



RUNNING SPRINGS WATER DISTRICT
A MULTI-SERVICE INDEPENDENT SPECIAL DISTRICT

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

TO: BOARD OF DIRECTORS DATE POSTED: NOVEMBER 13, 2020
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, November 18, 2020, at the hour of 9:00 A.M. at the District Office located at 31242 Hilltop Boulevard, Running Springs, California. This agenda was posted prior to 5:00pm on November 13, 2020 at the Running Springs Water District Office and Website.

Consistent with the Governor's Executive Order in response to the COVID-19 emergency and suspension of certain provisions of the Brown Act, Running Springs Water District Board meetings will be held remotely via teleconference only.

To Join the Zoom Meeting:

<https://us02web.zoom.us/j/89124790466?pwd=cHI1VFFFTclB0U0FFc3F5SnZcGNOQT09>

Meeting ID: 891 2479 0466
Passcode: 212644

Dial:
669 900 6833
253 215 8782
346 248 7799
312 626 6799
929 205 6099

Passcode: 212644

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

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

AGENDA

1. Call Meeting to Order and Pledge of Allegiance
2. Recognize and Hear from Visitors / Public Comment - This portion of the agenda is reserved for the public to make comments on matters within the jurisdiction of the Running Springs Water District that are **not on the agenda**. The Board, except to refer the matter to staff and/or place it on a future agenda, may take no action. It is in the best interest of the person speaking to the Board to be concise and to the point. A time limit of five minutes per individual will be allowed. Any person wishing to comment on an item that is on the agenda is requested to complete a request to speak form prior to the item being called for consideration or to raise their hand and be recognized by the Board President.
3. 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 4**
 - B. Ratify Expenditures and Cash Summary **Page 9**
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 Receiving, Filing and Authorizing the Distribution of the District’s Fiscal Year 2019-2020 Annual Financial Report and Audit Results **Page 17**
(Presenter: Van Lant & Fankhanel)
 - B. Financial Presentation **N/A**
(Presenter: RAMS)
 - C. Consider Awarding Construction Contract for the Replacement of the Luring Pines Groundwater Well Pump and Motor **Page 115**
(Presenter: Trevor Miller, Operations Manager)
 - D. Consider Awarding Construction Contract for the Wastewater Treatment Plant Access Road Gate **Page 120**
(Presenter: Trevor Miller, Operations Manager)
 - E. Consider Awarding Construction Contract for the Wastewater Collections Building Header Modifications **Page 122**
(Presenter: Trevor Miller, Operations Manager)

- F. Consider Authorizing Purchase of Zoll AutoPulse Mechanical Chest Compression Devices
(Presenter: Cindy Strebel, Battalion Chief) **Page 129**

- 5. Information Items – The following information items do not require any action by the Board of Directors and are for informational purposes only.
 - A. Director Appointments (Pending BOS Meeting Outcome)

- 6. General Manager’s Report
- 7. Operations Manager’s Report
- 8. Fire Chief’s Report
- 9. Legal Counsel’s Report
- 10. Board Member Comments/Meetings
- 11. Meeting Adjournment

Upcoming Meetings: Regular Board Meeting, December 16, 2020 at 9:00 am

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: November 18, 2020

TO: Board of Directors

FROM: Amie Crowder, Administration Supervisor, Board Secretary, Treasurer
Ryan Gross, General Manager

SUBJECT: CONSIDER APPROVING MEETING MINUTES

RECOMMENDATION

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

REASON FOR RECOMMENDATION

Approval of meeting minutes.

BACKGROUND INFORMATION

The attached draft meeting minutes are from the Regular Board Meeting held on October 21, 2020.

ATTACHMENTS

Attachment 1 – Draft Meeting Minutes for Regular Board Meeting held on October 21, 2020

**MINUTES – October 21, 2020
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
OCTOBER 21, 2020**

A Regular Meeting of the Board of Directors of the Running Springs Water District was held on Wednesday, October 21, 2020 at the hour of 9:00 A.M. at the District office located at 31242 Hilltop Boulevard, Running Springs, California, and through teleconference.

The following Directors were present:

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

Also present were the following:

Ryan Gross, General Manager
Amie R. Crowder, Board Secretary/Treasurer/Administration Supervisor
Trevor Miller, Operations Manager
Mike Vasquez, Fire Chief
Cindy Strebels, Battalion Chief
Tyler Citro, Firefighter/Paramedic
Karissa McAlonan, Paid Call Firefighter
Jeff Hill, Paid Call Firefighter
Rick Ellsberry, Firefighter Paramedic/Captain
Mike Scotti, Firefighter Paramedic/Engineer
Ray Gayk, Paid Call Firefighter
Max Cibelli, Paid Call Firefighter

The following Directors were absent:

Mike Terry, Director

The following were present through teleconference:

No visitors were present

Visitors Present:

Dustin McAlonan, Resident
Katie Hill, Resident

MEETING MINUTES

AGENDA ITEMS

1. Call Meeting to Order, Roll Call and Pledge of Allegiance

The meeting was called to order at 9:00 A.M. by President Grabow and the Pledge of Allegiance was led by Director Acciani.

2. Recognize and Hear from Visitors/Public Comment

There were no visitors present.

A. Employee Special Recognition Badge Pinning (Firefighter Citro, PCF Hill, PCF McAlonan)

Fire Chief Vasquez opened the badge pinning ceremony by thanking the Board of Directors for this opportunity. Chief Vasquez outlined the benchmarks of becoming a firefighter and the PCF Program. Chief Vasquez presented Firefighter Tyler Citro with the first badge, Paid Call Firefighter's Karissa McAlonan and Jeff Hill followed with their family members present.

3. Approval of Consent Items

A. Approve Meeting Minutes

B. Ratify Expenditures and Cash Summary

President Grabow and Vice-President Mackzum discussed the Library parking lot.

Upon **motion** by Vice-President Mackzum, **second** by Director Conrad and **carried by a 4 to 0 Vote**, the Consent Items were approved.

4. Action Items

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

A. Consider Authorizing Additional Change Order Amount for Wastewater Treatment Plant Headworks and Drying Bed Concrete Work Project

General Manager Gross outlined the additional funding needed for the Wastewater Treatment Plant Project and pages 25-27 of the Board Packet. Manager Gross also detailed the additional labor that resulted for the drying beds once the project began and the pricing received from Bacon Wagner.

Upon **motion** by Director Conrad, **second** by Vice-President Mackzum and **carried by a 4 to 0 Vote**, Authorizing Additional Change Order Amount for Wastewater Treatment Plant (WWTP) Headworks and Drying Bed Concrete Work Project, not to exceed \$14,255, was approved.

B. Consider Authorizing Expenditure for Sidewinder Canyon Groundwater Well 1A Pump Replacement

Operations Manager Trevor Miller presented the details of this project, the depth of the well, and the competitive bid received from Heritage Well Service. Director Conrad and Operations Manager Miller discussed the significant difference in quotes. Trevor provided confirmation on the accuracy of the quote.

Upon motion by Director Conrad, second by Director Acciani and carried by a 4 to 0 Vote, Authorizing Expenditure for Sidewinder Canyon Groundwater Well 1A Pump Replacement, Authorizing the General Manager to execute the contract, and Authorizing the General Manager to approve change orders for the Project not to exceed 15% of the low bid of \$9,832.60 was approved.

C. Consider Paying off Loan with Municipal Finance Corporation for the Ayers Acres Groundwater Well Project

General Manager Gross presented the Ayers Acres Groundwater Well Project loan be paid off. Manager Gross outlined the 2% prepayment premium on this loan and the amount the District would save in interest. Various discussions occurred regarding capital improvements and restricted funds.

Consider Paying off Loan with Municipal Finance Corporation for the Ayers Acres Groundwater Well Project was tabled for a later date. No action was taken.

5. Information Items

A. Quarterly Budget/Financial Update

General Manager Gross presented page 62 of the Board Packet. Manager Gross outlined the timing delay for the fire IGT and GEMT payments that can negatively skew the percentages. Fire Chief Mike Vasquez informed the Board he has been in communication with CalFIRE and the District's reimbursement will be delayed approximately four weeks due to their employees currently out on fire assignments. Chief Vasquez continued to share the Fire Department has worked approximately 1,948-hours on a total of six fire assignments. Director Conrad inquired about a depreciation change on page 63. Manager Gross clarified that these items will be discussed in detail in our Financial Audit Presentation at the November 18, 2020 Board Meeting.

B. Quarterly Operations Reports

General Manager Gross presented the Quarterly Reports for each of the Departments and shared that water production is up from May 2019 to May 2020. Manager Gross continued to share that the water loss is at 5.5%, which is less than the industry standard.

Director Conrad and Operations Manager Trevor Miller discussed that the Wastewater Department staff are receiving training on the newly acquired wastewater collection system video inspection equipment. Manager Gross also commented that the access road realignment to the WWTP is cut and the easement documents are at the Recorder's Office and the business transaction with St. Anne's Parish Council was prompt.

Fire Chief Mike Vasquez commented on Fire Department operations. The Fire Department is averaging 100 calls per month.

C. Quarterly Investment Report

General Manager Gross presented the quarterly LAIF interest.

D. 2020 Sanitary Survey Report

General Manager Gross and Operations Manager Trevor Miller presented the 2020 Watershed Sanitary Survey Report.

6. General Manager's Report

No additional General Manager comments.

7. Board Member Comments/Meetings

No comments.

8. Meeting Adjourned

The meeting was adjourned at 10:06 A.M.

Respectfully Submitted,

President, Board of Directors
Running Springs Water District

Secretary of the Board of Directors
Running Springs Water District

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: November 18, 2020
TO: Board of Directors
FROM: Ryan Gross, General Manager
SUBJECT: RATIFY EXPENDITURES

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors review the attached accounts payable check register and ratify the District's October 2020 expenditures.

A copy of the District's Cash Reserve Fund Summary as of October 31, 2020, the Pooled Cash Balance History and Fire Department Operating Reserve Fund History is also included for review and information.

REASON FOR RECOMMENDATION

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

ATTACHMENTS

- Attachment 1 – Accounts Payable Check Register for October 2020
- Attachment 2 – Cash Summary as of October 31, 2020
- Attachment 3 – Pooled Cash Balance History
- Attachment 4 – Fire Department Operating Reserve Fund History

Running Springs Water District Accounts Payable Checks October 2020

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
2 Hot Uniforms inc	Uniform for new employee Christopher Cole	10/12/20	755.31	105160	755.31
Airgas Inc.	Large Helium	10/19/20	53.65	105177	53.65
Ameripride Services, Inc	Cleaning Supplies Sept 2020	10/06/20	334.28	105117	334.28
Arrowbear Park County Water District	Purchased Water Aug-Sept 2020	10/06/20	5,712.34	105118	5,712.34
Bacon/Wagner Excavating, Inc.	Head Wall Change Order #2	10/06/20	5,870.00	105119	5,870.00
	Hauling Bio Solids to One stop	10/19/20	800.00	105178	2,400.00
	Hauling Bio Solids to One Stop	10/19/20	800.00	105178	
	Hauling Bio Solids to One Stop	10/19/20	800.00	105178	
Best, Best & Krieger LLP	Legal Services September 2020	10/12/20	3,654.73	105161	3,654.73
BURR Group Inc.	Trash Service September Station 50	10/06/20	73.25	105120	491.61
	Trash Service Sept 2020 Office/St51	10/06/20	192.43	105120	
	Trash Service Sept 20 Treat Plant	10/06/20	225.93	105120	
California Computer Options Inc	Network Maintenance/Management Oct 2020	10/06/20	3,015.00	105121	3,015.00
	Server Replacement and enclosed 42U rack	10/12/20	37,225.77	105162	41,593.95
	Networking Hardware	10/12/20	4,368.18	105162	
CalPERS	Health Insurance Premiums October 2020	10/02/20	15,828.62	DFT0001368	15,828.62
	Employ Contribu Classic/Prepra Misc/Safe 10/5/20	10/12/20	20,741.73	DFT0001379	20,741.73
	Employ Contribu Misc/Safe Classic/Prepra 10/19/2	10/21/20	19,354.69	DFT0001384	19,354.69
	Dobbs Adjustments from Aug-Sept 2020	10/28/20	33.75	DFT0001364	33.75
Charter Communitcations	Internet Service Station 50 Sept-Oct 2020	10/07/20	81.97	105159	81.97
	Internet Oct-Nov 2020 Office/Station51	10/19/20	197.13	105179	197.13
Christopher Ehe	Prepare Exhibit A for Access Road at St. Annes	10/07/20	600.00	105157	600.00
Citibank, N.A.	Miscellaneous Parts and Supplies	10/06/20	91.57	105124	91.57
Cole-Parmer	Filter papers for MBR process control	10/06/20	781.26	105125	781.26
County of San Bernardino	Monthly Assessor Map Revisions Oct 2020	10/06/20	6.00	105126	26.00
	Lien Release	10/06/20	20.00	105126	
Crestline-Lake Arrowhead Water Agency	Purchased Water September 2020	10/06/20	25,439.04	105127	25,439.04
Desert Environmental Services Inc	Oil Disposal	10/06/20	316.00	105128	316.00
Dixi Willemse	Reimbursement Claim	10/06/20	1,949.77	105129	1,949.77
	Reimbursement Claim	10/12/20	398.39	105163	398.39
Don's Auto Inc	Radiator Maintenance	10/12/20	496.54	105164	496.54
Fairview Ford Sales, INC	Vehicle Maintenance F550	10/19/20	864.64	105180	864.64
Federal Express Corporation	Shipping Charges September 2020	10/19/20	267.52	105181	267.52
Fire Apparatus Solutions	E51 Annual Service	10/06/20	3,474.05	105130	3,474.05
Frank DeVault	PPE 10/5/20 Payroll Correction	10/12/20	2,812.93	105165	2,812.93
Frontier Communications	Telephone Sept-Oct 2020 LS1	10/06/20	139.83	105131	531.72
	Telephone Spet-Oct 2020 LS2	10/06/20	114.28	105131	
	Telephone Sept 2020 LS6	10/06/20	136.17	105131	
	Telephone Sept-Oct 2020 LS4	10/06/20	141.44	105131	
	Telephone/Internet Oct 2020 Booster 9	10/12/20	90.61	105166	320.37
	Telephone/Internet LS3 Sept-Oct 2020	10/12/20	104.83	105166	
	Telephone Treat Plant Oct 2020	10/12/20	124.93	105166	
	TelephoneOct-Nov 20 LS5	10/19/20	91.20	105182	91.20
Hi-Desert Publishing-Mountain News	Customer Serv Field Rep Advertise	10/06/20	152.00	105132	152.00
INFOSEND	Statement Date processing Sept 2020	10/06/20	1,719.04	105133	1,719.04

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
Inland Bobcat, Inc.	Bobcat tires	10/06/20	2,184.32	105134	2,184.32
Inland Water Works Supply Company	Smith Blair Clamp	10/06/20	237.05	105135	237.05
	Smith-Blair Clamp	10/19/20	237.05	105183	237.05
Innovative Design & Sheet Metal Products	3602 Vehicle Repair	10/06/20	199.49	105136	199.49
Jed Riach	Labor to pull Cassettes out of MBR2	10/19/20	2,080.00	105184	2,080.00
Jeff Kawell	Lift Filter Screen at Treat Plant	10/06/20	600.00	105137	1,800.00
	Remove Cassettes for Cleaning at Treat Plant	10/06/20	600.00	105137	
	Re-Install Cassetts after cleaning at Plant	10/06/20	600.00	105137	
Lake Arrowhead Rentals, Inc.	Compactor Dirt Wacker	10/12/20	511.81	105167	511.81
Leslie's Poolmart, Inc	Soda Ash	10/19/20	599.95	105185	1,844.83
	Soda Ash & Salt	10/19/20	1,244.88	105185	
Life-Assist, Inc	Ambulance Supplies	10/06/20	220.62	105138	736.15
	Ambulance Supplies	10/06/20	143.31	105138	
	Ambulance Supplies	10/06/20	188.56	105138	
	Ambulance Supplies	10/06/20	183.66	105138	
Linda Mayfield	Reimbursement Claim	10/19/20	466.60	105186	466.60
MCI	Long Distance Sept 2020	10/06/20	51.84	105139	51.84
NAPA Auto Parts	Miscellaneous Parts and Supplies	10/12/20	285.92	105168	305.28
	Miscellaneous Parts and Supplies	10/12/20	19.36	105168	
Nationwide	Employee Contributions PPE 10/5/20	10/09/20	1,725.00	DFT0001378	1,725.00
	Employee Contributions PPE 10/19/20	10/23/20	1,725.00	DFT0001387	1,725.00
NBS Government Finance Group	Qrtly Admin Fees Oct -Dec 2020 AD10	10/06/20	1,557.28	105140	1,557.28
Nick Nikas	Reimbursement Claim	10/06/20	105.22	105141	105.22
	Reimbursement Claim	10/12/20	159.04	105169	159.04
	Reimbursement Claim	10/19/20	256.00	105187	256.00
Nuckles Oil Company, Inc	Diesel Fuel Purchase	10/19/20	2,900.70	105188	2,900.70
One Stop Landscape Supply	Bio Solids disposal 7/20 to 12/20	10/06/20	2,761.20	105142	2,761.20
Parkhouse Tire Inc	Replacement tires for spare Backhoe	10/06/20	1,681.89	105143	1,681.89
Reliable Raul	Clean up of Dist Office, Plant and behind library	10/06/20	3,310.00	105145	3,310.00
Rim Forest Lumber Company, Inc.	Miscellaneous Parts and Supplies	10/06/20	135.41	105146	135.41
Rocio Silva	Janitorial Services September 2020	10/19/20	485.00	105189	1,085.00
	Sanitization Services September 2020	10/19/20	600.00	105189	
Ryan Gross	Reimbursement Claim	10/06/20	144.80	105147	144.80
	Reimbursement Claim	10/12/20	305.37	105170	305.37
Southern California Edison Company	Electricity September 2020	10/06/20	11.94	105148	24,392.49
	Electricity September 2020	10/06/20	138.41	105148	
	Electricity Sept 2020	10/06/20	841.62	105148	
	Electricity Sept 2020	10/06/20	15.88	105148	
	Electricity Sept 2020	10/06/20	255.52	105148	
	Electricity Sept 2020	10/06/20	275.44	105148	
	Electricity Sept 2020	10/06/20	970.95	105148	
	Electricity September 2020	10/06/20	739.92	105148	
	Electricity September 2020	10/06/20	547.24	105148	
	Electricity Sept 2020	10/06/20	14.22	105148	
	Electricity Sept 2020	10/06/20	134.27	105148	
	Electricity Sept 2020	10/06/20	2,063.28	105148	
	Electricity Sept 2020	10/06/20	430.37	105148	
	Electricity Sept 2020	10/06/20	139.84	105148	
	Electricity Sept 2020	10/06/20	348.88	105148	
	Electricity Sept 2020	10/06/20	166.96	105148	

Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
Southern California Edison Company	Electricity Sept 2020	10/06/20	1,901.19	105148	24,392.49
	Electricity Sept 2020	10/06/20	669.51	105148	
	Electricity Sept 2020	10/06/20	241.86	105148	
	Electricity Sept 2020	10/06/20	245.40	105148	
	Electricity Sept 2020	10/06/20	646.66	105148	
	Electricity Sept 2020	10/06/20	63.43	105148	
	Electricity Sept 2020	10/06/20	84.36	105148	
	Electricity September 2020	10/06/20	11,647.63	105148	
	Electricity Sept 2020	10/06/20	383.22	105148	
	Electricity September 2020	10/06/20	19.46	105148	
	Electricity September 2020	10/06/20	357.05	105148	
	Electricity Sept 2020	10/06/20	456.65	105148	
	Electricity Sept 2020	10/06/20	581.33	105148	
Southern California Gas Company	Gas Usage September 2020	10/06/20	76.69	105151	113.09
	Gas Usage September 2020	10/06/20	36.40	105151	
	Gas Usage September 2020	10/12/20	46.61	105171	126.39
	Gas Usage September 2020	10/12/20	63.38	105171	
	Gas Usage September 2020	10/12/20	16.40	105171	
St. Anne in the Mountains	Easement Fee	10/06/20	10,000.00	105152	10,000.00
Stuart Bryer	Reimbursement for EMT Certification Stuart Bryer	10/12/20	107.00	105172	107.00
Terminix International Company LP	Pest Control Collection Building	10/19/20	79.00	105190	139.00
	Pest Control Treatment Plant	10/19/20	60.00	105190	
Tyler Technologies, Inc	Insite Transaction Fees	10/19/20	3,296.16	105191	9,051.33
	Utility Billing Notifications SMS and Calls	10/19/20	109.20	105191	
	Incode Ann fee/Mainten 11-2020tp 10/2021	10/19/20	5,645.97	105191	
Underground Service Alert of Southern California	New Dig Tickets Maintence Fee October 2020	10/06/20	72.70	105153	72.70
Valic	Employee Contributions PPE 9/21/20	10/01/20	1,075.00	DFT0001365	1,075.00
	Employee Contributions PPE 10/5/20	10/07/20	1,200.00	DFT0001377	1,200.00
	Employee Contributions PPE 10/19/20	10/20/20	1,200.00	DFT0001386	1,200.00
Verizon Wireless Services LLC	Cell Phone/IPads September 2020	10/12/20	487.76	105173	487.76
Village Hardware	Miscellaneous Parts and Supplies	10/19/20	1,189.34	105192	1,189.34
Visa	Bobroff- Uniform Pants for Clemmer	10/20/20	92.85	105197	1,490.21
	Crowder-Brd Mtg Refresh/Webinar/Fan	10/20/20	150.74	105197	
	Ellsberry- Miscellaneous Supplies	10/20/20	52.39	105197	
	Gross-Hireright, Misc Supplies, Zoom	10/20/20	222.32	105197	
	Miller-Misc parts and supplies	10/20/20	-384.26	105197	
	Strebel- Miscellaneous Parts and Supplies	10/20/20	429.65	105197	
	Door hinge repair for Chevy	10/20/20	739.75	105197	
	Vasquez-Fuel, Uniform adjust, Assign Purchase	10/20/20	186.77	105197	
	Bobroff- Uniform Pants for Clemmer	10/20/20	92.85	105199	1,874.47
	Crowder-Brd Mtg Refresh/Webinar/Fan	10/20/20	150.74	105199	
	Ellsberry- Miscellaneous Supplies	10/20/20	52.39	105199	
	Gross-Hireright, Misc Supplies, Zoom	10/20/20	222.32	105199	
	Strebel- Miscellaneous Parts and Supplies	10/20/20	429.65	105199	
	Door hinge repair for Chevy	10/20/20	739.75	105199	
	Vasquez-Fuel, Uniform adjust, Assign Purchase	10/20/20	186.77	105199	
Vyanet Operating Group	Security Services Dist Office Nov 20-Jan 21	10/19/20	169.85	105195	169.85
York Risk Services Group, Inc	Workers Comp Admin fee September 2020	10/07/20	112.00	105158	112.00
Zenner Performance Meter, Inc	Water meters and related equipment	10/06/20	730.92	105155	730.92
Zoll Medical Corporation GPO	Medical Supplies	10/06/20	325.14	105156	838.75

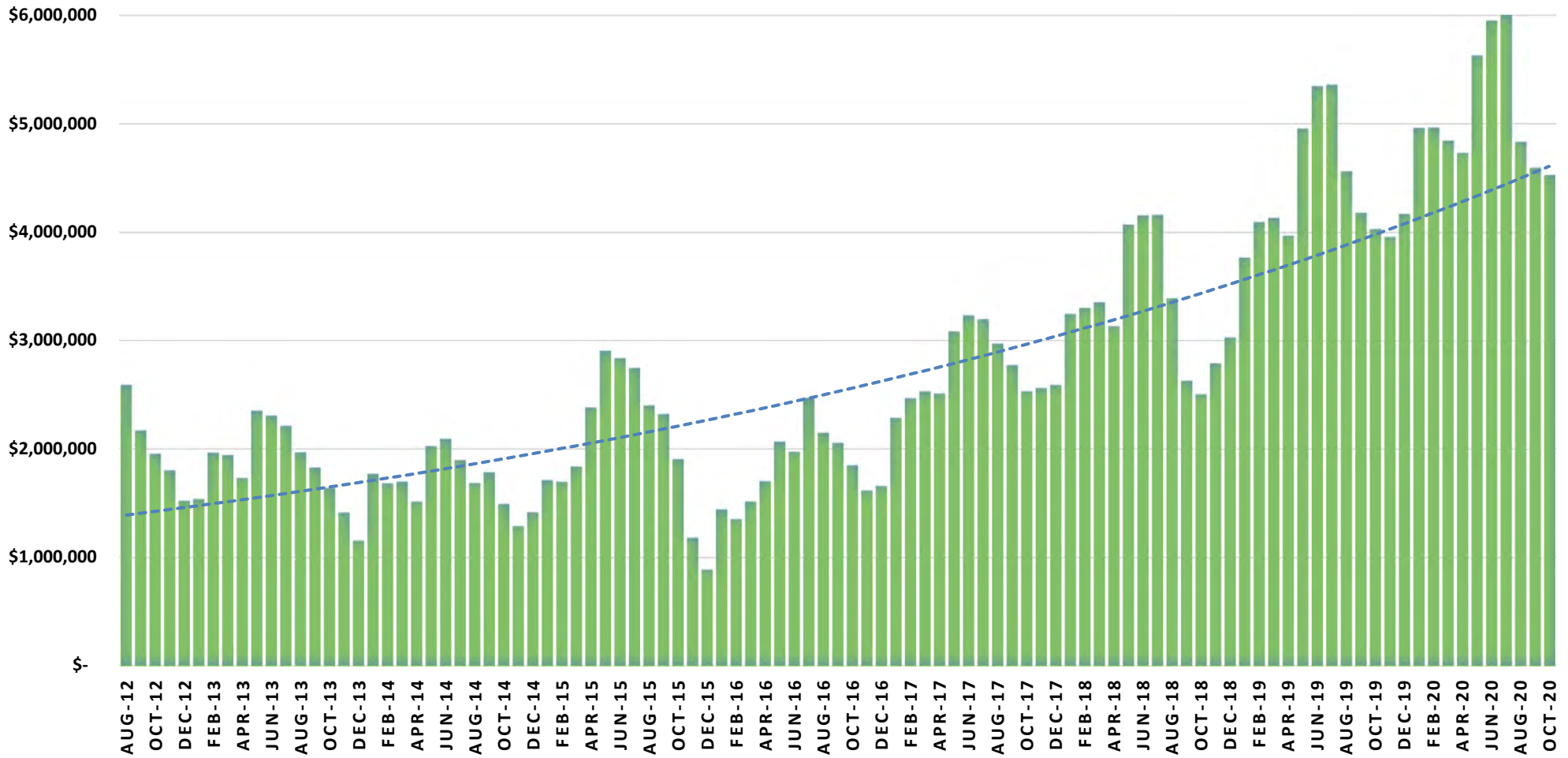
Vendor Name	Description	Date	Invoice Amount	Check Number	Check Amount
Zoll Medical Corporation GPO	Ambulance Supplies	10/06/20	96.16	105156	838.75
	Ambulance Supplies	10/06/20	417.45	105156	
	Ambulance Supplies	10/12/20	254.29	105174	254.29
	V Lead ECG Cable	10/19/20	284.46	105196	284.46

Totals

Payment Type	Payable Count	Payment Count	Payment
Regular Checks	140	72	180,982.39
Manual Checks	0	0	0.00
Voided Checks	0	10	-1,490.21
Bank Drafts	9	10	62,850.04
EFT's	0	0	0.00
Totals	149	92	242,342.22

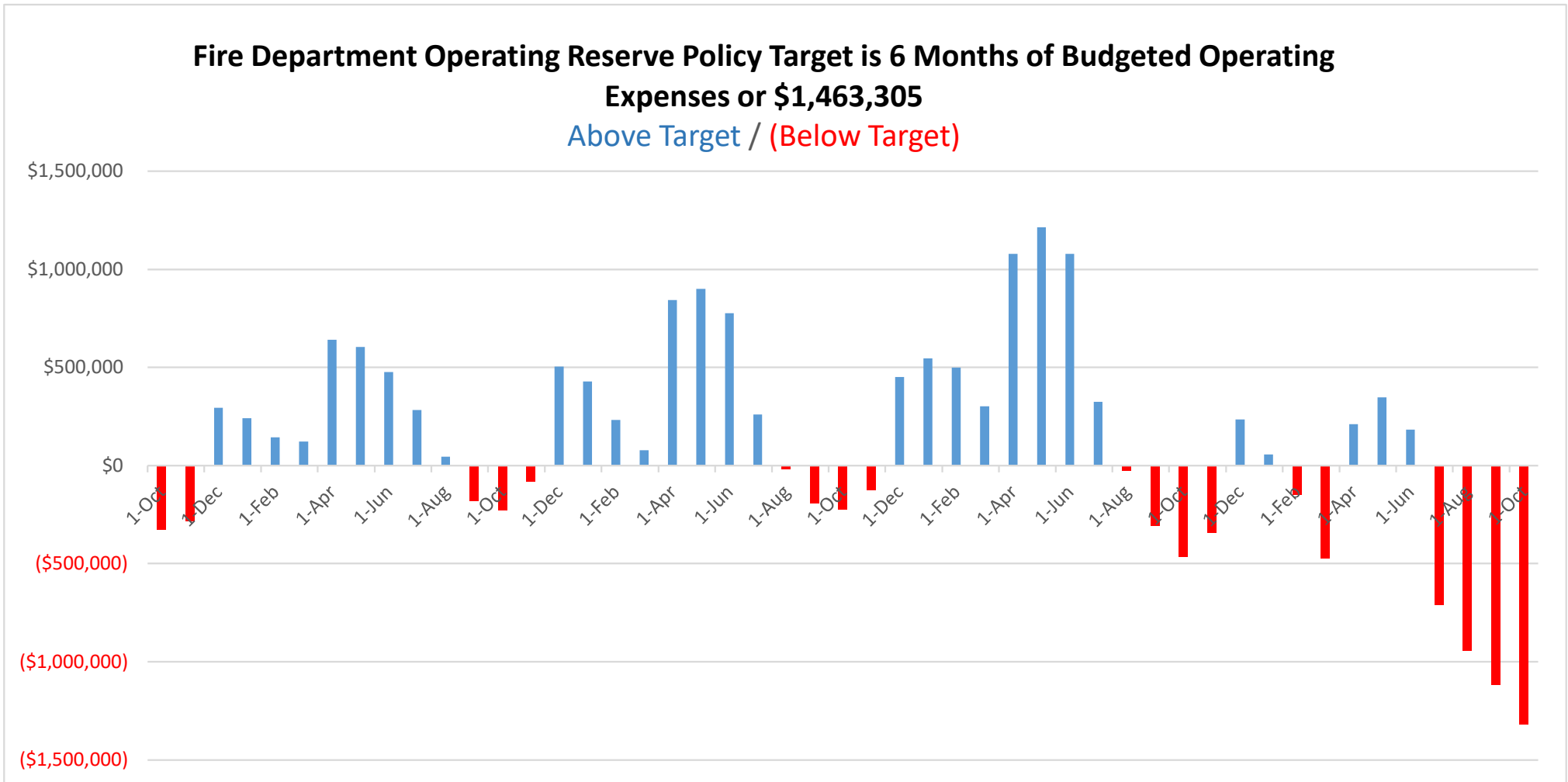
Fund Balances as of October 31, 2020	
Fire & Ambulance Department	
Fire Department Operating Reserve	162,995
Ambulance Department Operating Reserve	(16,706)
Subtotal Fire & Ambulance Department Operating Reserve Funds	146,289
Recommended Operating Reserve Fund Target (6 Months Operating Expenses)	1,463,305
Fire & Ambulance Department Operating Reserve, Above Target / (Below Target)	(1,317,016)
Wastewater Division	
Wastewater Capital Improvement Project Reserve	841,002
Wastewater System Connection & Capacity Charges	285,840
CWSRF Loan Agreement 14-813 Debt Reserve (Restricted for SLS 1-3 Debt Service)	171,537
Wastewater Operating Reserve Fund	559,340
Recommended Operating Reserve Fund Target (4 Months Operating Expenses)	559,340
Wastewater Operating Reserve, Above Target / (Below Target)	-
Water Division	
Water Capital Improvement Project Reserve	1,482,571
Water System Connection & Capacity Charges	97,704
Water Infrastructure R&R Reserve (MFC & AMR SRF Debt Reserve)	89,334
Water Operating Reserve	527,365
Recommended Operating Reserve Fund Target (4 Months Operating Expenses)	527,365
Water Operating Reserve, Above Target / (Below Target)	-
Assessment Districts Restricted Funds	
Water Assessment District No. 9 Construction Funds	10,433
Water Assessment District No. 10 Construction Funds	26,421
Water Assessment District No. 10 O&M	24,413
Water Assessment District No. 10 Bond Reserve Fund	116,465
Subtotal Assessment Districts	177,732
Total District Designated & Operating Reserve Funds	4,200,982
Assessment District Funds	177,732
Combined Pooled Cash	4,378,714
Checking Account (General)	240,647
LAIF	4,005,986
York Insurance Deposit	14,617
BNY Mellon (AD #10 Bond Reserve)	116,465
Petty Cash	1,000
Combined Pooled Cash	4,378,714
	-

COMBINED POOLED CASH BALANCE



Fire Department Operating Reserve Policy Target is 6 Months of Budgeted Operating Expenses or \$1,463,305

Above Target / (Below Target)



RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: November 18, 2020
TO: Board of Directors
FROM: Ryan Gross, General Manager
SUBJECT: CONSIDER RECEIVING, FILING AND AUTHORIZING THE DISTRIBUTION OF THE DISTRICT'S FISCAL YEAR 2019-2020 ANNUAL FINANCIAL REPORT AND AUDIT RESULTS

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors consider receiving, filing and authorizing the distribution of the District's Fiscal Year 2019-2020 Annual Financial Report and Audit Results.

REASON FOR RECOMMENDATION

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

BACKGROUND INFORMATION

The District is required to have an annual independent financial audit. Van Lant & Fankhanel, LLP (VLF) will present their team's findings and the results from the audit of the District's financial data for fiscal year 2019-2020. A copy of the Fiscal Year 2019-2020 Annual Financial Report was provided to the Board members on November 13, 2020 and is also available at the District office for review by any interested member of the public.

FISCAL INFORMATION

The cost for VLF's services to perform this year's audit is approximately \$23,100.

ATTACHMENTS

Attachment 1 - Fiscal Year 2019-2020 Annual Financial Report.

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

Board of Directors
Running Springs Water District
Running Springs, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Running Springs Water District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 13, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Van Lant & Fankhanel, LLP". The signature is written in dark ink and is positioned above the date.

November 13, 2020

November 13, 2020

Board of Directors
Running Springs Water District
Running Springs, California

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Running Springs Water District for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 8, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year, except for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

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

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

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

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 13, 2020.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

We were engaged to report on supplementary information, as listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

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

Very truly yours,

Van Lant & Fankhanel, LLP

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

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

We have performed procedures enumerated below to be the accompanying Appropriations Limit worksheet of the Running Springs Water District, for the year ended June 30, 2020. These procedures, which were agreed to by the Running Springs Water District and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*), were performed solely to assist the District in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The District’s management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

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

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

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

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

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

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

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

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

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

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



November 13, 2020

**RUNNING SPRINGS WATER DISTRICT
 APPROPRIATIONS LIMIT COMPUTATION
 2019-2020**

	2019-2020
Change in Per Capita Personal Income	3.85%
Population Change	
Unincorporated County Population Growth	0.53%
Change in Per Capita Personal Income Converted to a Ratio	1.0385
Population Change Converted to a Ratio	1.0053
Calculation Growth Factor	1.0440
2018-2019 Appropriations Limit	<u>\$ 5,115,643</u>
2019-2020 Appropriations Limit (\$5,115,643 X 1.0440)	<u>\$ 5,340,731</u>

RUNNING SPRINGS WATER DISTRICT

ANNUAL FINANCIAL REPORT

Years Ended June 30, 2020 and 2019

**Running Springs Water District
Annual Financial Report
Years Ended June 30, 2020 and 2019**

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INTRODUCTORY SECTION



RUNNING SPRINGS WATER DISTRICT
A MULTI-SERVICE INDEPENDENT SPECIAL DISTRICT

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

November 13, 2020

Board of Directors
Running Springs Water District

Subject: Letter of Transmittal for Annual Financial Report and Independent Auditor's Report for the fiscal year ending June 30, 2020 and 2019

Honorable Directors:

We are pleased to provide you with this letter of transmittal for the Running Springs Water District's (District) Annual Financial Report and Independent Auditor's Report for the fiscal year ended June 30, 2020 and 2019. The intended purpose of the financial report is to provide the Board of Directors, the customers of the District and other interested parties with reliable information on the finances of the District. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Van Lant & Fankhanel, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2020 and 2019, are free of material misstatement. The independent auditor concluded, based upon the audit, that in their opinion the District's financial statements for the fiscal year ended June 30, 2020 and 2019 present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the District as of June 30, 2020 and 2019 and the changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

DISTRICT OVERVIEW

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

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

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

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

Governmental Activities

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

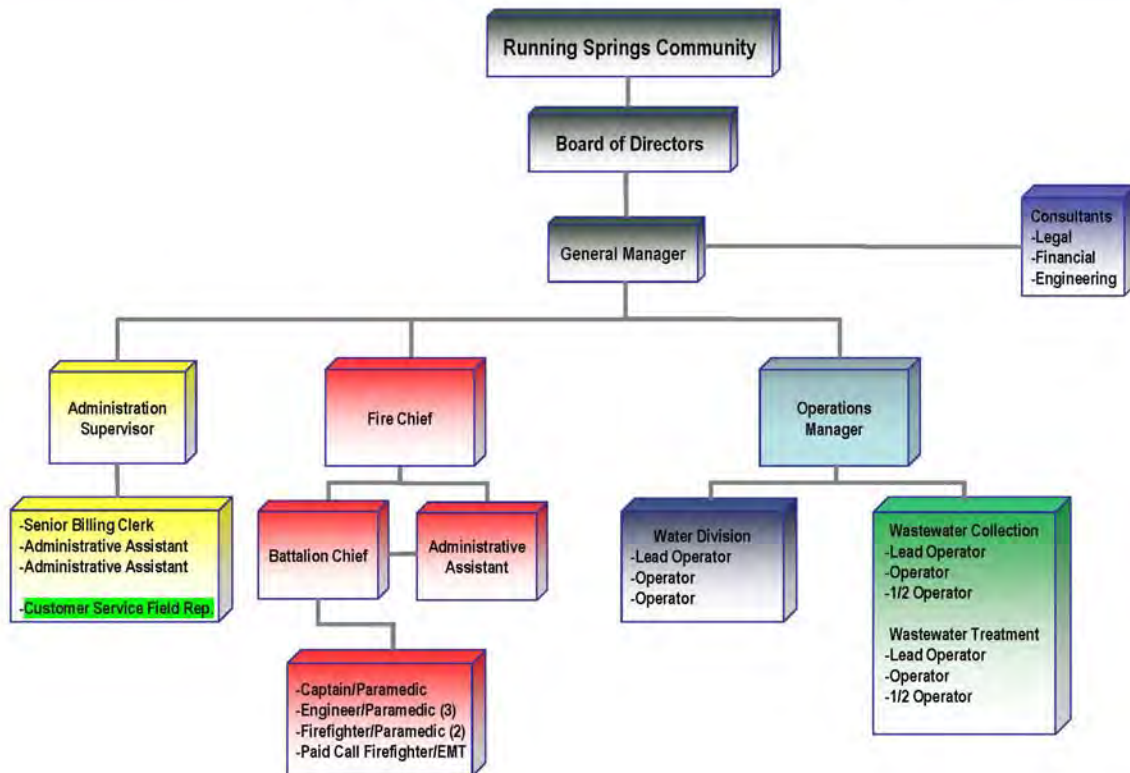
Business-Type Activities

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

Staffing & Organizational Chart

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

Running Springs Water District Organizational Chart



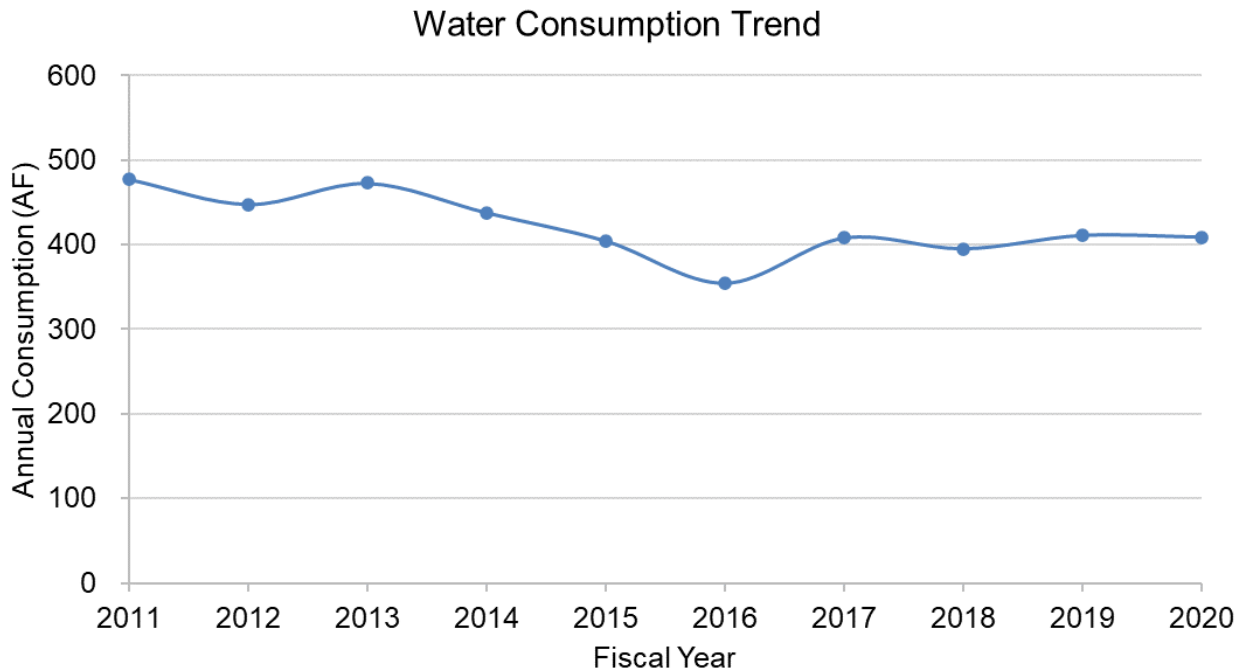
9/11/2020

LOCAL ENVIRONMENT

Running Springs is an unincorporated area governed by the County of San Bernardino. The population of the District according to the 2010 US Census was 4,862. New development is not expected to increase until the foreclosure rate declines and property values increase enough to make new construction costs a viable option.

WATER RESOURCES MANAGEMENT

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



WASTEWATER MANAGEMENT

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

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

FEES AND CHARGES

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

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

FINANCIAL PLANNING

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

ACCOUNTING AND INTERNAL CONTROLS

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

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

BUDGETARY CONTROLS

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

FINANCIAL CONDITION

The Management's Discussion and Analysis (MD&A), which can be found immediately following the Independent Auditor's Report in the financial section of this report, summarizes the Statements of Net Position and Statements of Activities and reviews the changes (from the beginning to the end of the period and current year to the prior year). The actual government-wide financial statements are presented on pages 19 through 24. These government-wide statements are intended to present the District in a more corporate-style basis and provide a view of the big picture.

Additionally, the fund financial statements (starting on page 25) are designed to address the individual funds by category (governmental and proprietary, as well as the fiduciary fund). An explanation of these complementary presentations can be found in the MD&A and in the notes (see Note 1).

Liquidity is the ability to cover short-term obligations. The Proprietary Fund is similar to a business so the current ratio, which is a measurement of liquidity, can be helpful in assessing the liquidity of the District. The current ratio increased from 7.85 at June 30, 2019 to 9.00 at June 30, 2020. The current ratio from the above condensed summary is as follows:

	2020	2019
Current Ratio		
Current Assets	\$ 5,429,830	\$ 4,476,568
Current Liabilities	603,492	569,914
Current Ratio	9.00	7.85

However, since the current assets subtotal includes assets that are not immediately liquid, such as inventory, a more rigorous form of the ratio includes only cash, temporary investments and receivables. The following calculation shows that ratio as 6.87 at June 30, 2019 increased to 7.91 at June 30, 2020.

Quick Ratio (more rigorous)	2020	2019
Cash	\$ 1,000	\$ 1,000
Temporary Investments	3,802,954	2,934,565
Receivables	971,829	980,343
Cash, Temporary Investments and Receivables	<u>\$ 4,775,783</u>	<u>\$ 3,915,908</u>
Cash, Temporary Investments and Receivables	\$ 4,775,783	\$ 3,915,908
Current Liabilities	603,492	569,914
	<u>7.91</u>	<u>6.87</u>

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

Solvency is the ability to pay all debts. The debt ratio indicates the District's long-term debt paying ability. The following debt ratio calculation stays same 0.36 at June 30, 2019 and at June 30, 2020:

Debt Ratio	2020	2019
Total Liabilities	\$ 8,959,262	\$ 8,901,266
Total Assets	25,117,718	24,477,688
Debt Ratio	<u>0.36</u>	<u>0.36</u>

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

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

Respectfully submitted,


 Ryan Gross
 General Manager


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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Running Springs Water District
Running Springs, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Running Springs Water District (District), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Running Springs Water District, as of June 30, 2020 and 2019, and the changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and State regulations governing special districts.

Change in Accounting Principle

As described in Note 10 to the financial statements, in fiscal year 2019-20, the City adopted new accounting guidance, *GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and schedules listed in the supplementary information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the supplementary information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the supplementary information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 13, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and on compliance.



November 13, 2020

Management's Discussion and Analysis

Our discussion and analysis of Running Springs Water District's financial performance provides an overview of the District's financial activities for the fiscal years ending June 30, 2020 and 2019. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal (beginning on page i) and the District's basic financial statements (beginning on page 19).

FINANCIAL HIGHLIGHTS

- The District's total net position increased by \$19,312 and \$112,965 as of June 30, 2020 and 2019, respectively. The increase for the year ended June 30, 2020 is the combination of a decrease in net position for the Governmental Activities of \$512,957 and an increase in net position for the Business Type Activities of \$532,269. The increase for the year ended June 30, 2019 is the combination of a decrease in net position for the Governmental Activities of \$479,222 and an increase in net position for the Business Type Activities of \$592,187.
- Total revenues decreased \$556,573 (7%) for the year ended June 30, 2020 and increased \$653,967 (9%) for the year ended June 30, 2019.
- Total expenses increased \$141,773 (2%) for the year ended June 30, 2020 and decreased \$144,024 (2%) for the year ended June 30, 2019.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Running Springs Water District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the Running Springs Water District's finances in a manner similar to a private-sector business. The required financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows. These statements offer short-term and long-term financial information about the District.

The "Governmental Activities" columns reflect the District's fire protection services. The "Business-Type Activities" columns reflect private sector type operations (Water, Ambulance and Sewer), where the fee for service typically covers all or most of the cost of operation including depreciation.

Statement of Net Position

The *Statement of Net Position* presents information on all of the Running Springs Water District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference, or net, reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Running Springs Water District is improving or deteriorating.

Statement of Activities

The *Statement of Activities* accounts for all activities during the fiscal year. This statement measures the success of the District's operations during the reporting period and can be used to assess whether or not the District has successfully recovered all of its costs through its user fees and other charges. This statement also measures the District's solvency and ability to meet its financial commitments.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The *Fund Financial Statements* for the Running Springs Water District include statements for the *Governmental Fund*, the *Proprietary Fund* and *Fiduciary Funds*.

The *Governmental Fund* financial statements include: ***Balance Sheets*** and ***Statements of Revenues, Expenditures and Changes in Fund Balances***, which focus on how money flows into and out of those funds and the balances left at year-end that are nonspendable, restricted, committed, assigned, or unassigned. These classifications of fund balance show the nature and extent of constraints placed on the District's fund balances by law, creditors, and the District's Board. Unassigned fund balance is available for spending for any purpose. These funds are reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a short-term view of the general government operations and the basic service it provides. Governmental funds will reflect bond proceeds and internal fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The separate statement of the Governmental Fund financial statements provides reconciliations between the fund financial statements and the government-wide financial statements.

The *Proprietary Fund* financial statements include: ***Statements of Net Position***, ***Statements of Revenue, Expenses and Changes in Net Position***, and ***Statements of Cash Flows***. *Statements of Net Position* present our assets, deferred outflows, liabilities, deferred inflows and the difference, or net, between what we own and what we owe as of the last day of our fiscal year. *Statements of Revenues, Expenses and Changes in Net Position* describes the financial results of our proprietary operations for the fiscal years reported. The Proprietary Fund presentation produces the same totals as the Business-Type column in the government-wide financial statements. Readers also need to know how we manage our cash resources during the year to effect the changes in net position. This information is conveyed in the *Statements of Cash Flows*. The *Statements of Cash Flows*

reconcile the income or loss from operations that are reported on the accrual basis with the actual cash inflows and uses. The *Statements of Cash Flows* also detail how we obtain cash through financing and investing activities and, similarly, how we spend cash for these purposes.

The *Fiduciary Fund* financial statements include: ***Statements of Fiduciary Assets and Liabilities***, which consist solely of trust and agency funds and are used to account for resources held for the benefit of parties outside the government (i.e. Assessment Districts). Fiduciary funds are *not* reflected in the *Statement of Net Position* and *Statement of Revenue, Expenses, and Changes in Net Position* because the resources of the fund are *not* available to support the District's own programs. Fiduciary funds are custodial in nature and, therefore, the accounting used does not involve the measurement of the results of operations. The basic fiduciary fund financial statements can be found on page 37 of the Basic Financial Statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 39-67 of the Basic Financial Statements.

OVERVIEW OF SUPPLEMENTARY INFORMATION

This annual financial report includes required supplementary information and other supplementary information. The required supplementary information consists of a *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Fund Type – Fire Protection*, *Schedule of the Districts Proportionate Share of the Net Pension Liability*, *Schedule of Plan Contributions* and related notes. The budget vs. actual schedule compares revenues and expenditures for Fire Protection with budgeted amounts and details the variance for each line item. The other schedules will eventually provide 10 years of information related to the Districts pension plan and OPEB liability.

Additional supplementary information is presented for the Fiduciary Agency Funds which include two statements: *Combining Statement of Fiduciary Assets and Liabilities* and *Combining Statement of Changes in Assets and Liabilities*.

FINANCIAL ANALYSIS

District-wide Analysis

The following condensed financial information summarizes the total district (government-wide) net position:

	Governmental Activities			Business-Type Activities			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Assets:									
Current and Other Assets	\$ 1,423,283	\$ 1,736,146	\$ 1,717,764	\$ 5,429,830	\$ 4,476,568	\$ 3,310,041	\$ 6,853,113	\$ 6,212,714	\$ 5,027,805
Capital Assets	1,011,931	1,014,072	1,046,861	19,687,888	20,001,120	19,654,306	20,699,819	21,015,192	20,701,167
Total Assets	<u>2,435,214</u>	<u>2,750,218</u>	<u>2,764,625</u>	<u>25,117,718</u>	<u>24,477,688</u>	<u>22,964,347</u>	<u>27,552,932</u>	<u>27,227,906</u>	<u>25,728,972</u>
Deferred Outflows of									
Resources	<u>988,487</u>	<u>916,886</u>	<u>1,169,116</u>	<u>1,186,973</u>	<u>1,280,197</u>	<u>1,439,623</u>	<u>2,175,460</u>	<u>2,197,083</u>	<u>2,608,739</u>
Liabilities:									
Current Liabilities	87,559	86,850	120,170	603,492	569,914	516,979	691,051	656,764	637,149
Noncurrent Liabilities	3,855,869	3,605,043	3,375,483	8,355,770	8,331,352	7,884,777	12,211,639	11,936,395	11,260,260
Total Liabilities	<u>3,943,428</u>	<u>3,691,893</u>	<u>3,495,653</u>	<u>8,959,262</u>	<u>8,901,266</u>	<u>8,401,756</u>	<u>12,902,690</u>	<u>12,593,159</u>	<u>11,897,409</u>
Deferred Inflows of									
Resources	<u>79,890</u>	<u>61,871</u>	<u>45,526</u>	<u>335,116</u>	<u>378,575</u>	<u>116,357</u>	<u>415,006</u>	<u>440,446</u>	<u>161,883</u>
Net Position:									
Net Investment in									
Capital Assets	1,011,931	1,014,072	1,046,861	16,534,351	16,654,725	16,514,181	17,546,282	17,668,797	17,561,042
Restricted for:									
Debt Service	-	-	-	260,871	260,921	236,878	260,871	260,921	236,878
Water & Wastewater	-	-	-	304,134	151,072	142,428	304,134	151,072	142,428
Unrestricted (deficit)	<u>(1,611,548)</u>	<u>(1,100,732)</u>	<u>(654,299)</u>	<u>(89,043)</u>	<u>(588,674)</u>	<u>(1,007,630)</u>	<u>(1,700,591)</u>	<u>(1,689,406)</u>	<u>(1,661,929)</u>
Total Net Position	<u>\$ (599,617)</u>	<u>\$ (86,660)</u>	<u>\$ 392,562</u>	<u>\$ 17,010,313</u>	<u>\$ 16,478,044</u>	<u>\$ 15,885,857</u>	<u>\$ 16,410,696</u>	<u>\$ 16,391,384</u>	<u>\$ 16,278,419</u>

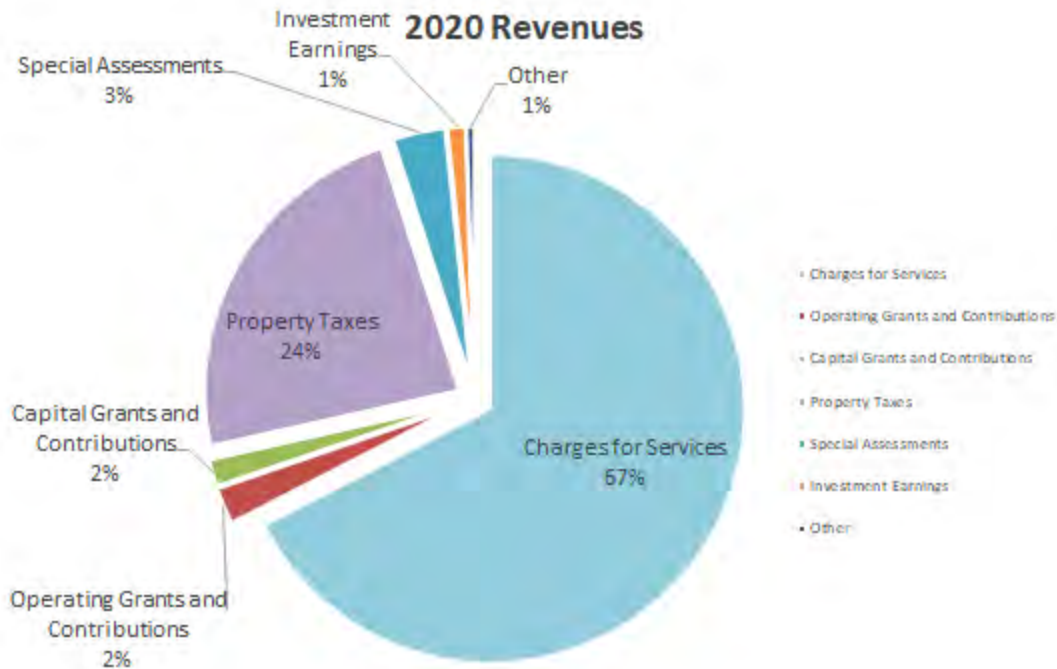
- The assets of Running Springs Water District increased by \$325,026 and \$1,498,934 as of June 30, 2020 and 2019 respectively. The most significant changes in 2020 are an increase in cash and temporary investments primarily the result of the increase in net position. The most significant change in 2019 is an increase in cash and temporary investments primarily the result of the increase in net position and an increase in capital assets.
- The Running Springs Water District's total liabilities increased by \$309,531 and \$695,750 as of June 30, 2020 and 2019 respectively. The key factors in the increase in 2020 and in 2019 are recording the total OPEB liability. The District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
- Net position may serve over time as a useful indicator of a district's financial position. In the case of the Running Springs Water District, net position was \$16,410,696 and \$16,391,384 at the close of June 30, 2020 and 2019, respectively. Of this amount, \$(1,700,591) and \$(1,689,406) as of June 30, 2020 and 2019, respectively,

(unrestricted net position) may be used to meet the District's ongoing obligations to customers and creditors. Although these amounts are presented in the aggregate, the District must follow certain laws related to the spending of revenues which involve Proposition 218. Water and Sewer resources can only be spent on expenses, programs or projects related to the respective revenue source.

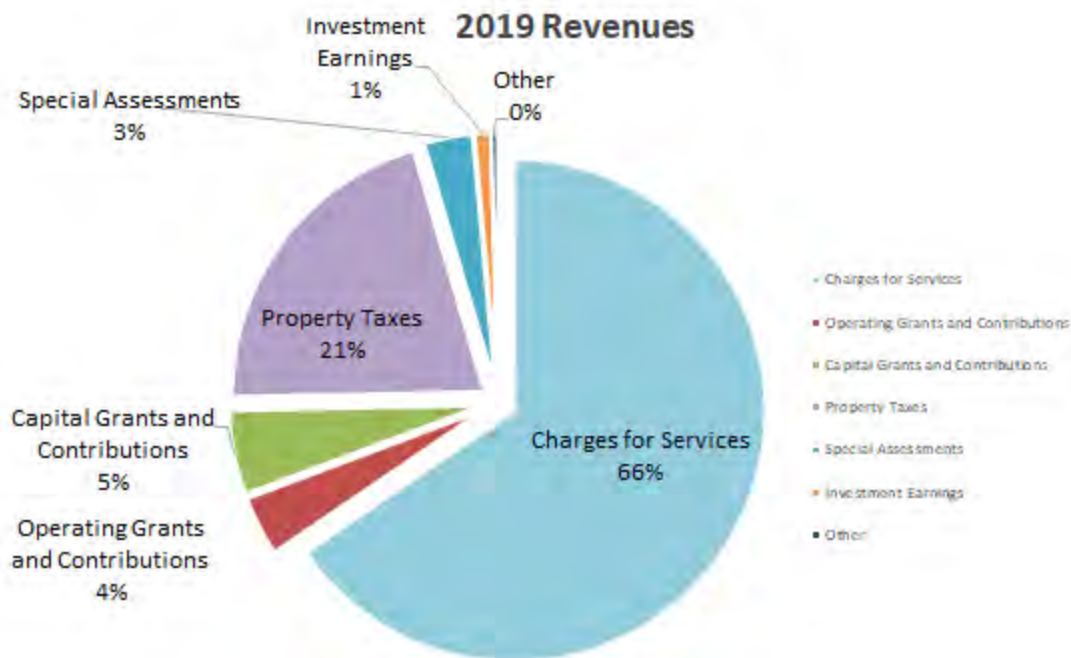
The following condensed financial information summarizes the changes in the total district (government-wide) net position:

Running Springs Water District's Changes in Net Position									
	Governmental Activities			Business-Type Activities			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Revenues:									
Program Revenues:									
Charges for Services	\$ 108,371	\$ 294,047	\$ 401,720	\$ 5,041,657	\$ 5,071,413	\$ 4,733,336	\$ 5,150,028	\$ 5,365,460	\$ 5,135,056
Operating Grants and Contributions	-	-	-	178,357	312,774	301,393	178,357	312,774	301,393
Capital Grants and Contributions	27,567	28,289	18,953	103,937	413,262	68,617	131,504	441,551	87,570
General Revenues:									
Property Taxes	1,798,692	1,700,578	1,603,236	-	-	-	1,798,692	1,700,578	1,603,236
Special Assessments	200,623	200,688	200,688	52,687	54,228	53,866	253,310	254,916	254,554
Investment Earnings	20,390	37,426	25,275	67,217	46,222	16,576	87,607	83,648	41,851
Other	8,020	4,060	94,827	29,792	30,896	21,429	37,812	34,956	116,256
Total Revenues	2,163,663	2,265,088	2,344,699	5,473,647	5,928,795	5,195,217	7,637,310	8,193,883	7,539,916
Expenses:									
Fire Protection	2,676,620	2,502,432	2,262,574	-	-	-	2,676,620	2,502,432	2,262,574
Water	-	-	-	1,935,725	2,328,076	2,058,426	1,935,725	2,328,076	2,058,426
Sewer Collection	-	-	-	991,932	683,293	1,201,618	991,932	683,293	1,201,618
Sewer Treatment	-	-	-	1,264,445	1,266,572	1,418,684	1,264,445	1,266,572	1,418,684
Ambulance	-	-	-	749,276	695,852	678,947	749,276	695,852	678,947
Total Expenses	2,676,620	2,502,432	2,262,574	4,941,378	4,973,793	5,357,675	7,617,998	7,476,225	7,620,249
Increase (Decrease) in Net Position	(512,957)	(237,344)	82,125	532,269	955,002	(162,458)	19,312	717,658	(80,333)
Total Net Position - Beginning	(86,660)	392,562	310,437	16,478,044	15,885,857	16,048,315	16,391,384	16,278,419	16,358,752
Prior Period Adjustment	-	(241,878)	-	-	(362,815)	-	-	(604,693)	-
Total Net Position - Ending	\$ (599,617)	\$ (86,660)	\$ 392,562	\$ 17,010,313	\$ 16,478,044	\$ 15,885,857	\$ 16,410,696	\$ 16,391,384	\$ 16,278,419

Total revenues decreased by \$556,573 (7%) for the year ended June 30, 2020.

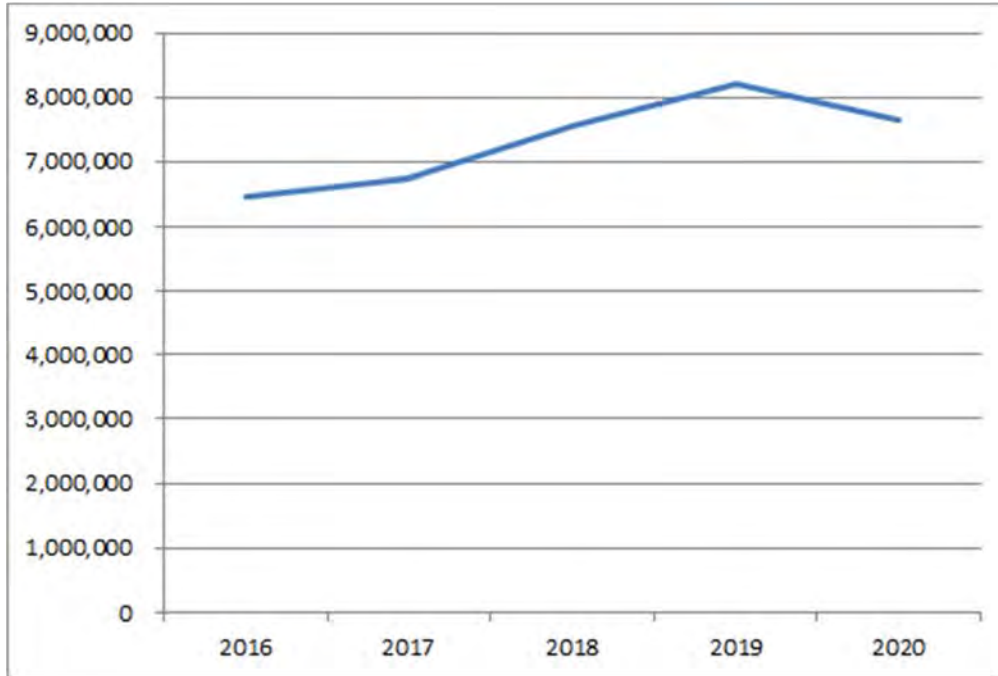


The breakdown of each category of revenue had a slight change as compared to the revenue breakdown for the year ended June 30, 2019 (2019: Charges for Services 66%, Operating Grants and Contributions 4%, Capital Grants and Contributions 5%, Property Taxes 21%, Special Assessments 3%, Investment Earnings 1% and Other 0%).



The decrease (7%) in total revenues for 2020 when compared to 2019 is primarily due to decreases in charges for services, decreased capital grant and operating grant.

The graph below illustrates the revenue in the recent past years.



District-wide, total expenses increased \$141,773 (2%) for the year ended June 30, 2020 and decreased \$144,024 (2%) for the year ended June 30, 2019. Notable increases in expenses in 2020 are Sewer Collection repairs and maintenances expense and net pension expense due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68. Notable decreases in expenses in 2019 are Sewer Collection employee salaries and net pension expense due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68.

Governmental Fund and Governmental Activities (Fire Protection) Analysis

Net position for the Governmental Activities is \$(599,617) and \$(86,660) at the close of June 30, 2020 and 2019 respectively. The decrease of \$512,957 for the year ended June 30, 2020 is primarily the result of the decrease of the charges for service and the increase of employee salaries and benefits. The decrease of \$237,344 for the year ended June 30, 2019 is primarily the result of the decrease of other revenue and the increase of employee salaries and benefits.

Below is condensed financial information that reconciles the Governmental Fund (modified accrual basis) to the Governmental Activities (full accrual method).

Reconciliation from Modified Accrual to Full Accrual						
	2020			2019		
	Modified Accrual	Conversion	Full Accrual	Modified Accrual	Conversion	Full Accrual
	Statement of Revenues and Expenditures - Governmental Fund - Fire Protection		Statement of Activities Governmental Activities - Fire Protection	Statement of Revenues and Expenditures - Governmental Fund - Fire Protection		Statement of Activities Governmental Activities - Fire Protection
Revenues	\$ 2,155,803	\$ -	\$ 2,155,803	\$ 2,265,088	\$ -	\$ 2,265,088
Expenditures/Expenses/Transfers	2,469,615	207,005	2,676,620	2,210,958	291,474	2,502,432
Excess of Revenues Over (Under) Expenditures	(313,812)	(207,005)	(520,817)	54,130	(291,474)	(237,344)
Other Financing Sources and (Uses) Proceeds from Insurance Claim	7,860	-	7,860	-	-	-
Net Change	\$ (305,952)	\$ (207,005)	\$ (512,957)	\$ 54,130	\$ (291,474)	\$ (237,344)
	2018					
	Modified Accrual	Conversion	Full Accrual			
	Statement of Revenues and Expenditures - Governmental Fund - Fire Protection		Statement of Activities Governmental Activities - Fire Protection			
Revenues	\$ 2,250,118	\$ -	\$ 2,250,118			
Expenditures / Expenses	2,193,023	69,551	2,262,574			
Excess of Revenues Over (Under) Expenditures	57,095	(69,551)	(12,456)			
Other Financing Sources and (Uses) Proceeds From Insurance Claim	94,581	-	94,581			
Net Change	\$ 151,676	\$ (69,551)	\$ 82,125			

Proprietary Fund and Business-Type Activities (Water, Ambulance, and Sewer) Analysis

Net position for the Business-Type Activities is \$17,010,313 and \$16,478,044 at the close of June 30, 2020 and 2019 respectively. The increase of \$532,269 for the year June 30, 2020 is the increase in capital grants and rate increase and the decrease of Sewer Collection salaries and benefit. The increase of \$955,002 for the year June 30, 2019 is the increase in capital grants and rate increase and the decrease of Sewer Collection salaries and benefit and. Revenues decreased 8% for the year ended June 30, 2020, and expenses decreased 1%. Revenues increased 14% for the year ended June 30, 2020, and expenses decreased 7%.

Below is condensed financial information for the Proprietary Fund and Business-Type Activities:

Proprietary Fund - Change in Net Position

	2020	2019	2018
Operating Revenues			
Water	\$ 2,149,188	\$ 2,052,093	\$ 1,988,298
Sewer Collection	1,070,853	1,147,206	1,091,737
Sewer Treatment	1,384,652	1,233,637	1,130,601
Ambulance	615,321	951,251	824,093
Total Operating Revenues	<u>5,220,014</u>	<u>5,384,187</u>	<u>5,034,729</u>
Operating Expenses			
Water Department	1,915,940	2,313,479	2,043,878
Sewer Collection	944,154	633,249	1,080,993
Sewer Treatment	1,264,445	1,266,572	1,281,709
Ambulance Department	749,276	695,557	678,035
Total Operating Expenses	<u>4,873,815</u>	<u>4,908,857</u>	<u>5,084,615</u>
Operating Income (Loss)	346,199	475,330	(49,886)
Non-Operating Revenues	149,696	131,346	91,871
Non-Operating Expenses	<u>(67,563)</u>	<u>(64,936)</u>	<u>(273,060)</u>
Income (Loss) Before Property			
Contributions and Transfers	428,332	541,740	(231,075)
Transfers In			
Capital contributions	103,937	413,262	68,617
Change in Net Position	<u>532,269</u>	<u>955,002</u>	<u>(162,458)</u>
Net Position, Beginning of Year	16,478,044	15,885,857	16,048,315
Restatement of Net Position		(362,815)	
Net Position, End of Year	<u>\$ 17,010,313</u>	<u>\$ 16,478,044</u>	<u>\$ 15,885,857</u>

Analysis for the year ended June 30, 2020:

Below is condensed information related to the Proprietary Funds, by department.

	Condensed Summary of Schedules of Revenues, Expenses, and Changes in Net Position - Proprietary Fund - by Departments							
	Water Department		Sewer Collection		Sewer Treatment		Ambulance Department	
	2020	2019	2020	2019	2020	2019	2020	2019
Operating Revenues	\$ 2,149,188	\$ 2,052,093	\$ 1,070,853	\$ 1,147,206	\$ 1,384,652	\$ 1,233,637	\$ 615,321	\$ 951,251
Operating Expenses	1,915,940	2,313,479	944,154	633,249	1,264,445	1,266,572	749,276	695,557
Operating Income (Loss)	233,248	(261,386)	126,699	513,957	120,207	(32,935)	(133,955)	255,694
Nonoperating Revenues	89,443	80,711	27,046	26,959	21,412	16,456	11,795	7,220
Nonoperating Expenses	19,785	14,597	47,778	50,044	-	-	-	295
Total Nonoperating Revenues (Expenses)	69,658	66,114	(20,732)	(23,085)	21,412	16,456	11,795	6,925
Income (Loss) before Capital Contributions	302,906	(195,272)	105,967	490,872	141,619	(16,479)	(122,160)	262,619
Capital Contributions	41,155	413,262	62,782	-	-	-	-	-
Transfers In/(Out)	-	-	-	989	-	(989)	-	-
Change in Net Position	\$ 344,061	\$ 217,990	\$ 168,749	\$ 491,861	\$ 141,619	\$ (17,468)	\$ (122,160)	\$ 262,619

The condensed summary above shows that Water and Sewer Treatment Department reported an increase of change in net position for the year ended June 30, 2020. Sewer Collection and Ambulance Department reported a decrease of change in net position. Ambulance Department shows a decrease in revenue due to GEMT revenue adjustments. For the year ended June 30, 2019, the summary shows that the Water Department reported an increase of net position because of the capital grant for AMR project. Sewer Collection Department reported the increase of net position because of the credit balance of pension expense.

The following graph shows the breakdown of operating revenues for the Proprietary Fund for the year ending June 30, 2020:



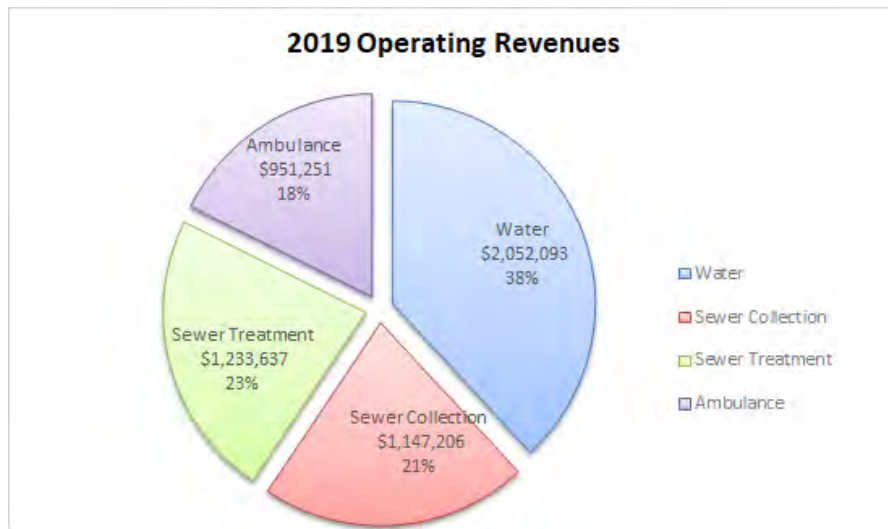
Analysis for the year ended June 30, 2019:

Below is condensed information related to the Proprietary Funds, by department.

Condensed Summary of Schedules of Revenues, Expenses, and Changes in Net Position - Proprietary Fund - by Departments								
	Water Department		Sewer Collection		Sewer Treatment		Ambulance Department	
	2019	2018	2019	2018	2019	2018	2019	2018
Operating Revenues	\$ 2,052,093	\$ 1,988,298	\$ 1,147,206	\$ 1,091,737	\$ 1,233,637	\$ 1,130,601	\$ 951,251	\$ 824,093
Operating Expenses	2,313,479	2,043,878	633,249	1,080,993	1,266,572	1,281,709	695,557	678,035
Operating Income (Loss)	(261,386)	(55,580)	513,957	10,744	(32,935)	(151,108)	255,694	146,058
Nonoperating Revenues	80,711	65,069	26,959	7,993	16,456	9,342	7,220	9,467
Nonoperating Expenses	14,597	14,548	50,044	120,625	-	136,975	295	912
Total Nonoperating Revenues (Expenses)	66,114	50,521	(23,085)	(112,632)	16,456	(127,633)	6,925	8,555
Income (Loss) before Capital Contributions	(195,272)	(5,059)	490,872	(101,888)	(16,479)	(278,741)	262,619	154,613
Capital Contributions	413,262	5,382	-	63,235	-	-	-	-
Transfers In/(Out)	-	-	989	334,197	(989)	(334,197)	-	-
Change in Net Position	\$ 217,990	\$ 323	\$ 491,861	\$ 295,544	\$ (17,468)	\$ (612,938)	\$ 262,619	\$ 154,613

The condensed summary above shows that the Water Department reported an increase of net position for the year ended June 30, 2019 because of the capital grant for AMR project. Sewer Collection Department reported the increase of net position because of the credit balance of pension expense. The summary shows that the Sewer Treatment Department reported an operating loss for the year ended June 30, 2018 because of the splitting the Sewer Department into Sewer Collection and Sewer Treatment.

The following graph shows the breakdown of operating revenues for the Proprietary Fund for the year ending June 30, 2019:



BUDGETARY HIGHLIGHTS

As previously noted, this annual financial report includes required supplementary information, which is a *Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Governmental Fund Type – Fire Protection* and related notes. The schedule compares revenues and expenditures for Fire Protection with budgeted amounts and details the variance for each line item.

Fire Protection is the only department in the Governmental Fund.

Analysis for the Year Ended June 30, 2020:

The final budget projected a net increase in fund balance of \$33,521. The actual was a net decrease of \$305,952. The notable variances for budget to actual are as follows:

- Property taxes revenue was \$62,012 higher than the budgeted amount.
- Other Revenues were \$163,039 lower than the budgeted amount primarily due to a decrease in the actual number of outside District Fire assignments.
- Salaries and wages were \$319,771 higher than the budgeted amount primarily due to an underestimation in the budget for Fire Department overtime.
- Capital outlay was \$83,848 lower than the budgeted amount.

Analysis for the Year Ended June 30, 2019:

The final budget projected a net increase in fund balance of \$189,361. The actual was a net increase of \$54,130. The notable variances for budget to actual are as follows:

- Property taxes revenue was \$115,578 higher than the budgeted amount.
- Investment earning was \$25,426 higher than the budgeted amount.
- Other Revenues were \$94,411 higher than the budgeted amounts due to the reimbursement for Fire services provided outside the District.
- Salaries and wages were \$360,882 higher than the budgeted amount due to the fire services provided outside the District.
- Capital outlay was \$65,526 higher than the budgeted amount.

CAPITAL ASSETS

The Running Springs Water District's investment in capital assets as of June 30, 2020 and 2019 amounts to \$20,699,817 and \$21,015,192 (net of accumulated depreciation) respectively. The investment at June 30, 2020 represents a net decrease (including additions and deductions) of 2% compared to a net increase (including additions and deductions) of 2% for the year ended June 30, 2019. The investment in capital assets includes land, buildings, improvements, water systems, sewer collection and treatment systems, fire trucks, ambulances, trucks, automobiles, machinery, equipment, and office furniture and equipment.

	Governmental Activities			Business-Type Activities			Total		
	2020	2019	2018	2020	2019	2018	2020	2019	2018
Land and Land Rights	\$ 414,676	\$ 414,676	\$ 414,676	\$ 1,014,656	\$ 1,014,656	\$ 1,014,656	\$ 1,429,332	\$ 1,429,332	\$ 1,429,332
Construction in Progress	-	3,069	93,372	110,695	82,037	41,279	110,695	85,106	134,651
Structures and Improvements	183,696	197,930	118,828	-	-	-	183,696	197,930	118,828
Water Plant and Facilities	-	-	-	6,878,402	7,129,909	6,463,139	6,878,402	7,129,909	6,463,139
Sewer Plant and Facilities	-	-	-	11,051,706	11,457,268	11,785,812	11,051,706	11,457,268	11,785,812
Fire Trucks and Mounted Equipment	186,025	230,323	269,403	-	-	-	186,025	230,323	269,403
Trucks and Automobiles	-	-	-	360,944	136,034	152,186	360,944	136,034	152,186
Special Purpose Equipment	146,431	118,869	134,536	-	-	-	146,431	118,869	134,536
Furniture and Equipment	-	-	-	271,483	181,216	197,234	271,483	181,216	197,234
Office Equipment	17,722	17,460	15,542	-	-	-	17,722	17,460	15,542
Shop and Station Equipment	24,802	31,745	504	-	-	-	24,802	31,745	504
Communication Equipment	38,579	-	-	-	-	-	38,579	-	-
Total	\$ 1,011,931	\$ 1,014,072	\$1,046,861	\$ 19,687,886	\$ 20,001,120	\$ 19,654,306	\$ 20,699,817	\$ 21,015,192	\$ 20,701,167

The most significant construction-in-progress jobs open at June 30, 2020 include the followings:

- Nob Hill Water System Improvement
- Wastewater Treatment Plant Headworks process and drying bed improvements

Additional information on the Running Springs Water District's capital assets can be found in Note 5 on pages 51-54 of the Basic Financial Statements.

NONCURRENT LIABILITIES

The District's noncurrent liabilities at June 30, 2020 and 2019 are \$12,211,639 and \$11,936,395 respectively. Other than the net pension liability and total OPEB liability, both 2020 and 2019 liabilities included compensated absences and bonds payable (net of all amounts due within one year).

Noncurrent Liabilities			
	2020	2019	2018
Governmental Activities:			
Compensated Absences	\$ 169,217	\$ 131,117	\$ 118,974
Total OPEB Liability	261,727	241,878	-
Net Pension Liability	3,458,768	3,258,271	3,280,304
Total	<u>3,889,712</u>	<u>3,631,266</u>	<u>3,399,278</u>
Less: Current Portion	(33,843)	(26,223)	(23,795)
Noncurrent Portion	<u>3,855,869</u>	<u>3,605,043</u>	<u>3,375,483</u>
Business-Type Activities:			
Bonds and Notes Payable:			
Sewer Treatment, SWRCB 2014 Installment Payable	2,472,200	2,594,443	2,714,406
Water Supply, 2015 Installment Payable, Ayers	298,124	351,952	403,995
Ambulance, 2016 Installment Payable	-	-	21,724
Water, SWRCB AMR Installment Payable	383,213	400,000	-
Total Bonds and Notes Payable	<u>3,153,537</u>	<u>3,346,395</u>	<u>3,140,125</u>
Compensated Absences	280,542	384,196	360,707
Total OPEB Liability	392,589	362,815	-
Net Pension Liability	4,782,545	4,506,700	4,635,085
Less: Current Portion	(253,443)	(268,754)	(251,140)
Noncurrent Portion	<u>8,355,770</u>	<u>8,331,352</u>	<u>7,884,777</u>
Government-Wide Summary			
Compensated Absences	449,759	515,313	479,681
Total OPEB Liability	654,316	604,693	-
Net Pension Liability	8,241,313	7,764,971	7,915,389
Bonds and Notes Payable:	<u>3,153,537</u>	<u>3,346,395</u>	<u>3,140,125</u>
Totals	12,498,925	12,231,372	11,535,195
Less: Current Portion	(287,286)	(294,977)	(274,935)
Noncurrent Portion	<u>\$ 12,211,639</u>	<u>\$ 11,936,395</u>	<u>\$ 11,260,260</u>

The District paid principal payments on the bonds and notes payable of \$193,505 during the year ended June 30, 2020 and \$193,730 during the year ended June 30, 2019, respectively.

Additional information on the Running Springs Water District's noncurrent liabilities can be found in Note 7 on pages 55-58 of the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Running Springs Water District is located where there is not much opportunity for growth in the form of new development. The District provides mutual fire service aid to Green Valley Lake and Arrowbear with no financial compensation and incurs shared wastewater transportation, treatment and disposal costs for upstream users who are billed for reimbursement.

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

REQUESTS FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

Running Springs Water District
Statements of Net Position
June 30, 2020 and 2019

	Governmental Activities		Business-Type Activities	
	2020	2019	2020	2019
ASSETS				
Cash	\$ 442,024	\$ 248,003	\$ 1,000	\$ 1,000
Temporary Investments	913,588	1,417,274	3,802,954	2,934,565
Receivables:				
Customers - Net of Allowance	-	-	864,935	885,217
Other	13,036	21,306	88,695	73,760
Taxes	41,883	31,225	4,625	2,532
Interest	4,818	10,404	13,574	18,834
Materials and Supplies Inventory	-	-	82,375	80,741
Restricted Assets:				
Cash	7,934	7,934	571,672	479,919
Capital Assets, Not Being Depreciated				
Land	414,676	414,676	1,014,656	1,014,656
Construction in Progress	-	3,069	110,696	82,037
Capital Assets Net of Accumulated Depreciation	597,255	596,327	18,562,536	18,904,427
Total Assets	2,435,214	2,750,218	25,117,718	24,477,688
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Related Items	988,487	916,886	1,186,973	1,280,197
LIABILITIES				
Accounts Payable and Accrued Liabilities	53,716	60,627	218,417	180,337
Interest Payable	-	-	37,744	38,195
Other Payables	-	-	41,650	30,684
Unearned Availability Charges	-	-	52,238	51,944
Long-term Liabilities Due Within One Year	33,843	26,223	253,443	268,754
Noncurrent Liabilities:				
Long-term Liabilities	3,855,869	3,605,043	8,355,770	8,331,352
Total Liabilities	3,943,428	3,691,893	8,959,262	8,901,266
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Related Items	79,890	61,871	335,116	378,575
NET POSITION				
Net Investment in Capital Assets	1,011,931	1,014,072	16,534,351	16,654,725
Restricted For Debt Service	-	-	260,871	260,921
Restricted for Wastewater Expansion	-	-	304,134	151,072
Unrestricted (Deficit)	(1,611,548)	(1,100,732)	(89,043)	(588,674)
Total Net Position	\$ (599,617)	\$ (86,660)	\$ 17,010,313	\$ 16,478,044

Total	
2020	2019
\$ 443,024	\$ 249,003
4,716,542	4,351,839
864,935	885,217
101,731	95,066
46,508	33,757
18,392	29,238
82,375	80,741
579,606	487,853
1,429,332	1,429,332
110,696	85,106
<u>19,159,791</u>	<u>19,500,754</u>
<u>27,552,932</u>	<u>27,227,906</u>
<u>2,175,460</u>	<u>2,197,083</u>
272,133	240,964
37,744	38,195
41,650	30,684
52,238	51,944
287,286	294,977
<u>12,211,639</u>	<u>11,936,395</u>
<u>12,902,690</u>	<u>12,593,159</u>
<u>415,006</u>	<u>440,446</u>
17,546,282	17,668,797
260,871	260,921
304,134	151,072
<u>(1,700,591)</u>	<u>(1,689,406)</u>
<u>\$ 16,410,696</u>	<u>\$ 16,391,384</u>

Running Springs Water District
Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Fire Protection	\$ 2,676,620	\$ 108,371	\$ -	\$ 27,567
Business-type Activities:				
Water	1,935,725	2,149,188	-	41,155
Sewer Collection	991,932	1,070,853	-	62,782
Sewer Treatment	1,264,445	1,384,652	-	-
Ambulance	749,276	436,964	178,357	-
Total Business-type Activities	4,941,378	5,041,657	178,357	103,937
Total Primary Government	\$ 7,617,998	\$ 5,150,028	\$ 178,357	\$ 131,504

General Revenues:

- Property Taxes
- Special Assessments - Availability Charges
- Investment Earnings
- Leasing Revenue
- Miscellaneous
- Gain on Sale of Capital Assets

Total General Revenues

Change in Net Position

Net Position, Beginning of Year, Restated

Net Position, End of Year

Net (Expense) Revenue
and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>\$ (2,540,682)</u>	<u>\$ -</u>	<u>\$ (2,540,682)</u>
-	254,618	254,618
-	141,703	141,703
-	120,207	120,207
-	<u>(133,955)</u>	<u>(133,955)</u>
-	<u>382,573</u>	<u>382,573</u>
<u>(2,540,682)</u>	<u>382,573</u>	<u>(2,158,109)</u>
1,798,692	-	1,798,692
200,623	52,687	253,310
20,390	67,217	87,607
-	17,350	17,350
8,020	12,442	20,462
-	-	-
<u>2,027,725</u>	<u>149,696</u>	<u>2,177,421</u>
(512,957)	532,269	19,312
<u>(86,660)</u>	<u>16,478,044</u>	<u>16,391,384</u>
<u>\$ (599,617)</u>	<u>\$ 17,010,313</u>	<u>\$ 16,410,696</u>

Running Springs Water District
Statement of Activities
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
Fire Protection	\$ 2,502,432	\$ 294,047	\$ -	\$ 28,289
Business-type Activities:				
Water	2,328,076	2,052,093	-	413,262
Sewer Collection	683,293	1,147,206	-	-
Sewer Treatment	1,266,572	1,233,637	-	-
Ambulance	695,852	638,477	312,774	-
Total Business-type Activities	4,973,793	5,071,413	312,774	413,262
Total Primary Government	\$ 7,476,225	\$ 5,365,460	\$ 312,774	\$ 441,551

General Revenues:
Property Taxes
Special Assessments - Availability Charges
Investment Earnings
Leasing Revenue
Miscellaneous
Gain on Sale of Capital Assets
Proceeds from Insurance Claim

Total General Revenues

Change in Net Position

Net Position, Beginning of Year

Restatement of Net Position

Net Position, End of Year

Net (Expense) Revenue
and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (2,180,096)	\$ -	\$ (2,180,096)
-	137,279	137,279
-	463,913	463,913
-	(32,935)	(32,935)
-	255,399	255,399
-	823,656	823,656
(2,180,096)	823,656	(1,356,440)
1,700,578	-	1,700,578
200,688	54,228	254,916
37,426	46,222	83,648
-	11,060	11,060
3,550	13,451	17,001
510	6,385	6,895
-	-	-
1,942,752	131,346	2,074,098
(237,344)	955,002	717,658
392,562	15,885,857	16,278,419
(241,878)	(362,815)	(604,693)
<u>\$ (86,660)</u>	<u>\$ 16,478,044</u>	<u>\$ 16,391,384</u>

Running Springs Water District
Balance Sheets
Governmental Fund - Fire Protection
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash	\$ 442,024	\$ 248,003
Temporary Investments	913,588	1,417,274
Restricted Cash	7,934	7,934
Accounts Receivable:		
Fire Availability Charges and Other	13,036	21,306
Taxes Receivable	41,883	31,225
Interest Receivable	4,818	10,404
Total Assets	\$ 1,423,283	\$ 1,736,146
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts Payable	\$ 53,716	\$ 60,627
Total Liabilities	53,716	60,627
Fund Balances:		
Assigned:		
Workers' Compensation Fund	6,551	7,369
Unassigned	1,363,016	1,668,150
Total Fund Balances	1,369,567	1,675,519
Total Liabilities and Fund Balances	\$ 1,423,283	\$ 1,736,146

The accompanying notes are an integral part of this statement.

Running Springs Water District
Reconciliation of the Balance Sheets to the Statements of Net Position
Governmental Fund
June 30, 2020 and 2019

	2020	2019
Fund balances - total governmental fund	\$ 1,369,567	\$ 1,675,519
<p>Amounts reported for governmental activities in the statement of net position are different because:</p> <p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Capital Assets	2,596,072	2,511,579
Accumulated Depreciation	(1,584,141)	(1,497,507)
<p>Amounts for deferred inflows and deferred outflows related to the District's Net Pension Liability and Total OPEB Liability are not reported in the funds.</p>		
Deferred Outflows Related to Pensions	988,487	916,886
Deferred Inflows Related to Pensions	(79,890)	(61,871)
<p>Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Compensated Absences	(169,217)	(131,117)
Total OPEB Liability	(261,727)	(241,878)
Net Pension Liability	(3,458,768)	(3,258,271)
Net Position of Governmental Activities	\$ (599,617)	\$ (86,660)

Running Springs Water District
Statements of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Fund - Fire Protection
Years Ended June 30, 2020 and 2019

	2020	2019
REVENUES		
Property Taxes	\$ 1,798,692	\$ 1,700,578
Assessments - Fire Availability Charges	200,623	200,688
Hazard Abatement Program Revenue	26,570	23,186
Other Revenue	81,961	274,921
Investment Earnings	20,390	37,426
Intergovernmental Revenue	27,567	28,289
Total Revenues	2,155,803	2,265,088
EXPENDITURES		
Salaries and Benefits	1,956,272	1,817,512
Services and Supplies	428,850	327,920
Capital Outlay	84,493	65,526
Total Expenditures	2,469,615	2,210,958
Excess (Deficiency) of Revenues Over Expenditures	(313,812)	54,130
OTHER FINANCING SOURCES (USES)		
Proceeds from Insurance Claim	7,860	-
Total Other Financing Sources (Uses)	7,860	-
Net Change in Fund Balances	(305,952)	54,130
Fund Balance, Beginning of Year	1,675,519	1,621,389
Fund Balance, End of Year	\$ 1,369,567	\$ 1,675,519

Running Springs Water District
Reconciliation of the Statements of Revenues, Expenditures and Changes in Fund
Balance of Governmental Fund to the Statements of Activities
Years Ended June 30, 2020 and 2019

	2020	2019
Net change in fund balances - governmental fund	\$ (305,952)	\$ 54,130
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital Outlay	84,493	65,525
Depreciation	(86,634)	(98,314)
Amounts for deferred inflows and deferred outflows related to the District's net pension liability are not reported in the funds. This is the net change in deferred inflows and outflows related to the net pension liability.		
Deferred Outflows Related to Pensions	71,601	(252,230)
Deferred Inflows Related to Pensions	(18,019)	(16,345)
Some expenses reported in the statement of activities do not require the use of current financial resources, and, therefore, are not reported as expenditures in the governmental funds.		
Net change in compensated absences	(38,100)	(12,143)
Total OPEB Liability	(19,849)	-
Net Pension Liability	(200,497)	22,033
Change in Net Position of Governmental Activities	\$ (512,957)	\$ (237,344)

Running Springs Water District
Statements of Net Position
Proprietary Funds
June 30, 2020 and 2019

	Water		Sewer Collection	
	2020	2019	2020	2019
ASSETS				
Current Assets:				
Cash	\$ 950	\$ 950	\$ 50	\$ 50
Temporary Investments	1,946,309	1,315,607	623,184	508,395
Receivables:				
Customers - Net of Allowances	242,141	230,886	199,583	205,679
Other	31,911	27,317	10,600	9,064
Taxes	1,228	676	3,397	1,856
Interest	6,616	7,951	3,113	4,702
Material and Supplies Inventory	60,381	58,506	21,994	22,235
Restricted:				
Cash	145,851	111,065	328,829	271,862
Total Current Assets	<u>2,435,387</u>	<u>1,752,958</u>	<u>1,190,750</u>	<u>1,023,843</u>
Noncurrent Assets:				
Capital Assets Not Being Depreciated:				
Land	688,492	688,492	326,164	326,164
Construction in Progress	79,645	80,501	-	-
Capital Assets, Net of Accumulated Depreciation	<u>6,974,373</u>	<u>7,230,572</u>	<u>6,016,271</u>	<u>6,136,409</u>
Total Noncurrent Assets	<u>7,742,510</u>	<u>7,999,565</u>	<u>6,342,435</u>	<u>6,462,573</u>
Total Assets	<u>10,177,897</u>	<u>9,752,523</u>	<u>7,533,185</u>	<u>7,486,416</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Related Items	<u>771,532</u>	<u>832,128</u>	<u>178,046</u>	<u>192,030</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Liabilities	55,053	60,634	8,402	51,781
Interest Payable	6,173	5,107	31,571	33,088
Other Payables	41,650	30,684	-	-
Unearned Availability Charges	38,438	38,210	13,800	13,734
Current Portion of Long-term Liabilities	<u>111,446</u>	<u>125,796</u>	<u>128,047</u>	<u>127,368</u>
Total Current Liabilities	<u>252,760</u>	<u>260,431</u>	<u>181,820</u>	<u>225,971</u>
Noncurrent Liabilities:				
Noncurrent Portion of Long-term Liabilities	<u>4,146,739</u>	<u>4,090,103</u>	<u>3,137,833</u>	<u>3,223,127</u>
Total Noncurrent Liabilities	<u>4,146,739</u>	<u>4,090,103</u>	<u>3,137,833</u>	<u>3,223,127</u>
Total Liabilities	<u>4,399,499</u>	<u>4,350,534</u>	<u>3,319,653</u>	<u>3,449,098</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Related Items	<u>217,826</u>	<u>246,074</u>	<u>50,267</u>	<u>56,786</u>
NET POSITION				
Net Investment in Capital Assets	7,061,173	7,247,613	3,870,235	3,868,130
Restricted for Debt Service	89,334	89,384	171,537	171,537
Restricted for Wastewater Expansion	53,184	18,348	153,959	66,362
Unrestricted (deficit)	<u>(871,587)</u>	<u>(1,367,302)</u>	<u>145,580</u>	<u>66,533</u>
Total Net Position	<u>\$ 6,332,104</u>	<u>\$ 5,988,043</u>	<u>\$ 4,341,311</u>	<u>\$ 4,172,562</u>

Sewer Treatment		Ambulance		Total Enterprise Funds	
2020	2019	2020	2019	2020	2019
\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
1,088,237	590,344	145,224	520,219	3,802,954	2,934,565
17,862	7,688	405,349	440,964	864,935	885,217
46,184	37,379	-	-	88,695	73,760
-	-	-	-	4,625	2,532
3,705	3,744	140	2,437	13,574	18,834
-	-	-	-	82,375	80,741
96,992	96,992	-	-	571,672	479,919
1,252,980	736,147	550,713	963,620	5,429,830	4,476,568
-	-	-	-	1,014,656	1,014,656
31,051	1,536	-	-	110,696	82,037
5,119,645	5,377,182	452,247	160,264	18,562,536	18,904,427
5,150,696	5,378,718	452,247	160,264	19,687,888	20,001,120
6,403,676	6,114,865	1,002,960	1,123,884	25,117,718	24,477,688
237,395	256,039	-	-	1,186,973	1,280,197
136,741	50,937	18,221	16,985	218,417	180,337
-	-	-	-	37,744	38,195
-	-	-	-	41,650	30,684
-	-	-	-	52,238	51,944
13,950	15,590	-	-	253,443	268,754
150,691	66,527	18,221	16,985	603,492	569,914
1,071,198	1,018,122	-	-	8,355,770	8,331,352
1,071,198	1,018,122	-	-	8,355,770	8,331,352
1,221,889	1,084,649	18,221	16,985	8,959,262	8,901,266
67,023	75,715	-	-	335,116	378,575
5,150,696	5,378,718	452,247	160,264	16,534,351	16,654,725
-	-	-	-	260,871	260,921
96,991	66,362	-	-	304,134	151,072
104,472	(234,540)	532,492	946,635	(89,043)	(588,674)
\$ 5,352,159	\$ 5,210,540	\$ 984,739	\$ 1,106,899	\$ 17,010,313	\$ 16,478,044

Running Springs Water District
Statements of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Years Ended June 30, 2020 and 2019

	Water		Sewer Collection	
	2020	2019	2020	2019
OPERATING REVENUES				
Monthly Service Charges	\$ 1,267,594	\$ 1,165,999	\$ 1,045,050	\$ 884,192
Usage Charges	816,133	776,071	-	61,642
Special Charges - R&R Fee	-	64,348	-	181,420
Delinquent Charges	31,907	22,969	22,331	11,238
Other Revenues	6,502	5,348	3,472	8,714
Turn-on and Shut-off Charges	27,052	17,358	-	-
Operating Grants and Contributions	-	-	-	-
Charges to Upstream Users	-	-	-	-
Total Operating Revenues	<u>2,149,188</u>	<u>2,052,093</u>	<u>1,070,853</u>	<u>1,147,206</u>
OPERATING EXPENSES				
Source of Supply	101,190	186,090	-	-
Pumping	76,657	61,738	-	-
Water Treatment	19,502	25,465	-	-
Transmission and Distribution	-	44	-	-
Customers' Accounts	-	547	-	-
Sewage Collections	-	-	121,609	80,696
Sewage Treatment	-	-	-	-
Salaries and Benefits	878,225	1,098,320	446,002	186,168
Administrative Expenses	477,820	566,139	132,451	101,783
Others	76,409	134,510	44,831	58,247
Depreciation	286,137	240,626	199,261	206,355
Total Operating Expenses	<u>1,915,940</u>	<u>2,313,479</u>	<u>944,154</u>	<u>633,249</u>
Operating Income (Loss)	<u>233,248</u>	<u>(261,386)</u>	<u>126,699</u>	<u>513,957</u>
NONOPERATING REVENUES (EXPENSES)				
Assessments - Availability Charges	38,093	39,325	8,796	7,586
Investment Earnings	31,123	22,092	15,299	8,021
Leasing Revenue	17,350	11,060	-	-
Miscellaneous	2,877	3,559	2,951	9,642
Gain/(Loss) on Disposal of Capital Assets	-	4,675	-	1,710
Interest on Long-term Debt	(19,785)	(14,597)	(47,778)	(50,044)
Total Nonoperating Revenue (Expenses)	<u>69,658</u>	<u>66,114</u>	<u>(20,732)</u>	<u>(23,085)</u>
Income (Loss) Before Transfers and Capital Contributions	302,906	(195,272)	105,967	490,872
Capital Contributions	41,155	413,262	62,782	-
Transfers In	-	-	-	989
Transfers Out	-	-	-	-
Change in Net Position	344,061	217,990	168,749	491,861
Net Position, Beginning of Year	5,988,043	6,024,024	4,172,562	3,735,123
Restatement of Net Position	-	(253,971)	-	(54,422)
Net Position, End of Year	<u>\$ 6,332,104</u>	<u>\$ 5,988,043</u>	<u>\$ 4,341,311</u>	<u>\$ 4,172,562</u>

Sewer Treatment		Ambulance		Total Enterprise Funds	
2020	2019	2020	2019	2020	2019
\$ 793,739	\$ 723,430	\$ 436,964	\$ 511,617	\$ 3,543,347	\$ 3,285,238
137,796	50,434	-	-	953,929	888,147
-	-	-	-	-	245,768
5,383	9,050	-	-	59,621	43,257
-	-	-	126,860	9,974	140,922
-	-	-	-	27,052	17,358
-	-	178,357	312,774	178,357	312,774
447,734	450,723	-	-	447,734	450,723
<u>1,384,652</u>	<u>1,233,637</u>	<u>615,321</u>	<u>951,251</u>	<u>5,220,014</u>	<u>5,384,187</u>
-	-	-	-	101,190	186,090
-	-	-	-	76,657	61,738
-	-	-	-	19,502	25,465
-	-	-	-	-	44
-	-	-	-	-	547
-	-	-	-	121,609	80,696
266,978	249,314	-	-	266,978	249,314
489,943	554,714	391,194	380,921	2,205,364	2,220,123
142,639	107,050	101,885	73,834	854,795	848,806
70,666	66,205	224,281	218,373	416,187	477,335
294,219	289,289	31,916	22,429	811,533	758,699
<u>1,264,445</u>	<u>1,266,572</u>	<u>749,276</u>	<u>695,557</u>	<u>4,873,815</u>	<u>4,908,857</u>
<u>120,207</u>	<u>(32,935)</u>	<u>(133,955)</u>	<u>255,694</u>	<u>346,199</u>	<u>475,330</u>
5,798	7,317	-	-	52,687	54,228
15,614	8,889	5,181	7,220	67,217	46,222
-	-	-	-	17,350	11,060
-	250	6,614	-	12,442	13,451
-	-	-	-	-	6,385
-	-	-	(295)	(67,563)	(64,936)
<u>21,412</u>	<u>16,456</u>	<u>11,795</u>	<u>6,925</u>	<u>82,133</u>	<u>66,410</u>
141,619	(16,479)	(122,160)	262,619	428,332	541,740
-	-	-	-	103,937	413,262
-	-	-	-	-	989
-	(989)	-	-	-	(989)
<u>141,619</u>	<u>(17,468)</u>	<u>(122,160)</u>	<u>262,619</u>	<u>532,269</u>	<u>955,002</u>
5,210,540	5,282,430	1,106,899	844,280	16,478,044	15,885,857
-	(54,422)	-	-	-	(362,815)
<u>\$ 5,352,159</u>	<u>\$ 5,210,540</u>	<u>\$ 984,739</u>	<u>\$ 1,106,899</u>	<u>\$ 17,010,313</u>	<u>\$ 16,478,044</u>

Running Springs Water District
Statements of Cash Flows
Proprietary Funds
Years Ended June 30, 2020 and 2019

	Water		Sewer Collection	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 2,137,933	\$ 2,057,023	\$ 1,076,949	\$ 1,146,688
Cash Payments for Employee Services	(1,066,231)	(1,200,449)	(502,790)	(511,098)
Cash Paid to Suppliers	(414,815)	(356,478)	(240,148)	(179,722)
Other Operating Cash Receipts	20,227	14,619	2,951	9,642
Net Cash Provided (Used) by Operating Activities	<u>677,114</u>	<u>514,715</u>	<u>336,962</u>	<u>465,510</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Availability Charges	33,176	38,074	5,785	2,615
Cash Received (Paid to) Other Funds	-	-	-	989
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>33,176</u>	<u>38,074</u>	<u>5,785</u>	<u>3,604</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	(29,081)	(934,528)	(79,123)	(45,990)
Proceeds from Sale of Capital Assets	-	4,675	-	1,710
Proceeds from Installments Payable	647	400,000	-	-
Capital Contributions	41,155	413,262	62,782	-
Principal Payments on Debt	(71,262)	(52,043)	(122,243)	(119,963)
Interest Paid	(18,719)	(13,297)	(49,295)	(51,574)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(77,260)</u>	<u>(181,931)</u>	<u>(187,879)</u>	<u>(215,817)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	32,458	18,608	16,888	4,113
Net Cash Provided (Used) by Investing Activities	<u>32,458</u>	<u>18,608</u>	<u>16,888</u>	<u>4,113</u>
Net Increase (Decrease) in Cash and Cash Equivalents	665,488	389,466	171,756	257,410
Cash and Cash Equivalents, Beginning of Year	<u>1,427,622</u>	<u>1,038,156</u>	<u>780,307</u>	<u>522,897</u>
Cash and Cash Equivalents, End of Year	<u>\$ 2,093,110</u>	<u>\$ 1,427,622</u>	<u>\$ 952,063</u>	<u>\$ 780,307</u>
RECONCILIATION OF CASH PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION				
Current Assets:				
Cash	\$ 950	\$ 950	\$ 50	\$ 50
Temporary Investments	1,946,309	1,315,607	623,184	508,395
Restricted Cash	145,851	111,065	328,829	271,862
Totals	<u>\$ 2,093,110</u>	<u>\$ 1,427,622</u>	<u>\$ 952,063</u>	<u>\$ 780,307</u>

Sewer Treatment		Ambulance		Total Enterprise Funds	
2020	2019	2020	2019	2020	2019
\$ 1,374,478	\$ 1,225,949	\$ 650,936	\$ 940,283	\$ 5,240,296	\$ 5,369,943
(532,579)	(485,246)	(462,682)	(403,891)	(2,564,282)	(2,600,684)
(290,455)	(385,539)	(253,442)	(270,400)	(1,198,860)	(1,192,139)
-	250	6,614	-	29,792	24,511
<u>551,444</u>	<u>355,414</u>	<u>(58,574)</u>	<u>265,992</u>	<u>1,506,946</u>	<u>1,601,631</u>
(3,007)	17,797	-	-	35,954	58,486
-	(989)	-	-	-	-
<u>(3,007)</u>	<u>16,808</u>	<u>-</u>	<u>-</u>	<u>35,954</u>	<u>58,486</u>
(66,197)	(124,995)	(323,899)	-	(498,300)	(1,105,513)
-	-	-	-	-	6,385
-	-	-	-	647	400,000
-	-	-	-	103,937	413,262
-	-	-	(21,724)	(193,505)	(193,730)
-	-	-	(380)	(68,014)	(65,251)
<u>(66,197)</u>	<u>(124,995)</u>	<u>(323,899)</u>	<u>(22,104)</u>	<u>(655,235)</u>	<u>(544,847)</u>
15,653	5,832	7,478	6,239	72,477	34,792
<u>15,653</u>	<u>5,832</u>	<u>7,478</u>	<u>6,239</u>	<u>72,477</u>	<u>34,792</u>
497,893	253,059	(374,995)	250,127	960,142	1,150,062
<u>687,336</u>	<u>434,277</u>	<u>520,219</u>	<u>270,092</u>	<u>3,415,484</u>	<u>2,265,422</u>
<u>\$ 1,185,229</u>	<u>\$ 687,336</u>	<u>\$ 145,224</u>	<u>\$ 520,219</u>	<u>\$ 4,375,626</u>	<u>\$ 3,415,484</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
1,088,237	590,344	145,224	520,219	3,802,954	2,934,565
96,992	96,992	-	-	571,672	479,919
<u>\$ 1,185,229</u>	<u>\$ 687,336</u>	<u>\$ 145,224</u>	<u>\$ 520,219</u>	<u>\$ 4,375,626</u>	<u>\$ 3,415,484</u>

Continued

Running Springs Water District
Statements of Cash Flows
Proprietary Funds
Years Ended June 30, 2020 and 2019

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	Water		Sewer Collection	
	2020	2019	2020	2019
Operating Income (Loss)	\$ 233,248	\$ (261,386)	\$ 126,699	\$ 513,957
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:				
Depreciation	286,137	240,626	199,261	206,355
Other Income	20,227	14,619	2,951	9,642
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(11,255)	4,930	6,096	(518)
(Increase) Decrease in Prepaid Expenses	-	612	-	288
(Increase) Decrease in Inventory	(1,875)	1,823	241	1,915
(Increase) Decrease in Deferred Outflows	60,596	(25,939)	13,984	156,360
Increase (Decrease) in Accounts Payable	(21,509)	(14,490)	(42,373)	38,049
Increase (Decrease) in Accrued Wages	15,928	(6,610)	(1,006)	(4,317)
Increase (Decrease) in Other Payables	10,966	4,147	-	-
Increase (Decrease) in Compensated Absences	(87,241)	41,762	(8,216)	(39,163)
Increase (Decrease) in Net Pension Liability	179,299	333,707	41,377	(445,685)
Increase (Decrease) in Total OPEB Liability	20,841	-	4,467	-
Increase (Decrease) in Deferred Inflows	(28,248)	180,914	(6,519)	28,627
TOTAL CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 677,114	\$ 514,715	\$ 336,962	\$ 465,510

Sewer Treatment		Ambulance		Total Business-type Activities	
2020	2019	2020	2019	2020	2019
\$ 120,207	\$ (32,935)	\$ (133,955)	\$ 255,694	\$ 346,199	\$ 475,330
294,219	289,289	31,916	22,429	811,533	758,699
-	250	6,614	-	29,792	24,511
(10,174)	(7,688)	35,615	(10,968)	20,282	(14,244)
-	219	-	-	-	1,119
-	-	-	-	(1,634)	3,738
18,644	29,005	-	-	93,224	159,426
81,194	16,059	(4,872)	2,439	12,440	42,057
4,610	4,055	6,108	(3,602)	25,640	(10,474)
-	-	-	-	10,966	4,147
(8,200)	20,891	-	-	(103,657)	23,490
55,169	(16,408)	-	-	275,845	(128,386)
4,467	-	-	-	29,775	-
(8,692)	52,677	-	-	(43,459)	262,218
<u>\$ 551,444</u>	<u>\$ 355,414</u>	<u>\$ (58,574)</u>	<u>\$ 265,992</u>	<u>\$ 1,506,946</u>	<u>\$ 1,601,631</u>

Running Springs Water District
Statements of Fiduciary Assets and Liabilities
Agency Fund (Assessment Districts)
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash with Fiscal Agent	\$ 116,463	\$ 115,127
Temporary Investments	146,982	155,177
Total Assets	\$ 263,445	\$ 270,304
LIABILITIES		
Accounts Payable	\$ 649	\$ 771
Due to Bondholders	262,796	269,533
Total Liabilities	\$ 263,445	\$ 270,304

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
1	Summary of Significant Accounting Policies	39-47
2	Cash and Temporary Investments	47-50
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Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Business and Reporting Entity

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

The Board of Directors and officers of the District at June 30, 2020 are as follows:

NAME	OFFICER	TERM EXPIRES
Tony Grabow	President	December 2022
Errol Mackzum	Vice-President	December 2020
Michael Terry	Director	December 2020
William Conrad	Director	December 2022
Mark Acciani	Director	December 2022
Ryan Gross	General Manager	
Amie Crowder	Secretary/Treasurer	

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

Reporting Entity

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

B. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B. Government-Wide and Fund Financial Statements - Continued

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the District include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental fund, proprietary funds and fiduciary fund.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Fire assessment taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and therefore have been recognized as revenues within the current fiscal period. Only that portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation - Continued

The District reports the following major governmental fund:

The *Fire Protection Fund* - used to account for all activities relating to the District's Fire department.

The District reports the following proprietary funds:

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

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

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

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

Additionally, the District reports an *Agency Fund* which is used to account for assets held by the District as an agent for property owners.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District currently reports deferred outflows resulting from the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. See Note 9 – Pension Plans for more information.

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

E. Net Position Flow Assumption

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

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

F. Cash and Investments

Investments for the District are reported at fair value.

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

G. Customer Billings and Allowance for Uncollectible Accounts

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

Ambulance customers are billed after service has been provided. The District provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred in collection of the ambulance receivables. The allowance for uncollectible ambulance fees was \$950,395 and \$964,791 at June 30, 2020 and 2019, respectively.

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

H. Inventories

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

I. Restricted Assets

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

J. Capital Assets

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

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalization value of the assets constructed. For the current fiscal year no interest was capitalized. Total interest charged to expense for the 2019-20 and 2018-19 fiscal years was \$67,563 and \$64,936, respectively.

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

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

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

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

K. Compensated Absences Liability

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

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

In accordance with generally accepted accounting principles, the liability for the above accruals is reflected on the government-wide and proprietary fund financial statements, and the current year allocation has been expensed.

L. Fund Balance

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

L. Fund Balance - Continued

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the Board of Directors by ordinance or resolution to formally commit part of the Fire Fund's fund balance or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal Board of Director's action utilizing the same type of action that was originally used.

Assigned Fund Balance - Amounts that are constrained by the Board's intent to use specified financial resources for specific purposes, but are neither restricted nor committed. The District's fund balance policy delegates the authority to assign amounts to be used for specific purposes to the General Manager.

Unassigned Fund Balance - These are either residual positive net resources of the Fire Fund in excess of what can properly be classified in one of the other four categories, or negative balances.

M. Use of Estimates

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

N. Property Tax

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

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

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

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O. Reclassifications

Certain amounts in the June 30, 2019 financial statements have been reclassified to conform to the June 30, 2020 presentation.

P. New Accounting Pronouncements

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

GASB 84 - Fiduciary Activities: This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 87 - Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB 89 - Accounting for Interest Cost Incurred before the End of a Construction Period: This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB 90 – Majority Equity Interests: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

Q. Pensions

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

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

R. Other Postemployment Benefits (OPEB)

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

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

2) CASH AND TEMPORARY INVESTMENTS

Cash and investments at June 30, 2020 and 2019 are presented as follows:

	Government- wide Statement of Net Position	Statement of Fiduciary Assets and Liabilities	2020 Total	2019 Total
Cash	\$ 443,024	\$ -	\$ 443,024	\$ 249,003
Temporary Investments	4,716,542	146,982	4,863,524	4,507,016
Restricted Cash	579,606	-	579,606	487,853
Cash with Fiscal Agent	-	116,463	116,463	115,127
Total	\$ 5,739,172	\$ 263,445	\$ 6,002,617	\$ 5,358,999

Cash and investments consist of the following at June 30, 2020 and 2019:

	2020	2019
Deposits with Financial Institutions	\$ 456,641	\$ 262,604
Petty Cash	1,000	1,000
Local Agency Investment Fund (LAIF)	5,428,513	4,980,268
Held by Bond Trustee:		
Money Market Fund	116,463	115,127
Total Cash and Investments	\$ 6,002,617	\$ 5,358,999

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

2) CASH AND TEMPORARY INVESTMENTS - Continued

Restricted Cash

At June 30, 2020 and 2019, the District had the following cash balances restricted for specific purposes:

Restricted for:	Restricted Cash	
	2020	2019
Workers' Compensation Insurance Claims	\$ 14,601	\$ 14,601
SRF Loan Debt Service Reserve	260,871	260,922
Water and Wastewater Capacity Expansion	304,134	212,330
Total	<u>\$ 579,606</u>	<u>\$ 487,853</u>

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

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

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rates risk by limiting its investments in the State's investment pool. At June 30, 2020 and 2019, the District had the following investments:

	2020		2019	
	2020 Amount	Maturity Date 12 Months or Less	2019 Amount	Maturity Date 12 Months or Less
LAIF	\$ 5,428,513	\$ 5,428,513	\$ 4,980,268	\$ 4,980,268
Held by Bond Trustee:				
Money Market Fund	116,463	116,463	115,127	115,127
Total	<u>\$ 5,544,976</u>	<u>\$ 5,544,976</u>	<u>\$ 5,095,395</u>	<u>\$ 5,095,395</u>

Disclosures Relating to Credit Risk

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

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

2) CASH AND TEMPORARY INVESTMENTS - Continued

Investment Type	2020 Amount	Minimum Legal Rating	Aaa	Not Rated	2019 Amount
LAIF	\$ 5,428,513	None	\$ -	\$ 5,428,513	\$ 4,980,268
Held by Bond Trustee:					
Money Market Fund	116,463	N/A	116,463	-	115,127
Total	<u>\$ 5,544,976</u>		<u>\$ 116,463</u>	<u>\$ 5,428,513</u>	<u>\$ 5,095,395</u>

Concentration of Credit Risk

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2020 and 2019, the District had no investments in any one issuer (other than external pools) that represent 5% or more of total District investments.

Custodial Credit Risk

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

As of June 30, 2020, the District did not have any deposits with financial institutions in excess of federal depository insurance limits that were held in uncollateralized accounts.

Fair Value of Investments

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

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

2) CASH AND TEMPORARY INVESTMENTS - Continued

Investment in State Investment Pool

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

3) ACCOUNTS RECEIVABLE - CUSTOMERS

Accounts receivable from customers consists of the following at June 30, 2020 and 2019:

	June 30, 2020	June 30, 2019
Customers - Water and Sewer	\$ 460,586	\$ 444,253
Ambulance Receivable	1,271,027	1,391,359
Allowance for Uncollectible Ambulance Charges	(866,678)	(950,395)
	\$ 864,935	\$ 885,217

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

4) OTHER RECEIVABLES

	Governmental Activities		Business-Type Activities	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Availability Charges	\$ 13,036	\$ 15,763	\$ 42,352	\$ 36,221
Brookings Mutual Water	-	-	160	160
Upstream Users	-	-	46,183	37,379
Miscellaneous	-	5,543	-	-
Total	\$ 13,036	\$ 21,306	\$ 88,695	\$ 73,760

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

5) CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land and Land Rights	\$ 414,676	\$ -	\$ -	\$ 414,676
Construction in Progress	3,069	20,330	23,399	-
Total Capital Assets Not Depreciated	417,745	20,330	23,399	414,676
Capital Assets, Being Depreciated:				
Structures and Improvements	523,806	-	-	523,806
Fire Trucks and Mounted Equipment	1,109,362	-	-	1,109,362
Special Purpose Equipment	371,307	41,159	-	412,466
Office Equipment	32,801	6,455	-	39,256
Shop and Station Equipment	45,450	-	-	45,450
Communication Equipment	11,108	39,948	-	51,056
Total Capital Assets Being Depreciated	2,093,834	87,562	-	2,181,396
Less Accumulated Depreciation:				
Structures and Improvements	(325,876)	(14,234)	-	(340,110)
Fire Trucks and Mounted Equipment	(879,039)	(44,298)	-	(923,337)
Special Purpose Equipment	(252,438)	(13,597)	-	(266,035)
Office Equipment	(15,341)	(6,193)	-	(21,534)
Shop and Station Equipment	(13,705)	(6,943)	-	(20,648)
Communication Equipment	(11,108)	(1,369)	-	(12,477)
Total Accumulated Depreciation	(1,497,507)	(86,634)	-	(1,584,141)
Total Capital Assets Being Depreciated, Net	596,327	928	-	597,255
Governmental Activities Capital Assets, Net	<u>\$ 1,014,072</u>	<u>\$ 21,258</u>	<u>\$ 23,399</u>	<u>\$ 1,011,931</u>

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

5) CAPITAL ASSETS - Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Depreciated:				
Land and Land Rights	\$ 1,014,656	\$ -	\$ -	\$ 1,014,656
Construction in Progress	82,037	54,756	26,098	110,695
Total Capital Assets Not Depreciated	1,096,693	54,756	26,098	1,125,351
Capital Assets, Being Depreciated:				
Water Plant and Facilities	12,037,038	9,595	-	12,046,633
Sewer Plant and Facilities	21,012,518	70,139	-	21,082,657
Furniture and Equipment	860,035	149,545	-	1,009,580
Trucks and Automobiles	949,234	240,363	-	1,189,597
Total Capital Assets Being Depreciated	34,858,825	469,642	-	35,328,467
Less Accumulated Depreciation:				
Water Plant and Facilities	(4,907,129)	(261,102)	-	(5,168,231)
Sewer Plant and Facilities	(9,555,250)	(475,700)	-	(10,030,950)
Furniture and Equipment	(678,819)	(59,278)	-	(738,097)
Trucks and Automobiles	(813,200)	(15,453)	-	(828,653)
Total Accumulated Depreciation	(15,954,398)	(811,533)	-	(16,765,931)
Total Capital Assets Being Depreciated, Net	18,904,427	(341,891)	-	18,562,536
Business-Type Activities				
Capital Assets, Net	<u>\$ 20,001,120</u>	<u>\$ (287,135)</u>	<u>\$ 26,098</u>	<u>\$ 19,687,887</u>

For the fiscal year ended June 30, 2020, depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Fire Protection	<u>\$ 86,634</u>
Business-type Activities:	
Water	\$ 286,137
Sewer Collection	199,261
Sewer Treatment	294,219
Ambulance	<u>31,916</u>
Total Business-type Activities	<u>\$ 811,533</u>

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

5) CAPITAL ASSETS - Continued

Capital assets activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Depreciated:				
Land and Land Rights	\$ 414,676	\$ -	\$ -	\$ 414,676
Construction in Progress	93,372	18,534	108,837	3,069
Total Capital Assets Not Depreciated	508,048	18,534	108,837	417,745
Capital Assets, Being Depreciated:				
Structures and Improvements	430,434	93,372	-	523,806
Fire Trucks and Mounted Equipment	1,118,770	21,309	30,717	1,109,362
Special Purpose Equipment	371,307	-	-	371,307
Office Equipment	25,849	6,952	-	32,801
Shop and Station Equipment	11,255	34,195	-	45,450
Communication Equipment	11,108	-	-	11,108
Total Capital Assets Being Depreciated	1,968,723	155,828	30,717	2,093,834
Less Accumulated Depreciation:				
Structures and Improvements	(311,606)	(14,270)	-	(325,876)
Fire Trucks and Mounted Equipment	(849,367)	(60,389)	(30,717)	(879,039)
Special Purpose Equipment	(236,771)	(15,667)	-	(252,438)
Office Equipment	(10,307)	(5,034)	-	(15,341)
Shop and Station Equipment	(10,751)	(2,954)	-	(13,705)
Communication Equipment	(11,108)	-	-	(11,108)
Total Accumulated Depreciation	(1,429,910)	(98,314)	(30,717)	(1,497,507)
Total Capital Assets Being Depreciated, Net	538,813	57,514	-	596,327
Governmental Activities Capital Assets, Net	<u>\$ 1,046,861</u>	<u>\$ 76,048</u>	<u>\$ 108,837</u>	<u>\$ 1,014,072</u>

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

5) CAPITAL ASSETS - Continued

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Not Depreciated:				
Land and Land Rights	\$ 1,014,656	\$ -	\$ -	\$ 1,014,656
Construction in Progress	41,279	993,238	952,480	82,037
Total Capital Assets Not Depreciated	1,055,935	993,238	952,480	1,096,693
Capital Assets, Being Depreciated:				
Water Plant and Facilities	11,152,506	884,532	-	12,037,038
Sewer Plant and Facilities	20,866,484	150,535	4,501	21,012,518
Furniture and Equipment	830,347	29,688	-	860,035
Trucks and Automobiles	984,499	-	35,265	949,234
Total Capital Assets Being Depreciated	33,833,836	1,064,755	39,766	34,858,825
Less Accumulated Depreciation:				
Water Plant and Facilities	(4,689,367)	(217,762)	-	(4,907,129)
Sewer Plant and Facilities	(9,080,672)	(479,079)	(4,501)	(9,555,250)
Furniture and Equipment	(633,113)	(45,706)	-	(678,819)
Trucks and Automobiles	(832,313)	(16,152)	(35,265)	(813,200)
Total Accumulated Depreciation	(15,235,465)	(758,699)	(39,766)	(15,954,398)
Total Capital Assets Being Depreciated, Net	18,598,371	306,056	-	18,904,427
Business-Type Activities Capital Assets, Net	\$ 19,654,306	\$ 1,299,294	\$ 952,480	\$ 20,001,120

For the fiscal year ended June 30, 2019, depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Fire Protection	<u>\$ 98,314</u>
Business-type Activities:	
Water	\$ 240,626
Sewer Collection	206,355
Sewer Treatment	289,289
Ambulance	<u>22,429</u>
Total Business-type Activities	\$ 758,699

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

6) OTHER PAYABLES

Other payables consist of the following at June 30, 2020 and 2019:

	Governmental Activities		Business-Type Activities	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Grants Payable	\$ -	\$ -	\$ -	\$ -
Customer Deposits	-	-	41,602	30,636
Miscellaneous	-	-	48	48
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,650</u>	<u>\$ 30,684</u>

7) LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for the year ended June 30, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 131,117	\$ 223,923	\$ 185,823	\$ 169,217	\$ 33,843
Total OPEB Liability	241,878	19,849	-	261,727	-
Net Pension Liability	3,258,271	200,497	-	3,458,768	-
Total	<u>\$ 3,631,266</u>	<u>\$ 444,269</u>	<u>\$ 185,823</u>	<u>\$ 3,889,712</u>	<u>\$ 33,843</u>
Business-Type Activities					
Loans from direct borrowings and direct placements:					
Sewer Treatment, SWRCB					
Installment Payable, 2014	\$ 2,594,443	\$ -	\$ 122,243	\$ 2,472,200	\$ 124,565
Water Supply, 2015					
Installment Payable, Ayers Water, SWRCB AMR	351,952	-	53,828	298,124	55,674
Installment Payable	400,000	647	17,434	383,213	17,096
Total direct	<u>3,346,395</u>	<u>647</u>	<u>193,505</u>	<u>3,153,537</u>	<u>197,335</u>
Compensated Absences	384,196	197,096	300,750	280,542	56,108
Total OPEB Liability	362,815	29,774	-	392,589	-
Net Pension Liability	4,506,700	275,845	-	4,782,545	-
Total	<u>\$ 8,600,106</u>	<u>\$ 503,362</u>	<u>\$ 494,255</u>	<u>\$ 8,609,213</u>	<u>\$ 253,443</u>

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

7) LONG-TERM LIABILITIES - Continued

The following is a summary of long-term liabilities for the year ended June 30, 2019:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 118,974	\$ 213,248	\$ 201,105	\$ 131,117	\$ 26,223
Total OPEB Liability	-	241,878	-	241,878	-
Net Pension Liability	3,280,304	-	22,033	3,258,271	-
Total	<u>\$ 3,399,278</u>	<u>\$ 455,126</u>	<u>\$ 223,138</u>	<u>\$ 3,631,266</u>	<u>\$ 26,223</u>
Business-Type Activities					
Loans from direct borrowings and direct placements:					
Sewer Treatment, SWRCB					
Installment Payable, 2014	\$ 2,714,406	\$ -	\$ 119,963	\$ 2,594,443	\$ 122,243
Water Supply, 2015					
Installment Payable, Ayers	403,995	-	52,043	351,952	53,828
Ambulance, 2016					
Installment Payable	21,724	-	21,724	-	-
Water, SWRCB AMR					
Installment Payable	-	400,000	-	400,000	15,844
Total direct	<u>3,140,125</u>	<u>400,000</u>	<u>193,730</u>	<u>3,346,395</u>	<u>191,915</u>
Compensated Absences	360,707	245,128	221,639	384,196	76,839
Total OPEB Liability	-	362,815	-	362,815	-
Net Pension Liability	<u>4,635,085</u>	<u>-</u>	<u>128,385</u>	<u>4,506,700</u>	<u>-</u>
Total	<u>\$ 8,135,917</u>	<u>\$ 1,007,943</u>	<u>\$ 543,754</u>	<u>\$ 8,600,106</u>	<u>\$ 268,754</u>

2014 SWRCB Installment Payable

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

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

7) LONG-TERM LIABILITIES - Continued

The following represents the future debt service requirements to maturity:

Year Ending June 30,	Principal	Interest
2021	\$ 124,565	\$ 46,972
2022	126,932	44,605
2023	129,344	42,193
2024	131,801	39,736
2025	134,305	37,232
2026	136,857	34,680
2027	139,457	32,080
2028	142,107	29,430
2029	144,807	26,730
2030	147,559	23,978
2031	150,362	21,175
2032	153,219	18,318
2033	156,130	15,407
2034	159,097	12,440
2035	162,119	9,417
2036	165,200	6,337
2037	168,339	3,198
Total	<u>\$ 2,472,200</u>	<u>\$ 443,928</u>

2015 Installment Payable

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

Year Ending June 30,	Principal	Interest
2021	\$ 55,674	\$ 9,667
2022	57,583	7,758
2023	59,557	5,784
2024	61,599	3,741
2025	63,711	1,629
Total	<u>\$ 298,124</u>	<u>\$ 28,579</u>

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

7) LONG-TERM LIABILITIES - Continued

SWRCB AMR Water Installment Payable

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

Year Ending June 30,	Principal	Interest
2021	\$ 17,096	\$ 6,764
2022	17,439	6,604
2023	17,753	6,290
2024	18,073	5,970
2025	18,398	5,645
2026	18,729	5,314
2027	19,067	4,977
2028	19,410	4,634
2029	19,759	4,284
2030	20,115	3,928
2031	20,477	3,566
2032	20,845	3,198
2033	21,221	2,823
2034	21,603	2,440
2035	21,991	2,052
2036	22,387	1,656
2037	22,790	1,253
2038	23,201	843
2039	22,859	425
Total	\$ 383,213	\$ 72,666

8) NO-COMMITMENT DEBT

On July 21, 2003, the District issued \$1,361,000 limited obligation improvement bonds, Series 2003 for Assessment District No. 10. Interest ranging from 2.50% to 6.00% is payable semi-annually on March 2nd and September 2nd each year. The Bonds mature September 2nd commencing September 2, 2004 and continuing through 2023.

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

8) NO-COMMITMENT DEBT - Continued

The Bonds are limited obligations of the District payable solely from the installments of unpaid assessments levied on the assessment parcels within the District and other funds pledged under the fiscal agent agreement. Neither the faith and credit nor the taxing power of the District, the State of California or any of its political subdivisions is pledged to the payment of principal or the interest on the Bonds. Therefore none of the limited obligation improvement bonds have been included in the accompanying financial statements. As of June 30, 2020, and June 30, 2019, there were outstanding bonds of \$290,000 and \$350,000, respectively. The District in prior years received assessments for the payment of obligations for Assessment District No. 5, 7 and 9. The said obligations have been paid off; however, the District has a total of \$21,525 in excess assessments from the three Assessment Districts. These funds are being used to fund improvements and operations and maintenance in the three Assessment Districts, and are reported in the Agency Funds.

9) PENSION PLAN

General Information about the Defined Benefit Pension Plan

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

Benefits Provided – The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2017 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the June 30, 2017 actuarial valuation report. This report is a publically available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

The Plan provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	Highest single year	3-year average
Required employee contribution rates	8%	6.25%
Required employer contribution rates	13.182 + \$363,850	6.985% + \$644

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

9) PENSION PLAN - Continued

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	3% @ 55
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	55
Monthly benefits, as a % of eligible compensation	Highest single year	3-year average
Required employee contribution rates	9%	11.5%
Required employer contribution rates	21.927% + \$281,868	13.034% + \$2,830

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

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The District’s required contribution for the unfunded liability was \$649,192 in fiscal year 2020.

For the year ended June 30, 2020, the contributions recognized as part of pension expense for the Plan was as follows:

	Miscellaneous	Safety
Contributions - employer	\$ 575,957	\$ 572,427

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 4,782,544
Safety	3,458,769
Total Net Pension Liability	\$ 8,241,313

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

9) PENSION PLAN - Continued

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability as of June 30, 2018 and 2019 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2018	0.11958%	0.05553%
Proportion - June 30, 2019	0.11943%	0.05541%
Change - Increase (Decrease)	-0.00015%	-0.00012%

For the year ended June 30, 2020, the District recognized pension expense of \$1,620,910. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Pension contributions subsequent to measurement date	\$ 1,148,384	\$ -
Differences between actual and expected experience	557,994	25,736
Changes in assumptions	369,823	108,509
Change in employer's proportion	33,995	132,100
Differences between the employer's contributions and the employer's proportionate share of contributions	65,264	17,466
Net differences between projected and actual earnings on plan investments	-	131,195
Total	\$ 2,175,460	\$ 415,006

\$1,148,384 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2021	\$ 605,175
2022	(93,623)
2023	74,363
2024	26,155
2025	-
Thereafter	-

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

9) PENSION PLAN - Continued

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	All Plans
Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	entry-age normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	(1)
Investment rate of return	7.15%
Mortality	(2)

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

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

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (1)	Real Return Years 11+ (2)
Global Equity	49%	4.80%	5.98%
Global Fixed Income	22%	1.00%	2.62%
Inflation Assets	6%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Assets	12%	3.75%	4.93%
Liquidity	3%	-	-0.92%

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

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

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

9) PENSION PLAN - Continued

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

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

	Miscellaneous	Safety
Discount Rate - 1%	6.15%	6.15%
Net Pension Liability	\$ 7,007,716	\$ 5,172,373
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 4,782,544	\$ 3,458,769
Discount Rate + 1%	8.15%	8.15%
Net Pension Liability	\$ 2,945,822	\$ 2,053,880

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

Payable to the Pension Plan - At June 30, 2020, the District reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

10) OTHER POSTEMPLOYMENT BENEFITS

General Information About the OPEB Plan

Plan Description - The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (“PEMHCA”), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

Benefits Provided - Employees are may retire directly from the District under CalPERS and receive a District contribution. The District contributes the PEMHCA minimum under the unequal method. The contribution is \$27.20 per month for retirees in 2019 and \$34.75 per month for retirees in 2020. Survivor benefits are available. The District also pays the CalPERS administrative fee of 0.27% of

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

10) OTHER POSTEMPLOYMENT BENEFITS - Continued

premium for 2019/20. The District's health plan does not issue a publicly available financial report.

Employees Covered by Benefit Terms – As of the July 1, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Retirees or spouses of retirees	
currently receiving benefits	2
Active employees	19
	21

Contributions – The contribution requirements of Plan members and the District are established and amended by the District. The required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. For the fiscal year ended June 30, 2020, the District's pay-as-you-go costs were \$1,128.

Total OPEB Liability - The District's total OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation dated July 1, 2019 (June 30, 2019). Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

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

Valuation Date	July 1, 2019
Actuarial Cost Method	Entry Age Actuarial Cost
Mortality	RP-2014 Employee Healthy Annuitant Mortality Tables
Recognition of deferred Inflows and outflows of resources	Closed period equal to the average of the expected remaining Service lives of all employees provided with OPEB
Health Care Trend Rate	6.00% initial, 5.0% ultimate
Inflation Rate	3.00%
Salary Changes	3.00%
Discount Rate	3.13% - Bond Buyer 20-Bond GO index for 2019
Medical CPI	3.50% - used to project PERS statutory minimum benefit

Discount Rate – The discount rate used to measure the total OPEB liability was 3.13 percent and is based on the Bond Buyer 20-Bond GO index.

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

10) OTHER POSTEMPLOYMENT BENEFITS - Continued

Changes in the Total OPEB Liability

	Total OPEB Liability (TOL)
Balance at June 30, 2019	\$ 604,693
Changes in the year:	
Service cost	31,950
Interest on the total OPEB liability	19,893
Changes of assumptions	-
Difference between actual and expected experience	-
Benefit payments, including implicit subsidy	(2,220)
Net changes	49,623
Balance at June 30, 2020	\$ 654,316

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

	1% Decrease (2.13%)	Discount Rate (3.13%)	1% Increase (4.13%)
Total OPEB liability	\$ 781,674	\$ 654,316	\$ 553,020

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

	1% Decrease (5.0% decreasing to 4.0%)	Current Rates (6.0% decreasing to 5.0%)	1% Increase (8.0% decreasing to 6.0%)
Total OPEB liability	\$ 538,638	\$ 654,316	\$ 803,999

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

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

For the year ended June 30, 2020, the District recognized OPEB expense of \$49,622. There were no deferred inflows or outflows reported related to OPEB.

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

11) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Special District Risk Management Authority (Authority), a joint powers agreement authority. The Authority was created under the provisions of California Government Code Section 6500 *et. seq.* The Authority is governed by a board consisting of seven members who are elected at-large from the membership. The board controls the operations of the Authority including selection of management and approval of operating budgets. The relationship between the District and the Authority is such that the Authority is not a component unit of the District for financial reporting purposes.

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

During the past three fiscal years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year. There were no claims liabilities reported in these financial statements as of June 30, 2020 and 2019.

12) SALVAGE VALUES PERTAINING TO GRANT MONIES

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

13) LOSS CONTINGENCY

On January 1, 2010, Section 2 of Section 116875 of the Health and Safety Code of California became operative. The section modified the allowed content of lead in pipes and plumbing supplies in order to be considered "lead free." Management is in the process of evaluating the effects that this modified law will have on the District. The District has identified and removed obsolete inventory and there is the potential for additional inventory to be scrapped as obsolete. As of June 30, 2020, and June 30, 2019, the amount of the loss on the additional inventory cannot be reasonably estimated.

Running Springs Water District
Notes to Financial Statements
June 30, 2020 and 2019

14) COMMITMENTS

At June 30, 2020, in the opinion of the District's management, there are no other outstanding matters which could have a significant effect on the financial position of the funds of the District.

15) RESTATEMENT OF NET POSITION

The District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. As a result, a restatement to reduce net position by \$604,693 as of June 30, 2019 was reported on the Statement of Activities for the fiscal year ended June 30, 2019.

The restatement is reflected as follows on the statement of activities:

	Governmental Activities	Business-type Activities	Total
Net Position, June 30, 2019	\$ 155,218	\$ 16,840,859	\$ 16,996,077
Restatement from Implementation of GASB 75	(241,878)	(362,815)	(604,693)
Net Position, June 30, 2019, Restated	\$ (86,660)	\$ 16,478,044	\$ 16,391,384

REQUIRED SUPPLEMENTARY INFORMATION

**Running Springs Water District
Required Supplementary Information
June 30, 2020 and 2019**

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

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

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

Benefit Changes: None

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

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

**Running Springs Water District
Required Supplementary Information
June 30, 2020 and 2019**

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

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2020	\$ 1,148,384	\$ (1,148,384)	\$ -	\$ 2,602,202	44.13%
2019	874,745	(874,745)	-	2,660,579	32.88%
2018	833,990	(833,990)	-	2,560,653	32.57%
2017	785,370	(785,370)	-	2,662,089	29.50%
2016	709,356	(709,356)	-	2,439,565	29.08%
2015	666,615	(666,615)	-	2,299,525	28.99%

Notes to the Schedule of Plan Contributions

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

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

**Running Springs Water District
Required Supplementary Information
June 30, 2020 and 2019**

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

	Measurement Period
	2019
Total OPEB Liability	
Service cost	\$ 31,950
Interest on total OPEB liability	19,893
Changes in assumptions	-
Difference between actual and expected experience	-
Changes in benefits	-
Benefit payments, including implicit subsidy	(2,220)
Net change in total OPEB liability	49,623
Total OPEB liability - beginning	604,693
Total OPEB liability - ending	\$ 654,316
 Covered payroll	 \$ 3,076,417
Total OPEB liability as a percentage of covered-employee payroll	470.17%

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

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

Benefit Changes: None

Changes in Assumptions: None

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

Running Springs Water District
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Governmental Fund - Fire Protection
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 1,736,680	\$ 1,736,680	\$ 1,798,692	\$ 62,012
Assessments - Fire Availability Charges	205,000	205,000	200,623	(4,377)
Hazard Abatement Program Revenue	17,000	17,000	26,570	9,570
Other Revenue	245,000	245,000	81,961	(163,039)
Investment Earnings	28,000	28,000	20,390	(7,610)
Intergovernmental Revenue	-	-	27,567	27,567
	<u>2,231,680</u>	<u>2,231,680</u>	<u>2,155,803</u>	<u>(75,877)</u>
Total Revenues				
EXPENDITURES				
Salaries and Benefits:				
Salaries and Wages	832,215	832,215	1,151,986	(319,771)
Payroll Taxes	12,067	12,067	18,996	(6,929)
Workers Comp Insurance	65,390	65,390	68,391	(3,001)
Group Insurance	94,066	94,066	106,246	(12,180)
CalPERS Retirement	598,221	598,221	606,195	(7,974)
Uniform Allowance	6,000	6,000	4,458	1,542
Services and Supplies:				
Education, Training & Seminars	13,500	13,500	8,560	4,940
Fuel & Oil	13,780	13,780	9,786	3,994
Hazard Abatement	10,000	10,000	11,074	(1,074)
Property/Liability Insurance	15,791	15,791	21,665	(5,874)
Memberships & Subscriptions	5,825	5,825	5,042	783
Office Supplies	8,000	8,000	8,930	(930)
Fees & Permits	4,500	4,500	8,981	(4,481)
Professional Services	-	-	-	-
Dispatching Services	57,000	57,000	52,450	4,550
General Station Maintenance	9,500	9,500	30,387	(20,887)
Safety clothing, supplies & equipment	30,200	30,200	26,615	3,585
Utilities - Electric, gas, phone, trash	22,669	22,669	25,320	(2,651)
Vehicle & equipment repair & maintenance	37,000	37,000	36,647	353
Administrative Expense	194,094	194,094	183,393	10,701
Capital Outlay	168,341	168,341	84,493	83,848
	<u>2,198,159</u>	<u>2,198,159</u>	<u>2,469,615</u>	<u>(271,456)</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>33,521</u>	<u>33,521</u>	<u>(313,812)</u>	<u>(347,333)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from Insurance Claim	-	-	7,860	7,860
	<u>-</u>	<u>-</u>	<u>7,860</u>	<u>7,860</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	33,521	33,521	(305,952)	<u>\$ (339,473)</u>
Fund Balance, Beginning of Year	<u>1,675,519</u>	<u>1,675,519</u>	<u>1,675,519</u>	
Fund Balance, End of Year	<u>\$ 1,709,040</u>	<u>\$ 1,709,040</u>	<u>\$ 1,369,567</u>	

Running Springs Water District
Notes to Required Supplementary Information
June 30, 2020 and 2019

BUDGETARY DATA

Annual budgets adopted by the Board of Directors provide for operations, debt service and capital expenditures of the District. Between the months of December and February each year, department supervisors, the General Manager, and the Board of Directors hold a budget workshop at the District office and discuss plans, rates, etc. for the upcoming fiscal year. Each department supervisor prepares a budget after the workshop and submits it to the General Manager for review. The budget is then forwarded to the Finance Committee for their review and approval. Upon the Finance Committee's approval, the budget is presented to the Board of Directors. The Board conducts public meetings on the proposed budget only if there are rate increases and then, on or before June 30, the budget is adopted by the Board. The appropriated budget is prepared by departments. Budgetary controls are set by the Board.

Total expenditures in the Governmental Fund – Fire Protection exceeded appropriations by \$271,456.

SUPPLEMENTARY INFORMATION

Running Springs Water District
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2020 and 2019

	Improvement Act of 1911 Assessment District No. 9	Bond Act of 1915 Assessment District No. 10	Totals	
			2020	2019
ASSETS				
Cash with Fiscal Agent	\$ -	\$ 116,463	\$ 116,463	\$ 115,127
Temporary Investments	13,034	133,948	146,982	155,177
Total Assets	<u>\$ 13,034</u>	<u>\$ 250,411</u>	<u>\$ 263,445</u>	<u>\$ 270,304</u>
LIABILITIES				
Accounts Payable	\$ 649	\$ -	\$ 649	\$ 771
Due to Bondholders	12,385	250,411	262,796	269,533
Total Liabilities	<u>\$ 13,034</u>	<u>\$ 250,411</u>	<u>\$ 263,445</u>	<u>\$ 270,304</u>

Running Springs Water District
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
Year Ended June 30, 2020

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Assessment District No. 9</u>				
ASSETS				
Temporary Investments	\$ 21,525	\$ 137	\$ 8,628	\$ 13,034
Total Assets	<u>\$ 21,525</u>	<u>\$ 137</u>	<u>\$ 8,628</u>	<u>\$ 13,034</u>
LIABILITIES				
Accounts Payable	\$ 651	\$ 10,459	\$ 10,461	\$ 649
Due to Bondholders	20,874	77	8,566	12,385
Total Liabilities	<u>\$ 21,525</u>	<u>\$ 10,536</u>	<u>\$ 19,027</u>	<u>\$ 13,034</u>
<u>Assessment District No. 10</u>				
ASSETS				
Cash with Fiscal Agent	\$ 115,127	\$ 99,635	\$ 98,299	\$ 116,463
Temporary Investments	133,652	36,257	35,961	133,948
Total Assets	<u>\$ 248,779</u>	<u>\$ 135,892</u>	<u>\$ 134,260</u>	<u>\$ 250,411</u>
LIABILITIES				
Due to Bondholders	\$ 248,659	\$ 133,838	\$ 132,086	\$ 250,411
Accounts Payable	120	12,070	12,190	-
Total Liabilities	<u>\$ 248,779</u>	<u>\$ 145,908</u>	<u>\$ 144,276</u>	<u>\$ 250,411</u>
<u>Total All Agency Funds</u>				
ASSETS				
Cash with Fiscal Agent	\$ 115,127	\$ 99,635	\$ 98,299	\$ 116,463
Temporary Investments	155,177	36,394	44,589	146,982
Total Assets	<u>\$ 270,304</u>	<u>\$ 136,029</u>	<u>\$ 142,888</u>	<u>\$ 263,445</u>
LIABILITIES				
Accounts Payable	\$ 771	\$ 22,529	\$ 22,651	\$ 649
Due to Bondholders	269,533	133,915	140,652	262,796
Total Liabilities	<u>\$ 270,304</u>	<u>\$ 156,444</u>	<u>\$ 163,303</u>	<u>\$ 263,445</u>

RUNNING SPRINGS WATER DISTRICT**MEMORANDUM**

DATE: November 18, 2020

TO: Board of Directors

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

SUBJECT: CONSIDER AWARDING A CONSTRUCTION CONTRACT FOR
THE REPLACEMENT OF THE LURING PINES GROUNDWATER
WELL PUMP AND MOTOR

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors:

1. Award a construction contract for the replacement of Luring Pines Groundwater Well Pump and Motor to Heritage Well Service for their low bid of \$11,125.55, and;
2. Authorize the General Manager to execute the contract, and;
3. Authorize the General Manager to approve change orders for the Project during the course of construction as required not to exceed 15% of the original construction contract amount.

REASON FOR RECOMMENDATION

Luring Pines pump and motor were installed in February 1997 and are now no longer operational. Electrical tests on the motor were conducted using the District's Elite Pro Power Meter. Test results indicate the motor is faulty and in need of replacement.

BACKGROUND INFORMATION

Three contractors; Heritage Well Service, Layne Christenson Company and L.O. Lynch Quality Wells, were contacted to submit quotes for the replacement of Luring Pines well pump and motor and to upgrade the controls and piping at the facility. The two quotes that were received are included in Attachment 1.

It is the goal of the District staff to minimize change orders but as the need for construction contract change orders arises during the course of a construction project of this magnitude, 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 construction

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 \$1,482,571 as of October 31, 2020.

ATTACHMENTS

Attachment 1 – Quotes

Heritage Well Service, LLC

PO Box 391578

Anza, CA 92539

9517632210

heritagewellservice@gmail.com | www.heritagewellservice.com



Heritage Well

SERVICE

RECIPIENT:**Running Springs Water District**

Luring Pines Well

Running Springs, California 92314

Quote #9280

Sent on

11/12/2020

Total**\$11,112.55**

PRODUCT / SERVICE	DESCRIPTION	QTY.
Comments	DESCRIPTION OF WORK: THIS IS A WORST CASE SCENARIO QUOTE TO PULL AND REPLACE CUSTOMERS EXISTING WELL PUMP, MOTOR, PIPE, WIRE, AND CONTROLS. ONCE PUMP HAS BEEN REMOVED FROM THE GROUND CREW WILL MAKE AN ASSESSMENT ON ALL MATERIALS NEEDED AND WILL REVISE QUOTE BASED ON RECOMMENDATIONS. PUMP TO PRODUCE 25 GPM @ 0 PSI, INCLUDES THE INSTALLATION OF A SOUNDING TUBE AND DOWN-HOLE TRANSDUCER.	1
Submersibles:Webtrol Submersibles:WS2530L	Webtrol 25 GPM 3 HP (includes 3 yr. manufacturer warranty)**	1
Grundfos Motors:3 HP Motor 3 PH	Grundfos GM 3021 3 HP 230V 3 PH Submersible Motor (includes 5 yr. manufacturer warranty)**	1
VFD:3 HP Yaskawa Mini	Yaskawa Micro Variable Frequency Drive, 230V, 19.6A, 9.1A, N4X with extra-long transducer (includes 2 yr. manufacturer warranty)**	1
Splice	Splice	1
Well Seals:6' x 1 1/2'	6" x 1 1/2" Well Seal	1
PVC Pipe:1.5' All Pipe:1 1/2' Sch. 120	1 1/2" Sch. 120 PVC Deep Set pipe with stainless steel couplers price/ft.	357
Subcable:#12	#12 Subcable- 4 wire with a jacket, price/ft.	370
Trim tube:1" Threaded PVC Sounding Tube	1" Threaded PVC Sounding line price/ft.	270
Valves:1.5' NT Check	1 1/2" Non-Tapped Brass Check Valve	2
Misc. fittings:Misc. Parts	Miscellaneous Parts (plumbing and electrical fittings, pipe dope, glue, tape, etc.)	1
Labor Services:Pump Install	Prevailing Wage Rate Code 3274 - R & R Pump Removal and Installation, VFD Installation and programming, Sounding Tube Installation	12
Comments:Warranty 2	**90 day warranty on labor of product installed on this invoice/estimate by Heritage Well Service, afterwards, customer is responsible for labor fees on any warranty work. Warranty does not include repairs caused by negligence, vandalism or by mother nature (ie freezing, sun rot, fire, earthquakes or well conditions, etc.) or items not listed.	1
Comments:Deposit 2	Upon acceptance of this estimate, the customer is responsible for a 50% down payment prior to work beginning with remaining balance due upon equipment installation.	1

Heritage Well Service, LLC

PO Box 391578
Anza, CA 92539
9517632210

heritagewellservice@gmail.com | www.heritagewellservice.com



PRODUCT / SERVICE	DESCRIPTION	QTY.
Comments:CA Mechanic Lien	Any item not specifically mentioned is not included nor intended. Interest will begin to accrue 10 days after date of invoice at a rate of 18% per month.We reserve the right under Mechanics' Lien Law (CA Code of Civil Procedures, Section 1181 et seq), any contractor who helps improve your property but is not paid for his work or supplies has a right to enforce a claim against your property.	1

A deposit of \$5,556.28 will be required to begin.

* Non-taxable

This quote is valid for the next 30 days, after which values may be subject to change.

Subtotal	\$10,529.05
Riverside County (7.75%)	\$583.50
Total	\$11,112.55

Signature: _____ Date: _____

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: November 18, 2020
TO: Board of Directors
FROM: Trevor Miller; Operations Manager
Ryan Gross; General Manager

**SUBJECT: CONSIDER AWARDING CONSTRUCTION CONTRACT FOR
WASTEWATER TREATMENT PLANT ACCESS ROAD AUTOMATIC
GATE**

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors:

1. Award a contract for the construction and installation of the Wastewater Treatment Plant Access Road Automated Gate, Bids will be presented at the board meeting, and;
2. Authorize the General Manager to execute the contract, and;
3. Authorize the General Manager to approve change orders for the Project during the course of construction as required not to exceed 15% of the original construction contract amount.

REASON FOR RECOMMENDATION

This project will move the gate location closer to Fredalba Road and better secure the wastewater treatment plant access road entrance now that it has been realigned.

BACKGROUND INFORMATION

Now that the WWTP access road has been realigned and moved out of the church parking lot, the next project to better secure the WWTP is adding an automated gate to the access road where it meets Fredalba Road. Installing the automated gate will secure the complete access road during normal working hours in addition to after hours.

Three contractors; RC Construction, Trinity Construction and Arrowhead Iron Works were contacted to submit quotes for the access road gate. Two contractors responded and their bids will be presented at the board meeting.

It is the goal of the District staff to minimize change orders but as the need for construction contract change orders arise during the course of a construction project of this magnitude, 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 construction 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 Department Capital Improvement Fund which has a balance of \$841,002 as of October 31, 2020.

ATTACHMENTS

Attachment 1 – Quotes (to be provided at meeting)

RUNNING SPRINGS WATER DISTRICT

MEMORANDUM

DATE: November 18, 2020
TO: Board of Directors
FROM: Trevor Miller; Operations Manager
Ryan Gross; General Manager

**SUBJECT: CONSIDER AWARDING CONSTRUCTION CONTRACT FOR THE
WASTEWATER COLLECTION BUILDING DOOR HEADER
MODIFICATIONS**

RECOMMENDED BOARD ACTION

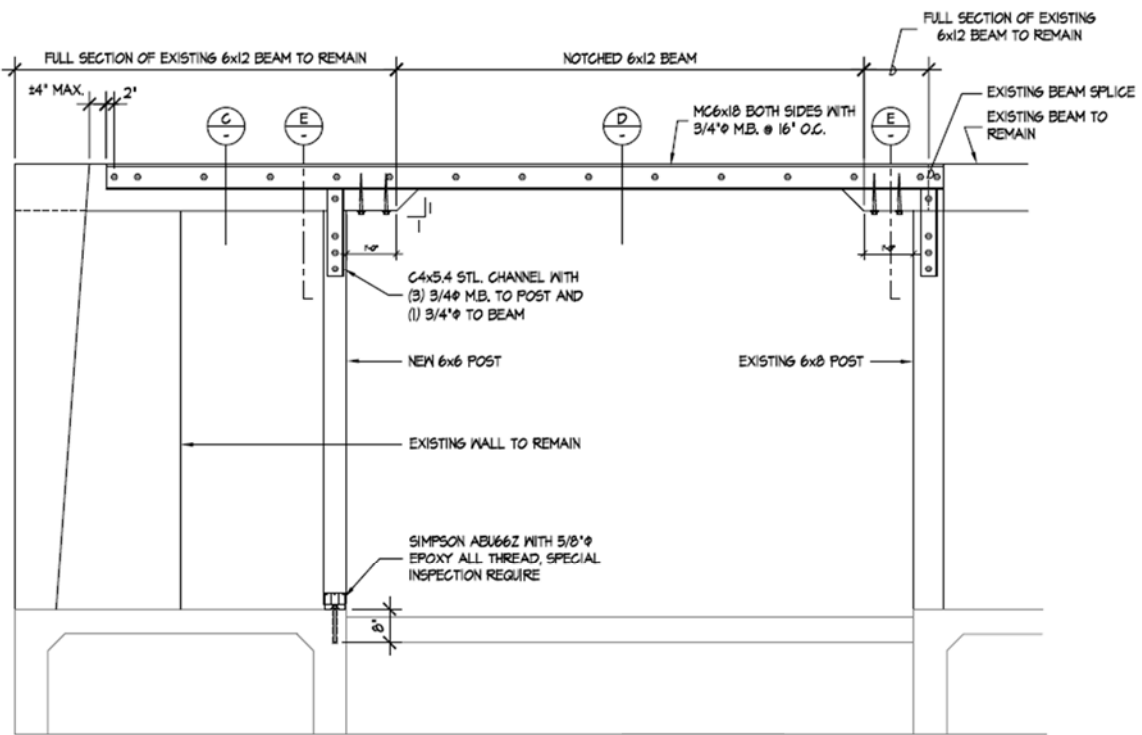
It is recommended that the Board of Directors:

1. Award a construction contract for the Collections Building Door Header Modification to the low bidder, Mark Talbott Construction for their low bid of \$5,690, and;
2. Authorize the General Manager to execute the contract, and;
3. Authorize the General Manager to approve change orders for the Project during the course of construction as required not to exceed 15% of the original construction contract amount.

REASON FOR RECOMMENDATION

This modification to the header will allow the CCTV van to be stored inside the building in a more convenient location. Due to the height of the van, currently it must be parked on the ramp inside the building and moved to get the other service trucks out each day.





B BEAM NOTCH ELEVATION
 - SCALE: 3/8" = 1'-0"

BACKGROUND INFORMATION

Three contractors; Riach Construction, RC Construction and Mark Talbott Construction were contacted to submit quotes for the modification of the Collections Building Door Header. The quotes are attached.

It is the goal of the District staff to minimize change orders but as the need for construction contract change orders arises during the course of a construction project of this magnitude, 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 construction 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 Department Capital Improvement account which has a balance of \$841,002 as of October 31, 2020.

ATTACHMENTS

Attachment 1 – Quotes

Mark Talbott Construction
 Box 951
 Running Springs, CA 92382
 Lic # 364624

Estimate

Date 11/12/2020
 Estimate # 231

Name / Address

Running Springs County Water District
 2536 Hunsaker Drive
 Running Springs, Ca 92382

P.O. #
 Terms

Due Date 11/12/2020
 Other

Description	Qty	Rate	Total
Beam Notch, Per Plans and Engineering to install new Post and Channel Steel on to a 6x12 Beam. Notch per Plan to allow higher headroom. Note : Special Inspection to inspect Epoxy Bolt Placement to be performed by Running Springs Water District.		5,690.00	5,690.00
		Subtotal	\$5,690.00
		Sales Tax (0.0%)	\$0.00
		Total	\$5,690.00

Mark Talbott Construction
 marktalb@msn.com

9098674218



PO Box 3604
Blue Jay, CA 92317
909.567.3012
rcfabrication@hotmail.com
CA CSLB License No. 918626
(B) General Building Contractor

Owner's Name: Running Springs Water District		Owner's Address:	
Owner's City, State, Zip:		Owner's Phone: 909-867-2630	Owner's Alt. Phone:
Project Name & Address: 2536 Hunsaker Dr, Running Springs, Ca 92382			Email: tmiller@runningspringswd.com

a. **Scope of Work:** RC Construction hereby submits the following specifications and estimates:

Warehouse Header Modification

Add New Post Per Plan

- >Install new ABU66 into existing concrete under existing header
- >Install new 6x6 post per plan

Steel Support Additions

- >Add MC6x15.3 steel "C" channel to existing 6x12 header
- >Add (4) C4x5.4 steel "C" channel connecting both 6x6 posts (one post on each side of header, one "C" channel on each side of each post
- >Weld new vertical "C" channel post to beam connections to new horizontal "C" channel header reinforcement

Modification of Header

- >Cut out lower header material per plan to add clearance under header

THIS LIST OF SPECIFICATIONS MAY BE CONTINUED ON SUBSEQUENT PAGES (SEE PAGE NUMBER BELOW)

b. **Not Included:** This proposal does not include

c. **WE PROPOSE** to furnish material, equipment and labor in accordance with the above specifications for the sum of:

\$6,700.00 dollars

NOTE: This proposal may be withdrawn if not accepted within 20 days from 11/10/2020 date.

Respectfully submitted by: _____
Company Representative

d. **WE ACCEPT** the prices, specifications, and terms as stated in this bid proposal are approved. We authorize you to draw up all necessary contract documents so work can begin.

approved and accepted (owner or owner's authorized agent) date

approved and accepted (second owner - if any) date

Estimate



CA, Lic. #864200
 (909) 844-2725
 P.O. box 3442
 Running Springs, CA 92382

Date	Estimate #
11/12/2020	281

Name / Address
Running Springs Water District Collections and Wastewater Treatment Div. C/O Trevor Miller 2536 Hunsacker Dr. Running Springs, CA. 92382

Ship To
Collections Building 2536 Hunsacker Dr

Project

Description	Qty	Rate	U/M	Total
Labor, Materials and equipment to; Add additional support using 6"- 15.3 LB "C" Channel on each side of the upper ramp 6x12 header to the specifications of Tang Structural Engineers supplied and updated 11-11-2020. Install a new 6x6 post on the existing loading dock wall to shorten overall span of the header. Notch existing 6x12 header to bottom of the new "C" Channel (as flush as possible) to the engineer's specification. in order to gain clearance for the Camera van.		10,500.00		10,500.00
Thank you for the opportunity to bid your job. This bid is valid for 30 days. If accepted, Riach construction will draw up a contract including a pay schedule, stipulations, and an estimated start date.		0.00		0.00
Thank you for the opportunity to bid your job!		Total		\$10,500.00

RUNNING SPRINGS WATER DISTRICT**MEMORANDUM**

DATE: November 18, 2020
TO: Board of Directors
FROM: Cindy Strebel, Battalion Chief
SUBJECT: CONSIDER PURCHASE OF 2 AUTO PULSE DEVICES

RECOMMENDED BOARD ACTION

It is recommended that the Board of Directors authorize the purchase of (2) Zoll Auto Pulse mechanical chest compression devices.

REASON FOR RECOMMENDATION

Numerous studies have shown that the key to increased survival rates involves high quality CPR with minimal interruptions, and a recommendation to change out compressors every 2 minutes. After 2 minutes, even the most fit of firefighters start to fatigue, and quality of compressions decreases. With our limited staffing, the auto pulse will be equivalent to adding one to two rescuers on scene of a CPR call. We have the unique challenge of moving patients up and downstairs, around tight corners, narrow hallways, lofts, and up and down driveways. The Auto Pulse is designed to provide continuous CPR which is not possible now while moving a patient. The Auto Pulse will improve the quality of CPR during transport to the hospital by providing consistent high quality CPR. It is virtually impossible to maintain adequate rate and compression depth while traveling code 3 to the hospital. It will allow for greater crew safety while in transit to not have someone standing over the patient, un-belted, performing compressions for the duration of transport. The Auto Pulse also integrates seamlessly with our Zoll cardiac monitors. Not only will this tool greatly aid our rescuers, it will help us provide a greater level of care to our citizens and visitors.

BACKGROUND INFORMATION

With the evolution and endorsement of High Performance CPR across all training platforms, including The American Heart Association, and the introduction of the Compressions, Airway, Breathing sequence, (CAB which replaces the ABC method), it is the new standard of care. We are one of the last agencies in the area to implement a mechanical chest compression device.

FISCAL INFORMATION

The purchase of 2 auto pulse devices and all accessories is a cost of \$30,644.10. We recently auctioned the 2007 Kodiak ambulance for an impressive \$29,675.00 which would help offset the cost of the devices. As of October 31, 2020, the Fire Department and Ambulance Department had the following operating reserve levels:

Fire Department Operating Reserve	\$162,995
Ambulance Department Operating Reserve	(\$16,706)
TOTAL	\$146,289
Zoll AutoPulse Purchase	(\$30,664)
REVISED TOTAL OPERATING RESERVE	\$115,625

The District expects to receive its November Property Tax Revenue Allocation in the next few weeks totaling approximately \$885,000.

ATTACHMENTS

- Attachment 1 – Zoll Quote and AutoPulse information sheet.
- Attachment 2 – The Auction Company receipt for 2007 Kodiak ambulance.



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

Attn: **Battalion Chief Cindy Strebele**

email: c.strebele@runningspringsfd.org

ZOLL Medical Corporation

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

QUOTATION 362664 V:1

DATE: November 04, 2020

TERMS: Net 30 Days

FOB: Shipping Point

FREIGHT: Prepay and Add

ITEM	MODEL NUMBER	DESCRIPTION	QTY.	UNIT PRICE	DISC PRICE	TOTAL PRICE
1	8700-0730-01	AutoPulse® System with Pass Thru - Generates consistent and uninterrupted chest compressions, offering improved blood flow during cardiac arrest. Includes Backboard, User Guide, Quick Reference Guide, Shoulder Restraints, Backboard Cable Ties, Head Immobilizer, Grip Strips, In-service Training DVD, and one year warranty.	2	\$10,995.00	\$10,995.00	\$21,990.00
2	8700-0706-01	LifeBand® 3 pack - Single-use chest compression band. (3 per package)	4	\$375.00	\$375.00	\$1,500.00
3	8700-0752-01	AutoPulse® Li-Ion Battery - for use with the AutoPulse Platform.	6	\$825.00	\$825.00	\$4,950.00
4	8700-0753-01	Autopulse SurePower Charger, U.S. Tests, Charges and automatically verifies battery charge level. Includes User Guide and U.S Power Cord. Standard one (1) year warranty.	2	\$2,295.00	No Charge	No Charge *
5	8700-000850-40	AutoPulse® Quick Case, Blue - All-in-one carrying case and patient moving sheet for the Autopulse Resuscitation System.	2	\$495.00	No Charge	No Charge *

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

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

1. DELIVERY WILL BE MADE 60-90 DAYS AFTER RECEIPT OF ACCEPTED PURCHASE ORDER.
2. PRICES QUOTED ARE VALID UNTIL DECEMBER 31, 2020.
3. APPLICABLE TAX, SHIPPING & HANDLING WILL BE ADDED AT THE TIME OF INVOICING.
4. ALL PURCHASE ORDERS ARE SUBJECT TO CREDIT APPROVAL BEFORE ACCEPTABLE BY ZOLL.
5. FAX PURCHASE ORDER AND QUOTATION TO ZOLL CUSTOMER SUPPORT AT 978-421-0015 OR EMAIL TO ESALES@ZOLL.COM.
6. ALL DISCOUNTS OFF LIST PRICE ARE CONTINGENT UPON PAYMENT WITHIN AGREED UPON TERMS.
7. PLACE YOUR ACCESSORY ORDERS ONLINE BY VISITING www.zollwebstore.com.



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

Attn: **Battalion Chief Cindy Strebele**

email: c.strebele@runningspringsfd.org

ZOLL Medical Corporation

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

QUOTATION 362664 V:1

DATE: November 04, 2020

TERMS: Net 30 Days

FOB: Shipping Point

FREIGHT: Prepay and Add

ITEM	MODEL NUMBER	DESCRIPTION	QTY.	UNIT PRICE	DISC PRICE	TOTAL PRICE
6		Estimated Sales Tax at 7.75%				\$2,204.10
*Reflects Promotional Pricing valid until December 31, 2020.						
						TOTAL
						\$30,644.10

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

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

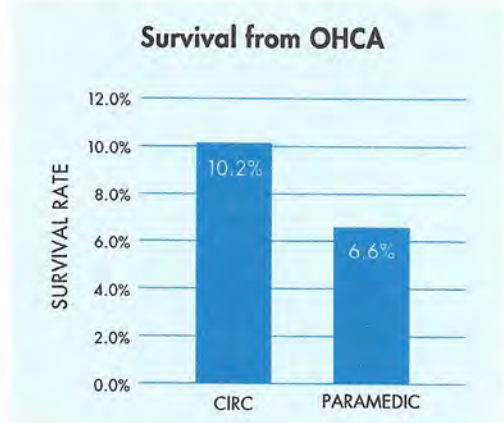
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6. ALL DISCOUNTS OFF LIST PRICE ARE CONTINGENT UPON PAYMENT WITHIN AGREED UPON TERMS.
7. PLACE YOUR ACCESSORY ORDERS ONLINE BY VISITING www.zollwebstore.com.

IT'S ALL ABOUT OUTCOMES

Numerous studies comparing the AutoPulse to manual CPR clearly demonstrate its many benefits for patients. And by every important measure of resuscitation success, the AutoPulse outperforms piston-driven mechanical CPR devices.

Highest reported survival for all rhythms

Among the large prospective clinical trials that have been published using an automated CPR device, the AutoPulse has achieved the highest survival rate. In the CIRC (Circulation Improving Resuscitation Care) trial, the overall survival-to-discharge rate was 10.2%—among the highest ever achieved in an out-of-hospital cardiac arrest (OHCA) trial.² The PARAMEDIC trial, which used a piston-driven mechanical CPR device, had a 30-day survival rate of just 6.6%.³



At 10.2%, survival in the CIRC trial was among the highest ever achieved in an OHCA trial.² Survival in the PARAMEDIC trial was just 6.6%.³

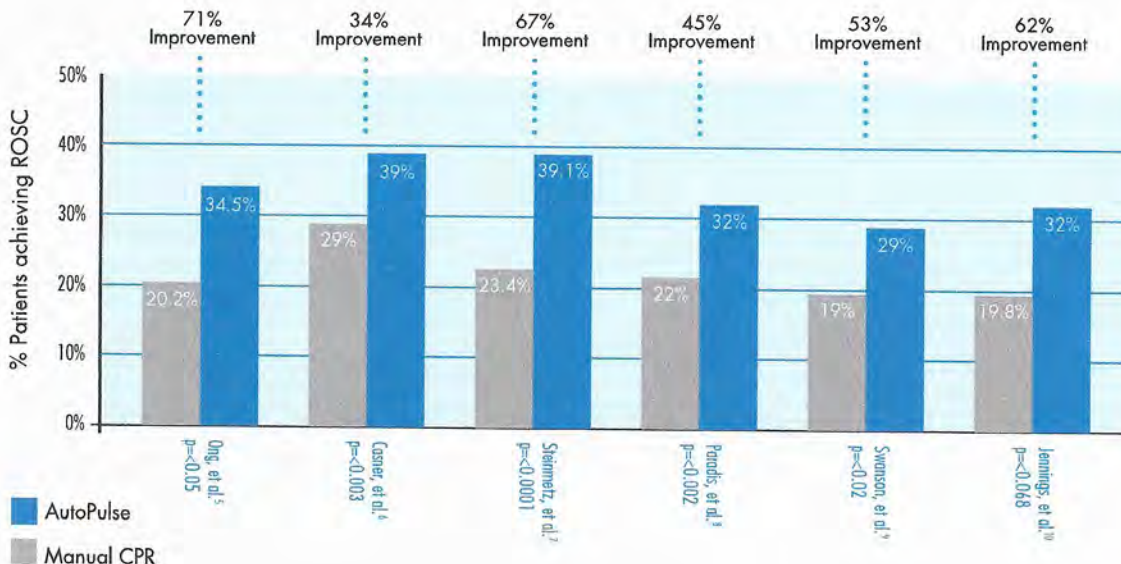
Enhanced circulation

Multiple comparative studies have demonstrated improved vital signs because the AutoPulse drives superior blood flow, resulting in coronary perfusion pressure levels 33% higher than those of sternal compressions, positively impacting ROSC and survival.

Unmatched impact on ROSC

While piston-driven sternal CPR devices have shown no benefit in improving ROSC rates when compared to manual CPR,⁴ the AutoPulse has increased ROSC rates in numerous studies.⁵⁻¹⁰

AutoPulse drives ROSC rates up



Multiple trials confirm the AutoPulse is superior to manual CPR when it comes to increasing a patient's odds of achieving ROSC.



CO #:	9391
Date:	6/12/2020
Page:	1

Consignor: 558

Cindy Strebel
 Running Springs Fire Department
 P.o. Box 2206
 Running Springs, CA 92382
 Phone:909-867-2630 Fax:909-867-5456

E-Mailed on 6/22/2020 to c.strebel@runningspringsfd.org

Auction: June 13th, 2020 (202)

Lot#	Lead	Transaction Description	Amount
338	2007 CHEVROLET KODIAK C4500 AMBULANCE, 6.6L diesel, automatic, 4x4, a/c, pw, pdl, Carson SA-430 Patriot siren, awd, 8' McCoy Miller body, manual locking hubs, block heater, 8,000# front, air ride suspension, 13,500# rear, aluminum wheels. s/n:1GBE4C3	Invoice Sale Price	33,000.00
		Commission	(3,300.00)
		Expense - Document Prep Fee	(25.00)
		Payment to Consignor - SELLER PROCEEDS	(29,675.00)
		PAYMENT CONS 558 CH# 865 06.30.20 AW	
		Total Quantity:	1.00
		Total Invoice Sale Price:	33,000.00
		Total Expenses:	(25.00)
		Total Commission:	(3,300.00)
		Total Due to Consignor:	29,675.00
		Total Payments:	(29,675.00)
		Balance:	\$0.00

No inventory remains for this consignment order

RECEIVED
 JUL - 6 2020
 Running Springs Wharf
 District

The Auction Company

4461 Wade Ave
Perris, CA 92571
(951) 657-5300

BANK OF AMERICA

0865

06/30/2020

PAY TO THE ORDER OF Running Springs Fire Department

\$ **29,675.00

Twenty-nine thousand six hundred seventy-five and 00/100***** DOLLARS

Running Springs Fire Department
Po Box 2206
Running Springs, Ca 92382

Claudia Lopez
AUTHORIZED SIGNATURE

MEMO

A202 PROCEEDS CONS 558

SECURITY FEATURES INCLUDED. DETAILS ON BACK

⑈000865⑈ ⑆121000358⑆ 325132889450⑈

WWW.DIMPSCHECKS.COM TOLL FREE 888.265.5141

The Auction Company

06/30/2020 Running Springs Fire Department

0865

29,675.00

New B of A Consignor Checking

A202 PROCEEDS CONS 558

29,675.00