


# LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY

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**DATE :** NOVEMBER 9, 2022   
**FROM:** SAMUEL MARTINEZ, Executive Officer  
MICHAEL TUERPE, Senior Analyst  
**TO:** LOCAL AGENCY FORMATION COMMISSION

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**SUBJECT: AGENDA ITEM #8: LAFCO 3254 - Reorganization to include:**

- Annexation to Running Springs Water District,
- Dissolution of CSA 79 and CSA 79 Zone R-1, and
- Formation of CSA 70 Zone R-52

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## INITIATION

Initiated by resolutions by the San Bernardino County Board of Supervisors, acting as the Governing Body of County Service Area 79, and the Board of Directors for the Running Springs Water District

## RECOMMENDATIONS

The staff recommends that the Commission approve LAFCO 3254 by taking the following actions:

1. For environmental review, certify that LAFCO 3254 is exempt from the provisions of the California Environmental Quality Act and direct the Executive Officer to file the Notice of Exemption within five (5) days;
2. Approve LAFCO 3254, with the standard terms and conditions that include, but are not limited to, the "hold harmless" clause for potential litigation costs by the applicants, and the continuation of fees, charges, assessments, etc. currently charged by County Service Area 79; and,
3. Adopt LAFCO Resolution #3359, setting forth the Commission's determinations and conditions of approval concerning LAFCO 3254.

## **EXECUTIVE SUMMARY**

### **Initiation and Objective**

LAFCO 3254 is a request from San Bernardino County and the Running Springs Water District (Running Springs WD, or RSWD) to reorganize wastewater collection services in the Green Valley Lake area (substantially similar resolutions and joint application). The objective is for the County to divest itself of responsibility for wastewater collection and for residents to assume local control over the service in their community.

Currently the County, via its County Service Area 79 (CSA 79), provides wastewater collection to the area. Under contract, CSA 79 sends the effluent to the adjacent Running Springs WD for treatment and disposal. This application proposes annexation of the area to the Water District (thereby assuming service responsibility) and dissolution of CSA 79 (thereby divesting service responsibility). Note that even though Running Springs WD provides water and fire protection/emergency medical services, this proposal will not extend these services into the reorganization area and will remain the responsibility of the Green Valley Mutual Water Company and San Bernardino County Fire Protection District (County Fire), respectively.

Additionally, CSA 79 has a zone (CSA 79 Zone R-1) that was formed in 2007 to provide snow removal services to a designated area funded by a voter-approved special tax. Dissolution of CSA 79 would also dissolve its Zone R-1. In its place, the application proposes the formation of a zone to County Service Area 70, CSA 70 R-52, to continue the service and voter-approved special tax.

The table below identifies the responsible service agencies, currently and following reorganization.

<b>SERVICE</b>	<b>CURRENT</b>	<b>REORGANIZATION</b>
<b>Wastewater Collection</b>	CSA 79	Running Springs WD
<b>Wastewater Treatment &amp; Disposal</b>	Running Springs WD (CSA 79 contracts out)	Running Springs WD
<b>Snow Removal to a zone</b>	CSA 79 Zone R-1	CSA 70 Zone R-52
<b>Water</b>	Green Valley Mutual Water Co.	Green Valley Mutual Water Co.
<b>Fire Protection &amp; Emergency Medical</b>	San Bernardino County Fire Protection District (County Fire)	San Bernardino County Fire Protection District (County Fire)

### **This Proposal is Consistent with a Prior Action of the Commission**

The *2011 Hilltop Community Service Review*, *2017 Countywide Water Service Review*, and *2018 Countywide Wastewater Service Review* identified that a reorganization of water and/or wastewater services under a single or fewer agency(ies) would benefit the community. In March 2011, the Commission assigned a single (combined) sphere of influence for the Running Springs WD, Arrowbear Park County Water District (CWD), and CSA 79. This action signaled the Commission’s intent for a future reorganization.

## **Staff Recommendation, Commission Action, and Protest Proceedings**

Staff recommends that the Commission approve this proposal. This is based upon:

- Substantially similar resolutions of the County and Water District as well as a joint application.
- Plan for service, fiscal impact analysis, and transition plan submitted by the applicants.
- The factors required for consideration in a reorganization outlined in law.
- The reorganization will make the community's wastewater collection system more efficient since Running Springs Water District already processes the collected wastewater from CSA 79. Additionally, it puts the entire operation under control of a mountain agency with a locally elected board of directors.
- This proposal is consistent with a prior action of the Commission.

Further, Gov Code Section 56853(a) requires the Commission to approve this proposal. Said section states that:

*If a majority of the members of each of the legislative bodies of two or more local agencies adopt substantially similar resolutions of application making proposals either for the consolidation of districts or for the reorganization of all or any part of the districts into a single local agency, the commission shall approve, or conditionally approve, the proposal.*

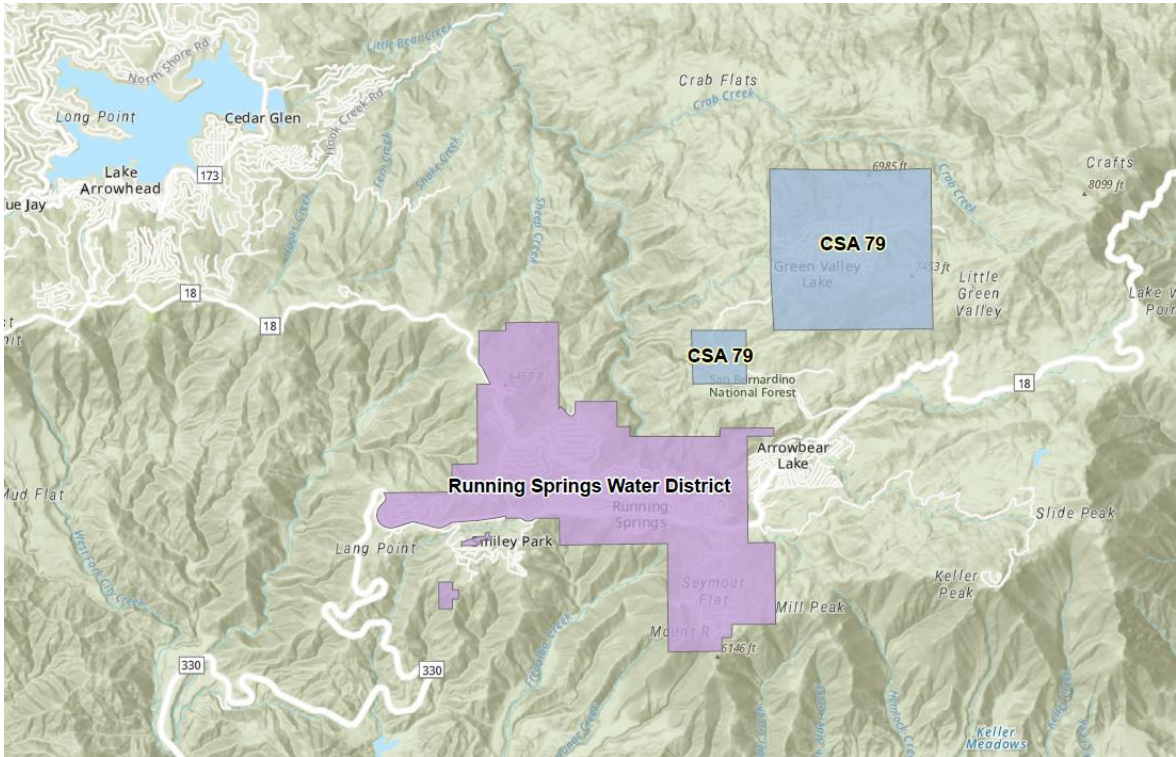
Should the Commission either approve or conditionally approve this proposal, then the Executive Officer would initiate a 30-day protest proceedings pursuant to Gov Code Section 57077.3 to determine the levels of protests filed by the voters and landowners within the affected territory, the territory of CSA 79.

## **MAPS**

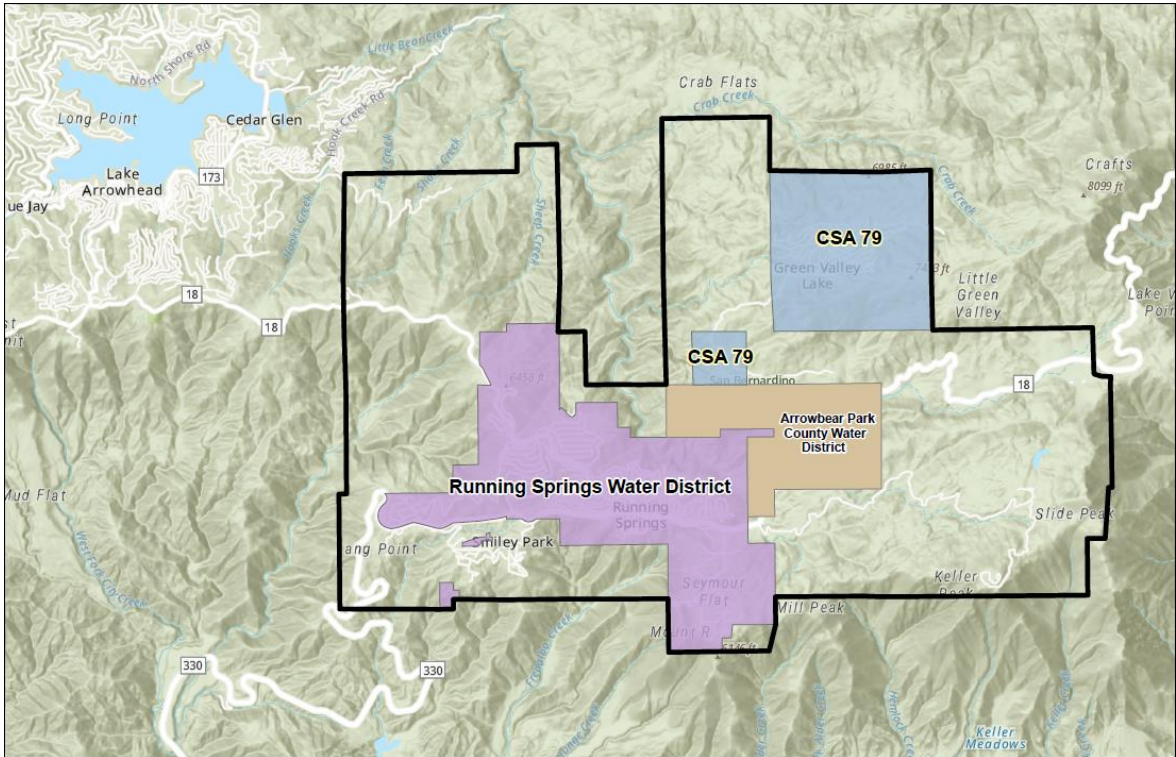
The maps on page 4 show the boundaries of spheres of influence of the agencies. The first map shows the two agencies affected by the proposed reorganization. The second map shows the single (combined) sphere of influence for the three Hilltop agencies: Arrowbear Park CWD, CSA 79, and the Running Springs WD.

Attachment #1 includes: (1) a map showing the boundaries and single (combined) sphere of influence; (2) a focused map for the area of the road service, and (3) the official reorganization maps.

### Map of Reorganization Agencies, Current



### Map of Single (Combined) Sphere of Influence, Current



## **INTRODUCTION**

### **Hilltop Community**

The Hilltop community is located in the central section of the Commission's defined Mountain Region, approximately 18 miles north of the Cities of San Bernardino and Highland. In addition to Arrowbear Lake, Green Valley Lake, and Running Springs, the Hilltop community includes the areas commonly known as Crab Tree Flats, Fredalba, Nob Hill, Seymour Flats, Smiley Park County Club and the Snow Valley ski area. Highways 18 and 330 converge in Running Springs, and it is often a stopping point for travelers to either Bear Valley or Lake Arrowhead. There are a number of lakes within the community including Green Valley Lake, Arrowbear Lake, and Deep Creek Lake.

### **County Service Area 79 and its Zone R-1**

County Service Area 79 is governed by the County Board of Supervisors and is authorized by LAFCO to provide the following functions: sewer, water (not active), and roads/snow removal (through its Zone R-1). The district has no direct employees, it operates with personnel and supplies provided by County Service Area 70. CSA 79 maintains a sewer collection system and interceptor, with sewage treatment provided through a contract with Running Springs WD. CSA 79 Zone R-1 maintains and provides snow removal for approximately .65 mile of paved road in "The Meadow" area of Green Valley Lake. In 2007 Zone R-1 voters approved a \$325 per parcel, per year special tax with a 2.5% inflationary factor each year thereafter for snow removal.

### **Running Springs Water District**

The Running Springs WD is authorized by LAFCO to provide the following functions: water, sewer, fire protection (to include ambulance), park and recreation, and sanitation. The district's service area includes four square miles of Running Springs, Enchanted Forest and portions of Smiley Park and Fredalba of the Hilltop community.

### **Wastewater Collection and Treatment/Disposal**

CSA 79 and the adjacent Arrowbear Park County Water District collect the wastewater within their respective areas. Under contract since 1977, each agency sends its effluent to the treatment plant owned and maintained by Running Springs WD. The capital investment and maintenance costs for the treatment plant located within the Running Springs WD are shared by Arrowbear Park CWD, CSA 79, and Running Springs WD based on a proportionate share of costs.

### **LAFCO Service Reviews and Signal**

The *2011 Hilltop Community Service Review*, *2017 Countywide Water Service Review*, and *2018 Countywide Wastewater Service Review* identified that a reorganization of water and/or wastewater services under a single or fewer agency(ies) would benefit the community. In March 2011, the Commission assigned a single (combined) sphere of influence for the Running Springs WD, Arrowbear Park CWD, and CSA 79. This action signaled the Commission's intent for a future reorganization.

## **STAFF ANALYSIS**

This section provides the Commission with an analysis of the application materials as well as additional information obtained during processing.

### **(1) BOUNDARIES:**

This application proposes dissolution of CSA 79 (thereby divesting service responsibility) and annexation of the area to the Running Springs WD (thereby assuming service responsibility).

Additionally, CSA 79 has a zone (CSA 79 Zone R-1) that was formed in 2007 to provide snow removal services to a designated area funded by a voter-approved special tax. Dissolution of CSA 79 would also dissolve its Zone R-1. In its place, the application proposes the formation of a zone to County Service Area 70, CSA 70 R-52, to continue the service and voter-approved special tax.

### **(2) GOVERNANCE AND MANAGEMENT:**

Upon the effective date of this reorganization, governance and management over the wastewater collection system will transfer from the County Board of Supervisors to the Running Springs Water District Board of Directors. No additional board of director seats will be added to the Running Springs Water District, however, any registered voter in the District would be eligible to run for a seat on the District's Board.

### **(3) SERVICE PLAN:**

The Running Springs WD, as the successor agency, provided a Plan for Service (included as a part of Attachment #2). Below is a summary and analysis of the Plan.

#### **A. Wastewater**

Since 1977, the Running Springs WD processed CSA 79's collected wastewater under an agreement. In 2019, the Running Springs WD entered into a new Wastewater Transportation, Treatment and Disposal Agreement with CSA 79. There is adequate capacity in the existing wastewater collections and treatment systems for the continued operation by the Running Springs WD.

Running Springs WD staff and management will initially plan to operate the Green Valley Lake wastewater collection system with existing staff and evaluate if there is a need to add any additional staff or equipment.

#### **B. Water**

Even though the Running Springs WD provides water service, this proposal will not extend this service into the reorganization area and will remain the responsibility of the Green Valley Mutual Water Company.

### **C. Fire Protection and Emergency Medical Services**

Even though the Running Springs WD provides fire protection/emergency medical services, this proposal will not extend these services into the reorganization area and will remain the responsibility of the San Bernardino County Fire Protection District (County Fire) and its service zones.

## **(4) FISCAL IMPACT:**

### **A. Fiscal Impact Summary**

There will be no additional financial burden placed on the Running Springs WD to annex and continue providing wastewater collection services to this territory. There is not anticipated to be any significant fiscal impact due to the fact that the Running Springs WD already provides wastewater treatment and ambulance services to the territory. All costs of operating and maintaining the wastewater collection facilities will be recovered through rates and fees charged annually on the San Bernardino County property tax roll to the Green Valley Lake community property owners.

Based upon the information in the application documents and additional information provided, it is the staff's position that the Commission can make the following determinations:

- The reorganization is financially feasible.
- The reorganization can maintain the pre-reorganization service levels that are currently provided within the area and provide for the long-range planning necessary to maintain service levels.
- This proposal will not result in a potentially significant indirect physical impact to the residual agencies managed by the County Special District's Division.
- The implementation of the reorganization would not impair any other agency currently serving within the area.

### **B. Fiscal Impact Analysis**

The Fiscal Impact Analysis prepared by the applicant's consultant examines the revenues and financial obligations of CSA 79, considering historical changes in revenues and expenditures by category over a five-year period from Fiscal Years ("FY") 2016-17 through 2020-21. This Analysis presents ten-year financial projections for CSA 79 and RSWD sewer services, both as independent agencies and with sewer services consolidated under RSWD. The Fiscal Impact Analysis is included as a part of Attachment #2. Below are excerpts from the Analysis.

The Analysis evaluated the sufficiency and reliability of anticipated revenues that RSWD proposes to use to fund CSA 79 wastewater collection and treatment activities assumed upon dissolution. The Analysis's baseline budget projection indicated that, if RSWD maintains current service charges, a modest deficit of \$3,776 could result in 2031 that would continue to grow annually thereafter. RSWD may need to consider a service charge increase to cover its operational costs and capital improvements. Since a deficit is projected even without reorganization, RSWD would need to consider how much to increase the rates for current RSWD customers versus CSA 79 customers. A March 2017 sewer rate study concluded that an increase is necessary to cover operational costs and capital improvements.

CSA 79 public services costs are projected to be significantly less if reorganized to RSWD by eliminating redundancies. The largest expenditures in the baseline budget projections are the RSWD wastewater treatment agreement, salaries and benefits, and operating and maintenance costs. The wastewater treatment agreement and salaries and benefits would be removed if reorganized. The agreement would be obsolete upon reorganization. RSWD would fund the wastewater treatment services it already provides to CSA 79 customers directly from service charges. The County would no longer staff CSA 79, and RSWD does not expect a need to increase its staffing levels.

Operations and maintenance costs are also projected to be significantly reduced. CSA 79's operating costs are significantly higher per EDU than RSWD, at \$227.55 per EDU compared to \$48.65 per EDU. This Analysis assumes that RSWD will operate CSA 79's wastewater collection system at \$48.65 per EDU. Although it is possible that CSA 79's wastewater collection system could cost more to operate than RSWD's system due to unique circumstances. Removing the cost of Indirect Services & Supplies alone would reduce CSA 79's wastewater collection expense to \$199.73 per EDU. Indirect Services & Supplies are payments made by CSA 79 to the County Special Districts Division for its proportionate share of County operating costs.

**(5) TRANSITION PLAN:**

The County Department of Public Works, Special Districts Division, together with the Running Springs WD approved and signed a transition plan for the purpose of outlining the transition of the governance, management, and operation of the service from CSA 79 to the Running Springs WD. The categories identified in the Transition Plan are business operations, system operations, financial operations, information technology operations, and other (to include but not limited to: permit requirements, duration, emergency, training, and legal). The Transition Plan is included as Attachment #3.

**(6) TERMS AND CONDITIONS:**

The resolutions of the County and Water District both identify that this proposal be subject to LAFCO's standard terms and conditions as well as 11 additional terms and conditions of their own, outlined below. In italics LAFCO staff provides clarification or an update where warranted.

- 1) Running Springs Water District will fix the Green Valley Lake community wastewater rates at their current level (Connection Fee \$5,336.22 and User Rate \$65.77 per Equivalent Dwelling Unit per month) for the first five years and account for the area as a separate enterprise fund barring any unforeseen circumstances that would require additional revenue; current wastewater rates for Running Springs Water District are: Connection Fee \$5,815 and User Rates \$54.08 per Equivalent Dwelling Unit per month plus \$0.0105 per cubic foot of water usage);
- 2) Depending on the timing of LAFCO approval of the proposed reorganization, Running Springs Water District will arrange for the Green Valley Lake community wastewater rates to be placed on the San Bernardino County property tax roll at the expense of Running Springs Water District's separate enterprise fund for the Green Valley Lake community;
- 3) After the initial 5 year period, a rate study will be prepared and the Green Valley Lake community will be merged with the existing Running Springs Water District wastewater enterprise such that a uniform wastewater rate will be applied for all wastewater customers of Running Springs Water District at that time;
- 4) Running Springs Water District will not assume any of CSA 79's pension liability. CSA 79 may withhold from transfer to Running Springs Water District a portion of its existing wastewater reserve funds to fund CSA 79's pension liabilities through LAFCO's issuance of the Certificate of Completion for the reorganization, with the method of calculation and the amount withheld to be determined and agreed to by both CSA 79 and Running Springs Water District;

*CSA 79 has a proportionate share of the County's net pension liability allocated by the San Bernardino County Employees' Retirement Association ("SBCERA"). According to the County, CSA 79's net pension liability as of June 30, 2021 is \$318,808. The exact net pension liability will be recalculated as of the effective date of this reorganization.*

- 5) CSA 79 R-1 funds for road services will transfer to the new CSA 70 road district zone, once formed;
- 6) All application fees and any other costs associated with the LAFCO reorganization will be paid for with CSA 79 reserve funds;
- 7) The remaining CSA 79 wastewater reserve funds, not withheld to cover CSA 79's pension liabilities, will be transferred to Running Springs Water District and be placed in a separate enterprise fund;

*The County provided a listing of CSA 79's cash balances, lands, and assets, which will all transfer to the successor agency, the Running Springs WD. These listings are included as Attachment #4 to this report.*

- 8) No additional Board of Director seats will be added to Running Springs Water District;

- 9) Running Springs Water District will enter into a new agreement as a permittee for a Special Use Permit with the United States Forest Service (USFS) for encroachment of the gravity sewer line under Green Valley Lake Road within the USFS;

*County Land Use Services has a special use permit with the U.S. Forest Service for a main down by the highway. According to the Running Springs WD, there is apparently no successor clause so the District will need to apply for a new USFS Special Use Permit.*

- 10) Running Springs Water District acknowledges and agrees to the LAFCO requirement imposing legal indemnification as outlined in Policy 3 of Chapter 2 of the Accounting and Financial Section of its Policy and Procedure Manual;

- 11) Running Springs Water District will continue to provide out of district sewer service to Snow Valley [Ski Area], which is consistent with the sphere of influence, and will be billed based off an equivalent dwelling unit (EDU) count;

*Since 1978, CSA 79 has provided service outside of its boundary to the Snow Valley Ski area. The agreement expired in April 2018, and the County and Snow Valley opted not to extend the former contract where Snow Valley was charged based upon flow rate. Rather, in lieu of a contract, Snow Valley is now charged under the same method as CSA 79's other customers, by EDU. Snow Valley is outside the boundaries of the Running Springs WD but within the District's sphere of influence.*

*According to the Running Springs WD, it will also need to enter into a new agreement with Snow Valley. Ownership of Snow Valley is currently changing so it is working on coordinating this new agreement.*

*This reorganization will recognize that the Running Springs WD will succeed to the service that has been provided to Snow Valley since 1978. As long as the service continues, no further LAFCO review is necessary.*

## **(7) ENVIRONMENTAL CONSIDERATIONS:**

As the CEQA lead agency, the Commission's Environmental Consultant, Tom Dodson from Tom Dodson and Associates, has indicated that the review of LAFCO 3254 is exempt from the California Environmental Quality Act (CEQA). This recommendation is based on the fact that the reorganization will not result in any physical impacts on the environment. Therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061(b)(3). This circumstance applies to LAFCO 3254 because the Running Springs Water District will simply replace the existing wastewater collection service within the reorganization area.

Staff recommends that the Commission adopt the Common Sense Exemption for this proposal. A copy of Mr. Dodson's analysis is included as Attachment #5 to this report.

## **FACTORS TO BE CONSIDERED**

The following are the factors to be considered in the review of a proposal pursuant to Government Code Section 56668 and Commission policy:

1. The Registrar of Voters has determined that the reorganization study area is legally inhabited, containing 295 registered voters within LAFCO 3254 as of October 26, 2022.
2. The reorganization does not conflict with the sphere of influence of any other entity because the proposal transfers existing service from one agency (to be dissolved) to another agency. Further, the territory is already within the Running Springs Water District sphere of influence.
3. The County Assessor has determined that the value of land and improvements within the reorganization area is broken down as follows:

Land:	\$ 46,786,369
Improvements:	\$186,124,694
Total:	\$232,911,063
4. In compliance with Commission policy and Government Code Section 56157, the Notice of Hearing for this proposal was provided by publication of an eight-page (1/8 page) legal ad in the *Alpine Mountaineer*, a newspaper of general circulation in the area. Comments from landowners and any affected local agency have been reviewed and considered by the Commission in making its determination.
5. The proposed reorganization includes a variety of land uses established under the San Bernardino County's General Plan, however, such reorganization has no direct impact on said land use designations.
6. The Southern California Association of Governments (SCAG) has adopted a Regional Transportation Plan and Sustainable Community Strategy pursuant to the provisions of Government Code Section 65352.5. Approval of LAFCO 3254 has no direct impact on these determinations.
7. The Commission's Environmental Consultant, Tom Dodson and Associates, has recommended that this proposal is exempt from environmental review based on the finding that the Commission's approval of the reorganization has no potential to cause any adverse effect on the environment; and therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). Mr. Dodson recommends that the Commission adopt the Exemption and direct its Executive Officer to file a Notice of Exemption within five (5) days. A copy of Mr. Dodson's response letter is included as Attachment #5 to this report.
8. The local agencies currently serving the area are:
  - County of San Bernardino
  - County Service Area 79
  - County Service Area 70 (unincorporated countywide, multi-function)
  - Crestline-Lake Arrowhead Water Agency

Mojave Desert Resource Conservation District  
Rim of the World Recreation and Park District  
San Bernardino County Fire Protection District, its North Desert Service  
Zone, and its Service Zone FP-5  
San Bernardino Mountains Community Hospital District

CSA 79 will be dissolved as a function of this reorganization. In addition, its Zone R-1 will also be dissolved but formed as a new zone of CSA 70, CSA 70 Zone R-52. The other agencies are not affected by this reorganization as they are either regional in nature or identified for other services to a specific area.

9. A plan was prepared for the extension of wastewater collection service to the annexation area, as required by law. The Plan for Service indicates that the Agency can maintain and/or improve the level of service currently available to the area. A copy of this plan is included as a part of Attachment #2 to this report.

The Plan for Service has been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that the Plan for Service conforms to those adopted standards and requirements.

10. The reorganization area can benefit from the availability and continuation wastewater services, as evidenced by the Plan for Service and Fiscal Impact Analysis.
11. This proposal will not affect the fair share allocation of the regional housing needs assigned to the County of San Bernardino through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process.
12. With respect to environmental justice, the reorganization provides for the continuation of wastewater services within the area. The delivery of these services, through a locally-elected special district, will not result in the unfair treatment of any person based upon race, culture or income.
13. The County of San Bernardino adopted a resolution determining there will be a zero property tax transfer as a result of the reorganization. This resolution fulfills the requirement of Section 99 of the Revenue and Taxation Code.
14. The maps and legal descriptions are in substantial compliance with LAFCO and State standards.

## CONCLUSIONS

The annexation, dissolution, and formation do not change the geographical area in which previously existing powers are exercised but is a reorganization to allow the continued provision of existing services.

Staff recommends that the Commission approve this proposal. This is based upon:

- Substantially similar resolutions of the County and Running Springs WD as well as a joint application.
- Plan for service, fiscal impact analysis, and transition plan submitted by the applicants.
- The factors required for analysis in a reorganization outlined in law.
- The reorganization will make the community's wastewater collection system more efficient since Running Springs WD already processes the collected wastewater from CSA 79. Additionally, it puts the entire operation under control of a mountain agency with a locally elected board of directors.
- This proposal is consistent with a prior action of the Commission.

Further, Gov Code Section 56853(a) requires the Commission to approve this proposal. Said section states that:

*If a majority of the members of each of the legislative bodies of two or more local agencies adopt substantially similar resolutions of application making proposals either for the consolidation of districts or for the reorganization of all or any part of the districts into a single local agency, the commission shall approve, or conditionally approve, the proposal.*

Should the Commission approve or conditionally approve this proposal, then the Executive Officer would initiate a 30-day protest proceedings pursuant to Gov Code Section 57077.3 to determine the levels of protests filed by the voters and landowners within the affected territory, the territory of CSA 79.

The table below identifies the responsible service agencies, currently and following reorganization.

SERVICE	CURRENT	REORGANIZATION
<b>Wastewater Collection</b>	CSA 79	Running Springs WD
<b>Wastewater Treatment &amp; Disposal</b>	Running Springs WD (CSA 79 contracts out)	Running Springs WD
<b>Snow Removal to a zone</b>	CSA 79 Zone R-1	CSA 70 Zone R-52
<b>Water</b>	Green Valley Mutual Water Co.	Green Valley Mutual Water Co.
<b>Fire Protection &amp; Emergency Medical</b>	San Bernardino County Fire Protection District (County Fire)	San Bernardino County Fire Protection District (County Fire)

## **ATTACHMENTS**

### **Attachment 1. Maps**

- Reorganization Agencies Boundaries and Sphere of Influence
- Proposed Formation of County Service Area 70 Zone R-52
- Official Reorganization Maps

### **Attachment 2. Application Packet**

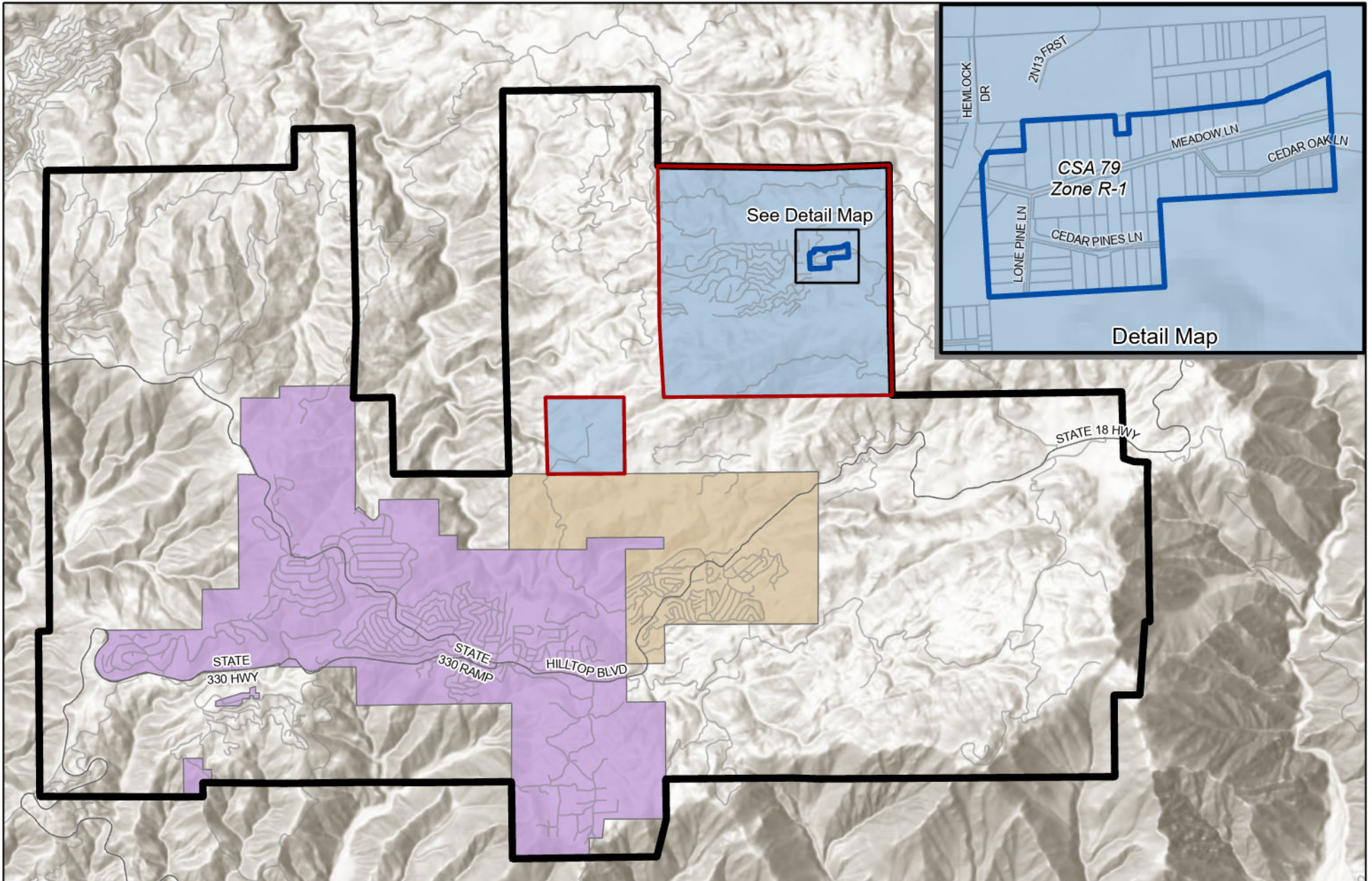
- [Resolutions Initiating the Proposal](#)
- [Application Forms](#)
- [Plan for Service](#)
- [Fiscal Impact Analysis](#)

### **Attachment 3. Transition Plan**







### **Attachment 4. Listing of Assets, Reserves, and Properties**


### **Attachment 5. Environmental Recommendation from the Commission's Environmental Consultant**

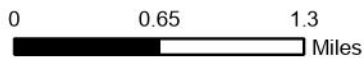
### **Attachment 6. Draft Resolution #3359 for LAFCO 3254**

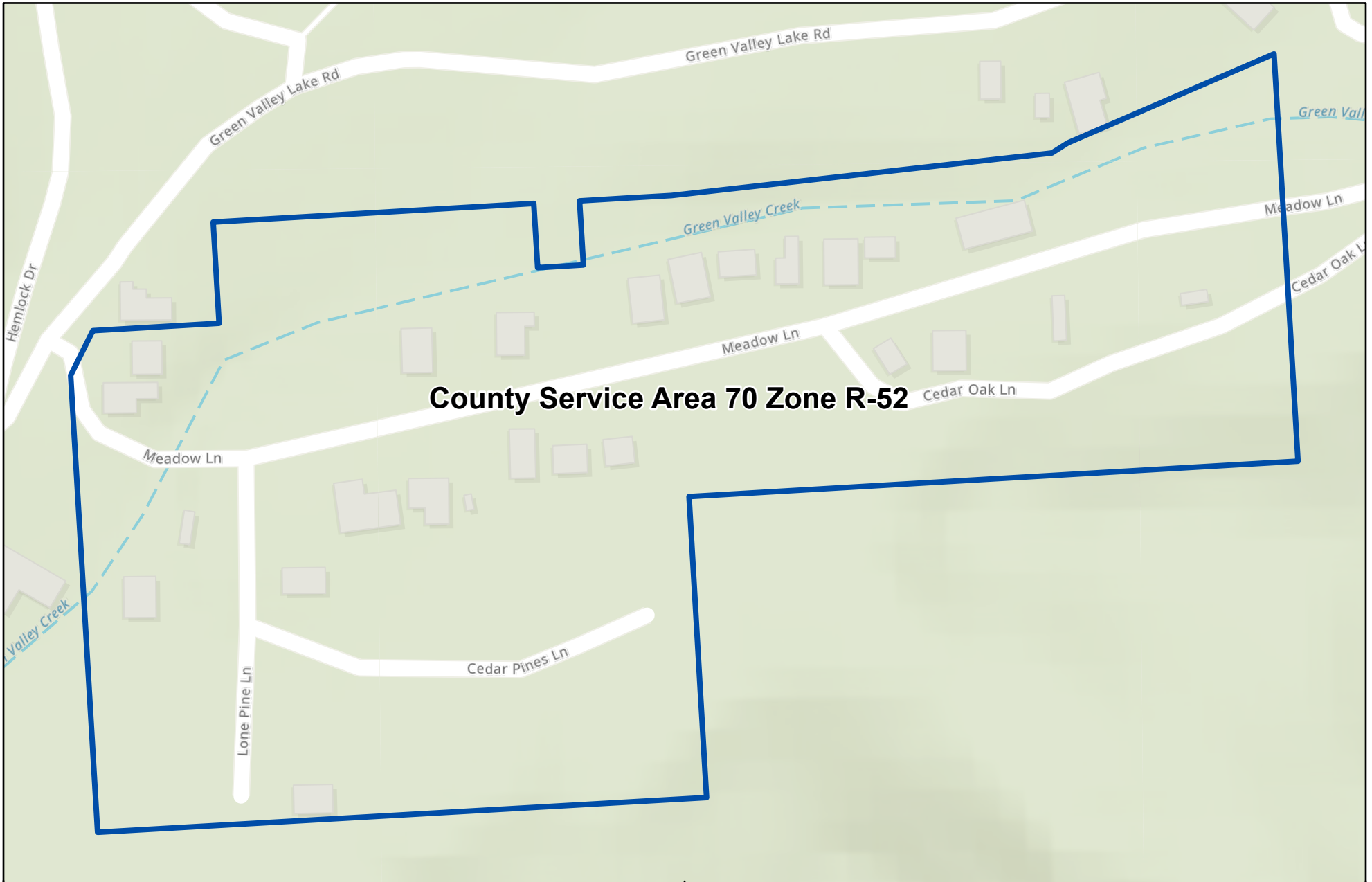


**LAFCO 3254 - Reorganization to Include Annexation to the Running Springs Water District, Dissolution of County Service Area 79 and its Zone R-1, and Formation of County Service Area 70 Zone R-52**

- |   |   |   |   |
|---|---|---|---|
|  | Reorganization Area                           |  | Running Springs Water District  |
|  | CSA 79 Zone R-1 (to be formed as CSA 70 R-52) |  | CSA 79  |
|  | Arrowbear Park County Water District          |  | Spheres of Influence for CSA 79, Running Springs Water District, and Arrowbear Park County Water District |

 Disclaimer: The information show is intended to be used for general display only and is not to be used as an official map.





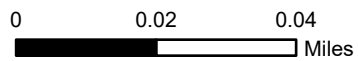
**LAFCO 3254 - Reorganization to Include Annexation to the Running Springs Water District, Dissolution of County Service Area 79 and its Zone R-1, and Formation of County Service Area 70 Zone R-52**

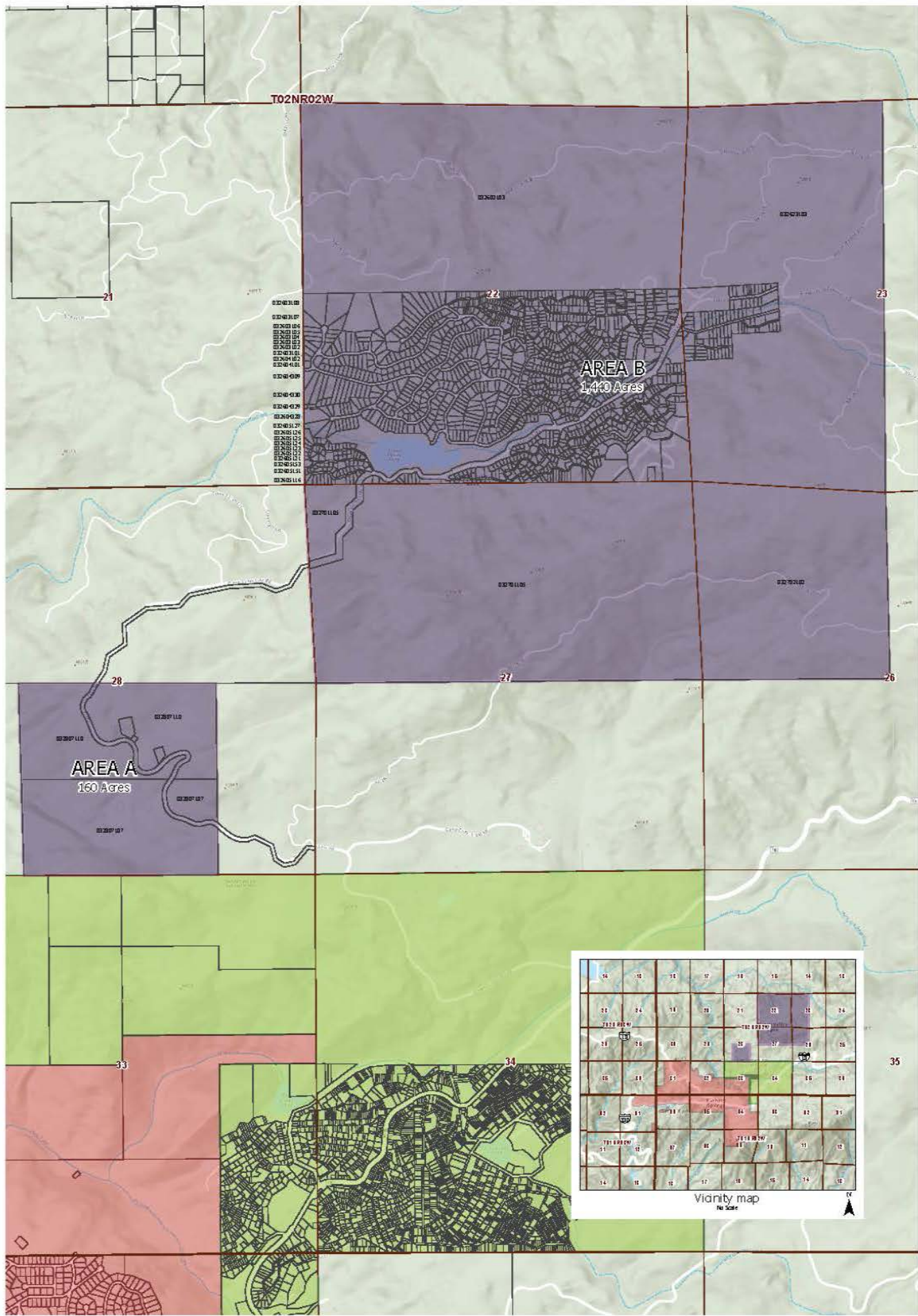
**Legend**

- CSA 79 Zone R-1 (to be formed as CSA 70 Zone R-52)



Disclaimer: The information shown is intended to be used for general display only and is not to be used as an official map.





**Legend**

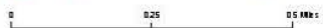
- Sections
- Parcels
- Township
- Annandale Park County Water District

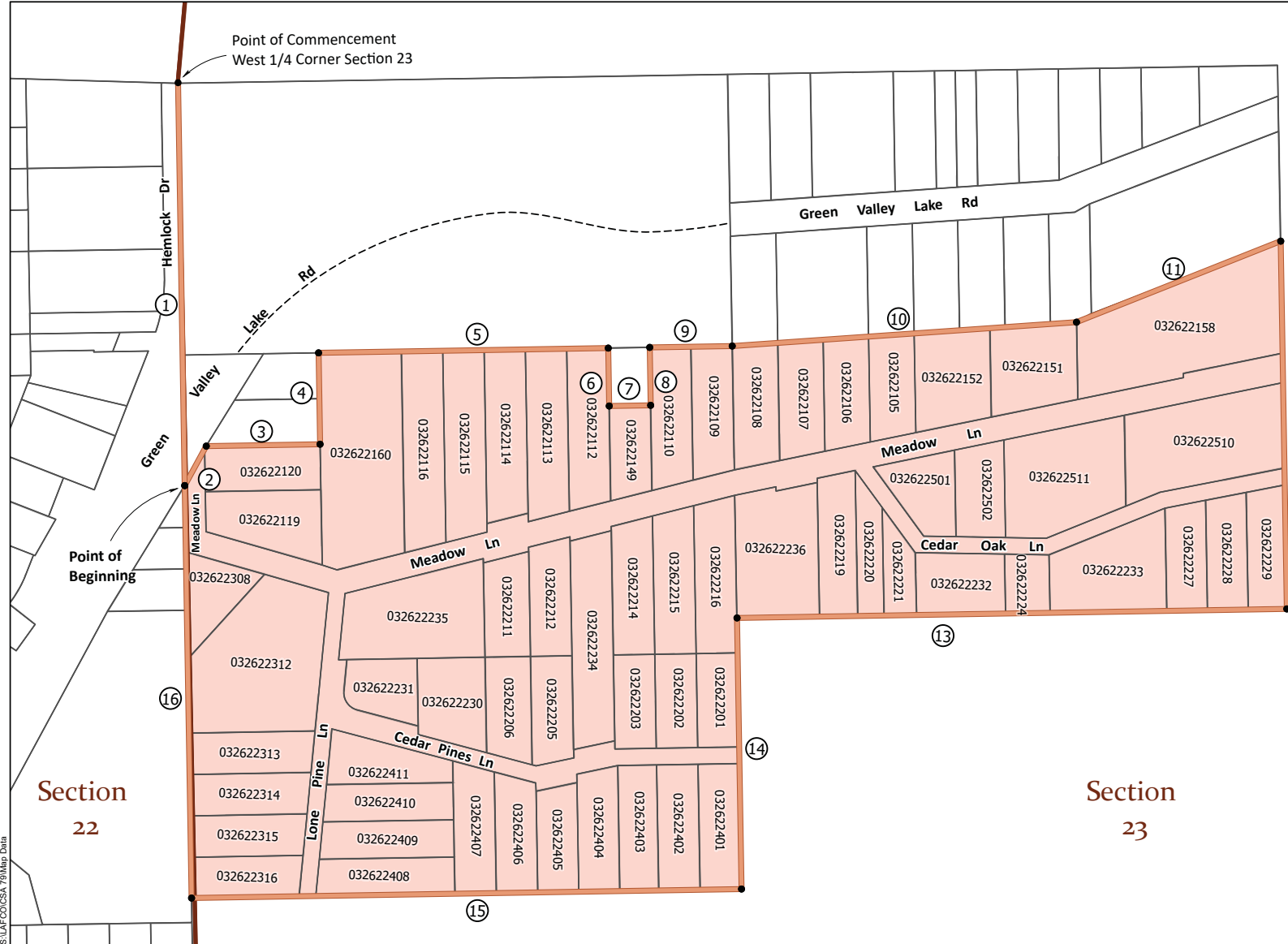
**Affected Agency**

- Running Springs Water District
- County Service Area 79

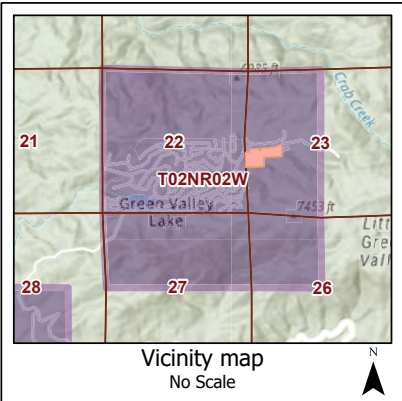
LAFCO 3254 - Reorganization to include Annexation to Running Springs Water District, Dissolution of County Service Area 79 and its Zone R-1, and Formation of County Service Area 70 Zone R-52

Annexation to Running Springs Water District and Dissolution of County Service Area 79

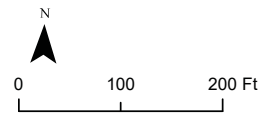




Course	Bearing	Distance
1	S 03° 20' 07" E	486.88
2	N 26° 12' 40" E	54.34
3	N 86° 40' 26" E	137.57
4	N 03° 20' 07" W	110.45
5	N 86° 40' 26" E	350.15
6	S 03° 20' 07" E	70.00
7	N 86° 40' 26" E	50.08
8	N 03° 20' 07" W	70.00
9	N 86° 40' 26" E	99.76
10	N 83° 39' 01" E	417.06
11	N 65° 58' 08" E	265.51
12	S 03° 20' 07" E	444.45
13	S 86° 40' 26" W	664.48
14	S 03° 20' 07" E	327.62
15	S 86° 40' 26" W	664.68
16	N 03° 20' 07" W	498.47



S:\LAFCO\CSA 79\Map Data



- Legend**
- CSA79 R1
  - Sections
  - Parcel Lines
  - County Service Area 79

LAFCO 3254 - Reorganization to include Annexation to Running Springs Water District, Dissolution of County Service Area 79 and its Zone R-1, and Formation of County Service Area 70 Zone R-52

Dissolution of County Service Area 79 Zone R-1 and Formation of County Service Area 70 Zone R-52

Affected Agency  
CSA79 R1  
Running Springs Water District

By: Date: 02/02/22  
Ryan Hunsicker, PLS 8302 Deputy County Surveyor



**RESOLUTION NO. 2022-20**

**RESOLUTION OF THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY ACTING AS THE GOVERNING BODY OF COUNTY SERVICE AREA 79, STATE OF CALIFORNIA, REQUESTING THE SAN BERNARDINO COUNTY LOCAL AGENCY FORMATION COMMISSION TO INITIATE PROCEEDINGS FOR A REORGANIZATION TO DISSOLVE COUNTY SERVICE AREA 79 (WASTEWATER COLLECTION SERVICE) AND ITS ZONE R-1 (ROAD SERVICE), ANNEX SAID COUNTY SERVICE AREA 79 TO THE RUNNING SPRINGS WATER DISTRICT AND FORM A NEW ZONE FOR COUNTY SERVICE AREA 70**

On Tuesday January 25, 2022, on motion of Supervisor Cook, duly seconded by Supervisor Baca Jr., and carried, the following resolution is adopted by the Board of Supervisors of San Bernardino County acting as the governing body of County Service Area 79, State of California.

**WHEREAS**, San Bernardino County Service Area (CSA) 79, which provides wastewater collection and road services to the Green Valley Lake community, desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 for reorganization resulting in the dissolution of CSA 79 and annexation of said area of CSA 79 into the Running Springs Water District for wastewater collection service, dissolution of CSA 79 Zone R-1, and formation of a new zone for CSA 70 for the continuation of the road service for the CSA 79 R-1 area; and

**WHEREAS**, the territory proposed to be reorganized is inhabited; and the descriptions and maps of the areas proposed to be reorganized are included in the attached Exhibits A and B; and

**WHEREAS**, the Running Springs Water District currently provides wastewater treatment and disposal services for a portion of CSA 79 known as the Green Valley Lake community under an Outside Wastewater Treatment Agreement since 2019, and prior to that since 1977; and

**WHEREAS**, the justification for the proposed action is to reorganize and clarify which agency is responsible for providing wastewater services (collection and treatment) and road services to the Green Valley Lake community; and

**WHEREAS**, it is desired that the proposed dissolution, annexation and formation be subject to the standard terms and conditions imposed by the San Bernardino County Local Agency Formation Commission (LAFCO) and the following:

1. Running Springs Water District will fix the Green Valley Lake community wastewater rates at their current level (Connection Fee \$5,336.22 each and User Rates \$65.77 per each dwelling unit) for the first 5 years and account for the area as a separate enterprise fund barring any unforeseen circumstances that would require additional revenue; current wastewater rates for the Running Springs Water District are: Connection Fee \$5,815 each and User Rates \$54.08 per each dwelling unit plus \$0.0105 per cubic foot of water usage);
2. Running Springs Water District will coordinate for the Green Valley Lake community wastewater rates to be placed on the San Bernardino County property tax roll at the expense of the Running Springs Water District's separate enterprise fund for the Green Valley Lake Community;
3. After the initial five years following annexation, a rate study will be conducted, and the Green Valley Lake wastewater collection will be merged with the Running Springs Water District's

existing wastewater enterprise. Running Springs Water District anticipates having a uniform wastewater rate for all wastewater customers at that time;

4. CSA 79 will withhold reserve funds to fund pension liabilities through LAFCO's issuance of the Certificate of Completion for the reorganization, with the method and amount to be withheld to be determined and agreed to by CSA 79 and the Running Springs Water District;
5. CSA 79 R-1 funds for road services will transfer to the new CSA 70 road district zone, once formed;
6. All application fees and any other costs associated with the LAFCO reorganization will be paid for with CSA 79 reserve funds;
7. The remaining CSA 79 sewer reserve funds will transfer to the Running Springs Water District and be placed in a separate enterprise fund;
8. No additional Board of Director seats will be added to the Running Springs Water District;
9. Running Springs Water District will enter into a new agreement as a permittee for a Special User Permit with the United States Forest Service (USFS) for encroachment of the gravity sewer line under Green Valley Lake Road within the USFS;
10. Running Springs Water District acknowledges and agrees to the LAFCO requirement imposing legal indemnification as outlined in Policy 3 of Chapter 2 of the Accounting and Financial Section of its Policy and Procedure Manual;
11. Running Springs Water District will continue to provide out of district sewer service to Snow Valley, which is consistent with the sphere of influence, and will be billed based off an equivalent dwelling unit (EDU) count; and

**WHEREAS**, the proposed reorganization is consistent with the sphere of influence assigned to the Running Springs Water District; and

**WHEREAS**, San Bernardino County Service Area 79 certifies that:

1. Adoption of this Resolution and the approval of the proposed activity is not a "project" as defined by California Environmental Quality Act (CEQA) and is exempt from CEQA review. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. (CEQA Guidelines Section 15061(b)(3)). Additionally, "it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment" because there will be no reasonably foreseeable change in the types, intensity, and manner of service as a result of any approval and no construction or other physical alteration of the environment is proposed.
2. To the extent the annexation, dissolution and formation is a "project" subject to CEQA review, it is exempt under CEQA Guidelines Section 15301. This "Existing Facilities" exemption consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. The key consideration is whether the project involves negligible or no expansion of use. The

reorganization of CSA 79 only allows for the continued operation of existing public facilities without any expansion of use.

3. The annexation, dissolution and formation do not change the geographical area in which previously existing powers are exercised but is a mere boundary change to allow the continued provision of existing services as provided for under CEQA Guidelines Section 15320.
4. Adoption of this Resolution does not meet the circumstances described in CEQA Guidelines Section 15300.2 (Exceptions). An analysis of each of these exceptions is below:
  - a. Location. The location of the proposed action is not changing. All existing infrastructure and assets are remaining as-is throughout this administrative action.
  - b. Cumulative Impact. There is no cumulative impact to successive projects of the same type in the same place, as this administrative action is a one-time, specific-in-nature action.
  - c. Significant Effect. As a result of this administrative action, there is no reasonable possibility that the activity will have a significant effect on the environment.
  - d. Scenic Highways. This administrative action will not cause damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway.
  - e. Hazardous Waste Sites. This administrative action is not located on a site which is included on any list compiled pursuant to Section 65962.5 of the Government Code.
  - f. Historical Resources. This administrative action will not cause a substantial adverse change in the significance of a historical resource.

**NOW, THEREFORE, BE IT RESOLVED**, by the San Bernardino County Board of Supervisors acting as the governing body of County Service Area 79 (Board) that:

1. This Resolution of Initiation is hereby adopted and approved and the Board hereby requests the San Bernardino County LAFCO undertake proceedings for the dissolution of CSA 79 and its Zone R-1 so that the Green Valley Lake community can annex into the Running Springs Water District for wastewater collection service and formation of a new zone for CSA 70 for the same territory within CSA 79 Zone R-1 is formed according to the terms and conditions stated above and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
2. The Chief Executive Officer is directed and authorized on behalf of the CSA 79 to finalize the reorganization application including the preparation and certification of the Plan for Service and Fiscal Impact Analysis, and any and all other required documents, to the San Bernardino County LAFCO initiating the reorganization as set forth in this Resolution, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.
3. The Clerk of the Board shall certify to the passage and adoption of this Resolution and is hereby authorized and directed to file, or cause to be filed, a certified copy of this Resolution with the Executive Officer of the LAFCO for San Bernardino County.

**PASSED AND ADOPTED** by the Board of Supervisors of San Bernardino County acting as the governing body of County Service Area 79, State of California, by the following vote:

AYES: SUPERVISORS: Col. Paul Cook (Ret.), Janice Rutherford, Dawn Rowe,  
Curt Hagman, Joe Baca, Jr.

NOES: SUPERVISORS: None

ABSENT: SUPERVISORS: None

\*\*\*\*\*

STATE OF CALIFORNIA            )  
  )        ss.  
SAN BERNARDINO COUNTY        )

I, **LYNNA MONELL**, Clerk of the Board of Supervisors acting as the governing body of County Service Area 79 of San Bernardino County, State of California, hereby certify the foregoing to be a full, true and correct copy of the record of the action taken by the Board, by vote of the members present, as the same appears in the Official Minutes of said Board at its meeting of January 25, 2022.  
#52 LA

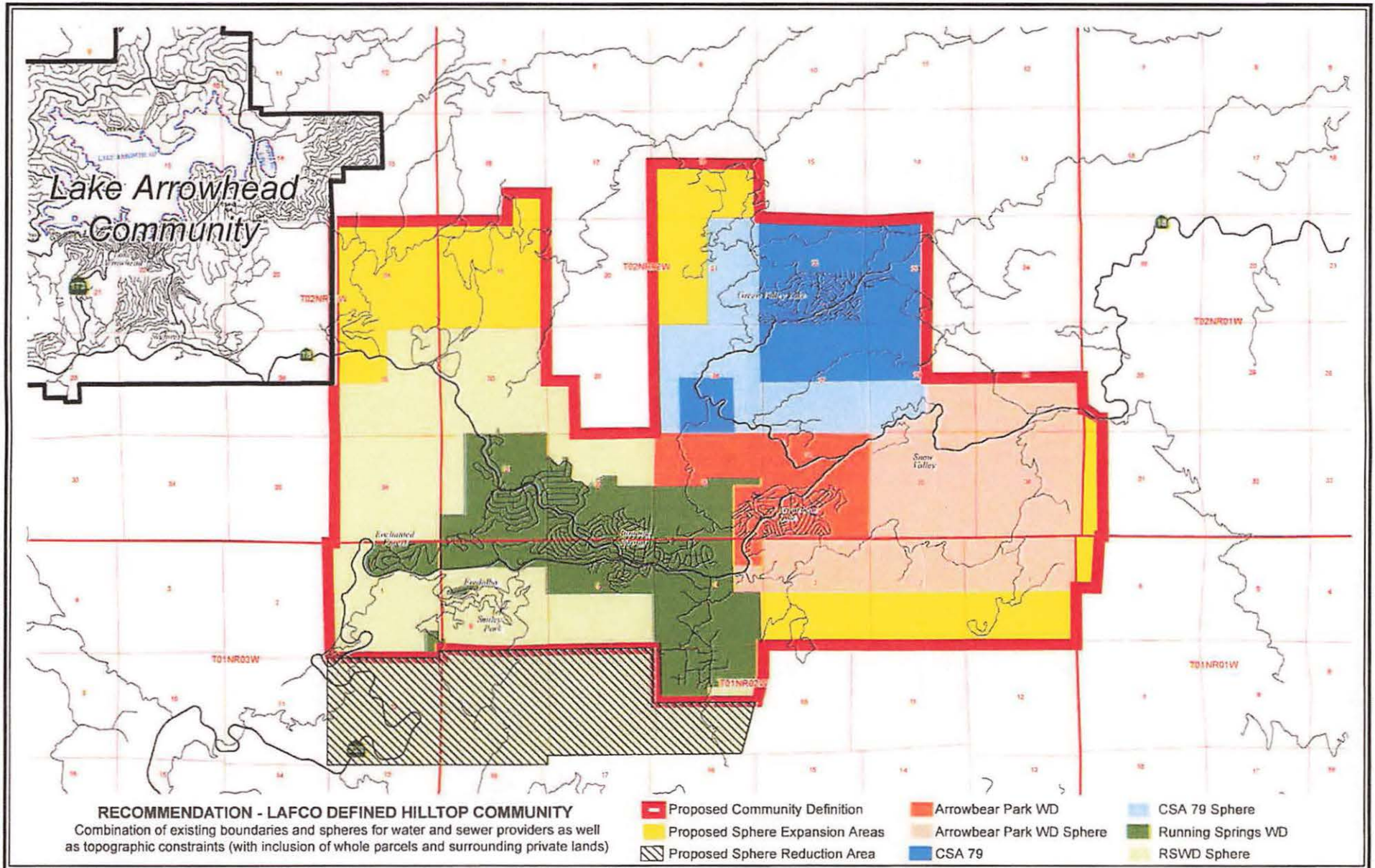
LYNNA MONELL  
Clerk of the Board of Supervisors acting as the  
Governing Body of County Service Area 79

By \_\_\_\_\_

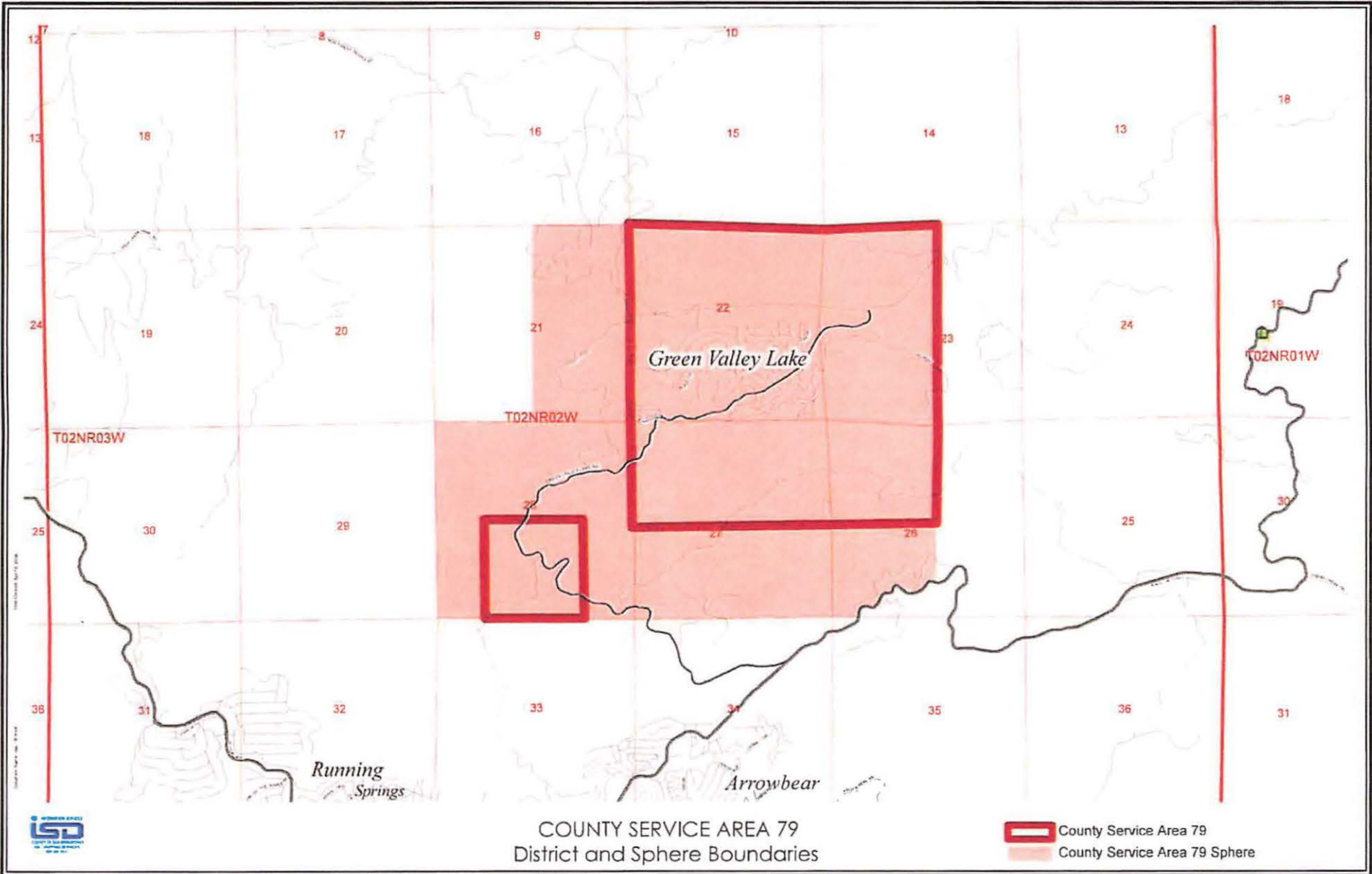
Deputy



**EXHIBIT A**



**EXHIBIT B**



**RESOLUTION NO. 03-22**

**A RESOLUTION OF APPLICATION BY THE BOARD OF DIRECTORS OF RUNNING SPRINGS WATER DISTRICT REQUESTING THE LOCAL AGENCY FORMATION COMMISSION TO INITIATE PROCEEDINGS FOR A REORGANIZATION TO DISSOLVE COUNTY SERVICE AREA 79 (WASTEWATER COLLECTION SERVICE) AND ITS ZONE R-1 (ROAD SERVICE), ANNEX SAID COUNTY SERVICE AREA 79 TO RUNNING SPRINGS WATER DISTRICT FOR WASTEWATER COLLECTON SERVICE AND TO COUNTY SERVICE AREA 70 FOR ROAD SERVICE, AND ALSO TO FORM A NEW ZONE FOR COUNTY SERVICE AREA 70, AND FINDING THAT THE REQUESTED REORGANIZATION IS NOT A PROJECT AND THEREFORE IS EXEMPT FROM REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

**WHEREAS**, On Tuesday, January 25, 2022, the Board of Supervisors of San Bernardino County acting as the governing body of County Service Area No. 79 ("CSA 79"), which provides wastewater collection and road services to the Green Valley Lake community, adopted Resolution No. 2022-20 to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 for a reorganization resulting in the dissolution of CSA 79 and annexation of said area of CSA 79 into Running Springs Water District for wastewater collection service, dissolution of CSA 79 Zone R-1, and formation of a new zone for CSA 70 for the continuation of the road service for the CSA 79 R-1 area; and

**WHEREAS**, the Board of Directors of Running Springs Water District likewise proposes a reorganization pursuant to Part 3 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 for the same above-described reorganization; and

**WHEREAS**, the proposed reorganization would simply re-organize and clarify which agencies are responsible for providing wastewater service and road service to the Green Valley Lake community ("territory"), but do not propose any new development or any increase in the use of the territory; and

**WHEREAS**, the proposal includes reorganization resulting in the dissolution of CSA 79 and annexation of said area of CSA 79 into Running Springs Water District for wastewater collection service and into CSA 70 for road service, dissolution of CSA 79 Zone R-1, and formation of a new zone for CSA 70 for the continuation of the road service for the CSA 79 Zone R-1 area; and

**WHEREAS**, the territory proposed to be reorganized is inhabited; and the descriptions and maps of the areas proposed to be reorganized are included in Exhibits "A" and "B" attached hereto and by this reference incorporated herein; and

**WHEREAS**, Running Springs Water District currently provides wastewater treatment services to CSA 79 under an Outside Wastewater Treatment Agreement; and

**WHEREAS**, Running Springs Water District desires that the proposed reorganization be subject to the standard terms and conditions imposed by the Local Agency Formation Commission (“LAFCO”) and to the following terms and conditions with respect to the provision of wastewater service:

- 1) Running Springs Water District will fix the Green Valley Lake community wastewater rates at their current level (Connection Fee \$5,336.22 and User Rate \$65.77 per Equivalent Dwelling Unit per month) for the first five years and account for the area as a separate enterprise fund barring any unforeseen circumstances that would require additional revenue; current wastewater rates for Running Springs Water District are: Connection Fee \$5,815 and User Rates \$54.08 per Equivalent Dwelling Unit per month plus \$0.0105 per cubic foot of water usage);
- 2) Depending on the timing of LAFCO approval of the proposed reorganization, Running Springs Water District will arrange for the Green Valley Lake community wastewater rates to be placed on the San Bernardino County property tax roll at the expense of Running Springs Water District’s separate enterprise fund for the Green Valley Lake community;
- 3) After the initial 5 year period, a rate study will be prepared and the Green Valley Lake community will be merged with the existing Running Springs Water District wastewater enterprise such that a uniform wastewater rate will be applied for all wastewater customers of Running Springs Water District at that time;
- 4) Running Springs Water District will not assume any of CSA 79’s pension liability. CSA 79 may withhold from transfer to Running Springs Water District a portion of its existing wastewater reserve funds to fund CSA 79’s pension liabilities through LAFCO’s issuance of the Certificate of Completion for the reorganization, with the method of calculation and the amount withheld to be determined and agreed to by both CSA 79 and Running Springs Water District;
- 5) CSA 79 R-1 funds for road services will transfer to the new CSA 70 road district zone, once formed;
- 6) All application fees and any other costs associated with the LAFCO reorganization will be paid for with CSA 79 reserve funds;
- 7) The remaining CSA 79 wastewater reserve funds, not withheld to cover CSA 79’s pension liabilities, will be transferred to Running Springs Water District and be placed in a separate enterprise fund;
- 8) No additional Board of Director seats will be added to Running Springs Water District;
- 9) Running Springs Water District will enter into a new agreement as a permittee for a Special Use Permit with the United States Forest Service (USFS) for encroachment of the gravity sewer line under Green Valley Lake Road within the USFS;

10) Running Springs Water District acknowledges and agrees to the LAFCO requirement imposing legal indemnification as outlined in Policy 3 of Chapter 2 of the Accounting and Financial Section of its Policy and Procedure Manual;

11) Running Springs Water District will continue to provide out of district sewer service to Snow Valley, which is consistent with the sphere of influence, and will be billed based off an equivalent dwelling unit (EDU) count; and

**WHEREAS**, the reason for the proposed annexation to Running Springs Water District is to permanently provide wastewater services to the territory; and

**WHEREAS**, Running Springs Water District requests that the proceedings be taken for the proposal pursuant to Part 3 of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 for reorganization; and

**WHEREAS**, the proposed reorganization is consistent with the sphere of influence assigned Running Springs Water District.

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

Section 1. Findings under the California Environmental Quality Act ("CEQA") (Pub. Res. Code §§ 21000 et seq.; 14 Cal. Code Regs. §§ 15000 et seq.). This Board of Directors hereby determines that adoption of this Resolution is not a "project" under CEQA because no environmental impacts will result. However, to the extent the reorganization is found to be a CEQA "project," this Board of Directors alternatively determines that the reorganization is exempt from environmental review under CEQA because it has no environmental impacts that will result under State CEQA Guidelines § 15061(b)(3), and because the reorganization merely allows for the continued operation of existing facilities without any expansion in use under State CEQA Guidelines § 15301 (the "Existing Facilities" exemption) and because the reorganization consists of changes in the organization of local government agencies where the changes do not change the geographic area in which previously existing powers are exercised under State CEQA Guidelines § 15320. This Board of Directors further finds that none of the "exceptions" to the application of the Existing Facilities under State CEQA Guidelines 15300.2 exist because there are no unusual circumstances present, no sensitive resources will be impacted by the reorganization, no cumulative impacts or other significant effects are foreseeable from the reorganization, the reorganization will not impact visual resources within a scenic highway or historic resources, and because the reorganization does not involve hazardous waste sites.

Section 2. This Resolution of Application is hereby adopted and approved by Running Springs Water District Board of Directors and hereby requests the Local Agency Formation Commission for San Bernardino County to take proceedings for the reorganization of territory as described above, according to the terms and conditions stated above and in the manner provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Section 3. Running Springs Water District acknowledges and agrees to the Local Agency Formation Commission for San Bernardino County's requirement for imposing legal indemnification as outlined in Policy 3 of Chapter 2 of the Accounting and Financial Section of its Policy and Procedure Manual.

Section 4. The General Manager of Running Springs Water District is hereby directed and authorized on behalf of Running Springs Water District to finalize and submit a petition, including but not limited to the reorganization application to include annexation, dissolution and reorganization including the preparation and certifying of the Plan for Service and Fiscal Impact Analysis, copies of which are on file in the Running Springs Water District office and any and all other necessary and required documents to the San Bernardino County Local Agency Formation Commission initiating the reorganization as set forth in this resolution, pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Section 5. That the Secretary to the Board of Directors of Running Springs Water District shall certify to the passage and adoption of this resolution and is hereby authorized and directed to file, or cause to be filed, a certified copy of this resolution with the Executive Officer of the Local Agency Formation Commission for San Bernardino County.

Section 6. The General Manager shall be the custodian of record for all documents relating to the adoption of this resolution, which may be reviewed by the public at the Running Springs Water District's offices located at 31242 Hilltop Boulevard, Running Springs, CA 92382.

ADOPTED this 16<sup>th</sup> day of February 2022.

**Ayes:** MACKZUM, TERRY, CONRAD, ACCIANI, DYBERG

**Noes:** 0

**Abstentions:** 0

**Absent:** 0

  
\_\_\_\_\_  
President, Board of Directors  
Running Springs Water District

ATTEST:


  
\_\_\_\_\_  
Secretary of the Board of Directors  
Running Springs Water District



EXHIBIT A

A reorganization to include annexation to Running Springs Water District  
and dissolution of County Service Area 79

LAFCO # \_\_\_\_\_

THOSE PORTIONS OF SECTIONS 22, 23, 26, 27 AND 28 TOWNSHIP 2 NORTH RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER OFFICIAL GOVERNMENT SURVEY.

Area A:

THE EAST 1/2 OF THE SOUTHWEST 1/4 AND THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 2 NORTH, RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER OFFICIAL GOVERNMENT SURVEY.

THE SOUTHERLY BOUNDARY OF WHICH LIES ADJACENT TO THE EXISTING BOUNDARY OF THE ARROWBEAR PARK COUNTY WATER DISTRICT AS ESTABLISHED IN 1953 BY ANNEXATION # 1

CONTAINING 160 ACRES, MORE OR LESS

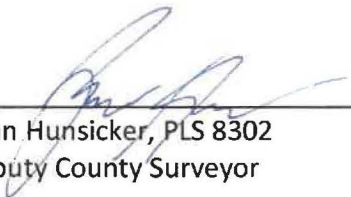
Area B:

ALL OF SECTION 22, THE WEST 1/2 OF SECTION 23, THE NORTHWEST 1/4 OF SECTION 26, THE NORTH 1/2 OF SECTION 27 TOWNSHIP 2 NORTH, RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER OFFICIAL GOVERNMENT SURVEY.

CONTAINING 1,440 ACRES, MORE OR LESS

THE TOTAL COMPUTED ACREAGE CONTAINING 1,600 ACRES OF LAND, MORE OR LESS.

This legal description was prepared  
by me or under my direction.

By:   
Ryan Hunsicker, PLS 8302  
Deputy County Surveyor

09/02/2021  
Date



EXHIBIT A

A reorganization to include annexation to Running Springs Water District  
and dissolution of Improvement zone "R1" to County Service Area 79

LAFCO # \_\_\_\_\_

That portion of Map of Green Valley Park, in the County of San Bernardino, State of California, as per map recorded in Book 23 of Maps, page 17, records of said County, lying within the following described portion of the Southwest quarter of Section 23, Township 2 North, Range 2 West, San Bernardino Meridian:

Commencing at the West 1/4 corner of said section 23;

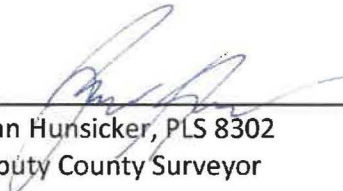
1. Thence  $S03^{\circ}20'07''E$  486.88' along the West line of said section 23 to the Southeasterly right of way line of Green Valley Lake Road also being the **Point of Beginning**;
2. Thence leaving said West line  $N26^{\circ}12'40''E$  54.34' along said right of way line to the North line of Lot 13, Block 5 of said Map of Green Valley Park;
3. Thence leaving said right of way line  $N86^{\circ}40'26''E$  137.57' along the North line of said Lot 13 to the West line of Lot 10, said Block 5;
4. Thence leaving said North line  $N03^{\circ}20'07''W$  110.45' along said West line to the Northwest corner of said Lot 10 said point also being on the North boundary of said map of Green Valley Park;
5. Thence leaving said West line  $N86^{\circ}40'26''E$  350.15' along said North boundary to the Northeast corner of Lot 4, of said Block 5;
6. Thence leaving said North boundary  $S03^{\circ}20'07''E$  70.00' along the East line of said Lot 4 to the South line of the North 70 feet of Lot 3, of said Block 5;
7. Thence leaving said East line  $N86^{\circ}40'26''E$  50.08' along said South line to the West line of Lot 2, of said Block 5;
8. Thence leaving said South line  $N03^{\circ}20'07''W$  70.00' along said West line to the Northwest corner of said Lot 2 said point also being on the said North boundary of said Map of Green Valley Park;
9. Thence leaving said West line  $N86^{\circ}40'26''E$  99.76' along said North boundary to the Northwest corner of Lot 13, Block 2 of said Map of Green Valley Park;
10. Thence leaving said North boundary  $N83^{\circ}39'01''E$  417.06' along the north line of Lots 13, 14, 15, 16, 17 of said Block 2 to the Northwest corner of Lot 18, of said Block 2;

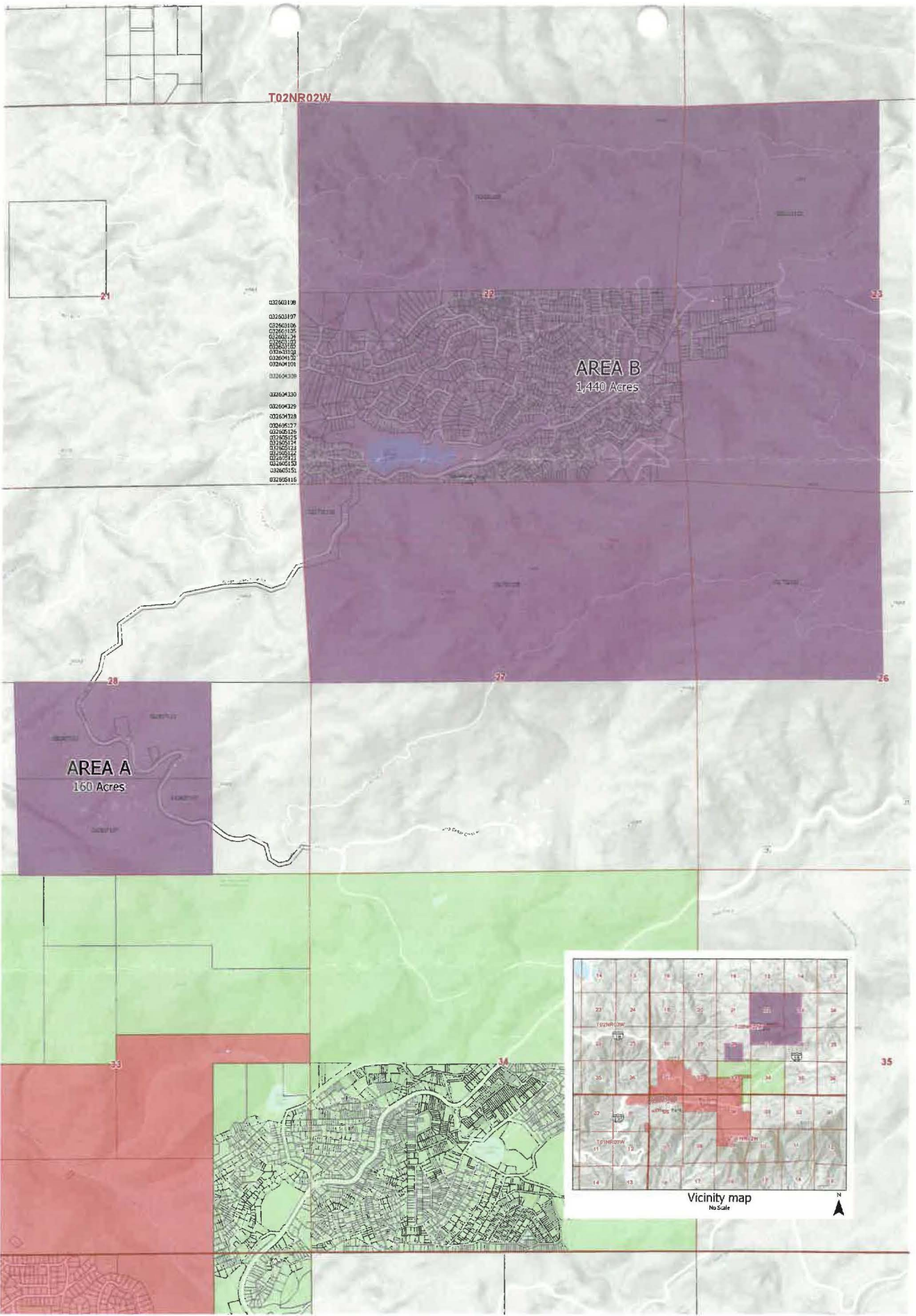
11. Thence leaving said North line of said lots 13, 14, 15, 16, 17 N65°58'08"E, 265.51' along the North line of said lot 18 and lot 19 of said Block 2 to the Northeast corner of said lot 19 said point also being on the most Easterly boundary of said map of Green Valley Park;
12. Thence leaving said North line S03°20'07"E 444.45 along said most Easterly boundary to the Southerly boundary of said map of Green Valley Park;
13. Thence leaving said most Easterly boundary S86°40'26"W 664.48' along said Southerly boundary to the Easterly boundary of said map of Green Valley Park;
14. Thence leaving said Southerly boundary S03°20'07"E 327.62' along said Easterly boundary to the most Southerly boundary of said map of Green Valley Park;
15. Thence leaving said Easterly boundary S86°40'26"W 664.68' along said most Southerly Boundary to the West line of said section 23;
16. Thence leaving said most Southerly Boundary N03°20'07"W 498.47' along said West line to the **Point of Beginning**.

COMPUTED ACREAGE CONTAINING 15 ACRES OF LAND, MORE OR LESS.

This legal description was prepared  
by me or under my direction.



By:  02/07/2022  
Ryan Hunsicker, PLS 8302 Date  
Deputy County Surveyor



T02NR02W

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**Legend**

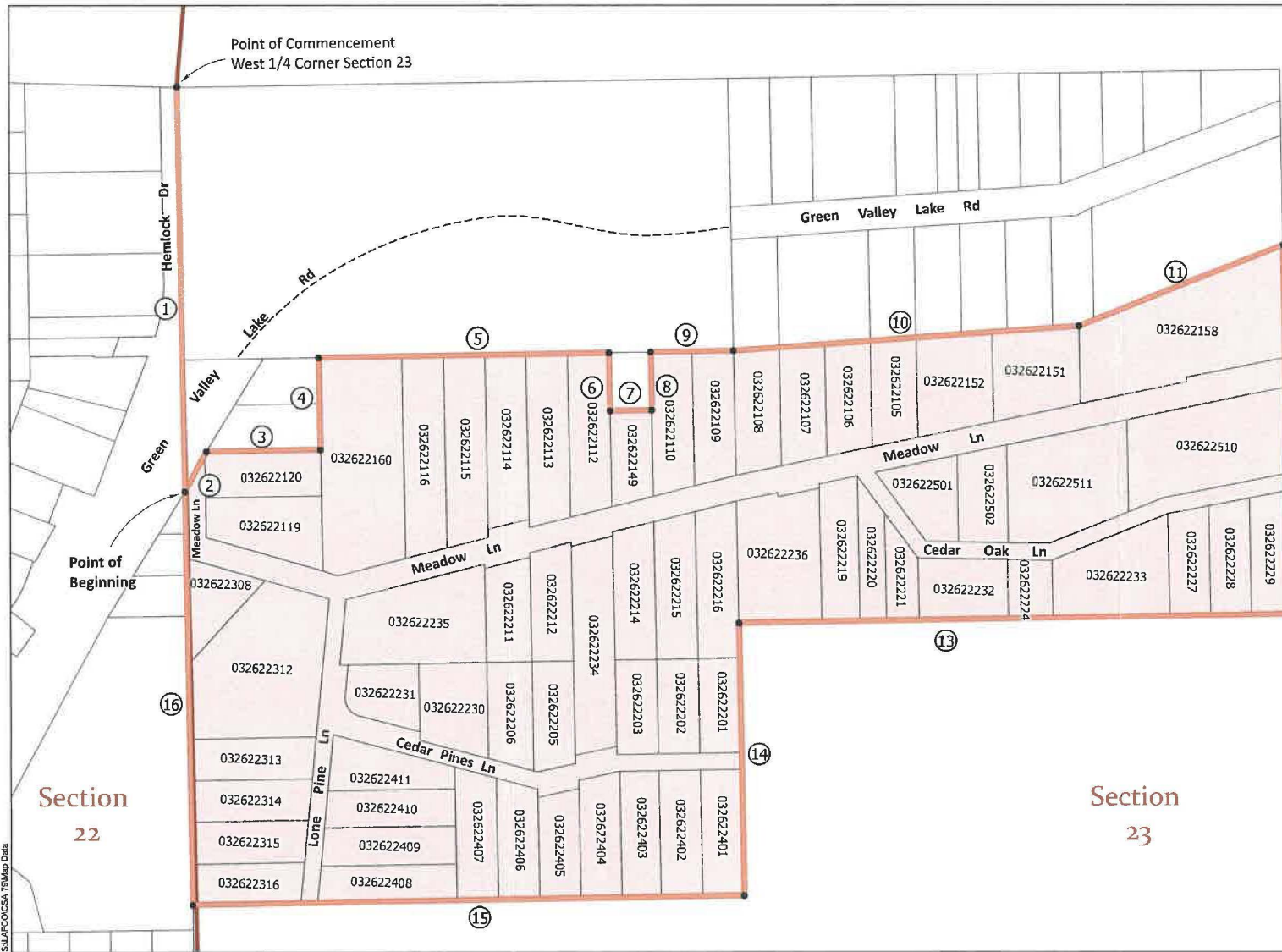
Sections	Parcels	<b>Affected Agency</b>
Township	Arrowbear Park County Water District	Running Springs Water District
		County Service Area 79

0 0.25 0.5 Miles

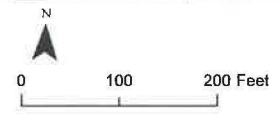
**EXHIBIT B**  
A reorganization to include annexation to Running Springs Water District  
and dissolution of County Service Area 79  
LAFCO# \_\_\_\_\_

N

02/27/2023  
Run/Map/Annex/ R/S/8/20  
Deputy County Surveyor



Course	Bearing	Distance
1	S 03° 20' 07" E	486.88
2	N 26° 12' 40" E	54.34
3	N 86° 40' 26" E	137.57
4	N 03° 20' 07" W	110.45
5	N 86° 40' 26" E	350.15
6	S 03° 20' 07" E	70.00
7	N 86° 40' 26" E	50.08
8	N 03° 20' 07" W	70.00
9	N 86° 40' 26" E	99.76
10	N 83° 39' 01" E	417.06
11	N 65° 58' 08" E	265.51
12	S 03° 20' 07" E	444.45
13	S 86° 40' 26" W	664.48
14	S 03° 20' 07" E	327.62
15	S 86° 40' 26" W	664.68
16	N 03° 20' 07" W	498.47



- Legend**
- CSA79 "R1"
  - Sections
  - Parcel Lines
  - County Service Area 79

**EXHIBIT B**  
 A reorganization to include annexation to Running Springs Water District  
 and dissolution of Improvement zone "R1" to County Service Area 79

LAFCO# \_\_\_\_\_

**Affected Agency**  
 CSA79 "R1"  
 Running Springs Water District

By:   
 Ryan Hunsicker, PLS 8302  
 Deputy County Surveyor

02/02/22  
 Date



**CERTIFICATION**

I, Amie R. Crowder, Board Secretary of Running Springs Water District, hereby certify that the foregoing is a full, true, and correct copy of the Resolution No. 03-22 adopted by the Board of Directors of Running Springs Water District at the regular meeting of said Board held on the 16<sup>th</sup> day of February 2022, by the following vote:

**AYES:** MACKZUM, TERRY, CONRAD, ACCIANI, DYBERG

**NOES:** 0

**ABSTENTIONS:** 0

**ABSENT:** 0



*Amie R. Crowder*

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



**LAND USE AND DEVELOPMENT POTENTIAL**

1. Total land area of subject territory (defined in acres):  
Approximately 200 acres +/-
  
2. Current dwelling units within area classified by type (single-family residential, multi-family [duplex, four-plex, 10-unit], apartments)  
Approximately 1100 single-family residential units.
  
3. Approximate current population within area:  
Approximately 300
  
4. Indicate the General Plan designation(s) of the affected city (if any) and uses permitted by this designation(s):  
N/A  

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San Bernardino County General Plan designation(s) and uses permitted by this designation(s):  
Primarily residential zone with a small commercial zone.  

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5. Describe any special land use concerns expressed in the above plans. In addition, for a City Annexation or Reorganization, provide a discussion of the land use plan's consistency with the regional transportation plan as adopted pursuant to Government Code Section 65080 for the subject territory:  
N/A  

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6. Indicate the existing use of the subject territory.  
Residential  

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- What is the proposed land use?  
No change.  

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7. Will the proposal require public services from any agency or district which is currently operating at or near capacity (including sewer, water, police, fire, or schools)? YES  NO  If YES, please explain.  
N/A  

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8. On the following list, indicate if any portion of the territory contains the following by placing a checkmark next to the item:

- Agricultural Land Uses
- Williamson Act Contract
- Any other unusual features of the area or permits required: \_\_\_\_\_
- Agricultural Preserve Designation
- Area where Special Permits are Required

None that the County is aware of.

9. Provide a narrative response to the following factor of consideration as identified in §56668(p): *The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services:*

Environmental justice is not applicable for this proposal.

**ENVIRONMENTAL INFORMATION**

1. Provide general description of topography. Green Valley Lake is located in a mountainous terrain at an elevation of 7200 feet within the San Bernardino National Forest.

2. Describe any existing improvements on the subject territory as % of total area.

Residential	<u>90%</u>	Agricultural	<u>0%</u>
Commercial	<u>10%</u>	Vacant	<u>0%</u>
Industrial	<u>0%</u>	Other	<u>0%</u>

3. Describe the surrounding land uses:

NORTH National Forest

EAST National Forest

SOUTH National Forest

WEST National Forest

4. Describe site alterations that will be produced by improvement projects associated with this proposed action (installation of water facilities, sewer facilities, grading, flow channelization, etc.).

None

5. Will service extensions accomplished by this proposal induce growth on this site? YES   
NO  Adjacent sites? YES  NO  Unincorporated  Incorporated

None

6. Are there any existing out-of-agency service contracts/agreements within the area? YES   
NO  If YES, please identify.

USFS use agreement for a sewer line placed within USFS land.

Agreement with Snow Valley Resort for treatment. This is outside of the District and will be billed  
by equivalent dwelling unit (EDU).

7. Is this proposal a part of a larger project or series of projects? YES  NO  If YES, please explain.

**NOTICES**

Please provide the names and addresses of persons who are to be furnished mailed notice of the hearing(s) and receive copies of the agenda and staff report.

NAME List will be provided upon request. TELEPHONE NO. \_\_\_\_\_

ADDRESS: \_\_\_\_\_

NAME \_\_\_\_\_ TELEPHONE NO. \_\_\_\_\_

ADDRESS: \_\_\_\_\_

NAME \_\_\_\_\_ TELEPHONE NO. \_\_\_\_\_

ADDRESS: \_\_\_\_\_

**CERTIFICATION**

As a part of this application, the San Bernardino County on behalf of CSA 79 and Running Springs Water District (co-applicants) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

I hereby certify that the statements furnished above and in the attached supplements and exhibits present the data and information required for this initial evaluation to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE JAN 25 2022

Co-Applicant SIGNATURE

**Curt Hagman**

Printed Name of Applicant or Real Property in Interest  
(Landowner/Registered Voter of the Application Subject Property)

**Chairman, Board of Supervisors**

Title and Affiliation (if applicable)

DATE 2-10-22

Co-Applicant SIGNATURE

**Ryan Gross**

Printed Name of Applicant or Real Property in Interest  
(Landowner/Registered Voter of the Application Subject Property)

**General Manager, Running Springs Water District**  
Title and Affiliation (if applicable)

SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIRMAN OF THE BOARD  
**LYNNA MONELL**  
Clerk of the Board of Supervisors of the County of San Bernardino

By \_\_\_\_\_  
Deputy



PLEASE CHECK SUPPLEMENTAL FORMS ATTACHED:

- ANNEXATION, DETACHMENT, REORGANIZATION SUPPLEMENT
- SPHERE OF INFLUENCE CHANGE SUPPLEMENT
- CITY INCORPORATION SUPPLEMENT
- FORMATION OF A SPECIAL DISTRICT SUPPLEMENT
- ACTIVATION OR DIVESTITURE OF FUNCTIONS AND/OR SERVICES FOR SPECIAL DISTRICTS SUPPLEMENT

# SUPPLEMENT ANNEXATION, DETACHMENT, REORGANIZATION PROPOSALS

**INTRODUCTION:** The questions on this form are designed to obtain data about the specific annexation, detachment and/or reorganization proposal to allow the San Bernardino LAFCO, its staff and others to adequately assess the proposal. You may also include any additional information which you believe is pertinent. Use additional sheets where necessary, and/or include any relevant documents.

1. Please identify the agencies involved in the proposal by proposed action:

ANNEXED TO  
Running Springs Water District  
\_\_\_\_\_  
\_\_\_\_\_

DETACHED FROM  
County Service Area 79  
\_\_\_\_\_  
\_\_\_\_\_

2. For a city annexation, State law requires pre-zoning of the territory proposed for annexation. Provide a response to the following:

- a. Has pre-zoning been completed? YES  NO
- b. If the response to "a" is NO, is the area in the process of pre-zoning? YES  NO

Identify below the pre-zoning classification, title, and densities permitted. If the pre-zoning process is underway, identify the timing for completion of the process.

N/A  
\_\_\_\_\_  
\_\_\_\_\_

3. For a city annexation, would the proposal create a totally or substantially surrounded island of unincorporated territory?

YES  NO  If YES, please provide a written justification for the proposed boundary configuration.

N/A  
\_\_\_\_\_  
\_\_\_\_\_

4. Will the territory proposed for change be subject to any new or additional special taxes, any new assessment districts, or fees?

No.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Will the territory be relieved of any existing special taxes, assessments, district charges or fees required by the agencies to be detached?

No.

6. If a Williamson Act Contract(s) exists within the area proposed for annexation to a City, please provide a copy of the original contract, the notice of non-renewal (if appropriate) and any protest to the contract filed with the County by the City. Please provide an outline of the City's anticipated actions with regard to this contract.

N/A

7. Provide a description of how the proposed change will assist the annexing agency in achieving its fair share of regional housing needs as determined by SCAG.

N/A

8. **PLAN FOR SERVICES:**

For each item identified for a change in service provider, a narrative "Plan for Service" (required by Government Code Section 56653) must be submitted. This plan shall, at a minimum, respond to each of the following questions and be signed and certified by an official of the annexing agency or agencies.

- A. A description of the level and range of each service to be provided to the affected territory.
- B. An indication of when the service can be feasibly extended to the affected territory.
- C. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.
- D. The Plan shall include a Fiscal Impact Analysis which shows the estimated cost of extending the service and a description of how the service or required improvements will be financed. The Fiscal Impact Analysis shall provide, at a minimum, a five (5)-year projection of revenues and expenditures. A narrative discussion of the sufficiency of revenues for anticipated service extensions and operations is required.

- E. An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.
- F. If retail water service is to be provided through this change, provide a description of the timely availability of water for projected needs within the area based upon factors identified in Government Code Section 65352.5 (as required by Government Code Section 56668(k)).

## **CERTIFICATION**

As a part of this application, the San Bernardino County on behalf of CSA 79 and Running Springs Water District (co-applicants) agree to defend, indemnify, hold harmless, promptly reimburse San Bernardino LAFCO for all reasonable expenses and attorney fees, and release San Bernardino LAFCO, its agents, officers, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it.

This indemnification obligation shall include, but not be limited to, damages, penalties, fines and other costs imposed upon or incurred by San Bernardino LAFCO should San Bernardino LAFCO be named as a party in any litigation or administrative proceeding in connection with this application.

As the person signing this application, I will be considered the proponent for the proposed action(s) and will receive all related notices and other communications. I understand that if this application is approved, the Commission will impose a condition requiring the applicant and/or the real party in interest to indemnify, hold harmless and reimburse the Commission for all legal actions that might be initiated as a result of that approval.

As the proponent, I acknowledge that annexation to the Running Springs Water District may result in the imposition of taxes, fees, and assessments existing within the (city or district) on the effective date of the change of organization. I hereby waive any rights I may have under Articles XIIC and XIID of the State Constitution (Proposition 218) to a hearing, assessment ballot processing or an election on those existing taxes, fees and assessments.

I hereby certify that the statements furnished above and the documents attached to this form present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

DATE JAN 25 2022

*Curt Hagman*

Co-Applicant SIGNATURE

Curt Hagman

Printed Name of Applicant or Real Property in Interest  
(Landowner/Registered Voter of the Application Subject Property)

**Chairman, Board of Supervisors**

Title and Affiliation (if applicable)

DATE 2-10-22

*Ryan Cross*

Co-Applicant SIGNATURE

Ryan Cross

Printed Name of Applicant or Real Property in Interest  
(Landowner/Registered Voter of the Application Subject Property)

General Manager, Running Springs Water District

Title and Affiliation (if applicable)

SIGNED AND CERTIFIED THAT A COPY OF  
THIS DOCUMENT HAS BEEN DELIVERED  
TO THE CHAIRMAN OF THE BOARD  
LYNNA MONELL  
Clerk of the Board of Supervisors  
of the County of San Bernardino

By \_\_\_\_\_





RUNNING SPRINGS WATER DISTRICT  
RUNNING SPRINGS FIRE DEPARTMENT

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

**Plan for Service and Fiscal Impact Analysis**

**LAFCO 3254**

**Reorganization to include Annexation to the Running Springs Water District**

In 2019, the Running Springs Water District (District) entered into a Wastewater Transportation, Treatment and Disposal Agreement with the County of San Bernardino County Service Area No. 79 (CSA 79), a County Service Area for Green Valley Lake which is located within the sphere of influence of the District. On July 17, 2019, the CSA 79 Special Advisory Committee met with the Running Springs Water District Board of Directors and requested that the District consider annexing the CSA 79 into the District's jurisdictional boundary in order to continue wastewater service and to provide for a more logical, efficient and effective delivery of the services provided by the District. This proposed reorganization only includes wastewater services.

The District desires that the proposed reorganization be subject to the standard terms and conditions imposed by the Local Agency Formation Commission ("LAFCO") and to the following terms and conditions:

- 1) Running Springs Water District will fix the Green Valley Lake community wastewater rates at their current level (Connection Fee \$5,336.22 and User Rate \$65.77 per Equivalent Dwelling Unit per month) for the first five years and account for the area as a separate enterprise fund barring any unforeseen circumstances that would require additional revenue; current wastewater rates for Running Springs Water District are: Connection Fee \$5,815 and User Rates \$54.08 per Equivalent Dwelling Unit per month plus \$0.0105 per cubic foot of water usage);
- 2) Depending on the timing of LAFCO approval of the proposed reorganization, Running Springs Water District will arrange for the Green Valley Lake community wastewater rates to be placed on the San Bernardino County property tax roll at the expense of Running Springs Water District's separate enterprise fund for the Green Valley Lake community;
- 3) After the initial 5 year period, a rate study will be prepared and the Green Valley Lake community will be merged with the existing Running Springs Water District wastewater enterprise such that a uniform wastewater rate will be applied for all wastewater customers of Running Springs Water District at that time;
- 4) Running Springs Water District will not assume any of CSA 79's pension liability. CSA 79 may withhold from transfer to Running Springs Water District a portion of its existing wastewater reserve funds to fund CSA 79's pension liabilities through LAFCO's issuance of the Certificate of Completion for the reorganization, with the method of calculation and the amount withheld to be determined and agreed to by both CSA 79 and Running Springs Water District;

- 5) CSA 79 R-1 funds for road services will transfer to the new CSA 70 road district zone, once formed;
- 6) All application fees and any other costs associated with the LAFCO reorganization will be paid for with CSA 79 reserve funds;
- 7) The remaining CSA 79 wastewater reserve funds, not withheld to cover CSA 79's pension liabilities, will be transferred to Running Springs Water District and be placed in a separate enterprise fund;
- 8) No additional Board of Director seats will be added to Running Springs Water District;
- 9) Running Springs Water District will enter into a new agreement as a permittee for a Special Use Permit with the United States Forest Service (USFS) for encroachment of the gravity sewer line under Green Valley Lake Road within the USFS;
- 10) Running Springs Water District acknowledges and agrees to the LAFCO requirement imposing legal indemnification as outlined in Policy 3 of Chapter 2 of the Accounting and Financial Section of its Policy and Procedure Manual;
- 11) Running Springs Water District will continue to provide out of district sewer service to Snow Valley, which is consistent with the sphere of influence, and will be billed based off an equivalent dwelling unit (EDU) count; and

### **Description of Services:**

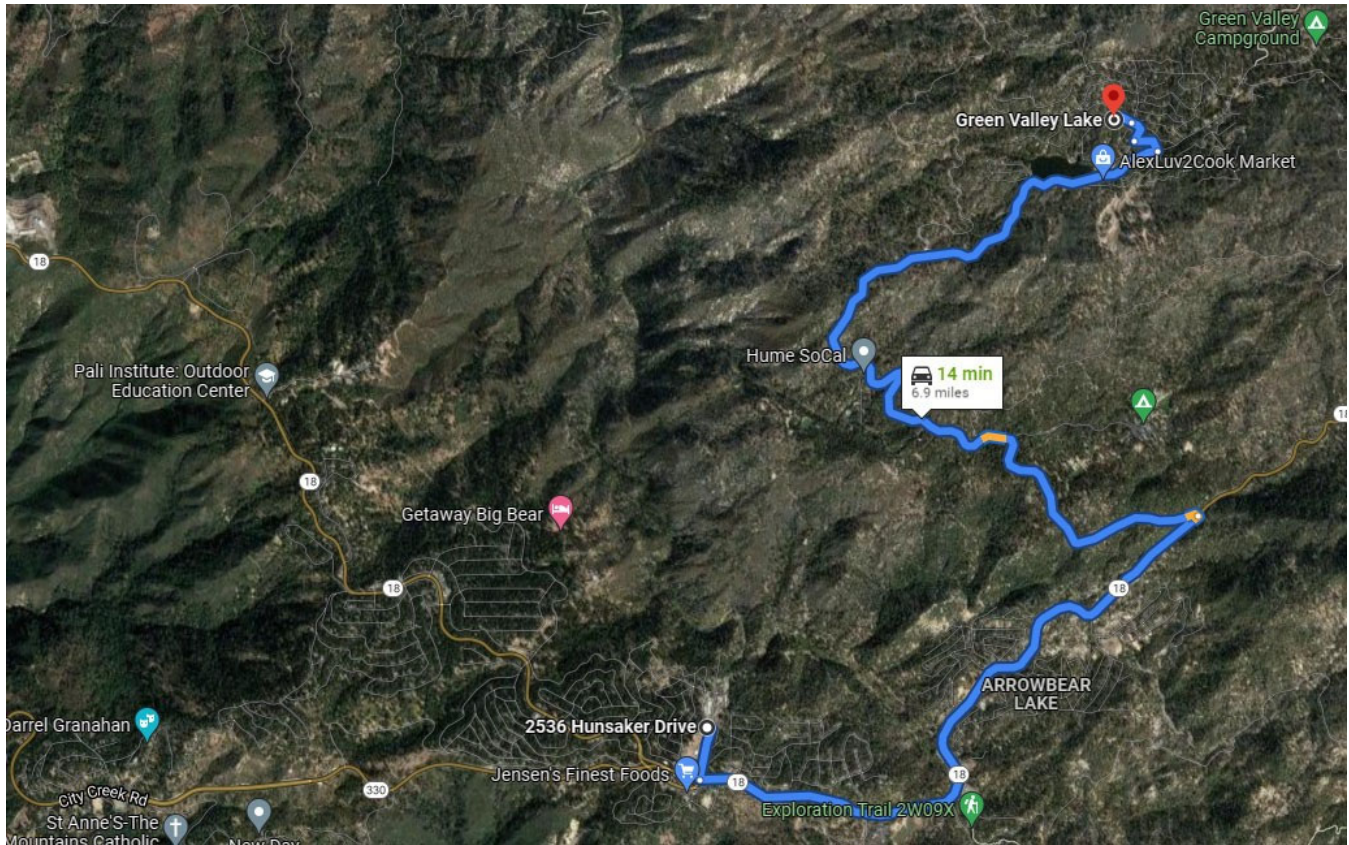
#### **Water**

Water service in the Green Valley Lake community is currently provided by the Green Valley Mutual Water Company and will continue to be provided by the Green Valley Mutual Water Company.

#### **Wastewater**

Wastewater collection service is currently provided by CSA 79 and would be transferred to the District. Wastewater transportation, treatment and disposal services are currently provided by an outside service agreement Between the District and CSA 79 and would continue. There is adequate capacity in the existing wastewater collections and treatment systems for the continued operation by the District.

The District's existing wastewater collections division building is located at 2536 Hunsaker Way, Running Springs, CA 92382 which is less than seven miles from Green Valley Lake. The District's main office and Board room is located at 31242 Hilltop Blvd. in Running Springs.



Current staffing includes a Wastewater Collections Lead Operator and two Wastewater Collections Operators one of which resides in Green Valley Lake. There are also six additional operators available as support staff if needed. The Operations Manager and General Manager are also certified operators. District staff and management will initially plan to operate the Green Valley Lake wastewater collection system with existing staff and evaluate if there is a need to add any additional staff or equipment.

Available equipment includes:

- 2020 Video Inspection Van
- Hydro jetting sewer collection cleaning equipment
- Two backhoes
- One wheel loader
- Two compressors with jackhammers, welders and other ancillary tools
- Multiple utility pickup trucks, snowplows and a skid steer Bobcat.
- Two snow cats

The District also contracts with various contractors and vendors for additional services and equipment on an as-needed and emergency basis such as emergency bypass pumping equipment, combination sewer cleaning/vactor equipment, construction services for emergency sewer repairs, etc.

It is the District's understanding that there is a United States Forest Service (USFS) Special Use Permit (SUP) for encroachment of the gravity sewer line under Green Valley Lake Road within the USFS and that this SUP would need to be renewed with the District as the permittee.

The existing agreement with Snow Valley for sewer service would also need to be transferred to the District.

### **Fire Protection**

Fire Protection Service is currently under the Jurisdiction of the San Bernardino County Fire Protection District and its Mountain Service Zone and will continue to be provided by the San Bernardino County Fire Protection District and its Mountain Service Zone.

### **Ambulance Emergency Medical Service (EMS)**

Running Springs Fire Department (RSFD) currently does and will continue to provide Advance Life Support (ALS) Ambulance EMS to the Green Valley Lake community, which is already within the RSFD Exclusive Operating Area (EOA 19). Ambulance EMS is provided by one or more of three ambulance units, and if necessary, a Squad that is equipped with an additional Paramedic and rescue gear and a local CalFire Unit that is stationed at the Running Springs Fire Station No. 51 to assist with EMS services or rescue.

### **Road Services**

Road services will continue to be provided by the County of San Bernardino.

### **Timing and Improvements**

The wastewater services described above are currently being provided and no additional infrastructure is required.

### **Fiscal Impact Analysis**

This annexation is for the Green Valley Lake community/CSA 79 which is within the District's sphere of influence. There will be no additional financial burden placed on the District to annex and continue providing wastewater services to this territory. The revenues anticipated would be sufficient to cover the expenses for wastewater services.

There is not anticipated to be any significant fiscal impact due to the fact that the Running Springs Water District already provides wastewater and emergency medical services to the territory.

All costs of operating and maintaining the District wastewater facilities will be recovered through rates and fees charged annually on the San Bernardino County property tax roll to the Green Valley Lake community property owners. The annexing territory will be included within the existing jurisdictional service boundaries of the District.

The County is in the process of updating the fiscal impact analysis report.

**All fees for the LAFCO Reorganization, Annexation and Detachment process to be paid by the CSA 79.**

### CERTIFICATION

I hereby certify that the statements furnished above and the documents attached present the data and information required to the best of my ability, and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

Name: Ryan Gross, P.E.

Title: General Manager

Organization: Running Springs Water District

Signature: 

Date: 4/22/2022

**SAN BERNARDINO COUNTY, ADMINISTRATIVE OFFICE**  
385 N. ARROWHEAD AVENUE, 5<sup>TH</sup> FLOOR  
SAN BERNARDINO, CA 92415-0110

**SAN BERNARDINO  
COUNTY SERVICE AREA 79  
REORGANIZATION**

**FISCAL IMPACT ANALYSIS**

JUNE 28, 2022

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## **INTRODUCTION**

San Bernardino County (“County”) is considering reorganizing County Service Area (“CSA”) 79, a dependent special district of the County. CSA 79 provides sewer and road maintenance services to a portion of the Hilltop community near Green Valley Lake in the San Bernardino Mountains. The reorganization would annex CSA 79 territory into the Running Springs Water District (“RSWD”), an independent special district that would take over sewer services. A new zone within CSA 70 would be created to continue providing road maintenance services through the County’s Special Districts Department. Figure 1 presents a map of each district (at the end of the “CSA 79 and RSWD Background” section).

The reorganization of CSA 79 has been discussed for decades to provide more efficient services to residents, most recently in Municipal Service Reviews (“MSR”) on water and wastewater completed by the Local Agency Formation Commission for San Bernardino County (“LAFCO”) in July 2017 and August 2018, respectively. Residents of CSA 79 requested that the County and RSWD proceed with the reorganization. RSG prepared this Fiscal Impact Analysis (“Analysis”) to assess the financial, operational, and political implications of reorganization.

RSG prepared this Analysis in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §§56000 et seq.) (“CKH Act”) and the Annexation, Detachment, and Reorganization Proposals form provided in LAFCO’s Policy & Procedures Manual. It examines the revenues and financial obligations of CSA 79, considering historical changes in revenues and expenditures by category over a five-year period from Fiscal Years (“FY”) 2016-17 through 2020-21. This Analysis presents ten-year financial projections for CSA 79 and RSWD sewer services, both as independent agencies and with sewer services consolidated under RSWD. The purpose of the Analysis is to assist the County, RSWD, LAFCO, and others in making a balanced and well-informed decision on merits of the proposed CSA 79 reorganization.

## **CSA 79 & RSWD BACKGROUND**

CSA 79 and RSWD have an existing contractual agreement in which RSWD provides wastewater treatment services to CSA 79. The districts were previously considered for reorganization in 2018. The sections that follow outline the history, scope of services, governance structure, and annual budget for CSA 79 and RSWD.

### **COUNTY SERVICE AREA 79 (CSA 79)**

CSA 79 currently provides sewer collection services to the Green Valley Lake Area in the San Bernardino Mountains, and road maintenance, paving, and snow removal services to an area of Green Valley Lake known as “The Meadow.”

### **HISTORY AND OVERVIEW**

CSA 79 Green Valley Lake was established by the San Bernardino County Board of Supervisors (“Board of Supervisors”) on September 7, 1971 to provide sewer and fire protection services. Fire protection services were later removed, as explained later in this section. CSA 79 R-1 Green Valley was established by the Board of Supervisors on September 14, 1993 to maintain 0.65 miles of paved roads. Collectively, CSA 79 segregates these two components with separate funds and budgets: “CSA 79 R-1 Green Valley Lake” and “CSA 79 R-1 Meadow Green Valley Lake” (collectively referred to as “CSA 79”).

While CSA 79 is responsible for all sewer services in the district territory, CSA 79 does not do so independently. CSA 79 maintains a sewer collection system and interceptor; sewage treatment is provided through an agreement with RSWD. The original Wastewater Transportation, Treatment and Disposal Agreement between CSA 79 and RSWD dates back to January 20, 1977. In 2019, CSA 79 and RSWD signed a new Wastewater Transportation, Treatment and Disposal Agreement, wherein CSA 79 will compensate RSWD for their wastewater services for a ten-year term. The term will automatically renew unless either party provides a cancellation notice.

CSA 79 sewer collection services are funded mostly by service charges to 1,255 equivalent dwelling units (“EDUs”) in the Green Valley Lake area of the San Bernardino mountains. Other revenues include special assessments for a standby fee charged to 373 parcels that have the ability to connect to the sewer system but have not because they remain undeveloped. CSA 79 also collects a small amount of revenues from interest and fees.

CSA 79 R-1 provides road maintenance, paving, and snow removal for Meadow Lane, a 0.65-mile paved road in the “The Meadow” area of Green Valley Lake. On August 7, 2007, voters approved an annual \$352 per parcel special tax with a 2.5 percent inflationary factor to fund these services. The FY 2021-22 special tax is \$497.39, billed on 63 parcels.<sup>1</sup>

The same year in which the voters approved the special tax for road services, CSA 79 coincidentally ceased to provide fire services within its territory as a result of the LAFCO approval

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<sup>1</sup> Number of CSA 79 parcels subject to road maintenance special tax as of February 2022.

**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

of the reorganization of fire services throughout the County that resulted in the formation of the San Bernardino County Fire Protection District and its Mountain Service Zone.

**GOVERNANCE AND STAFFING**

CSA 79 is overseen by the Board of Supervisors and has no direct employees or payroll. It operates with pooled personnel and supplies from CSA 70 within the County Special Districts Department. Although CSA 70 has multiple staff members that contribute to CSA 79 operations, CSA 79 funds the equivalent of approximately one full-time staff position.

**BUDGET**

CSA 79's FY 2021-22 Modified Budget was \$926,178 for sewer services (Fund 4850) and \$26,926 for road maintenance (Fund 1798), or \$953,104 total.

Of the CSA 79 sewer budget, \$1,007,300 is funded from service charges and \$34,900 is derived from other sources such as interest. Special Districts noted that approximately \$225,000 to \$250,000 of the budget is a contingency for as-needed repairs, therefore it may not be necessary to use the sewer fund balance.

The CSA 79 R-1 road maintenance budget of \$26,926 is funded entirely from the special tax. The Budget for CSA 79 sewer and CSA 79 R-1 road maintenance is presented in Table 1.

**Table 1: CSA 79 Modified Budget for FY 2021-22**

	<b>CSA 79 Sewer</b>	<b>CSA 79 R-1</b>	<b>Total</b>
<b>Revenues</b>	\$1,042,200	\$28,900	\$1,071,100
<b>Expenditures</b>	(926,178)	(26,926)	(953,104)
<b>Use of Net Position</b>	\$116,022	\$1,974	\$117,996

*Sources: San Bernardino County Finance Department and FY 2021-22 Modified Budget for Funds 4850 and 1798*

**RUNNING SPRINGS WATER DISTRICT (RSWD)**

RSWD is contracted by CSA 79 to provide sewer transportation, treatment, and disposal. RSWD also provides fire protection and ambulance services within its jurisdiction. The sections that follow outline RSWD's history, scope of services, governance, and annual budget. Figure 1, which follows the RSWD detailed discussion, illustrates the CSA 79, CSA 79 R-1, and RSWD district boundaries.

**HISTORY AND OVERVIEW**

RSWD is an independent special district formed in March 1958 to provide retail water to its constituents. RSWD established a Fire Department in 1962 to provide fire protection services. A sewage disposal system was completed in 1976 to provide sewer service. Ambulance service was established in 1976.

**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**POWERS AND SERVICES**

RSWD operates three departments: a water department that provides retail water distribution, a fire department that provides fire protection and ambulance services, and a wastewater department that collects, treats, and disposes of wastewater. RSWD services a five-square mile area of unincorporated San Bernardino County that includes Running Springs, Enchanted Forest, and portions of Smiley Park and Fredalba of the Hilltop community. The FY 2022-23 Budget accounted for 2,992 residential and commercial EDUs. RSWD’s power and authority is regulated by Division 12, Sections 30000-33901 of the California Water Code.

**GOVERNANCE AND STAFFING**

RSWD is governed by a five-member Board of Directors elected from the community. A General Manager oversees three department heads: Fire Chief, Administration Supervisor, and Operations Manager. At the time the FY 2022-23 budget was adopted, RSWD had approximately 25 employees and an annual salaries and benefits payroll of approximately \$4.8 million (of which \$1.4 million is for the water and administrative departments).

**BUDGET**

RSWD’s budget for FY 2022-23 is \$1,010,858 for wastewater collection (including interest) and \$1,393,292 for wastewater treatment, or \$2,404,150 total.

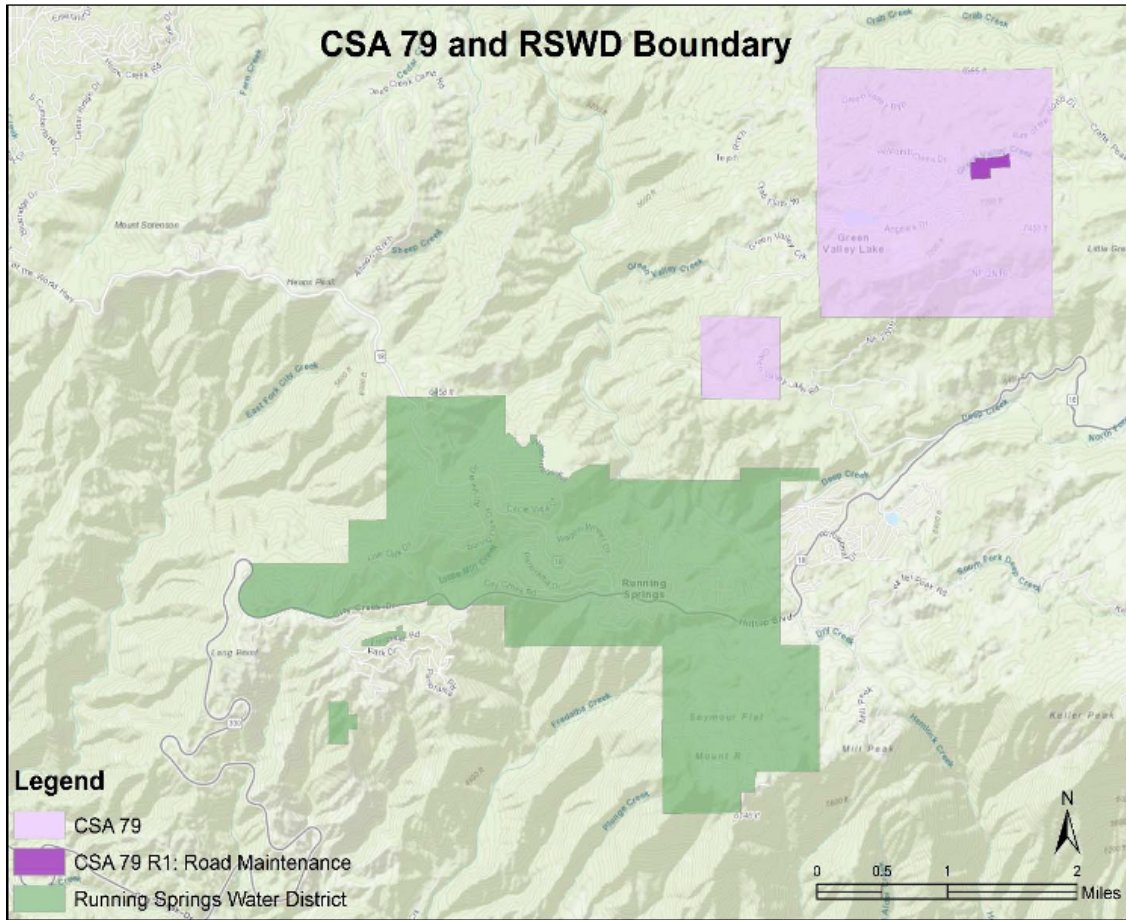
The wastewater collection budget is funded almost entirely by service charges and fees, with a small portion funded by interest income (\$10,652). The majority of the wastewater treatment budget is funded by service charges and fees to its rate payers. RSWD also receives revenues from wastewater treatment contracts with the Arrowbear Park County Water District (“Arrowbear”) and CSA 79 (\$842,675 budgeted). Table 2 presents the RSWD budget for FY 2022-23.

**Table 2: RSWD FY 2021-22 and 2022-23 Budget**

	<b>2021-22</b>	<b>2022-23</b>
<b>Wastewater Revenues</b>	\$2,982,540	<b>\$3,067,682</b>
<b>Wastewater Expenditures</b>	(2,302,667)	<b>(2,404,150)</b>
<b>Use of Net Position</b>	\$679,873	<b>\$663,532</b>
<i>Source: RSWD Final Budget Fiscal Years Ending 2022 and 2023</i>		

**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Figure 1: CSA 79 & RSWD Boundary Map**



**FISCAL IMPACT ANALYSIS  
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PLAN FOR SERVICES

The Preliminary Plan for Services describes services currently provided by CSA 79 and the proposed Plan for Services considered in this Analysis. The earliest the reorganization could take effect is most likely January 1, 2023 based on LAFCO’s review schedule. Table 3 presents a summary of the Preliminary Plan for Services.

<b>Table 3: Preliminary Plan For Services</b>			
<b>EXISTING PROVIDER</b>	<b>DESCRIPTION</b>	<b>CURRENT FUNDING &amp; STAFFING</b>	<b>NEW PROVIDER</b>
<b>CSA 79 Sewer</b>	CSA 79 maintains a sewer collection system and interceptor. Sewage treatment is provided through an agreement with RSWD.	Sewer services are funded through sewer fees. CSA 79 is staffed by pooled staff from CSA70, and overseen by the County Board of Supervisors.	RSWD would take over sewer maintenance and collection and continue providing sewer treatment. All sewer-related activities would be staffed and funded by RSWD.
<b>CSA 79 R-1 Road Maintenance</b>	CSA 79 R-1 maintains and provides snow removal for Meadow Lane, a 0.65-mile pavedroad in the “The Meadow” area of Green Valley Lake.	Snow removal is funded by a special tax approved by voters in 2007 that increases each year for inflation. The FY 2021-22 special tax is \$497.39 per parcel, billed on 63 parcels. Road maintenance is staffed by CSA 70.	A new zone in CSA 70 would be created to continue providing road maintenance services, which would continue to be provided by the County. The special tax would remain the same and be accounted for under the new CSA 70 zone. There would be no change to level of service, staffing, or Board oversight.
<i>Source: San Bernardino County</i>			

## **FISCAL IMPACT ANALYSIS**

The sections that follow outline RSG’s approach and methodology, an evaluation of historical revenue and expenditure trends, forecast assumption details for CSA 79 and RSWD, RSG’s consolidated district ten-year forecast assumptions, and a summary of assets and liabilities.

### **APPROACH & METHODOLOGY**

This section of the Analysis provides a due diligence assessment of the financial issues involved in the proposed reorganization. It considers the following components required by the CKH:

- Sufficiency of Revenues: “The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change” (§56668(k)).
- Public Service Costs: “Public service costs of a proposal that the commission is authorizing are likely to be less than or substantially similar to the costs of alternative means of providing the service” (§56881(b)(1)).
- Financial Accountability: “A change of organization or reorganization that is authorized by the commission promotes public access and accountability for community services needs and financial resources” (§56881(b)(2)).

RSG prepared a historical trends analysis of CSA 79’s actual revenues and expenditures from FYs 2016-17 through 2020-21 using year-end audited financial reports, as well as budgeted amounts for FYs 2021-22 and 2022-23. This information was used to prepare ten-year cash flow projections for CSA 79 sewer services and RSWD as independent districts, and for RSWD providing consolidated sewer services. RSG did not prepare financial projections for CSA 79 R-1 road maintenance because these services would remain with County Special Districts in CSA 70.

The major findings are summarized in the following sections. Detailed tables are provided in the “Appendix” section at the end of this report.

### **TRENDS ANALYSIS**

The following sections outline historical revenue, expenditure, and net position trends for CSA 79 sewer and CSA 79 R-1 road maintenance.

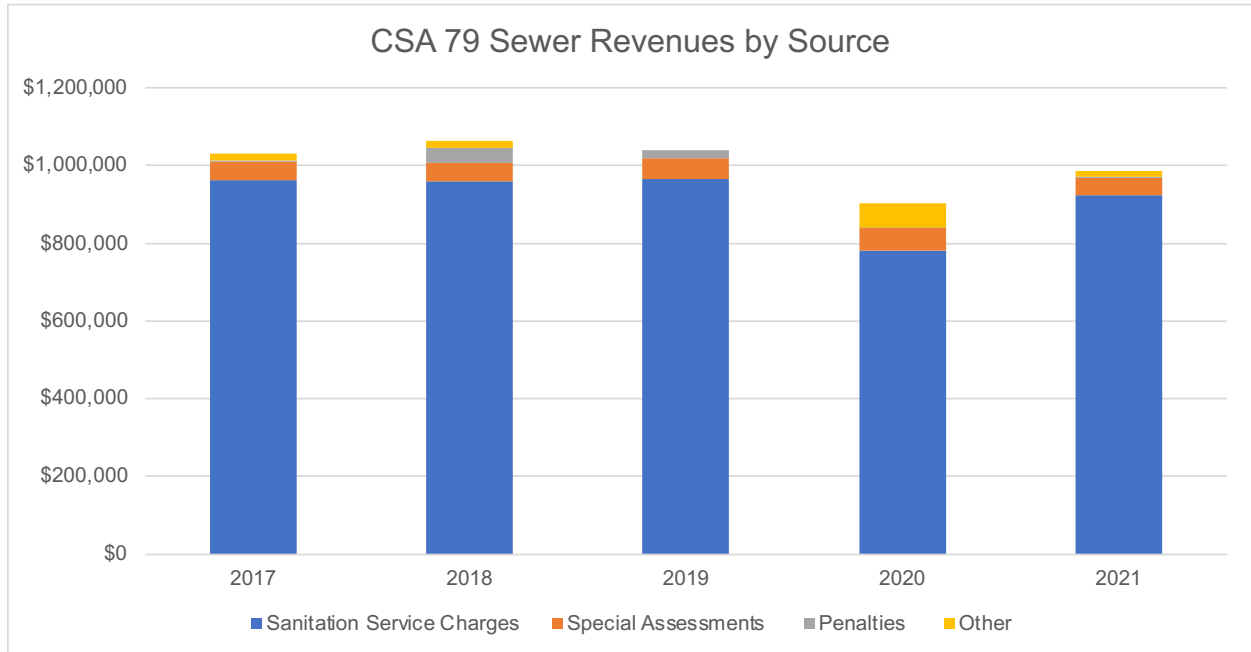
#### **CSA 79 SEWER**

Over the past five years from FYs 2016-17 through 2020-21, revenues have decreased by one percent, ranging from \$902,051 to \$1,064,438 per year. There was a 20 percent drop in revenue between 2019 and 2020 due to unpaid bills during the COVID-19 pandemic. CSA 79 received money from the State for sewer arrearages due to the pandemic. These funds have been credited toward customers’ unpaid bills. Any unused funds are required to be returned to the State and no State received monies will be available to be transferred to RSWD.

**FISCAL IMPACT ANALYSIS  
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Revenues in 2021 returned to pre-pandemic levels. Sanitation service charges are the primary revenue source, accounting for 94 percent of total (operating and non-operating) revenues in FY 2020-21. The sanitation service fee as of February 2022 is \$65.77 monthly charged to 1,255 EDUs. Other revenue sources include non-recurring permit and inspection fees, connection fees, and other miscellaneous sources such as interest revenue. Appendix 1 at the end of this report presents a five-year history of CSA 79's sewer revenues and expenditures. Chart 1 illustrates the historical revenues and expenditures over the last five years.

**Chart 1: CSA 79 Sewer Revenues by Source**

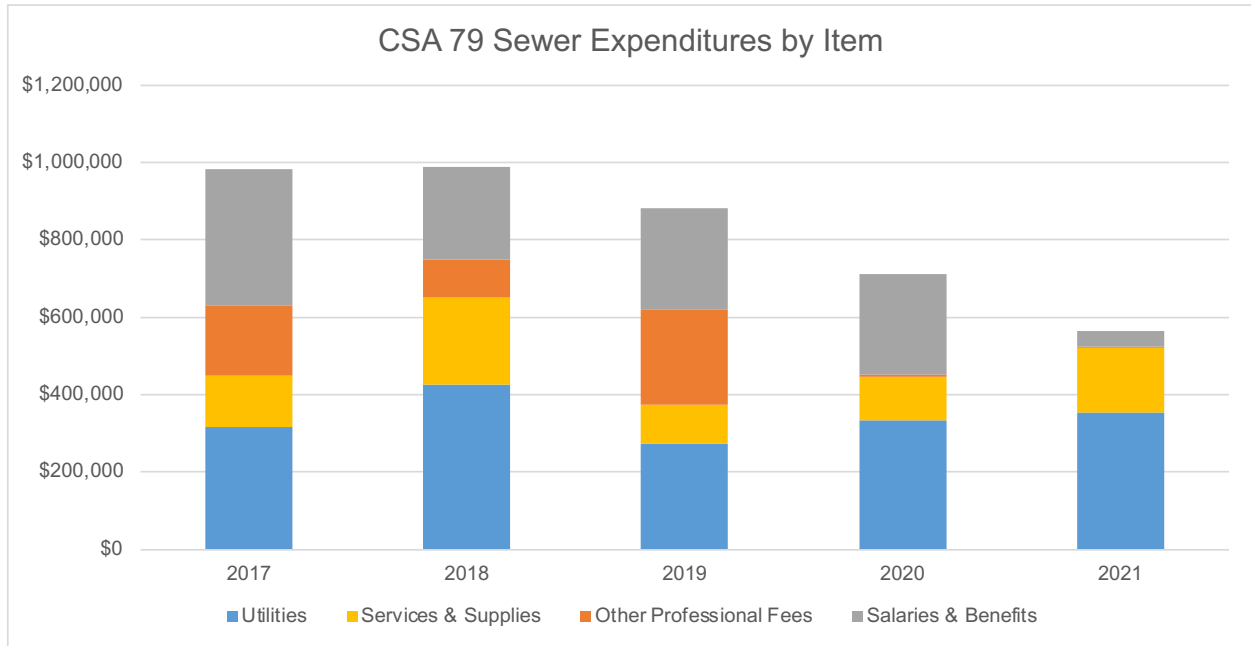


Source: CSA 79 Audited Financial Statements

**FISCAL IMPACT ANALYSIS  
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Total CSA 79 sewer expenditures have decreased by eleven percent over the past five years, ranging from \$700,000 to \$1.1 million per year with depreciation, or \$564,000 and \$989,000 excluding depreciation. This Analysis focuses on expenditures excluding depreciation, which is a cost allocation for the depreciating value of assets. The largest expense was for operations and maintenance, which comprised 93 percent of expenditures (net of depreciation) in FY 2020-21. Operations and maintenance costs include the RSWD agreement for sewage treatment, professional fees and services, services and supplies, and utilities. Transfers out to the County for CSA 79’s proportionate share of pooled labor accounted for the remaining seven percent of expenditures. Chart 2 illustrates CSA 79’s annual sewer expenditures by item.

**Chart 2: CSA 79 Sewer Expenditures by Item**



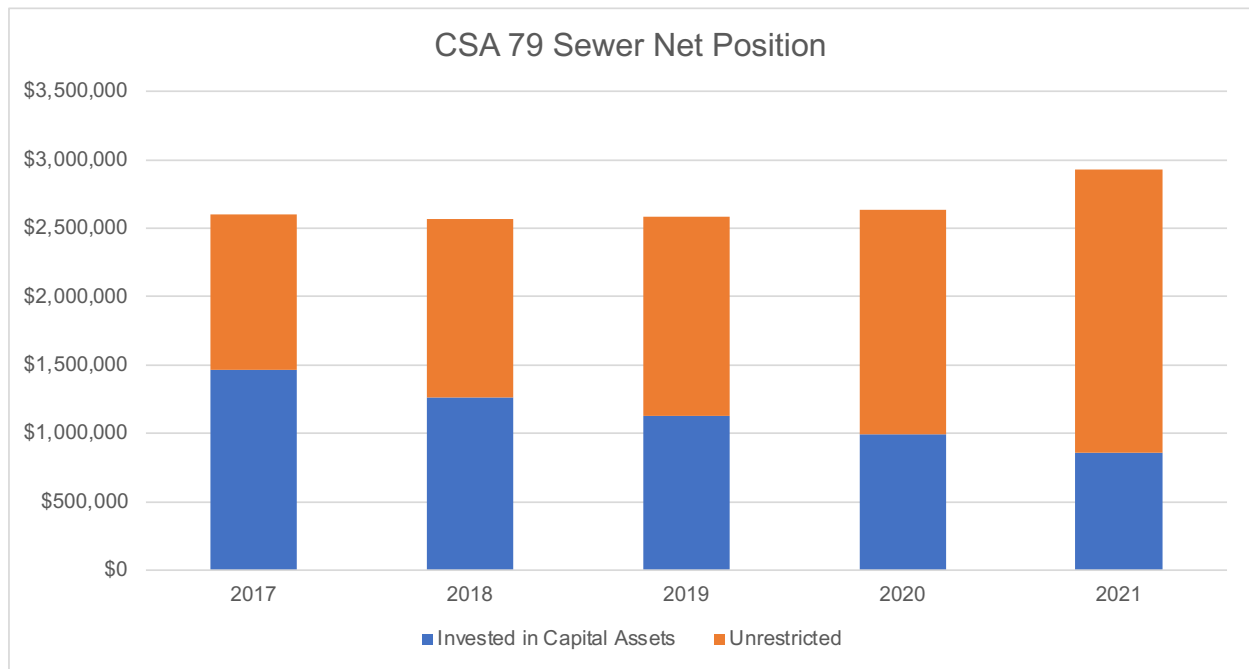
Source: CSA 79 Audited Financial Statements

Although CSA 79’s sewer fund shows a net operating deficit each year from 2017 to 2020 when comparing revenues minus expenditures, the loss is primarily attributable to depreciation. The fund had a positive net position over three of the past five years net of depreciation.

**FISCAL IMPACT ANALYSIS  
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As of June 30, 2021, the fund had \$3.2 million in current assets, including approximately \$2.3 million in unrestricted cash, \$25,000 in receivables, and \$857,000 in capital assets (primarily fixed infrastructure such as lift stations). Liabilities totaled approximately \$439,000, including \$82,900 in payables and a \$318,808 pension liability. As previously noted, CSA 79 has no direct employees; the pension liability represents 3.08 percent of the Special District Department's proportionate share of the County's net pension liability. Appendix 2 at the end of this report presents CSA 79's assets, liabilities, and net position from FYs 2016-17 through 2020-21. Chart 3 illustrates the CSA 79 sewer service net position between FYs 2016-17 and 2020-21.

**Chart 3: CSA 79 Sewer Net Position**

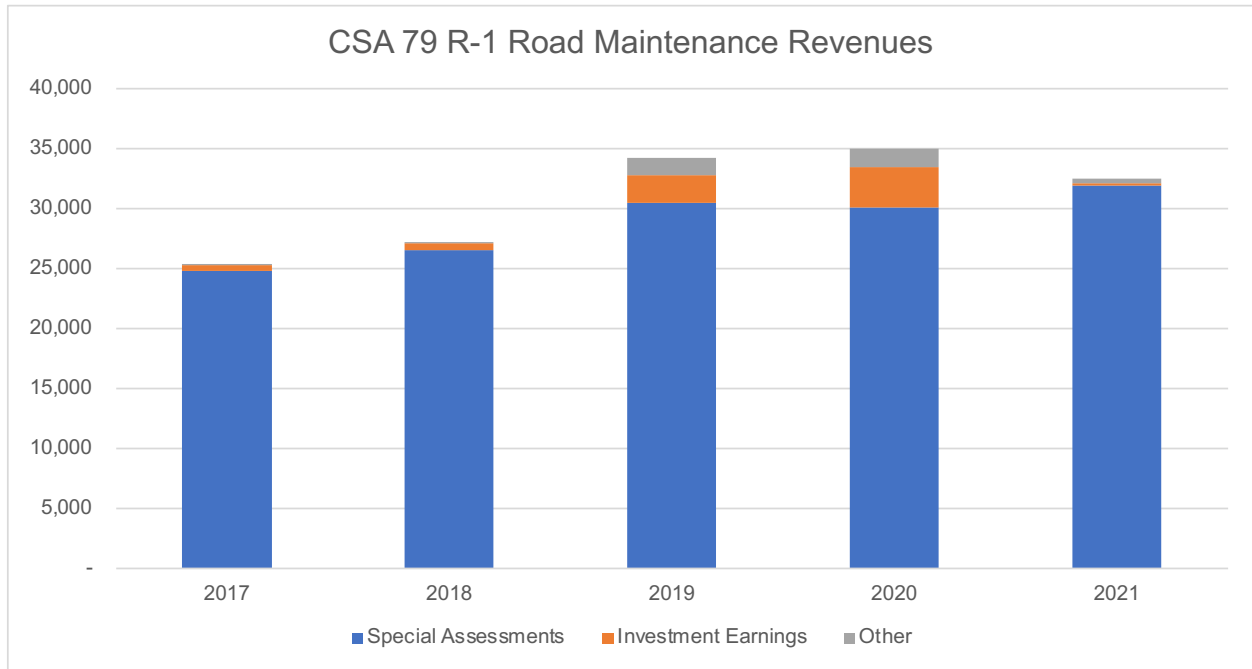


Source: CSA 79 Audited Financial Statements

CSA 79 R-1 ROAD MAINTENANCE

CSA 79 R-1 Road Maintenance is funded primarily by the special parcel tax. Revenues ranged between \$25,000 to \$35,000 over the past five years, and expenditures ranged between \$4,000 and \$45,000. The largest expense is services and supplies. Chart 4 illustrates the historical CSA 79 R-1 road maintenance revenues between FYs 2016-17 and 2020-21.

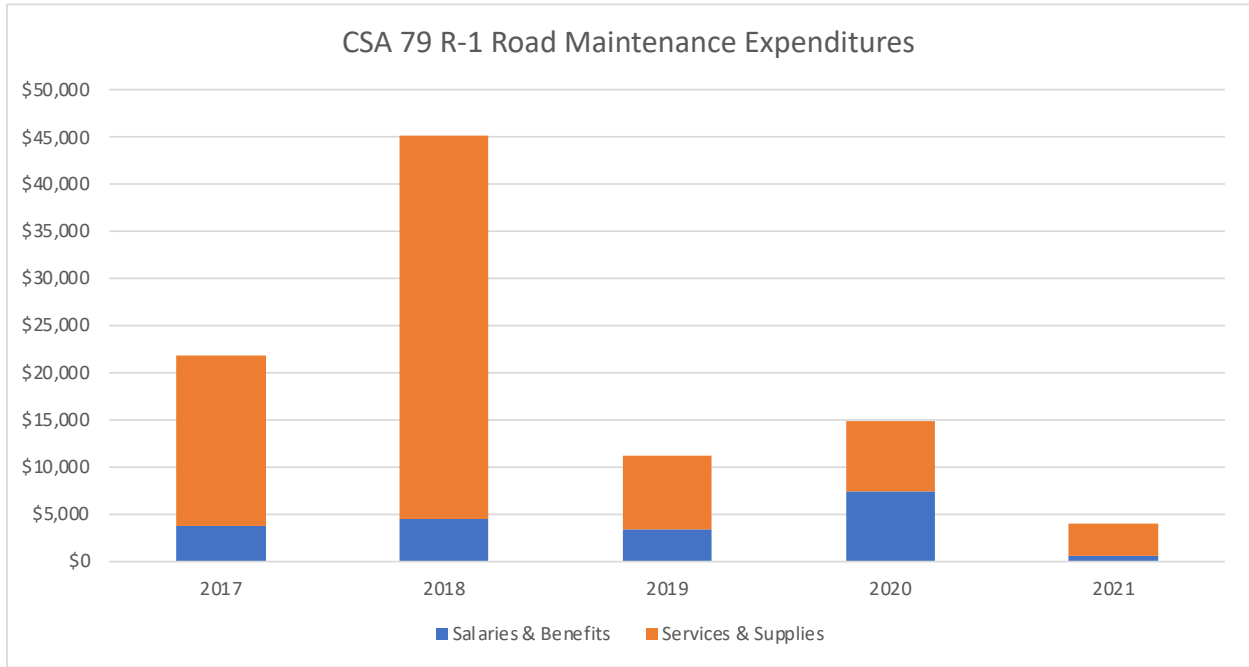
**Chart 4: CSA 79 R-1 Road Maintenance Revenues**



Source: CSA 79 Audited Financial Statements

CSA 79 R-1 expenditures dropped by 75 percent from 2018 to 2019 due to the completion of a chip seal capital improvement project in 2017-18. Historical CSA 79 R-1 Road Maintenance expenditures are illustrated in Chart 5.

**Chart 5: CSA 79 R-1 Road Maintenance Expenditures**

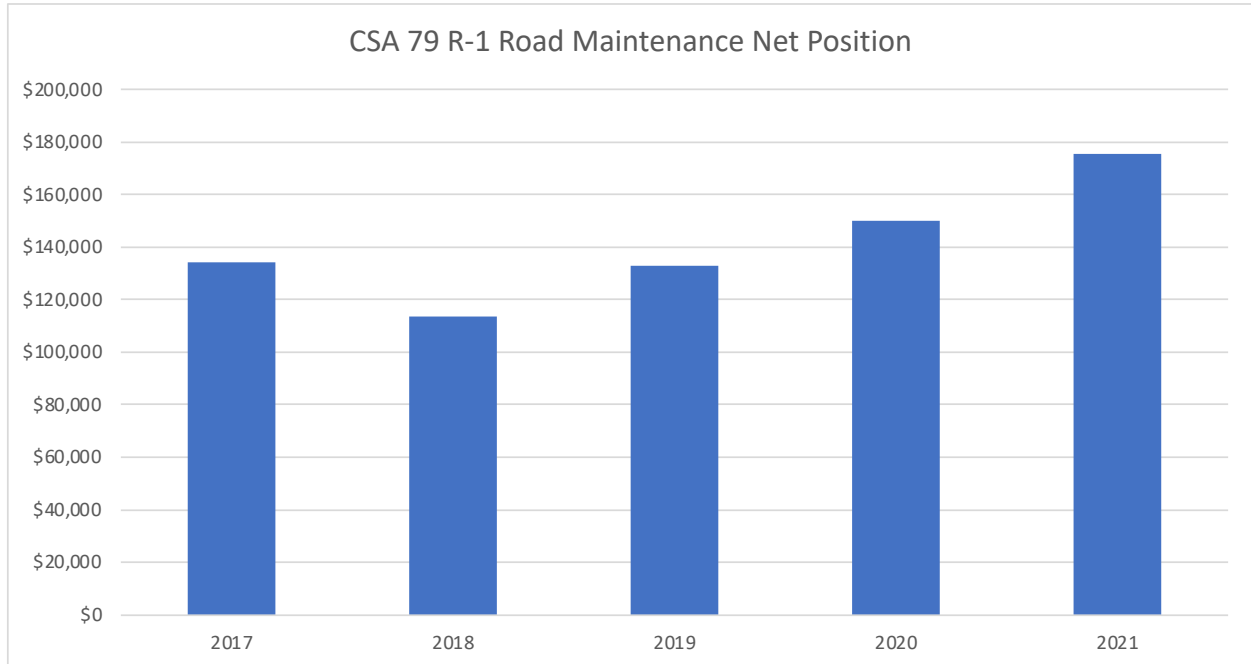


Source: CSA 79 Audited Financial Statements

**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

The fund had a positive net position with revenues exceeding expenditures four of the past five years. The cash balance was \$136,487 as of June 30, 2021. Appendices 3 and 4 provide a detailed five-year history of revenues, expenditures, assets, liabilities, and net position from FYs 2016-17 through 2020-21. Chart 6 illustrates the CSA 79 R-1 road maintenance net position between FY 2016-17 and FY 2020-21.

**Chart 6: CSA 79 R-1 Road Maintenance Net Position**



*Source: CSA 79 Audited Financial Statements*

The proposed reorganization of CSA 79 will have minimal impact on CSA 79 R-1 road maintenance services and operations since its services will remain with County Special Districts, and revenues have exceeded expenditures each of the past five years. Therefore, this Analysis does not include a baseline projection of revenues and expenditures for the CSA 79 R-1 road maintenance fund.

## FORECAST ASSUMPTIONS

To prepare a baseline projection of revenues and expenditures for CSA 79 sewer services, RSG identified revenues and expenditures that are reasonably expected to continue into the future based on historic trends and consultations with the County Special District Department's Finance Department. The following charts discuss the forecast methodology for projecting future values by category from fiscal years ending ("FYE") in 2023 through 2032, considering actual revenues and expenditures from FYE 2017 through 2021 and budgeted figures from FYE 2022 and 2023.

### CSA 79 SEWER REVENUES (INDEPENDENT)

Using CSA 79's audited financial reports, RSG compiled assumptions about CSA 79's revenues over a ten-year period beginning in fiscal year 2022-23. Two different revenue scenarios are presented for CSA 79:

- Scenario 1: Monthly fees remain constant over the 10-year projection period. County staff noted that this scenario is expected to result in an operating deficit.
- Scenario 2: Monthly fees remain constant for a period of 5 years followed by a 3 percent annual increase beginning in 2028.

Table 4 details the assumptions used in the ten-year forecast.

**FISCAL IMPACT ANALYSIS  
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**Table 4: CSA 79 Sewer Revenues (Independent)**

ITEM	DESCRIPTION	FORECAST METHODOLOGY	DISCUSSION
<b>Sanitation Services</b>	Fees charged for CSA 79 sanitation services	<p>Scenario 1: Monthly fee of \$65.77 remains constant with 0% increase.</p> <p>Scenario 2: Monthly fee of \$65.77 remains constant until 2027, then increases by 3% annually beginning in 2028.</p> <p>Number of EDUs increase by 2 EDUs annually, from 1,255 EDUs in 2022 to 1,275 EDUs in 2032.</p>	<p>The current CSA 79 sewer rate has not been adjusted since FYE 2014.</p> <p>The County conducted a sewer rate study in March 2017 (completed by Black &amp; Veatch) that resulted in recommendations to increase the current monthly sewer fee by 7% annually over five years.</p> <p>In 2022, Special Districts is considering a potential increase of 2.8% annually over three years. At the time of this report, this increase has not been implemented.</p> <p>This Analysis makes projections for both the rate remaining constant and a 3% increase in fees after five years.</p> <p>The number of EDUs grew from 1,227 in 2018 to 1,255 in 2022, or an average of 7 EDUs per year. A smaller growth rate of 2 EDUs per year has been assumed for this Analysis due to taking into account staff recommendation for long term trending.</p>
<b>Special Assessments</b>	Standby fee charged to 373 parcels that have ability to connect but are undeveloped	\$50,000 per year	<p>Special assessment revenues averaged \$51,000 from FYE 2017-2021, ranging from \$43,000 to \$59,000. The County budgeted \$53,300 for 2022.</p> <p>The projections estimate \$50,000 per year.</p>
<b>Penalties &amp; Delinquent Taxes</b>	Penalties for late fees or taxes	\$5,900 per year	<p>Revenues from penalties averaged \$14,000 from FYE 2017-2021, ranging from \$1,300 to \$38,000. The audited financials do not identify revenues from delinquent taxes. The County budgeted \$5,900 from both sources combined in FYE 2022.</p> <p>Assume no change at \$5,900 per year.</p>
<b>Permit &amp; Inspection Fees</b>	Permit and inspection fees for new development	\$75 per new connection, assuming 2 new connections annually	<p>CSA 79 received \$75 in annual revenues in this category in FYE 2017 and \$150 in FYE 2019.</p> <p>Assume \$75 is the average fee per new connection.</p>

**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Table 4: CSA 79 Sewer Revenues (Independent)**

ITEM	DESCRIPTION	FORECAST METHODOLOGY	DISCUSSION
<b>Connection Fees</b>	Fees charged to connect new EDUs	\$5,336 per EDU, assuming 2 new EDUs are connected annually	<p>CSA 79 received \$6,510 in connection fees in FYE 2019; the only year fees were collected over the past five years.</p> <p>Assume 2 new EDUs connected annually at a rate of \$5,336 per EDU.</p>
<b>Investment Earnings / Interest</b>	Interest earned on cash in bank accounts	\$10,000 annually	<p>Earnings over the past five years ranged from \$5,000 to \$57,000 annually. The County budgeted \$10,000 in FYE 2022.</p> <p>Actual interest earned will vary based on interest rates and cash balances. RSG has estimated \$10,000 per year for the purposes of these projections.</p> <p>County staff noted that, if CSA 79 begins to utilize cash balances to offset annual operating deficits, this figure will decrease over time.</p>
<b>Other</b>	Miscellaneous revenues	\$0 per year	<p>These revenues have varied widely since FYE 2017, ranging from \$4,000 to \$9,000 annually. The County budgeted \$23,000 for FYE 2022 (under residential sales “other” and residual equity transfers in).</p> <p>Assume an average of \$0 per year.</p>

*Sources: CSA 79 Audited Financial Statements, San Bernardino County Finance Department and 2021-2022 Adopted Budget, RSG, Inc.*

**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

CSA 79 SEWER EXPENDITURES (INDEPENDENT)

Based on RSG’s review of historical expenditure trends and conversations with County staff, RSG developed assumptions for CSA 79’s sewer expenditures. Table 5 outlines CSA 79’s sewer expenditures assumptions.

<b>Table 5: CSA 79 Sewer Expenditures (Independent)</b>			
<b>ITEM</b>	<b>DESCRIPTION</b>	<b>FORECAST METHODOLOGY</b>	<b>DISCUSSION</b>
<b>RSWD Contract O&amp;M</b>	Payment to RSWD for wastewater treatment under negotiated agreement	\$350,000 in FY 2022 increased by 0.16% annually	<p>The RSWD agreement was renegotiated in 2019 for CSA 79 to pay a proportionate share of monthly costs based on average annual wastewater flow to Joint Use Facilities plus a peaking capacity factor of 28 percent. The estimated fee for FYE 2022 is \$29,167 per month, or \$350,000 annually.</p> <p>The projections assume the fee will grow by 0.16% annually to match the growth rate of 2 EDUs per year in CSA 79. The actual rate will vary based on wastewater flow.</p>
<b>RSWD Contract CIP</b>	Payment to RSWD for proportionate share of wastewater treatment capital improvements	RSWD budgeted CIP amounts through 2025 x CSA 79’s share (24.52% as of FYE 2022). Held constant after FYE 2025.	<p>CSA 79 pays for a proportionate share of RSWD wastewater treatment capital improvement projects (24.52% as of FYE 2022). The estimated fee for FYE 2022 is \$17,317 per month or \$207,807 annually.</p> <p>RSWD’s budget includes cash flow projections from FYE 2019 to 2025 that estimate annual capital improvement costs from FYEs 2019 to 2025.</p> <p>The CSA 79 projections in this Analysis multiply 24.52% by RSWD’s budgeted CIP costs through 2025. The CIP costs are held constant after 2025.</p>
<b>Professional Services – O&amp;M</b>	Fees paid to third parties contracted for operating and maintenance expenses, including	\$255,000 per year	Over the past five years, “other” professional fees ranged from \$2,029 to \$180,284. The County budgeted \$250,655 in FYE 2022.

**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Table 5: CSA 79 Sewer Expenditures (Independent)**

ITEM	DESCRIPTION	FORECAST METHODOLOGY	DISCUSSION
	collection system inspection, cleaning, repair and replacement.		The projections assume a \$255,000 expense annually.
<b>Services &amp; Supplies</b>	Direct operating and maintenance costs such as equipment and grounds maintenance, tools, and infrastructure insurance.	FYE 2022 budgeted amount of \$34,917 increased by 2.9% annually for inflation (average CPI-U for the Riverside region from 2018-2021).	<p>Over the past five years, costs ranged from \$101,000 to \$255,000, varying up and down each year.</p> <p>This Analysis assumes services and supply costs will continue to remain relatively constant, with a slight annual increase for inflation based on the average Consumer Price Index for the past five years.</p>
<b>Salaries &amp; Benefits</b>	CSA 79's proportionate share of the County Special Districts Department's pooled employees	FYE 2018 <sup>2</sup> budgeted amount of \$241,064 increased by 2.9% annually for inflation (average CPI-U for the Riverside region from 2018-2021).	<p>Over the past five years, this expense ranged from \$40,000 to \$353,000, decreasing from FYEs 2017 to 2021. This decrease is due to both a change in methodology of the way salaries are budgeted, and due to the completion of a capital improvement project.</p> <p>This Analysis assumes salaries and benefits will stabilize at the FYE 2018 rate and increase for cost of living based on the average Consumer Price Index for the past five years.</p>
<b>Utilities</b>	Utility costs	FYE 2022 budgeted amount of \$28,300 increased by 2.9% annually for inflation (average CPI-U for the Riverside region from 2018-2021).	<p>Over the past five years, this expense ranged from \$25,000 to \$427,000. The increase is due to the RSWD contract being classified as a utility cost in the annual audited financial statements.</p> <p>This Analysis assumes utilities (separate from the RSWD sewer contract) will continue to remain relatively constant, with a slight annual increase for</p>

<sup>2</sup> This analysis assumes salaries and benefits will stabilize at the FYE 2018 rate after the completion of the capital improvement manhole project.

**FISCAL IMPACT ANALYSIS  
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**Table 5: CSA 79 Sewer Expenditures (Independent)**

ITEM	DESCRIPTION	FORECAST METHODOLOGY	DISCUSSION
			inflation based on the average Consumer Price Index for the past five years.
<b>Operating Transfers Out – CIP Reserve</b>	Transfers out to Capital Improvement Project Reserve Fund	Variable	<p>The County transfers available fund balances to a reserve to pay for Capital Improvement Projects as needed. \$218,074 was budgeted for FYE 2022.</p> <p>The transfers out are tied to the capital improvement plan provided by the County.</p>
<p><i>Sources: CSA 79 Audited Financial Statements, San Bernardino County Finance Department and 2021-2022 Adopted Budget, CSA 79 Fund 4850 Budget for RSWD and Actual Expenditures, and RSWD 5 Year Capital Improvement Program Plan</i></p>			

Appendices 5-A through 5-D present a ten-year projection of revenues and expenditures for CSA 79 continuing to operate as an independent district. It is discussed in greater detail in the “Baseline Budget Projections” section.

**RSWD REVENUES & EXPENDITURES (INDEPENDENT)**

Appendices 6-A and 6-B present a ten-year projection of revenues and expenditures for RSWD continuing to operate as an independent district. RSWD revenues and expenditures were taken directly from the FYE 2022 and 2023 budget for wastewater collection and treatment. RSWD’s FYE 2022 and 2023 budget includes cash flow projections from FYE 2019 through 2025, which assumes O&M reimbursements from both Arrowbear and CSA 79 will increase by three (3) percent annually, CIP reimbursements from both agencies will increase by two (2) percent annually, and other revenues will increase by zero percent. RSWD also assumes expenditures will increase by four (4) percent annually, with the exception of long-term debt principal which will increase by two (2) percent annually and long-term debt interest which will decrease by five (5) percent annually. This Analysis assumes the same growth rates.

**RSWD & CSA 79 CONSOLIDATED REVENUES**

Appendices 7-A and 7-B presents a ten-year projection of revenues for RSWD with CSA 79 sewer services consolidated under the district. Table 6 details the forecast methodology for projections under the consolidated model. According to the Draft Plan for Service created by RSWD, after an initial five-year period a rate study will be prepared so that a uniform wastewater rate will be applied for all wastewater customers of RSWD.<sup>3</sup> This analysis keeps the fees constant.

<sup>3</sup> Source: Draft Plan for Service and Fiscal Impact Analysis, Reorganization to include Annexation to the Running Springs Water District, Running Springs Water District (Not Dated)

**FISCAL IMPACT ANALYSIS  
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**Table 6: CSA 79 and RSWD Sewer Revenues**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>FORECAST METHODOLOGY</b>	<b>DISCUSSION</b>
<b>RSWD Service Charges</b>	Fees charged for wastewater collection and treatment services to existing RSWD customers	Current fees with no increase in rates or EDUs. <sup>4</sup>	<p>Assume no growth in revenues to match cash flow model in RSWD’s FYE 2023 budget.</p> <p>RSWD charges a \$54.08 base service charge to 2,992 residential and commercial units. An additional usage charge is billed at \$0.0105 x 15% of water usage for residential units and 1/3 of water usage for commercial units.</p>
<b>CSA 79 Service Charges</b>	Fees charged for wastewater collection and treatment services to existing CSA 79 customers	<p>Current fees of \$65.77 monthly with no increase in rates.</p> <p>Number of EDUs increased by 2 EDUs annually, from 1,257 EDUs in 2023 to 1,275 EDUs in 2032.</p> <p>Divided evenly between RSWD’s Wastewater Collection and Wastewater Treatment budget categories.</p>	<p>RSWD has stated they do not plan to change CSA 79 sewer fees. This will be reevaluated after an initial transition period, however RSWD does not anticipate a need for an increase.</p> <p>The number of EDUs is assumed to grow at the same rate as CSA 79 operating independently.</p>
<b>CSA 79 Special Assessments and Penalties</b>	CSA 79 Special Assessments, Penalties, and Delinquent Taxes	\$55,900 per year allocated to RSWD’s Wastewater Collection budget category.	Assume these are transferred to RSWD. Same budget assumptions as CSA 79 operating as an independent district.

<sup>4</sup> In this analysis, fees are left constant under the reorganization based on RSG’s conversations with RSWD. It is possible the fees will increase after reorganization per the plan for services originally proposed by RSWD.

**FISCAL IMPACT ANALYSIS  
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**Table 6: CSA 79 and RSWD Sewer Revenues**

ITEM	DESCRIPTION	FORECAST METHODOLOGY	DISCUSSION
<b>RSWD Other Revenues – Wastewater Collection</b>	Outside sewer service charges, infrastructure repair and replacement, non-operating charges, and interest income.	FYE 2023 budgeted amount of \$8,303 with no annual increase.	Matches RSWD FYE 2023 budgeted cash flow assuming no growth in revenues.
<b>RSWD Other Revenues – Wastewater Treatment</b>	Outside sewer services charges, nonoperating charges, interest income, and a wastewater treatment agreement with Arrowbear. CSA 79 Agreement removed.	FYE 2023 budgeted amount of \$6,187 minus \$473,471 for CSA 79 wastewater treatment agreement payments.	Removes revenues from CSA 79 payments under its wastewater treatment agreement. For RSWD, their revenues from the agreement will be replaced by CSA 79 service charges paid directly to RSWD. Other revenues match the RSWD FYE 2023 budgeted cash flow assuming no growth in revenues.
<b>CSA 79 Other Revenues</b>	Permit & Inspection Fees, Connection Fees, Investment Earnings / Interest, Miscellaneous	None	<p>This Analysis assumes these revenues (totaling \$20,411 annually) will not transfer from CSA 79 to RSWD. RSWD will have its own permit, inspection, and connection fees.</p> <p>Investment Earnings / Interest will be based on RSWD's investing practices; revenues from this category are nominal.</p> <p>RSWD will have its own miscellaneous revenues.</p>

Source: RSWD Final Budget Fiscal Years Ending 2022 and 2023

**FISCAL IMPACT ANALYSIS  
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**RSWD & CSA 79 CONSOLIDATED EXPENDITURES**

Appendices 7-A and 7-B present ten-year projections of expenditures for RSWD with CSA 79 sewer services consolidated under the district. Table 7 presents the key assumptions utilized in the CSA 79 and RSWD consolidated expenditures forecast.

<b>Table 7: CSA 79 and RSWD Sewer Expenditures</b>			
<b>ITEM</b>	<b>DESCRIPTION</b>	<b>FORECAST METHODOLOGY</b>	<b>DISCUSSION</b>
<b>Wastewater Collection</b>			
<b>RSWD Personnel</b>	Salaries and benefits to staff wastewater collection	FYE 2023 budgeted amount of \$615,295 increased by 4% annually	Matches RSWD FYE 2023 budgeted cash flow. RSWD has stated they do not anticipate a need to increase staff by consolidating CSA 79 sewer services. This will be reevaluated after an initial transition period.
<b>RSWD Operations &amp; Maintenance</b>	Costs to operate and maintain wastewater collection for existing RSWD customers	FYE 2023 budgeted amount of \$150,552 increased by 4% annually	Matches RSWD FYE 2023 budgeted cash flow.  CSA 79 O&M costs are estimated separately.
<b>RSWD Depreciation</b>	Accounting adjustment to depreciate capital assets. Non-cash expense.	The FYE 2023 budgeted amount of \$202,818 increased by 4% annually.  Depreciation is net out at the end of the cash flow.	Matches RSWD FYE 2023 budgeted cash flow.  Depreciation is net out and has no impact on expenditures.
<b>RSWD Long-Term Debt</b>	Bond debt service payments	No change	Based on bond debt service schedule provided by RSWD.
<b>RSWD Capital Projects &amp; Fixed Assets</b>	Estimated capital improvement project costs	No change	Matches projections in RSWD FYE 2023 budget.

**FISCAL IMPACT ANALYSIS  
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<b>Table 7: CSA 79 and RSWD Sewer Expenditures</b>			
<b>ITEM</b>	<b>DESCRIPTION</b>	<b>FORECAST METHODOLOGY</b>	<b>DISCUSSION</b>
<b>Wastewater Collection</b>			
<b>CSA 79 O&amp;M, Services &amp; Supplies</b>	Direct operating and maintenance costs to CSA 79 collection system, grounds, and equipment. Indirect operating costs borne by RSWD such as office space and overhead.	FYE 2023 pro rata cost of \$52.33 per EDU, increased by 4% annually. Assumes 1,257 EDUs in FYE 2023 plus 2 new EDUs added per year.	Assumes that CSA 79 operating costs will be similar to those currently borne by RSWD due to practices and expenses unique to the district.  According to Special Districts staff, there are no outstanding professional services contracts that would need to be transferred and fulfilled by RSWD.
<b>CSA 79 Utilities</b>	Utility costs (excluding sewer) for CSA 79 capital assets that are transferred to RSWD	FYE 2023 forecasted amount of \$28,725 increased by 2.9% annually for inflation (average CPI-U for the Riverside region from 2018-2021).	Same assumption applied to CSA 79 operating independently.  This Analysis assumes that reorganization will not impact utility costs for capital assets transferred from CSA 79 to RSWD.
<b>CSA 79 Excluded Expenditures</b>	RSWD Contract Salaries & Benefits (including pension liabilities)  Operating Transfers Out for CIP Projects	Excluded from consolidated forecast	This Analysis assumes that these costs incurred by CSA 79 will not be transferred to RSWD.  The RSWD Contract will be obsolete.  CSA 79 Salaries & Benefits will be replaced by RSWD Personnel Costs with no change in staffing levels.  RSWD will absorb CSA 79 CIP expenses into its own budget.

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**Table 7: CSA 79 and RSWD Sewer Expenditures**

ITEM	DESCRIPTION	FORECAST METHODOLOGY	DISCUSSION
<b>Wastewater Collection</b>			
<b>All RSWD Expenses</b>	Personnel, Operations & Maintenance, and Depreciation	FYE 2023 budgeted amount of \$1,393,292 increased by 4% annually.  Depreciation of \$308,152 is net out as a non-cash expense.	Matches RSWD FYE 2023 budgeted cash flow.  Assume no impact to costs due to consolidation.  RSWD already provides wastewater treatment to CSA 79 customers.

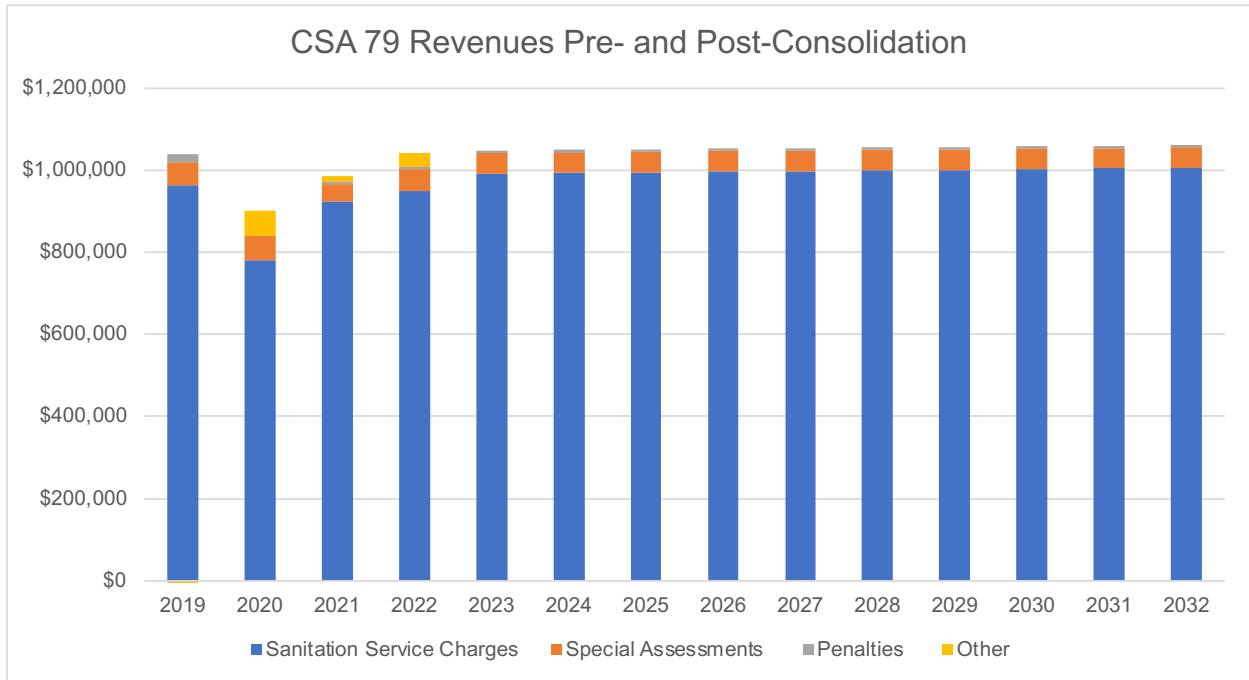
*Source: RSWD Final Budget Fiscal Years Ending 2022 and 2023*

**BASELINE BUDGET PROJECTIONS**

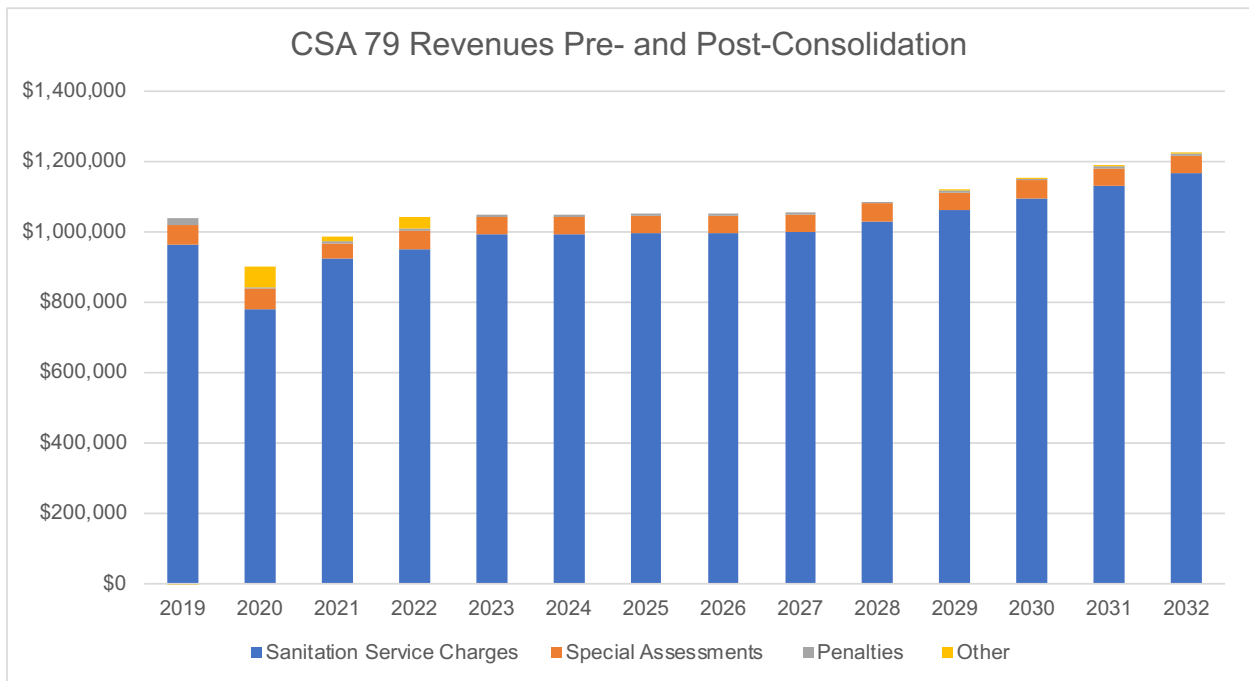
Using the forecasting methodologies described in the previous section, revenues and expenditures were forecasted for a period of ten years from FYs 2022-23 through 2032-33 for CSA 79 Sewer as an independent district (Appendices 5-A through 5-D), RSWD as an independent district (Appendices 6-A and 6-B), and RSWD with CSA 79 Sewer reorganized into the district (Appendices 7-A and 7-B). The projections reveal there are considerable cost savings when consolidating the districts due to economies of scale. While revenues from service fees remain relatively constant, CSA 79 personnel and operating and maintenance costs are expected to significantly decrease. Revenues before and after the reorganization (which is assumed to take place in FY 2022-23) are illustrated in Chart 7 under Scenario 1 (no fee inflation over time), and Chart 8 under Scenario 2 (no fee inflation for five years, followed by 3 percent annual inflation thereafter), while expenditures before and after the reorganization (FY 2022-23) are presented in Chart 9.

**FISCAL IMPACT ANALYSIS  
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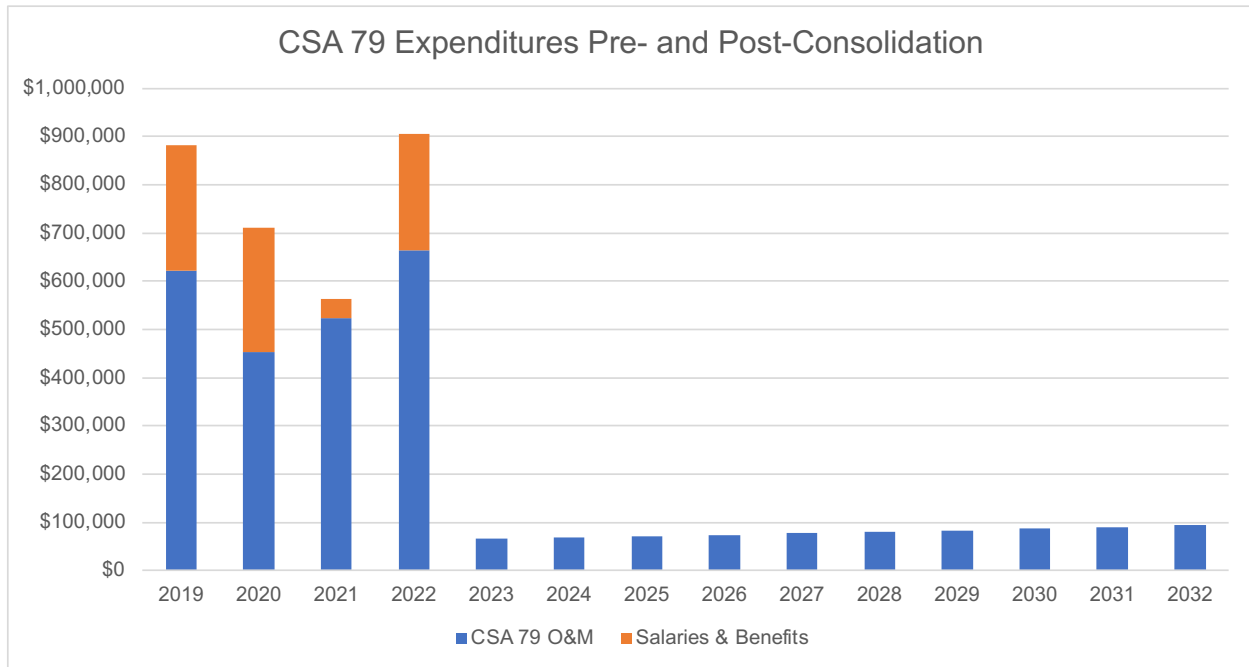
**Chart 7: CSA 79 Revenues Pre- and Post-Consolidation, Scenario 1: No Change in Fees**



**Chart 8: CSA 79 Revenues Pre- and Post-Consolidation, Scenario 2: 3% Increase in Fees After 5 Years**



**Chart 9: CSA 79 Expenditures Pre- and Post-Consolidation**



Appendices 8-A and 8-B detail the estimated amount of savings by category, which total approximately \$814,000 in 2022-23 and \$1 million by 2031-32. Savings are from:

- **Reduced Personnel Costs:** RSWD does not anticipate a need to change staffing levels under consolidation. CSA 79’s salaries and benefits costs, budgeted at \$44,232 in FYE 2022, are removed and reallocated to different CSAs staffed by the County Special Districts Department.
- **Reduced Water Treatment Contract Costs:** CSA 79’s payment to RSWD under its water treatment agreement will be obsolete. RSWD’s water treatment costs will not increase because they already treat CSA 79 sewer. Although RSWD will lose revenues collected from the CSA 79 agreement, they are replaced by service charges collected from CSA 79.
- **Reduced Operating Costs:** CSA 79’s operating costs are significantly higher per EDU than RSWD. CSA 79’s FYE 2022 budgeted cost was \$285,572 for 1,255 EDUs (\$227.55 per EDU). In comparison, RSWD’s budgeted costs total \$145,561 for 2,992 EDUs (\$48.65 per EDU).

CSA 79’s FYE 2022 budget allocated \$250,655 for Professional Services (collection system inspection, cleaning, repair, and replacement) and \$34,917 for Services & Supplies. In contrast, RSWD’s FYE 2022 budget allocated \$145,561 for all Wastewater Collection Operations & Maintenance.

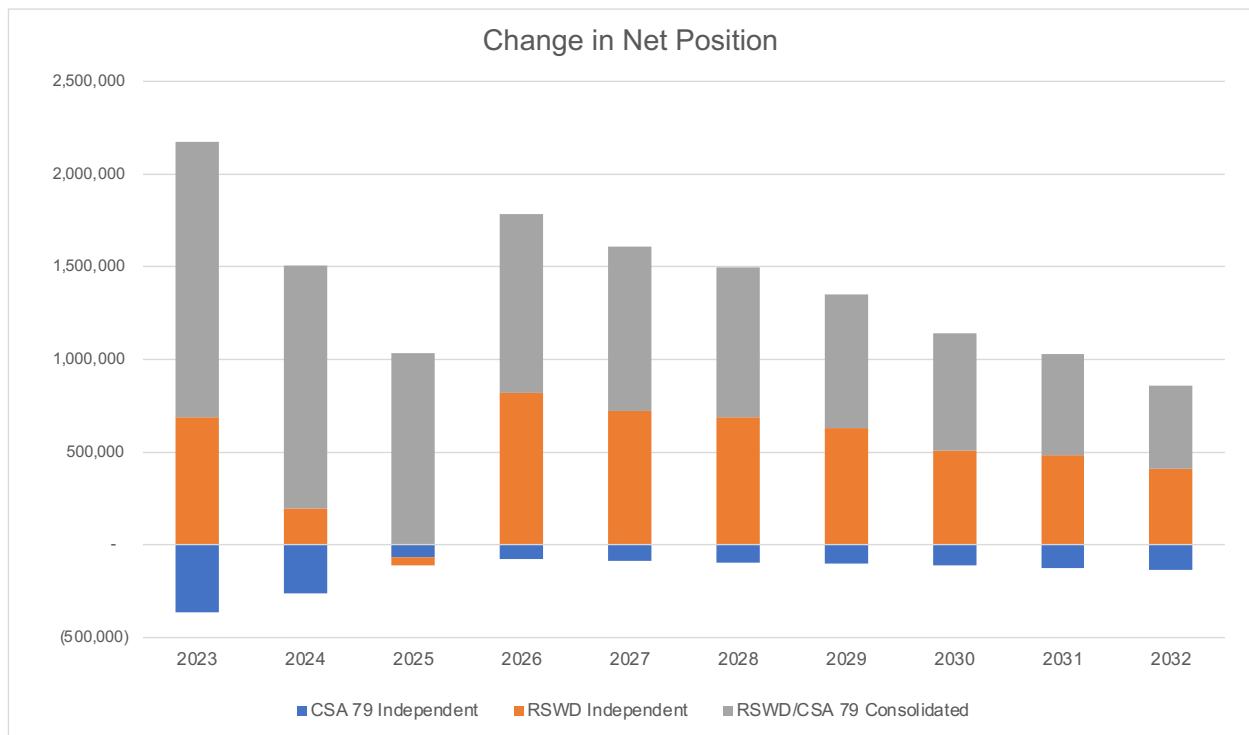
This Analysis assumes that RSWD would operate CSA 79 wastewater collection at a similar cost under its existing system based on a pro rata cost per EDU. Although it’s possible that CSA 79’s

**FISCAL IMPACT ANALYSIS  
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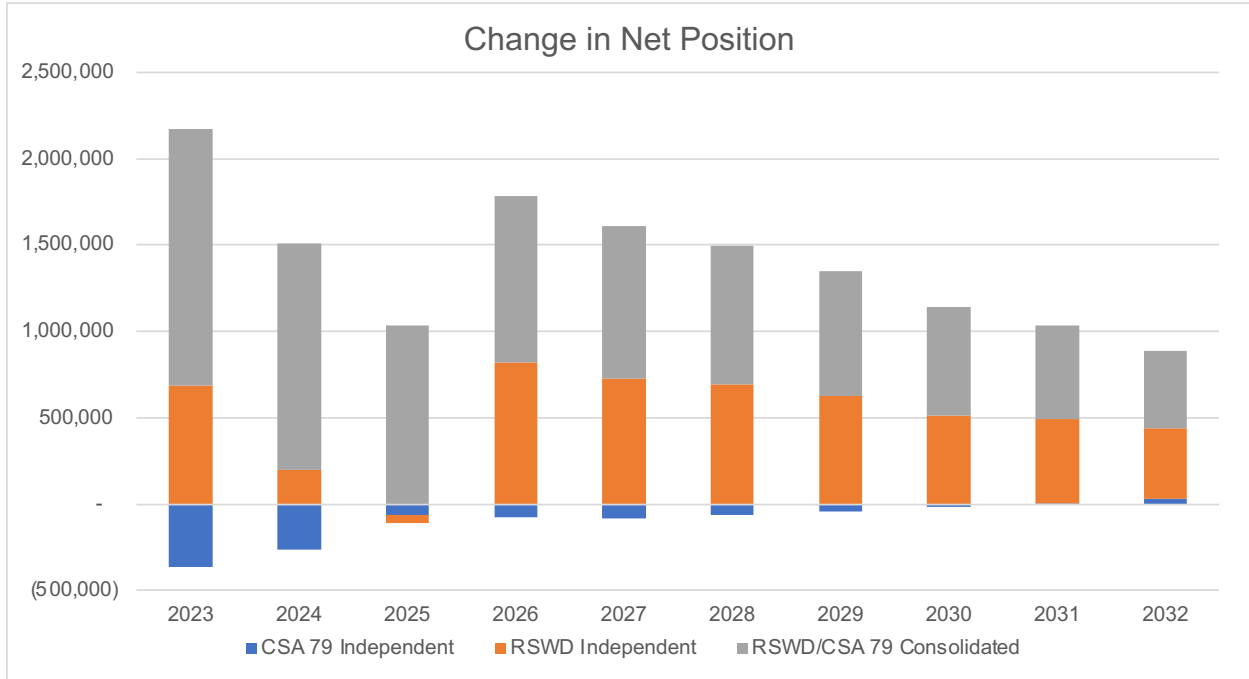
wastewater collection system could cost more to operate than RSWD’s system due to unique circumstances, removing the cost of Services & Supplies alone would reduce the wastewater collection expense to \$199.73 per EDU.

Appendices 9-A and 9-B provide a comparison of ten-year projected revenues, expenditures, and net position (beginning cash balance minus ending cash balance) for CSA 79 and RSWD independently and as consolidated districts. As shown in Chart 10, which is based on Scenario 1 (no change in fees), consolidating the districts would result in a positive net position, or cash balance, after considering changes in revenues and expenditures. Chart 11 reflects Scenario 2 (no change in fees for 5 years followed by 3 percent inflation thereafter) and also presents a positive net position.

**Chart 10: Change in Net Position Post-Consolidation, Scenario 1: No Increase in Fees**



**Chart 11: Change in Net Position Post-Consolidation, Scenario 2: 3% Increase in Fees After 5 Years**



It is worthwhile to note that based on this Analysis' projections, RSWD is projected to have a negative net operating income beginning in FYE 2031 (Year 8) if it continues to operate as an independent district. If CSA 79 is reorganized into RSWD, the revenues from CSA 79's current service charges would offset expenses and result in a positive net position at least through FYE 2032 (Year 10). If CSA 79 were to remain an independent district, it is projected to have a positive net position through FYE 2032 (Year 10).

If RSWD maintains current service charges, an operating deficit of \$3,776 could result beginning in FYE 2031 that would continue to grow annually thereafter. RSWD may need to consider a service charge increase to cover its operational costs and capital improvements. Since a deficit is projected even without reorganization, RSWD would need to consider how much to increase rates for current RSWD customers versus CSA 79 customers.

RSWD has indicated that it does not expect to change CSA 79 customers' sewer rates if it is reorganized into RSWD, at least for an initial transition period while it evaluates actual revenues and expenditures after reorganization. It is possible that sewer fees would increase regardless of reorganization in order to cover capital improvement project costs and unanticipated repairs.

**ASSETS & LIABILITIES**

Appendix 2 lists assets and liabilities identified in CSA 79's audited financial statements over the last five years. The following discusses key variables that affected parties should consider in its deliberations.

## PENSION LIABILITY

As of June 30, 2021, CSA 79 had a \$318,808 pension liability. Although CSA 79 has no direct staff, it utilizes pooled staff and resources within the County Special Districts Department. The FYE 2021 audited financials note that CSA 79's pension liability represents 3.08 percent of the Special Districts Department's proportionate share of the County's net pension liability.

LAFCO does not have an official position on how pension liabilities should be transferred under special district reorganization. Based on historical practices LAFCO has seen in other reorganizations, there are two options:

- Transfer the pension liability from CSA 79 to RSWD.
- Payoff the pension liability using CSA 79's available cash balance.

The County and RSWD will negotiate the payoff of the pension liability.

## CSA 79 UNRESTRICTED CASH

The projected FYE 2022 ending cash balance is \$2,008,111 after capital improvement projects. The actual pension obligation as of June 30, 2021 was \$318,808 and will be different based on the date reorganization goes into effect. The County and RSWD need to negotiate the amount of unrestricted cash to transfer to RSWD after considering all receivables, payables, and liabilities. Appendix 7B presents a conservative scenario in which no cash would be transferred to RSWD, however the beginning balance could increase by the amount of cash that is negotiated between RSWD and CSA 79, net of receivables, payables, and liabilities (including CSA 79's pension obligation) and reorganization costs.

## CSA 79 CAPITAL ASSETS

The FYE 2021 audited financials identified \$857,276 in non-current assets. This consists primarily of fixed infrastructure related to CSA 79's the wastewater collection system. There are no vehicles or equipment to transfer. Capital assets should be clearly identified for transfer.

## **FINDINGS AND CONCLUSIONS**

The following findings and conclusions address the financial factors LAFCO must consider in reviewing a consolidation proposal and the Commission's determinations required by the CKH Act. It is important to emphasize that these findings and conclusions should be weighed in the context of all the decision-making factors required by the CKH Act, both financially and as a matter of public policy. Beyond the assumptions used in the Analysis, the Commission should consider the operational efficiencies gained by consolidation through economies of scale and scope, as well as RSWD's ability to absorb CSA 79's operations from a management perspective.

### **SUFFICIENCY OF REVENUES**

"The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change" (§56668(j)).

The Analysis evaluated the sufficiency and reliability of anticipated revenues that RSWD proposes to use to fund CSA 79 wastewater collection and treatment activities assumed upon consolidation. The Analysis's baseline budget projection indicated that, if RSWD maintains current service charges, a modest deficit of \$3,776 could result in FYE 2031 that would continue to grow annually thereafter. RSWD may need to consider a service charge increase to cover its operational costs and capital improvements. Since a deficit is projected even without reorganization, RSWD would need to consider how much to increase rates for current RSWD customers versus CSA 79 customers. A March 2017 sewer rate study concluded that an increase is necessary to cover operational costs and capital improvements.

### **PUBLIC SERVICE COSTS**

"Public service costs of a proposal that the commission is authorizing are likely to be less than or substantially similar to the costs of alternative means of providing the service" (§56881(b)(1)).

CSA 79 public services costs are projected to be significantly less if reorganized to RSWD by eliminating redundancies. The largest expenditures in the baseline budget projections are the RSWD wastewater treatment agreement, salaries and benefits, and operating and maintenance costs. The wastewater treatment agreement and salaries and benefits would be removed if reorganized. The agreement would be obsolete upon reorganization; RSWD would fund the wastewater treatment services it already provides to CSA 79 customers directly from service charges. The County would no longer staff CSA 79, and RSWD does not expect a need to increase its staffing levels.

Operations and maintenance costs are also projected to be significantly reduced. CSA 79's operating costs are significantly higher per EDU than RSWD, at \$227.55 per EDU compared to \$48.65 per EDU. This Analysis assumes that RSWD will operate CSA 79's wastewater collection system at \$48.65 per EDU. Although it is possible that CSA 79's wastewater collection system could cost more to operate than RSWD's system due to unique circumstances. Removing the cost of Indirect Services & Supplies alone would reduce CSA 79's wastewater collection expense

**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

to \$199.73 per EDU. Indirect Services & Supplies are payments made by CSA 79 to the County Special Districts department for its proportionate share of County operating costs.

**FINANCIAL ACCOUNTABILITY**

“A change of organization or reorganization that is authorized by the commission promotes public access and accountability for community services needs and financial resources” (§56881(b)(2)).

CSA 79 customers would be served directly by RSWD rather than the County. RSWD already provides wastewater treatment services to CSA 79 customers. Consolidating wastewater collection services would improve economies of scale and reduce redundancies. CSA 79 customers would have the opportunity to vote for RSWD Board members and contact RSWD directly for customer service. RSWD’s power and authority is regulated by the California Water Code and is held to high standard of governmental accountability and transparency.

**FISCAL IMPACT ANALYSIS  
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**APPENDICES**

**Historic Five-Year Revenues & Expenditures (FYE 2017-2021)**

**Appendix 1**

**CSA 79 Sewer Enterprise Fund**

	2017	2018	2019	2020	2021	CAGR
<b>Operating Revenues</b>						
Sanitation Service Charges	\$960,972	\$960,446	\$964,543	\$780,591	\$923,437	-0.79%
Permit & Inspection Fees	75	-	150	-	-	-100%
Connection Fees	-	-	6,510	-	-	N/A
Other	3,002	240	-	78	763	-23.96%
<b>Total Operating Revenues</b>	<b>\$964,049</b>	<b>\$960,686</b>	<b>\$971,203</b>	<b>\$780,669</b>	<b>\$924,200</b>	<b>-0.84%</b>
<b>Expenditures</b>						
Other Professional Fees	\$180,284	\$95,510	\$245,798	\$4,431	\$2,029	-59.24%
Salaries & Benefits	353,480	241,064	260,965	258,213	40,143	-35.28%
Services & Supplies	134,098	225,468	101,218	112,949	166,886	4.47%
Utilities <sup>1</sup>	25,272	427,334	274,008	334,963	354,926	69.63%
RSWD Agreement	221,212	-	-	-	-	-100%
RSWD Filtration Project	69,645	-	-	-	-	-100%
Depreciation	131,493	137,107	136,846	136,064	136,063	0.69%
<b>Total Operating Expenses</b>	<b>\$1,115,484</b>	<b>\$1,126,483</b>	<b>\$1,018,835</b>	<b>\$846,620</b>	<b>\$700,047</b>	<b>-8.90%</b>
<i>Excluding Depreciation</i>	<i>\$983,991</i>	<i>\$989,376</i>	<i>\$881,989</i>	<i>\$710,556</i>	<i>\$563,984</i>	<i>-10.53%</i>
<b>Net Operating Gain/Loss</b>	<b>(\$151,435)</b>	<b>(\$165,797)</b>	<b>(\$47,632)</b>	<b>(\$65,951)</b>	<b>\$224,153</b>	<b>-208.16%</b>
<i>Excluding Depreciation</i>	<i>(\$19,942)</i>	<i>(\$28,690)</i>	<i>\$89,214</i>	<i>\$70,113</i>	<i>\$360,216</i>	<i>-278.39%</i>
<b>Nonoperating Revenues</b>						
Property Taxes	-	-	-	-	-	N/A
Special Assessments	48,813	47,231	55,107	59,213	43,585	-2.24%
Investment Earnings	7,019	10,156	45,413	56,912	4,689	-7.75%
Penalties	3,330	38,140	20,398	1,280	4,896	8.01%
Other	6,254	8,225	(54,907)	3,977	9,376	8.44%
<b>Total Nonoperating Revenues</b>	<b>\$65,416</b>	<b>\$103,752</b>	<b>\$66,011</b>	<b>\$121,382</b>	<b>\$62,546</b>	<b>-0.89%</b>
<b>Change in Net Position</b>	<b>(\$86,019)</b>	<b>(\$62,045)</b>	<b>\$18,379</b>	<b>\$55,431</b>	<b>\$286,699</b>	<b>-227.22%</b>
<i>Excluding Depreciation</i>	<i>\$45,474</i>	<i>\$75,062</i>	<i>\$155,225</i>	<i>\$191,495</i>	<i>\$422,762</i>	<i>56.19%</i>
<b>Fund Balance</b>						
Beginning	2,688,113	2,602,094	2,565,049	2,583,428	2,641,424	-0.35%
Ending	2,602,094	2,565,049	2,583,428	2,638,859	2,928,123	2.39%
<b>Net Change</b>	<b>(\$86,019)</b>	<b>(\$37,045)</b>	<b>\$18,379</b>	<b>\$55,431</b>	<b>\$286,699</b>	<b>-227.22%</b>

1: The CSA 79 Financial Statements began reporting expenditures associated with the RSWD Agreement and Filtration Project within the Utilities category in 2018.

Source: County Service Area No. 79 R-1 Green Valley Lake Financial Statements: Statement of Revenues, Expenses, and Changes in Net Position: Proprietary Funds

**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Historic Five-Year Statement of Net Position (FYE 2017-2021)**

**Appendix 2**

**CSA 79 Sewer Enterprise Fund**

	2017	2018	2019	2020	2021
<b>Assets</b>					
<b>Current Assets</b>					
Cash and investments	\$1,313,762	\$1,300,538	\$1,467,370	\$1,919,426	2,340,897
Accounts receivable	210,874	211,017	218,877	23,097	24,870
Interest receivable	9,299	-	-	-	-
Taxes receivable	-	-	3,011	151	-
Special assessment receivable	1,283	4,804	-	3,090	1,895
Due from other government	-	-	1,246	-	-
<b>Total Current Assets</b>	<b>\$1,535,218</b>	<b>\$1,516,359</b>	<b>\$1,690,504</b>	<b>\$1,945,764</b>	<b>\$2,367,662</b>
<b>Non-Current Assets</b>					
Improvements to land	5,216,517	5,328,771	5,328,771	5,328,771	5,328,771
Structures and improvements	159,050	159,050	159,050	159,050	159,050
Vehicles	64,440	64,440	64,440	64,440	64,440
Equipment	31,006	31,006	31,006	31,006	31,006
Construction in progress	173,406	-	1,335	-	-
Accumulated depreciation	(4,179,910)	(4,317,017)	(4,453,863)	(4,589,927)	(4,725,991)
<b>Total Non-Current Assets</b>	<b>\$1,464,509</b>	<b>\$1,266,250</b>	<b>\$1,130,739</b>	<b>\$993,340</b>	<b>\$857,276</b>
<b>Total Assets</b>	<b>\$2,999,727</b>	<b>\$2,782,609</b>	<b>\$2,821,243</b>	<b>\$2,939,104</b>	<b>\$3,224,938</b>
<b>Deferred Outflows of Resources</b>					
Pensions	\$136,783	\$133,135	\$112,507	\$92,172	\$156,998
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts payable	131,834	-	19,737	25,774	82,900
Retention payable	-	-	-	-	-
Due to other governments	63,086	17,273	21,624	92,651	37,352
<b>Total Current Liabilities</b>	<b>\$194,920</b>	<b>\$17,273</b>	<b>\$41,361</b>	<b>\$118,425</b>	<b>\$120,252</b>
<b>Long-Term Liabilities</b>					
Net pension liability	277,203	269,885	253,480	245,069	318,808
<b>Total Liabilities</b>	<b>\$472,123</b>	<b>\$287,158</b>	<b>\$294,841</b>	<b>\$363,494</b>	<b>\$439,060</b>
<b>Deferred Inflows of Resources</b>					
Pensions	\$62,293	\$60,281	\$55,481	\$28,923	\$14,753
<b>Net Position</b>					
Invested in Capital Assets	1,464,509	1,266,250	1,130,739	993,340	857,276
<b>Unrestricted</b>	<b>1,137,585</b>	<b>1,298,799</b>	<b>1,452,689</b>	<b>1,645,519</b>	<b>2,070,847</b>
<b>Total Net Position</b>	<b>\$2,602,094</b>	<b>\$2,565,049</b>	<b>\$2,583,428</b>	<b>\$2,638,859</b>	<b>\$2,928,123</b>

Source: County Service Area No. 79 R-1 Green Valley Lake Financial Statements: Statement of Net Position, Proprietary Funds

**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Historic Five-Year Revenues & Expenditures (FYE 2017-2021)**  
**CSA79 R-1 Meadow Green Valley Lake**

**Appendix 3**

	2017	2018	2019	2020	2021	CAGR
<b>Revenues</b>						
Special Assessments	24,831	26,563	30,480	30,110	31,923	5.15%
Investment Earnings	435	535	2,349	3,404	215	-13.15%
Other	151	95	1,448	1,520	340	17.63%
<b>Total Revenues</b>	<b>\$25,417</b>	<b>\$27,193</b>	<b>\$34,277</b>	<b>\$35,034</b>	<b>\$32,478</b>	<b>5.03%</b>
<b>Expenditures</b>						
Salaries & Benefits	3,814	4,529	3,381	7487	625	-30.35%
Services & Supplies	18,005	40,599	7,873	7328	3,356	-28.54%
Contingencies	-	-	-	0	-	N/A
Professional Fees	-	-	-	0	-	N/A
<b>Total Expenditures</b>	<b>\$21,819</b>	<b>\$45,128</b>	<b>\$11,254</b>	<b>\$14,815</b>	<b>\$3,981</b>	<b>-28.84%</b>
<b>Fund Balance</b>						
Beginning	81,316	84,720	66,785	\$ 89,808	\$ 110,027	6.23%
Ending	84,914	66,785	89,808	\$110,027	\$ 138,524	10.28%
<b>Net Change</b>	<b>\$3,598</b>	<b>(\$17,935)</b>	<b>\$23,023</b>	<b>\$20,219</b>	<b>\$28,497</b>	<b>51.27%</b>

*Source: County Service Area No. 79 R-1 Green Valley Lake Financial Statements: Statement of Revenues, Expenditures and Changes in Fund Balances, Governmental Funds*

**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Historic Five-Year Statement of Net Position (FYE 2017-2021)  
CSA79 Sewer Enterprise Fund - R1**

**Appendix 4**

	2016	2017	2018	2019	2020	2021
<b>Assets</b>						
Cash and investments	82,087	86,177	65,658	89,346	111,326	136,487
Accounts receivable	-	-	-	-	-	-
Interest receivable	156	263	-	-	-	-
Taxes receivable	-	880	-	-	-	-
Special assessment receivable	215	880	1,127	462	1,184	2,132
<b>Total Assets</b>	<b>\$ 82,458</b>	<b>\$88,200</b>	<b>\$66,785</b>	<b>\$89,808</b>	<b>\$112,510</b>	<b>\$138,619</b>
<b>Deferred outflows of resources</b>						
Pension	-	84,720	-	-	-	-
<b>Liabilities</b>						
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	2,483	95
Accounts payable	-	2,600	-	-	-	-
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$2,600</b>	<b>\$-</b>	<b>\$-</b>	<b>\$2,483</b>	<b>\$95</b>
<b>Fund Balance</b>						
Restricted for Road Maintenance	81,316	84,720	66,785	89,808	110,027	138,524
<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 81,316</b>	<b>\$87,320</b>	<b>\$66,785</b>	<b>\$89,808</b>	<b>\$112,510</b>	<b>\$138,619</b>
<b>Total Fund Balance - Governmental Fund</b>	<b>\$ 81,316</b>	<b>\$84,720</b>	<b>\$66,785</b>	<b>\$89,808</b>	<b>\$110,027</b>	<b>\$138,524</b>
Capital Assets	131,675					
Accumulated depreciation	(79,005)					
<b>Net capital assets</b>	<b>\$ 52,670</b>	<b>\$49,378</b>	<b>\$46,997</b>	<b>\$42,997</b>	<b>\$39,907</b>	<b>\$36,818</b>
<b>Net position of governmental activities</b>	<b>\$ 133,986</b>	<b>\$134,098</b>	<b>\$113,782</b>	<b>\$132,805</b>	<b>\$149,934</b>	<b>\$175,342</b>

*Source: County Service Area No. 79 R-1 Green Valley Lake Financial Statements: Balance Sheet, Governmental Funds*

**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Ten-Year Projected Revenues & Expenditures  
CSA 79 Sewer Enterprise Fund - No Reorganization, Constant Service Charges** Appendix 5A

	Projected										
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Service Charges</b>											
EDJUs	1,255	1,257	1,259	1,261	1,263	1,265	1,267	1,269	1,271	1,273	1,275
Monthly Service Charge	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77
Total Annual Charge	\$990,496	\$992,075	\$993,653	\$995,232	\$996,810	\$998,389	\$999,967	\$1,001,546	\$1,003,124	\$1,004,703	\$1,006,281
<b>Revenues</b>											
Sanitation Service Charge	\$950,000	\$992,075	\$993,653	\$995,232	\$996,810	\$998,389	\$999,967	\$1,001,546	\$1,003,124	\$1,004,703	\$1,006,281
Special Assessments	53,300	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Penalties & Delinquent Taxes	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900
Investment Earnings/Interest	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Permit, Inspection, & Conn. Fees	0	10,822	10,822	10,822	10,822	10,822	10,822	10,822	10,822	10,822	10,822
Other	23,000	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,042,200	1,068,797	1,070,375	1,071,954	1,073,532	1,075,111	1,076,689	1,078,268	1,079,846	1,081,425	1,083,003
<b>Expenditures</b>											
Utilities - Sewer (RSWD)	\$350,000	\$350,560	\$351,121	\$351,683	\$352,245	\$352,809	\$353,373	\$353,939	\$354,505	\$355,072	\$355,640
Utilities - Other	28,300	29,121	29,965	30,834	31,728	32,649	33,595	34,570	35,572	36,604	37,665
Professional and Special Services	250,655	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000
Services & Supplies - General	34,917	35,930	36,972	38,044	39,147	40,282	41,450	42,653	43,889	45,162	46,472
Salaries & Benefits	241,064	248,055	255,248	262,651	270,268	278,105	286,170	294,469	303,009	311,796	320,838
Transfers Out	218,074	514,000	404,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Total Operating Expenses	\$1,123,010	\$1,432,665	\$1,332,306	\$1,138,211	\$1,148,388	\$1,158,845	\$1,169,590	\$1,180,630	\$1,191,976	\$1,203,634	\$1,215,616
Net Operating Income / (Deficit)	\$(80,810)	\$(363,868)	\$(261,931)	\$(66,258)	\$(74,856)	\$(83,734)	\$(92,900)	\$(102,363)	\$(112,130)	\$(122,210)	\$(132,613)
Excl. CIP Transfers Out	\$137,264	\$150,132	\$142,069	\$133,742	\$125,144	\$116,266	\$107,100	\$97,637	\$87,870	\$77,790	\$67,387
<b>Beginning Cash (Unrestricted)</b>	\$2,070,847	\$2,208,111	\$2,358,243	\$2,500,312	\$2,634,054	\$2,759,198	\$2,875,463	\$2,982,563	\$3,080,200	\$3,168,071	\$3,245,861
<b>Ending Cash Before CIP</b>	\$2,208,111	\$2,358,243	\$2,500,312	\$2,634,054	\$2,759,198	\$2,875,463	\$2,982,563	\$3,080,200	\$3,168,071	\$3,245,861	\$3,313,248

Source: County Budget for FYE 2022; RSG Projections from FYE 2023



**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Ten-Year Projected Revenues & Expenditures  
CSA 79 Sewer Enterprise Fund - No Reorganization, Increased Service Fees After Five Years** Appendix 5B

	Projected											
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
<b>Service Charges</b>												
EDUs	1,255	1,257	1,259	1,261	1,263	1,265	1,267	1,269	1,271	1,273	1,275	
Monthly Service Charge	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$67.74	\$69.78	\$71.87	\$74.02	\$76.25	
Total Annual Charge	\$990,496	\$992,075	\$993,653	\$995,232	\$996,810	\$998,389	\$1,029,966	\$1,062,540	\$1,096,141	\$1,130,802	\$1,166,555	
<b>Revenues</b>												
Sanitation Service Charge	\$950,000	\$992,075	\$993,653	\$995,232	\$996,810	\$998,389	\$1,029,966	\$1,062,540	\$1,096,141	\$1,130,802	\$1,166,555	
Special Assessments	53,300	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	
Penalties & Delinquent Taxes	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	5,900	
Investment Earnings/Interest	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	
Permit, Inspection, & Conn. Fees	0	10,822	10,822	10,822	10,822	10,822	10,822	10,822	10,822	10,822	10,822	
Other	23,000	-	-	-	-	-	-	-	-	-	-	
Total Revenues	1,042,200	1,068,797	1,070,375	1,071,954	1,073,532	1,075,111	1,106,688	1,139,262	1,172,863	1,207,524	1,243,277	
<b>Expenditures</b>												
Utilities - Sewer (RSWD)	\$350,000	\$350,560	\$351,121	\$351,683	\$352,245	\$352,809	\$353,373	\$353,939	\$354,505	\$355,072	\$355,640	
Utilities - Other	28,300	29,121	29,965	30,834	31,728	32,649	33,595	34,570	35,572	36,604	37,665	
Professional and Special Services	250,655	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	
Services & Supplies - General	34,917	35,930	36,972	38,044	39,147	40,282	41,450	42,653	43,889	45,162	46,472	
Salaries & Benefits	241,064	248,055	255,248	262,651	270,268	278,105	286,170	294,469	303,009	311,796	320,838	
Transfers Out	218,074	514,000	404,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	
Total Operating Expenses	\$1,123,010	\$1,432,665	\$1,332,306	\$1,138,211	\$1,148,388	\$1,158,845	\$1,169,590	\$1,180,630	\$1,191,976	\$1,203,634	\$1,215,616	
Net Operating Income / (Deficit)	\$(80,810)	\$(363,868)	\$(261,931)	\$(66,258)	\$(74,856)	\$(83,734)	\$(62,901)	\$(41,369)	\$(19,113)	\$3,889	\$27,662	
Excl. CIP Transfers Out	\$137,264	\$150,132	\$142,069	\$133,742	\$125,144	\$116,266	\$137,099	\$158,631	\$180,887	\$203,889	\$227,662	
<b>Beginning Cash (Unrestricted)</b>	\$2,070,847	\$2,208,111	\$2,358,243	\$2,500,312	\$2,634,054	\$2,759,198	\$2,875,463	\$3,012,562	\$3,171,193	\$3,352,081	\$3,555,970	
<b>Ending Cash Before CIP</b>	\$2,208,111	\$2,358,243	\$2,500,312	\$2,634,054	\$2,759,198	\$2,875,463	\$3,012,562	\$3,171,193	\$3,352,081	\$3,555,970	\$3,783,631	

Source: County Budget for FYE 2022; RSG Projections from FYE 2023



**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Ten-Year Projected Revenues & Expenditures**  
**CSA 79 Sewer Enterprise Fund - No Reorganization, Constant Service Charges**

Appendix 5C

	Projected										
	Budgeted 2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Beginning Cash (Unrestricted)</b>	\$2,070,847	\$2,208,111	\$2,358,243	\$2,500,312	\$2,634,054	\$2,759,198	\$2,875,463	\$2,982,563	\$3,080,200	\$3,168,071	\$3,245,861
<b>Ending Cash Before CIP</b>	\$2,208,111	\$2,358,243	\$2,500,312	\$2,634,054	\$2,759,198	\$2,875,463	\$2,982,563	\$3,080,200	\$3,168,071	\$3,245,861	\$3,313,248
<b>Capital Improvements</b>											
Ongoing Repair/Replacement of Main Sewer Lines	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Raise Manholes (\$1,200 x 340 manholes)	204,000	204,000	204,000	204,000	204,000	204,000	204,000	204,000	204,000	204,000	204,000
Pump Upgrade - Canyon Lift Station	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Driveway Replacement - Deerlick & Crab Flats	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Transducer - Snow Valley	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Ahwanee Level Sensors	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
<b>Total</b>	\$200,000	\$514,000	\$404,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
<b>Ending Cash After CIP</b>	\$2,008,111	\$1,844,243	\$2,096,312	\$2,434,054	\$2,559,198	\$2,675,463	\$2,782,563	\$2,880,200	\$2,968,071	\$3,045,861	\$3,113,248
<b>Change in Net Position</b>	\$(62,736)	\$(363,868)	\$(261,931)	\$(66,258)	\$(74,856)	\$(83,734)	\$(92,900)	\$(102,363)	\$(112,130)	\$(122,210)	\$(132,613)

Source: CSA 79 Capital Improvement Budgets for FYEs 2022-2027; RSG Projections from FYE 2027



FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79

Appendix 5D

Ten-Year Projected Revenues & Expenditures  
CSA 79 Sewer Enterprise Fund - No Reorganization, Increased Service Fees After Five Years

	Budgeted										Projected						
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2027	2028	2029	2030	2031	2032
<b>Beginning Cash (Unrestricted)</b>	\$2,070,847	\$2,208,111	\$2,358,243	\$2,500,312	\$2,634,054	\$2,759,198	\$2,875,463	\$3,012,562	\$3,171,193	\$3,352,081	\$3,555,970						
<b>Ending Cash Before CIP</b>	\$2,208,111	\$2,358,243	\$2,500,312	\$2,634,054	\$2,759,198	\$2,875,463	\$3,012,562	\$3,171,193	\$3,352,081	\$3,555,970	\$3,783,631						
<b>Capital Improvements</b>																	
Ongoing Repair/Replacement of Main Sewer Lines	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000						
Raise Manholes (\$1,200 x 340 manholes)		204,000	204,000														
Pump Upgrade - Canyon Lift Station		20,000															
Driveway Replacement - Deerlick & Crab Flats		75,000															
Transducer - Snow Valley		10,000															
Ahwannee Level Sensors		5,000															
<b>Total</b>	\$200,000	\$514,000	\$404,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000						
<b>Ending Cash After CIP</b>	\$2,008,111	\$1,844,243	\$2,096,312	\$2,434,054	\$2,559,198	\$2,675,463	\$2,812,562	\$2,971,193	\$3,152,081	\$3,355,970	\$3,583,631						
<b>Change in Net Position</b>	\$(62,736)	\$(363,868)	\$(261,931)	\$(66,258)	\$(74,856)	\$(83,734)	\$(62,901)	\$(41,369)	\$(19,113)	\$3,889	\$27,662						

Source: CSA 79 Capital Improvement Budgets for FYEs 2022-2027; RSG Projections from FYE 2027



**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

Appendix 6A

**Ten-Year Projected Revenues & Expenditures  
RSWD - No Reorganization**

	Budgeted					Projected						
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Operating Revenues</b>												
Wastewater Collection												
Service Charges (Base & System)	\$1,126,718	\$1,160,519	\$1,160,519	\$1,160,519	\$1,160,519	\$1,160,519	\$1,160,519	\$1,160,519	\$1,160,519	\$1,160,519	\$1,160,519	\$1,160,519
Availability Charges	8,033	8,033	8,033	8,033	8,033	8,033	8,033	8,033	8,033	8,033	8,033	8,033
Interest Income	10,443	10,652	10,652	10,652	10,652	10,652	10,652	10,652	10,652	10,652	10,652	10,652
Other	8,086	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303
<b>Subtotal</b>	<b>\$1,153,280</b>	<b>\$1,187,507</b>	<b>\$1,187,507</b>	<b>\$1,187,507</b>	<b>\$1,187,507</b>	<b>\$1,187,507</b>	<b>\$1,187,507</b>	<b>\$1,187,507</b>	<b>\$1,187,507</b>	<b>\$1,187,507</b>	<b>\$1,187,507</b>	<b>\$1,187,507</b>
<b>Wastewater Treatment</b>												
Service Charges	\$839,631	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820
Usage Charges	148,124	152,568	152,568	152,568	152,568	152,568	152,568	152,568	152,568	152,568	152,568	152,568
Availability Charges	5,987	5,987	5,987	5,987	5,987	5,987	5,987	5,987	5,987	5,987	5,987	5,987
Interest Income	7,783	7,938	7,938	7,938	7,938	7,938	7,938	7,938	7,938	7,938	7,938	7,938
Arrowbear O&M Reimb	199,156	205,131	211,285	217,623	224,152	230,876	237,803	244,937	252,285	259,853	267,649	275,678
CSA 79 O&M Reimb	253,891	261,508	269,353	277,434	285,757	294,329	303,159	312,254	321,622	331,270	341,208	351,445
Arrowbear & CSA 79 CIP	160,856	164,073	167,355	170,702	174,116	177,598	181,150	184,773	188,468	192,238	196,083	200,004
CSA 79 CIP	207,807	211,963	216,202	220,526	224,937	229,436	234,024	238,705	243,479	248,349	253,316	258,382
Other	6,025	6,187	6,187	6,187	6,187	6,187	6,187	6,187	6,187	6,187	6,187	6,187
<b>Subtotal</b>	<b>\$1,829,260</b>	<b>\$1,880,175</b>	<b>\$1,901,695</b>	<b>\$1,923,785</b>	<b>\$1,946,461</b>	<b>\$1,969,739</b>	<b>\$1,993,636</b>	<b>\$2,018,169</b>	<b>\$2,043,354</b>	<b>\$2,069,210</b>	<b>\$2,095,755</b>	<b>\$2,123,009</b>
<b>Total Wastewater Revenues<sup>2</sup></b>	<b>\$2,982,540</b>	<b>\$3,067,682</b>	<b>\$3,089,202</b>	<b>\$3,111,292</b>	<b>\$3,133,968</b>	<b>\$3,157,246</b>	<b>\$3,181,143</b>	<b>\$3,205,676</b>	<b>\$3,230,861</b>	<b>\$3,256,717</b>	<b>\$3,283,262</b>	<b>\$3,310,516</b>

2: Revenues estimated to grow 0% annually to match RSWD cash flow projections in 2022-23 budget.

Source: RSWD Budgets for FYE 2022 and 2023; RSG Projections from FYE 2024



**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Ten-Year Projected Revenues & Expenditures** **Appendix 6B**  
**RSWD - No Reorganization**

	Budgeted		Projected									
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Expenditures</b>												
Wastewater Collection												
Personnel	\$595,339	\$615,295	\$639,907	\$665,503	\$692,123	\$719,808	\$748,600	\$778,544	\$809,686	\$842,074	\$875,757	\$910,787
Operations & Maintenance	145,561	150,552	156,574	162,837	169,351	176,125	183,170	190,496	198,116	206,041	214,282	222,854
Depreciation	199,767	202,818	210,931	219,368	228,143	237,268	246,759	256,629	266,895	277,570	288,673	300,220
Long-Term Debt - Interest	44,605	42,193	40,083	38,079	36,175	34,366	32,648	31,016	29,485	27,992	26,592	25,263
Subtotal	\$985,272	\$1,010,858	\$1,047,495	\$1,085,787	\$1,125,792	\$1,167,568	\$1,211,177	\$1,256,686	\$1,304,162	\$1,353,677	\$1,405,304	\$1,459,123
Wastewater Treatment												
Personnel	\$692,235	\$715,582	\$744,205	\$773,973	\$804,932	\$837,130	\$870,615	\$905,440	\$941,657	\$979,323	\$1,018,496	\$1,059,236
Operations & Maintenance	357,060	369,558	384,340	399,714	415,702	432,331	449,624	467,609	486,313	505,766	525,996	547,036
Depreciation	268,100	308,152	320,478	333,297	346,629	360,494	374,914	389,911	405,507	421,727	438,596	456,140
Subtotal	\$1,317,395	\$1,393,292	\$1,449,024	\$1,506,985	\$1,567,264	\$1,629,955	\$1,695,153	\$1,762,959	\$1,833,477	\$1,906,816	\$1,983,089	\$2,062,413
Total Wastewater Expenses	\$2,302,667	\$2,404,150	\$2,496,519	\$2,592,772	\$2,693,056	\$2,797,522	\$2,906,330	\$3,019,645	\$3,137,639	\$3,260,493	\$3,388,393	\$3,521,536
% Change <sup>3</sup>		4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
Net Operating Income / (Deficit)	\$679,873	\$663,532	\$592,683	\$518,520	\$440,912	\$359,724	\$274,813	\$186,031	\$93,222	(\$3,776)	(\$105,131)	(\$211,020)
Beginning Cash	\$825,366	\$585,674	\$1,272,832	\$1,471,993	\$1,430,608	\$2,251,031	\$2,975,512	\$3,666,192	\$4,295,101	\$4,804,149	\$5,290,123	\$5,699,684
Non-Cash Depreciation	467,867	510,970	531,409	552,665	574,772	597,763	621,673	646,540	672,402	699,298	727,270	756,360
Long-Term Debt - Principal	(126,932)	(129,344)	(131,931)	(134,569)	(137,261)	(140,006)	(142,806)	(145,662)	(148,576)	(151,547)	(154,578)	(157,670)
Capital Projects & Fixed Assets	(1,260,500)	(358,000)	(793,000)	(978,000)	(58,000)	(93,000)	(63,000)	(58,000)	(108,000)	(58,000)	(58,000)	(58,000)
<b>Ending Cash</b>	\$ 585,674	\$ 1,272,832	\$ 1,471,993	\$ 1,430,608	\$ 2,251,031	\$ 2,975,512	\$ 3,666,192	\$ 4,295,101	\$ 4,804,149	\$ 5,290,123	\$ 5,699,684	\$ 6,029,355
Change in Net Position	(\$239,692)	\$687,158	\$199,161	(\$41,384)	\$820,423	\$724,481	\$690,680	\$628,908	\$509,048	\$485,975	\$409,561	\$329,671

3: Expenditures estimated to increase 4% annually to match RSWD cash flow projections in 2022-23 budget

Source: RSWD Budgets for FYE 2022 and 2023; RSG Projections from FYE 2024



**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Ten-Year Projected Revenues & Expenditures  
RSWD - With CSA 79 Sewer**

Appendix 7A

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>CSA 79 Sewer Charge<sup>4</sup></b>										
EDUs	1,257	1,259	1,261	1,263	1,265	1,267	1,269	1,271	1,273	1,275
Monthly Service Charge	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77	\$65.77
	\$ 992,075	\$ 993,653	\$ 995,232	\$ 996,810	\$ 998,389	\$ 999,967	\$ 1,001,546	\$ 1,003,124	\$ 1,004,703	\$ 1,006,281
<b>Operating Revenues</b>										
Wastewater collection										
RSWD Service Charges	\$ 1,160,519	\$ 1,160,519	\$ 1,160,519	\$ 1,160,519	\$ 1,160,519	\$ 1,160,519	\$ 1,160,519	\$ 1,160,519	\$ 1,160,519	\$ 1,160,519
CSA 79 Service Charges	496,037	496,827	497,616	498,405	499,194	499,984	500,773	501,562	502,351	503,141
CSA 79 Special Assessments & Penalties	55,900	55,900	55,900	55,900	55,900	55,900	55,900	55,900	55,900	55,900
RSWD Other Revenues	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303
CSA 79 Other Revenues	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 1,720,759	\$ 1,721,549	\$ 1,722,338	\$ 1,723,127	\$ 1,723,916	\$ 1,724,706	\$ 1,725,495	\$ 1,726,284	\$ 1,727,073	\$ 1,727,863
<b>Wastewater Treatment</b>										
RSWD Service Charges	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820	\$864,820
CSA 79 Service Charges	496,037	496,827	497,616	498,405	499,194	499,984	500,773	501,562	502,351	503,141
RSWD Other Revenues	6,187	6,187	6,187	6,187	6,187	6,187	6,187	6,187	6,187	6,187
CSA 79 Other Revenues	-	-	-	-	-	-	-	-	-	-
Arrowbear O&M and CIP	360,012	369,204	378,639	388,325	398,268	408,474	418,953	429,710	440,753	452,091
Subtotal	\$ 1,727,056	\$ 1,737,037	\$ 1,747,262	\$ 1,757,737	\$ 1,768,469	\$ 1,779,465	\$ 1,790,732	\$ 1,802,279	\$ 1,814,112	\$ 1,826,239
<b>Total Wastewater Revenues</b>	\$ 3,447,816	\$ 3,458,586	\$ 3,469,600	\$ 3,480,864	\$ 3,492,385	\$ 3,504,170	\$ 3,516,227	\$ 3,528,563	\$ 3,541,185	\$ 3,554,101
<b>% Change</b>		0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%

4: CSA 79 service charges are divided evenly between the Wastewater Collection and Wastewater Treatment revenue categories

Source: RSG, Inc.



**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Ten-Year Projected Revenues & Expenditures  
RSWD - With CSA 79 Sewer** **Appendix 7B**

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Expenditures</b>										
Wastewater Collection										
RSWD Personnel	\$615,295	\$639,907	\$665,503	\$692,123	\$719,808	\$748,600	\$778,544	\$809,686	\$842,074	\$875,757
RSWD Operations & Maintenance	150,552	156,574	162,837	169,351	176,125	183,170	190,496	198,116	206,041	214,282
RSWD Depreciation	202,818	210,931	219,368	228,143	237,268	246,759	256,629	266,895	277,570	288,673
RSWD Long-Term Debt - Interest	42,193	40,083	38,079	36,175	34,366	32,648	31,016	29,465	27,992	26,592
CSA 79 O&M, Services, & Supplies	65,780	68,520	71,374	74,347	77,443	80,668	84,027	87,526	91,170	94,966
CSA 79 Utilities	29,121	29,965	30,834	31,728	32,649	33,595	34,570	35,572	36,604	37,665
Subtotal	\$1,105,759	\$1,145,980	\$1,187,995	\$1,231,867	\$1,277,659	\$1,325,441	\$1,375,283	\$1,427,260	\$1,481,451	\$1,537,936
Wastewater Treatment										
Personnel	\$715,582	\$744,205	\$773,973	\$804,932	\$837,130	\$870,615	\$905,440	\$941,657	\$979,323	\$1,018,496
Operations & Maintenance	369,558	384,340	399,714	415,702	432,331	449,624	467,609	486,313	505,766	525,996
Depreciation	308,152	320,478	333,297	346,629	360,494	374,914	389,911	405,507	421,727	438,596
Subtotal	\$1,393,292	\$1,449,024	\$1,506,985	\$1,567,264	\$1,629,955	\$1,695,153	\$1,762,959	\$1,833,477	\$1,906,816	\$1,983,089
Total Wastewater Expenses	\$2,499,051	\$2,595,004	\$2,694,980	\$2,799,131	\$2,907,614	\$3,020,593	\$3,138,242	\$3,260,737	\$3,388,267	\$3,521,025
Net Operating Income / (Deficit)	\$948,765	\$863,582	\$774,620	\$681,733	\$584,772	\$483,577	\$377,986	\$267,825	\$152,918	\$33,077
<b>Beginning Cash</b>	<b>\$585,674</b>	<b>\$2,072,065</b>	<b>\$3,381,125</b>	<b>\$4,415,840</b>	<b>\$5,377,085</b>	<b>\$6,261,613</b>	<b>\$7,066,057</b>	<b>\$7,786,920</b>	<b>\$8,420,572</b>	<b>\$8,963,240</b>
Non-Cash Depreciation	510,970	531,409	552,665	574,772	597,763	621,673	646,540	672,402	699,298	727,270
Long-Term Debt - Principal	(129,344)	(131,931)	(134,569)	(137,261)	(140,006)	(142,806)	(145,662)	(148,576)	(151,547)	(154,578)
RSWD Capital Projects & Fixed Assets	(358,000)	(358,000)	(358,000)	(358,000)	(358,000)	(358,000)	(358,000)	(358,000)	(358,000)	(358,000)
CSA 79 Capital Projects	514,000	404,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
<b>Ending Cash<sup>5</sup></b>	<b>\$2,072,065</b>	<b>\$3,381,125</b>	<b>\$4,415,840</b>	<b>\$5,377,085</b>	<b>\$6,261,613</b>	<b>\$7,066,057</b>	<b>\$7,786,920</b>	<b>\$8,420,572</b>	<b>\$8,963,240</b>	<b>\$9,411,008</b>
Change in Net Position	\$1,486,391	\$1,309,060	\$1,034,715	\$961,244	\$884,528	\$804,444	\$720,863	\$633,652	\$542,669	\$447,768

5: Cash balance is based on RSWD's cash balance, and could change based on negotiations regarding CSA 79's cash balance and pension liability upon reorganization.  
Source: RSG, Inc.



**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Projected Ten-Year Cost Savings/Difference  
CSA 79 Reorganization into RSWD - Constant Fees**

Appendix 8A

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Revenues Lost</b>										
Sanitation Service Charge	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Assessments	-	-	-	-	-	-	-	-	-	-
Penalties & Delinquent Taxes	-	-	-	-	-	-	-	-	-	-
Permit, Inspection & Connection Fees	(27,055)	(27,055)	(27,055)	(27,055)	(27,055)	(27,055)	(27,055)	(27,055)	(27,055)	(27,055)
Investment Earnings/Interest	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues Lost</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>
<b>Expenditures Saved</b>										
RSWD Contract - O&M	\$261,508	\$269,353	\$277,434	\$285,757	\$294,329	\$303,159	\$312,254	\$321,622	\$331,270	\$341,208
RSWD Contract - CIP	211,963	216,202	220,526	224,937	229,436	234,024	238,705	243,479	248,349	253,316
Other Professional Fees - O&M	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000
Services & Supplies - Direct & Indirect	(29,850)	(31,548)	(33,330)	(35,200)	(37,161)	(39,218)	(41,375)	(43,637)	(46,008)	(48,494)
Salaries & Benefits	248,055	255,248	262,651	270,268	278,105	286,170	294,469	303,009	311,796	320,838
Utilities	-	-	-	-	-	-	-	-	-	-
Transfers Out - CIP Reserve	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Total Expenses Saved</b>	<b>\$946,675</b>	<b>\$964,255</b>	<b>\$982,280</b>	<b>\$1,000,761</b>	<b>\$1,019,710</b>	<b>\$1,039,136</b>	<b>\$1,059,053</b>	<b>\$1,079,473</b>	<b>\$1,100,407</b>	<b>\$1,121,868</b>
<b>Net Savings</b>	<b>\$909,620</b>	<b>\$927,200</b>	<b>\$945,225</b>	<b>\$963,706</b>	<b>\$982,655</b>	<b>\$1,002,081</b>	<b>\$1,021,998</b>	<b>\$1,042,418</b>	<b>\$1,063,352</b>	<b>\$1,084,813</b>

Source: RSG, Inc.



**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

Appendix 8B

**Projected Ten-Year Cost Savings/Difference  
C-SA 79 Reorganization into RSWD - 3% Increase in Fees After Five Years**

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Revenues Lost</b>										
Sanitation Service Charge	\$0	\$0	\$0	\$0	\$0	(\$29,999)	(\$60,994)	(\$93,017)	(\$126,099)	(\$160,274)
Special Assessments	-	-	-	-	-	-	-	-	-	-
Penalties & Delinquent Taxes	-	-	-	-	-	-	-	-	-	-
Permit, Inspection & Connection Fees	(27,055)	(27,055)	(27,055)	(27,055)	(27,055)	(27,055)	(27,055)	(27,055)	(27,055)	(27,055)
Investment Earnings/Interest	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Other	-	-	-	-	-	-	-	-	-	-
<b>Total Revenues Lost</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>	<b>(\$37,055)</b>	<b>(\$67,054)</b>	<b>(\$98,049)</b>	<b>(\$130,072)</b>	<b>(\$163,154)</b>	<b>(\$197,329)</b>
<b>Expenditures Saved</b>										
RSWD Contract - O&M	\$261,508	\$269,353	\$277,434	\$285,757	\$294,329	\$303,159	\$312,254	\$321,622	\$331,270	\$341,208
RSWD Contract - CIP	211,963	216,202	220,526	224,937	229,436	234,024	238,705	243,479	248,349	253,316
Other Professional Fees - O&M	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000	255,000
Services & Supplies - Direct & Indirect	(29,850)	(31,548)	(33,330)	(35,200)	(37,161)	(39,218)	(41,375)	(43,637)	(46,008)	(48,494)
Salaries & Benefits	248,055	255,248	262,651	270,268	278,105	286,170	294,469	303,009	311,796	320,838
Utilities	-	-	-	-	-	-	-	-	-	-
Transfers Out - CIP Reserve	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Expenses Saved	\$946,675	\$964,255	\$982,280	\$1,000,761	\$1,019,710	\$1,039,136	\$1,059,053	\$1,079,473	\$1,100,407	\$1,121,868
<b>Net Savings</b>	<b>\$909,620</b>	<b>\$927,200</b>	<b>\$945,225</b>	<b>\$963,706</b>	<b>\$982,655</b>	<b>\$972,082</b>	<b>\$961,004</b>	<b>\$949,401</b>	<b>\$937,253</b>	<b>\$924,538</b>

Source: RSG, Inc.



**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

**Projected Ten-Year Cost Savings/Difference  
CSA 79 Reorganization into RSWD - Constant Fees** Appendix 9A

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Revenues</b>										
CSA 79 Independent	\$1,068,797	\$1,070,375	\$1,071,954	\$1,073,532	\$1,075,111	\$1,076,689	\$1,078,268	\$1,079,846	\$1,081,425	\$1,083,003
RSWD Independent	3,067,682	3,089,202	3,111,292	3,133,968	3,157,246	3,181,143	3,205,676	3,230,861	3,256,717	3,283,262
RSWD/CSA 79 Consolidated	3,447,816	3,458,586	3,469,600	3,480,864	3,492,385	3,504,170	3,516,227	3,528,563	3,541,185	3,554,101
Additional Revenues to RSWD	380,134	369,384	358,308	346,896	335,139	323,027	310,552	297,702	284,468	270,839
<b>Expenditures</b>										
CSA 79 Independent	\$1,432,665	\$1,332,306	\$1,138,211	\$1,148,388	\$1,158,845	\$1,169,590	\$1,180,630	\$1,191,976	\$1,203,634	\$1,215,616
RSWD Independent	2,404,150	2,496,519	2,592,772	2,693,056	2,797,522	2,906,330	3,019,645	3,137,639	3,260,493	3,388,393
RSWD/CSA 79 Consolidated	2,499,051	2,595,004	2,694,980	2,799,131	2,907,614	3,020,593	3,138,242	3,260,737	3,388,267	3,521,025
Additional Expenditures to RSWD	94,901	98,485	102,208	106,075	110,092	114,263	118,597	123,098	127,774	132,631
<b>Change in Net Position</b>										
CSA 79 Independent	(\$363,868)	(\$261,931)	(\$66,258)	(\$74,856)	(\$83,734)	(\$92,900)	(\$102,363)	(\$112,130)	(\$122,210)	(\$132,613)
RSWD Independent	687,158	199,161	(41,384)	820,423	724,481	690,680	628,908	509,048	485,975	409,561
RSWD/CSA 79 Consolidated	1,486,391	1,309,060	1,034,715	961,244	884,528	804,444	720,863	633,652	542,669	447,768
Difference to RSWD	799,233	1,109,899	1,076,100	140,821	160,047	113,764	91,955	124,604	56,694	38,208
<b>CSA 79 Consolidated</b>										
Revenues	\$1,031,742	\$1,033,320	\$1,034,899	\$1,036,477	\$1,038,056	\$1,039,634	\$1,041,213	\$1,042,791	\$1,044,370	\$1,045,948
Difference - Revenue Lost	(37,055)	(37,055)	(37,055)	(37,055)	(37,055)	(37,055)	(37,055)	(37,055)	(37,055)	(37,055)
Expenditures	\$485,990	\$368,051	\$155,931	\$147,627	\$139,136	\$130,453	\$121,577	\$112,503	\$103,228	\$93,748
Difference - Expenditure Savings	946,675	964,255	982,280	1,000,761	1,019,710	1,039,136	1,059,053	1,079,473	1,100,407	1,121,868
<b>Net Savings in Operating Costs</b>	<b>\$909,620</b>	<b>\$927,200</b>	<b>\$945,225</b>	<b>\$963,706</b>	<b>\$982,655</b>	<b>\$1,002,081</b>	<b>\$1,021,998</b>	<b>\$1,042,418</b>	<b>\$1,063,352</b>	<b>\$1,084,813</b>

Source: RSG, Inc.



**FISCAL IMPACT ANALYSIS  
SAN BERNARDINO COUNTY SERVICE AREA 79**

Appendix 9B

**Projected Ten-Year Cost Savings/Difference  
CSA 79 Reorganization into RSWD - 3% Increase in Fees After Five Years**

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
<b>Revenues</b>											
CSA 79 Independent	\$1,068,797	\$1,070,375	\$1,071,954	\$1,073,532	\$1,075,111	\$1,106,688	\$1,139,262	\$1,172,863	\$1,207,524	\$1,243,277	
RSWD Independent	3,067,682	3,089,202	3,111,292	3,133,968	3,157,246	3,181,143	3,205,676	3,230,861	3,256,717	3,283,262	
RSWD/CSA 79 Consolidated	3,447,816	3,458,586	3,469,600	3,480,864	3,492,385	3,504,170	3,516,227	3,528,563	3,541,185	3,554,101	
Additional Revenues to RSWD	380,134	369,384	358,308	346,896	335,139	323,027	310,552	297,702	284,468	270,839	
<b>Expenditures</b>											
CSA 79 Independent	\$1,432,665	\$1,332,306	\$1,138,211	\$1,148,388	\$1,158,845	\$1,169,590	\$1,180,630	\$1,191,976	\$1,203,634	\$1,215,616	
RSWD Independent	2,404,150	2,496,519	2,592,772	2,693,056	2,797,522	2,906,330	3,019,645	3,137,639	3,260,493	3,388,393	
RSWD/CSA 79 Consolidated	2,499,051	2,595,004	2,694,980	2,799,131	2,907,614	3,020,593	3,138,242	3,260,737	3,388,267	3,521,025	
Additional Expenditures to RSWD	94,901	98,485	102,208	106,075	110,092	114,263	118,597	123,098	127,774	132,631	
<b>Change in Net Position</b>											
CSA 79 Independent	(\$363,868)	(\$261,931)	(\$66,258)	(\$74,856)	(\$83,734)	(\$62,901)	(\$41,369)	(\$19,113)	\$3,889	\$27,662	
RSWD Independent	687,158	199,161	(41,384)	820,423	724,481	690,680	628,908	509,048	485,975	409,561	
RSWD/CSA 79 Consolidated	1,486,391	1,309,060	1,034,715	961,244	884,528	804,444	720,863	633,652	542,669	447,768	
Difference to RSWD	799,233	1,109,899	1,076,100	140,821	160,047	113,764	91,955	124,604	56,694	38,208	
<b>CSA 79 Consolidated</b>											
Revenues	\$1,031,742	\$1,033,320	\$1,034,899	\$1,036,477	\$1,038,056	\$1,039,634	\$1,041,213	\$1,042,791	\$1,044,370	\$1,045,948	
Difference - Revenue Lost	(37,055)	(37,055)	(37,055)	(37,055)	(37,055)	(67,054)	(98,049)	(130,072)	(163,154)	(197,329)	
Expenditures	\$485,990	\$368,051	\$155,931	\$147,627	\$139,136	\$130,453	\$121,577	\$112,503	\$103,228	\$93,748	
Difference - Expenditure Savings	946,675	964,255	982,280	1,000,761	1,019,710	1,039,136	1,059,053	1,079,473	1,100,407	1,121,868	
<b>Net Savings in Operating Costs</b>	<b>\$909,620</b>	<b>\$927,200</b>	<b>\$945,225</b>	<b>\$963,706</b>	<b>\$982,655</b>	<b>\$972,082</b>	<b>\$961,004</b>	<b>\$949,401</b>	<b>\$937,253</b>	<b>\$924,538</b>	

Source: RSG, Inc.



**SAN BERNARDINO COUNTY  
SPECIAL DISTRICTS DEPARTMENT  
  
TRANSITION PLAN**

Running Springs Water District January 2023

## TRANSITION PLAN

San Bernardino County, Department of Public Works, Special Districts Division (SDD) together with the Running Springs Water District (RSWD) has outlined the following transition plan at the Local Agency Annexation Commission's (LAFCO) request. This is for the purposes of outlining proposed services and potential costs of providing those services.

SDD proposes the following actions take place to transition services from the SDD to RSWD upon the issuance of the Certificate of Completion by LAFCO officially forming the new entity. These recommendations are not to be considered all-inclusive of every action necessary to guarantee or ensure the smooth transition of services; however, they do identify those actions required during the mandated transition period from annexation until close of the fiscal year or six months, whichever is longer. This period is referred to in this document as the "transition period".

As a part of this Transition Plan, actions taken by RSWD are at its discretion. SDD cannot be held liable for any failure of RSWD to perform actions required to facilitate the transition based on any exclusion of actions from the recommendations enclosed.

The transition of duties, responsibilities, authority, and documents maintained by and authorized by SDD, are divided into two main categories: transfer of duties and responsibilities and transfer of assets. SDD management would cease to provide services upon annexation and after the transition period.

The following provides an outline of services and administrative support to be provided by SDD to RSWD during the transition period.

### **SPECIAL DISTRICTS, WATER AND SANITATION DIVISION OPERATING COUNTY SERVICE AREA 79**

The final transfer of all business operations duties from the SDD to RSWD shall be initiated by RSWD through direct action of its Board of Directors and is dependent upon RSWD employing staff or contracting from available service providers to perform the mandatory duties.

#### **Business Operations**

The transfer of responsibility, information, documentation, and physical assets to be provided to RSWD shall include, but not be limited to the following:

1. Hard copies and/or electronic files of customer account data in a format that is compatible for import into Tyler Incode 10; RSWD to specify the format they would prefer and provide a sample.
2. Hard copies and/or electronic files of billing data in a format that is compatible for import into Tyler Incode 10; RSWD to specify the format they would prefer and provide a sample.
3. Hard copies and/or electronic files of County Service Area (CSA) 79 logs, permits, project files, assessment district "Engineer Reports", and active correspondences related to RSWD.
4. Provide names and supporting documents to RSWD so they may notify all regulatory and permitting agencies to transfer and/or reestablish permits, licenses, rights, etc. Coordinate transfer of properties including land, facilities, equipment, utilities, etc.
5. RSWD may be required to initially adopt the Rules, Regulations, Ordinances, Fee Package, and Purchasing Policy of SDD following annexation until such time as RSWD implements their own.

6. Provide all CSA 79 related historical data, which includes all regulatory reporting, subject to records retention requirements.
7. Arrange for transfer of any assets that may be associated with RSWD.
8. Beginning three months prior to completion of the annexation, SDD and RSWD will coordinate a public information campaign such as a newsletter included in the CSA 79 mail billing to notify CSA 79 customers regarding the status, schedule and recommended steps to take in order to transfer their accounts, Automated Clearing House (ACH), auto bill pay, etc. to RSWD.
9. Provide audited financial statements and other accounting information such as capital assets list, accounts receivable aging report, fees and charges lists and trial balance reports for the last five years.

### **System Operations**

Transfer of duties and responsibilities includes, but is not limited to:

1. Cancellation of existing licenses and permits in the name of CSA 79 for the operation and maintenance of the sewer collection system to allow RSWD to apply for the required licenses and permits for operation of the sewer system. SDD personnel operating as Interim General Manager to assist in providing for this transition.
2. Arrange to transfer CSA 79 equipment and physical assets to RSWD.
3. Provide Closed Circuit Television (CCTV) and main pipeline cleaning records to RSWD.
4. Provide preventative maintenance records for the sewer lift stations and wet-wells.
5. Provide contact information to transfer the California Integrated Water Quality System (CIWQS) required legal data entry to the RSWD.
6. Provide contact information to establish accounts with parts and materials suppliers, contractors and other vendors.
7. Provide related field/operational historical data, including as-builts (and construction drawings), and CSA 79 archives. This will include the last two years of pump station logs, other maintenance logs, and Snow Valley flow meter data.
8. List of hot spots, sags, and any areas of routine maintenance. In order to ensure a smooth transition, this item shall begin to be coordinated three months prior to completion of the annexation.
9. Copies of local pump station PLC program files and control logic. In order to ensure a smooth transition, this item shall begin to be coordinated three months prior to completion of the annexation.
10. Upon completion of transition, SDD shall cease all maintenance and projects, including the manhole raising project.

### **Financial Operations**

The transfer of responsibility is effective upon the annexation and dissolution of the existing entities.

Transfer of duties and responsibilities include, but are not limited to:

1. Upon the effective date of annexation and dissolution, request the Auditor-Controller/Treasurer/Tax Collector to assign fund/department codes for RSWD new agency funds, replacing the existing entity's enterprise funds.

2. Upon the effective date of annexation and dissolution, recalculate the Net Pension Liability that is currently identified. The current Net Pension Liability was calculated through June 30, 2021, the end of fiscal year 2020-21.
3. Develop a process to transfer incoming payments and outstanding payables received subsequent to the transition, including notification to customers of change, effective date, and location to send payments.
4. Hard copies and/or electronic files of collection activity i.e., payment arrangements, payment extensions and related banking information including Non-Sufficient Funds (NSF) checks.
5. Contact San Bernardino County, Assessor/Recorder/County Clerk to establish RSWD as the new contact for all Notices of Condition/Liens for delinquent charges recorded in CSA 79's name and update the fund code that all future payments will be deposited. Additionally, the SDD shall provide an electronic copy of the accounts to RSWD.
6. Deactivate and close cash balances from existing entity funds and transfer to RSWD funds, providing RSWD Board of Directors with outline of transfer amounts.
7. Discontinue payment documents from, and receiving deposits into, existing entity funds.
8. Transfer fiscal records to RSWD upon effective date of annexation, in coordination with RSWD Board of Directors.
9. Provide contact information for materials and services vendors if needed.
10. Assist in the transfer of utilities accounts to RSWD as customer/owner.

#### **Information Technology Operations**

The transfer of responsibility is effective upon the annexation and dissolution of the existing entities. In order to ensure a smooth transition, these items shall begin to be coordinated three months prior to completion of the annexation. Transfer of Duties and Responsibilities include, but are not limited to:

1. Identify all sites to be transferred, site address and services/functions operated.
2. Identify communication interconnectivity plan.
3. Identify communications methods employed and licenses required (Federal Communications Commission (FCC), Cellular, Telco).
4. Add/Remove non-reprogrammable communication components configured for SDD operations.
5. Extract all data files and application formats if applications are part of RSWD's inventory.
6. Prepare electronic export file of all account data in format specified by RSWD's billing system.
7. Determine communication service providers in areas of RSWD facilities and coordinate transfer of authority and accounting information with service transfer date.
8. If web presence is to continue, provide electronic copy of web pages and application formats.
9. Support RSWD to develop separate supervisory control and data acquisition (SCADA) human-machine interface (HMI) and establish SCADA support agreement.

**Other Information**

**Permit Requirements**

The Permit Requirements referred to in this document shall be understood to be any permit issued by the United States Environmental Protection Agency (USEPA), United States Forest Service, or California Regional Water Quality Control Board that amends, revises or replaces these permits while the contract is in effect.

RSWD will need to apply for and obtain permits from Lahontan Regional Water Quality Control Board (RWQCB), South Coast Air, San Bernardino County Fire Protection District, and the United States Forest Service. RSWD will also need to obtain Out of Service Area and Snow Valley agreements. SDD will provide past permits/agreements for their reference.

**Regulatory Agency**

The term Regulatory Agency referred to in this document shall be understood to be the USEPA, California Environmental Protection Agency (CAL-EPA), South Coast Air Quality Management District (SCAQMD), State Water Resources Control Board (SWRCB), Lahontan RWQCB or any agency imposing regulations upon the district as it refers to the sewer facilities.

**Facilities**

The sewer facilities referred to in this document shall be understood to be Sewer Collection System Main Pipelines, Sewer Lift Stations, and Appurtenances.

**Duration**

SDD shall provide transition services for a period of three to six months beyond the approval of the annexation and dissolution of existing entities.

**Communications**

SDD shall transmit to RSWD all necessary and/or requested information regarding the operation and maintenance of RSWD facilities in a timely manner.

**Emergency**

During the transition period, if needed, SDD will be required to respond to all emergencies that occur at, or in some way involve, the facilities until the approval of the annexation and dissolution of existing entities. SDD shall designate the appropriate level of "stand by" personnel to respond to emergency calls during unmanned hours. Emergency services shall be charged at County Board approved fee schedule rates. After the approval of the annexation and dissolution of existing entities, RSWD will be responsible for responding to all emergencies that occur at, or in some way involve, the facilities. During the transition period, the emergency notification services shall be transferred to RSWD and will be provided by the current SDD emergency notification system until such time as RSWD completed the migration of the emergency call out systems to RSWD's system.

**Business Operations**

All business operations equipment such as computers, computer software, printers, fax machines and all other office equipment are the sole property of SDD and are non-transferable. All custom modifications to billing software programs shall be considered proprietary and shall not be duplicated and/or reproduced without express written consent of SDD.

**Warranties and Guarantees**

SDD shall maintain all warranties on all equipment until the transition duration is completed.

**RSWD Access to Facilities**

RSWD's staff or its representatives shall have access to facilities, while accompanied by SDD staff, during normal hours of operation three months prior to the approval of the annexation and dissolution of the existing entities.

**Transition Services**

SDD shall provide transition services during the Transition Period after the issuance of the Certificate of Completion by LAFCO. These services shall include but not be limited to:

- Phone support for technical questions regarding the wastewater collection system and/or sewer lift stations.
- Onsite support for technical and/or operational services at County Board approved fee schedule rates.
- CSA 79's emergency notification information replaced with RSWD's emergency notification information in SDD's existing emergency notification system (alarm callout software).

**Training**

SDD will provide for training of RSWD's personnel, on a scheduled basis, as needed, during the three months prior to the anticipated date of approval of the annexation and dissolution of existing entities as well as during the transition period. This will include site visits to go over detailed SCADA and communication architecture.

**Legal**

San Bernardino County will provide any and all non-privileged legal documents, status on any existing unsettled claims, any other non-privileged files that County Counsel has for CSA 79.

The parties below agree to the Transition Plan outlined in this document.

**San Bernardino County**

**Running Springs Water District**



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Leonard X. Hernandez, Chief Executive Officer



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Ryan Gross, General Manager

10/26/2022

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Date

10/19/2022

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Date

# CSA 79 - CASH BALANCES

CSA 79 Cash Balances  
Balances as of 9/8/2022

Fund	Fund Name	Amount
4850	CSA 79 Green Valley Lake Sewer Operating	\$ 1,557,259.97
4844	CSA 79 Green Valley Lake CIP	\$ 3,138.62
4846	CSA 79 Green Valley Lake Expansion Rsrv	\$ 47,128.37
4848	CSA 79 Green Valley Lk Replacement Rsrv	\$ 1,049,400.96
		<u>\$ 2,656,927.92</u>

## CSA 79 - LAND

<i><b>Building Code</b></i>	<i><b>Building Name</b></i>	<i><b>Address 1</b></i>	<i><b>Functional Use</b></i>	<i><b>Cost Center</b></i>	<i><b>Dept Name</b></i>	<i><b>APN's</b></i>
VIC011	Green Vly Lk Sani Dist	32985 Canyon Dr.	SWMD	4850004850	CSA 79 Green Valley Lake Sewer Operating	032605223
ARB001	Green Vly Lk Sanitation	32760 Hilltop Blvd.	SWMD	4850004850	CSA 79 Green Valley Lake Sewer Operating	029524108
VIC012	Green Vly Lk Sani Dist	32965 Juniper Ln.	SWMD	4850004850	CSA 79 Green Valley Lake Sewer Operating	032604329 032604325 032604334 032604335 032604323 032604327

## CSA 79 - ASSETS

	Asset	Capitalized on	Asset description	Cost	Accumulated Depreciation	Asset Cost Net of Depreciation
<b>Roads</b>						
	100000017423	6/30/1993	CEDAR OAK LANE 567'	26,465.61	(18,444.60)	8,021.01
	100000017424	6/30/1993	CEDAR PINE LANE 545'	25,438.72	(17,728.96)	7,709.76
	100000017425	6/30/1993	LONE PINE LANE 320'	14,936.50	(10,409.62)	4,526.88
	100000017426	6/30/1993	MEADOW LANE 1389'	64,833.74	(45,184.35)	19,649.39
				<b>131,674.57</b>	<b>(91,767.53)</b>	<b>39,907.04</b>
<b>Sewer</b>						
	100000005440	2/1/1979	WASTEWATER COLLECTION	159,050.00	(146,384.38)	12,665.62
	100000005310	1/1/1981	SEWER SYSTEM	14,444.00	(12,678.62)	1,765.38
	100000005311	2/1/1979	WASTEWATER COLLECTION	4,474,286.00	(4,118,000.36)	356,285.64
	100000005360	7/1/2002	Force Main Project	250,021.56	(100,008.70)	150,012.86
	100000005401	12/21/2012	Replaced pump on lift station	33,171.48	(16,770.01)	16,401.47
	100000005427	7/24/2015	Install UG sewage tank and piping to incr capacity	444,593.99	(88,918.80)	355,675.19
	100000005439	7/1/2017	Road rehab / manhole raising	112,254.21	(16,838.13)	95,416.08
	100000005500	9/12/2008	40 KW POWER GENERAC GENERATOR	17,831.00	(14,066.66)	3,764.34
	100000005501	4/23/2004	GENERAC DIESEL 60HZ GENERATOR	15,623.75	(15,623.75)	-
	100000005502	7/26/2007	2007 GENERAC SD0135	30,985.20	(30,985.20)	-
	100000005561	12/1/1993	VARIABLE FREQUENCY DRIVE-40 HP	8,081.00	(8,081.00)	-
	100000005562	12/1/1993	MOTOR CONTROL EQUIPMENT	10,706.00	(10,706.00)	-
	100000005563	4/1/2001	CCTV SYSTEM	5,806.00	(5,806.00)	-
	100000005564	9/19/2008	MARATHON ELECTRIC MOTOR MODEL 324TTDR4336AN	6,413.44	(5,059.29)	1,354.15
				<b>5,583,267.63</b>	<b>(4,589,926.90)</b>	<b>993,340.73</b>
				<b>5,714,942.20</b>	<b>(4,681,694.43)</b>	<b>1,033,247.77</b>

# TOM DODSON & ASSOCIATES

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

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

Tel: (909) 882-3612 ♦ Fax: (909) 882-7015 ♦ Email: [tda@tdaenv.com](mailto:tda@tdaenv.com)



**RECEIVED**

**NOV 01 2022**

**LAFCO**  
**San Bernardino County**

November 1, 2022

Mr. Samuel Martinez  
Local Agency Formation Commission  
1170 West 3<sup>rd</sup> Street, Unit 150  
San Bernardino, CA 92415-0490

Dear Sam:

LAFCO 3254 consists of a Reorganization to include Annexation to the Running Springs Water District (District); Dissolution of County Service Area 79 and its Zone R-1 (refer to the attached map); and Formation of County Service Area Zone R-52. The proposed Reorganization includes the entire service area boundary of County Service Area 79, including its Zone R-1 that comprises two areas encompassing a total of approximately 1,600 acres located in the Mountain region of the County, within the community of Green Valley Lake. The proposed Reorganization area is located within the District's northern Sphere of Influence. This Reorganization will extend District wastewater collection services into the approximate 1,600-acre area but it would not result in any specific physical changes to the physical environment.

Therefore, after careful review, I am recommending that the Commission consider the adoption of a Common Sense Exemption for LAFCO 3254. I recommend that the Commission find that a Common Sense Exemption (as defined in CEQA applies to LAFCO 3254 under Section 15061 (b) (3) of the State CEQA Guidelines, which states: "*The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.*" It is my opinion, and recommendation to the Commission, that this circumstance applies to LAFCO 3254 because the District will simply replace the existing wastewater collection service within the identified action area.

Based on this review of LAFCO 3254 and the pertinent sections of CEQA and the State CEQA Guidelines, I conclude that LAFCO 3254 does not constitute a project under CEQA and adoption of the common sense exemption and filing of a Notice of Exemption is the most appropriate determination to comply with CEQA for this action. The Commission can approve the review and findings for this action and I recommend that you notice LAFCO 3254 as exempt from CEQA for the reasons outlined in the State CEQA Guideline sections cited above. The Commission needs to file a Notice of Exemption with the County Clerk to the Board for this action once the hearing is completed and assuming the project is approved.

A copy of this exemption recommendation should be retained in LAFCO's project file to serve as verification of this evaluation and as the CEQA environmental determination record.

If you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in black ink that reads "Tom Dodson". The signature is written in a cursive style with a large, prominent initial "T".

Tom Dodson

TD/cmc

LAFCO #3254 CS Exemption Memo

**LOCAL AGENCY FORMATION COMMISSION  
FOR SAN BERNARDINO COUNTY**

1170 West Third Street, Unit 150, San Bernardino, CA 92415-0490  
(909) 388-0480 • Fax (909) 388-0481  
lafco@lafco.sbcounty.gov  
www.sbclafco.org

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**PROPOSAL NO.: LAFCO 3254**

**HEARING DATE: NOVEMBER 16, 2022**

**RESOLUTION NO. 3359**

**A RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION FOR SAN BERNARDINO COUNTY MAKING DETERMINATIONS ON LAFCO 3254 AND APPROVING THE REORGANIZATION TO INCLUDE:**

- **ANNEXATION TO RUNNING SPRINGS WATER DISTRICT,**
- **DISSOLUTION OF CSA 79 AND CSA 79 ZONE R-1, AND**
- **FORMATION OF CSA 70 ZONE R-52**

**The reorganization area comprises two areas encompassing a total of approximately 1,600 acres, consisting of the entire area of County Service Area 79.**

**On motion of Commissioner \_\_\_\_\_, duly seconded by Commissioner \_\_\_\_\_, and carried, the Local Agency Formation Commission adopts the following resolution:**

**WHEREAS**, a joint application by the San Bernardino County Board of Supervisors and Running Springs Water District Board of Directors for the proposed reorganization in San Bernardino County was filed with the Executive Officer of this Local Agency Formation Commission (hereinafter referred to as “the Commission”) in accordance with the Cortese-Knox- Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000 et seq.), and the Executive Officer has examined the application and executed his certificate in accordance with law, determining and certifying that the filings are sufficient; and,

**WHEREAS**, at the times and in the form and manner provided by law, the Executive Officer has given notice of the public hearing by the Commission on this matter; and,

**WHEREAS**, the Executive Officer has reviewed available information and prepared a report including his recommendations thereon, the filings and report and related information having been presented to and considered by this Commission; and,

**WHEREAS**, the public hearing by this Commission was called for November 16, 2022, at the time and place specified in the notice of public hearing; and,

**WHEREAS**, at the hearing, this Commission heard and received all oral and written support and/or opposition; the Commission considered all plans and proposed changes of organization, objections and evidence which were made, presented, or filed; it received evidence as to whether the territory is inhabited or uninhabited, improved or unimproved;

## RESOLUTION NO. 3359

and all persons present were given an opportunity to hear and be heard in respect to any matter relating to the application, in evidence presented at the hearing.

**NOW, THEREFORE, BE IT RESOLVED**, that the Commission does hereby determine, find, resolve, and order as follows:

### **DETERMINATIONS:**

**SECTION 1.** The proposal is approved subject to the terms and conditions hereinafter specified:

**Condition No. 1.** The boundaries are approved as set forth in Exhibits "A", "A-1", "B", and "B-1" attached.

**Condition No. 2.** The following distinctive short-form designation shall be used throughout this proceeding: LAFCO 3254.

**Condition No. 3.** All previously authorized charges, fees, assessments, and/or taxes currently in effect by County Service Area 79 shall be assumed by the annexing territory by Running Springs Water District in the same manner as provided in the original authorization pursuant to Government Code Section 56886(t). In addition, all previously authorized charges, fees, assessments, and/or taxes currently in effect by County Service Area 79 Zone R-1 shall be assumed by the newly formed County Service Area 70 Zone R-52 in the same manner as provided in the original authorization pursuant to Government Code Section 56886(t).

**Condition No. 4.** The County of San Bernardino and Running Springs Water District shall indemnify, defend, and hold harmless the Local Agency Formation Commission for San Bernardino County from any legal expense, legal action, or judgment arising out of the Commission's approval of this proposal, including any reimbursement of legal fees and costs incurred by the Commission.

**Condition No. 5.** Pursuant to Government Code Section 56886.1, public utilities, as defined in Section 216 of the Public Utilities Code, have ninety (90) days following the recording of the Certificate of Completion to make the necessary changes to impacted utility customer accounts.

**Condition No. 6.** The date of issuance of the Certificate of Completion shall be the effective date of this reorganization.

**SECTION 2. TERMS AND CONDITIONS OF THE APPLICANTS.** The resolutions of the County and Water District both identify that this proposal be subject to LAFCO's standard terms and conditions as well as 11 additional terms and conditions of their own, outlined below. In italics LAFCO provides clarification or an update where warranted.

- 1) Running Springs Water District will fix the Green Valley Lake community wastewater rates at their current level (Connection Fee \$5,336.22 and User Rate \$65.77 per Equivalent Dwelling Unit per month) for the first five years and account for the area as

## RESOLUTION NO. 3359

a separate enterprise fund barring any unforeseen circumstances that would require additional revenue; current wastewater rates for Running Springs Water District are: Connection Fee \$5,815 and User Rates \$54.08 per Equivalent Dwelling Unit per month plus \$0.0105 per cubic foot of water usage);

- 2) Depending on the timing of LAFCO approval of the proposed reorganization, Running Springs Water District will arrange for the Green Valley Lake community wastewater rates to be placed on the San Bernardino County property tax roll at the expense of Running Springs Water District's separate enterprise fund for the Green Valley Lake community;
- 3) After the initial 5 year period, a rate study will be prepared and the Green Valley Lake community will be merged with the existing Running Springs Water District wastewater enterprise such that a uniform wastewater rate will be applied for all wastewater customers of Running Springs Water District at that time;
- 4) Running Springs Water District will not assume any of CSA 79's pension liability. CSA 79 may withhold from transfer to Running Springs Water District a portion of its existing wastewater reserve funds to fund CSA 79's pension liabilities through LAFCO's issuance of the Certificate of Completion for the reorganization, with the method of calculation and the amount withheld to be determined and agreed to by both CSA 79 and Running Springs Water District;

*CSA 79 has a proportionate share of the County's net pension liability allocated by the San Bernardino County Employees' Retirement Association ("SBCERA"). According to the County, CSA 79's net pension liability as of June 30, 2021 is \$318,808. The exact net pension liability will be recalculated as of the effective date of this reorganization.*

- 5) CSA 79 R-1 funds for road services will transfer to the new CSA 70 road district zone, once formed;
- 6) All application fees and any other costs associated with the LAFCO reorganization will be paid for with CSA 79 reserve funds;
- 7) The remaining CSA 79 wastewater reserve funds, not withheld to cover CSA 79's pension liabilities, will be transferred to Running Springs Water District and be placed in a separate enterprise fund;

*The County provided a listing of CSA 79's cash balances, lands, and assets, which will all transfer to the successor agency, the Running Springs WD.*

- 8) No additional Board of Director seats will be added to Running Springs Water District;
- 9) Running Springs Water District will enter into a new agreement as a permittee for a Special Use Permit with the United States Forest Service (USFS) for encroachment of the gravity sewer line under Green Valley Lake Road within the USFS;

**RESOLUTION NO. 3359**

*County Land Use Services has a special use permit with the U.S. Forest Service for a main down by the highway. According to the Running Springs WD, there is apparently no successor clause so the District will need to apply for a new USFS Special Use Permit.*

- 10) Running Springs Water District acknowledges and agrees to the LAFCO requirement imposing legal indemnification as outlined in Policy 3 of Chapter 2 of the Accounting and Financial Section of its Policy and Procedure Manual;
- 11) Running Springs Water District will continue to provide out of district sewer service to Snow Valley [Ski Area], which is consistent with the sphere of influence, and will be billed based off an equivalent dwelling unit (EDU) count;

*Since 1978, CSA 79 has provided service outside of its boundary to the Snow Valley Ski area. The agreement expired in April 2018, and the County and Snow Valley opted not to extend the former contract where Snow Valley was charged based upon flow rate. Rather, in lieu of a contract, Snow Valley is now charged under the same method as CSA 79's other customers, by EDU. Snow Valley is outside the boundaries of the Running Springs WD but within the District's sphere of influence.*

*According to the Running Springs WD, it will also need to enter into a new agreement with Snow Valley. Ownership of Snow Valley is currently changing so it is working on coordinating this new agreement.*

*This reorganization will recognize that the Running Springs WD will succeed to the service that has been provided to Snow Valley since 1978. As long as the service continues, no further LAFCO review is necessary.*

**SECTION 3. FACTORS TO BE CONSIDERED.** The following are the factors to be considered in the review of a proposal pursuant to Government Code Section 56668 and Commission policy:

- 1. The Registrar of Voters has determined that the reorganization study area is legally inhabited, containing 295 registered voters within LAFCO 3254 as of October 26, 2022.
- 2. The reorganization does not conflict with the sphere of influence of any other entity because the proposal transfers existing service from one agency (to be dissolved) to another agency. Further, the territory is already within the Running Springs Water District sphere of influence.
- 3. The County Assessor has determined that the value of land and improvements within the reorganization area is broken down as follows:

Land:	\$ 46,786,369
Improvements:	\$186,124,694
Total:	\$232,911,063

## RESOLUTION NO. 3359

4. In compliance with Commission policy and Government Code Section 56157, the Notice of Hearing for this proposal was provided by publication of an eight-page (1/8 page) legal ad in the *Alpine Mountaineer*, a newspaper of general circulation in the area. Comments from registered voters, landowners, other individuals, and any affected local agency have been reviewed and considered by the Commission in making its determination.
5. The proposed reorganization includes a variety of land uses established under the San Bernardino County's General Plan, however, such reorganization has no direct impact on said land use designations.
6. The Southern California Association of Governments (SCAG) has adopted a Regional Transportation Plan and Sustainable Community Strategy pursuant to the provisions of Government Code Section 65352.5. Approval of LAFCO 3254 has no direct impact on these determinations.
7. The Commission's Environmental Consultant, Tom Dodson and Associates, has recommended that this proposal is exempt from environmental review based on the finding that the Commission's approval of the reorganization has no potential to cause any adverse effect on the environment; and therefore, the proposal is exempt from the requirements of CEQA, as outlined in the State CEQA Guidelines, Section 15061 (b)(3). Mr. Dodson recommends that the Commission adopt the Exemption and direct its Executive Officer to file a Notice of Exemption within five (5) days.
8. The local agencies currently serving the area are:
  - County of San Bernardino
  - County Service Area 79
  - County Service Area 70 (unincorporated countywide, multi-function)
  - Crestline-Lake Arrowhead Water Agency
  - Mojave Desert Resource Conservation District
  - Rim of the World Recreation and Park District
  - San Bernardino County Fire Protection District, its North Desert Service Zone, and its Service Zone FP-5
  - San Bernardino Mountains Community Hospital District

CSA 79 will be dissolved as a function of this reorganization. In addition, its Zone R-1 will also be dissolved but formed as a new zone of CSA 70, CSA 70 Zone R-52. The other agencies are not affected by this reorganization as they are either regional in nature or identified for other services to a specific area.
9. A plan was prepared for the extension of wastewater collection service to the annexation area, as required by law. The Plan for Service indicates that the Agency can maintain and/or improve the level of service currently available to the area.

The Plan for Service has been reviewed and compared with the standards established by the Commission and the factors contained within Government Code Section 56668. The Commission finds that the Plan for Service conforms to those adopted standards and requirements.

## RESOLUTION NO. 3359

10. The reorganization area can benefit from the availability and continuation wastewater services, as evidenced by the Plan for Service and Fiscal Impact Analysis.
11. This proposal will not affect the fair share allocation of the regional housing needs assigned to the County of San Bernardino through the Southern California Association of Government's (SCAG) Regional Housing Needs Allocation (RHNA) process.
12. With respect to environmental justice, the reorganization provides for the continuation of wastewater services within the area. The delivery of these services, through a locally-elected special district, will not result in the unfair treatment of any person based upon race, culture or income.
13. The County of San Bernardino adopted a resolution determining there will be a zero property tax transfer as a result of the reorganization. This resolution fulfills the requirement of Section 99 of the Revenue and Taxation Code.
14. The maps and legal descriptions are in substantial compliance with LAFCO and State standards.

**SECTION 4.** Approval by the Local Agency Formation Commission indicates that completion of this proposal would accomplish the proposed reorganization in a reasonable manner with a maximum chance of success and a minimum disruption of service to the functions of other local agencies in the area.

**SECTION 5.** The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner provided by Section 56882 of the Government Code.

**SECTION 6.** The Commission hereby directs that, following completion of the reconsideration period specified by Government Code Section 56895(b), the Executive Officer is hereby directed to initiate protest proceedings in compliance with this resolution and State law (Part 4, commencing with Government Code Section 57000) and set the matter for consideration of the protest proceedings, providing notice of hearing pursuant to Government Code Sections 57025 and 57026.

**SECTION 7.** Upon conclusion of the protest proceedings, the Executive Officer shall adopt a resolution setting forth his determination on the levels of protest filed and not withdrawn and setting forth the action on the proposal considered.

**SECTION 8.** Upon adoption of the final resolution by the Executive Officer, either a Certificate of Completion or a Certificate of Termination, as required by Government Code Sections 57176 through 57203, and a Statement of Boundary Change, as required by Government Code Section 57204, shall be prepared and filed for the proposal.

**THIS ACTION APPROVED AND ADOPTED by the Local Agency Formation Commission for San Bernardino County by the following vote:**

RESOLUTION NO. 3359

AYES: COMMISSIONERS:

NOES: COMMISSIONERS:

ABSENT: COMMISSIONERS:

\*\*\*\*\*

STATE OF CALIFORNIA )  
 ) ss  
COUNTY OF SAN BERNARDINO )

I, SAMUEL MARTINEZ, Executive Officer of the Local Agency Formation Commission for San Bernardino County, California, do hereby certify this record to be a full, true, and correct copy of the action taken by said Commission by vote of the members present as the same appears in the Official Minutes of said Commission at its regular meeting of November 16, 2022.

DATED:

\_\_\_\_\_  
SAMUEL MARTINEZ  
Executive Officer

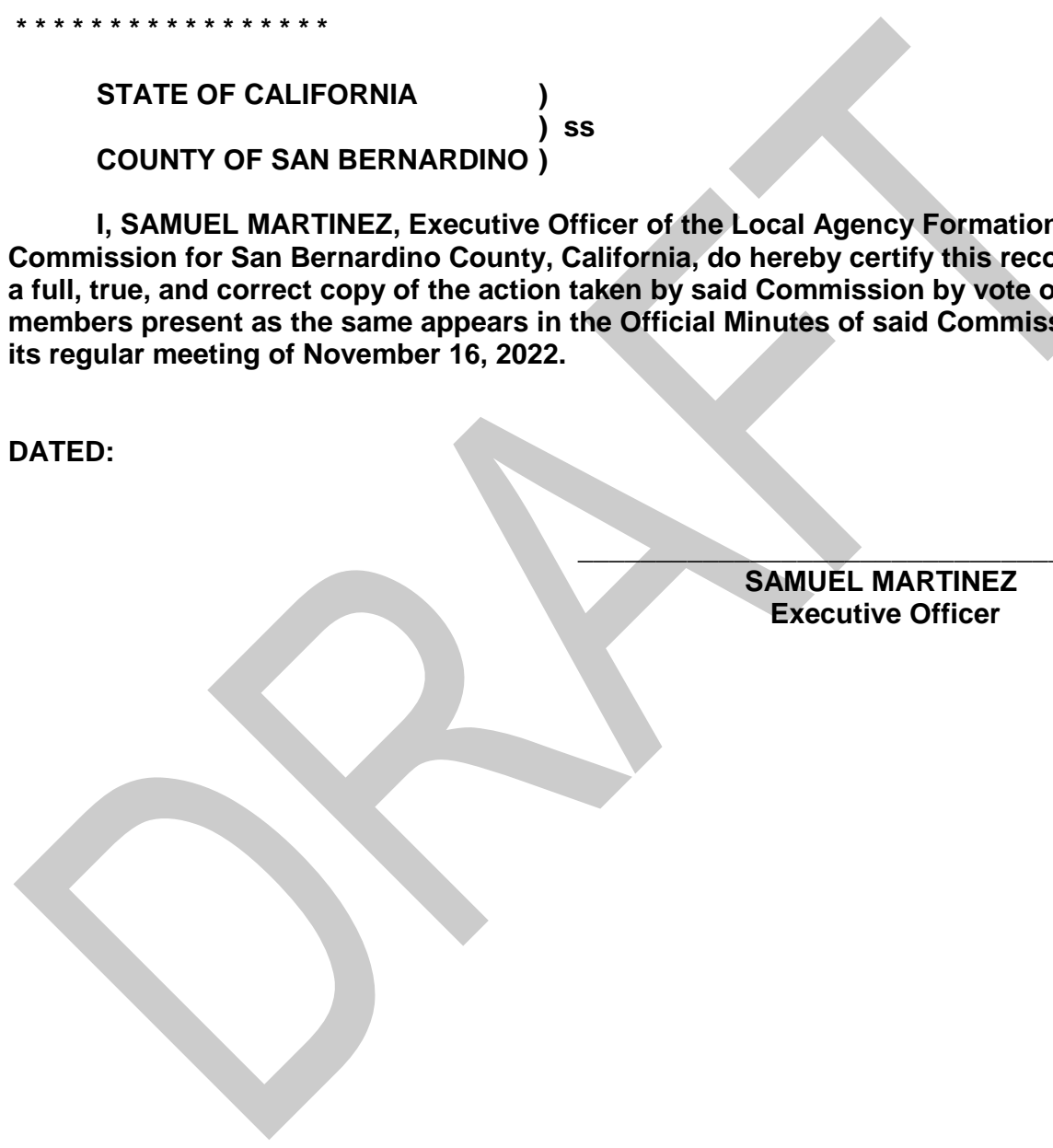


EXHIBIT A

Reorganization to include Annexation to Running Springs Water District, Dissolution of County Service

Area 79 and its Zone R-1, and Formation of County Service Area 70 Zone R-\_\_

Annexation to Running Springs Water District and Dissolution of County Service Area 79

THOSE PORTIONS OF SECTIONS 22, 23, 26, 27 AND 28 TOWNSHIP 2 NORTH RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER OFFICIAL GOVERNMENT SURVEY.

Area A:

THE EAST 1/2 OF THE SOUTHWEST 1/4 AND THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 28, TOWNSHIP 2 NORTH, RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER OFFICIAL GOVERNMENT SURVEY.

THE SOUTHERLY BOUNDARY OF WHICH LIES ADJACENT TO THE EXISTING BOUNDARY OF THE ARROWBEAR PARK COUNTY WATER DISTRICT AS ESTABLISHED IN 1953 BY ANNEXATION # 1

CONTAINING 160 ACRES, MORE OR LESS

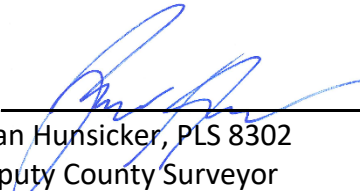
Area B:

ALL OF SECTION 22, THE WEST 1/2 OF SECTION 23, THE NORTHWEST 1/4 OF SECTION 26, THE NORTH 1/2 OF SECTION 27 TOWNSHIP 2 NORTH, RANGE 2 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE UNINCORPORATED TERRITORY OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER OFFICIAL GOVERNMENT SURVEY.

CONTAINING 1,440 ACRES, MORE OR LESS

THE TOTAL COMPUTED ACREAGE CONTAINING 1,600 ACRES OF LAND, MORE OR LESS.

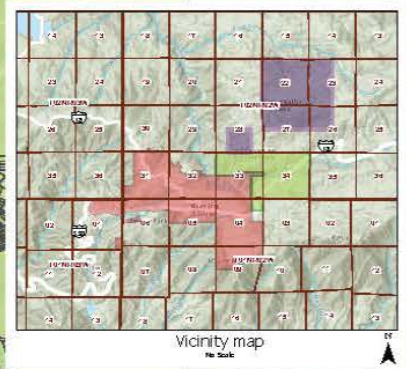
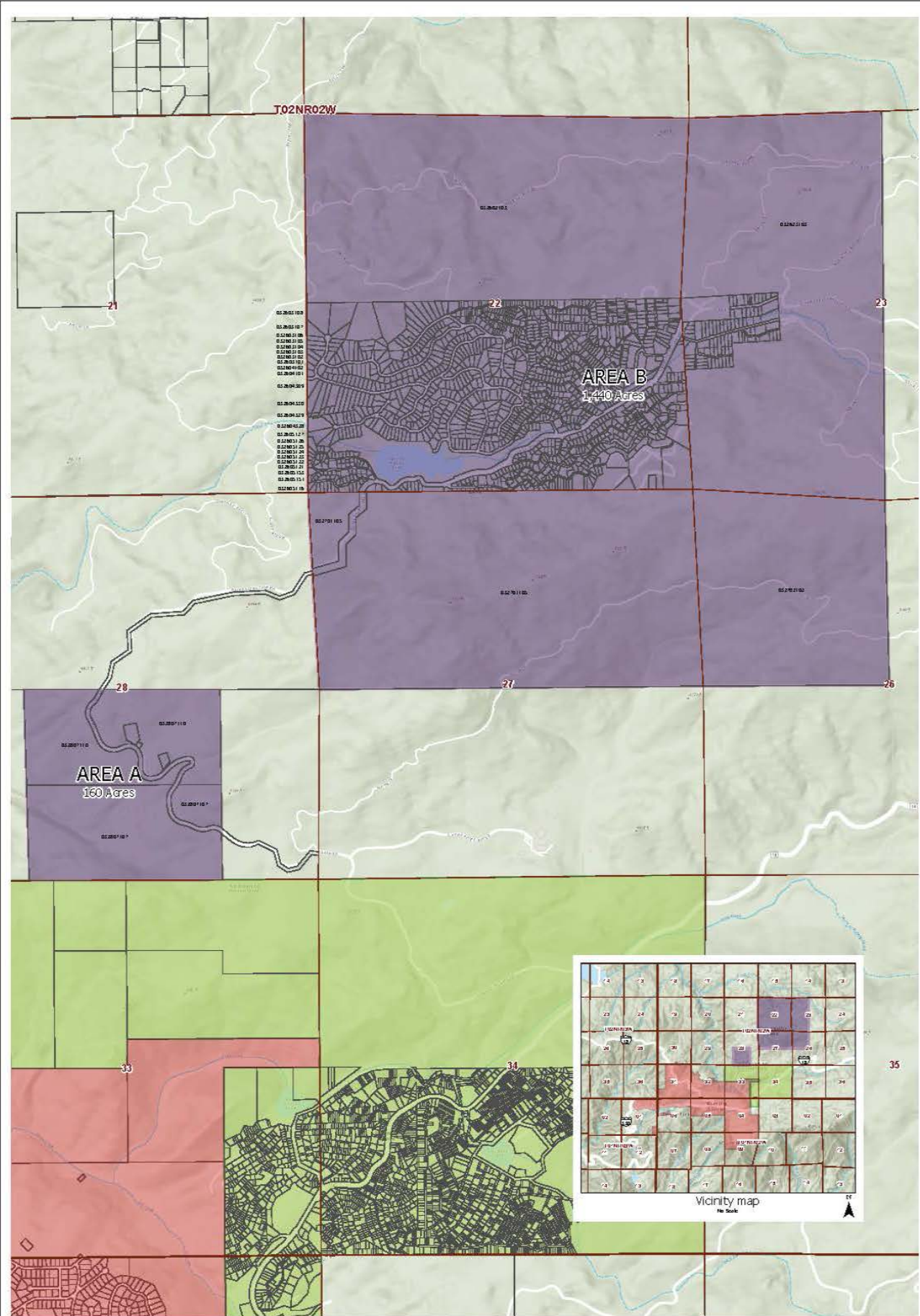
This legal description was prepared by me or under my direction.

By:  09/02/2021  
Ryan Hunsicker, PLS 8302 Date  
Deputy County Surveyor



FOR QUESTIONS REGARDING THIS MAP OR TO OBTAIN A COPY OF THIS MAP IN ELECTRONIC FORM, PLEASE CONTACT LAFCO FOR SAN BERNARDINO COUNTY

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**Legend**

- Section
- Parcel
- Service Area
- Annexation Park County Water District

**Affected Agency**

- Running Springs Water District
- County Service Area 79

0 0.25 0.5 Miles

EXHIBIT A-1  
 Reorganization to include Annexation to Running Springs Water District, Dissolution of County Service Area 79 and its Zone R-1, and Formation of County Service Area 70 Zone R-1  
 Annexation to Running Springs Water District and Dissolution of County Service Area 79

**EXHIBIT B**

Reorganization to include Annexation to Running Springs Water District, Dissolution of County

Service Area 79 and its Zone R-1, and Formation of County Service Area 70 Zone R-52

Dissolution of County Service Area 79 Zone R-1 and Formation of County Service Area 70 Zone R-52

That portion of Map of Green Valley Park, in the County of San Bernardino, State of California, as per map recorded in Book 23 of Maps, page 17, records of said County, lying within the following described portion of the Southwest quarter of Section 23, Township 2 North, Range 2 West, San Bernardino Meridian:

Commencing at the West 1/4 corner of said section 23;

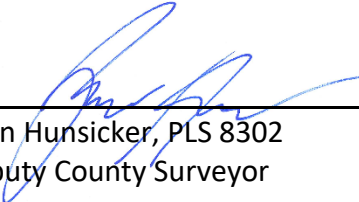
1. Thence  $S03^{\circ}20'07''E$  486.88' along the West line of said section 23 to the Southeasterly right of way line of Green Valley Lake Road also being the **Point of Beginning**;
2. Thence leaving said West line  $N26^{\circ}12'40''E$  54.34' along said right of way line to the North line of Lot 13, Block 5 of said Map of Green Valley Park;
3. Thence leaving said right of way line  $N86^{\circ}40'26''E$  137.57' along the North line of said Lot 13 to the West line of Lot 10, said Block 5;
4. Thence leaving said North line  $N03^{\circ}20'07''W$  110.45' along said West line to the Northwest corner of said Lot 10 said point also being on the North boundary of said map of Green Valley Park;
5. Thence leaving said West line  $N86^{\circ}40'26''E$  350.15' along said North boundary to the Northeast corner of Lot 4, of said Block 5;
6. Thence leaving said North boundary  $S03^{\circ}20'07''E$  70.00' along the East line of said Lot 4 to the South line of the North 70 feet of Lot 3, of said Block 5;
7. Thence leaving said East line  $N86^{\circ}40'26''E$  50.08' along said South line to the West line of Lot 2, of said Block 5;
8. Thence leaving said South line  $N03^{\circ}20'07''W$  70.00' along said West line to the Northwest corner of said Lot 2 said point also being on the said North boundary of said Map of Green Valley Park;
9. Thence leaving said West line  $N86^{\circ}40'26''E$  99.76' along said North boundary to the Northwest corner of Lot 13, Block 2 of said Map of Green Valley Park;
10. Thence leaving said North boundary  $N83^{\circ}39'01''E$  417.06' along the north line of Lots 13, 14, 15, 16, 17 of said Block 2 to the Northwest corner of Lot 18, of said Block 2;

11. Thence leaving said North line of said lots 13, 14, 15, 16, 17 N65°58'08"E, 265.51' along the North line of said lot 18 and lot 19 of said Block 2 to the Northeast corner of said lot 19 said point also being on the most Easterly boundary of said map of Green Valley Park;
12. Thence leaving said North line S03°20'07"E 444.45 along said most Easterly boundary to the Southerly boundary of said map of Green Valley Park;
13. Thence leaving said most Easterly boundary S86°40'26"W 664.48' along said Southerly boundary to the Easterly boundary of said map of Green Valley Park;
14. Thence leaving said Southerly boundary S03°20'07"E 327.62' along said Easterly boundary to the most Southerly boundary of said map of Green Valley Park;
15. Thence leaving said Easterly boundary S86°40'26"W 664.68' along said most Southerly Boundary to the West line of said section 23;
16. Thence leaving said most Southerly Boundary N03°20'07"W 498.47' along said West line to the **Point of Beginning.**

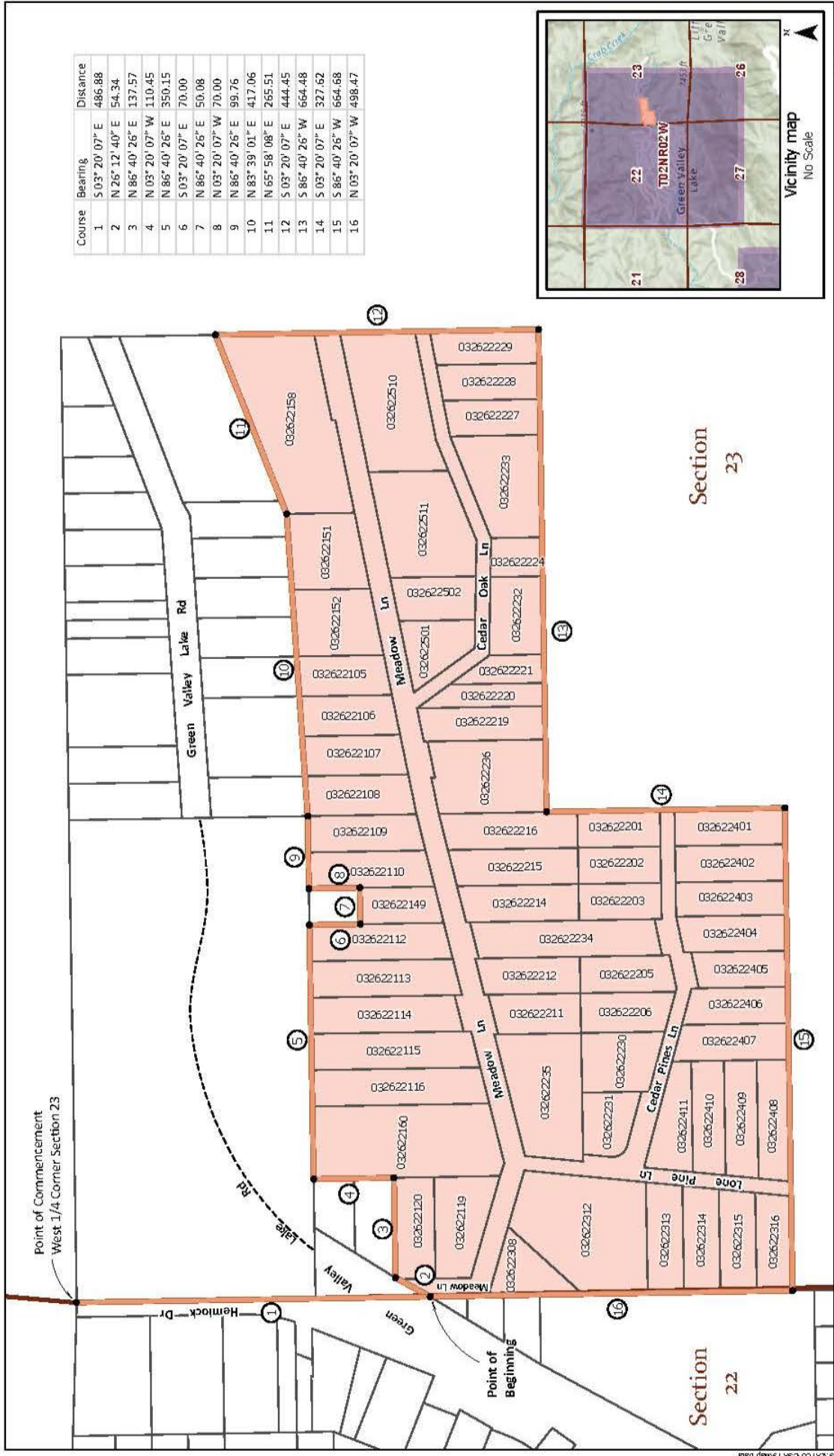
COMPUTED ACREAGE CONTAINING 15 ACRES OF LAND, MORE OR LESS.

This legal description was prepared  
by me or under my direction.

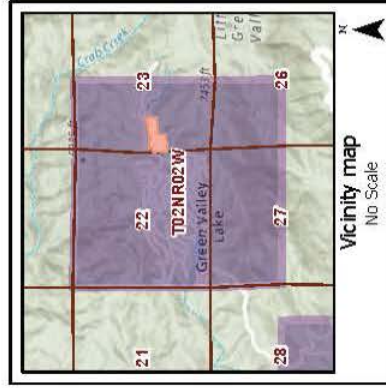


By:  02/07/2022  
Ryan Hunsicker, PLS 8302                      Date  
Deputy County Surveyor

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Course	Bearing	Distance
1	S 03° 20' 07" E	486.88
2	N 26° 12' 40" E	54.34
3	N 86° 40' 26" E	137.57
4	N 03° 20' 07" W	110.45
5	N 86° 40' 26" E	350.15
6	S 03° 20' 07" E	70.00
7	N 86° 40' 26" E	50.08
8	N 03° 20' 07" W	70.00
9	N 86° 40' 26" E	99.76
10	N 83° 39' 01" E	417.06
11	N 65° 58' 08" E	265.51
12	S 03° 20' 07" E	444.45
13	S 86° 40' 26" W	664.48
14	S 03° 20' 07" E	327.62
15	S 86° 40' 26" W	664.68
16	N 03° 20' 07" W	498.47

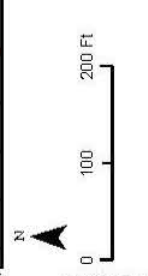


By: *[Signature]*  
 Ryan Hummel, PLS 83002  
 Deputy County Surveyor  
 Date: 02/02/22

Affected Agency  
 CSA 79 R1  
 Running Springs Water District

Reorganization to include Annexation to Running Springs Water District, Dissolution of County Service Area 79 and its Zone R-1, and Formation of County Service Area 70 Zone R-1, and Formation of County Service Area 79 Zone R-1, and Formation of County Service Area 70 Zone R-1.

Legend  
 CSA 79 R1  
 Sections  
 Parcel Lines  
 County Service Area 79



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