is included in the FY 2018/2019 Water Capital Improvement Project list with a budgeted amount of \$290,000. A better estimate of the construction cost will be part of the design work.

For this first design phase, if approved, the funding source for this contract would be from the Water Capital Improvement Reserve Fund which has a balance of \$316,556 as of July 31, 2018.

**ATTACHMENTS**

Attachment 1 – Webb Proposal (to be provided prior to or at the Board meeting)

**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** August 15, 2018

**TO:** Board of Directors

**FROM:** Ryan Gross, General Manager

**SUBJECT:** CONSIDER AWARDING CONSTRUCTION CONTRACT FOR THE MAIN OFFICE ROOF IMPROVEMENTS PROJECT

**RECOMMENDED BOARD ACTION**

It is recommended that the Board of Directors:

1. Consider awarding a construction contract for the Main Office Roof Improvements Project (Project) to Kurt Norlander Roofing for their low base bid price of \$11,010 plus their bid alternate to replace 250 feet of roof ridge cap for an additional \$2,200;
2. Authorize the General Manager to execute the contract;
3. Authorize the General Manager to approve change orders for the Project during the course of the project as required not to exceed 15% of the original construction contract amount.

**REASON FOR RECOMMENDATION**

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

**BACKGROUND INFORMATION**

The bid opening was Wednesday, August 8, 2018. The following bids were received:

	<b>Contractor</b>	<b>Base Bid</b>	<b>Bid Alternate</b>	<b>Total</b>
1.	Kurt Norlander Roofing	\$11,010.00	\$2,200.00	\$13,210.00
2.	Trinity Construction Company	\$14,643.88	\$4,656.10	\$19,299.98
3.	RNR Roofing	\$23,464.21	\$1,800.00	\$25,264.21

The project includes the partial demolition and repair of the main office entrance roof including replacing all 250 linear feet of the roof ridge cap. All planning, field investigation, bidding, construction management and inspection is being performed in house.



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

#### **FISCAL INFORMATION**

If approved, the funding source for this contract would be from the Water Capital Improvement Reserve Fund which has a balance of \$316,556 as of July 31, 2018.

**RUNNING SPRINGS WATER DISTRICT**

**MEMORANDUM**

**DATE:** August 15, 2018

**TO:** Board of Directors

**FROM:** George Corley, Fire Chief  
Mike Vasquez, Battalion Chief  
Ryan Gross, General Manager

**SUBJECT:** Board consideration and approval of resolution no. 17-18

**This resolution is required by the California Department of Forestry and Fire Protection, for funding the Cooperative Forestry Assistance Act of 1978 Volunteer Fire Assistance Program Agreement # 7FG18093.**

**The Running Springs Fire Department has been awarded \$679.70 towards the purchase of needed wildland firefighting gear. There is a 50/50 matching fund basis for the grant. We currently have funding set aside in our budget for the purchase of this type of equipment. The funding we have set aside in our budget would be what we would use for the matching funds required by the grant for wildland firefighting gear.**

**Thanks for your consideration,**

**George Corley**

**Cc Joan Eaton**

**BEFORE THE BOARD OF DIRECTORS OF THE  
RUNNING SPRINGS WATER DISTRICT  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA**

**IN THE MATTER OF:**

**Resolution Number: 17-18**

**Approving the Department of Forestry and Fire Protection Agreement #7FG18093** for services from the date of last signatory on page 6 of the Agreement to June 30, 2019 under the Volunteer Fire Assistance Program of the Cooperative Forestry Assistance Act of 1978.

**BE IT RESOLVED** by the Board of Directors of the Running Springs Water District that said Board does hereby approve the Agreement with the California Department of Forestry and Fire Protection dated as of the last signatory date on page 6 of the Agreement, and any amendments thereto. This Agreement provides for an award, during the term of this Agreement, under the Volunteer Fire Assistance Program of the Cooperative Fire Assistance Act of 1978 during the State Fiscal Year 2018-19 up to and no more than the amount of \$679.70.

**BE IT FURTHER RESOLVED** that Tony Grabow of said Board be and hereby is authorized to sign and execute said Agreement and any amendments on behalf of the Running Springs Water District, (DBA) Running Springs Fire Department.

The foregoing resolution was duly passed and adopted by the Board of Directors of the the Running Springs Water District, at a regular meeting thereof, held on the 15<sup>th</sup> day of August, 2018 , by the following vote:

AYES:

NAYS:

ABSENT:

\_\_\_\_\_  
Signature, Board of Directors Member

Tony Grabow, President  
Printed Name and Title

**-----CERTIFICATION OF RESOLUTION-----**

**ATTEST:**

I Joan Eaton, Secretary of the Board of Directors, Running Springs Water District, County of San Bernardino, California do hereby certify that this is a true and correct copy of the original Resolution Number 17-18.

WITNESS MY HAND OR THE SEAL OF THE Running Springs Water District, on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**OFFICIAL SEAL  
OR NOTARY CERTIFICATON**

\_\_\_\_\_  
Signature

Board Secretary, Running Springs Water District  
Title and Name of Local Agency

**RUNNING SPRINGS WATER DISTRICT****MEMORANDUM**

**DATE:** August 15, 2018

**TO:** Board of Directors

**FROM:** Ryan Gross, General Manager

**SUBJECT:** CONSIDER AUTHORIZING STAFF TO ISSUE A REQUEST FOR PROPOSALS (RFP) FOR A COMPREHENSIVE RATE STUDY

**RECOMMENDED BOARD ACTION**

Consider Authorizing Staff to Issue a Request for Proposals (RFP) for a Comprehensive Rate Study.

**REASON FOR RECOMMENDATION**

To obtain proposals for the District's budgeted rate study project. California utility rates are subject to class action law suits and recent litigation has put an emphasis on the administrative record. For this reason, staff and legal counsel suggests utilizing an independent consultant to recommend a rate structure.

**BACKGROUND INFORMATION**

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 economic downturn forced the District to deviate from some of the elements in these plans.

In 2014, the District issued a Proposition 218 Notice of Public Hearing that was mailed to all District property owners and customers notifying them of the proposed rate and fee adjustments for the fiscal years ending 2015 through 2019. Water and wastewater rates were adjusted over this five year period to increase revenue 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. This is the final year of this five year rate adjustment.

The current rate structure is reasonable and defensible but is so different from the previous rate study that staff recommends completing a new report. The board has indicated a desire to have these rates and fees reviewed and these tasks are included in the Rate Study RFP.

The RFP includes an analysis of the District's service fees, per unit consumption charges and connection fees for the Water Enterprise and the Wastewater Enterprise. The RFP



also includes an analysis of the Fire Department's revenue alternatives. If approved, proposals will be due on September 12, 2018 and will be brought for consideration to the Board of Directors on October 17, 2018.

**FISCAL INFORMATION**

There is no fiscal impact at this time. This rate study is included in the fiscal year 2018/2019 budget in the amount of \$80,000. Staff will return to the Board of Directors with a recommendation to award a professional services contract after proposals are evaluated.

**ATTACHMENTS**

Attachment 1 – RFP



# REQUEST FOR PROPOSALS (RFP)

## RFP FOR WATER AND WASTEWATER RATE AND CONNECTION FEE STUDY AND FIRE DEPARTMENT REVENUE ALTERNATIVES ANALYSIS

Date of Issue: August 15, 2018

Due Date: September 12, 2018

The Running Springs Water District requests that firms interested in responding to this RFP submit an interest statement via email, including the name of the firm, contact person and email address.

Submit information and questions by August 29, 2018 electronically to:

Ryan Gross

[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

Submit a copy of your Proposal electronically to:

Ryan Gross, General Manager

[rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

Running Springs Water District  
31242 Hilltop Blvd., PO Box 2206  
Running Springs, CA92382 (909) 867-2766  
<http://www.runningspringswaterdistrict.com/>

**REQUEST FOR PROPOSALS**  
**Water and Wastewater Rate and New Connection Fee Study and**  
**Fire Department Revenue Alternatives Analysis - Consultant**  
**Services**

**1. OVERVIEW**

The Running Springs Water District (RSWD or District) seeks fee proposals from qualified consulting firms with expertise in public utility engineering and financial services to conduct a comprehensive Water and Wastewater Rate Study, Financial Model and New Connection Fee Study along with an analysis of the Fire Department Revenue Alternatives Analysis (Study).

The Running Springs Water District is a self-governed independent special district responsible for providing water, sewer, fire and emergency medical services to customers within its jurisdictional boundary. The District has approximately 2,940 water accounts and 2,970 wastewater accounts and also provides wastewater transportation, treatment and disposal services under contract for three other areas outside its service area. The Study will consider water and wastewater rates, fees and charges in the District's Water and Wastewater Enterprises as well as an analysis and recommendations for the Fire Department Special Tax Revenue.

The sources of water for the District are from local groundwater wells, imported groundwater purchased from Arrowbear Park County Water District (APCWD) and State Water Project Water from the Crestline Lake Arrowhead Water Agency (CLAWA).

The District also transports, treats and disposes of wastewater from its customers and two other Districts and one private camp outside of the RSWD service area; APCWD and the Green Valley Lake (GVL) Area which is operated by the San Bernardino County Special Districts County Service Area 79 (CSA 79). APCWD and CSA 79 are also known or referred to as "Upstream" customers.

The District is currently in the fifth and final year of a rate adjustment that was approved in 2014. Attachment 1 contains the 2014 Prop 218 Notice and various rates and fees. The current rate structure consists of fixed monthly water rates based on meter size in addition to rates for water consumption for both residential and commercial customers. Residential and commercial sewer fees include a fixed monthly component and a sewer usage charge based on water consumption. There is also a Water and Wastewater Infrastructure Repair and Replacement (IRR)

monthly fee customers currently pay to help cover the cost of debt service for a new groundwater well completed in 2015 and the replacement of three sewer lift stations that were completed in 2017.

In 2010, the District prepared a Water and Wastewater Facilities Master Plan and Draft Financial Master Plan. Each year the District updates its 5-Year Capital Improvement Plan for Water, Wastewater, Ambulance and Fire Department needs. These costs should be considered in developing a rate study and financial model.

The general intent of the Rate and Fee Study is to independently evaluate and make recommendations related to the District's:

1. Existing water and wastewater rates and fees revenue generation capacity and ability to meet the District's capital, operations, and maintenance infrastructure needs.
2. Existing Physical Connection and New Development Capacity Fees.
3. Fifteen Year Capital Improvement Plan (CIP) programmatic schedule.
4. Financing ability to address the District's capital needs for infrastructure improvements.
5. Recommendations for the Fire Department special tax and/or other revenue considerations.

The final goal of this Study is to develop and adopt new water and wastewater rates as well as physical connection, new development capacity charges and other miscellaneous fees and charges with rate adjustment recommendations up to 2033, and a 15 Year Excel based Financial Model, that will provide the necessary revenue to meet the District's water, wastewater, fire and ambulance services and related CIP needs.

The proposed rate strategy should meet the following requirements:

1. Rates should be fair and reasonable.
2. Rates should be financially affordable to rate payers' demographics.
3. Include a detailed cost of service analysis.
4. Generate enough revenue to meet current and future capital requirements of infrastructure improvement needs, potential debt service obligations and operating costs through 2033.
5. Match the District's CIP programmatic schedule as approved by the District's Board of Directors.
6. Evaluate financing alternatives, and recommend the most efficient

financing strategy to raise the capital needed to maximize the District's water supply and wastewater collection and treatment needs.

7. Include strategies and reserve funds to minimize rate fluctuations, ensure potential capital cost increases during the planning period and comply with any bond and/or loan covenants.

## **2. SCOPE OF SERVICES**

In preparing a response to this RFP, the consultant shall adhere to the Proposal Format detailed below, and must describe the methodology and techniques that it will use, time and staffing resources allocated, and costs involved in addressing each of the following tasks:

### **TASK 1: OVERVIEW AND REVIEW OF DISTRICT DOCUMENTS**

State all aspects of work you propose for Task 1, including the methodology required to prepare a Water and Wastewater Rate Study, 15 Year Financial Model, analysis of Physical Connection and New Development Capacity Fees and analysis of various revenue alternatives for the Fire Department. Recommend any changes, updates, additions or consolidations of these documents you may deem necessary or beneficial, to advance the goals of the Study.

Task 1 will cover:

1. Consider the pertinent regulatory environment.
2. Review of the District's CIP and other water, wastewater, Fire Department and ambulance service operations and infrastructure related documents.
3. Water and Wastewater Rates, Financial Plan and Development Impact Fees Best Practices.
4. Provide recommendations for the District's adoption of water and wastewater rates, and the development of a financial model, and development impact fees strategic alternatives considering best practices, and potential Proposition 218 requirements.

### **TASK 2: PRIORITIZATION OF CAPITAL IMPROVEMENTS/REPLACEMENTS**

Based upon the evaluation made in Task 1, recommend and work with District staff to develop proposed revisions that may be beneficial, if any, to the current CIP plan, cost estimates and schedule.

### TASK 3: CURRENT AND PLANNED INFRASTRUCTURE ESTIMATED COSTS

Review current District water and wastewater related infrastructure and supply costs, including:

1. Maintenance, operations and consultant contract costs.
2. Other revenue sources.
3. Estimated capital improvement costs included in the CIP. Considering the age and existing conditions of the water and wastewater systems, make recommendations regarding all infrastructure-related cost estimates to develop a refined picture of water supply costs in addition to water and wastewater infrastructure. Define the existing revenue gap compared to capital infrastructure, operations and maintenance needs for water, wastewater, ambulance and fire services.

### TASK 4: EXISTING WATER, WASTEWATER, AMBULANCE AND FIRE SERVICE INFRASTRUCTURE, EXPENSES AND REVENUE SOURCES

Analyze the existing District water and wastewater rate structure, ambulance and fire service revenues and expenses, including:

1. Water rate and fee characteristics.
2. Wastewater rate and fee characteristics.
3. Current water rates, including all its components (meter service, connection, new development, and other water related fees).
4. Current wastewater rates, including all components (service, connection, new development, and other wastewater related fees).
5. Current Upstream agreements and rates.
6. Customer numbers and types.
7. Water consumption.
8. Proposed development impact fees.
9. Existing ambulance and fire service revenues and expenses.
10. Available Water, Wastewater, Ambulance / Fire Department Fund balances.
11. Fixed versus variable revenue profile.

Determine the adequacy of the current rate structure to meet the cost of services, operation and maintenance costs, as well as infrastructure development and capital replacement needs.

## TASK 5: RATE ALTERNATIVES ANALYSIS AND FINANCIAL MODELS

Using a 15 Year Planning Horizon, with proposed rate adjustment factors up to 2033, and using fairly conservative assumptions for new growth and development, as well as capital improvements/replacements and the cost evaluation completed in Tasks 2-4, the consultant will:

1. Determine the revenue requirements through a 15 year financial model.
  - Develop a financial model that will project revenues and expenditures based on anticipated changes in the water and wastewater systems, ambulance and fire services and different tiers of priority.
  - Project revenues that incorporate current fund balances from the existing rate structure, projected growth in customer classes and changes in anticipated property tax revenue and special parcel tax revenue for the Fire Department.
  - Project expenditures that incorporate current and projected operation & maintenance costs, estimated debt service, and planned capital expenditures.
  - Review the Physical Connection and New Development Capacity Fees, recommend changes as it may be necessary, and incorporate these revenues into the financial plan.
2. Develop a detailed cost of service analysis.
  - The cost of service analysis will allocate the revenue requirements to the cost components associated with specific customer classes based on the customer demands on the system and projected customer class growth.
3. Design water and wastewater rate structures.
  - The water and wastewater rate structures will recover the revenue requirements using fixed and variable components.
  - The consultant will develop water and wastewater rate structures to meet the revenue requirements of operations and maintenance as well as capital improvements/replacements.
  - The models will include proposed strategies (may include automatic adjustments, evaluation of operating or rate stabilization funds, and

reserves, or other methods) to prevent rate and revenue fluctuations up to 2033.

4. Define alternative financing options, including issuing revenue bonds, using State Revolving Fund Loans, and any other financing methods to cover capital requirements.
5. Recommend the most financially efficient manner to raise the revenue to implement the District's water, wastewater, ambulance and fire services related CIP.
6. Develop a financial plan that models a 15 year cash flow of sources and uses of money. The Financial model will clearly define assumptions related to: inflation and interest rates; current customer base and growth projections; water sales and production projections; water supply; operations and maintenance; staffing costs; bond issuance cost (if recommended) including issuance and debt obligation and property tax and special parcel tax revenue for the Fire Department.

#### TASK 6: PUBLIC MEETINGS

Attendance and presentation of materials and information at up to four public meetings at the Running Springs Water District.

#### TASK 7: IMPLEMENTATION

The Implementation phase of this project will involve the following:

1. Develop a final recommendation for adoption of a new water and wastewater rate structure and Physical Connection and New Development Capacity Fees.
2. Prepare all presentation material required for the adoption of the new water and wastewater rates and Physical Connection and new Development Capacity Fees.
3. Make recommendations of Fire Department special tax revenue or other proposed new sources of revenue.
4. Draft documents to be submitted to the Board of Directors for final approval of the rates and fees will be first presented at an internal meeting to District staff, including but not limited to the General Manager, Division Supervisors and the District's Attorney.
5. Provide the General Manager and District staff a presentation of the financial rate model and an overview of required reporting requirements that will allow the District to track results of revenue collected, against the proposed rate structure.



### 3. DELIVERABLES

#### Milestone 1: Tasks 1-4

Provide an overview of the requirements associated with adopting new water and wastewater rates, any proposed new Fire Department revenue and an overview of the Water, Wastewater and Ambulance Division Enterprises and the Fire Department Governmental Fund, based on Tasks 1-4 including:

- Description of the Water System.
- Description of the Wastewater System.
- Description of the Ambulance and Fire Department Operations.
- Customers, numbers and classes.
- Water Consumption.
- Water Rates and Development Impact fees (as currently proposed).
- Wastewater Rates and Development Impact fees (as currently proposed).
- Water, Wastewater, Ambulance Enterprises and Fire Department finances, fund balances, revenues and expenses.
- Fixed versus variable revenue profile.
- Potential strategic alternatives, statutory requirements and "best practices".

Provide preliminary recommendations for the District's adoption of water and wastewater rates, recommendations for additional Fire Department revenue and the development of a financial model, and development impact fees strategic alternatives considering best practices and potential Proposition 218, Proposition 26 and any other statutory requirements.

Provide an assessment of, and recommendations for changes, updates, additions or consolidation of planning documents to advance the goals of the Study, if any.

Make recommendations to prioritize capital improvements/replacements, defining a baseline of essential health and safety water and wastewater infrastructure facilities, and a second threshold of priority improvements.

Describe the limitations of the existing water and wastewater rate structure, and existing water and wastewater funds, compared to the existing water and wastewater infrastructure contractual, operational and capital improvement needs.

Considering the age and existing conditions of the water and wastewater systems, make recommendations regarding all water and wastewater infrastructure-related cost estimates to develop a refined picture of infrastructure and water supply costs. Define the existing revenue gap compared to capital infrastructure, operations and maintenance needs.

## Milestone 2: Task 5

Draft Water and Wastewater Rate Alternative Analysis and Financial Models and recommendations for the Fire Department revenue alternatives. The deliverable for Task 5 will be draft water and wastewater rate alternatives, Fire Department revenue alternative recommendations and financial models that address all items specified in Task 5. At least one alternative should be a tiered rate structure for water service. The completion deadline for this milestone will be December 15, 2018 or sooner.

## Milestone 3: Tasks 6-7

In addition to the water and wastewater rate structure, recommendations for the Fire Department revenue alternatives and financial model documents, the consultant will also be expected to prepare all presentation material for the anticipated public meetings. After final approval of the proposed new rate schedules, the consultant will provide the General Manager and District staff the final rate study and model, including instruction on its operation, in an easy to read format, with clear and concise tables and an overview of reporting requirements.

### Meetings Deliverable:

Assume up to four public meetings. Additional meetings for project coordination, (include a kick off meeting), as well as District staff/consultant project manager meetings at milestone points, should be taken into account in pricing of this proposal.

## **4. PROPOSAL FORMAT**

Responses must be organized as follows:

### **Executive Summary**

Provide a concise summary of the significant information contained in your qualifications statement and proposal. Executive summary paragraphs must correspond to the numbered sections below.

#### 1. Identification of the Firm

Provide the legal name of the firm or firms, the firm's address, telephone number and contact information. Include a brief description of the organization, its constituent parts and size variation in the past five (5) years. Name the person (with title and project responsibility) to whom correspondence and other communications should be directed. Include email.

2. Project Manager(s) Resume

Identify the individual proposed as the Project Manager(s) or Project Lead(s). The District will heavily weight the qualifications of the proposed Project Manager in the overall evaluation of proposals. Use an easily comprehensible resume format.

3. Scope of Services Overview

Describe how you will address each task listed in the scope of services.

4. Schedule

Provide a Schedule timeline for each task component of the scope of services, including the Proposition 218 Noticing Period.

5. Budget

For each task define the estimated staff time allocated in hours. Provide each staff billing rate. Provide total number of hours and cost per task, and total project. Provide a not to exceed total including all costs.

6. Client References I Recent Relevant Projects

List recent projects (3 minimum) where the lead or your firm successfully led the adoption of new water and wastewater rates. List a minimum of three relevant client references, including:

- Client
- Client representative
- Client telephone number
- Client email
- Project type and budget

7. Insurance

Provide evidence of insurability and liability limits.

8. Form of Contract

Confirm receipt and review of the District's standard form contract. List any exceptions or any contract language modifications you may want to suggest in the District's standard contract.

The District reserves the right to reject any and all proposals received as a result of this request. The District will not pay any costs incurred by any Proposing Firm, in preparing or submitting the proposal.

## **5. SUBMITTAL REQUIREMENTS**

**All proposals must be received no later than 2:00 P.M. on September 12, 2018.** Firms interested in responding to this RFP must supply the requested information by the date and time required. Late submittals will not be considered.

The District requests that interested firms send an email to Ryan Gross, General Manager, at [rgross@runningspringswd.com](mailto:rgross@runningspringswd.com) with a statement of interest by August 22, 2018. Provide the name of the firm, identify the contact person and provide an email address. Any additional information, including responses to consultant questions, will be sent electronically. Questions should be submitted no later than August 29, 2018. The District will respond to questions by August 31, 2018.

All submittals shall be in an 8.5" x 11" format. Proposals shall be typed and shall not exceed fifteen pages of written material including the cover letter. Submittals failing to comply with the page limitation will not be considered.

The fifteen page limitation includes any written, photographic or graphic material contained in the body of the statement and any appendices. The limitation does not include:

- The cover.
- Narrative on back of front cover or front of back cover will be counted.
- A title page.
- A table of contents and/or index.
- Blank tab pages.

Please submit an electronic PDF copy of your proposal.

**Proposal due Date and Time: September 12, 2018 at 2:00 P.M.**

Preferred Format: Adobe Acrobat (.pdf) file.

Submit to: Ryan Gross, General Manager

Email: [rgross@runningspringswd.com](mailto:rgross@runningspringswd.com)

Subject Line: 2018 Rate Study Proposal- FIRM NAME

## 6. ELIGIBILITY

This RFP is being sent to individuals and consulting firms that are believed to possess relevant experience. The RFP will also be posted on the District's website at: [www.runningspringswd.com](http://www.runningspringswd.com) and will be open to all qualified firms.

## CONSULTANT'S QUALIFICATIONS

1. The consultant for this project will be selected mainly on the basis of professional qualifications, relevant experience and demonstrated competence.
2. Qualified consulting firms will have expertise in public utility rate studies, engineering and financial services, with previous experience preparing similar rate studies within the past five years. Consideration will be given only to those firms who can clearly demonstrate successful past experience on similar projects.
3. Ability to communicate effectively, meet schedules, coordinate activities with multiple parties, and work within budget limitations.

## 7. INFORMATION TO BE PROVIDED BY THE DISTRICT

The following documents are available for the Consultant's review on the District's website:

- Running Springs Water District Fiscal Year 2018/2019 Budget:  
<http://www.runningspringswaterdistrict.com/assets/pdfs/FY%2018-19%20Final%20Budget%20Book.pdf>
- Fiscal Year 2016/2017 Audited Financial Statements:  
<http://www.runningspringswaterdistrict.com/assets/pdfs/RSWD%20Final%20Financial%20Statements%20June%2030,%202017%20and%202016.pdf>
- 2013 Public Outreach Presentation:  
<http://www.runningspringswaterdistrict.com/assets/pdfs/Public%20Outreach%20Meeting%20Presentation%20%28060813%29.pdf>

## 8. SELECTION CRITERIA

The successful consulting firm will be selected mainly on the basis of professional qualifications and demonstrated competence. This is a Professional Services Contract and the consultant fee proposal will count for 30% of the score. Particular attention will be paid to:

1. Experience, qualifications, performance, and project lead (40%)
2. Consultant fee proposal (30%)
3. Ability to communicate effectively with the District and the public (10%)
4. Demonstrated experience with similar studies in last five (5) years (10%)
5. Familiarity with the Running Springs Water District community (10%)

## 9. SELECTION PROCEDURE

All responses to this RFP that meet the submittal requirements will be evaluated by the General Manager and District staff. A panel interview may be scheduled with a short list of firms, at the District's discretion. Subsequent to selection by the General Manager, a final fee and scope of work will be negotiated, prepared and presented to the District's Board of Directors for approval.

The District reserves the right in its sole discretion to reject any or all proposals, to waive any non-material irregularities or informalities in any proposal, and to accept or reject any item or combination of items for any reason or no reason. Proposals not complying with the procedural requirements of this RFP may be rejected. The District also reserves the right to cancel the contract, due to unsatisfactory performance of rate consulting services or any other reason deemed appropriate by the District with a 30-day written notice. The proposal must be valid for at least 180 days after submission, without change to any terms or conditions contained therein.

Any questions relating to the RFP may be submitted in writing by email to the attention of Ryan Gross at [rgross@runningspringswd.com](mailto:rgross@runningspringswd.com) by August 29, 2018. Should a question be raised that requires modifications to the RFP, an addendum may be issued to the proposers stating the questions and the responses.

By submitting a proposal, the proposing firm represents that it is willing to enter into an agreement to provide consulting services in accordance with its proposal. If a firm is not willing to execute an agreement within thirty (30) days after being notified of selection, the District reserves the right to select the next most qualified firm or call for new proposals.

## 10. RFP TENTATIVE SCHEDULE

Release RFP	August 15, 2018
RFP written questions deadline	August 29, 2018
Response to questions available	August 31, 2018
Proposal due Date and Time	2:00 p.m. – September 12, 2018
<b>Optional</b> Interviews with final candidates	September 26, 2018
Contract Approval by Board of Directors	October 17, 2018

This is only a tentative schedule.  
The District reserves the right to change the RFP schedule at any time.

## 11. RESERVATIONS

This RFP does not commit the District to award a contract, to defray any costs incurred in the preparation of a proposal in response to this RFP, or to procure or contract for work. The District reserves the right to request additional information and/or clarifications from any or all proposers. The District reserves the right to award this agreement to the firm which offers the quality, standards and prices most advantageous to the District.

### **Attachments**

Attachment 1 – 2014 Prop 218 Notice