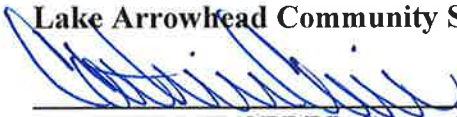


**LAKE ARROWHEAD COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**DATE:** JANUARY 28, 2020

**TO:** BOARD OF DIRECTORS  
Lake Arrowhead Community Services District

**FROM:**   
CATHERINE CERRI, General Manager

**SUBJECT:** BUDGET FOR JOINT LAKE OPERATION COSTS IN ACCORDANCE WITH THE MEMORANDUM OF UNDERSTANDING WITH ARROWHEAD LAKE ASSOCIATION FOR FISCAL YEAR 2020/2021

**A. RECOMMENDATION**

Consider approval of the FY 2020/2021 Cost Sharing Budget in the amount of \$61,235 for watershed activities with the Arrowhead Lake Association (ALA) in compliance with the 2007 Agreement Regarding Protection of Beneficial Uses of Lake Arrowhead and the related Memorandum of Understanding (MOU).

**B. REASON FOR RECOMMENDATION**

LACSD and ALA staff have been working together to identify activities that have mutual benefit to both organizations and are in compliance with public contracting laws. Many of the planned costs are capped by the maximums as detailed in the MOU. ALA has requested an increase to the cost share for the dam permit fees. Negotiations are ongoing and would require approval by the Board. The dam permit budget as proposed in this item is the maximum budget allowed by the current MOU.

For FY 2020/2021, ALA plans to make significant improvements to the tower outlet. Those costs are still being determined. Erosion activities include Orchard Bay, Emerald Bay and a contingency of \$4,283 for additional work. No dredging is planned due to lake level but a placeholder was included to cover potential permit fees. No projects are proposed for Shared Structures in FY 2020/2021.

**C. BACKGROUND INFORMATION**

In 2007, the Lake Arrowhead Community Services District (LACSD) or (District) entered into an agreement with ALA to establish the protection of beneficial uses of Lake Arrowhead. The accompanying MOU detailed a cost sharing obligation for certain operating expenses and set the maximum budget for each identified watershed activity. The agreement states that on or before February 1<sup>st</sup>, management representatives will jointly develop a budget for the coming year. Staff

from both LACSD and ALA have been working toward mutual agreement on the requirements of both parties and have prepared the attached budget.

The budget is not an authorization for expenditure and any payments will be brought to the District Board of Directors for approval. All costs in the budget will be required to comply with prevailing wage and public bidding laws to qualify for public funds. The budget may be amended by the District Board of Directors at any time.

**D. FISCAL INFORMATION**

Approval of this budget is part of LACSD's obligation under the agreement to work with ALA to establish an annual budget. Any payments related to this budget will be brought back to the District Board of Directors for approval and would be funded from the Water Operating Fund (100). The District's FY 2020/2021 Budget has not yet been developed but will include \$50,000 to cover this obligation.

**E. ATTACHMENTS**

Proposed FY 2020/2021 Budget

# ALA LACSD MOU Cost Sharing Budget Proposal

FY 20/21

	FY 20/21 Max Budget <sup>1</sup>	FY 20/21 LACSD Share	LACSD Cost			
			FY 16/17 Actual	FY 17/18 Actual	FY 18/19 Budget <sup>2</sup>	FY 19/20 Budget
1 Monitoring Criteria	1,306/site	2,612	1,163	2,375	2,458	2,532
2 Dam Permit	34,603	17,301	15,410	15,734	16,285	16,773
3 Erosion <sup>3</sup>	18,385	9,193	400	4,750	3,933	6,127
4 Dredging <sup>4</sup>	30,000	15,000	2,663	9,500	13,704	15,848
5 Tower	26,277	13,139	1,293	1,154	12,307	10,615
6 Monitoring Surface Water	8,341	(4,171)	(1,361)	(2,337)	(3,926)	(3,727)
7 Boat Inspection	16,322	8,161	7,269	7,422	7,682	7,912
8 Shared Structures	-	-	-	-	-	-
	136,540	61,235	26,836	38,597	52,442	56,079

<sup>1</sup>Assumes 3% cpi

<sup>2</sup>FY 18/19 Actuals are currently under discussion

<sup>3</sup>Orchard Bay, Emerald Bay and contingency for Burnt Mill and Little Bear Creek.

<sup>4</sup>No actual dredging is planned due to lake level but a placeholder is included for permitting and other administrative costs.