

**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