



Hidden Valley Lake Community Services District

Regular Board Meeting

DATE: August 20, 2018
TIME: 7:00 p.m.
PLACE: Hidden Valley Lake CSD
Administration Office, Boardroom
19400 Hartmann Road
Hidden Valley Lake, CA

- 1) CALL TO ORDER
- 2) PLEDGE OF ALLEGIANCE
- 3) ROLL CALL
- 4) APPROVAL OF AGENDA
- 5) EMPLOYEE RECOGNITION
- 6) PRESENTATIONS
- 7) CONSENT CALENDAR
 - A. MINUTES: Approval of the July 16, 2019 Board of Directors Regular Board Meeting Minutes.
 - B. MINUTES: Approval of the July 3, 2019 Special Meeting Minutes.
 - C. MINUTES: Approval of the July 3, 2019 Personnel Committee Meeting Minutes.
 - D. MINUTES: Approval of the June 4, 2019 Personnel Committee Meeting Minutes.
 - E. DISBURSEMENTS: Check # 036533 - # 036600 including drafts and payroll for a total of \$335,001.18.
 - F. ACCEPT: Westside IRWM 2019 "Update" Plan
 - G. REVISION: Rename Resolution 2019-06 to Resolution 2019-07

- H. LIEN POLICY (Revision): Approve revision to the District Lien Policy to reflect: Staff's authority to adjust fees according to Lake County requirements
 - I. NEPOTISM POLICY(Revision): Review and consider adoption of the revised Nepotism Policy based on CSDA's recommendation
 - J. ADOPTION AND AMENDMENT OF POLICIES POLICY (Revision): Review and consider adoption of the revised Adoption and Amendment of Policies Policy
 - K. ASSOCIATION MEMBERSHIPS POLICY (Revision): Review and consider adoption of the revised Association Membership Policy
 - L. BASIS OF AUTHORITY POLICY (Revision): Review and consider adoption of the revised Basis of Authority Policy
 - M. BOARD STAFF COMMUNICATION POLICY (Revision): Review and consider adoption of the revised Board Staff Communication Policy
 - N. CODE OF ETHICS POLICY (Revision): Review and consider adoption of the revised Code of Ethics Policy
- 8) BOARD COMMITTEE REPORTS
(for information only, no action anticipated)
- Personnel Committee
 - Finance Committee
 - Emergency Preparedness Committee
 - Lake Water Use Agreement-Ad Hoc Committee
 - Valley Oaks Project Committee
- 9) STAFF REPORTS
(for information only, no action anticipated)
- Financial Report
 - Administration/Customer Service Report
 - ACWA State Legislative Committee
 - Field Operations Report
 - General Manager's Report
- 10) DISCUSSION AND POSSIBLE ACTION: Discuss District meter replacement with an AMR/AMI option and provide staff with direction. (Suez/Ferguson-Neptune)
- 11) DISCUSSION AND POSSIBLE ACTION: Acceptance of NBS Rate Study, discuss Proposition 218 and provide Staff with direction. Staff recommends proceeding with the Prop. 218 rate increase process based on NBS's recommendations

- 12) DISCUSSION AND POSSIBLE ACTION: Discuss and provide staff with direction for Committee Charters.
- 13) DISCUSSION AND POSSIBLE ACTION: Discuss GM salary study.
- 14) PUBLIC COMMENT
- 15) BOARD MEMBER COMMENT
- 16) ADJOURNMENT

Public records are available upon request. Board Packets are posted on our website at www.hvlcsd.org/meetings

In compliance to the Americans with Disabilities Act, if you need special accommodations to participate in or attend the meeting please contact the District Office at 987-9201 at least 48 hours prior to the scheduled meeting.

Public shall be given the opportunity to comment on each agenda item before the Governing Board acts on that item, G.C. 54953.3. All other comments will be taken under Public Comment.



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING DATE: July 16, 2019**

The Hidden Valley Lake Community Services District Board of Directors met this evening at the District office located at 19400 Hartmann Road, in Hidden Valley Lake, California. Present were:

Director Linda Herndon, President
Director Judy Mirbegian, Vice President
Director Jim Freeman
Director Jim Lieberman
Kirk Cloyd, General Manager
Penny Cuadras, Administrative Assistant

Absent: Director Carolyn Graham

CALL TO ORDER

The meeting was called to order at 7:00 p.m. by President Herndon.

APPROVAL OF AGENDA

On a motion made by Director Mirbegian and seconded by Director Lieberman the Board unanimously approved the agenda.

EMPLOYEE RECOGNITION

Karen Jensen was recognized for 15 years of dedicated service to the District. Members of the Board expressed their appreciation for Karen as a reliable and dedicated asset to the District.

PRESENTATIONS

Civic Spark Fellow Ernesto Ruvalcaba provided a close out report on the ArcGIS/I&I project. Members of the Board recognized the Civic Spark Fellows for the great job and smooth transition of the project over to staff. Members of the Public thanked the Fellows for being a great resource to the District.

Ferguson Representative presented information on the AMR/AMI Meter products.

CONSENT CALENDAR

On a motion made by Director Freeman and seconded by Director Lieberman the Board approved the Consent Calendar items. Director Mirbegian requested Item B; Approval of the June 18, 2019 Regular Board Meeting minutes be removed for question and clarification. Director Freeman moved to amend his motion to accept the consent calendar by eliminate the June 18, 2019 Regular Board Meeting minutes, seconded by Director Lieberman. The Board unanimously approved the amended Consent Calendar.

Following clarification, Director Mirbegian moved to approve the June 18, 2019 Regular Board Meeting minutes. Seconded by Director Freeman. The Board unanimously approved Item B of the Consent Calendar; Approval of the June 18, 2019 Regular Board Meeting minutes.

- A. MINUTES: Approval of the June 19, 2019 Special Meeting minutes.
- B. MINUTES: Approval of the June 18, 2019 Regular Board Meeting minutes.
- C. DISBURSEMENTS: Check #036470 - #036532 including drafts and payroll for a total of \$287,766.90.

BOARD COMMITTEE REPORTS

Personnel Committee: Met July 3rd to continue the review of the Employee Handbook, and Compensation Policy. The Committee will develop a recommendation to be presented to the Board for review.

Finance Committee: To be scheduled

Emergency Preparedness Program Committee: Have not met, Staff noted the title of the Security committee does not reflect Resolution 2014-05 states name to be Emergency Preparedness Committee. The name of the committee shall be reflected accordingly beginning August 2019

Lake Water Use Agreement-Ad Hoc Committee: Director Mirbegian would like to attend, requests notification of scheduled meetings.

Valley Oaks Sub-Committee: LAFCo meeting scheduled for Wednesday at 9:30 a.m. at the County Office (correction-Lakeport City Hall), requesting to Annex into the District. There are concerns with parking, water and sewer plans. Water and sewer lines appear to have been put into place with no prior inspection or approval by the District.

BOARD MEMBER ATTENDANCE AT OTHER MEETINGS

STAFF REPORTS

Financial Report: No questions

Administration/Customer Services Report: Director Mirbegian acknowledged Marty for the professional way he handled a very difficult customer. Director Herndon has observed the same demeanor when Marty deals with difficult situations and customers.

ACWA State Legislative Committee: Alyssa provided information regarding implementation requirements for SB 998.

Field Operation Report: No questions

I.T. Monthly Report (December 2018): No questions

General Manager's Report: The General Manager discussed items in his report and responded to all inquiries.

DISCUSSION AND POSSIBLE ACTION:

Review and Accept Proposed Committee Charters

Director Herndon requests this item be tabled until all Board members are present.

Director Mirbegian moved to table the Discussion and Possible Action: Review and Accept Proposed Committee Charters until the next Board Meeting, Seconded by Director Freeman.

The Board unanimously approve to table this item until the next scheduled Board Meeting.

PUBLIC HEARING FOR SEWER SYSTEM MANAGEMENT PLAN:

Open Public Hearing for Public and Board Comments

Director Herndon opened the Public Hearing at 8:26 pm.

No written or verbal protest.

CLOSE PUBLIC HEARING FOR SEWER SYSTEM MANAGEMENT PLAN:

Followed by a motion and Second, Vote to Accept or Decline the Sewer

System Management Plan

Director Herndon closed the Public Hearing at 8:29 pm. Director Mirbegian

moved to approve the Sewer System Management Plan.

Director Lieberman seconded.

The Board unanimously approved the Sewer System Management Plan.

DISCUSSION AND POSSIBLE ACTION:

Approve RESOLUTION 2019-06 Resolution of The Hidden Valley Lake Community Services District Board of Directors to Provide Health Insurance Coverage to Each

Active Board Member and One of Their Respective Family Members; Each Director Shall Contribute 5% Of the Cost of The Director and Director Dependent Health Insurance Premium

Director Mirbegian moved to approve RESOLUTION 2019-06 Resolution of The Hidden Valley Lake Community Services District Board of Directors to Provide Health Insurance Coverage to Each Active Board Member and One of Their Respective Family Members; Each Director Shall Contribute 5% Of the Cost of The Director and Director Dependent Health Insurance Premium as printed.

Director Lieberman seconded.

The Board unanimously approved Resolution 2019-06 as printed. (To be revised to RESOLUTION 2019-07)

DISCUSSION AND POSSIBLE ACTION:

Approve Hidden Valley Lake Community Services District to Proceed with Dr. Larry Bienati's facilitation to complete the G.M. Evaluation, Setting of G.M. Goals and G.M. Contract Revisions

Director Freeman moved to approve Hidden Valley Lake Community Services District to Proceed with Dr. Larry Bienati's G.M. Evaluation, Setting of G.M. Goals and G.M. Contract Revisions.

Director Mirbegian seconded.

Director Lieberman seconded.

The Board unanimously approved Hidden Valley Lake Community Services District to Proceed with Dr. Larry Bienati's facilitation to complete the G.M. Evaluation, Setting of G.M. Goals and G.M. Contract Revisions.

DISCUSSION:

Discuss and Clarify Public Outreach for PG&E Planned Power Outage

Members of the Board were provided an update on the public outreach for the PG&E planned power outages. English and Spanish versions have been posted on the District website as well as the District Facebook page. Several links have been added to keep the customers up to date on ways to begin preparing now for the expected outages.

DISCUSSION:

Discuss CPS HR Consulting Revised Final Base Salary Report

Director Mirbegian discussed section from the revised salary report.

PUBLIC COMMENT

- Member of the Public expressed appreciation for the work and knowledge the Civic Spark Fellows have brought to the District and urged the Board to continue with this program.
- The customer service the District provides is exceptional.
- Suggests public outreach flyers or posters be placed in areas that would be visible for the public.

BOARD MEMBER COMMENT

Director Freeman mentioned the valuable training he obtained and contacts made at the SDRMA Leadership Academy he recently attended.

ADJOURNMENT

On a motion made by Director Mirbegian and second by Director Freeman the Board voted unanimously to adjourn the meeting. The meeting was adjourned at 9:12 p.m.

Linda Herndon Date
President of the Board

Kirk Cloyd Date
General Manager/Secretary to the Board



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
SPECIAL MEETING MINUTES
MEETING DATE: July 3, 2019**

The Hidden Valley Lake Community Services District Board of Directors met this evening at the District office located at 19400 Hartmann Road, in Hidden Valley Lake, California.

Present were:

Director Linda Herndon, President
Director Judy Mirbegian, Vice President
Director Jim Freeman
Director Carolyn Graham

Absent:

Director Jim Lieberman

CALL TO ORDER

The meeting was called to order at 12:30 p.m. by President Herndon.

APPROVAL OF AGENDA

On a motion made by Director Freeman and seconded by Director Mirbegian the Board unanimously approved the agenda.

DISCUSSION AND POSSIBLE ACTION:

Approve the General Manager to sign the amended Local Match Commitment for the Generator Project Sub-Application

Director Mirbegian moved to approve the General Manager to sign the amended Local Match Commitment for the Generator Project Sub-Application for matching cost to the district of \$587, 000 at the approval of the grant.

Director Mirbegian amended the motion to approve the General Manager to sign the amended Local Match Commitment for the Generator Project Sub-Application for matching cost to the district of \$588, 000 at the approval of the grant.

Seconded by Director Graham.

PUBLIC COMMENT

PG&E workshop in Kelseyville Monday July 15 at 1:30.

Public outreach regarding the proposed PG&E power outages will be posted on the District Website, as well as on the bills and flyers available at the District office.

The Local Match Commitment for the Generator Project-Sub Application will be hand carried to the post office following this meeting.

BOARD MEMBER COMMENT

Director Graham provided an update on the local PG&E Workshop attended.

ADJOURNMENT

Meeting was adjourned at 12:48 p.m.

Linda Herndon Date
President of the Board

Kirk Cloyd Date
General Manager/Secretary to the Board



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
PERSONNEL COMMITTEE REPORT
MEETING DATE: July 3, 2019**

The Hidden Valley Lake Community Services District Personnel Committee met at the District office located at 19400 Hartmann Road, in Hidden Valley Lake, California.
Present were:

Director Herndon
Director Lieberman
General Manager, Kirk Cloyd

CALL TO ORDER

The meeting was called to order at 4:32 p.m. by Director Herndon.

APPROVAL OF AGENDA

Director Lieberman moved to approve the agenda and seconded by Director Herndon. The Committee unanimously approved the agenda.

**DISCUSS AND REVIEW:
Employee Compensation Policy**

Director Herndon discussed the CPS HR Consulting Salary Study to include the discrepancies and questions regarding the comparable agencies and specific job descriptions/salaries. A complete audit of the study has been initiated by CPS. Dr Bienati has offered to provide a peer review of the study and provide insight to the Board at no charge to the District.

The Committee instructed staff to follow through with Dr Bienati, Director Herndon will contact Director Mirbegian to request previous information on comparable agencies. Staff will email all Directors to inform them of the process for completing the CPS HR Consulting Audit.

**DISCUSS AND REVIEW:
Employee Handbook**

The Personnel Committee reviewed and discussed the employee handbook. The Committee request Staff to clarify with Labor Attorney on specific items discussed. Committee paused at Section 6.4 Pay for Performance Program. Next meeting to be scheduled

PUBLIC COMMENT

No Public present.

COMMITTEE MEMBER COMMENT

No Committee Comment

ADJOURNMENT

On a motion made by Director Lieberman and seconded by Director Herndon to adjourn the meeting. The meeting was adjourned at 7:02 p.m.



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
PERSONNEL COMMITTEE REPORT
MEETING DATE: June 4, 2019**

The Hidden Valley Lake Community Services District Personnel Committee met at the District office located at 19400 Hartmann Road, in Hidden Valley Lake, California.
Present were:

Director Herndon
Director Lieberman
General Manager, Kirk Cloyd
Administrative Assistant, Penny Cuadras

CALL TO ORDER

The meeting was called to order at 3:30 p.m. by Director Herndon.

APPROVAL OF AGENDA

On a motion made by Director Lieberman and seconded by Director Herndon the Committee unanimously approved the agenda.
Director Herndon requests agenda Item 6 be addressed first.

DISCUSS AND REVIEW:
Employee Compensation Policy

The Personnel Committee recommend staff present a draft compensation policy to the Board for approval with an amendment to reflect an independent salary survey be conducted at a minimum of every three years. The need to do a study more often for given positions shall be based on recommendation from staff.

DISCUSS AND REVIEW:
Employee Handbook

The Personnel Committee reviewed and discussed the employee handbook. Members discussed the employee benefits and the suggested a cost share approach for staff. Staff provided information from legal counsel to consider before implementing the cost share approach. Director Lieberman mentioned the cost sharing was a suggestion for the budget and has not been a discussion the Board has had at this time.

PUBLIC COMMENT

Members of the public and staff suggest the Committee consider the impact implementing cost sharing would have on the employees. A staff member in the public mentioned to the Board, "the primary reason he returned to the District was due to the Benefits offered by the District"

A staff member in the public asked that the Committee consider staff as intellectual capital; mention of a collective bargaining unit and discussion with HVLA representative were noted; there is a sincere hope for a compromise, but the question asked by staff in the public was what is the risk of not reaching consensus on the budget and how will that effect the district?

COMMITTEE MEMBER COMMENT

Members of the Committee were delighted that staff showed up to the meeting and appreciate the employee feedback

ADJOURNMENT

On a motion made by Director Lieberman and seconded by Director Herndon to adjourn the meeting; the meeting was adjourned at 5:29 p.m.

VENDOR SET: 01 Hidden Valley Lake

D I S B U R S E M E N T R E P O R T

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 120 SEWER ENTERPRISE FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-1002	PETTY CASH REIMBURSEMENT			N		FUND TOTAL FOR VENDOR	141.82
01-11	STATE OF CALIFORNIA EDD			N		FUND TOTAL FOR VENDOR	1,572.30
01-1122	PARKSON CORPORATION			N		FUND TOTAL FOR VENDOR	5,693.00
01-1392	MEDIACOM			N		FUND TOTAL FOR VENDOR	258.31
01-1579	SOUTH LAKE REFUSE COMPANY			N		FUND TOTAL FOR VENDOR	223.14
01-1705	SPECIAL DISTRICT RISK MAN			N		FUND TOTAL FOR VENDOR	60,858.11
01-1722	US DEPARTMENT OF THE TREA			N		FUND TOTAL FOR VENDOR	4,438.32
01-1751	USA BLUE BOOK			N		FUND TOTAL FOR VENDOR	2,842.94
01-19	NBS GOVERNMENT FINANCE GR			N		FUND TOTAL FOR VENDOR	600.00
01-1961	ACWA/JPIA			N		FUND TOTAL FOR VENDOR	567.51
01-21	CALIFORNIA PUBLIC EMPLOYE			N		FUND TOTAL FOR VENDOR	5,378.98
01-2111	DATAPROSE			N		FUND TOTAL FOR VENDOR	775.15
01-2195	TELSTAR INSTRUMENTS, INC			N		FUND TOTAL FOR VENDOR	2,779.43
01-2283	ARMED FORCE PEST CONTROL,			N		FUND TOTAL FOR VENDOR	102.50
01-2541	MENDO MILL CLEARLAKE			N		FUND TOTAL FOR VENDOR	29.33
01-2585	TYLER TECHNOLOGY			N		FUND TOTAL FOR VENDOR	349.35
01-2598	VERIZON WIRELESS			N		FUND TOTAL FOR VENDOR	438.39
01-2636	ACTION SANITARY, INC.			N		FUND TOTAL FOR VENDOR	123.34
01-2638	RICOH USA, INC.			N		FUND TOTAL FOR VENDOR	193.15
01-2648	B & G TIRES OF MIDDLETOWN			N		FUND TOTAL FOR VENDOR	328.15
01-2684	OFFICE DEPOT			N		FUND TOTAL FOR VENDOR	176.42
01-2685	LAYNE PAVING & TRUCKING,			N		FUND TOTAL FOR VENDOR	181.61
01-2699	MICHELLE HAMILTON			N		FUND TOTAL FOR VENDOR	427.50
01-2700	REDFORD SERVICES			N		FUND TOTAL FOR VENDOR	835.00
01-2740	WATERSOLVE, LLC			N		FUND TOTAL FOR VENDOR	16,087.50
01-2792	ADVANCED SECURITY SYSTEMS			N		FUND TOTAL FOR VENDOR	211.89
01-2816	CARDMEMBER SERVICE			N		FUND TOTAL FOR VENDOR	1,371.64

VENDOR SET: 01 Hidden Valley Lake

D I S B U R S E M E N T R E P O R T

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 120 SEWER ENTERPRISE FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2820	ALPHA ANALYTICAL LABORATO			N		FUND TOTAL FOR VENDOR	2,581.00
01-2823	GARDENS BY JILLIAN			N		FUND TOTAL FOR VENDOR	100.00
01-2825	NATIONWIDE RETIREMENT SOL			N		FUND TOTAL FOR VENDOR	556.25
01-2847	ALYSSA GORDON			N		FUND TOTAL FOR VENDOR	80.84
01-2860	WESTGATE PETROLEUM CO., I			N		FUND TOTAL FOR VENDOR	569.11
01-2876	BOLD POLISNER MADDOW NELS			N		FUND TOTAL FOR VENDOR	157.50
01-2909	STREAMLINE			N		FUND TOTAL FOR VENDOR	100.00
01-2912	CITRIX SYSTEMS INC.			N		FUND TOTAL FOR VENDOR	600.00
01-2914	RAY MORGAN COMPANY			N		FUND TOTAL FOR VENDOR	98.74
01-2917	AT&T MOBILITY			N		FUND TOTAL FOR VENDOR	33.55
01-2921	LOCAL GOVERNMENT COMMISSI			N		FUND TOTAL FOR VENDOR	4,181.82
01-2922	AMAZON CAPITAL SERVICES,			N		FUND TOTAL FOR VENDOR	184.50
01-2926	THATCHER COMPANY, INC.			N		FUND TOTAL FOR VENDOR	3,843.10
01-2945	APPLIED TECHNOLOGY SOLUTI			N		FUND TOTAL FOR VENDOR	286.50
01-2950	AFLAC			N		FUND TOTAL FOR VENDOR	210.04
01-2951	JENFITCH, LLC			N		FUND TOTAL FOR VENDOR	2,992.00
01-2978	JT AUTO GLASS			N		FUND TOTAL FOR VENDOR	494.03
01-2979	SCIENTECH, INC.			N		FUND TOTAL FOR VENDOR	145.90
01-8	AT&T			N		FUND TOTAL FOR VENDOR	120.87
*** FUND TOTALS ***							124,320.53

VENDOR SET: 01 Hidden Valley Lake

D I S B U R S E M E N T R E P O R T

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 130 WATER ENTERPRISE FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-1	MISCELLANEOUS VENDOR			N		FUND TOTAL FOR VENDOR	694.62
01-1002	PETTY CASH REIMBURSEMENT			N		FUND TOTAL FOR VENDOR	104.36
01-11	STATE OF CALIFORNIA EDD			N		FUND TOTAL FOR VENDOR	1,830.56
01-122	LAKE COUNTY RECORD BEE			N		FUND TOTAL FOR VENDOR	548.73
01-1392	MEDIACOM			N		FUND TOTAL FOR VENDOR	258.30
01-1579	SOUTH LAKE REFUSE COMPANY			N		FUND TOTAL FOR VENDOR	223.13
01-1659	WAGNER & BONSIGNORE			N		FUND TOTAL FOR VENDOR	887.50
01-1705	SPECIAL DISTRICT RISK MAN			N		FUND TOTAL FOR VENDOR	60,858.08
01-1722	US DEPARTMENT OF THE TREA			N		FUND TOTAL FOR VENDOR	5,093.03
01-19	NBS GOVERNMENT FINANCE GR			N		FUND TOTAL FOR VENDOR	600.00
01-1961	ACWA/JPIA			N		FUND TOTAL FOR VENDOR	567.50
01-21	CALIFORNIA PUBLIC EMPLOYE			N		FUND TOTAL FOR VENDOR	6,064.26
01-2111	DATAPROSE			N		FUND TOTAL FOR VENDOR	775.13
01-2195	TELSTAR INSTRUMENTS, INC			N		FUND TOTAL FOR VENDOR	232.50
01-2283	ARMED FORCE PEST CONTROL,			N		FUND TOTAL FOR VENDOR	102.50
01-2538	HARDESTER'S MARKETS & HAR			N		FUND TOTAL FOR VENDOR	20.57
01-2541	MENDO MILL CLEARLAKE			N		FUND TOTAL FOR VENDOR	29.33
01-2585	TYLER TECHNOLOGY			N		FUND TOTAL FOR VENDOR	349.35
01-2598	VERIZON WIRELESS			N		FUND TOTAL FOR VENDOR	438.38
01-2638	RICOH USA, INC.			N		FUND TOTAL FOR VENDOR	193.14
01-2648	B & G TIRES OF MIDDLETOWN			N		FUND TOTAL FOR VENDOR	328.14
01-2684	OFFICE DEPOT			N		FUND TOTAL FOR VENDOR	176.40
01-2699	MICHELLE HAMILTON			N		FUND TOTAL FOR VENDOR	312.50
01-2816	CARDMEMBER SERVICE			N		FUND TOTAL FOR VENDOR	647.77
01-2820	ALPHA ANALYTICAL LABORATO			N		FUND TOTAL FOR VENDOR	1,638.00
01-2823	GARDENS BY JILLIAN			N		FUND TOTAL FOR VENDOR	100.00
01-2825	NATIONWIDE RETIREMENT SOL			N		FUND TOTAL FOR VENDOR	556.25

VENDOR SET: 01 Hidden Valley Lake

D I S B U R S E M E N T R E P O R T

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 130 WATER ENTERPRISE FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2842	COASTLAND CIVIL ENGINEERI			N		FUND TOTAL FOR VENDOR	506.18
01-2847	ALYSSA GORDON			N		FUND TOTAL FOR VENDOR	253.23
01-2860	WESTGATE PETROLEUM CO., I			N		FUND TOTAL FOR VENDOR	569.10
01-2876	BOLD POLISNER MADDOW NELS			N		FUND TOTAL FOR VENDOR	157.50
01-2885	RGW GROUNDSKEEPING, LLC			N		FUND TOTAL FOR VENDOR	4,577.24
01-2909	STREAMLINE			N		FUND TOTAL FOR VENDOR	100.00
01-2912	CITRIX SYSTEMS INC.			N		FUND TOTAL FOR VENDOR	600.00
01-2914	RAY MORGAN COMPANY			N		FUND TOTAL FOR VENDOR	98.74
01-2917	AT&T MOBILITY			N		FUND TOTAL FOR VENDOR	33.55
01-2922	AMAZON CAPITAL SERVICES,			N		FUND TOTAL FOR VENDOR	184.50
01-2945	APPLIED TECHNOLOGY SOLUTI			N		FUND TOTAL FOR VENDOR	286.50
01-2950	AFLAC			N		FUND TOTAL FOR VENDOR	238.58
01-2975	ENVIRONMENTAL PLANNING PA			N		FUND TOTAL FOR VENDOR	20,585.57
01-2978	JT AUTO GLASS			N		FUND TOTAL FOR VENDOR	494.02
01-8	AT&T			N		FUND TOTAL FOR VENDOR	120.86
*** FUND TOTALS ***							112,435.60

VENDOR SET: 01 Hidden Valley Lake

D I S B U R S E M E N T R E P O R T

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 215 RECA REDEMPTION 1995

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
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01-19	NBS GOVERNMENT FINANCE GR			N		FUND TOTAL FOR VENDOR	1,416.73
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*** FUND TOTALS *** 1,416.73

VENDOR SET: 01 Hidden Valley Lake

D I S B U R S E M E N T R E P O R T

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 218 CIEB REDEMPTION FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099 ACCT NO#	G/L NAME	G/L AMOUNT
01-1636	US BANK - GLOBAL CORP TRU			N	FUND TOTAL FOR VENDOR	29,783.47
*** FUND TOTALS ***						29,783.47
*** REPORT TOTALS ***			267,956.33			267,956.33

G / L EXPENSE DISTRIBUTION

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
120 2075	AFLAC	210.04
120 2088	SURVIVOR BENEFITS - PERS	10.60
120 2090	PERS PAYABLE	2,355.52
120 2091	FIT PAYABLE	3,449.42
120 2092	CIT PAYABLE	1,231.31
120 2094	MEDICARE PAYABLE	494.43
120 2095	S D I PAYABLE	340.99
120 2099	DEFERRED COMP - 457 PLAN	556.25
120 5-00-5024	WORKERS' COMP INSURANCE	11,762.13
120 5-00-5025	RETIREE HEALTH BENEFITS	1,856.91
120 5-00-5060	GASOLINE, OIL & FUEL	569.11
120 5-00-5061	VEHICLE MAINT	397.86
120 5-00-5074	INSURANCE	33,137.94
120 5-00-5080	MEMBERSHIP & SUBSCRIPTIONS	100.00
120 5-00-5092	POSTAGE & SHIPPING	509.14
120 5-00-5121	LEGAL SERVICES	157.50
120 5-00-5123	OTHER PROFESSIONAL SERVICES	4,781.82
120 5-00-5130	PRINTING & PUBLICATION	266.01
120 5-00-5145	EQUIPMENT RENTAL	291.89
120 5-00-5148	OPERATING SUPPLIES	7,833.39
120 5-00-5150	REPAIR & REPLACE	5,949.58
120 5-00-5155	MAINT BLDG & GROUNDS	754.10
120 5-00-5156	CUSTODIAL SERVICES	1,262.50
120 5-00-5157	SECURITY	211.89
120 5-00-5160	SLUDGE DISPOSAL	16,087.50
120 5-00-5191	TELEPHONE	851.12
120 5-00-5193	OTHER UTILITIES	223.14
120 5-00-5194	IT SERVICES	1,300.35
120 5-00-5195	ENV/MONITORING	2,581.00

VENDOR SET: 01 Hidden Valley Lake

D I S B U R S E M E N T R E P O R T

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 218 CIEDB REDEMPTION FUN

SORTED BY FUND

G/L EXPENSE DISTRIBUTION

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
120 5-00-5545	RECORDING FEES	19.00
120 5-10-5010	SALARIES & WAGES	290.01
120 5-10-5020	EMPLOYEE BENEFITS	5,870.64
120 5-10-5021	RETIREMENT BENEFITS	1,756.79
120 5-10-5090	OFFICE SUPPLIES	279.74
120 5-10-5170	TRAVEL MILEAGE	220.06
120 5-30-5010	SALARIES & WAGES	204.46
120 5-30-5020	EMPLOYEE BENEFITS	5,437.10
120 5-30-5021	RETIREMENT BENEFITS	1,256.07
120 5-30-5090	OFFICE SUPPLIES	325.72
120 5-30-5170	TRAVEL MILEAGE	5.22
120 5-40-5030	DIRECTOR HEALTH BENEFITS	3,360.90
120 5-40-5176	DIRECTOR TRAINING	34.11
120 5-70-7201	I & I	34.27
120 5-70-7203	HEADWORKS RAKE	5,693.00
	** FUND TOTAL **	124,320.53
130 1052	ACCTS REC WATER USE	544.62
130 2075	AFLAC	238.58
130 2088	SURVIVOR BENEFITS - PERS	11.72
130 2090	PERS PAYABLE	2,643.36
130 2091	FIT PAYABLE	3,999.77
130 2092	CIT PAYABLE	1,453.52
130 2094	MEDICARE PAYABLE	546.65
130 2095	S D I PAYABLE	377.04
130 2099	DEFERRED COMP - PLAN 457 PAYAB	556.25
130 5-00-5024	WORKERS' COMP INSURANCE	11,762.13
130 5-00-5025	RETIREE HEALTH BENEFITS	1,856.91
130 5-00-5060	GASOLINE, OIL & FUEL	569.10
130 5-00-5061	VEHICLE MAINT	397.85
130 5-00-5074	INSURANCE	33,137.93
130 5-00-5080	MEMBERSHIP & SUBSCRIPTIONS	100.00
130 5-00-5092	POSTAGE & SHIPPING	509.13
130 5-00-5121	LEGAL SERVICES	157.50
130 5-00-5123	OTHER PROFESSIONAL SERVICES	600.00
130 5-00-5124	WATER RIGHTS	887.50
130 5-00-5130	PRINTING & PUBLICATION	814.73
130 5-00-5145	EQUIPMENT RENTAL	291.88
130 5-00-5150	REPAIR & REPLACE	747.09
130 5-00-5155	MAINT BLDG & GROUNDS	5,208.00
130 5-00-5156	CUSTODIAL SERVICES	312.50
130 5-00-5191	TELEPHONE	851.09
130 5-00-5193	OTHER UTILITIES	223.13
130 5-00-5194	IT SERVICES	1,300.35
130 5-00-5195	ENV/MONITORING	1,638.00
130 5-00-5505	WATER CONSERVATION	150.00
130 5-00-5545	RECORDING FEES	19.00

VENDOR SET: 01 Hidden Valley Lake

D I S B U R S E M E N T R E P O R T

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 218 CIEDB REDEMPTION FUN

SORTED BY FUND

G/L EXPENSE DISTRIBUTION

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
130 5-10-5010	SALARIES & WAGES	290.02
130 5-10-5020	EMPLOYEE BENEFITS	5,870.63
130 5-10-5021	RETIREMENT BENEFITS	1,756.74
130 5-10-5090	OFFICE SUPPLIES	279.73
130 5-10-5170	TRAVEL MILEAGE	392.44
130 5-30-5010	SALARIES & WAGES	256.59
130 5-30-5020	EMPLOYEE BENEFITS	5,437.08
130 5-30-5021	RETIREMENT BENEFITS	1,652.44
130 5-30-5090	OFFICE SUPPLIES	105.82
130 5-30-5170	TRAVEL MILEAGE	2.03
130 5-40-5030	DIRECTOR HEALTH BENEFITS	3,360.90
130 5-40-5176	DIRECTOR TRAINING	34.10
130 5-70-7202	GENERATORS	21,091.75
	** FUND TOTAL **	112,435.60
215 5-00-5123	OTHER PROFESSIONAL SERVICES	1,416.73
	** FUND TOTAL **	1,416.73
218 5-00-5522	INTEREST ON LONG-TERM DEBT	29,783.47
	** FUND TOTAL **	29,783.47

	** TOTAL **	267,956.33

NO ERRORS

SELECTION CRITERIA

VENDOR SET: 01 Hidden Valley Lake
VENDOR: ALL
BANK: ALL
VENDOR CLASS(ES): ALL CLASSES

TRANSACTION SELECTION

REPORTING: PAID ITEMS ,G/L DIST

=====PAYMENT DATES===== =====ITEM DATES===== =====POSTING DATES=====
PAID ITEMS DATES : 7/01/2019 THRU 7/31/2019 0/00/0000 THRU 99/99/9999 0/00/0000 THRU 99/99/9999

PRINT OPTIONS

REPORT SEQUENCE: FUND
G/L EXPENSE DISTRIBUTION: YES
CHECK RANGE: 000000 THRU 999999

Executive Summary

This *Integrated Regional Water Management Plan* (IRWM Plan) defines a clear vision for the management of water resources in the Westside Sacramento Region (Region) and highlights important actions needed to help accomplish that vision through the year 2040. This IRWM Plan Update complies with the *2016 Integrated Regional Water Management Grant Program Guidelines* applicable to Proposition 1 IRWM grant funding published by the California Department of Water Resources (DWR) in July 2016.

This IRWM Plan defines a clear vision for the management of water resources in the Region and highlights important actions needed to help accomplish that vision through the year 2040. The 2018 IRWM Plan complies with the *Integrated Regional Water Management Guidelines for Proposition 1* published by DWR in November 2016.

ES.1 Introduction (Section 1)

The information contained within this IRWM Plan provides an opportunity for more than 70 water supply, land use management, flood management, and ecosystem-focused organizations operating within the Region to accomplish more than they could accomplish individually. The array of goals, objectives, selected resource management strategies, and high-priority projects represent a collective view of how to improve integrated water management throughout the Region. The Plan establishes a clear path forward both to increase the collective understanding of integrated water management throughout the Region and to respond collaboratively to the challenges of managing water and associated natural resources. If this integrated planning effort has been successful, this IRWM Plan will be a dynamic and useful planning tool for the Region. While it does not provide discretionary approval for any given project, it does provide a framework to improve understanding and take high-priority actions to address the major water-related challenges and opportunities facing the Region through 2040.

To represent the Region, four agencies and an association of agencies formed the Regional Water Management Group (RWMG) through a *Memorandum of Understanding* (MOU). The RWMG includes Lake County Watershed Protection District (WPD), Napa County Flood Control and Water Conservation

District (FC&WCD), Colusa County Resource Conservation District (RCD), Solano County Water Agency (SCWA), and Water Resource Association (WRA) of Yolo County. The Westside RWMG satisfies the requirements of such an entity per the California Water Code (CWC) Section 10539. The participating agencies and association joined together to develop this IRWM Plan that:

- Foster[s] coordination, collaboration, and communication among entities responsible for water-related issues and interested stakeholders to achieve greater efficiencies, provide for integration of projects, enhance public services, and build public support for vital projects; and
- Facilitates regional cooperation in providing water-supply reliability, water recycling, water conservation, water-quality improvement, stormwater capture and management, flood management, wetlands enhancement and creation, and environmental and habitat protection and improvements, and other elements.

The RWMG appointed a Regional Coordinating Committee (CC) to guide development of and support implementation of the Plan. The CC consists of one staff representative and an alternate appointed from each of the agencies and association that make up the RWMG.

The collective vision presented in this Plan aims to address the major challenges and opportunities related to managing water and associated natural resources within the Region. The numerous and complex challenges and opportunities addressed in this Plan are captured in the following primary focal points:

- Continue to provide safe and reliable water supplies for a variety of uses.
- Improve habitat and ecosystem health (including the monumental challenge of addressing effects caused by numerous invasive species).
- Manage a wide array of risks including public health, fire, flood, and potential disruptions to institutional services.
- Sustain and modernize water supply, water quality, and flood management infrastructure.

- Address many significant and long-standing water quality concerns.
- Foster the reasonable use of water and associated natural resources within the Region through the adoption of evolving technologies and best management practices.
- Further the collective understanding of watershed functions and groundwater basins.
- Improve education and awareness among citizens about the importance of sustainable water and natural resources management, and the crucial roles citizens play.
- Improve opportunities for water-based recreation.

ES.2 The Westside Region (Section 2)

The Westside Region is vast and encompasses approximately 3,000 square miles, from the Coastal mountain range in the west to the Sacramento River and Sacramento-San Joaquin River Delta on the south and east. The Region includes all of Yolo County and portions of Lake, Napa, Solano, and Colusa Counties that are within the Cache Creek and Putah Creek watersheds. Major communities within the Region include the cities of Clearlake, Davis, UC Davis, Dixon, Lakeport, Rio Vista, Vacaville, West Sacramento, and Woodland. The Westside Region includes the two principal watersheds of Putah and Cache Creeks and other areas of land in the northern portion of Yolo and Solano Counties, as shown on Figure ES-1 on the following page. Figure ES-1 also shows the 3 Planning Areas delineated for the purposes of technical analysis which include the Upper Cache Creek, Upper Putah Creek and Valley Floor Planning Areas. This Region includes areas that share many common water supply sources and groundwater basin interconnections including the following features:

- Surface water bodies: Clear Lake, Lake Berryessa, and Indian Valley Reservoir; and
- Major water-related infrastructure: Monticello Dam, Indian Valley Dam, Cache Creek Dam, and Capay Diversion Dam.

The lakes, creeks, wetlands, sloughs, Delta, and other water features of the Region provide key habitat for many of California’s most important fish and wildlife species. The Region encompasses the service areas

(or partial service areas) of multiple local agencies, including more than 90 entities with water and related resource management responsibilities.

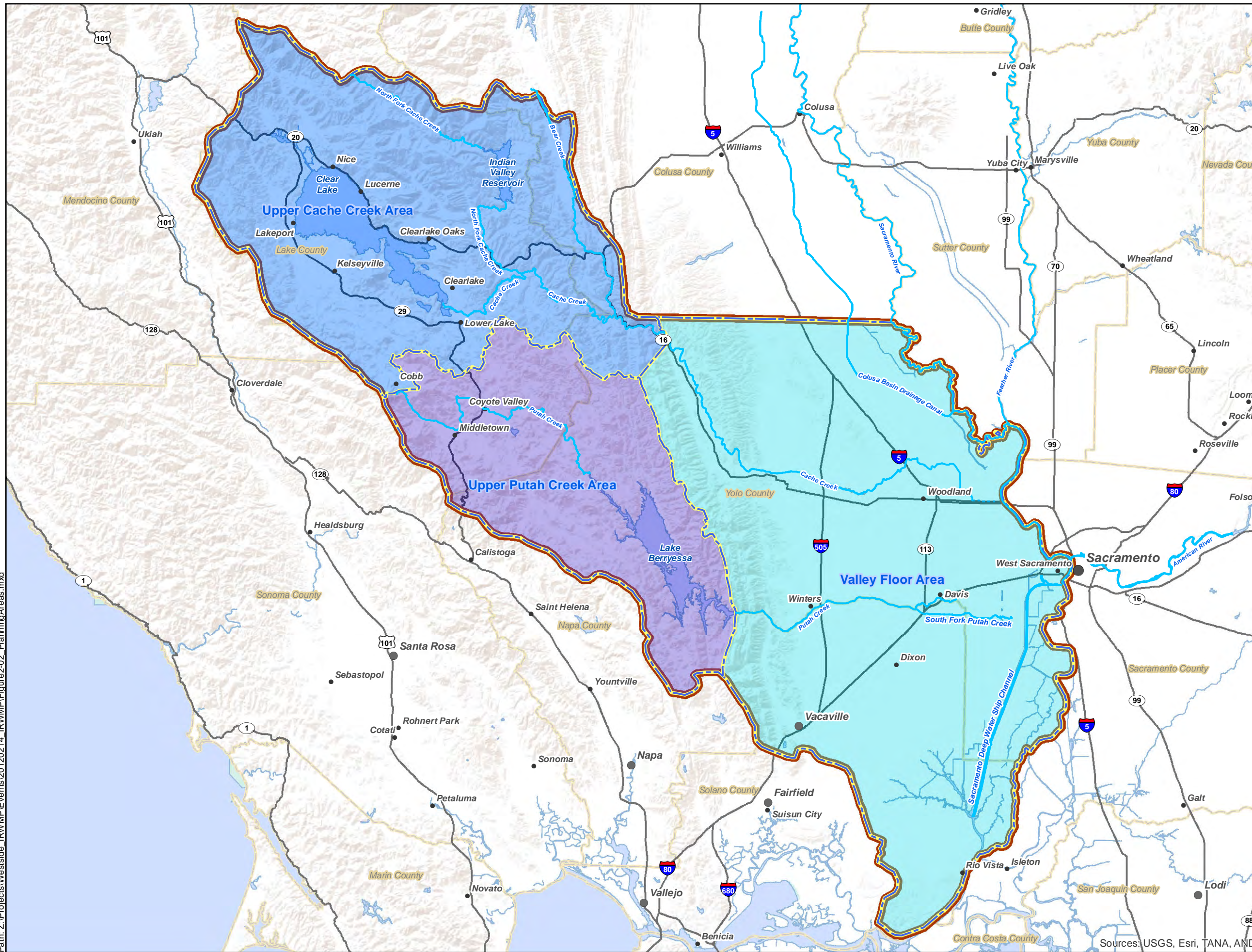
Approximately 390,000 people live within the Region today, with the majority of the Upper Cache and portions of the Valley Floor Planning Area meeting the definition of a disadvantaged community (DAC). Much of the valley area lands support significant agricultural activities. Even so, the vast majority of the land within the Region remains undeveloped. The communities throughout the Region value preservation of these open spaces and agricultural lands. In addition, many residents both inside and outside the Region demonstrate interest in restoring elements of the Region’s historical environmental function.

ES.3 Existing and Future Conditions (Section 3)

Section 3 provides an overview of the existing and expected future conditions for the Region that are relevant to creating an IRWM Plan. The description includes information about key water management infrastructure (both constructed and naturally occurring), summarizes and presents important data, introduces some of the major challenges, and offers observations about the current water management system based on available data. The information is organized and presented as it relates to the topics of water quantity, water quality, flood protection, environmental resources, and the potential affects from climate change.

A region the size of Westside Sacramento is extremely complex and the operational aspects of managing water and the associated infrastructure and other resources within the Region require extensive knowledge of many important details. The amount of data and information related to water management that one could consider across the Region can be overwhelming. In keeping with the goals for the IRWM planning process, strategic information is presented in this section in a synthesized way designed to help promote understanding and support decision makers and stakeholders to work together more effectively in ways that benefit the Region as a whole.

Path: Z:\Projects\Westside_IRWMP\Events\20120214_IRWMP\Figure2-02_PlanningAreas.mxd

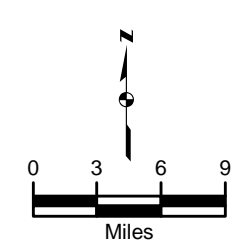


Legend

- Cities
- County Boundaries
- ▭ Westside Region
- ~ Streams
- ⋯ Projected Flow Pathway
- ☪ Water Bodies

Planning Areas

- ▭ Upper Cache Creek Area
- ▭ Upper Putah Creek Area
- ▭ Valley Floor Area



Kennedy/Jenks Consultants



Planning Areas

K/J 1770033.00

Figure ES-1

Sources: USGS, Esri, TANA, AND

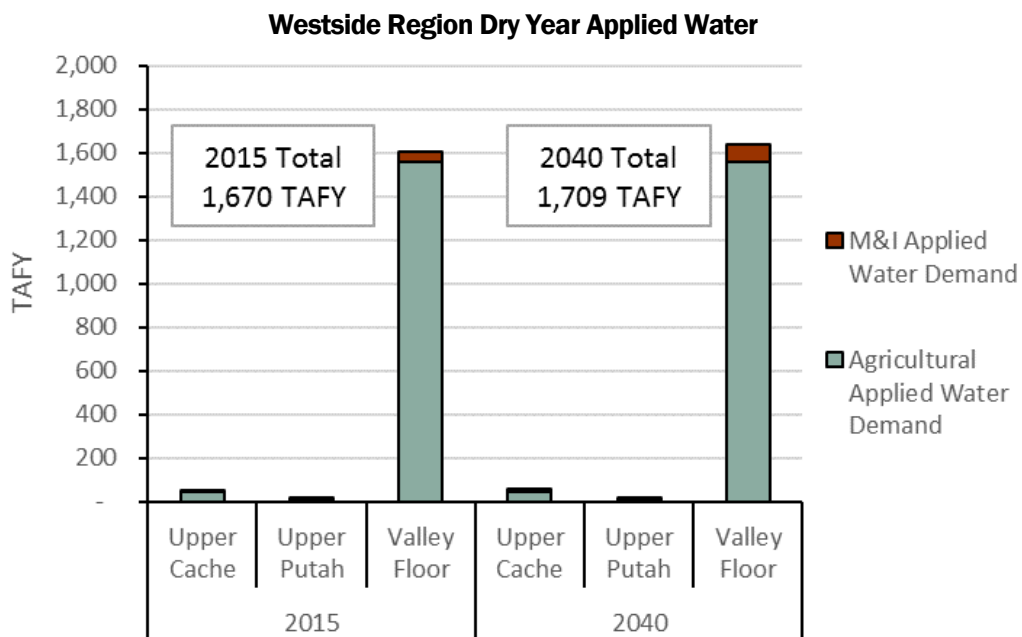
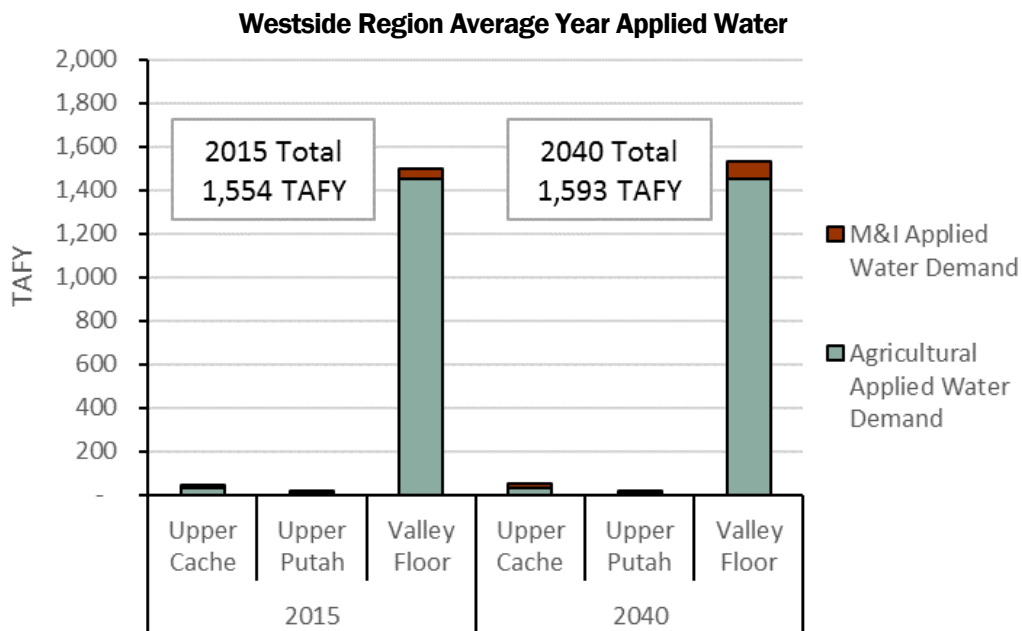
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Some key points specific to the Westside Region presented in Section 3 include:

- As shown on Figure ES-2, the region uses about 1.6 million acre-feet per year (AFY) of water in an average year and about 1.7 million AFY in a dry

year. Agriculture is estimated to use about 94 percent of the water in the Region on an average annual basis with 96 percent of all water used in the Region occurring in the Valley Floor Planning Area.

Figure ES-2: Current and Future Water Demands



- Surface water accounts for approximately 66 percent of the water used in an average year in the Region. Much of the Region also has access to groundwater allowing conjunctive management of surface water and groundwater sources for increased reliability and resilience to drought and climate change. However, those areas reliant on a single source of supply are at risk for shortages.
- Key water quality concerns center around mercury and nutrients in Clear Lake; total maximum daily loads (TMDLs) have been developed for these constituents for several water bodies including Clear Lake, Cache Creek, and the Sacramento-San Joaquin Delta. Groundwater quality concerns include arsenic, boron, chromium, iron, manganese, and selenium.
- Several locations within the Region are susceptible to flood, namely the area of Clear Lake and the areas adjacent to the Sacramento River in the Valley Floor Planning Area.
- The proximity of the Westside Region to the Sacramento-San Joaquin River Delta (Delta) necessitates consideration of the myriad environmental, water quality, and flow concerns associated with Delta restoration. In addition, restoration of the Clear Lake hitch (a native fish unique to Clear Lake that is culturally important to Native American Tribes around the Lake) and management of invasive species are other significant concerns.

ES.4 Water and Land Use Planning (Section 4)

Water management and land use are inherently linked in that the activities and processes that occur on the land directly affect the use and movement of water within a watershed. These linkages between land use and the hydrologic cycle, and similarly between water management and the ability to support particular land uses, are important to consider when making decisions about either land or water. DWR recognizes these linkages and requires that IRWM Plans describe the relationships and interactions between regional planning efforts fostered by the Regional Water Management Group and local water planning and local land use planning. Section 4 describes how land use planning and decision making are coordinated with water management planning and implementation within the Region and highlights opportunities for improved coordination particularly in the areas of improved

collaboration with federal and state land management agencies and flood management.

ES.5 Challenges and Opportunities (Section 5)

A region the size of Westside Sacramento is extremely complex and challenging. Managing the operational aspects of water and the associated infrastructure and other resources within the Region requires extensive knowledge of many important details, and presents several water-related challenges and opportunities. These challenges and opportunities were identified through multiple conversations with resource managers and other stakeholders and were informed by the information presented in Sections 2 - 4 of this Plan. The term “challenges and opportunities” is used to mean the water-related items of interest or concern within the Region. The challenges and opportunities identified include:

Improve Education and Awareness

Raising citizens’ awareness of their role in sustaining the Region’s water and natural resources will be vital. Many individuals and organizations throughout the Region who are interested in water resources management are already engaged in efforts that support the work of water management entities; however, this is not enough to satisfy the objectives in this IRWM Plan. Fulfilling the vision for integrated water management presented in this Plan will require more education for and broader participation of residents within the Region.



Improve Habitat and Ecosystem Health

The Region contains habitats for a broad range of terrestrial and aquatic, state and federally recognized special-status species. In particular, aquatic species specific to the Sacramento-San Joaquin River Delta and vernal pools, such as Delta smelt, vernal pool fairy shrimp, and steelhead, have led to ongoing preparation of habitat conservation plans by several counties in the Region as well as the California Natural Resource Agency's California Water Fix, initially proposed as the Bay Delta Conservation Plan.

In addition, a number of aquatic/riparian invasive plants and animal species either already occur or pose a significant threat to the Region. Invasive animal species occurring in the Region include New Zealand mud snails (currently confined to Putah Creek). Dreissenid mussels, such as quagga and zebra mussels, have not yet been found in the Region. However, because of their presence in nearby watersheds, the threat of infestation is real and the potential consequences daunting. Regional resource management agencies have already initiated activities to prevent the introduction of these mussels to the Region, but more must be done. Several invasive plant species, including *Arundo donax* (giant reed), water hyacinth, Eurasian milfoil, and reynouard grass, already cause significant negative impacts in the Region.

Provide Safe and Reliable Water Supplies

Water is used within the Region predominantly for agricultural irrigation. Municipal and industrial (M&I) use is small relative to agricultural use but vital, because it supports a number of local communities. Although some population growth is expected throughout the Region between now and 2040, agriculture is expected to remain the dominant water use into the foreseeable future.

Existing water supplies within the Region are generally sufficient to fulfill the current M&I and agricultural demands during an average water year. However, in dry years, decreased surface water availability could create negative effects for agricultural and municipal users alike. In years with decreased surface water supply, many agricultural users convert to more expensive groundwater or fallow their land for that year. Some municipal suppliers could experience occasional short-term shortages and might be required to use alternative supplies under the driest of expected conditions. This IRWM Plan includes objectives and numerous strategies to maintain or

increase the reliability of water supplies for agricultural and municipal users within the Region.

Many water users rely on conjunctive water management (meaning the strategic and coordinated use of a variety of surface and groundwater sources), which will be essential to the sustainability of a reliable water supply in the future. The water-supply portfolio for the Region is diverse and includes the following primary sources: Lake Berryessa supplied by Upper Putah Creek; Clear Lake and Indian Valley Reservoir in Upper Cache Creek; State Water Project (SWP); Central Valley Project (CVP); Sacramento River; and multiple groundwater aquifers.

Groundwater supplies have been relatively stable, especially in the eastern portion of the Region, since historical groundwater overdraft was corrected with the construction of Monticello Dam on Upper Putah Creek and Indian Valley Dam on the North Fork of Cache Creek. These dams created Lake Berryessa and Indian Valley Reservoir, respectively, which substantially increased conjunctive use of surface water and groundwater throughout Yolo and Solano Counties. Some areas that still rely solely on groundwater occasionally experience the effects of periodic overdraft and subsidence, both of which may occur after multiple years of drought conditions. An improved understanding of the interconnections between the watersheds and groundwater basins of the Region may lead to additional conjunctive water management opportunities on a regional level.



Sustain and Modernize Infrastructure

The water management system within the Region includes a wide array of infrastructure, such as dams, canals, distribution systems, treatment systems, groundwater wells and pumps, and levees. As the infrastructure ages, the risks of disruption or damage

increase. Maintaining, modernizing, and improving this extensive infrastructure to continue to provide the expected level of service will require significant investment and effort over the next 20 years.

Foster Reasonable Use

The growing number of water-related conflicts within California, in particular related to the Sacramento-San Joaquin Delta, increase expectations to foster the reasonable use of water and promote environmental and natural resource stewardship within all regions of California. This IRWM Plan addresses opportunities to increase the wise use of water within the Region and explores ways to reduce negative impacts related to human water use and waterway management.

Manage Risks

Citizens within the Region face a number of other water-related risks that must be managed, including public health hazards associated with water quality and water-borne pathogens; flood hazards; fires; and other potential disruptions to water supply availability. Flood hazards pose a significant challenge for certain areas within the Region, specifically the tributaries to and lakefront areas of Clear Lake, as well as the floodplains of the Sacramento River.

Further Collective Understanding of Watersheds and Aquifers

As human activities related to water resources in the Region and demands on these resources continue to increase, a more robust understanding of the functions of the watersheds and groundwater basins becomes more crucial. This IRWM Plan summarizes much of what is known about the natural and constructed water management systems within the Region and identifies areas where additional investments to improve understanding are important.

Address Water Quality Concerns

The protection and improvement of water quality is essential to both human health and aquatic ecosystem function. Surface water quality within the Region can affect the cost of providing safe drinking water, and it directly impacts ecosystem function. Issues such as mercury contamination, cyanobacteria management, long-term groundwater quality degradation, and other surface water quality concerns are addressed in this IRWM Plan. Groundwater quality varies throughout the Region

and among different aquifer formations. Groundwater quality can affect managers' ability to meet wastewater discharge requirements in the future. Some agencies that currently rely on groundwater for drinking water supplies are working to develop surface water supplies to help address these concerns.

Often of greater concern are harmful algal blooms (HABs) which occur when algae and cyanobacteria produce harmful biotoxins that can pose health risks to humans and animals consuming or recreating in affected waters. The toxins can also accumulate in fish and shellfish thereby making them unsuitable for consumption.

Improve Opportunities for Recreation

Finally, the lakes and streams in the Region support an array of water-based recreation including fishing, swimming, water skiing, sailing, boating, jet skiing, and white-water sports. These recreational opportunities are enjoyed by both residents of and visitors to the Region. Protecting the Region's waterways to maintain and improve recreational opportunities is important to the quality of life for residents and the economic vitality of the Region.

ES.6 Goals and Objectives (Section 6)

The goals and objectives presented in this section represent the foundational intent of this IRWM Plan. Formulating meaningful and relevant goals and objectives for the Westside Sacramento Region required more collaboration and collective interaction than any other topic of this Plan. Section 6 presents the goals and objectives and describes how they were developed. Within this Plan, the term "goal" is used to mean a desired outcome or result for which effort will be made to accomplish it. In contrast, the term "objective" is used to mean a specific and tangible outcome that is intended to be achieved by or during a designated time.

The plan goals are listed alphabetically below:

1. Acknowledge and respect the cultural values and resources of the Region.
2. Improve education and awareness throughout the Region about water, watershed functions, and ecosystems and the need for sustainable resource management to protect community health and well-being.

3. Improve the collective understanding of watershed characteristics and functions (natural and human-induced) within the Region as needed to respond effectively to evolving water resources management challenges and opportunities (e.g., climate change).
4. Improve the form and function of degraded natural channels.
5. Improve water-related public health across the Region and emphasize improvements for populations most in need.
6. Preserve and enhance water-related recreational opportunities.
7. Preserve, improve, and manage water quality to meet designated beneficial uses for all water bodies within the Region.
8. Promote reasonable use of water and watershed resources.
9. Protect and enhance habitat and biological diversity of native and migratory species.
10. Provide reliable water supplies of suitable quality for multiple beneficial uses (e.g., urban, agriculture, environmental, and recreation) within the region.
11. Reduce the risks of disruptive natural and human-caused disturbances affecting the region’s water resources, including flooding, fire, and significant institutional interruptions that reduce resources management services.
12. Support improved regional water management through governance throughout the Region that uses science and collaboration to make fair and equitable decisions and investments.
13. Support sustainable economic activities consistent with local and state government planning efforts within the region.

The following table ES-1 presents the Plan Objectives. Each objective was prioritized by assigning it an “importance” and “urgency” priority and linked to one or more of the goals as shown. Section 6 provides a description of the quantitative and/or qualitative measurements that will be used to track completion of the objectives.

Table ES-1: Summary of Objectives

Summary of Objective		Importance*	Urgency**	Plan Goals
Education and Awareness Focus				
1	Provide and promote use of educational curricula for K-12 students designed to increase awareness of watershed and resource stewardship and how individual stewardship relates to community health and well-being, for K-12 students from July 2013 through the planning period.	Medium	Low	2, 3, 8, 12
2	Provide educational information for the adult population designed to increase awareness of watershed and resource stewardship and how individual stewardship relates to community health and well-being within the Region, from July 2013 through the planning period.	Medium	Low	2, 3, 8, 12
Habitat Focus				
3	Restore native vegetation and form and function along riparian corridors, canals, and other aquatic sites throughout the Region through 2040 to provide stream shading, habitat enhancement, and increased biological diversity.	Medium	Medium	1, 4, 6, 9

Summary of Objective		Importance*	Urgency**	Plan Goals
4	Quantify the extent of suitable life-cycle habitat currently accessible to Threatened/Endangered/Imperiled (T/E/I) native fish within the Region by December 31, 2014.	High	Medium	3, 6, 9, 12
5	Prioritize, plan, and schedule improvements in suitable life-cycle habitat accessible to T/E/I native fish within the Region by December 31, 2015.	High	Medium	3, 6, 9, 12
6	Increase availability of suitable life-cycle habitat for T/E/I native fish identified by Objective 5.	High	Medium	4, 6, 9
7	Prevent colonization of any regional water body by quagga mussels or zebra mussels and eliminate or prevent the spread of New Zealand mud snails from Putah Creek during the planning period.	High	High	6, 9, 10, 13
8	Establish an invasive plant management plan (including specific and measurable targeted outcomes for species of concern and a schedule to accomplish target outcomes) for the entire Region by December 31, 2015.	High	High	3, 4, 6, 9, 11, 12
9	Implement programs and projects to meet the outcomes defined in the invasive plant management plan developed through Objective 8 (according to the schedule provided in that plan).	Medium	Medium	4, 6, 9, 11
Infrastructure Focus				
10	Create an asset management plan for key water management infrastructure within the Region consistent with the guidance provided in the International Infrastructure Management Manual, by December 31, 2015.	Medium	Low	2, 3, 7, 10, 11, 12, 13
Reasonable Use Focus				
11	Meet 20% by 2020 statewide water conservation targets by December 31, 2020.	Medium	Medium	8, 10, 13
12	Increase adoption of locally cost-effective agricultural BMPs throughout the planning period.	Medium	Medium	4, 7, 8, 10, 13
Recreation Focus				
13	Maintain and increase water-related recreational opportunities within the Region throughout the planning period.	Medium	Low	6, 13
Risk Management Focus				
14	Provide adequate flood protection for all urban and rural areas within the region by December 31, 2050.	High	Medium	4, 5, 11, 13
15	Manage watershed activities and conditions to reduce the risk of large erosion events that could increase undesirable sediment loading to water bodies throughout the planning period.	Medium	Medium	4, 6, 7, 8, 11
Understand Watershed Function Focus				

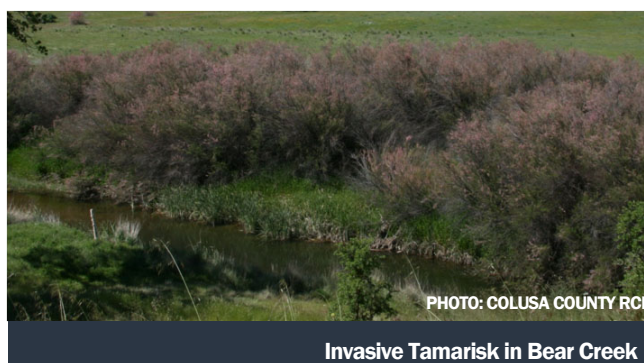
Summary of Objective		Importance*	Urgency**	Plan Goals
16	Monitor planning of state and federal water-related projects and programs in the Delta and estimate potential local impacts throughout the planning period.	Medium	High	3, 12
17	Monitor conditions and improve understanding to support sustainable use of groundwater basins within the Region as an important part of water supply throughout the planning period.	High	Low	3, 7, 10, 12, 13
18	Maintain and enhance monitoring network and information sharing to support management of watersheds and natural resources within the Region throughout the planning period.	High	Medium	2, 3, 7, 10, 11, 12, 13
Water Quality Focus				
19	Address pollutant sources to meet runoff standards and satisfy targets as described in specific TMDLs within the Region throughout the planning period.	High	Medium	5, 6, 7, 9
20	Minimize accidental spillage/discharges of wastewater to receiving waters throughout the planning period.	Medium	Medium	5, 6, 7, 9, 13
21	Reduce public health risks by reducing contaminants of concern in drinking water sources throughout the planning period.	Medium	Medium	3, 7, 10, 13
22	Meet all drinking water and wastewater discharge standards within the region throughout the planning period.	High	High	5, 6, 7, 9, 13
Water Supply Focus				
23	Provide 100% reliability of M&I water supplies of appropriate quality to meet forecasted demands within the Region throughout the planning period.	High	Medium	1, 7, 10, 13
24	Provide agricultural water supplies of appropriate quality to support a robust agricultural industry within the Region throughout the planning period.	High	Medium	1, 10, 13

* The “importance” assigned to each objective reflects the significance or consequence to the Region of satisfying this objective compared with other objectives.

** The “urgency” assigned to each objective reflects the degree to which this objective warrants speedy attention or action compared with other objectives.

Section 6 also discusses Climate Change Vulnerabilities which were prioritized relative to their relative linkage to Plan objectives. Some high priority Climate Change Vulnerabilities discussed in Section 6 include:

- 1.4: Groundwater supplies in parts of the Region lack resiliency after drought events.
- 2.6: The Region has invasive species management issues at facilities, conveyance structures or in habitat areas.
- 3.2, 3.3, 3.4: Water quality impacts such as algal blooms related to eutrophication, inability to meet



beneficial uses, and vulnerability to water quality shifts during rain events occur in the Region.

- 4.5: A portion of the Region floods at extreme high tides or storm surges.
- 5.1, 5.2, 5.3, 5.4: The Region has critical, aging, infrastructure within the 200-year flood plain, some of which lies within the Sacramento-San Joaquin Drainage District and flood control facilities have been insufficient in the past.
- 6.1, 6.2, 6.3, 6.4, 6.6, 6.8: The Region includes: inland aquatic habitats vulnerable to erosion and sedimentation, estuarine habitats, including the Delta, which rely on freshwater flow, climate sensitive fauna or flora, and endangered and threatened species, and quantified environmental flows or stressors to aquatic life.

ES.7 Resource Management Strategies (Section 7)

The Goals and Objectives for the Westside IRWM Plan presented in Section 6 describe the foundational

intent of the Plan. The Plan goals represent broad focus areas for water management actions in the Region, and Plan objectives describe specific outcomes that, when achieved, will improve water-related conditions in the Region. Accomplishing these goals and objectives will require that resource managers and other stakeholders implement a variety of water management actions. Those actions could include projects, programs, or policies designed to help agencies and local governments manage water and related resources. DWR refers to these types of projects, programs, or policies as resource management strategies (RMS). A broad list of resource management strategies were identified in the California Water Plan Update 2013 and must be considered for applicability in an IRWM Plan.

The California Water Plan Update 2013 groups RMS into seven management outcomes. Table ES-2 provides a summary of the management outcomes and RMS that are described in Section 7 of the Plan. RMS that were determined to be applicable to the Westside Region are followed by a ✓, those that were determined as not applicable to the Region are followed by an ✘.

Table ES-2: Summary of Management Outcomes and RMS

CWP Management Outcome	Resource Management Strategies
Reduce Water Demand	Agricultural Water Use Efficiency ✓ Urban Water Use Efficiency ✓
Improve Operational Efficiency and Transfers	Conveyance – Delta ✓ Conveyance – Regional/local ✓ System Reoperation ✓ Water Transfers ✓
Increase Water Supply	Conjunctive Management & Groundwater Storage ✓ Desalination – Brackish & Seawater ✘ Precipitation Enhancement ✘ Recycled Municipal Water ✓ Surface Storage – CALFED/State ✘ Surface Storage – Regional/local ✓
Improve Water Quality	Drinking Water Treatment and Distribution ✓ Groundwater Remediation/Aquifer Remediation ✓ Matching Quality to Use ✓ Pollution Prevention ✓ Salt and Salinity Management ✓ Urban Runoff Management ✓

CWP Management Outcome	Resource Management Strategies
Practice Resources Stewardship	Agricultural Lands Stewardship ✓ Ecosystem Restoration ✓ Forest Management ✓ Land Use Planning and Management ✓ Recharge Area Protection ✓ Sediment Management ✓ Watershed Management ✓
Improve Flood Management	Flood Risk Management ✓
People and Water	Economic Incentives ✓ Outreach and Engagement ✓ Water and Culture ✓ Water Dependent Recreation ✓

✓ RMS potentially applicable to the Region.
 ✗ RMS not applicable to the Region.

ES.8 Project Review and Prioritization (Section 8)

Project ideas were submitted by proponents throughout the Region for consideration to include in the Plan. The process to decide which projects to include in the Plan and how to prioritize them relied on: information submitted by the proponents that addressed a standard list of project criteria; expert judgment about the relevancy of the submitted projects; and Stakeholder discussions. The projects, programs and management actions submitted by the stakeholders were compiled, reviewed, and scored based on the information provided by the project proponents. Two “call for projects” cycles were issued to stakeholders during the preparation of the 2013 Plan. The first collected a broad list of regional projects, which was then summarized and shared with the public. The second “call for projects” provided an opportunity for stakeholders to discuss commonalities between projects, identify opportunities to integrate, and refine proposed projects or submit new projects. Since 2015, the RWMG has been receiving projects on a continuous basis.

The projects that were submitted by stakeholders demonstrate the breadth of activities needed for the Region to meet its water management objectives. In total, 201 projects were submitted by 57 different organizations and address, to some extent, all 24 of the IRWM Plan objectives. Projects submitted range from large-scale drinking water supply projects to habitat restoration programs, flood management projects, and invasive species management initiatives. The range of projects and programs present multiple

opportunities for continued resource and project integration beyond the list of projects included in this Plan. In addition, 28 projects were completed, cancelled, or removed from the Project List. The projects and programs on the updated Project List are summarized in Table ES-3 below by objective focus area and the table also helps to portray the broad variety of types of projects, programs, and actions that were submitted.

All projects included in the IRWM Plan are important to meet the objectives of the Region. The Coordinating Committee will encourage and support actions that advance all of the projects, regardless of their priority. However, the Coordinating Committee expects to focus their attention to supporting the implementation of projects with High Importance and High Urgency first. High Importance and High Urgency projects identified during the 2018 project prioritization process are listed in Table ES-4 on the following page. This project list will be updated and appended over time as projects are completed and new projects are identified.

ES.9 Impacts and Benefits (Section 9)

This section provides an overview of the potential impacts and benefits associated with implementation of the Westside Region IRWM Plan. Because of the nature of the IRWM planning process, the impacts and benefits discussed in this Section are preliminary and not intended to be a complete list; more extensive and project-specific evaluations of impacts and benefits usually occur through project implementation. Impacts are most likely to occur over short-term

periods and are associated with project implementation, with some potential long-term impacts associated with project operation. Impacts will be

evaluated on a case-by-case basis during the environmental compliance process.

Table ES-3: Summary of Project Submittals by Objective Focus Area and Project Type

Objective Focus Areas	Project Types			
	Feasibility Study	Implementable Program	Implementable Project	Maintenance/Monitoring/Planning
Education and Awareness		1	2	4
Habitat and Invasives	17	4	26	6
Infrastructure		2	3	2
Reasonable Use		1	7	2
Recreation	1		3	1
Risk Management	4	1	23	12
Understand Watershed Function		1	6	3
Water Quality	2		20	7
Water Supply	1	1	16	1
TOTAL	25	11	106	40

Table ES-4: High Importance/High Urgency Projects

Importance, Urgency	Planning Area			Region Wide	TOTAL
	Upper Cache Creek	Upper Putah Creek	Valley Floor		
High Importance, High Urgency	2	3	3	2	10
High Importance, Medium Urgency	18	4	60		82
High Importance, Low Urgency			3		3
Medium Importance, High Urgency			1		1
Medium Importance, Medium Urgency	10	6	51		67
Medium Importance, Low Urgency	2		16	1	19
TOTAL	32	13	134	3	182

The Westside IRWM Plan documents a shared vision for integrated water management and outlines a cooperative approach to achieve that vision. It provides regional water resources benefits largely by fostering improved coordination, collaboration, and communication among entities in the Region. Such collaboration is supported both by the Plan development process and the resulting, newly formed Plan implementation framework.

This collaborative approach to regional planning helps ensure that multiple aspects of watershed planning are considered together rather than allowing one particular geographic area or project type to dominate. It helps share benefits and impacts instead of allowing one group or geographic area to reap benefits while another withstands impacts. Also, regional planning helps ensure that projects designed to achieve one particular objective (e.g., water supply) will be supportive of (or at least compatible with) other objectives (e.g., flood management, water quality, or habitat preservation).

ES.10 Coordination (Section 10)

One of the key aspects of improving water resources management includes providing multiple opportunities for water managers, community stakeholders, and other organizations with interests in, to be informed and participate in the IRWM program. The RWMG is responsible for coordinating implementation activities with agencies, local participants and stakeholders within the Region, as well as state and federal agencies and IRWM Regions that are adjacent to the Westside Region. A structured approach to coordination is provided in the Plan to help reduce the likelihood of conflicts within the Region and improve utilization of resources. Activities will be facilitated by the Regional Water Management Group and Coordinating Committee, as defined under their specific responsibilities.

ES.11 Plan Implementation Framework (Section 11)

One of the key considerations for developing and implementing an IRWM Plan is the governance structure chosen to perform the tasks necessary to develop and implement the Plan. Section 11 describes the governance structure used for

developing the Westside Plan and describes a governance structure that will support implementation and updating of the Plan over the next 20 years. These governance structures are consistent with the Integrated Regional Water Management Guidelines for Proposition 1 published by the California Department of Water Resources in November 2016.

Once the Westside IRWM Plan has been adopted, the focus of the RWMG will change significantly. Some of the activities conducted during Plan development will continue, but the emphasis will shift away from planning toward implementation and tracking of progress.

The current structure of the RWMG, which was established through an MOU with a staff led Coordinating Committee, has functioned well for managing funding and providing guidance and oversight during the Plan development process. Therefore, the Coordinating Committee recommended and the Stakeholder Group agreed that the Region should continue with a similar RWMG model through the initial phases of Plan implementation. A draft MOU amendment has been prepared (see Appendix A.1) to establish a Regional Water Management Group responsible to support the implementation of the adopted Westside IRWM Plan.

Decisions authorized by the RWMG will continue to be made using broad agreement as during the development of the Plan. All interested participants will be invited to participate as equals during Stakeholder Input Meetings to discuss implementation activities to meet the Plan objectives. The Coordinating Committee will set agendas, interact with stakeholders, and foster collaborative decisions as described in Section 10. The Westside IRWM CC meetings will follow the Brown Act provisions. If for some reason broad agreement cannot be reached between the Coordinating Committee and the Stakeholder Group related to specific items within a reasonable amount of time and effort, the Coordinating Committee will discuss the item(s) where broad agreement cannot be reached and then decide by majority vote how to proceed.

Implementation of the Westside IRWM Plan will rely on actions taken by existing agencies and organizations within the Region. The RWMG, as represented by the Coordinating Committee, will provide leadership for fostering cooperation, continuing coordination, tracking of Plan performance, and updating of the Westside IRWM Plan. The Coordinating

Committee may form stakeholder subcommittees to help focus collaboration and progress on specific topics or objectives. Changes to the project list or Plan objectives will be decided as described above and published as Plan Amendments. The Coordinating Committee will request that members of the Regional Water Management Group and project proponents adopt the Plan Amendments as an addendum to the previously adopted Westside IRWM Plan.

One of the most important aspects of IRWM Plan implementation for the Westside Region is having processes in place to ensure the public and interested stakeholders continue to be involved. This will be accomplished through multiple avenues of communication and engagement between the CC and stakeholders in order to obtain input and make sound decisions regarding regional activities.

The vast geography and complex relationships between the many water-related entities in the Region, and breadth of projects requires a multi-faceted Plan performance and monitoring strategy. The centerpiece of the performance and monitoring for the Region is measuring progress towards achieving Plan goals and objectives, Resource Management Strategies (RMS), and, ultimately, projects. Changes to the goals and objectives may affect the types of RMS that need to be implemented by stakeholders, which could also have implications on the types of projects that are included in the Plan. Project Proponents will be responsible for developing and implementing most projects, and then collecting performance monitoring data and reporting it to the RWMG. It is anticipated that progress updates will be collected from Project Proponents on an annual basis. Progress towards achieving objectives will be tracked by the Coordinating Committee and/or any subcommittees that are formed.

Performance monitoring will rely on a variety of data that will need to be managed. For the purposes of this Plan, data management includes the collection, storage, processing, and sharing of information that is developed from project-specific implementation and its relative contribution to achieving Plan objectives. The tools and strategies that the RWMG will use to organize, maintain, and share this vast amount of data will be called the Data Management System (DMS). Water-resources related data is generated in this Region from literally dozens of sources, in countless formats, and is reported in varying

frequencies to jurisdictional bodies, non-governmental agencies, water agencies, and regulators. The Westside IRWM Plan’s DMS is not intended to serve as the central clearinghouse for this vast amount of information, but it has been developed to meet the 2016 IRWM Guidelines in performing the following functions including:

- Support the Westside Coordinating Committee in their responsibilities by collecting and sharing information related to:
 - Westside IRWM project implementation
 - Westside IRWM objective progress
- Provide means for interested stakeholders, both inside and outside the Westside Region to locate needed information concerning IRWM project implementation
- Consider means to simplify the interconnection and sharing mechanisms between local and statewide data sources.

Financing of an IRWM Plan is also an enormous undertaking and requires the contributions and attention of local, state, and federal agencies to ensure success. Financing of this Westside IRWM Plan involves two distinct tracks: funding of IRWM Plan administration and tracking activities, and funding project implementation. This section provides some highlights of the anticipated funding needs for both tracks, identifies potential funding sources, and documents some of the activities that the CC and others will employ to secure additional funding.

Finally, the IRWM Plan includes implementation recommendations that are intended to provide a “road map” to guide the Coordinating Committee, especially during the first two years of implementation of the Westside IRWM Plan. Each of these Plan Recommendations is detailed and includes suggestions for: the Coordinating Committee to help form subcommittees or other mechanisms that will foster collaboration for Plan implementation, Coordinating Committee focus areas for the next 1 – 2 years, tracking progress for IRWM Plan implementation, and researching other grant opportunities for Plan implementation.



RESOLUTION 2019-07

RESOLUTION OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS TO PROVIDE HEALTH INSURANCE COVERAGE TO EACH ACTIVE BOARD MEMBER AND ONE OF THEIR RESPECTIVE FAMILY MEMBERS, EACH BOARD OF DIRECTOR SHALL CONTRIBUTE 5% OF THE COST OF THE DIRECTOR AND DIRECTOR DEPENDENT HEALTH INSURANCE PREMIUM

WHEREAS, the Hidden Valley Lake Community Services District (District) provides health, dental and vision insurance to its employees and their families; and

WHEREAS, since 2004 the District has pursuant to California Government Code Sections 53200 – 53210 provided health insurance to Active Board Members and their spouses; and

WHEREAS, for budgetary purposes Active Board Members will contribute to the cost of the Director and Director dependent health insurance premium; and

NOW, THEREFORE, BE IT RESOLVED, that the Hidden Valley Lake Community Services District will provide health insurance coverage to each Active Board Member and one of their respective family members (a spouse, domestic partner, or one dependent); and

BE IT FURTHER RESOLVED, that the health insurance provided to Active Board Members and their families by the District shall not exceed the level of insurance benefits provided by the District to its regular full-time employees.

BE IT FURTHER RESOLVED, that each Board Member shall contribute 5% of the cost of the Director and Director dependent health insurance premium beginning with the first pay period containing July 1, 2019. This contribution is not to exceed 5% of their premium and not to exceed their monthly stipend.

PASSED AND ADOPTED on July 16, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Linda Herndon
President of the Board of Directors

ATTEST:

Kirk Cloyd
Secretary to the Board of Directors

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

LIEN POLICY

I. PURPOSE

The purpose of the Lien Policy/Procedure is to provide clear direction and a repeatable process that allows Hidden Valley Lake Community Services District (HVLCS D) to consistently collect default balances on accounts in accordance with California Government Code 61115.

II. POLICY

Within the framework identified in Resolution 2016-14, HVLCS D will begin the lien process once the defaulting bill reaches \$500.00. The lien process will be imposed at a frequency of no less than 6 months.

The method by which HVLCS D applies the lien against real property (regular District lien or tax assessment roll) will be at the discretion of the General Manager.

III. PROCEDURE

A. Review accounts

Run the "Account Balance Report" in INCODE.

B. Courtesy Lien Notification.

The lien notification letter should be mailed to the customer no less than 30 days before the lien is recorded. The fee of \$13.13 will be applied to the customer's account. (Lien notification is NOT required in Ca Gov Code 61115.) See Appendix A, Figure 1

**Original liens should never be removed; additional liens should be added to the properties.

District Lien

C. Apply Fees:

The costs for the Certificate, Lien Recording (filing costs, staff time and mileage), and Lien Release (filing costs, notary, staff time and mileage) will be applied to the customer's account. See Fees section for more details.

D. Certificate.

Complete the Certificate of unpaid water and/or sewer service form declaring the delinquent amount of the charges and penalties due, the name and last known address of the person liable for those charges and penalties. Notary is not required on the Certificate See Appendix A, Figure 2

E. Lien Recording.

A lien may be recorded for the full amount of the Default Balance with the county assessor by submitting an original completed Certificate (item 2). The County will send a recorded copy of the Certificate to whoever is listed in the upper left hand corner of the Certificate.

F. Lien Release.

Within 30 days of receipt of payment for all amounts due, including the recordation fees paid by the district, the district shall record an original, notarized release of the lien. See Appendix A, Figure 3

Tax Assessment Roll Lien

C. Prior to Public Hearing

(1) Staff Report to Set Public Hearing.

A staff report will be issued to the Board of Directors setting a public hearing to determine the Default Balances to be imposed on the respective real property. See Fees section for more details. A summary of costs for all Defaulting Bills shall be attached to the notice. This item needs to be placed on the official agenda of the next board meeting. See Appendix B, Figure 4

(2) Mailed Notice of Public Hearing.

Notice shall be mailed to each individual noticing the potential lien against their real property on the tax roll in the same manner as property taxes and the time and place of the public hearing to discuss/protest any Default Balance after the public hearing date has been set. Mail no later than 2 1/2 weeks prior to hearing date. See Appendix B, Figure 5

(3) Published Notice of Public Hearing.

Notice of the public hearing will be published once a week for two successive weeks as required by Section 6066 of the California Government Code, in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates. The period of notice commences upon the first day of publication and terminates at the end of the 14th day, including the first day published. You should request an affidavit from the newspaper after the publication, which certifies that the notice was published. (email public hearing notice to the Record Bee – advertising@record-bee.com. Submit dates to be published in email.) See Appendix B, Figure 6

D. Public Hearing

The Board of Directors will hold a public hearing on the Default Balances on the date provided in the mailed and public notices, with all protests to any Default Balance being heard and considered by the Board prior to the close of the public hearing. Place on the agenda of the hearing date. This is usually placed at the beginning of the agenda items.

(1) Staff Report to Confirm Lien.

For the public hearing, a staff report to the Board of Directors shall be prepared to confirm the Default Balance against the respective real property. The Certification of Mailing, Evidence of Publications, and the respective resolution will be attached. See Appendix B, Figure 7

(2) Resolution Confirming a Default Balance.

The confirmation of the Lien shall be in the form of a resolution. See Appendix B, Figure 8

(3) Certificate of Mailing.

A certificate is to be completed by the person responsible for mailing the notices to the property owners, which includes a list of the owner's information as an attachment. This is not required by Cal Gov Code 61115 (b), but is an additional step that we recommend. See Appendix B, Figure 9

E. Post Public Hearing

(1) Recordation of Default Balance Lien.

Upon confirmation of the Default Balance, a lien may be recorded for the full amount of the Default Balance and addition fees with the county assessor. See Appendix B, Figure 10

(2) Lien Release.

Upon satisfaction of the amount due under the Default Balance Lien, the HVLCS D shall record a lien release against the affected parcel within 30 days of payment. See Appendix B, Figure 11

FEE SCHEDULE:

As referenced in Resolution 2016-14, Section 1B, "For each Defaulting Bill, the District may collect all charges, fees, costs and penalties (collectively, a "Default Balance") associated with the default."

*Weighted cost/hr, mileage rate, recording and notary fee, all of which comprise the following table, are subject to change.

*Cost calculated on six liens

These fees are itemized as follows:

Category	Cost	Description	Details (subject to change)
Courtesy Letter	\$13.13	1 hr. run report, 1 hr. prepare letters, postage. Weighted cost of staff time, avg. of 6 letters.	$((39.15 * 2) + .47)/6$
Certificate Form	\$6.53	1 hr. prepare certificates. Weighted cost of staff time, avg. of 6 forms.	$39.15/6$
Lien Recordation	\$25.77	1.5 hr. staff time, 67.4 miles round trip, \$10 for a two-paged lien. Weighted cost of staff time, avg. of 6 liens.	$((39.15 * 1.5) + (67.4 * .53))/6 + 10$
Lien Release	\$35.77	1.5 hr. staff time, 67 miles round trip, \$10 for a two-paged lien. \$10 notary. Weighted cost of staff time, avg. of 6 liens.	$((39.15 * 1.5) + (67.4 * .53))/6 + 10 + 10$
Total	\$81.20		

IV. Appendix A – District Lien

Figure 1 - Courtesy Lien Notification



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hiddenvalleylakecsd.com

Date

Customer Name
Address
City, State Zip

Dear Customer,

This letter is to inform you of a past due balance in the amount of \$xxxx on your account with Hidden Valley Lake Community Services District (District) related to your property at xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx.

Should the balance remain outstanding on xx/xx/xxxx , the District will begin the lien against real property process per California Government Code Section 61115(c). The property will continue to accumulate monthly charges and may incur additional fees if payments to the District are not received by the due date.

If you have any questions, or believe we have sent this letter in error, please contact the District Office at (707) 987-9201 between the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday (excluding holidays.)

Thank you,

Staff

Hidden Valley Lake CSD

Figure #1

Figure 2 - Lien Certification

Recording requested by and when recorded, return to: Hidden Valley Lakes Community Services District Attn: Address City, State, Zip

Record without fee pursuant to Government Code § 27383

**Certificate of Unpaid Water and Sewer Service Charges
and
Notice of Lien therefor**

HIDDEN VALLEY LAKES COMMUNITY SERVICES DISTRICT (HVLCS D), a local government agency in the State of California, hereby declares that payment for water and sewer services is in default by the customer at the address below.

This action is based on the non-payment or late payment of water and/or sewer service, pursuant to Hidden Valley Lake CSD Resolution 2016-14 and as authorized by California Government Code section 61115(c).

NOTICE IS HEREBY GIVEN that, should the current property owner attempt to sell, or otherwise transfer the property there are past due water and sewer service charges that constitute a lien on the land, which need to be paid in full before ownership thereof can change hands.

Property Information:

HVLCS D Account # _____
Amount Past Due (as of _____): \$ _____

Service Address Address _____
 C,S Z _____

Owner Name Name _____
Owner Address Address 1 _____
 Address 2 _____

Signature: _____
 HVLCS D Representative

Figure #2 - Complete Item #4

Figure 3 - Lien Release

RECORDING REQUESTED BY:

Hidden Valley Lake Community Services District
19400 Hartmann Road
Hidden Valley Lake, CA 95467
Attn: Secretary of the Board of Directors

(Space above this line for Recorder's use)

HIDDEN VALLEY LAKE
COMMUNITY SERVICES DISTRICT
19400 HARTMANN ROAD
HIDDEN VALLEY LAKE, CA 95467

RELEASE OF LIEN

I, Jim Freeman, President of the Board of the Hidden Valley Lake Community Services District, State of California, hereby release and certify that there has been released all property from any lien imposed thereon by filing and recording that certain DEFAULT BALANCE LIEN for the unpaid Default Balance adopted by the Board of Directors on _____, 20__ Resolution No. 20__ - __, for the following:

ADDRESSEE PARCEL AMOUNT

As recorded on _____, 20__, as Document No. _____ in the Office of the Recorder of Lake County.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Jim Freeman
President of the Board of Directors

State of California

County of Lake

On _____ before me, _____ Notary Public, personally appeared Jim Freeman

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in her authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Notary Seal)

V. Appendix B – Tax assessment roll lien

Figure 4 - Staff Report



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hiddenvalleylakecsd.com

TO: Board of Directors

FROM:

MEETING DATE:

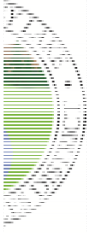
REPORT PREPARATION DATE:

SUBJECT: Setting Public Hearing to Confirm the Default Balance and Lien Amount

- I. RECOMMENDATION: That the Board of Directors set the date for a public hearing to confirm the Default Balance associated with a Defaulting Bill for _____[address]_____, A.P.N. _____, and to direct the County Clerk to file a lien on said property.
- II. BACKGROUND: The District previously cited the properties listed in Exhibit A.
- III. DISCUSSION: In accordance with Resolution 2016-14 and Section 6066 of the California Government Code, the property owner(s) shall be notified of the Default Balance associated with the Defaulting Bill for which they are liable. In accordance with Section 61115 of the California Government Code, the Board of Directors are to hold a public hearing for protests or objections to the Default Balance. After such hearing, the Board of Directors may confirm or modify the Default Balance and, may then place a lien on the property.
- IV. FISCAL IMPACT: Recovery of \$ _____ to the District.
- V. ALTERNATIVES: To not set a public hearing on the Default Balance.
- VI. SUGGESTED HEARING DATE: _____
- VII. ATTACHMENTS: Summary of Default Balance and Affected Address.

Figure #4

Figure 5 - Notice of Public Hearing



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hiddenvalleylakecsd.com

NOTICE OF HEARING TO CONFIRM A LIEN AGAINST REAL PROPERTY FOR A DEFAULT BALANCE

PLEASE TAKE NOTICE that the Secretary of the Board of Directors of Hidden Valley Lake Community Services District has filed a report with the District setting forth a public hearing to place a lien on the real property of individuals that have a Default Balance payable to the District. The purpose of the lien is to allow the District to recover funds due to it for services and facilities provided.

NOTICE IS HEREBY GIVEN that the Board of Directors of the Hidden Valley Lake Community Services District, California, will, on the ___ day of _____, 20 __, in the Boardroom at 19400 Hartmann Road, Hidden Valley Lake, California, beginning at the hour of 7:00 p.m. of said day, hold a public hearing to confirm a lien against the real property, for a Default Balance owed to the District by you, located at:

_____ [Street] _____,

_____ [City & State] _____

A.P.N. _____

At that time and place, any interested person, including all persons owning property in the District, may appear and be heard on any matter relating to a Default Balance.

Prior to the hearing, if you have any questions or would like to obtain copies of any public information pertaining to this matter, please contact the District Office at (707) 987-9201.

Dated this ___ day of _____, 20 __.

Secretary to the Board of Directors

Figure #5

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

NOTICE OF PUBLIC HEARING ON DEFAULT BALANCES PAYABLE TO THE DISTRICT

PLEASE TAKE NOTICE that the Secretary of the Board of Directors of Hidden Valley Lake Community Services District has filed a report with the District setting forth a public hearing to place a lien on the real property of individuals that have a Default Balance payable to the District. The purpose of the lien is to allow the District to recover funds due to it for payments owed to the District.

Prior to placing a lien on the real property of the individuals associated with a Default Balance, the District will hold a public hearing to give any interested person, including all property owners in the District, an opportunity to comment on, or protest any Default Balance. The public hearing will occur on _____, 20__, at 7:00 p.m. at 19400 Hartmann Road, Boardroom, Hidden Valley Lake, California. If you oppose any Default Balance, you may protest to the District prior to the close of the public hearing orally or in writing. At the public hearing, the District Board of Directors will consider the protests in determining the final amount of each Default Balance.

Written protests must be received prior to the close of the public hearing. They must include the name, address and signature of the drafter, and should be sent to:

Hidden Valley Lake Community Services District
19400 Hartmann Road
Hidden Valley Lake, CA 95467

Please contact the District Office at (707) 987-9201 regarding any questions or concerns, or to receive any public information relating to this matter.

Published: _____, 20__
 _____, 20__

Posted: _____, 20__

Figure #6

Figure 7 - Staff report to confirm lien



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hiddenvalleylakecsd.com

TO: Board of Directors

FROM:

MEETING DATE:

REPORT PREPARATION DATE:

SUBJECT: Confirming the Default Balance and Lien Amount from Exhibit A

- I. RECOMMENDATION: That the Board of Directors adopt a resolution confirming the Default Balances and direct the County Clerk to file a lien on said property.
- II. BACKGROUND: On _____, 2016, at 7:00 p.m. at 19400 Hartmann Road, Boardroom, Hidden Valley Lake, California, the Board of Directors held a public hearing on the Default Balances owed by property owners listed in Exhibit A and the recommendation by the staff to place a Default Balance Lien on those real property.
- III. DISCUSSION: In accordance with Resolution No. 2016-14 and Section 6066 of the California Government Code, the property owner(s) has be notified of the Default Balances associated with the Defaulting Bill for which they are liable. In accordance with Section 61115 of the California Government Code, the Board of Directors are to hold a hearing for protests or objections to the Default Balances. After such hearing, the Board of Directors may confirm or modify the Default Balances. The Default Balances may then be made a lien against the real property of the individual liable for the Defaulting Bill.
- IV. FISCAL IMPACT: Recovery of \$ _____ in costs, fees, expenses and penalty charges.
- V. ALTERNATIVES: To modify the Default Balances herein, or take other action.
- VI. LEGAL REVIEW:
- VII. ATTACHMENTS:
 - a. Certificate of Mailing
 - b. Evidence of Publication
 - c. Resolution Confirming a Default Balance

Figure #7

Figure 8 - Resolution confirming a default balance

RESOLUTION NO. 20 ___ - ___

RESOLUTION OF THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
CONFIRMING THE DEFAULT BALANCE ASSOCIATED WITH THE DEFAULTING BILL LISTED IN EXHIBIT A AND
DIRECTING STAFF TO FILE A LIEN ON SAID PROPERTY

WHEREAS, the Hidden Valley Lake Community Services District (the "District") previously cited the properties identified in Exhibit A for a Defaulting Bill (as defined in Resolution No. 2016-14); and

WHEREAS, notice of a public hearing to determine the amount of the Default Balance (as defined in Resolution No. 2016-14) under a Defaulting Bill was mailed to the property owners listed in Exhibit A; and

WHEREAS, notice of said public hearing was published in accordance with Section 6066 of the California Government Code; and

WHEREAS, in accordance with Resolution No. 2016-14, said public hearing was conducted on _____, ____ at 7:00 p.m. at 19400 Hartmann Road, Boardroom, Hidden Valley Lake, California; and

WHEREAS, it is necessary for the District to recover the Default Balance; and

WHEREAS, the District has satisfied all notice and hearing requirements under Section 61115 of the California Government Code; and

NOW, THEREFORE, BE IT RESOLVED, the District Board of Directors hereby adopts Resolution No. 20 ___ - ___ confirming the Default Balance in the amount of \$ _____; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, the District does direct the staff to file a lien for the unpaid Default Balances listed in exhibit A in the amount of \$ _____.

I HEREBY CERTIFY that the foregoing resolution was duly and regularly introduced and adopted by the Board of Directors of the Hidden Valley Lake Community Services District, County of Lake, State of California, on the ____ of _____, 20__, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said District this ____ of _____, 20__.

Jim Freeman
President of the Board of Directors

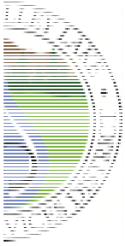
Secretary to the Board of Directors

PROPERTY LIENS - _____ (month and year)
EXHIBIT A

NAME	ADDRESS	APN	AMOUNT

Figure #8

Figure 9 - Certificate of Mailing



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hiddenvalleylakecsd.com

CERTIFICATE OF MAILING

(Notice to Property Owners)

I, _____, whose business address is _____, do hereby certify that I mailed a copy of the attached NOTICE OF HEARING TO CONFIRM A LIEN AGAINST REAL PROPERTY FOR THE DEFAULT BALANCE DUE UNDER A DEFAULTING BILL (the "Notice") to each individual associated with a Defaulting Bill within the Hidden Valley Lake Community Services District, according to the list of such individuals and their addresses attached to this Certificate, and that I personally mailed such Notice by depositing a copy of same, addressed to each such listed last known individual, first-class mail, postage prepaid, in the United States mail at Middletown, California, on _____, 20__.

I declare under penalty of perjury that the foregoing is true and correct.

DATED: _____, 20__

(Signature)

(Title)

Hidden Valley Lake, California

Figure #9

Figure 10 - Recordation of default balance lien

RECORDING REQUESTED BY AND

Hidden Valley Lake Community Services District
19400 Hartmann Road
Hidden Valley Lake, CA 95467
Attn: Secretary to the Board of Directors

(Space above this line for Recorder's use)

DEFAULTING BALANCE LIEN
DEBTOR:

A.P.N.: _____

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
CONFIRMING THE DEFAULT BALANCE ASSOCIATED WITH THE DEFAULTING BILL LISTED IN EXHIBIT A AND
DIRECTING THE COUNTY CLERK TO FILE A LIEN ON SAID PROPERTY

WHEREAS, the Hidden Valley Lake Community Services District (the "District") previously cited the properties in Exhibit A for a Defaulting Bill (as defined in Resolution No. 2016-14); and

WHEREAS, notice of a public hearing to determine the amount of the Default Balance (as defined in Resolution No. 2016-14) under a Defaulting Bill was mailed to property owners listed in Exhibit A ; and

WHEREAS, notice of said public hearing was published in accordance with Section 6066 of the California Government Code; and

WHEREAS, in accordance with Resolution No. 2016-14, said public hearing was conducted on _____, at 7:00 p.m. at 19400 Hartmann Road, Boardroom, Hidden Valley Lake, California; and

WHEREAS, it is necessary for the District to recover the Default Balance; and

WHEREAS, the District has satisfied all notice and hearing requirements under Section 61115 of the California Government Code; and

NOW, THEREFORE, BE IT RESOLVED, the District Board of Directors hereby adopts Resolution No. _____ confirming the Default Balance in the amount of \$ _____; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, the District does direct the County Clerk to file a lien for the unpaid Default Balances listed in Exhibit A in the amount of \$ _____.

I HEREBY CERTIFY that the foregoing resolution was duly and regularly introduced and adopted by the Board of Directors of the Hidden Valley Lake Community Services District, County of Lake, State of California, on the _____ day of _____, _____, by the following vote:

AYES: Directors

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said District this _____ day of _____, _____.

Jim Freeman President to the Board of Directors

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which

RECORDING REQUESTED BY:

Hidden Valley Lake Community Services District
19400 Hartmann Road
Hidden Valley Lake, CA 95467
Attn: Secretary of the Board of Directors

(Space above this line for Recorder's use)

HIDDEN VALLEY LAKE
COMMUNITY SERVICES DISTRICT
19400 HARTMANN ROAD
HIDDEN VALLEY LAKE, CA 95467

RELEASE OF LIEN

I, Jim Freeman, President of the Board of the Hidden Valley Lake Community Services District, State of California, hereby release and certify that there has been released all property from any lien imposed thereon by filing and recording that certain DEFAULT BALANCE LIEN for the unpaid Default Balance adopted by the Board of Directors on _____, 20__ Resolution No. 20__ - __, for the following:

<u>ADDRESSEE</u>	<u>PARCEL</u>	<u>AMOUNT</u>
------------------	---------------	---------------

As recorded on _____, 20__, as Document No. _____ in the Office of the Recorder of Lake County.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Jim Freeman
President of the Board of Directors

State of California
County of Lake

On _____ before me, xxx Notary Public, personally appeared Jim Freeman

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in her authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Notary Seal)

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

LIEN POLICY

I. PURPOSE

The purpose of the Lien Policy/Procedure is to provide clear direction and a repeatable process that allows Hidden Valley Lake Community Services District (HVLCS D) to consistently collect default balances on accounts in accordance with California Government Code 61115.

II. POLICY

Within the framework identified in Resolution 2016-14, HVLCS D will begin the lien process once the defaulting bill reaches \$500.00. The lien process will be imposed at a frequency of no less than 6 months.

The method by which HVLCS D applies the lien against real property (regular District lien or tax assessment roll) will be at the discretion of the General Manager.

III. PROCEDURE

A. Review accounts

Run the "Account Balance Report" in INCODE.

B. Courtesy Lien Notification.

The lien notification letter should be mailed to the customer no less than 30 days before the lien is recorded. The fee of \$13.13 will be applied to the customer's account. (Lien notification is NOT required in Ca Gov Code 61115.) See Appendix A, Figure 1

**Original liens should never be removed; additional liens should be added to the properties.

District Lien

C. Apply Fees:

The costs for the Certificate, Lien Recording (filing costs, staff time and mileage), and Lien Release (filing costs, notary, staff time and mileage) will be applied to the customer's account **based on actual District Cost.**

D. Certificate.

Complete the Certificate of unpaid water and/or sewer service form declaring the delinquent amount of the charges and penalties due, the name and last known address of the person liable for those charges and penalties. Notary is not required on the Certificate See Appendix A, Figure 2

E. Lien Recording.

A lien may be recorded for the full amount of the Default Balance with the county assessor by submitting an original completed Certificate (item 2). The County will send a recorded copy of the Certificate to whoever is listed in the upper left hand corner of the Certificate.

F. Lien Release.

Within 30 days of receipt of payment for all amounts due, including the recordation fees paid by the district, the district shall record an original, notarized release of the lien. See Appendix A, Figure 3

Tax Assessment Roll Lien

C. Prior to Public Hearing

(1) Staff Report to Set Public Hearing.

A staff report will be issued to the Board of Directors setting a public hearing to determine the Default Balances to be imposed on the respective real property. See Fees section for more details. A summary of costs for all Defaulting Bills shall be attached to the notice. This item needs to be placed on the official agenda of the next board meeting. See Appendix B, Figure 4

(2) Mailed Notice of Public Hearing.

Notice shall be mailed to each individual noticing the potential lien against their real property on the tax roll in the same manner as property taxes and the time and place of the public hearing to discuss/protest any Default Balance after the public hearing date has been set. Mail no later than 2 1/2 weeks prior to hearing date. See Appendix B, Figure 5

(3) Published Notice of Public Hearing

Notice of the public hearing will be published once a week for two successive weeks as required by Section 6066 of the California Government Code, in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates not counting such publication dates. The period of notice commences upon the first day of publication and terminates at the end of the 14th day, including the first day published. You should request an affidavit from the newspaper after the publication, which certifies that the notice was published. (email public hearing notice to the Record Bee – advertising@record-bee.com. Submit dates to be published in email.) See Appendix B, Figure 6.

Cost of publications to be included in lien.

D. Public Hearing

The Board of Directors will hold a public hearing on the Default Balances on the date provided in the mailed and public notices, with all protests to any Default Balance being heard and considered by the Board prior to the close of the public hearing. Place on the agenda of the hearing date. This is usually placed at the beginning of the agenda items.

(1) Staff Report to Confirm Lien.

For the public hearing, a staff report to the Board of Directors shall be prepared to confirm the Default Balance against the respective real property. The Certification of Mailing, Evidence of Publications, and the respective resolution will be attached. See Appendix B, Figure 7

(2) Resolution Confirming a Default Balance.

The confirmation of the Lien shall be in the form of a resolution. See Appendix B, Figure 8

(3) Certificate of Mailing.

A certificate is to be completed by the person responsible for mailing the notices to the property owners, which includes a list of the owner's information as an attachment. This is not required by Cal Gov Code 61115 (b), but is an additional step that we recommend. See Appendix B, Figure 9

E. Post Public Hearing

(1) Recordation of Default Balance Lien.

Upon confirmation of the Default Balance, a lien may be recorded for the full amount of the Default Balance and addition fees with the county assessor. See Appendix B, Figure 10

(2) Lien Release.

Upon satisfaction of the amount due under the Default Balance Lien, the HVLCS D shall record a lien release against the affected parcel within 30 days of payment. See Appendix B, Figure 11

FEE SCHEDULE:

As referenced in Resolution 2016-14, Section 1B, "For each Defaulting Bill, the District may collect all charges, fees, costs and penalties (collectively, a "Default Balance") associated with the default."

*Weighted cost/hr, mileage rate, recording and notary fee, all of which comprise the following table, are subject to change.

*Cost calculated on six liens

These fees are itemized as follows:

Category	Cost	Description	Details (subject to change)
Courtesy Letter	\$13.13	1 hr. run report, 1 hr. prepare letters, postage. Weighted cost of staff time, avg. of 6 letters.	$((39.15 * 2) + .47)/6$
Certificate Form	\$6.53	1 hr. prepare certificates. Weighted cost of staff time, avg. of 6 forms.	$39.15/6$
Lien Recordation	\$25.77	1.5 hr. staff time, 67.4 miles round trip, \$10 for a two-paged lien. Weighted cost of staff time, avg. of 6 liens.	$((39.15 * 1.5) + (67.4 * .53))/6 + 10$
Lien Release	\$35.77	1.5 hr. staff time, 67 miles round trip, \$10 for a two-paged lien. \$10 notary. Weighted cost of staff time, avg. of 6 liens.	$((39.15 * 1.5) + (67.4 * .53))/6 + 10 + 10$
Total	\$81.20		

IV. Appendix A – District Lien

Figure 1 - Courtesy Lien Notification



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hiddenvalleylakecsd.com

Date

Customer Name
Address
City, State Zip

Dear Customer,

This letter is to inform you of a past due balance in the amount of \$xxxx on your account with Hidden Valley Lake Community Services District (District) related to your property at xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx.

Should the balance remain outstanding on xx/xx/xxxx , the District will begin the lien against real property process per California Government Code Section 61115(c). The property will continue to accumulate monthly charges and may incur additional fees if payments to the District are not received by the due date.

If you have any questions, or believe we have sent this letter in error, please contact the District Office at (707) 987-9201 between the hours of 8:00 a.m. to 5:00 p.m. Monday through Friday (excluding holidays.)

Thank you,

Staff

Hidden Valley Lake CSD

Figure #1

Figure 2 - Lien Certification

Recording requested by and
when recorded, return to:
**Hidden Valley Lakes
Community Services District**
Attn:
Address
City, State, Zip

Record without fee pursuant to Government Code § 27383

**Certificate of Unpaid Water and Sewer Service Charges
and
Notice of Lien therefor**

HIDDEN VALLEY LAKES COMMUNITY SERVICES DISTRICT (HVLCS D), a local government agency in the State of California, hereby declares that payment for water and sewer services is in default by the customer at the address below.

This action is based on the non-payment or late payment of water and/or sewer service, pursuant to Hidden Valley Lake CSD Resolution 2016-14 and as authorized by California Government Code section 61115(c).

NOTICE IS HEREBY GIVEN that, should the current property owner attempt to sell, or otherwise transfer the property there are past due water and sewer service charges that constitute a lien on the land, which need to be paid in full before ownership thereof can change hands.

Property Information:

HVLCS D Account #
Amount Past Due (as of): \$

Service Address Address
 C,S Z

Owner Name Name
Owner Address Address 1
 Address 2

Signature: _____
 HVLCS D Representative

Figure #2 - Complete Item #4

Figure 3 - Lien Release

RECORDING REQUESTED BY:

Hidden Valley Lake Community Services District
19400 Hartmann Road
Hidden Valley Lake, CA 95467
Attn: Secretary of the Board of Directors

(Space above this line for Recorder's use)

HIDDEN VALLEY LAKE
COMMUNITY SERVICES DISTRICT
19400 HARTMANN ROAD
HIDDEN VALLEY LAKE, CA 95467

RELEASE OF LIEN

I, Jim Freeman, President of the Board of the Hidden Valley Lake Community Services District, State of California, hereby release and certify that there has been released all property from any lien imposed thereon by filing and recording that certain DEFAULT BALANCE LIEN for the unpaid Default Balance adopted by the Board of Directors on _____, 20__ Resolution No. 20__ - __, for the following:

ADDRESSEE PARCEL AMOUNT

As recorded on _____, 20__, as Document No. _____ in the Office of the Recorder of Lake County.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Jim Freeman
President of the Board of Directors

State of California

County of Lake

On _____ before me, _____ Notary Public, personally appeared Jim Freeman

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in her authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

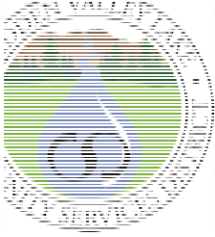
I certify PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Notary Seal)

V. Appendix B – Tax assessment roll lien

Figure 4 - Staff Report



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hiddenvalleylakecsd.com

TO: Board of Directors

FROM:

MEETING DATE:

REPORT PREPARATION DATE:

SUBJECT: Setting Public Hearing to Confirm the Default Balance and Lien Amount

- I. RECOMMENDATION: That the Board of Directors set the date for a public hearing to confirm the Default Balance associated with a Defaulting Bill for _____[address]_____, A.P.N. _____, and to direct the County Clerk to file a lien on said property.
- II. BACKGROUND: The District previously cited the properties listed in Exhibit A.
- III. DISCUSSION: In accordance with Resolution 2016-14 and Section 6066 of the California Government Code, the property owner(s) shall be notified of the Default Balance associated with the Defaulting Bill for which they are liable. In accordance with Section 61115 of the California Government Code, the Board of Directors are to hold a public hearing for protests or objections to the Default Balance. After such hearing, the Board of Directors may confirm or modify the Default Balance and, may then place a lien on the property.
- IV. FISCAL IMPACT: Recovery of \$ _____ to the District.
- V. ALTERNATIVES: To not set a public hearing on the Default Balance.
- VI. SUGGESTED HEARING DATE: _____
- VII. ATTACHMENTS: Summary of Default Balance and Affected Address.

Figure #4

Figure 5 - Notice of Public Hearing



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hiddenvalleylakecsd.com

NOTICE OF HEARING TO CONFIRM A LIEN AGAINST REAL PROPERTY FOR A DEFAULT BALANCE

PLEASE TAKE NOTICE that the Secretary of the Board of Directors of Hidden Valley Lake Community Services District has filed a report with the District setting forth a public hearing to place a lien on the real property of individuals that have a Default Balance payable to the District. The purpose of the lien is to allow the District to recover funds due to it for services and facilities provided.

NOTICE IS HEREBY GIVEN that the Board of Directors of the Hidden Valley Lake Community Services District, California, will, on the ___ day of _____, 20 __, in the Boardroom at 19400 Hartmann Road, Hidden Valley Lake, California, beginning at the hour of 7:00 p.m. of said day, hold a public hearing to confirm a lien against the real property, for a Default Balance owed to the District by you, located at:

_____ [Street] _____,

_____ [City & State] _____

A.P.N. _____

At that time and place, any interested person, including all persons owning property in the District, may appear and be heard on any matter relating to a Default Balance.

Prior to the hearing, if you have any questions or would like to obtain copies of any public information pertaining to this matter, please contact the District Office at (707) 987-9201.

Dated this ___ day of _____, 20 __.

Secretary to the Board of Directors

Figure #5

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

NOTICE OF PUBLIC HEARING ON DEFAULT BALANCES PAYABLE TO THE DISTRICT

PLEASE TAKE NOTICE that the Secretary of the Board of Directors of Hidden Valley Lake Community Services District has filed a report with the District setting forth a public hearing to place a lien on the real property of individuals that have a Default Balance payable to the District. The purpose of the lien is to allow the District to recover funds due to it for payments owed to the District.

Prior to placing a lien on the real property of the individuals associated with a Default Balance, the District will hold a public hearing to give any interested person, including all property owners in the District, an opportunity to comment on, or protest any Default Balance. The public hearing will occur on _____, 20__, at 7:00 p.m. at 19400 Hartmann Road, Boardroom, Hidden Valley Lake, California. If you oppose any Default Balance, you may protest to the District prior to the close of the public hearing orally or in writing. At the public hearing, the District Board of Directors will consider the protests in determining the final amount of each Default Balance.

Written protests must be received prior to the close of the public hearing. They must include the name, address and signature of the drafter, and should be sent to:

Hidden Valley Lake Community Services District
19400 Hartmann Road
Hidden Valley Lake, CA 95467

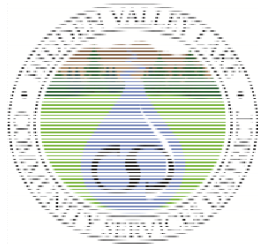
Please contact the District Office at (707) 987-9201 regarding any questions or concerns, or to receive any public information relating to this matter.

Published: _____, 20__
 _____, 20__

Posted: _____, 20__

Figure #6

Figure 7 - Staff report to confirm lien



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hiddenvalleylakecsd.com

TO: Board of Directors

FROM:

MEETING DATE:

REPORT PREPARATION DATE:

SUBJECT: Confirming the Default Balance and Lien Amount from Exhibit A

- I. RECOMMENDATION: That the Board of Directors adopt a resolution confirming the Default Balances and direct the County Clerk to file a lien on said property.
- II. BACKGROUND: On _____, 2016, at 7:00 p.m. at 19400 Hartmann Road, Boardroom, Hidden Valley Lake, California, the Board of Directors held a public hearing on the Default Balances owed by property owners listed in Exhibit A and the recommendation by the staff to place a Default Balance Lien on those real property.
- III. DISCUSSION: In accordance with Resolution No. 2016-14 and Section 6066 of the California Government Code, the property owner(s) has be notified of the Default Balances associated with the Defaulting Bill for which they are liable. In accordance with Section 61115 of the California Government Code, the Board of Directors are to hold a hearing for protests or objections to the Default Balances. After such hearing, the Board of Directors may confirm or modify the Default Balances. The Default Balances may then be made a lien against the real property of the individual liable for the Defaulting Bill.
- IV. FISCAL IMPACT: Recovery of \$ _____ in costs, fees, expenses and penalty charges.
- V. ALTERNATIVES: To modify the Default Balances herein, or take other action.
- VI. LEGAL REVIEW:
- VII. ATTACHMENTS:
 - a. Certificate of Mailing
 - b. Evidence of Publication
 - c. Resolution Confirming a Default Balance

Figure #7

Figure 8 - Resolution confirming a default balance

RESOLUTION NO. 20 ___ - ___

RESOLUTION OF THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT CONFIRMING THE DEFAULT BALANCE ASSOCIATED WITH THE DEFAULTING BILL LISTED IN EXHIBIT A AND DIRECTING STAFF TO FILE A LIEN ON SAID PROPERTY

WHEREAS, the Hidden Valley Lake Community Services District (the "District") previously cited the properties identified in Exhibit A for a Defaulting Bill (as defined in Resolution No. 2016-14); and

WHEREAS, notice of a public hearing to determine the amount of the Default Balance (as defined in Resolution No. 2016-14) under a Defaulting Bill was mailed to the property owners listed in Exhibit A; and

WHEREAS, notice of said public hearing was published in accordance with Section 6066 of the California Government Code; and

WHEREAS, in accordance with Resolution No. 2016-14, said public hearing was conducted on _____, ____ at 7:00 p.m. at 19400 Hartmann Road, Boardroom, Hidden Valley Lake, California; and

WHEREAS, it is necessary for the District to recover the Default Balance; and

WHEREAS, the District has satisfied all notice and hearing requirements under Section 61115 of the California Government Code; and

NOW, THEREFORE, BE IT RESOLVED, the District Board of Directors hereby adopts Resolution No. 20 ___ - ___ confirming the Default Balance in the amount of \$ _____; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, the District does direct the staff to file a lien for the unpaid Default Balances listed in exhibit A in the amount of \$ _____.

I HEREBY CERTIFY that the foregoing resolution was duly and regularly introduced and adopted by the Board of Directors of the Hidden Valley Lake Community Services District, County of Lake, State of California, on the ____ of _____, 20__, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said District this ____ of _____, 20__.

Jim Freeman
President of the Board of Directors

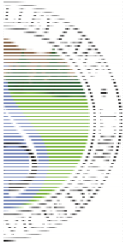
Secretary to the Board of Directors

PROPERTY LIENS - _____ (month and year)
EXHIBIT A

NAME	ADDRESS	APN	AMOUNT

Figure #8

Figure 9 - Certificate of Mailing



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hiddenvalleylakecsd.com

CERTIFICATE OF MAILING

(Notice to Property Owners)

I, _____, whose business address is _____, do hereby certify that I mailed a copy of the attached NOTICE OF HEARING TO CONFIRM A LIEN AGAINST REAL PROPERTY FOR THE DEFAULT BALANCE DUE UNDER A DEFAULTING BILL (the "Notice") to each individual associated with a Defaulting Bill within the Hidden Valley Lake Community Services District, according to the list of such individuals and their addresses attached to this Certificate, and that I personally mailed such Notice by depositing a copy of same, addressed to each such listed last known individual, first-class mail, postage prepaid, in the United States mail at Middletown, California, on _____, 20__.

I declare under penalty of perjury that the foregoing is true and correct.

DATED: _____, 20__

(Signature)

(Title)

Hidden Valley Lake, California

Figure #9

Figure 10 - Recordation of default balance lien

RECORDING REQUESTED BY AND

Hidden Valley Lake Community Services District
19400 Hartmann Road
Hidden Valley Lake, CA 95467
Attn: Secretary to the Board of Directors

(Space above this line for Recorder's use)

DEFAULTING BALANCE LIEN
DEBTOR:

A.P.N.: _____

RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
CONFIRMING THE DEFAULT BALANCE ASSOCIATED WITH THE DEFAULTING BILL LISTED IN EXHIBIT A AND
DIRECTING THE COUNTY CLERK TO FILE A LIEN ON SAID PROPERTY

WHEREAS, the Hidden Valley Lake Community Services District (the "District") previously cited the properties in Exhibit
A for a Defaulting Bill (as defined in Resolution No. 2016-14); and

WHEREAS, notice of a public hearing to determine the amount of the Default Balance (as defined in Resolution No. 2016-
14) under a Defaulting Bill was mailed to property owners listed in Exhibit A ; and

WHEREAS, notice of said public hearing was published in accordance with Section 6066 of the California Government
Code; and

WHEREAS, in accordance with Resolution No. 2016-14, said public hearing was conducted on _____, at 7:00 p.m.
at 19400 Hartmann Road, Boardroom, Hidden Valley Lake, California; and

WHEREAS, it is necessary for the District to recover the Default Balance; and

WHEREAS, the District has satisfied all notice and hearing requirements under Section 61115 of the California Government
Code; and

NOW, THEREFORE, BE IT RESOLVED, the District Board of Directors hereby adopts Resolution No. _____
confirming the Default Balance in the amount of \$ _____; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, the District does direct the County Clerk to file a lien for the unpaid
Default Balances listed in Exhibit A in the amount of \$ _____.

I HEREBY CERTIFY that the foregoing resolution was duly and regularly introduced and adopted by the Board of Directors
of the Hidden Valley Lake Community Services District, County of Lake, State of California, on the _____ day of _____,
_____, by the following vote:

AYES: Directors

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said District this _____ day of
_____, _____.

Jim Freeman President to the Board of Directors

A notary public or other officer completing this
certificate verifies only the identity of the
individual who signed the document to which

Figure 11 - Lien release

RECORDING REQUESTED BY:

Hidden Valley Lake Community Services District
19400 Hartmann Road
Hidden Valley Lake, CA 95467
Attn: Secretary of the Board of Directors

(Space above this line for Recorder's use)

HIDDEN VALLEY LAKE
COMMUNITY SERVICES DISTRICT
19400 HARTMANN ROAD
HIDDEN VALLEY LAKE, CA 95467

RELEASE OF LIEN

I, Jim Freeman, President of the Board of the Hidden Valley Lake Community Services District, State of California, hereby release and certify that there has been released all property from any lien imposed thereon by filing and recording that certain DEFAULT BALANCE LIEN for the unpaid Default Balance adopted by the Board of Directors on _____, 20__ Resolution No. 20__ - __, for the following:

<u>ADDRESSEE</u>	<u>PARCEL</u>	<u>AMOUNT</u>
------------------	---------------	---------------

As recorded on _____, 20 __, as Document No. _____ in the Office of the Recorder of Lake County.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Jim Freeman
President of the Board of Directors

State of California

County of Lake

On _____ before me, xxx Notary Public, personally appeared Jim Freeman

who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in her authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

(Notary Seal)

Figure #11

RULE 8 - NEPOTISM

Section 8.1

1. Purpose

To ensure a fair and measured approach to the employment of relatives and to avoid conflicts (actual or potential) that can arise from nepotism.

A relative is any person who is related by blood or marriage or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

Nepotism is prohibited and no relative, as defined, can work at the district.



POLICY TITLE:	Nepotism	
POLICY #: 3126	ADOPTED DATE: President:	REVISION DATE: President:

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

3126.1 It is the policy of Hidden Valley Lake Community Services District to seek for its staff the best possible candidates through appropriate search procedures. There shall be no bars to appointment of individuals who have close relatives in any staff category in the same or different departments so long as the following standard is met:

3126.1.1 No employee shall vote, make recommendations, or in any way participate in decisions about any personnel matter that may directly affect the selection, appointment, promotion, termination, other employment status, or interest of a close relative.

3126.1.1.1 For the purpose of this policy, "close relative" is defined as husband, wife, mother, father, son, daughter, sister, brother, father-in-law, mother-in-law, sister-in-law and brother-in-law.

3126.2 When an individual is considered for appointment in a department in which an immediate family member is already assigned, review of this fact shall be required at all appointing levels. The objective of this review shall be to assure equity to all members of the department.

3126.3 When an individual is considered for appointment in a department where a close relative has supervisory responsibility, the appointment shall not be granted.

ADOPTED AND APPROVED on August 20, 2019

Linda Herndon
President to the Board

Attest: _____
Kirk Cloyd, General Manager

III. POWER OF THE BOARD

C. The Board sets the policy for the Community Service District (CSD).

The CSD's General Manager serves at the pleasure of the Board. The Board will provide policy direction to the General Manager on matters within the District of the Board by majority vote of the Board members present during duly-convened Board meetings. Members of the Board will deal with matters within the District, and of the District through the General Manager, and not through other District staff. Members of the Board will refrain from making requests directly to District staff (rather than to the District) to undertake analyses, perform other work assignments or change the priority of work assignments. Members of the Board may request non-confidential, factual information regarding District operations from the District General Manager.



POLICY TITLE:	Adoption/Amendment of Policies	
POLICY #: 1000	ADOPTED DATE: President:	REVISION DATE: President:

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

1000.1 Consideration by the Board of Directors to adopt a new policy or to amend an existing policy may be initiated by any Director or the General Manager. The proposed adoption or amendment shall be initiated by a Director or the General Manager by submitting a written draft of the proposed new or amended policy to the Board Chairperson and the General Manager, which may be submitted in person or by any communication method approved by the District, and requesting that the item be included for consideration on the agenda of the next appropriate regular meeting of the Board of Directors. Any member of the Board may place an item on a future agenda by making a formal request to the General Manager **at a meeting of the Board.** The General Manager will place Board items on a future Board agenda when reasonable, based on the staff time and research necessary to prepare the item for Board consideration.

1000.2 Adoption of a new policy or amendment of an existing policy shall be accomplished at a regular meeting of the Board of Directors in accordance with the District's state statutes regarding the constitution of a majority vote.

1000.3 Copies of the proposed new or amended policy shall be included in the agenda-information packet for any meeting in which they are scheduled for consideration (listed on the agenda). A copy of the proposed new or amended policy(ies) shall be made available to each Director for review at least 72 hours, per the Brown Act, prior to any meeting at which the policy(ies) are to be considered.

ADOPTED AND APPROVED on August 20, 2019

Linda Herndon
President to the Board

Attest: _____
Kirk Cloyd, General Manager

XV. PERSONNEL POLICIES

B. EDUCATIONAL PROGRAMS, CONFERENCES AND MEETINGS

In accordance with Objective IV of the MISSION STATEMENTS, the Board reconfirms a goal "To develop and maintain a superior level of understanding and competence in Board and Staff and assure the Districts' awareness of the benefits of safe operations and proper claims procedures." In addition, the Board believes it is to the advantage of all Board Member to participate in conferences, meetings and educational programs where said Directors' knowledge of water, wastewater, regulatory compliance, energy resource generation and management and associated matters may be increased, so that the Directors can better perform their duties in accordance with their appointed position.

Finally, the Board of Directors employs staff to administer and operate the District, and encourages said staff to continue its education in water, wastewater, regulatory compliance, energy resource generation and management and associated matters and further finds that there is value in networking available through staff attendance at and participation in some conferences and meetings.

As a result of these findings, the Board of Directors has determined that the following provisions shall apply to educational programs, conferences and meetings, except those sponsored/presented by HVLCSD:

1. That Directors of HVLCSD shall attend, on behalf of HVLCSD, such educational programs, conferences and meetings (other than HVLCSD meetings) as have been approved by the Board of Directors prior to such attendance; and
2. That, to the extent possible, staff will, from time to time, present comprehensive lists of conferences, meetings and educational programs so that the Board may consider attendance on a broader than single-event approach, in order to provide a coordinated plan for attendance; and
3. That if a Director who has not previously attended a particular conference or educational program is available to attend same, that Director shall have preference for attendance over a Director who has previously attended the same program; and
4. At the Board meeting following such attendance, or the next reasonable opportunity thereafter, the attendee(s) shall report to the Board on information and ideas learned at the event(s); and
5. The President is exempt from the reporting requirement, unless he/she's the only Director in attendance; and
6. Nothing in this policy shall permit the conduct of business in violation of the Ralph M. Brown Act, when more than two Directors attend the same event.



POLICY TITLE:	Association Memberships	
POLICY #: 1005	ADOPTED DATE: President:	REVISION DATE: President:

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

Purpose: This policy sets forth the rules for membership in associations and establishes who may represent the District.

1005.1 Appropriate Memberships.

To take advantage of in-service training opportunities, the District may hold membership in industry related associations. Board Members and staff may attend meetings of national, state, and local associations directly related to the purposes and operations of the District. Decisions to continue, discontinue, or add new memberships shall occur through the annual budget process.

1005.2 Appointment of Representatives.

The President shall appoint Board Members as representatives and alternates, as appropriate, to serve as contacts between the District, stakeholder groups, associations and others. The representatives and alternates shall report to the Board in a timely manner on their activities involving these associations. In some cases, members may be allowed certain expenses for travel and membership in such associations. This shall be determined and approved by the full Board.

1005.3 District Manager Memberships.

The President may designate the District Manager as the appropriate representative or alternate in connection with memberships in any association. The District Manager may designate those associations or industry specific organizations with which his/her association is necessary or desired.

ADOPTED AND APPROVED on August 20, 2019

Linda Herndon
President to the Board

Attest: _____
Kirk Cloyd, General Manager



POLICY TITLE:	Basis of Authority	
POLICY #: 1010	ADOPTED DATE: President:	REVISION DATE: President:

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

1010.1 The Board of Directors is the legislative body and unit of authority within the District. Power is centralized in the elected Board collectively and not in an individual Director. Apart from his/her normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act, or expenditure.

1010.2 Directors do not represent any fractional segment of the community but are, rather, a part of the body that represents and acts for the community as a whole. Routine matters concerning the operational aspects of the District are delegated to District staff members.

ADOPTED AND APPROVED on August 20, 2019

Linda Herndon
President to the Board

Attest: _____
Kirk Cloyd, General Manager

VIII. ROLE OF INDIVIDUAL DIRECTORS

The Board of Directors is the unit of authority for HVLCSD. Apart from his/her normal function as a part of this unit; Board Members may not commit the District to any policy, act or expenditure unless duly authorized by the Board. Nor may an individual Board Member direct staff to perform specific duties unless duly authorized by the Board. Board Members do not represent any factional segment of the public, but are, rather, a part of the body which represents and acts for the public as a whole.

Each Board Member has the right to place an item on a subsequent Board Meeting agenda by submitting a written request to the President of the Board or the G.M. Agenda item requests received after the posting deadline for a specific agenda as set forth in state law will be added to the following agenda.

Board Members will make every effort to attend assigned committee meetings and board meetings; to prepare adequately for each such meeting and to observe the rules of decorum as set forth herein.

When requesting information from staff, Board Members shall contact the G.M. When responding to member entity requests and concerns, Board Members should reroute such inquiries to the G.M.

Communications and Board Support Policy

With respect to providing information and counsel to the Board the GM may not permit the Board to be uninformed. Accordingly, he or she may not:

1. Neglect to submit monitoring data required by the Board in a timely, accurate and understandable fashion.
2. Let the Board be unaware of relevant trends, anticipated negative media coverage, and material internal and external changes, particularly changes in assumptions on which board policies have previously been established.
3. Fail to advise the Board if, in the GM's opinion, the board is not in compliance with its own policies and practices.
4. Fail to marshal for the Board as many staff and external points of view, issues and options as needed for fully informed board choices.
5. Fail to report in a timely manner an actual or anticipated noncompliance or litigation issue.
6. Fail to deal with the board as a whole except when (a) fulfilling individual requests for information or (b) responding to committees duly charged by the board. Decisions or instructions of individual board members, officers or committees are not binding on the GM except in rare circumstances specifically authorized by the board.



POLICY TITLE:	Board/Staff Communications	
POLICY #: 1020	ADOPTED DATE: President:	REVISION DATE: President

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

Objectives: Effective governance of the District relies on the cooperative efforts of the agency's elected Board, who set policy and priorities, and the District's staff members, who analyze problems and issues, to make appropriate recommendations, and implement and administer Board policies. It is the responsibility of District staff to ensure Board members have access to information and to insure such information is communicated completely and with candor to those making the request. However, Board members should avoid intrusion into those areas that are the responsibility of District staff. Individual Board members must avoid intervening in staff decision-making, the development of staff recommendations, scheduling of work, and executing department priorities without the prior knowledge and approval of the General Manager and Board as a whole. This is necessary to protect District staff from undue influence and pressure from individual Board members and to allow staff to execute priorities given by management and the Board without fear of reprisal.

Role of the Board: As the legislative body for the agency, the Board is responsible for approving the District's budget, setting policy goals and objectives and adopting strategic plans. The primary functions of the District staff members are to execute Board policy and other Board actions and to keep the Board well informed.

Individual members of the Board should not make attempts to pressure or influence staff decisions, recommendations, workloads, schedules, and department priorities, without the prior knowledge and approval of the Board as a whole. If a Board member wishes to influence the actions, decisions, recommendations, workloads, work schedule, and priorities of staff, that member must prevail upon the Board to do so as a matter of Board policy.

Board members also have a responsibility of information flow. It is critical that they make extensive use of staff and agency reports and Board meeting minutes. Board members should come to meetings prepared; having read the agenda packet materials and supporting documents, as well as any additional information or memoranda provided on agency projects or evolving issues. Additional information may be requested from staff, if necessary.

Individual Board members, as well as the Board as a whole, are permitted complete freedom of access to any information requested of staff and shall receive the full cooperation and candor of staff in being

provided with any requested information. The General Manager or Legal Counsel will pass critical information to all Board members.

There are limited restrictions when information cannot be provided. Draft documents (e.g. staff reports in progress, etc.) are under review and not available for release until complete and after review by District staff. In addition, there are legal restrictions on the agency's ability to release certain personnel information even to members of the Board. Any concerns Board members may have regarding the release of information or the refusal of staff to release information, should be discussed with Legal Counsel for clarification.

Policies: There shall be mutual respect from both staff and Board members of their respective roles and responsibilities at all times. There is a need for access to staff by Directors and at the same time, unlimited access could result in work priority conflicts for staff.

Purpose: The purpose of the policies listed below is to facilitate Board/staff communications consistent with these principles.

1020.1 All requests for information or questions by the Board to staff outside of a Board or Committee meeting, shall be directed to the General Manager, Legal Counsel, or the Clerk of the Board as appropriate and shall include the desired time and date for receiving the information. Staff will confirm the date they can provide the information. So that all Board members are equally informed, all written informational material requested by any Director shall be submitted by staff to all Board members with the notation indicating which Board member requested the information. If a Board member requests information from any other member of the staff, staff may either direct the matter to the General Manager or may ask the Board member to contact the General Manager directly.

1020.2 Individual Directors cannot directly assign work to staff members. Board initiated projects will follow organizational channels, through the General Manager, unless there is an emergency. As no formal procedure will answer all cases, the following should be considered as a guide and used with restraint and judgment:

- a) Directors should clear all short-term requests of Staff with the General Manager prior to contacting individual members of the staff and, in most cases, the General Manager should direct and handle the request for the Director.
- b) For long-term, involved studies or where the matter includes confidential material, the General Manager should be contacted and the subject matter discussed with the full Board at a Board meeting prior to staff working on the assignments.
- c) In the event that staff is a participant or representative of a Committee or Work Group of the Board, the Board may contact the staff member directly to request or provide information or confer regarding matters of the Committee or Work Group.

1020.3 At Board meetings and other public meetings, respectful communication is expected. Staff is encouraged to give their professional recommendations, and the Board should recognize that staff may make recommendations that could be viewed as unpopular with the public and with individual Board members. Board members may request clarification and ask questions of staff at public meetings, and Directors are encouraged to participate in healthy discussions amongst each other regarding items under

discussion on the Agenda. However, Directors should refrain from debate with staff at Board meetings about staff recommendations or other items being discussed. Staff must recognize that the Board, as the decision maker, is free to reject or modify a staff recommendation and that the Board's wishes will be implemented by staff even if it was contrary to a staff recommendation.

1020.4 Directors shall not attempt to coerce or influence staff, included in the making of recommendations, the awarding of contracts, the selection of consultants, the processing of any projects or applications, or the granting of permits. Directors shall not attempt to change or interfere with the operating policies and practices of any district department through interaction with staff. Individual Directors may discuss these items with the General Manager to get clarification or raise concerns.

1020.5 Board members should not make public comments critical of the performance of a District staff member. Any concerns by a Director over the behavior or work of a district employee during a Board meeting should be directed to the General Manager privately to ensure the concern is resolved. All complaints about employees from Directors should be submitted privately to the General Manager or, if a complaint concerns the General Manager, to Legal Counsel.

1020.6 Staff will respect the right of Directors to refuse to provide information or answers to staff and recognize that Directors may be bound by other rules of law or procedure that do not permit the Director to speak about the subject matter presented. If a Director violates any of the policies regarding communications as stated in this policy, any member of staff has the right to request that the Director speak directly with the General Manager about the subject matter presented without any fear of reprisal.

ADOPTED AND APPROVED on August 20, 2019

Linda Herndon
President to the Board

Attest: _____
Kirk Cloyd, General Manager

IV. CODE OF ETHICS

A. The proper operation of the District requires decisions and policy to be made in the proper channels of government structure, that public office not be used for personal gain, and that all individuals associated with the District remain impartial and responsible towards the public. Accordingly, it is the policy of the District that Board members and staff will maintain the highest standard of personal honesty and fairness in carrying out their duties.

B. To conform to the requirements of AB1234, all Board members will take at least two (2) hours of ethics training every two years and receive a certificate of completion. New Board members will complete the training within one (1) year of taking office. The District must keep records indicating when each Board member has completed the training and who provided the training based on current regulations and notify the Board.

C. Except as specifically authorized, a Board member will not use or permit the use of District owned vehicles, equipment, telephones, materials or property for personal convenience or profit. A Board member will not ask or require a District employee to perform services for the personal convenience or profit of a Board member or employee. Each Board member must protect and properly use any District asset within his or her control, including information recorded on paper or in electronic form. Board members will safeguard District property, equipment, moneys and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust. Board members are responsible for maintaining written records, including expense accounts, in sufficient detail to reflect accurately and completely all transactions and expenditures made on the District's behalf, in accordance with the District's policy for reimbursement of expenses of Board members.

D. A Board member is not authorized, without approval of the Board, to disclose information that qualifies as confidential information under applicable provisions of law to a person not authorized to receive it, that (1) has been received for, or during, a closed session meeting of the Board, (2) is protected from disclosure under the attorney/client or other evidentiary privilege, or (3) is not required to be disclosed under the California Public Records Act.

E. This section does not prohibit a board member from performing any of the following: (1) making a confidential inquiry or complaint to the District's general counsel or grand jury concerning a perceived violation of law, including disclosing facts to the District's general counsel or grand jury that are necessary to establish the alleged illegality of an action taken by the District, (2) expressing an opinion concerning the propriety or legality of actions taken by the District in closed session, including disclosure of the nature and extent of the allegedly illegal action, or (3) disclosing information acquired by being present in a closed session that is not confidential information. Prior to disclosing confidential information pursuant to (1) or (2), above, however, a Board member will first bring the matter to the attention of either the President of the Board or the full Board, to provide the Board an opportunity to cure an alleged violation. A Board member who willfully and knowingly discloses, confidential information received by him or her in the course of his or her official duties may be guilty of a misdemeanor.

Board members are prohibited from soliciting political funds or contributions at District facilities. A Board member will not accept, solicit or direct a political contribution from any person or entity who has a financial interest in a contract or other matter while that contract or other matter is pending before the District. A Board member will not use the District's seal, trademark, stationary, or other indicia of the District's identity, or facsimile thereof, in any solicitation for political contributions contrary to state or federal law. Board members must not accept entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person or organization with whom or with which the District has, or is likely to have, business dealings. Similarly, Board members must not accept any other preferential treatment under these circumstances because their position with the District might be inclined to, or be perceived to, place them under obligation.

F. District officials shall not, for a period of one year after leaving [their] office or employment, act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to, that local government agency, or any committee, subcommittee, or present member of that local government agency, or any officer or employee of the local government agency, if the appearance or communication is made for the purpose of influencing administrative or legislative action, or influencing any action or proceeding involving the issuance, amendment, awarding, or revocation of a permit, license, grant, or contract, or the sale or purchase of goods or property.

G. The G.M. has primary responsibility for (1) ensuring compliance with the District's Personnel Manual, and ensuring that District staff does not engage in improper activities, (2) investigating allegations of improper activities, and (3) taking appropriate corrective and disciplinary actions. The Board has a duty to ensure that the G.M. is operating the District according to law and the policies approved by the Board. Board members are encouraged to fulfill their obligations to the public and the District by disclosing to the G.M. to the extent not expressly prohibited by law, improper activities within their knowledge. Board members will not interfere with the G.M.'s responsibilities in identifying, investigating and correcting improper activities, unless the Board determines that the G.M. is not properly carrying out these responsibilities. Nothing in this section affects the responsibility of the Board to oversee the performance of the G.M.

H. A Board member will not directly or indirectly use or attempt to use the District or influence of his or her position for the purpose of intimidating, threatening, coercing, commanding or influencing any other person for the purpose of preventing such person from acting in good faith to report or otherwise bring to the attention of the G.M. or the Board any information that, if true, would constitute: a work-related violation by a Board member or District employee of any law or regulation, waste of District funds, abuse of District, a specified and substantial danger to public health or safety due to an act or omission of a District official or employee, use of a District office or position or of District resources for personal gain, or a conflict of interest of a Board member or District employee.

A Board member will not use or threaten to use any official authority or influence to affect any action as a reprisal against a District Board member or District employee who reports or otherwise brings to the attention of the G.M., any Board members or the public any information regarding the subjects described in this section.

Any person who believes that he or she has been subjected to any action prohibited by this section may file a confidential complaint with (1) the G.M., or (2) a Board member, if the complaint involves the conduct of the G.M., who will thereupon refer the matter to the full Board to investigate the complaint.

Upon the conclusion of the investigation, the G.M. (or the Board in case of a complaint against the G.M.) will take appropriate action consistent with the District's Personnel Manual and applicable law (Labor Code Section 1102.5 and following, and Government Code Section 53296).

A Board member will not include false or misleading information in a candidate's statement for a general District election.

I. A perceived violation of this policy by a Board member should be referred to the President of the Board or the full Board for investigation, and consideration of any appropriate action warranted. A violation of this policy may be addressed by the use of such remedies as are available by law to the District, including but not limited to: (a) verbal public censure at a Board meeting (b) adoption of a resolution expressing disapproval of the conduct of the Board member who has violated this policy, (c) injunctive relief, or (d) referral of the violation to the District Attorney and/or the grand jury.



POLICY TITLE:	Code of Ethics	
POLICY #: 1030	ADOPTED DATE: President:	REVISION DATE: President:

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date.

1030.1 Background information:

Hidden Valley Lake Community Services District designed its Code of Ethics & Values (the "Code") to provide clear, positive statements of ethical behavior reflecting the core values of the District and the community it serves. The Code includes practical strategies for addressing ethical questions and a useful framework for decision-making and handling the day-to-day operations of the District. The Code is developed to reflect the issues and concerns of today's complex and diverse society.

1030.2 Goals of the code of ethics & values:

- a) To make Hidden Valley Lake Community Services District a better District built on mutual respect and trust.
- b) To promote and maintain the highest standards of personal and professional conduct among all involved in District government, District staff, volunteers and members of the District's Board. All elected and appointed officials, officers, employees, members of advisory committees, and volunteers of the District, herein called "Officials" for the purposes of this policy.
- c) The Code is a touchstone for members of District Board and staff in fulfilling their roles and responsibilities.

1030.3 Preamble:

- a) The proper operation of democratic government requires that decision-makers be independent, impartial and accountable to the people they serve. The Hidden Valley Lake Community Services District has adopted this Code to promote and maintain the highest standards of personal and professional conduct in the District's government.
- b) All Officials, and others, who participate in the District's government are required to subscribe to this Code, understand how it applies to their specific responsibilities and practice its eight core values in their work. Because we seek public confidence in the District's services and public trust of its decision-makers, our decisions and our work must meet the most demanding ethical standards and demonstrate the highest levels of achievement in following this Code.

1030.4 Applicability:

This Code shall apply to all District Officials as defined in 1030.2 b.

1030.5 Core Value:

As participatory Officials in the District's government, we subscribe to the following Core Values:

1030.6 As a representative of Hidden Valley Lake Community Services District, I will be ethical.

In practice, this value looks like:

- a) I am trustworthy, acting with the utmost integrity and moral courage. I am truthful. I do what I say I will do. I am dependable.
- b) I make impartial decisions, free of bribes, unlawful gifts, narrow political interests, financial, and other personal interests that impair my independence of judgment or action.
- c) I am fair, distributing benefits and burdens according to consistent and equitable criteria.
- d) I extend equal opportunities and due process to all parties in matters under consideration. If I engage in unilateral meetings and discussions, I do so without making voting decisions or any improper or unauthorized representations on behalf of the District.
- e) I show respect for persons, confidences, and information designated as "confidential."
- f) I use my title(s) only when conducting official District business for information purposes or as an indication of background and expertise carefully considering whether I am exceeding or appearing to exceed my authority.
- g) I will avoid actions that might cause the public or others to question my independent judgment.
- h) I maintain a constructive, creative, and practical attitude toward the District's affairs and a deep sense of social responsibility as a trusted public servant.

1030.7 As a representative of Hidden Valley Lake Community Services District I will be professional.

In practice, this value looks like:

- a) I apply my knowledge and expertise to my assigned activities and to the interpersonal relationships that are part of my job in a consistent, confident, competent and productive manner.
- b) I approach my job and work-related relationships with a positive, collaborative attitude.
- c) I keep my professional education, knowledge, and skills current and growing.

1030.8 As a Representative of Hidden Valley Lake Community Services District, I will be service-oriented.

In practice, this value looks like:

- a) I provide friendly, receptive, courteous service to everyone.

- b) I attune to and care about the needs and issues of citizens, public Officials and District workers.
- c) In my interactions with constituents, I am interested, engaged and responsive.

1030.9 As a representative of Hidden Valley Lake Community Services District, I will be fiscally responsible.

In practice, this value looks like:

- a) I make decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the District, especially its financial stability.
- b) I demonstrate concern for the proper use of District assets (e.g., personnel, time, property, equipment, funds) and follow established procedures.
- c) I make good financial decisions that seek to preserve programs and services for District residents.
- d) I have knowledge of and adhere to the District's Purchasing and Contracting and Allocation of Funds Policies.

1030.10 As a representative of Hidden Valley Lake Community Services District, I will be organized.

In practice, this value looks like:

- a) I act in an efficient manner, making decisions and recommendations based upon research and facts, taking into consideration short and long-term goals.
- b) I follow through in a responsible way, keeping others informed and responding in a timely fashion.
- c) I am respectful of established District processes and guidelines.

1030.11 As a representative of Hidden Valley Lake Community Services District, I will be communicative.

In practice, this value looks like:

- a) I positively convey the District's care for and commitment to its citizens.
- b) I communicate in various ways, that I am approachable, open-minded, and willing to participate in dialog.
- c) I engage in effective two-way communication, by listening carefully, asking questions, and determining an appropriate response which adds value to conversations.

1030.12 As a representative of Hidden Valley Lake Community Services District, I will be collaborative.

In practice, this value looks like:

- a) I act in a cooperative manner with groups and other individuals, working together in a spirit of tolerance and understanding.
- b) I work towards consensus building and gain value from diverse opinions.

c) I accomplish the goals and responsibilities of my individual position, while respecting my role as a member of a team.

d) I consider the broader regional and state-wide implications of the District's decisions and issues.

1030.13 As a representative of Hidden Valley Lake Community Services District, I will be progressive.

In practice, this value looks like:

a) I exhibit a proactive, innovative approach to setting goals and conducting the District's business.

b) I display a style that maintains consistent standards; but is also sensitive to the need for compromise, "thinking outside the box" and improving existing paradigms when necessary.

c) I promote intelligent and thoughtful innovation in order to forward the District's policy agenda and District services.

1030.14 Enforcement:

Any Official found to be in violation of this Code may be subject to Censure by the District Board. Any member of any advisory Committee found in violation may be subject to dismissal from the Committee. In the case of an employee, appropriate action shall be taken by the General Manager or by an authorized designee.

ADOPTED AND APPROVED on

Linda Herndon
President to the Board

Attest: _____
Kirk Cloyd, General Manager

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2018

120-SEWER ENTERPRISE FUND
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>1,502,648.00</u>	<u>121,441.66</u>	<u>121,441.66</u>	<u>1,381,206.34</u>	<u>8.08</u>
TOTAL REVENUES	<u>1,502,648.00</u>	<u>121,441.66</u>	<u>121,441.66</u>	<u>1,381,206.34</u>	<u>8.08</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	619,560.00	34,118.03	34,118.03	585,441.97	5.51
ADMINISTRATION	443,138.00	30,429.94	30,429.94	412,708.06	6.87
OFFICE	0.00	0.00	0.00	0.00	0.00
FIELD	338,928.00	22,078.89	22,078.89	316,849.11	6.51
DIRECTORS	49,730.00	3,417.55	3,417.55	46,312.45	6.87
SPECIAL PROJECTS	0.00	0.00	0.00	0.00	0.00
CAPITAL PROJECTS & EQUIP	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL EXPENDITURES	<u>1,451,356.00</u>	<u>90,044.41</u>	<u>90,044.41</u>	<u>1,361,311.59</u>	<u>6.20</u>
REVENUES OVER/(UNDER) EXPENDITURES	51,292.00	31,397.25	31,397.25	19,894.75	61.21

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2018

120-SEWER ENTERPRISE FUND

REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-4020 INSPECTION FEES	500.00	0.00	0.00	500.00	0.00
120-4036 DEVELOPER SEWER FEES	15,200.00	0.00	0.00	15,200.00	0.00
120-4040 LIEN RECORDING FEES	0.00	0.00	0.00	0.00	0.00
120-4045 AVAILABILITY FEES	5,000.00	0.00	0.00	5,000.00	0.00
120-4050 SALES OF RECLAIMED WATER	118,000.00	23,525.08	23,525.08	94,474.92	19.94
120-4111 COMM SEWER USE	36,959.00	2,572.62	2,572.62	34,386.38	6.96
120-4112 GOV'T SEWER USE	855.00	60.93	60.93	794.07	7.13
120-4116 SEWER USE CHARGES	1,167,934.00	94,453.25	94,453.25	1,073,480.75	8.09
120-4210 LATE FEE	20,000.00	0.00	0.00	20,000.00	0.00
120-4300 MISC INCOME	1,500.00	501.50	501.50	998.50	33.43
120-4310 OTHER INCOME	200.00	0.00	0.00	200.00	0.00
120-4320 FEMA/CalOES Grants	135,000.00	0.00	0.00	135,000.00	0.00
120-4505 LEASE INCOME	0.00	0.00	0.00	0.00	0.00
120-4550 INTEREST INCOME	1,500.00	328.28	328.28	1,171.72	21.89
120-4580 TRANSFERS IN	0.00	0.00	0.00	0.00	0.00
120-4591 INCOME APPLICABLE TO PRIOR YRS	0.00	0.00	0.00	0.00	0.00
120-4955 Gain/Loss	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	1,502,648.00	121,441.66	121,441.66	1,381,206.34	8.08
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HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JULY 31ST, 2018

120-SEWER ENTERPRISE FUND
NON-DEPARTMENTAL
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-00-5010 SALARY & WAGES	0.00	0.00	0.00	0.00	0.00
120-5-00-5020 EMPLOYEE BENEFITS	0.00	0.00	0.00	0.00	0.00
120-5-00-5021 RETIREMENT BENEFITS	0.00	0.00	0.00	0.00	0.00
120-5-00-5024 WORKERS' COMP INSURANCE	11,770.00	0.00	0.00	11,770.00	0.00
120-5-00-5025 RETIREE HEALTH BENEFITS	22,840.00	872.85	872.85	21,967.15	3.82
120-5-00-5026 COBRA Health & Dental	0.00	0.00	0.00	0.00	0.00
120-5-00-5040 ELECTION EXPENSE	0.00	0.00	0.00	0.00	0.00
120-5-00-5050 DEPRECIATION	0.00	0.00	0.00	0.00	0.00
120-5-00-5060 GASOLINE, OIL & FUEL	12,000.00	481.14	481.14	11,518.86	4.01
120-5-00-5061 VEHICLE MAINT	15,000.00	0.00	0.00	15,000.00	0.00
120-5-00-5062 TAXES & LIC	800.00	0.00	0.00	800.00	0.00
120-5-00-5074 INSURANCE	27,000.00	25,270.89	25,270.89	1,729.11	93.60
120-5-00-5075 BANK FEES	21,000.00	1,513.07	1,513.07	19,486.93	7.21
120-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	7,500.00	100.00	100.00	7,400.00	1.33
120-5-00-5092 POSTAGE & SHIPPING	7,000.00	0.00	0.00	7,000.00	0.00
120-5-00-5110 CONTRACTUAL SERVICES	0.00	0.00	0.00	0.00	0.00
120-5-00-5121 LEGAL SERVICES	5,000.00	0.00	0.00	5,000.00	0.00
120-5-00-5122 ENGINEERING SERVICES	27,000.00	0.00	0.00	27,000.00	0.00
120-5-00-5123 OTHER PROFESSIONAL SERVICE	30,000.00	401.05	401.05	29,598.95	1.34
120-5-00-5126 AUDIT SERVICES	4,000.00	0.00	0.00	4,000.00	0.00
120-5-00-5130 PRINTING & PUBLICATION	5,000.00	0.00	0.00	5,000.00	0.00
120-5-00-5135 NEWSLETTER	500.00	0.00	0.00	500.00	0.00
120-5-00-5140 RENTS & LEASES	0.00	0.00	0.00	0.00	0.00
120-5-00-5145 EQUIPMENT RENTAL	5,000.00	327.49	327.49	4,672.51	6.55
120-5-00-5148 OPERATING SUPPLIES	40,000.00	1,377.70	1,377.70	38,622.30	3.44
120-5-00-5150 REPAIR & REPLACE	142,000.00	549.45	549.45	141,450.55	0.39
120-5-00-5155 MAINT BLDG & GROUNDS	5,500.00	97.50	97.50	5,402.50	1.77
120-5-00-5156 CUSTODIAL SERVICES	16,500.00	0.00	0.00	16,500.00	0.00
120-5-00-5157 SECURITY	5,000.00	0.00	0.00	5,000.00	0.00
120-5-00-5160 SLUDGE DISPOSAL	45,000.00	0.00	0.00	45,000.00	0.00
120-5-00-5165 AQUATIC HARVESTING	0.00	0.00	0.00	0.00	0.00
120-5-00-5180 UNCOLLECTABLE ACCOUNTS	0.00	0.00	0.00	0.00	0.00
120-5-00-5191 TELEPHONE	9,500.00	810.48	810.48	8,689.52	8.53
120-5-00-5192 ELECTRICITY	60,000.00	0.00	0.00	60,000.00	0.00
120-5-00-5193 OTHER UTILITIES	2,600.00	0.00	0.00	2,600.00	0.00
120-5-00-5194 IT SERVICES	45,000.00	60.50	60.50	44,939.50	0.13
120-5-00-5195 ENV/MONITORING	32,000.00	2,040.00	2,040.00	29,960.00	6.38
120-5-00-5196 RISK MANAGEMENT	0.00	0.00	0.00	0.00	0.00
120-5-00-5198 ANNUAL OPERATING FEES	2,000.00	0.00	0.00	2,000.00	0.00
120-5-00-5310 EQUIPMENT - FIELD	1,500.00	0.00	0.00	1,500.00	0.00
120-5-00-5311 EQUIPMENT - OFFICE	1,300.00	0.00	0.00	1,300.00	0.00
120-5-00-5312 TOOLS - FIELD	1,500.00	0.00	0.00	1,500.00	0.00
120-5-00-5315 SAFETY EQUIPMENT	3,500.00	215.91	215.91	3,284.09	6.17
120-5-00-5510 SEWER OUTREACH	0.00	0.00	0.00	0.00	0.00
120-5-00-5545 RECORDING FEES	250.00	0.00	0.00	250.00	0.00
120-5-00-5580 TRANSFERS OUT	0.00	0.00	0.00	0.00	0.00
120-5-00-5590 NON-OPERATING OTHER	0.00	0.00	0.00	0.00	0.00
120-5-00-5591 EXPENSES APPLICABLE TO PRI	0.00	0.00	0.00	0.00	0.00
120-5-00-5600 CONTINGENCY	5,000.00	0.00	0.00	5,000.00	0.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2018

120-SEWER ENTERPRISE FUND
 NON-DEPARTMENTAL
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-00-5650 OPERATING RESERVES	0.00	0.00	0.00	0.00	0.00
120-5-00-5700 OVER / SHORT	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	619,560.00	34,118.03	34,118.03	585,441.97	5.51

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2018

120-SEWER ENTERPRISE FUND
 ADMINISTRATION
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-10-5010 SALARIES & WAGES	281,602.00	20,058.92	20,058.92	261,543.08	7.12
120-5-10-5020 EMPLOYEE BENEFITS	93,979.00	6,294.64	6,294.64	87,684.36	6.70
120-5-10-5021 RETIREMENT BENEFITS	57,507.00	3,999.77	3,999.77	53,507.23	6.96
120-5-10-5063 CERTIFICATIONS	500.00	0.00	0.00	500.00	0.00
120-5-10-5090 OFFICE SUPPLIES	4,000.00	76.61	76.61	3,923.39	1.92
120-5-10-5170 TRAVEL MILEAGE	1,200.00	0.00	0.00	1,200.00	0.00
120-5-10-5175 EDUCATION / SEMINARS	4,000.00	0.00	0.00	4,000.00	0.00
120-5-10-5179 ADM MISC EXPENSES	350.00	0.00	0.00	350.00	0.00
TOTAL ADMINISTRATION	443,138.00	30,429.94	30,429.94	412,708.06	6.87

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JULY 31ST, 2018

120-SEWER ENTERPRISE FUND
OFFICE
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-20-5010 SALARIES & WAGES	0.00	0.00	0.00	0.00	0.00
120-5-20-5020 EMPLOYEE BENEFITS	0.00	0.00	0.00	0.00	0.00
TOTAL OFFICE	0.00	0.00	0.00	0.00	0.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2018

120-SEWER ENTERPRISE FUND
 FIELD
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-30-5010 SALARIES & WAGES	215,150.00	13,288.09	13,288.09	201,861.91	6.18
120-5-30-5020 EMPLOYEE BENEFITS	68,254.00	5,248.13	5,248.13	63,005.87	7.69
120-5-30-5021 RETIREMENT BENEFITS	46,724.00	3,542.67	3,542.67	43,181.33	7.58
120-5-30-5022 CLOTHING ALLOWANCE	1,800.00	0.00	0.00	1,800.00	0.00
120-5-30-5063 CERTIFICATIONS	1,500.00	0.00	0.00	1,500.00	0.00
120-5-30-5090 OFFICE SUPPLIES	1,000.00	0.00	0.00	1,000.00	0.00
120-5-30-5170 TRAVEL MILEAGE	500.00	0.00	0.00	500.00	0.00
120-5-30-5175 EDUCATION / SEMINARS	4,000.00	0.00	0.00	4,000.00	0.00
TOTAL FIELD	338,928.00	22,078.89	22,078.89	316,849.11	6.51

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JULY 31ST, 2018

120-SEWER ENTERPRISE FUND

DIRECTORS

EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-40-5010 DIRECTORS COMPENSATION	3,000.00	156.10	156.10	2,843.90	5.20
120-5-40-5020 DIRECTOR BENEFITS	90.00	0.00	0.00	90.00	0.00
120-5-40-5030 DIRECTOR HEALTH BENEFITS	41,340.00	3,261.45	3,261.45	38,078.55	7.89
120-5-40-5170 TRAVEL MILEAGE	200.00	0.00	0.00	200.00	0.00
120-5-40-5175 EDUCATION / SEMINARS	1,500.00	0.00	0.00	1,500.00	0.00
120-5-40-5176 DIRECTOR TRAINING	3,600.00	0.00	0.00	3,600.00	0.00
TOTAL DIRECTORS	49,730.00	3,417.55	3,417.55	46,312.45	6.87

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2018

120-SEWER ENTERPRISE FUND
 SPECIAL PROJECTS
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-60-6001 PW LKHVA01	0.00	0.00	0.00	0.00	0.00
120-5-60-6002 PW LKHVB02	0.00	0.00	0.00	0.00	0.00
120-5-60-6003 PW LKHVA81	0.00	0.00	0.00	0.00	0.00
120-5-60-6004 PW LKHVB82	0.00	0.00	0.00	0.00	0.00
120-5-60-6005 PW LKHVF84	0.00	0.00	0.00	0.00	0.00
120-5-60-6006 PW LKHVF83	0.00	0.00	0.00	0.00	0.00
120-5-60-6007 RAINS 2019	0.00	0.00	0.00	0.00	0.00
TOTAL SPECIAL PROJECTS	0.00	0.00	0.00	0.00	0.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2018

120-SEWER ENTERPRISE FUND
 CAPITAL PROJECTS & EQUIP
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-70-7201 I & I	0.00	0.00	0.00	0.00	0.00
120-5-70-7203 HEADWORKS RAKE	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL PROJECTS & EQUIP	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	1,451,356.00	90,044.41	90,044.41	1,361,311.59	6.20
REVENUES OVER/ (UNDER) EXPENDITURES	51,292.00	31,397.25	31,397.25	19,894.75	61.21

*** END OF REPORT ***

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2018

130-WATER ENTERPRISE FUND
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>2,119,035.00</u>	<u>141,641.43</u>	<u>141,641.43</u>	<u>1,977,393.57</u>	<u>6.68</u>
TOTAL REVENUES	<u>2,119,035.00</u>	<u>141,641.43</u>	<u>141,641.43</u>	<u>1,977,393.57</u>	<u>6.68</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	873,602.00	37,054.55	37,054.55	836,547.45	4.24
ADMINISTRATION	443,438.00	30,429.92	30,429.92	413,008.08	6.86
OFFICE	0.00	0.00	0.00	0.00	0.00
FIELD	339,528.00	25,863.78	25,863.78	313,664.22	7.62
DIRECTORS	54,530.00	3,428.30	3,428.30	51,101.70	6.29
CAPITAL PROJECTS & EQUIP	<u>24,988.00</u>	<u>0.00</u>	<u>0.00</u>	<u>24,988.00</u>	<u>0.00</u>
TOTAL EXPENDITURES	<u>1,736,086.00</u>	<u>96,776.55</u>	<u>96,776.55</u>	<u>1,639,309.45</u>	<u>5.57</u>
REVENUES OVER/(UNDER) EXPENDITURES	382,949.00	44,864.88	44,864.88	338,084.12	11.72

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2018

130-WATER ENTERPRISE FUND

REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-4035 RECONNECT FEE	12,000.00	315.00	315.00	11,685.00	2.63
130-4038 COMM WATER METER INSTALL	0.00	0.00	0.00	0.00	0.00
130-4039 WATER METER INST	1,000.00	0.00	0.00	1,000.00	0.00
130-4040 LIEN RECORDING FEES	500.00	35.76	35.76	464.24	7.15
130-4045 AVAILABILITY FEES	25,000.00	0.00	0.00	25,000.00	0.00
130-4110 COMM WATER USE	104,000.00	10,767.48	10,767.48	93,232.52	10.35
130-4112 GOV'T WATER USE	6,000.00	482.98	482.98	5,517.02	8.05
130-4115 WATER USE	1,940,435.00	124,748.68	124,748.68	1,815,686.32	6.43
130-4117 WATER OVERAGE FEE	0.00	0.00	0.00	0.00	0.00
130-4118 WATER OVERAGE COMM	0.00	0.00	0.00	0.00	0.00
130-4119 WATER OVERAGE GOV	0.00	0.00	0.00	0.00	0.00
130-4210 LATE FEE	25,000.00	2,849.27	2,849.27	22,150.73	11.40
130-4215 RETURNED CHECK FEE	1,000.00	50.00	50.00	950.00	5.00
130-4300 MISC INCOME	2,000.00	1,904.86	1,904.86	95.14	95.24
130-4310 OTHER INCOME	100.00	0.00	0.00	100.00	0.00
130-4505 LEASE INCOME	0.00	0.00	0.00	0.00	0.00
130-4550 INTEREST INCOME	2,000.00	487.40	487.40	1,512.60	24.37
130-4580 TRANSFER IN	0.00	0.00	0.00	0.00	0.00
130-4591 INCOME APPLICABLE TO PRIOR YRS	0.00	0.00	0.00	0.00	0.00
130-4955 Gain/Loss	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	2,119,035.00	141,641.43	141,641.43	1,977,393.57	6.68
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HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JULY 31ST, 2018

130-WATER ENTERPRISE FUND
NON-DEPARTMENTAL
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-00-5010 SALARY & WAGES	0.00	0.00	0.00	0.00	0.00
130-5-00-5020 EMPLOYEE BENEFITS	0.00	0.00	0.00	0.00	0.00
130-5-00-5021 RETIREMENT BENEFITS	0.00	0.00	0.00	0.00	0.00
130-5-00-5024 WORKERS' COMP INSURANCE	11,770.00	0.00	0.00	11,770.00	0.00
130-5-00-5025 RETIREE HEALTH BENEFITS	22,840.00	872.88	872.88	21,967.12	3.82
130-5-00-5026 COBRA Health & Dental	0.00	0.00	0.00	0.00	0.00
130-5-00-5040 ELECTION EXPENSE	0.00	0.00	0.00	0.00	0.00
130-5-00-5050 DEPRECIATION	0.00	0.00	0.00	0.00	0.00
130-5-00-5060 GASOLINE, OIL & FUEL	11,000.00	481.13	481.13	10,518.87	4.37
130-5-00-5061 VEHICLE MAINT	24,292.00	0.00	0.00	24,292.00	0.00
130-5-00-5062 TAXES & LIC	1,200.00	0.00	0.00	1,200.00	0.00
130-5-00-5074 INSURANCE	27,000.00	25,270.88	25,270.88	1,729.12	93.60
130-5-00-5075 BANK FEES	21,000.00	1,513.06	1,513.06	19,486.94	7.21
130-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	24,000.00	1,170.00	1,170.00	22,830.00	4.88
130-5-00-5092 POSTAGE & SHIPPING	6,000.00	0.00	0.00	6,000.00	0.00
130-5-00-5110 CONTRACTUAL SERVICES	0.00	0.00	0.00	0.00	0.00
130-5-00-5121 LEGAL SERVICES	10,000.00	0.00	0.00	10,000.00	0.00
130-5-00-5122 ENGINEERING SERVICES	60,000.00	0.00	0.00	60,000.00	0.00
130-5-00-5123 OTHER PROFESSIONAL SERVICE	40,000.00	401.05	401.05	39,598.95	1.00
130-5-00-5124 WATER RIGHTS	70,000.00	0.00	0.00	70,000.00	0.00
130-5-00-5126 AUDIT SERVICES	4,000.00	0.00	0.00	4,000.00	0.00
130-5-00-5130 PRINTING & PUBLICATION	7,500.00	0.00	0.00	7,500.00	0.00
130-5-00-5135 NEWSLETTER	500.00	0.00	0.00	500.00	0.00
130-5-00-5140 RENT & LEASES	0.00	0.00	0.00	0.00	0.00
130-5-00-5145 EQUIPMENT RENTAL	35,000.00	1,847.49	1,847.49	33,152.51	5.28
130-5-00-5148 OPERATING SUPPLIES	5,000.00	242.86	242.86	4,757.14	4.86
130-5-00-5150 REPAIR & REPLACE	185,000.00	1,418.68	1,418.68	183,581.32	0.77
130-5-00-5155 MAINT BLDG & GROUNDS	12,000.00	97.50	97.50	11,902.50	0.81
130-5-00-5156 CUSTODIAL SERVICES	4,200.00	0.00	0.00	4,200.00	0.00
130-5-00-5157 SECURITY	5,000.00	0.00	0.00	5,000.00	0.00
130-5-00-5180 UNCOLLECTABLE ACCOUNTS	0.00	2,128.17	2,128.17 (2,128.17)	0.00
130-5-00-5191 TELEPHONE	9,500.00	810.45	810.45	8,689.55	8.53
130-5-00-5192 ELECTRICITY	150,000.00	0.00	0.00	150,000.00	0.00
130-5-00-5193 OTHER UTILITIES	2,200.00	0.00	0.00	2,200.00	0.00
130-5-00-5194 IT SERVICES	40,000.00	60.50	60.50	39,939.50	0.15
130-5-00-5195 ENV/MONITORING	20,000.00	524.00	524.00	19,476.00	2.62
130-5-00-5196 RISK MANAGEMENT	0.00	0.00	0.00	0.00	0.00
130-5-00-5198 ANNUAL OPERATING FEES	30,000.00	0.00	0.00	30,000.00	0.00
130-5-00-5310 EQUIPMENT - FIELD	1,000.00	0.00	0.00	1,000.00	0.00
130-5-00-5311 EQUIPMENT - OFFICE	1,000.00	0.00	0.00	1,000.00	0.00
130-5-00-5312 TOOLS - FIELD	1,000.00	0.00	0.00	1,000.00	0.00
130-5-00-5315 SAFETY EQUIPMENT	2,500.00	215.90	215.90	2,284.10	8.64
130-5-00-5505 WATER CONSERVATION	9,000.00	0.00	0.00	9,000.00	0.00
130-5-00-5545 RECORDING FEES	100.00	0.00	0.00	100.00	0.00
130-5-00-5580 TRANSFERS OUT	0.00	0.00	0.00	0.00	0.00
130-5-00-5590 NON-OPERATING OTHER	0.00	0.00	0.00	0.00	0.00
130-5-00-5591 EXPENSES APPLICABLE TO PRI	0.00	0.00	0.00	0.00	0.00
130-5-00-5600 CONTINGENCY	20,000.00	0.00	0.00	20,000.00	0.00
130-5-00-5650 OPERATING RESERVES	0.00	0.00	0.00	0.00	0.00

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JULY 31ST, 2018

130-WATER ENTERPRISE FUND
NON-DEPARTMENTAL
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
TOTAL NON-DEPARTMENTAL	873,602.00	37,054.55	37,054.55	836,547.45	4.24

AS OF: JULY 31ST, 2018

130-WATER ENTERPRISE FUND
ADMINISTRATION
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-10-5010 SALARIES & WAGES	281,602.00	20,062.24	20,062.24	261,539.76	7.12
130-5-10-5020 EMPLOYEE BENEFITS	93,979.00	6,291.36	6,291.36	87,687.64	6.69
130-5-10-5021 RETIREMENT BENEFITS	57,507.00	3,999.73	3,999.73	53,507.27	6.96
130-5-10-5063 CERTIFICATIONS	0.00	0.00	0.00	0.00	0.00
130-5-10-5090 OFFICE SUPPLIES	4,000.00	76.59	76.59	3,923.41	1.91
130-5-10-5170 TRAVEL MILEAGE	2,000.00	0.00	0.00	2,000.00	0.00
130-5-10-5175 EDUCATION / SEMINARS	4,000.00	0.00	0.00	4,000.00	0.00
130-5-10-5179 ADM MISC EXPENSES	350.00	0.00	0.00	350.00	0.00
130-5-10-5505 WATER CONSERVATION	0.00	0.00	0.00	0.00	0.00
TOTAL ADMINISTRATION	443,438.00	30,429.92	30,429.92	413,008.08	6.86

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JULY 31ST, 2018

130-WATER ENTERPRISE FUND
OFFICE
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-20-5010 SALARIES & WAGES	0.00	0.00	0.00	0.00	0.00
130-5-20-5020 EMPLOYEE BENEFITS	0.00	0.00	0.00	0.00	0.00
TOTAL OFFICE	0.00	0.00	0.00	0.00	0.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2018

130-WATER ENTERPRISE FUND
 FIELD
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-30-5010 SALARIES & WAGES	215,150.00	16,721.85	16,721.85	198,428.15	7.77
130-5-30-5020 EMPLOYEE BENEFITS	68,254.00	5,248.12	5,248.12	63,005.88	7.69
130-5-30-5021 RETIREMENT BENEFITS	46,724.00	3,893.81	3,893.81	42,830.19	8.33
130-5-30-5022 CLOTHING ALLOWANCE	1,800.00	0.00	0.00	1,800.00	0.00
130-5-30-5063 CERTIFICATIONS	600.00	0.00	0.00	600.00	0.00
130-5-30-5090 OFFICE SUPPLIES	1,000.00	0.00	0.00	1,000.00	0.00
130-5-30-5170 TRAVEL MILEAGE	2,000.00	0.00	0.00	2,000.00	0.00
130-5-30-5175 EDUCATION / SEMINARS	4,000.00	0.00	0.00	4,000.00	0.00
TOTAL FIELD	339,528.00	25,863.78	25,863.78	313,664.22	7.62

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JULY 31ST, 2018130-WATER ENTERPRISE FUND
DIRECTORS
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-40-5010 DIRECTORS COMPENSATION	3,000.00	166.85	166.85	2,833.15	5.56
130-5-40-5020 DIRECTOR BENEFITS	90.00	0.00	0.00	90.00	0.00
130-5-40-5030 DIRECTOR HEALTH BENEFITS	41,340.00	3,261.45	3,261.45	38,078.55	7.89
130-5-40-5080 MEMBERSHIP & SUBSCRIPTION	0.00	0.00	0.00	0.00	0.00
130-5-40-5170 TRAVEL MILEAGE	200.00	0.00	0.00	200.00	0.00
130-5-40-5175 EDUCATION / SEMINARS	1,500.00	0.00	0.00	1,500.00	0.00
130-5-40-5176 DIRECTOR TRAINING	8,400.00	0.00	0.00	8,400.00	0.00
TOTAL DIRECTORS	54,530.00	3,428.30	3,428.30	51,101.70	6.29

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JULY 31ST, 2018

130-WATER ENTERPRISE FUND
 CAPITAL PROJECTS & EQUIP
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-70-7202 GENERATORS	24,988.00	0.00	0.00	24,988.00	0.00
130-5-70-7204 TANK 9	0.00	0.00	0.00	0.00	0.00
130-5-70-7205 MMN WTR MAIN	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL PROJECTS & EQUIP	24,988.00	0.00	0.00	24,988.00	0.00
TOTAL EXPENDITURES	1,736,086.00	96,776.55	96,776.55	1,639,309.45	5.57
REVENUES OVER/ (UNDER) EXPENDITURES	382,949.00	44,864.88	44,864.88	338,084.12	11.72

*** END OF REPORT ***



Hidden Valley Lake Community Services District
Financial Activity, Cash and Investment Summary
As of July 31, 2019
(Rounded and Unaudited)

	Operating Checking	Money Market	LAIF	Bond Trustee	Total All Cash/Investment Accounts
	West America Bank 1010	West America Bank 1130	State Treasurer 1133	US Bank 1200	
Financial Activity of Cash/Investment Accounts in General Ledger [1]					
Beginning Balances	\$ 375,240.91	\$ 976,634.24	\$ 607,056.88	\$ 177,580.31	\$ 2,136,512.34
Cash Receipts					
Utility Billing Deposits	298,067.09	-	-	-	
Electronic Fund Deposits	-	-	-	-	
Other Deposits	-	62.32	4,600.73	267.62	
Total Cash Receipts	\$ 298,067.09	\$ 62.32	\$ 4,600.73	\$ 267.62	
Cash Disbursements					
Accounts Payable Checks issued	242,017.76	-	-	-	
Electronic Fund/Bank Draft Disbursements	37,078.35	-	-	-	
Payroll Checks issued - net	53,762.30	-	-	-	
Bank Fees	2,142.77	-	-	-	
Other Disbursements	-	-	-	-	
Total Disbursements	\$ 335,001.18	\$ -	\$ -	\$ -	
Transfers Between Accounts					
Transfers In	5,693.00	-	-	-	
Transfers Out	-	5,693.00	-	-	
Total Transfers Between Accounts	\$ 5,693.00	\$ 5,693.00	\$ -	\$ -	
Ending Balances in General Ledger	\$ 343,999.82	\$ 971,003.56	\$ 611,657.61	\$ 177,847.93	\$ 2,104,508.92
Reconciling Adjustments to Financial Institutions [2]					
Financial Institution Ending Balances	\$ 341,859.26	\$ 971,003.56	\$ 611,657.61	\$ 177,847.93	\$ 2,102,368.36

Ending Balances General Ledger Distribution by District Funds

100 Operating	407.78	-	-	-	407.78
120 Wastewater Operating	(32,781.78)	61,696.46	70,652.50	-	99,567.18
130 Water Operating	62,270.16	176,514.67	105,292.28	-	344,077.11
140 Flood Enterprise	562.08	-	-	-	562.08
215 2016 Sewer Refinancing Bond	(1,416.73)	350,918.76	92,401.21	177,847.93	619,751.17
218 2002 CIEDB Loan	107,912.70	-	12,088.14	-	120,000.84
219 2012 USDA Solar COP	0.23	46,990.10	860.27	-	47,850.60
313 Wastewater Operating Reserve	-	-	57,552.50	-	57,552.50
314 Wastewater CIP	-	27,139.97	93,056.57	-	120,196.54
319 2012 USDA Solar COP Reserve	-	31,283.81	-	-	31,283.81
320 Water CIP	52,985.25	66,615.62	-	-	119,600.87
325 Water Operating Reserve	43,927.57	-	-	-	43,927.57
350 2002 CIEDB Loan Reserve	-	-	179,754.14	-	179,754.14
711 2016 Bond Administration	-	-	-	-	-
712 Bond Revolving	110,132.56	209,844.17	-	-	319,976.73
Total Ending Balances in General Ledger	\$ 343,999.82	\$ 971,003.56	\$ 611,657.61	\$ 177,847.93	\$ 2,104,508.92

[1] From General Ledger activity by Financial Institution accounts with District Fund accounts consolidated. Checking and Money Market accounts are with West America Bank, Local Agency Investment Account (LAIF) is held by the State Treasurer on behalf of the District and US Bank is the Bond Trustee for the the 2016 Refunding >>>>>>. All cash accounts have been reconciled to the ending Financial Institution statements.

[2] See Reconciliation Detail Summary for details

COMPANY: 999 - POOLED CASH FUND
 ACCOUNT: 1010 CASH - POOLED
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK DATE: 7/01/2019 THRU 7/31/2019
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
BANK DRAFT:								
1010	7/05/2019	BANK-DRAFT	000335	AFLAC	224.31CR	CLEARED	A	7/09/2019
1010	7/05/2019	BANK-DRAFT	000336	CALIFORNIA PUBLIC EMPLOYEES RE	5,577.08CR	CLEARED	A	7/08/2019
1010	7/05/2019	BANK-DRAFT	000337	NATIONWIDE RETIREMENT SOLUTION	600.00CR	CLEARED	A	7/05/2019
1010	7/05/2019	BANK-DRAFT	000338	STATE OF CALIFORNIA EDD	1,755.72CR	CLEARED	A	7/05/2019
1010	7/05/2019	BANK-DRAFT	000339	US DEPARTMENT OF THE TREASURY	4,930.67CR	CLEARED	A	7/05/2019
1010	7/19/2019	BANK-DRAFT	000340	AFLAC	224.31CR	OUTSTND	A	0/00/0000
1010	7/19/2019	BANK-DRAFT	000341	CALIFORNIA PUBLIC EMPLOYEES RE	5,866.16CR	CLEARED	A	7/22/2019
1010	7/19/2019	BANK-DRAFT	000342	NATIONWIDE RETIREMENT SOLUTION	512.50CR	CLEARED	A	7/19/2019
1010	7/19/2019	BANK-DRAFT	000343	STATE OF CALIFORNIA EDD	1,647.14CR	CLEARED	A	7/19/2019
1010	7/19/2019	BANK-DRAFT	000344	US DEPARTMENT OF THE TREASURY	4,600.68CR	CLEARED	A	7/19/2019
CHECK:								
1010	7/05/2019	CHECK	036533	ACWA/JPIA	1,135.01CR	CLEARED	A	7/09/2019
1010	7/05/2019	CHECK	036534	ADVANCED SECURITY SYSTEMS SANT	211.89CR	CLEARED	A	7/11/2019
1010	7/05/2019	CHECK	036535	ALPHA ANALYTICAL LABORATORIES	249.00CR	CLEARED	A	7/10/2019
1010	7/05/2019	CHECK	036536	ARMED FORCE PEST CONTROL, INC.	205.00CR	CLEARED	A	7/11/2019
1010	7/05/2019	CHECK	036537	AT&T MOBILITY	67.10CR	CLEARED	A	7/10/2019
1010	7/05/2019	CHECK	036538	LOCAL GOVERNMENT COMMISSION IN	4,181.82CR	CLEARED	A	7/12/2019
1010	7/05/2019	CHECK	036539	MEDIACOM	516.61CR	CLEARED	A	7/11/2019
1010	7/05/2019	CHECK	036540	NBS GOVERNMENT FINANCE GROUP	2,616.73CR	CLEARED	A	7/10/2019
1010	7/05/2019	CHECK	036541	RGW GROUNDSKEEPING, LLC	4,577.24CR	CLEARED	A	7/09/2019
1010	7/05/2019	CHECK	036542	SPECIAL DISTRICT RISK MANAGEME	23,938.51CR	CLEARED	A	7/10/2019
1010	7/05/2019	CHECK	036543	STREAMLINE	200.00CR	CLEARED	A	7/15/2019
1010	7/05/2019	CHECK	036544	THATCHER COMPANY, INC.	3,843.10CR	CLEARED	A	7/09/2019
1010	7/05/2019	CHECK	036545	TYLER TECHNOLOGY	121.00CR	CLEARED	A	7/09/2019
1010	7/05/2019	CHECK	036546	USA BLUE BOOK	452.53CR	CLEARED	A	7/15/2019
1010	7/12/2019	CHECK	036547	ALPHA ANALYTICAL LABORATORIES	983.00CR	CLEARED	A	7/17/2019
1010	7/12/2019	CHECK	036548	ALYSSA GORDON	161.67CR	CLEARED	A	7/17/2019
1010	7/12/2019	CHECK	036549	APPLIED TECHNOLOGY SOLUTIONS	573.00CR	CLEARED	A	7/22/2019
1010	7/12/2019	CHECK	036550	B & G TIRES OF MIDDLETOWN	20.00CR	CLEARED	A	7/22/2019
1010	7/12/2019	CHECK	036551	BOLD POLISNER MADDOW NELSON &	315.00CR	CLEARED	A	7/17/2019
1010	7/12/2019	CHECK	036552	CITRIX SYSTEMS INC.	1,200.00CR	CLEARED	A	7/16/2019
1010	7/12/2019	CHECK	036553	DATAPROSE	1,550.28CR	CLEARED	A	7/17/2019
1010	7/12/2019	CHECK	036554	ENVIRONMENTAL PLANNING PARTNER	20,585.57CR	CLEARED	A	7/19/2019
1010	7/12/2019	CHECK	036555	HARDESTER'S MARKETS & HARDWARE	20.57CR	CLEARED	A	7/17/2019
1010	7/12/2019	CHECK	036556	JT AUTO GLASS	988.05CR	CLEARED	A	7/23/2019
1010	7/12/2019	CHECK	036557	MICHELLE HAMILTON	740.00CR	CLEARED	A	7/15/2019
1010	7/12/2019	CHECK	036558	OFFICE DEPOT	76.40CR	CLEARED	A	7/19/2019
1010	7/12/2019	CHECK	036559	PARKSON CORPORATION	5,693.00CR	CLEARED	A	7/17/2019
1010	7/12/2019	CHECK	036560	RAY MORGAN COMPANY	197.48CR	CLEARED	A	7/17/2019
1010	7/12/2019	CHECK	036561	REDFORD SERVICES	835.00CR	CLEARED	A	7/22/2019
1010	7/12/2019	CHECK	036562	SOUTH LAKE REFUSE COMPANY	446.27CR	CLEARED	A	7/16/2019
1010	7/12/2019	CHECK	036563	SPECIAL DISTRICT RISK MANAGEME	97,363.43CR	CLEARED	A	7/18/2019
1010	7/12/2019	CHECK	036564	TELSTAR INSTRUMENTS, INC	2,546.93CR	CLEARED	A	7/16/2019

COMPANY: 999 - POOLED CASH FUND
 ACCOUNT: 1010 CASH - POOLED
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK DATE: 7/01/2019 THRU 7/31/2019
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1010	7/12/2019	CHECK	036565	TYLER TECHNOLOGY	27.70CR	CLEARED	A	7/17/2019
1010	7/12/2019	CHECK	036566	US BANK - GLOBAL CORP TRUST SE	29,783.47CR	CLEARED	A	7/19/2019
1010	7/12/2019	CHECK	036567	USA BLUE BOOK	2,390.41CR	CLEARED	A	7/18/2019
1010	7/12/2019	CHECK	036568	WAGNER & BONSIGNORE	887.50CR	CLEARED	A	7/18/2019
1010	7/12/2019	CHECK	036569	WESTGATE PETROLEUM CO., INC.	533.40CR	CLEARED	A	7/16/2019
1010	7/12/2019	CHECK	036570	BLECHEL, KATHERINE A	8.19CR	CLEARED	A	7/18/2019
1010	7/19/2019	CHECK	036571	ALPHA ANALYTICAL LABORATORIES	2,408.00CR	CLEARED	A	7/24/2019
1010	7/19/2019	CHECK	036572	VOID CHECK	0.00	CLEARED	A	7/22/2019
1010	7/19/2019	CHECK	036573	AMAZON CAPITAL SERVICES, INC.	369.00CR	CLEARED	A	7/24/2019
1010	7/19/2019	CHECK	036574	AT&T	241.73CR	CLEARED	A	7/25/2019
1010	7/19/2019	CHECK	036575	CARDMEMBER SERVICE	2,019.41CR	CLEARED	A	7/25/2019
1010	7/19/2019	CHECK	036576	ERICA BERGSTROM	50.00CR	OUTSTND	A	0/00/0000
1010	7/19/2019	CHECK	036577	GARDENS BY JILLIAN	200.00CR	OUTSTND	A	0/00/0000
1010	7/19/2019	CHECK	036578	JENFITCH, LLC	2,992.00CR	CLEARED	A	7/23/2019
1010	7/19/2019	CHECK	036579	LAKE COUNTY RECORD BEE	548.73CR	CLEARED	A	7/25/2019
1010	7/19/2019	CHECK	036580	PETTY CASH REIMBURSEMENT	246.18CR	CLEARED	A	7/22/2019
1010	7/19/2019	CHECK	036581	SCIENTECH, INC.	145.90CR	CLEARED	A	7/29/2019
1010	7/19/2019	CHECK	036582	TELSTAR INSTRUMENTS, INC	465.00CR	CLEARED	A	7/24/2019
1010	7/19/2019	CHECK	036583	TYLER TECHNOLOGY	550.00CR	CLEARED	A	7/23/2019
1010	7/19/2019	CHECK	036584	VERIZON WIRELESS	876.77CR	CLEARED	A	7/24/2019
1010	7/19/2019	CHECK	036585	WATERSOLVE, LLC	16,087.50CR	CLEARED	A	7/24/2019
1010	7/19/2019	CHECK	036586	PADDOCK, AARON	41.35CR	OUTSTND	A	0/00/0000
1010	7/26/2019	CHECK	036587	ACTION SANITARY, INC.	123.34CR	OUTSTND	A	0/00/0000
1010	7/26/2019	CHECK	036588	ALPHA ANALYTICAL LABORATORIES	579.00CR	CLEARED	A	7/31/2019
1010	7/26/2019	CHECK	036589	ALYSSA GORDON	172.40CR	CLEARED	A	7/31/2019
1010	7/26/2019	CHECK	036590	B & G TIRES OF MIDDLETOWN	636.29CR	OUTSTND	A	0/00/0000
1010	7/26/2019	CHECK	036591	COASTLAND CIVIL ENGINEERING, I	506.18CR	CLEARED	A	7/30/2019
1010	7/26/2019	CHECK	036592	CYNTHIA RAMIREZ	100.00CR	OUTSTND	A	0/00/0000
1010	7/26/2019	CHECK	036593	LAYNE PAVING & TRUCKING, INC.	181.61CR	OUTSTND	A	0/00/0000
1010	7/26/2019	CHECK	036594	MENDO MILL CLEARLAKE	58.66CR	CLEARED	A	7/31/2019
1010	7/26/2019	CHECK	036595	OFFICE DEPOT	276.42CR	OUTSTND	A	0/00/0000
1010	7/26/2019	CHECK	036596	RICOH USA, INC.	386.29CR	CLEARED	A	7/31/2019
1010	7/26/2019	CHECK	036597	SPECIAL DISTRICT RISK MANAGEME	414.25CR	CLEARED	A	7/31/2019
1010	7/26/2019	CHECK	036598	WESTGATE PETROLEUM CO., INC.	604.81CR	CLEARED	A	7/30/2019
1010	7/26/2019	CHECK	036599	COLON, SUSAN	346.14CR	OUTSTND	A	0/00/0000
1010	7/26/2019	CHECK	036600	HAWES, ALFRED	148.94CR	CLEARED	A	7/31/2019

DEPOSIT:								
1010	7/01/2019	DEPOSIT		CREDIT CARD 7/01/2019	1,698.77	CLEARED	C	7/01/2019
1010	7/01/2019	DEPOSIT	000001	CREDIT CARD 7/01/2019	1,429.63	CLEARED	C	7/01/2019
1010	7/01/2019	DEPOSIT	000002	CREDIT CARD 7/01/2019	1,292.98	CLEARED	C	7/03/2019
1010	7/01/2019	DEPOSIT	000003	CREDIT CARD 7/01/2019	1,075.52	CLEARED	C	7/03/2019
1010	7/01/2019	DEPOSIT	000004	REGULAR DAILY POST 7/01/2019	2,159.40	CLEARED	C	7/02/2019
1010	7/01/2019	DEPOSIT	070119	PARKSON - HEADRAKE	5,693.00	CLEARED	G	7/02/2019

COMPANY: 999 - POOLED CASH FUND
 ACCOUNT: 1010 CASH - POOLED
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK DATE: 7/01/2019 THRU 7/31/2019
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
DEPOSIT:								
1010	7/02/2019	DEPOSIT		CREDIT CARD 7/02/2019	7,653.03	CLEARED	C	7/03/2019
1010	7/02/2019	DEPOSIT	000001	CREDIT CARD 7/02/2019	1,806.64	CLEARED	C	7/05/2019
1010	7/02/2019	DEPOSIT	000002	REGULAR DAILY POST 7/02/2019	490.68	CLEARED	C	7/03/2019
1010	7/03/2019	DEPOSIT		CREDIT CARD 7/03/2019	1,019.80	CLEARED	C	7/05/2019
1010	7/03/2019	DEPOSIT	000001	CREDIT CARD 7/03/2019	1,669.32	CLEARED	C	7/05/2019
1010	7/03/2019	DEPOSIT	000002	REGULAR DAILY POST 7/03/2019	1,241.41	CLEARED	C	7/05/2019
1010	7/05/2019	DEPOSIT		CREDIT CARD 7/05/2019	2,389.90	CLEARED	C	7/05/2019
1010	7/05/2019	DEPOSIT	000001	CREDIT CARD 7/05/2019	1,646.95	CLEARED	C	7/08/2019
1010	7/05/2019	DEPOSIT	000002	CREDIT CARD 7/05/2019	1,820.57	CLEARED	C	7/08/2019
1010	7/05/2019	DEPOSIT	000003	REGULAR DAILY POST 7/05/2019	5,065.85	CLEARED	C	7/08/2019
1010	7/08/2019	DEPOSIT		CREDIT CARD 7/08/2019	2,618.63	CLEARED	C	7/08/2019
1010	7/08/2019	DEPOSIT	000001	CREDIT CARD 7/08/2019	2,086.46	CLEARED	C	7/08/2019
1010	7/08/2019	DEPOSIT	000002	CREDIT CARD 7/08/2019	556.33	CLEARED	C	7/09/2019
1010	7/08/2019	DEPOSIT	000003	CREDIT CARD 7/08/2019	1,889.83	CLEARED	C	7/10/2019
1010	7/08/2019	DEPOSIT	000004	REGULAR DAILY POST 7/08/2019	11,502.65	CLEARED	C	7/09/2019
1010	7/09/2019	DEPOSIT		CREDIT CARD 7/09/2019	2,081.69	CLEARED	C	7/10/2019
1010	7/09/2019	DEPOSIT	000001	CREDIT CARD 7/09/2019	6,257.14	CLEARED	C	7/11/2019
1010	7/09/2019	DEPOSIT	000002	REGULAR DAILY POST 7/09/2019	3,804.48	CLEARED	C	7/10/2019
1010	7/09/2019	DEPOSIT	000003	DAILY PAYMENT POSTING - ADJ	155.44CR	CLEARED	U	7/09/2019
1010	7/10/2019	DEPOSIT		CREDIT CARD 7/10/2019	4,092.93	CLEARED	C	7/11/2019
1010	7/10/2019	DEPOSIT	000001	CREDIT CARD 7/10/2019	2,330.62	CLEARED	C	7/12/2019
1010	7/10/2019	DEPOSIT	000002	CREDIT CARD 7/10/2019	7,943.98	CLEARED	C	7/12/2019
1010	7/10/2019	DEPOSIT	000003	REGULAR DAILY POST 7/10/2019	10,104.74	CLEARED	C	7/11/2019
1010	7/11/2019	DEPOSIT		CREDIT CARD 7/11/2019	795.21	CLEARED	C	7/15/2019
1010	7/11/2019	DEPOSIT	000001	CREDIT CARD 7/11/2019	2,250.45	CLEARED	C	7/15/2019
1010	7/11/2019	DEPOSIT	000002	REGULAR DAILY POST 7/11/2019	10,042.22	CLEARED	C	7/12/2019
1010	7/11/2019	DEPOSIT	000003	DAILY PAYMENT POSTING - ADJ	500.00CR	CLEARED	U	7/14/2019
1010	7/12/2019	DEPOSIT		CREDIT CARD 7/12/2019	2,234.12	CLEARED	C	7/15/2019
1010	7/12/2019	DEPOSIT	000001	CREDIT CARD 7/12/2019	3,099.06	CLEARED	C	7/15/2019
1010	7/12/2019	DEPOSIT	000002	REGULAR DAILY POST 7/12/2019	9,520.84	CLEARED	C	7/15/2019
1010	7/15/2019	DEPOSIT		CREDIT CARD 7/15/2019	1,488.83	CLEARED	C	7/15/2019
1010	7/15/2019	DEPOSIT	000001	CREDIT CARD 7/15/2019	1,013.65	CLEARED	C	7/16/2019
1010	7/15/2019	DEPOSIT	000002	CREDIT CARD 7/15/2019	1,935.97	CLEARED	C	7/17/2019
1010	7/15/2019	DEPOSIT	000003	CREDIT CARD 7/15/2019	2,356.33	CLEARED	C	7/17/2019
1010	7/15/2019	DEPOSIT	000004	REGULAR DAILY POST 7/15/2019	14,476.00	CLEARED	C	7/16/2019
1010	7/15/2019	DEPOSIT	000005	DRAFT POSTING	12,675.71	CLEARED	U	7/16/2019
1010	7/15/2019	DEPOSIT	000006	CC DRAFT POSTING	17,068.44	CLEARED	U	7/17/2019
1010	7/16/2019	DEPOSIT		CREDIT CARD 7/16/2019	5,577.41	CLEARED	C	7/17/2019
1010	7/17/2019	DEPOSIT		CREDIT CARD 7/17/2019	1,380.75	CLEARED	C	7/18/2019
1010	7/17/2019	DEPOSIT	000001	REGULAR DAILY POST 7/17/2019	2,338.49	CLEARED	C	7/17/2019
1010	7/17/2019	DEPOSIT	000002	CREDIT CARD 7/17/2019	1,464.01	CLEARED	C	7/18/2019
1010	7/17/2019	DEPOSIT	000003	CREDIT CARD 7/17/2019	1,427.47	CLEARED	C	7/19/2019
1010	7/17/2019	DEPOSIT	000004	REGULAR DAILY POST 7/17/2019	4,580.90	CLEARED	C	7/18/2019
1010	7/18/2019	DEPOSIT		CREDIT CARD 7/18/2019	2,861.05	CLEARED	C	7/19/2019

COMPANY: 999 - POOLED CASH FUND
 ACCOUNT: 1010 CASH - POOLED
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK DATE: 7/01/2019 THRU 7/31/2019
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
DEPOSIT:								
1010	7/18/2019	DEPOSIT	000001	CREDIT CARD 7/18/2019	1,941.28	CLEARED	C	7/22/2019
1010	7/18/2019	DEPOSIT	000002	REGULAR DAILY POST 7/18/2019	5,220.09	CLEARED	C	7/19/2019
1010	7/19/2019	DEPOSIT		CREDIT CARD 7/19/2019	3,252.19	CLEARED	C	7/22/2019
1010	7/19/2019	DEPOSIT	000001	CREDIT CARD 7/19/2019	4,597.33	CLEARED	C	7/22/2019
1010	7/19/2019	DEPOSIT	000002	REGULAR DAILY POST 7/19/2019	8,852.92	CLEARED	C	7/22/2019
1010	7/22/2019	DEPOSIT		CREDIT CARD 7/22/2019	4,355.70	CLEARED	C	7/22/2019
1010	7/22/2019	DEPOSIT	000001	CREDIT CARD 7/22/2019	1,708.37	CLEARED	C	7/22/2019
1010	7/22/2019	DEPOSIT	000002	CREDIT CARD 7/22/2019	3,027.58	CLEARED	C	7/23/2019
1010	7/22/2019	DEPOSIT	000003	CREDIT CARD 7/22/2019	6,531.25	CLEARED	C	7/24/2019
1010	7/22/2019	DEPOSIT	000004	REGULAR DAILY POST 7/22/2019	16,522.44	CLEARED	C	7/23/2019
1010	7/22/2019	DEPOSIT	000005	CREDIT CARD 7/22/2019	2,834.89	CLEARED	C	7/24/2019
1010	7/23/2019	DEPOSIT		CREDIT CARD 7/23/2019	1,748.96	CLEARED	C	7/25/2019
1010	7/23/2019	DEPOSIT	000001	CREDIT CARD 7/23/2019	1,749.13	CLEARED	C	7/25/2019
1010	7/23/2019	DEPOSIT	000002	REGULAR DAILY POST 7/23/2019	1,336.41	CLEARED	C	7/24/2019
1010	7/24/2019	DEPOSIT		CREDIT CARD 7/24/2019	1,264.21	CLEARED	C	7/26/2019
1010	7/24/2019	DEPOSIT	000001	CREDIT CARD 7/24/2019	2,086.33	CLEARED	C	7/26/2019
1010	7/24/2019	DEPOSIT	000002	REGULAR DAILY POST 7/24/2019	872.56	CLEARED	C	7/25/2019
1010	7/25/2019	DEPOSIT		CREDIT CARD 7/25/2019	506.58	CLEARED	C	7/26/2019
1010	7/25/2019	DEPOSIT	000001	CREDIT CARD 7/25/2019	398.02	CLEARED	C	7/29/2019
1010	7/25/2019	DEPOSIT	000002	REGULAR DAILY POST 7/25/2019	28,381.30	CLEARED	C	7/26/2019
1010	7/26/2019	DEPOSIT		CREDIT CARD 7/26/2019	532.27	CLEARED	C	7/29/2019
1010	7/26/2019	DEPOSIT	000001	CREDIT CARD 7/26/2019	1,122.23	CLEARED	C	7/29/2019
1010	7/26/2019	DEPOSIT	000002	REGULAR DAILY POST 7/26/2019	1,188.76	CLEARED	C	7/29/2019
1010	7/29/2019	DEPOSIT		CREDIT CARD 7/29/2019	1,178.37	CLEARED	C	7/29/2019
1010	7/29/2019	DEPOSIT	000001	CREDIT CARD 7/29/2019	686.96	CLEARED	C	7/29/2019
1010	7/29/2019	DEPOSIT	000002	CREDIT CARD 7/29/2019	386.81	CLEARED	C	7/30/2019
1010	7/29/2019	DEPOSIT	000003	CREDIT CARD 7/29/2019	1,216.08	CLEARED	C	7/31/2019
1010	7/29/2019	DEPOSIT	000004	REGULAR DAILY POST 7/29/2019	3,012.12	CLEARED	C	7/30/2019
1010	7/30/2019	DEPOSIT		CREDIT CARD 7/30/2019	563.78	CLEARED	C	7/31/2019
1010	7/31/2019	DEPOSIT		CREDIT CARD 7/31/2019	2,046.93	CLEARED	C	8/01/2019
1010	7/31/2019	DEPOSIT	000001	REGULAR DAILY POST 7/31/2019	425.94	CLEARED	C	7/31/2019
1010	7/31/2019	DEPOSIT	000002	CREDIT CARD 7/31/2019	1,218.30	CLEARED	C	8/01/2019
1010	7/31/2019	DEPOSIT	000003	CREDIT CARD 7/31/2019	605.75	OUTSTND	C	0/00/0000
1010	7/31/2019	DEPOSIT	000004	REGULAR DAILY POST 7/31/2019	1,033.85	CLEARED	C	8/01/2019

EFT:								
1010	7/22/2019	EFT	072219	CALPERS AUL 26384 JULY	155.90CR	CLEARED	G	7/22/2019
1010	7/22/2019	EFT	072220	CALPERS AUL 1739 JULY	10,983.88CR	CLEARED	G	7/22/2019

MISCELLANEOUS:								
1010	7/05/2019	MISC.		PAYROLL DIRECT DEPOSIT	26,649.62CR	CLEARED	P	7/05/2019
1010	7/08/2019	MISC.		MERCHANT SERVICE ADJ 7/8/19	9.95CR	CLEARED	G	7/22/2019
1010	7/19/2019	MISC.		PAYROLL DIRECT DEPOSIT	26,640.98CR	CLEARED	P	7/19/2019
1010	7/31/2019	MISC.		PAYROLL DIRECT DEPOSIT	461.75CR	CLEARED	P	7/31/2019

SERVICE CHARGE: -----

COMPANY: 999 - POOLED CASH FUND
 ACCOUNT: 1010 CASH - POOLED
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK DATE: 7/01/2019 THRU 7/31/2019
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
SERVICE CHARGE: -----								
1010	7/01/2019	SERV-CHG		JUNE 2019 ETS-7 FEES	68.67CR	CLEARED	G	7/02/2019
1010	7/01/2019	SERV-CHG	000001	JUNE 2019 ETS-5 FEES	45.82CR	CLEARED	G	7/02/2019
1010	7/02/2019	SERV-CHG		JUNE 2019 ELAVON 5 FEES	405.83CR	CLEARED	G	7/02/2019
1010	7/02/2019	SERV-CHG	000001	JUNE 2019 ELAVON 7 FEES	449.37CR	CLEARED	G	7/02/2019
1010	7/02/2019	SERV-CHG	000002	JUNE 2019 ELAVON 9 FEES	322.36CR	CLEARED	G	7/02/2019
1010	7/15/2019	SERV-CHG		JUNES BANK ANALYSIS FEE	320.08CR	CLEARED	G	7/15/2019
1010	7/16/2019	SERV-CHG		ANNUAL FEE ETS-5	150.00CR	CLEARED	G	7/16/2019
1010	7/16/2019	SERV-CHG	000001	ANNUAL FEES ETS-7	150.00CR	CLEARED	G	7/16/2019
1010	7/16/2019	SERV-CHG	000002	ANNUAL FEES ETS-9	150.00CR	CLEARED	G	7/16/2019
1010	7/17/2019	SERV-CHG		DEPOSIT SLIP FEE 7/17/2019	80.64CR	CLEARED	G	7/18/2019

TOTALS FOR ACCOUNT 1010

CHECK	TOTAL:	242,017.76CR
DEPOSIT	TOTAL:	303,760.09
INTEREST	TOTAL:	0.00
MISCELLANEOUS	TOTAL:	53,762.30CR
SERVICE CHARGE	TOTAL:	2,142.77CR
EFT	TOTAL:	11,139.78CR
BANK-DRAFT	TOTAL:	25,938.57CR

TOTALS FOR POOLED CASH FUND

CHECK	TOTAL:	242,017.76CR
DEPOSIT	TOTAL:	303,760.09
INTEREST	TOTAL:	0.00
MISCELLANEOUS	TOTAL:	53,762.30CR
SERVICE CHARGE	TOTAL:	2,142.77CR
EFT	TOTAL:	11,139.78CR
BANK-DRAFT	TOTAL:	25,938.57CR



HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

**CAPITAL EXPENDITURES
2019 - 2020**

SEWER CIP EXPENSES	FUND	Budget	Yr to Date Actual
I & I Study (Intern/Fellowship)	313	60,000	
IT Upgrades	313	5,000	
Vac Truck (60%)	712	201,000	
I & I Repair	314	100,000	
Chlorine tank auto shutoff	314	32,000	
SCADA	712	30,000	
Chlorine Disinfection Facility	314	45,000	
Aquatic Harvesting	314	35,000	
Total		\$ 508,000	\$ -

SEWER CIP REVENUE	FUND	Revenue	Yr to Date Actual
Sewer Op Reserve (3%)	313	45,147	
FEMA/CalOES	313		
Sewer CIP (3%)	314	45,147	
FEMA/CalOES	314		
Total		\$ 90,294	\$ -

WATER CIP EXPENSES	FUND	Budget	Yr to Date Actual
Unit 9 Tank Replacement 1,700,000 (*1)	320/325/130	220,000	
AMI	320/325/130	100,000	
Vac Truck (40%)	320	134,000	
Repair Water Main Line	320	200,000	
IT Upgrades	320	5,000	
Total		\$ 659,000	\$ -

WATER CIP/OP RESERVE	FUND	Revenue	Yr to Date Actual
Water CIP (8%)	320	148,243	
Water OP Reserve Fund (5%)	325	105,548	
Total		\$ 253,792	\$ -



MEMO

To: Board of Directors

From: Trish Wilkinson, Full Charge Bookkeeper

Date: 08/02/2019

RE: Office & Administrative Staff Overtime Monthly Report

July 2019

Overtime:

Administrative Assistant: 5.75 hours

Water Resources Specialist: 2.00 hours

Full Charge Bookkeeper: - hours

Senior Accounts Representative: 1.00 hour

Senior Accounts Representative: 1.00 hour

Total Overtime: 9.75 hours



RECOMMENDED BUDGET PRACTICES

**A Framework
for Improved
State and Local
Government Budgeting**

**NATIONAL ADVISORY COUNCIL
ON STATE AND LOCAL BUDGETING**

GOVERNMENT FINANCE OFFICERS ASSOCIATION

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- Don I. Tharpe, Executive Director, Association of School Business Officials International
- Denny G. Bolton, Business Administrator, Owen J. Roberts School District, Pennsylvania

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- Robert Silvanik, Director of Programs, Planning & Development, Council of State Governments

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- Timothy H. Riordan, Director, Dayton International Airport, Ohio

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- Thomas H. Muehlenbeck, City Manager, City of Plano, Texas

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- John Collins, County Executive, Kenosha County, Wisconsin
- Gerald G. Fox, County Manager, Mecklenburg County, North Carolina

National Conference of State Legislatures

- The Honorable Nancy K. Kopp (Vice-Chair), Delegate, Maryland House of Delegates
- Ronald Snell, Division Director, National Conference of State Legislatures

National League of Cities

- Walter Kelly, Council President, Town of Fishers, Indiana
- Donald J. Borut, Executive Director, National League of Cities

U.S. Conference of Mayors

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- Allen Proctor, Vice President for Finance, Harvard University
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- Deborah Dietrich, Senior Legislative Representative, Service Employees International Union

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- Kevin W. Anderson, Director, Deloitte & Touche LLP
- Richard Larkin, Managing Director, Fairmount Capital Advisors, Inc.

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Of all of the functional areas of finance, the one most in need of guidance is government budgeting. The release by the National Advisory Council on State and Local Budgeting of this set of recommended practices represents a milestone in budgeting—in one document governments now have a comprehensive set of processes and procedures that define an accepted budget process. The practices advocate a goal-driven approach to budgeting that spans the planning, development, adoption, and execution phases of the budget.

The practices put forward by the the Council take a major step forward in promoting the linkage of the budget process with other activities of the government. Their scope is intentionally broad, recognizing that budgeting has many dimensions—political, managerial, planning, communications, as well as financial. Practices encourage the development of organizational goals, establishment of policies and plans to achieve these goals, and allocation of resources through the budget process that are consistent with goals, policies, and plans. There is also a focus on measuring performance to determine what has been accomplished with scarce government resources.

The Council's work is important in emphasizing that budgeting should have a long-range perspective, and not be simply an exercise in balancing revenues and expenditures one year at a time. This focus on long-term financial planning comes at a critical time. Recommended budget practices encourage governments to consider the longer-term consequences of such actions to ensure that the impacts of budget decisions are understood over a multi-year planning horizon and to assess whether program and service levels can be sustained.

What is significant about the practices is that they represent an unprecedented cooperative effort by several organizations with diverse interests to examine and agree on key aspects of good budgeting. The Council was founded by eight organizations representing elected officials, government administrators, and finance professionals at both the state and local government level. Council membership also includes representatives of the public finance industry, public employees' unions, and academia. The consensus achieved by this widely representative body will facilitate implementation of the practices in state and local governments, since there will be a common understanding among all participants in the budget process of what is to be achieved.

The release of the Council guidelines will not solve all of the problems encountered in budgeting—a complex process that involves politics, compromise, and competing visions of the role of government in serving

the citizenry. What the practices can do is enhance the quality of decision making by encouraging practices that illuminate the key issues and choices facing a community.

The recommended practices have set a new standard of excellence in state and local government budgeting. As with any reform effort, widespread acceptance of changes in budgetary practice will take time, but the benefits promise to be profound and far-reaching.

The Council was an unprecedented cooperative undertaking on the part of the associations representing elected officials and professional managers of state and local governments. I would like to thank the seven other co-founding organizations for joining with GFOA in creating the Council, appointing representatives to serve on the Council, and for their ongoing assistance in publicizing and promoting its work. Sincere thanks are due to the individual members of the Council, and to the organizations they represented. The members enthusiastically and tirelessly reviewed and contributed materials and discussed budgeting in numerous meetings over a three-year period. In particular, I would like to acknowledge the efforts of the Council leadership and staff. Chair Paul R. Soglin, former Mayor of Madison, Wisconsin and presently with Lincoln Financial Advisors, kept the Council focused on its mission and schedule, while ensuring full and frank discussion of the issues. Council Vice-Chair Nancy K. Kopp, Delegate, Maryland House of Delegates, also provided able leadership and, with other members, an invaluable state government and legislative perspective. Four individuals served as principal staff to the Council: Joni Leithe, Assistant Director, and Juliet Powdar, Assistant Director, of GFOA; John Gross, Finance Director, City of Aurora, Colorado; and Patricia Tigue, former GFOA staff member and currently Senior Debt Analyst, City of Portland, Oregon. These staff prepared the initial drafts of the recommended practice statements which were reviewed and edited by the Council. John Gross also prepared the framework paper that is the introduction of this publication. The time, amount of original writing, and perspective John provided to the GFOA staff and Council in this effort was enormous and valuable. I would also like to thank Caterpillar Corporation and Deloitte and Touche, LLP, which contributed financial support for the Council. Deloitte and Touche also donated the staff time of a representative to serve on the Council, as well as additional staff assistance in the design and development of a CD-ROM that presents pages reproduced from budgets and other government documents to illustrate implementation of the 59 recommended budgeting practices. Thanks also are due to the GFOA Committee on Governmental Budgeting and Management, who originally conceived of the need for the Council, and provided support and technical assistance throughout the life of the Council.

Jeffrey L. Esser
Executive Director
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Governments allocate scarce resources to programs and services through the budget process. As a result, it is one of the most important activities undertaken by governments. As the focal point for key resource decisions, the budget process is a powerful tool. The quality of decisions resulting from the budget process and the level of their acceptance depends on the characteristics of the budget process that is used.

A budget process that is well-integrated with other activities of government, such as the planning and management functions, will provide better financial and program decisions and lead to improved governmental operations. A process that effectively involves all stakeholders—elected officials, governmental administrators, employees and their representatives, citizen groups, and business leaders—and reflects their needs and priorities will serve as a positive force in maintaining good public relations and enhancing citizens' and other stakeholders' overall impression of government.

The National Advisory Council on State and Local Budgeting (NACSLB) was created to provide tools for governments to improve their budgeting processes and to promote their use. In fulfilling that role, the NACSLB has set forth a framework that has provided the context for development of a set of budget practices for state and local governments. The budget practices identified by the NACSLB take into account, and respect, the differences in state and local laws, the impact of the political aspects of government, and the management needs of government. The practices are appropriate for a variety of management and political styles.

As a result of the evolving nature of good budgeting practice, these practices are not intended as mandatory prescriptions for governments. Rather, practices are set forth as recommendations only, and can serve as a blueprint for governments that want to make improvements to their budget processes. Implementation of these practices is expected to be an incremental process that will take place over a number of years.

The framework presents a definition and mission statement for the budget process. It also presents a structure for the overall budget process consisting of principles and budgetary elements. Budgetary elements are essential components of each principle. This structure allows practices to be categorized in a useful manner. The framework and the compendium of good budget practices are intended to serve as tools to assist governments in improving their budget process. Among the benefits are:

- Educating governments and budget participants about the potential of budget systems,
- Helping governments assess the adequacy of their own budgetary systems,
- Providing guidance to governments that want to improve their budget processes, and
- Promoting education, training, and further experimentation and research on techniques that work.

A good budget process is far more than the preparation of a legal document that appropriates funds for a series of line items. Good budgeting is a broadly defined process that has political, managerial, planning, communication, and financial dimensions. The following definition recognizes the broad scope of the budget process and provides a base for improvement of the budget process.

The budget process consists of activities that encompass the development, implementation, and evaluation of a plan for the provision of services and capital assets.

A good budget process is characterized by several essential features. A good budget process:

- Incorporates a long-term perspective,
- Establishes linkages to broad organizational goals,
- Focuses budget decisions on results and outcomes,
- Involves and promotes effective communication with stakeholders, and
- Provide incentives to government management and employees.

These key characteristics of good budgeting make clear that the budget process is not simply an exercise in balancing revenues and expenditures one year at a time, but is strategic in nature, encompassing a multi-year financial and operating plan that allocates resources on the basis of identified goals. A good budget process moves beyond the traditional concept of line item expenditure control, providing incentives and flexibility to managers that can lead to improved program efficiency and effectiveness.

The mission statement below identifies the central goal of the budget process. It incorporates both political and managerial aspects, as well as a responsibility to report and account for the provision of services and use of resources. Communication and involvement with citizens and other stakeholders is stressed. The broad nature of the mission allows issues to be addressed that have limited the success of budgeting in the past.

The mission of the budget process is to help decision makers make informed choices about the provision of services and capital assets and to promote stakeholder participation in the process.

A company is not likely to remain in business if it does not stay in touch with its customers. While governments that are not in touch and do not have involved citizens may remain in business, the results are often not pleasant for the citizens or the government. Apathy is a serious illness of

government. It is in the best interests of government to have involved “stakeholders.”

The term “stakeholder” refers to anyone affected by or has a stake in government. This term includes, but is not limited to: citizens, customers, elected officials, management, employees and their representatives (whether unions or other agents), businesses, other governments, and the media.

It is vital that the budget process include *a* stakeholders. The budget process should accomplish the following:

- Involve stakeholders,
- Identify stakeholder issues and concerns,
- Obtain stakeholder support for the overall budgeting process,
- Achieve stakeholder acceptance of decisions related to goals, services, and resource utilization,
- Report to stakeholders on services and resource utilization, and serve generally to enhance the stakeholders’ view of government.

The importance of this aspect of the budget process cannot be overstated. Regular and frequent reporting is necessary to provide accountability, educate and inform stakeholders, and improve their confidence in the government. Communication and involvement is an essential component of every aspect of the budget process.

The budget process consists of several broad principles that stem from the definition and mission described above. These principles encompass many functions that cut across a governmental organization. They reflect the fact that development of a budget is a political and managerial process that also has financial and technical dimensions.

The functions or activities covered by these principles generally are sequentially ordered, but they can often be performed concurrently to some extent. Moreover, information obtained from one activity or function can aid in achieving an earlier one. The process can be iterative, and is intended to be so. Some functions may also be accomplished by linkage to other processes rather than as an explicit part of a formal budget process. For example, developing broad goals and identifying the services that are needed to accomplish the goals could be part of a separate strategic planning process. As long as there is an appropriate linkage, these functions do not need to be a formal component of the budget process. Governments do need to give adequate attention to these linkages, however, and ensure that those affected are appropriately involved. The budget should be the centerpiece of a thoughtful, ongoing, decision-making process for allocating resources and setting priorities and direction.

The principles of the budget process follow.

The Four Principles of the Budget Process

1. Establish Broad Goals to Guide Government Decision Making

A government should have broad goals that provide overall direction for the government and serve as a basis for decision making.

2. Develop Approaches to Achieve Goals

A government should have specific policies, plans, programs, and management strategies to define how it will achieve its long-term goals.

3. Develop a Budget Consistent with Approaches to Achieve Goals

A financial plan and budget that moves toward achievement of goals, within the constraints of available resources, should be prepared and adopted.

4. Evaluate Performance and Make Adjustments

Program and financial performance should be continually evaluated, and adjustments made, to encourage progress toward achieving goals.

Each of the principles of the budget process incorporates components or elements that represent achievable results. These elements help translate the guiding principles into action components. Individual budgetary practices are derived from these elements and are a way to accomplish the elements. The elements of each guiding principle are identified on the following page. The principles and elements provide a structure to categorize budgetary practices. A more detailed explanation of the principles and elements is provided in the appendix.

The Twelve Elements of the Budget Process

Establish Broad Goals to Guide Government Decision Making

- 1. Assess community needs, priorities, challenges and opportunities*
- 2. Identify opportunities and challenges for government services, capital assets, and management*
- 3. Develop and disseminate broad goals*

Develop Approaches to Achieve Goals

- 4. Adopt financial policies*
- 5. Develop programmatic, operating, and capital policies and plans*
- 6. Develop programs and services that are consistent with policies and plans*
- 7. Develop management strategies*

Develop a Budget Consistent with Approaches to Achieve Goals

- 8. Develop a process for preparing and adopting a budget*
- 9. Develop and evaluate financial options*
- 10. Make choices necessary to adopt a budget*

Evaluate Performance and Make Adjustments

- 11. Monitor, measure, and evaluate performance*
 - 12. Make adjustments as needed*
-

A budget practice is a procedure that assists in accomplishing a principle and element of the budget process. It is appropriate for all governments and in all circumstances and situations. Budget practices can be hierarchical—that is, one practice can help accomplish another practice. The Council has avoided a practice hierarchy of more than one level. A budget element typically has multiple practices associated with it.

Budget practices must be clearly related to activities identified in the budget process definition. A practice is not a *budget* practice unless it specifically contributes to the development, description, understanding, implementation and evaluation of a plan for provision of services and capital assets. For example, a policy statement on debt capacity is included in a set of budget practices since debt is a component of the budget and the budget decision making. However, a practice encouraging competitive sales of debt is not a budget practice. More specific methods of accomplishing a budget practice are usually categorized as tools and techniques. There also may be alternative ways to accomplish a practice. Different governments may find one tool or technique works better for them than another. Budget practices do not identify a specific time frame, but tools and techniques may do so. See the section on *et sa ec i es* for a more detailed description of these items.

The budget practice format used by the NACSLB is concise and normally fits on one page. Practice examples are in addition to the one-page description. The format includes the following:

- *name*—A short phrase naming the practice that can be used to succinctly describe the practice.
- *Principle and element*—Name of the principle and element with which the practice is associated.
- *Parent Practice*—Name of the practice to which this practice is hierarchically related, if any.
- *Practice description*—A brief description of the practice. It should be no more than two or three sentences.
- *Justification*—A short one- to three-sentence explanation of the need for the practice and why it is important. It describes the generally applicable benefits.
- *Outputs*—A brief description of communications and outputs. It identifies what is to be produced and who is the audience.
- *Notes*—Additional information with regard to practice implementation, roles, and optional features. Award program requirements and sources may also be provided.
- *Examples*—The NACSLB has compiled more than 100 examples to illustrate implementation of the recommended practices. The examples come from the budgets and other documents of state and local governments, as well as school and other special districts in the United States. These examples can be found in a CD Rom available for purchase from the Government Finance Officers Association, as

well as through hypertext links from the web sites of the following associations:

- <http://www.asbointl.org>
- <http://www.csg.org>
- <http://www.icma.org/othersites>
- <http://www.naco.org>
- <http://www.ncsl.org>
- http://www.usmayors.org/uscm/uscm_projects_services/management_improvement

The budgetary practices are categorized using the principle/element/practice/example hierarchy described in this budgetary framework document. Practices help to accomplish a budgetary element which in turn is a component of a budgetary principle. The NACSLB considers that the recommended budgetary practices are representative of the range of issues raised by each budgetary element. However, the NACSLB also recognizes that there may be additional practices that can be associated with each element and that practices may be added or changed in the future. As a result, this classification is intended to be dynamic and periodically reviewed and updated.

Budget tools and techniques are specific methods of accomplishing a practice. Budget tools and techniques assist in some situations or governments, but may not in all. The NACSLB has not developed tools and techniques. Tools and techniques supporting each practice may be better left to the NACSLB member associations and others to develop.

There are numerous issues affecting the successful implementation of budget practices. Failure to address these issues will, at a minimum, be an impediment to improving the budget process, but could have a more severe, adverse impact on the budget process and the quality of the budget results. The NACSLB feels the practices it has developed respect the problems a government may have in implementing a good budget process. The following issues need to be taken into account in the tools and techniques that support budgetary practices:

- Managing the budget process and changes to budget practices.
- Dealing with differences between governments, including size and legislative processes.
- Adjusting for organizational structure and issues.
- Addressing the organizational culture with regard to the budget process
- Election campaign issues.
- Desire to have change or to prevent change.
- Level of resources available for programs.
- Available level of technical system and support.
- Dealing with high (or low) expectations.
- Legal requirements.

- Ensuring citizen processes work.
- The level of stakeholder understanding.
- Accuracy of projections and assumptions.
- Level of disclosure.

The budget practices have been developed to provide guidance to governments that want to make improvements to their budget processes. The NACSLB endorses the practices and considers them a component of good government. These practices should not be regarded as standards or requirements, however. The complex, evolving, and political nature of the budget process make it certain that some governments will find alternative approaches to good budgeting. These approaches may well become additions to or provide the basis for modifying practices identified by the NACSLB.

Some activities identified in the practice statements do not need to be undertaken in every budget cycle. In-depth reviews of existing programs and capital assets, for example, may not be necessary in every period, as long as prior assessments remain relevant. Governments are encouraged to adapt the practices to their particular circumstances.

Success in implementing the principles, elements, and practices should not be measured by how rapidly they are incorporated into the budget process. Successful implementation is likely to take a number of years in order to build the necessary level of understanding among all participants, institute support systems, and make modifications to accommodate the unique nature of each government. The smallest governments and the largest governments (particularly states) may have the most difficulty implementing some aspects of the practices. These governments are more likely to require a longer time period to fully implement the practices and to make the greatest number of modifications to accommodate their individual needs.

The recommended practices are intended to supplement existing statutes controlling a government's budget process. The recommended practices should rarely, if ever, be directly in conflict with statute. A conflict can usually be resolved by simply having official materials meet statutory requirements and preparing additional materials conforming to the recommended practices. If there ever is unresolvable conflict, then statutory requirements should take precedence.

Pri c i e Establish Broad Goals to Guide Government Decision Making
e e t Assess Community Needs, Priorities, Challenges, and Opportunities

Practice A government should develop mechanisms to identify stakeholder concerns, needs, and priorities.

ati a e The limited resources of a government should be directed in a manner consistent with the concerns, needs, and priorities of stakeholders; hence, a government must be aware of those concerns, needs, and priorities.

t ts This practice provides for a series of mechanisms to promote stakeholder participation in discussing and communicating values and issues that are of concern to them. Among the mechanisms that might be considered are public hearings, surveys, meetings of leading citizens and citizen interest groups, government strategic planning processes, meetings with government employees, and workshops involving government administrative staff and/or the legislative body.

tes This practice is integral to practices addressing the development and dissemination of broad goals. Interaction with stakeholders is encouraged as a means to identify their needs, concerns, and priorities and to inform them about issues affecting the government, including available resources. This practice also is related to practices that assess stakeholder satisfaction with programs and services and progress toward achieving goals. (See practice entitled *it r eas re a a ate ta e er atis acti* .)

<i>Pri</i>	Establish Broad Goals to Guide Government Decision Making
<i>ci</i>	
<i>e</i>	Assess Community Needs, Priorities, Challenges, and Opportunities

Practice A government should regularly collect and evaluate information about trends in community condition, the external factors affecting it, opportunities that may be available, and problems and issues that need to be addressed.

ati A government must have an understanding of the issues and trends affecting a community in order to establish the most appropriate goals.

ts A variety of mechanisms should be considered to gather information about the community and to report on the results. Some mechanisms will involve data gathering from preexisting sources or through opinion surveys. Other mechanisms will be subjective, such as observing physical characteristics of geographic areas within the community or talking to residents, experts, business and community leaders, and legislative bodies. Formal studies of particular issues or trends may also be undertaken.

tes The intent of this practice is for a government to have up-to-date information with which to evaluate community conditions and major issues that are integral to the development and achievement of goals. In evaluating community condition, a government may want to consider local, regional, national, and global factors affecting the community, including:

- Economic and financial factors,
- Demographic trends,
- Legal or regulatory issues,
- Social and cultural trends,
- Physical (e.g., community development) or environmental factors,
- Intergovernmental issues, and
- Technological change.

The frequency and extensiveness of the evaluation should be consistent with how frequently the information changes and the relative importance of the information being gathered.

Pri c i e Establish Broad Goals to Guide Government Decision Making
e e t Identify Opportunities and Challenges for Government Services, Capital Assets, and Management

Practice A government should identify and assess the programs and services that it provides, their intended purpose, and factors that could affect their provision in the future.

ati a e Changes in community conditions or other factors may result in a program or service no longer addressing the needs it was intended to serve. Also, changes in the operating environment may affect the cost or effectiveness of service delivery in the future. These changes must be understood before an assessment can be made of whether existing programs should be continued or whether adjustments should be made.

t ts A government should have a process for inventorying and evaluating programs and services to determine the relationship of these programs to the needs and priorities of the community. The review should include an assessment of the programs' purposes, beneficiaries and needs served, their success in achieving goals, and issues, challenges, and opportunities affecting their provision in the future. The inventory of programs and services should identify the organization responsible for service delivery if it is not the government itself. An evaluation of factors affecting service delivery also should be undertaken, such as funding issues; changes in technology; economic, demographic, or other factors that may affect demand; and legal or regulatory changes. These reviews will typically utilize a variety of information sources. Stakeholder involvement in these reviews should be encouraged.

tes The intent of this practice is to ensure that a government understands the programs and services that it provides.

Pri c i e Establish Broad Goals to Guide Government Decision Making
e e t Identify Opportunities and Challenges for Government Services, Capital Assets, and Management

Practice A government should identify and conduct an assessment of its capital assets, including the condition of the assets and factors that could affect the need for or ability to maintain the assets in the future.

ati a e The capital assets of a government and their condition are critical to the quality of services provided, and hence are important in determining whether the needs and priorities of stakeholders can be met.

t t s A government should have a process for inventorying its capital assets and assessing the need for and the condition of these assets. The assessment should include an evaluation of issues, challenges, and opportunities affecting the provision of capital assets in the future, such as community needs and priorities; the impact of deferred maintenance; funding issues; changes in technology; economic, demographic, or other factors that may affect demand; and legal or regulatory changes. This review may be undertaken in conjunction with an evaluation of the program or service utilizing the particular assets. The assessment of capital asset condition should consider the impact of any deferred maintenance and needed improvements. Identification or development of measurement standards for the condition of capital assets (including what is regarded as acceptable) are a valuable output of this practice.

tes Reviews of the condition of a capital asset and how well it is meeting its intended purpose may not be undertaken very often, particularly if there is little change occurring. However, the information obtained from these assessments can be an important component of an overall evaluation of community needs and issues. Particular attention should be paid to the extent of deferred maintenance, the impact on service quality, and the impact on costs. Capital assets that have shorter lives or require more maintenance should be examined more frequently than longer-lived assets or assets requiring little maintenance. Governments should stay abreast of developments that may affect their major capital assets, such as regulatory changes, population movements, or technological advances, and consider the impact of such issues in the goal-setting process.

Pri ci e Establish Broad Goals to Guide Government Decision Making
e e t Identify Opportunities and Challenges for Government Services, Capital Assets, and Management

Practice A government should identify and analyze its organization and management systems, including system strengths and weaknesses and factors that could affect these systems in the future.

ati a e The support systems established to manage a government are integral to the achievement of goals.

t ts A process should be instituted to routinely identify, analyze, and address issues related to a government's organization and management systems and the environment in which these systems operate. This process includes an examination of strengths and weaknesses of the organizational structure, interdepartmental communication and cooperation, communication of goals and directives, motivation of staff, conflict management, and provision of other internal needs and support systems. The review also should include an assessment of management policies, procedures, and systems that support achievement of goals. These reviews should involve stakeholders, as appropriate, including legislative bodies; government managers, employees and/or their representatives; and business and community leaders.

tes The intent is that a government have a workable process for reviewing its internal management systems. The process identifies the changes necessary to respond to perceived opportunities and challenges and to achieve particular goals.

Pri c i e Establish Broad Goals to Guide Government Decision Making
e e t Develop and Disseminate Broad Goals

Practice A government should identify broad goals based on its assessment of the community it serves and its operating environment.

ati a e Broad goals define the priorities and preferred future state of the community or area served. They provide a basis for making resource allocation decisions during the budget process and serve as a focal point for assessing and coordinating various long-range or strategic plans.

t ts Goals should be expressed in written form and should reflect stakeholder concerns, needs, and priorities as well as factors affecting the community and the government. They must be sufficiently specific to help define the services to be emphasized and make difficult resource allocation decisions in the budget process. In addition, it may be necessary to define priorities among goals to improve their usefulness in allocating resources.

tes This practice builds on work accomplished through elements addressing the identification of community needs and priorities, and evaluation of community condition and the government's operating environment. Goals should be developed proactively rather than reactively and with the involvement of all levels and units of government. Broad goals may conflict at times. Care must be taken to evaluate the interaction between conflicting goals and develop a sufficient degree of consensus on priorities so that the all stakeholders have a clear understanding of the direction in which the government is heading. Once goals are established, more detailed action plans can be developed and integrated with management and budget processes.

Principle Establish Broad Goals to Guide Government Decision Making
Objective Develop and Disseminate Broad Goals

Practice A government should disseminate broad goals and review them with stakeholders.

Attributes Disseminating and reviewing goals helps foster participation, awareness, consensus, pride, and a sense of direction.

Methods Dissemination may occur by conducting public forums and by publishing goals in key public documents, such as strategic and other planning documents and budget documents. Electronic media may also be used. Opportunities should be provided to review goals periodically. If necessary, they should be updated to reflect the general desires of stakeholders.

Notes To be effective, broad goals need to be actively discussed on an ongoing basis. Stakeholders also need to understand how these goals relate to policies, action plans, and resource allocation decisions. In disseminating goals, a government should encourage feedback from stakeholders, both on the goals themselves and on related policies and practices.

<i>Principle</i>	Develop Approaches to Achieve Goals
<i>Principle</i>	Adopt Financial Policies

<i>Practice</i>	A government should develop policies to guide the creation, maintenance, and use of resources for financial stabilization purposes.
<i>Attainment</i>	Governments should maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.
<i>Tasks</i>	The policies should establish how and when a government builds up stabilization funds and should identify the purposes for which they may be used. Development of a policy on minimum and maximum reserve levels may be advisable. Policies on stabilization funds should be publicly available and summarized in materials used in budget preparation. They also should be identified in other government documents, including planning and management reports.
<i>Notes</i>	Stabilization funds are called by many names including rainy day funds, unreserved, undesignated fund balances, and contingency funds. These funds may be used at a government's discretion to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities. They provide flexibility to respond to unexpected opportunities that may help a government achieve its goals. Policies on the use of these funds may also be tied to an adverse change in economic indicators (such as declining employment or personal income) to ensure that the funds are not depleted before an emergency arises. The minimum and maximum amounts to be accumulated may be based on the types of revenue, the level of uncertainty associated with revenues, the condition of capital assets, or the government's level of security with its financial position. Stabilization funds may be constrained by state or local laws. Legally required reserves should be distinguished from discretionary reserves.

Principle Develop Approaches to Achieve Goals
Objective Adopt Financial Policies

Practice A government should adopt policies that identify the manner in which fees and charges are set and the extent to which they cover the cost of the service provided.

Attainment Policies that require identification of both the cost of the program and the portion of the cost that will be recovered through fees and charges allow governments and stakeholders to develop a better understanding of the cost of services and to consider the appropriateness of established fees and charges.

Methods Policies may address a requirement to review all fees and charges, the level of cost recovery for services and the reason for any subsidy, and the frequency with which cost-of-services studies will be undertaken. Stakeholders should be given an opportunity to provide input into formulation of these policies. Policies on fees and charges should be publicly available and summarized in materials used in budget preparation. They should also be identified in other government documents, including planning and management reports.

Notes Costs of service include direct and indirect costs such as operating and maintenance costs, overhead, and charges for use of capital (depreciation and debt service). A government may choose not to recover all costs, but it should identify such costs. Reasons for not recovering full costs should be identified and explained. State and local law may govern the establishment of fees and charges.

Principle Develop Approaches to Achieve Goals
 Objective Adopt Financial Policies

Practice A government should adopt policies to guide the issuance and management of debt.

Attributes Issuing debt commits a government's revenues several years into the future, and may limit the government's flexibility to respond to changing service priorities, revenue inflows, or cost structures. Adherence to a debt policy helps ensure that debt is issued and managed prudently in order to maintain a sound fiscal position and protect credit quality.

Details Elements of policies on debt issuance and management include: purposes for which debt may be issued; matching of the useful life of an asset with the maturity of the debt; limitations on the amount of outstanding debt; types of permissible debt; structural features, including payment of debt service and any limitations resulting from legal provisions or financial constraints; refunding of debt; and investment of bond proceeds. Legal or statutory limitations on debt issuance should be incorporated into debt policies. Debt policies should be made available to the public and other stakeholders. Because these policies are essential to budget decision making, particularly capital budgets, they should be reviewed by decision makers during the annual budget process and summarized in the budget document. The legislative body should formally adopt debt policies and compile them with other financial policies.

Notes Debt policies should be integrated with other financial policies, particularly operating and capital budget policies. The policies should reflect statutory and legal requirements as well as the government's financial condition and philosophy. The GFOA has adopted a recommended practice on the development of a debt policy.

Principle Develop Approaches to Achieve Goals

Objective Adopt Financial Policies

Item

Practice Develop Policy on Debt Issuance and Management

Practice A government should adopt a policy on the maximum amount of debt and debt service that should be outstanding at any one time.

Objective Policies guiding the amount of debt that may be issued by a government help ensure that outstanding and planned debt levels do not exceed an amount that can be supported by the existing and projected tax and revenue base.

Items A government should develop distinct policies for general obligation debt, debt supported by revenues of government enterprises, and other types of debt such as special assessment bonds, tax increment financing bonds, short-term debt, variable-rate debt, and leases. Limitations on outstanding debt and maximum debt service may be expressed in dollar amounts or as ratios, such as debt per capita. Policies on debt level and capacity should be incorporated into other debt policies and adopted by the legislative body.

Items Policies on debt level and capacity should be developed in accordance with an analysis of debt capacity. Factors that are recommended in evaluating debt capacity include current financial capacity, projected future capacity, statutory and constitutional limitations, and bond covenants. The GFOA has adopted a recommended practice on analysis of debt capacity. Also, the International City/County Management Association publication *Analysis of Debt Capacity* provides a set of indicators that can be used to evaluate debt capacity.

<i>Principle</i>	Develop Approaches to Achieve Goals
<i>Principle</i>	Adopt Financial Policies

<i>Practice</i>	A government should adopt a policy limiting the use of one-time revenues for ongoing expenditures.
<i>Definition</i>	By definition, one-time revenues cannot be relied on in future budget periods. A policy on the use of one-time revenues provides guidance to minimize disruptive effects on services due to non-recurrence of these sources.
<i>Guidelines</i>	One-time revenues and allowable uses for those revenues should be explicitly defined. The policy should be publicly discussed before adoption and should be readily available to stakeholders during the budget process. The policy, and compliance with it, should be reviewed periodically.
<i>Examples</i>	Examples of one-time revenues include: infrequent sales of government assets, bond refunding savings, infrequent revenues from development, and grants. These revenues may be available for more than one year (e.g., a three-year grant), but are expected to be non-recurring. Examples of expenditures for which a government may wish to use one-time revenues include startup costs, stabilization (e.g., to cover expenditures that temporarily exceed revenues), early debt retirement, and capital purchases. Uses that add to the ongoing expenditure base should be carefully reviewed and minimized, e.g., capital expenditures that significantly increase ongoing operating expenses without a sustainable and offsetting long-term revenue plan. Certain variable components of major revenue sources are similar to one-time revenue sources. While they may be addressed in a one-time revenue policy, they also may be considered separately. (See practice entitled <i>Alternative Revenue Sources</i> .)

<i>Principle</i>	Develop Approaches to Achieve Goals
<i>Practice</i>	Adopt Financial Policies
<i>Practice</i>	Develop Policy on Use of One-Time Revenues

Practice A government should identify major revenue sources it considers unpredictable and define how these revenues may be used.

Practice Unpredictable revenue sources cannot be relied on as to the level of revenue they will generate. Particularly with major revenue sources, it is important to consider how significant variation in revenue receipts will affect the government's financial outlook and ability to operate programs in the current and future budget periods.

Practice For each major unpredictable revenue source, a government should identify those aspects of the revenue source that make the revenue unpredictable. Most importantly, a government should identify the expected or normal degree of volatility of the revenue source. For example, revenues from a particular source may fluctuate, but rarely, if ever, fall below some predictable minimum base. A government should decide, in advance, on a set of tentative actions to be taken if one or more of these sources generates revenues substantially higher or lower than projected. The plans should be publicly discussed and used in budget decision making.

Practice Many of the most important revenue sources relied on by state and local governments are unpredictable to some degree. Examples may include intergovernmental revenues, inheritance taxes, taxes on mineral production, interest income, sales and use tax, lottery revenues, and revenues subject to future judicial rulings. These revenues are often used to fund ongoing programs. A financial plan for governments should take into account the unpredictable nature of key revenues. This ensures that a government understands the potential impact on its ability to cover service costs and develops contingency plans in advance to address unpredictable revenue fluctuations. Specific allocation and contingency plans do not have to be developed for all unpredictable revenues, but become increasingly necessary as the size or unpredictability of the revenue source increases. This practice may address or refer to a separate policy on the use of stabilization funds. (See practices entitled *Contingency Planning* and *Stabilization Funds*.)

<i>Pri</i>	Develop Approaches to Achieve Goals
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<i>e</i>	Adopt Financial Policies
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Practice A government should develop a policy that defines a balanced operating budget, encourages commitment to a balanced budget under normal circumstances, and provides for disclosure when a deviation from a balanced operating budget is planned or when it occurs.

ati *ae* A balanced budget is a basic budgetary constraint intended to ensure that a government does not spend beyond its means. At a minimum, balance should be defined to ensure that a government's use of resources for operating purposes does not exceed available resources over a defined budget period. A more stringent definition requires that a government maintain a balance between operating expenditures and operating revenues over the long term, not just during the current operating period. This latter definition of balance is referred to as structural balance, and is the goal of this practice.

t *ts* The policy should provide clear definition as to how budgetary balance is to be achieved. Definitions of items to be counted as operating resources (e.g., revenues) and operating resource uses (e.g., expenditures) should be explicitly identified. All funds should be included. Statutory and other legal "balanced" budget requirements should be met, but this practice recommends additional policies and practices, if necessary, to achieve and report on structural balance. The policy should explicitly note and, if necessary, explain the relevant constitutional, statutory, or case law provisions that impose a balanced budget requirement upon the government. The policy also should identify the circumstances when deviation from a balanced budget may occur. The policy should be written in nontechnical language or have a nontechnical summary. Because of its importance in budget decisions, it should be readily available to stakeholders and publicly discussed at key points in the budget process. Compliance with the policy should be reviewed and disclosed during each budget period.

tes Some states and local governments define resources and resource uses to include fund balance or changes to fund balances. There may be statutory or other requirements that a budget must be balanced based on this definition. These types of statutory balanced budget requirements are a component of and not in conflict with the goal of achieving structural balance. Additional or even separate reporting may be required to demonstrate that both statutory balance and structural balance have been achieved.

This practice does not directly apply to capital budgets. Capital budgets are often funded at least partially from one-time resources. However, the ongoing maintenance or replacement of capital equipment or facilities is an important part of the budget process. Such items, particularly mainte-

nance or equipment replacements, are often defined as operating items to ensure their inclusion in operating budget decisions.

A balanced budget policy may include the following:

- Identification of and rationale for what operating resources and resource uses are included or excluded from the definition of a balanced budget calculation. For example, does the calculation include operating revenues and expenditures only; does it include capital maintenance or replacement; does it include interfund transfers; and does it include highly variable components of ongoing revenues (such as the volatile component of sales tax revenues or development-related revenue).
- The circumstances when fund balances may be used as a resource.
- The point(s) at which the budget must be balanced, e.g., upon adoption, throughout the year, or at year-end.
- The accounting basis (cash, accrual, other) that is used to define revenues and expenditures.
- The circumstances in which noncompliance with the balanced budget policy is permitted (e.g., during the early stages of an economic downturn so that services can be reduced in an orderly fashion).
- The official, agency, or legislative body (or combination of authorities) responsible for making any necessary decisions on whether or not a budget is in balance.
- The authority that must take action to bring the budget into balance if adjustments are needed in the course of a fiscal period.

Principle Develop Approaches to Achieve Goals
e e t Adopt Financial Policies

Practice A government should adopt a policy that encourages a diversity of revenue sources.

attainable All revenue sources have particular characteristics in terms of stability, growth, sensitivity to inflation or business cycle effects, and impact on tax and rate payers. A diversity of revenue sources can improve a government's ability to handle fluctuations in revenues and potentially help to better distribute the cost of providing services.

tests The policy should identify approaches that will be used to improve revenue diversification. An analysis of particular revenue sources is often undertaken in implementing the policy. This analysis should address the sensitivity of revenues to changes in rates, the fairness of the tax or fee, administrative aspects of the revenue source, and other relevant issues. The policy and the approach to implementation should be periodically reviewed.

tests Over time a government should strive to improve its revenue diversity to the extent feasible. When a government is statutorily or otherwise limited as to the types of revenues it may raise, it should consider options to enhance flexibility within the constraints of available revenue sources. For example, governments that must rely heavily on property taxes may seek to diversify the tax base on which the property tax is levied. A government should recognize that changes in the diversity of revenue sources can affect the relative tax burden on different stakeholders.

Principle Develop Approaches to Achieve Goals
Objective Adopt Financial Policies

Practice A government should have a policy to guide the financial actions it will take in the event of emergencies, natural disasters, or other unexpected events.

Objective When emergencies or unexpected events occur, having a policy that can be applied, or at least serve as a starting point, for financial decisions and actions improves the ability of a government to take timely action and aids in the overall management of such situations.

Details This policy should identify types of emergencies or unexpected events and the way in which these situations will be handled from a financial management perspective. It should consider operational and management impacts. The policy should be publicly discussed and reviewed periodically.

Notes Policies on contingency planning are used as a general guide when an emergency or unexpected event occurs. A set of actions and strategies will be identified for each type of situation. Examples of financial emergencies that require contingency plans are sudden and severe decreases in locally collected revenues or intergovernmental aid, and unexpected major capital maintenance requirements. Development of a contingency plan in advance of such situations may be viewed positively by the rating agencies when evaluating a government's credit quality. It can also help expedite relief efforts when an emergency does occur and allow the government to recover funds more quickly or more effectively in the event of a natural disaster. (See practice entitled *Emergency Preparedness*)

Principle Develop Approaches to Achieve Goals
Objective Develop Programmatic, Operating, and Capital Policies and Plans

Practice A government should develop and adopt policies and plans to guide the design of specific programs and services.

Attainment Service and program policies and plans translate broad goals into strategies for achieving goals. These policies and plans provide the basis for designing specific programs and services.

Details Program and service policies and plans may address items such as: groups or populations to be served, service delivery issues, examples of possible programs, standards of performance (including level of service standards or other measures to gauge success), expected costs, time frames for achievement of goals, issues pertaining to organizational structure, and priorities for service provision. Policies and plans should be adopted by the governing body and made publicly available.

Notes A clear, well-documented statement of policies and plans in broad program and service areas becomes particularly important when goals cross organizational and program lines. For example, a goal to revitalize the downtown or to promote rural development could result in multi-departmental programs addressing job creation, transportation, housing, and health care.

<i>Principle</i>	Develop Approaches to Achieve Goals
<i>Objective</i>	Develop Programmatic, Operating, and Capital Policies and Plans

Practice A government should adopt policies and plans for capital asset acquisition, maintenance, replacement, and retirement.

Attainment Policies and plans for acquisition, maintenance, replacement, and retirement of capital assets help ensure that needed capital assets or improvements receive appropriate consideration in the budget process and that older capital assets are considered for retirement or replacement. These policies and plans are necessary to plan for large expenditures and to minimize deferred maintenance.

Details Policies may address inventorying capital assets and evaluating their condition, criteria for acceptable condition, criteria for continued maintenance versus replacement or retirement of an existing asset, and identification of funding for adequate maintenance and scheduled replacement of capital assets. Plans should be developed to establish ongoing, multi-year replacement and renewal schedules, and should recognize the linkage of capital expenditures with the annual operating budget. Plans for addressing deferred maintenance may also be an output of this practice. Stakeholders should have an opportunity to provide input as capital asset policies and plans are formulated. Once adopted, the policies and plans should be made publicly available, particularly as set forth in budget, management, and planning documents. Policies and plans should be incorporated into decision making in the budget process.

Notes Capital asset acquisition, maintenance, replacement, and retirement policies provide a basis for formulating long-range plans to address capital needs. These policies should be realistic if they are to be used in decision making. Information gathered through processes described in the practice entitled *Assessing Capital Assets and Retirement Policies and Plans* can be helpful in formulating the policies and plans. When developing capital plans, maintenance of existing facilities, including deferred maintenance, should be considered along with new projects.

<i>Pri</i>	Develop Approaches to Achieve Goals
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<i>e</i>	Develop Programs and Services That Are Consistent with Policies and Plans
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Practice A government should develop programs and services that are consistent with policies and plans and should evaluate alternative delivery mechanisms.

ati Programs and services are the means by which a government addresses priorities established through its policies and plans. An evaluation of delivery alternatives for services and programs helps ensure that the best approach is selected for delivering a service.

ts A government should institute a process to develop new programs and services and review existing ones in the context of how well they meet programmatic and operating policies and plans. All programs should have measurable goals that relate to goals established for the more general policies and plans. The process should include an examination of how a government traditionally provides the service. It also should consider whether the service could be delivered more effectively or more efficiently if provided in a different way, either by the government itself or by entities outside of the government.

tes Ideally, programs and services will be developed after the adoption of program policies and plans. Once a program has been developed, however, periodic review is necessary to ensure that it remains consistent with a government's general policies and plans. Considerations in evaluating service delivery mechanisms, whether provided directly by a government or contracted out, include:

- Cost of service, including short- and long-term direct costs, costs to administer and oversee the service, impact on rates and charges, and impact on costs of other government services.
- Service quality and control, including safety and reliability, ability to control service levels and who receives the service, ability of the government to make internal changes to improve its own performance, ability to change the delivery mechanism in the future, and risk of contractual nonperformance and default.
- Management issues, including the quality of monitoring, reporting, and performance evaluation systems, public access to information, and ability to generate or sustain competition in service delivery.
- Financial issues, including impact on outstanding debt and grant eligibility.
- Impact on stakeholders, including government employees, customers, and taxpayers.
- Statutory and regulatory issues, including impact on federal and state legal and regulatory requirements, and liability.

<i>Pri ci e</i>	Develop Approaches to Achieve Goals.
<i>e e t</i>	Develop Programs and Services That Are Consistent with Policies and Plans

Practice A government should develop specific capital project options for addressing capital needs that are consistent with financial, programmatic, and capital policies and should evaluate alternatives for acquiring the use of capital assets.

ati a e Capital project planning is necessary to give adequate consideration to longer-range needs and goals, evaluate funding requirements and options, and achieve consensus on the physical development of the community. An evaluation of alternative mechanisms helps ensure that the best approach for providing use of a capital asset or facility is chosen based on the policies and goals of the government.

t ts A government should have a process that identifies capital projects that are needed to achieve goals and a general time frame in which these assets will be needed. This assessment should consider need, life cycle costs (including operating costs), impact on services, beneficiaries of the project, financing issues, and other impacts. Plans for acquiring capital assets should be part of or consistent with land use, transportation, or other long-range plans of the community or area. Options for acquiring the use of capital assets and facilities should be examined. In some cases, the process for evaluating capital acquisition alternatives is linked with a corresponding process for evaluating service delivery alternatives.

tes This practice is intended to encourage a government to consider whether capital project proposals (including retirement of assets) meet policies and plans. Periodic reviews of existing projects and facilities in relation to goal attainment also should be undertaken when deciding whether to maintain, renovate, replace, or abandon those facilities. Considerations in evaluating acquisition mechanisms include:

- Costs, including both capital and operating costs, impact on rates and charges, and impact on costs of other government services.
- Effects on service, including technical and financial capabilities of the entity that owns the asset, ability to control the use of the asset (including expanding or contracting the facility), ability to maintain the asset, and risk of contractual nonperformance and default.
- Management issues, including maintaining oversight of the asset and related services and operations, impact on economic growth and development, impact on service coordination, and public access to information.
- Financial issues, including availability of cash, budgetary impacts, impact on outstanding debt, and grant eligibility.

- Impact on stakeholders such as government employees, customers, and taxpayers.
- Statutory and regulatory issues, including impact on federal and state legal and regulatory requirements, and liability.

Principle Develop Approaches to Achieve Goals
Objective Develop Programs and Services That Are Consistent with Policies and Plans

Practice The functions, programs, and/or activities of the government's organizational units should be identified.

Objective Clear identification of the functions, programs, and/or activities of organizational units assists those reviewing or evaluating the government develop a better understanding of the role of each organizational unit, and it aids in evaluating the services it provides. Explicit descriptions of these items also help employees of the government better understand the tasks for which they are responsible.

Tasks Descriptions of the purpose and roles of organizational units should be published using appropriate technology and made available to policy makers, management, employees, citizens, and other stakeholders. This documentation should be prepared with stakeholder involvement and review in order to ensure that employees as well as other stakeholders understand the responsibilities of each organizational unit and its relationship to other units. Any organizational unit for which resources are allocated through the budget process should also have its basic purpose and roles described in the budget document. Descriptions of organizational units should include the major functional relationships to other organizational units.

Notes Identification of what organizational units do is an important task of a government. Preparation of these descriptions can be undertaken at any time and updated when necessary and appropriate.

<i>Pri</i>	Develop Approaches to Achieve Goals
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<i>e</i>	Develop Programs and Services That Are Consistent with Policies and Plans
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Practice A government should develop and utilize performance measures for functions, programs, and/or activities.

ati Performance measures are used for assessing how efficiently and effectively functions, programs, and activities are provided and for determining whether program goals are being met.

t Performance measures should be linked to specific program goals and objectives. The measures should be valid, reliable, and verifiable. Whenever feasible, they should be expressed in quantifiable terms. Measures should be reported in periodic reviews of functions and programs and should be integral to resource allocation decisions. They also should be reported in the budget document and may be reported in separate management reports or reports to citizens. Different aggregations of performance measures may be appropriate for different audiences.

tes There are several types of performance measures: inputs (resources), outputs, efficiency, and effectiveness (outcomes). Each of these types of measures serves a purpose, although only the measures of efficiency and effectiveness truly report on performance. It is important that measures be chosen to “measure the right things” — that is, they must be relevant to the goals of a program. Sources of data for performance measures include existing records, trained observer readings, and surveys.

Performance measures can help managers direct and manage an organization. They also provide tools for managers to determine the most appropriate tasks to perform. It is often easier to focus on achieving goals and objectives if they can be expressed as the achievement of quantifiable measures. Care should be taken to minimize potential problems such as misinterpretation, misdirection of a program and its staff as a result of poor or incomplete measures, costly data collection, and measures that are affected by uncontrollable environmental factors. A good performance measurement system will avoid the inclusion of so many measures that they become overwhelming and difficult to interpret. A government should periodically review its performance measurement system and make improvements in terms of the relevance of the measures used, data collection, analysis, and reporting.

<i>Pri</i>	Develop Approaches to Achieve Goals
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<i>e</i>	Develop Programs and Services That Are Consistent with Policies and Plans
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<i>Practice</i>	Develop Performance Measures

<i>Practice</i>	Performance benchmarks should be developed to aid in assessing how well a function, program, and/or activity is provided and how well it meets needs.
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<i>ae</i>	Performance benchmarks are comparative standards of performance and provide a frame of reference for evaluating program and service quality and cost-effectiveness. They are used as a basis against which to compare performance measures of functions, programs, and activities.
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<i>ts</i>	Benchmarks can be developed to allow performance comparisons with other service providers, whether within the government, with other governments, or with private providers. External benchmarks (those providing comparison with outside service providers) can be beneficial to overall evaluation, especially if valid comparisons can be made with the best service providers. Internal benchmarks (comparisons to alternatives within the government) will provide somewhat less information, but there may be fewer problems with consistency of data. When selecting any type of benchmark, it is important to consider how closely it relates to stated program and service goals. Benchmarks should be consistently defined and measurable. Performance benchmarks and the measures being compared should be included in management reports and reports to stakeholders.
<i>tes</i>	Performance benchmarks, along with an accompanying review of each chosen provider's service approach, can be helpful in making improvements. These comparisons may provide valuable information and insight to policy makers, managers, and other stakeholders that can be used to guide the direction of a function, program, or activity. Performance benchmarks also help stakeholders better assess whether government performance in a particular area is acceptable or could be improved. Benchmark comparisons should be undertaken carefully to avoid misinterpretation resulting from differences in the scope of the function, program, or activity used for comparison; the environment in which the service operates; and measurement techniques. The use of accompanying explanatory information helps avoid invalid comparisons. As with any performance measurement analysis, care must be taken to ensure that the cost of undertaking a benchmark analysis does not exceed the benefits.

Pri ci e Develop Approaches to Achieve Goals
e e t Develop Management Strategies

Practice A government should develop an organizational structure and management strategies to facilitate attainment of program and financial goals.

ati ae Goals are more likely to be achieved if organizational and management strategies are developed to support and encourage organizational and individual performance directed toward goal attainment.

t ts A government should develop, review, improve, and implement strategies that encourage the organization and its employees to work toward achievement of goals. These strategies include both positive incentives and penalties. They also include support systems such as technology support, education, and training. When developing these strategies, opportunities should be provided for input from those who will be affected.

tes While this practice is intended to address strategies that focus on both rewards and penalties, it is expected that emphasizing rewards will produce more beneficial results for the organization. Each government may have unique approaches and strategies for goal attainment.

Principle Develop Approaches to Achieve Goals.
Objective Develop Management Strategies

Practice A government should have mechanisms in place to ensure compliance with the adopted budget.

Attributes Appropriate management processes and systems allow a government to detect and correct significant deviation if it occurs.

Details Mechanisms should be in place to detect and correct deviations from the budget. These measures may be as simple as a requirement (supported by appropriate rewards and penalties) that managers not go over budget. Budgetary compliance is encouraged through use of data collection and reporting systems that control disbursements of funds and that facilitate the evaluation of revenue and expenditure trends and financial projections. Development of a monthly or quarterly revenue and spending plan against which to compare actual results and contingency plans to address significant deviation if it occurs should also be considered. Mechanisms usually also include the assignment of budget or finance personnel to conduct monthly or quarterly reviews of trends in actual expenditures and revenues and actual-to-budget comparisons so that timely corrective action can be taken. A government should institute procedures to review the budget periodically (e.g., quarterly) and decide on actions to bring the budget into balance, if necessary. (See practice entitled *Effective Predictive Practices*.)

Notes Deviations caused by external factors or “big picture” issues are not as susceptible to management control and are not the focus of this practice. However, effective mechanisms to control the financial aspect of the budget may help detect these external issues so that adjustments can be made to comply with the adopted budget. This practice is intended to apply to all components of the organization.

<i>Pri</i>	Develop Approaches to Achieve Goals
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<i>e</i>	Develop Management Strategies
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Practice A government should choose the type of budget, the manner in which it will be presented, and time period covered by the budget that best fit its needs.

ati *ae* The type of budget, the time period covered, and the manner of presenting materials in the budget documents can have a significant practical impact on a government's approach to planning, control, and overall management of its programs, services, and finances, and on the quality of information provided to stakeholders.

t *ts* The outputs of this practice are the type of budget selected (line-item, program, modified zero-base, other, or some combination), the time period covered (annual, biennial, multi-year), and the physical form of the budget and related documents. A formal review should be undertaken periodically to ensure that the budget type, time period, and approach to presenting the budget continue to meet the needs and priorities of the government. Such a review should be broadly focused, and not directed simply at the format of individual pages.

tes The main types of budgets are line-item and program budgets. Line-item budgets focus primarily on the inputs to be purchased, while program budgets focus on the outputs and outcomes to be achieved with a given level of resources. Some governments also present parts of the proposed budget in a decision package format, displaying varying amounts or quality of service that can be provided with different amounts of resources. The choice of budget type and presentation style will influence the nature of the questions asked during budget review. Legal and other constraints may partially dictate the approach to presenting the budget.

<i>Pri ci e</i>	Develop Budget Consistent with Approaches to Achieve Goals
<i>e e t</i>	Develop a Process for Preparing and Adopting a Budget

Practice A government should publish a comprehensive budget calendar that specifies when budget tasks are to be completed and that identifies timelines for those tasks.

ati a e Stakeholders need to be aware of when key budget tasks, events, and decisions will occur so they have an opportunity to plan and to participate in the process. The preparation of a calendar helps ensure that all aspects of the budget process have been considered and that adequate time has been provided.

t ts Multiple calendars will usually need to be produced, each with different levels of detail and emphasis to meet the needs of the different types of stakeholders. Calendars should list the dates of key events and deadlines. At least one calendar should describe the overall budget and planning process and identify roles, responsibilities, and assignments. To ensure the greatest impact, calendars should identify when and how stakeholders can participate in the process.

tes Budget calendars are a tool to keep participants in the process on track. Statutory deadlines should be highlighted. The calendar should make clear the relationships between various processes and should be developed to coordinate these processes. For example, a calendar may illustrate the relationship of the operating and capital budget processes, or the processes of revenue forecast revision and budget reconciliation. The development of a budget calendar is typically guided by statutory deadlines. Calendar development should also take into account other key organizational dates that affect participants in the budgetary process. The practice entitled *e e ec a is s r r i ati et Pre arati a e ie* addresses the role of the calendar in providing overall coordination.

<i>Pri</i>	Develop a Budget Consistent with Approaches to Achieve Goals
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<i>e</i>	
<i>t</i>	Develop a Process for Preparing and Adopting a Budget

Practice A government should prepare general policy guidelines and budget preparation instructions for each budget cycle.

ati *ae* Budget guidelines and instructions help ensure that the budget is prepared in a manner consistent with government policies and the desires of management and the legislative body. Instructions are necessary so that all participants know what is expected, thereby minimizing misunderstanding and extra work.

t *ts* Budget guidelines are specific to the particular budget under development and should incorporate relevant aspects of the government's financial policies. They may set forth financial constraints and key assumptions that will be used to guide development of the budget, as well as policy direction. Instructions often include sample forms to be completed by operating departments or program heads. Guidelines and instructions should be prepared in a written format but may also be presented in an electronic format or through training and/or an oral presentation. Involving stakeholders in guideline development, where possible, helps promote buy-in.

tes In developing budget guidelines and instructions, a government should consider the role played by the various stakeholders such as departments within the government or other agencies that are involved in budget preparation. Involving stakeholders may be accomplished by holding meetings in which administrative staff and selected internal and external stakeholders help develop the processes and general directions provided to budget preparers. Given time and resource constraints, full stakeholder input may not be practical. This practice is related to other practices (e.g., *Pre are e e e Pr ecti s*) that serve as inputs into the development of general policy guidelines.

- Principle* Develop a Budget Consistent with Approaches to Achieve Goals
Principle Develop a Process for Preparing and Adopting a Budget
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- Practice* A government should develop mechanisms and assign responsibilities to provide for overall coordination of the preparation and review of the budget.
- Attributes* The complete budget process involves many levels, departments, and individuals in a government, as well as a number of distinct processes and disparate groups of stakeholders. Coordination is needed to ensure that processes move forward as planned, to prevent confusion and misinformation, and to ensure appropriate stakeholders are involved.
- Tasks* A single point of coordination is often appropriate in local governments, although individual components of the process may be coordinated by different individuals or departments. For state governments, coordination of the executive and legislative processes may be provided separately. The coordination process involves a number of tasks: developing a calendar, identifying responsibilities for completing various tasks, ensuring that various parts of the budget process are properly integrated, keeping the process on schedule, producing reports, identifying issues and problems, and ensuring that other requirements are met and quality standards are maintained. The person(s) assigned responsibility for coordinating the budget process should respond to stakeholder issues and concerns that arise in the context of the budget process.
- Notes* The assignment of coordination responsibility does not necessarily imply overall decision-making authority. However, at a minimum, the coordinating person(s) should have immediate access to decision makers, as many issues typically come before the coordinator for resolution. Coordination mechanisms may be established for inter-governmental interaction and legislative/executive branch interaction.

Principle Develop a Budget Consistent with Approaches to Achieve Goals
Objective Make Choices Necessary to Adopt a Budget

Practice A government should develop and implement a set of procedures that facilitate the review, discussion, modification, and adoption of a proposed budget.

Attainment Appropriate procedures are needed to resolve conflicts, to promote acceptance of the proposed budget by stakeholders, and to assist in timely adoption of the budget.

Methods A series of processes should be developed that permit stakeholders to satisfy themselves as to the appropriateness of the budget proposal and to allow the legislative body to achieve consensus and adopt a budget. These processes should be summarized in budget materials. Some examples include: small group meetings, hearings, workshops, independent analysis, specific decision-making techniques and procedures, conflict resolution processes, and methods for presenting portions of the budget.

Notes Discussion will inevitably be needed regarding the tradeoffs and choices that need to be made. Issues can be more satisfactorily addressed to the extent that there are clear and accepted processes for considering options and reaching the compromise position that most budgets inevitably represent. Consistency over time in the budget review and adoption process is important, but it is also essential to recognize that as the makeup of the administration and legislative body changes, the process may need to be adjusted.

Principle Develop Budget Consistent with Approaches to Achieve Goals
e e t Develop a Process for Preparing and Adopting a Budget

Practice A government should provide opportunities in the budget process for obtaining stakeholder input.

attainable By definition, stakeholders are affected by a government's resource allocation plans and service and program decisions. Stakeholders should have clearly defined opportunities to provide input. This helps ensure that stakeholder priorities are identified and enhances stakeholder support for the approved budget.

tools Stakeholder input can be obtained in a number of ways, including public hearings, advisory commissions, informal conversations, round-table briefings, TV and video presentations, opinion surveys, neighborhood meetings, office hours, letter writing, telephone calls, and e-mail. The approaches are likely to differ with the size of the government. The budget calendar should identify specific opportunities for citizen input where government officials are available to explain issues and choices and to receive comments.

tests The budget process should include opportunities for all stakeholders to participate. A general-purpose public hearing shortly before final decisions are made on the budget is not adequate as the sole means of soliciting stakeholder input, especially on major issues. The process developed for obtaining stakeholder input should ensure that information is gathered in a timely and complete manner to be useful in budget decision making.

Principle Develop a Budget Consistent with Approaches to Achieve Goals
Objective Develop and Evaluate Financial Options

Practice A government should have a financial planning process that assesses the long-term financial implications of current and proposed policies, programs, and assumptions and that develops appropriate strategies to achieve its goals.

Objective Financial planning expands a government's awareness of options, potential problems, and opportunities. The long-term revenue, expenditure, and service implications of continuing or ending existing programs or adding new programs, services, and debt can be identified. The financial planning process helps shape decisions and permits necessary and corrective action to be taken before problems become more severe.

Tasks The planning process results in the preparation of a financial plan consisting of various components such as an analysis of financial trends; an assessment of problems or opportunities facing the jurisdiction and actions needed to address these issues; and a long-term forecast of revenues and expenditures that uses alternative economic, planning, and policy assumptions. The financial plan identifies key assumptions and choices related to achievement of goals. The plan may be summarized in the budget document or in a separate report. It should be available to decision makers for their review in making choices and decisions related to the budget process. It should also be shared with stakeholders for their input.

Notes A financial plan illustrates the likely financial outcomes of particular courses of action or factors affecting the environment in which the government operates. A financial plan is not a forecast of what is certain to happen but rather a device to highlight significant issues or problems that must be addressed if goals are to be achieved.

Principle Develop a Budget Consistent with Approaches to Achieve Goals
Objective Develop and Evaluate Financial Options

Practice A government should prepare multi-year projections of revenues and other resources.

Attainment Projection of revenues and other resources is critical in order to understand the level of funding available for services and capital acquisition. Projections for future budget periods help determine the likelihood that services can be sustained and highlight future financial issues to be addressed. Preparing revenue projections also enhances a government's understanding of revenue sensitivity to changes in assumptions and to controllable factors such as changes to tax rates or fees.

Details Revenue projections developed for financial planning purposes should extend over a period of at least three years into the future or longer if necessary to evaluate how revenues may change over time, to isolate non-recurring revenues, or to understand the impact of revenues when fully phased in. A government may produce a single revenue projection or projections under alternative scenarios; alternatively, the forecast may be stated in terms of a range of values. Major assumptions should be prominently identified. Projections should be available to participants in the budget process before budgetary decisions are made. One or more updated projections should be available during the budget period to avoid unintended deviation from balanced-budget requirements.

Notes Particular attention should be paid to major revenue sources. Trend analysis, econometric modeling, and other methods should be used, as appropriate, depending on the type of revenue being projected, the availability of data, and the time frame covered by the projections. Other factors to evaluate are the variance between the previous period's actual and forecasted revenues and any changes to revenue sources such as would occur with a rate or base change. Forecasting variances should be analyzed to improve forecasting in future periods. Preparing projections under different assumptions (e.g., economic assumptions, demand), particularly in the development of a financial plan, permits decision makers to consider the level and mix of taxes, user fees, and other revenues that would need to be raised to provide various levels of service.

Revenue projections should generally strive for accuracy by coming as close as possible to the actual outcome. However, the forecasting of sharp turns in national, state, or local economies is problematic. As a result, actual outcomes may be different from projections, particularly for revenue streams dependent upon consumption and income.

Principle Develop a Budget Consistent with Approaches to Achieve Goals
Objective Develop and Evaluate Financial Options
Practice Prepare Revenue Projections

Practice A government should maintain an in-depth understanding of its major revenues.

Analysis A large unexpected variance in a major revenue source is usually a major problem, but even a relatively small variance in a major revenue source can have a significant impact. The better the ability of a government to predict these changes, or at least their direction, the less disruptive these changes will be. In addition, improved estimation of these revenues will enhance the confidence of stakeholders in the overall revenue projection.

Notes An analysis of major revenue sources should identify factors that have influenced historical collections, forecasting assumptions, and any problems or concerns. Any trends should also be identified, along with an analysis of whether or not the trend is likely to continue. The analysis can be summarized in a separate document or used as an input into an overall revenue projection. Significant changes to major revenue sources—projected and actual—should be highlighted in the budget document.

Notes Changes in revenue sources may be due to economic, legal, environmental, demographic, or other reasons. In-depth revenue analysis for revenue sources that provide a substantial portion of total resources is often useful for more than budgetary projections. Issues may be uncovered in advance, permitting the government to develop options and take action in a timely manner to avoid a crisis. See also practice entitled *Anticipate and Estimate Revenues*

Principle Develop a Budget Consistent with Approaches to Achieve Goals
Objective Develop and Evaluate Financial Options
Practice Prepare Revenue Projections

Practice A government should evaluate and understand the effect of potential changes to revenue source rates and bases.

Attainment Changes in rates and fees of revenue sources and revenue bases may be made by a government for a variety of reasons (e.g., to increase or decrease revenue) or may happen outside of the control of a government. Understanding the effects of such changes, in terms of expected revenue collections or other impacts, in advance of the changes will increase understanding about the outcome, enhance decision making, and provide a better opportunity to plan for the changes.

Tools Analyses of the effect of pending or potential changes to revenue sources may be undertaken as part of the budget process or may be undertaken as warranted. The results of these analyses should be available to stakeholders. In any event, they should be presented as part of any proposed decision on changes to revenue source rates and bases.

Notes Factors to consider in analyzing changes to revenue sources are: legal and statutory issues; affordability to taxpayers or rate-payers; political implications; expected revenue impact; and impact on competitive position, including the effect of the changes on stakeholder decisions (e.g., location of a business or use of a service). Policies on fees and charges, including the percentage of service costs to be covered by user fees, should be reviewed in adjusting user fees and charges.

<i>Principle</i>	Develop a Budget Consistent with Approaches to Achieve Goals
<i>Practice</i>	Develop and Evaluate Financial Options
<i>Practice</i>	Prepare Revenue Projections

Practice A government should periodically estimate the impacts and potential foregone revenue as a result of policies that exempt from payment, provide discounts and credits, or otherwise favor particular categories of taxpayers or service users.

Practices Periodic review of current or proposed exemptions and fees is necessary to verify their desirability, their potential benefits and costs, and the extent to which they benefit certain stakeholders more than others.

Practices Outputs include routine analyses and reports that define each exemption and estimate foregone revenues. It is important to make the results of analysis publicly available. Tax and fee exemptions tend to be politically sensitive issues and often involve highly vocal, well-established interests. An appropriate context and venue for the release should be determined that provides an opportunity for review, discussion, and decision making, while minimizing unproductive discord between competing views.

Practices The most efficient tax (one that raises the greatest amount of revenue with the lowest cost of compliance) is one with the broadest base and lowest rate. However, exemptions and discounts from taxes and fees are common for a variety of reasons. Tax and fee exemptions may be broadly defined, such as a graduated tax (versus a flat tax), or narrowly defined, such as a homeowner tax exemption. Tax and fee exemptions that are narrowly defined may be more practical to report on and analyze, but more broadly defined exemptions are also appropriate to review occasionally. Analyses and discussions related to tax and fee exemptions may occur at a different time from resource allocation decisions to help ensure that issues pertaining to each are given adequate consideration without competing pressures.

Principle Develop a Budget Consistent with Approaches to Achieve Goals
Objective Develop and Evaluate Financial Options
Practice Prepare Revenue Projections

Practice A government should develop a process for achieving consensus on the forecast of revenues used to estimate available resources for a budget.

Attainment A process that provides for developing consensus on the revenue forecast is more likely to remove the forecast from ongoing dispute and keep the budget process on track. The process of achieving consensus helps ensure a critical review of assumptions underlying the forecast.

Trust To achieve consensus, the process for producing the forecast must be trusted by all parties and be clear, open, and consistent. Governments may need to reach consensus within one branch of government, across branches of government (e.g., legislative and executive/administrative), or across different governments (e.g., in cases involving intergovernmental coordination on budgetary decisions). The process developed to achieve consensus should recognize where problems are likely to emerge and be structured accordingly.

Notes The process for achieving a revenue forecast consensus will vary by government. In some cases, representatives of the executive and legislative branches will collaborate to produce the forecast. Another approach relies on sources outside the government to produce a forecast. The outside sources may be perceived as more objective or more expert, such as academic and/or private sector economists. A consensus forecasting process is increasingly being used by state governments. Despite the benefits of achieving consensus on a forecast, political realities may not always make it possible to do so for every aspect of the forecast. Moreover, not all revenues necessarily need to be included in the consensus forecast. For example, for enterprise types of operations with revenues driven by service levels, it may not make sense to achieve consensus on a forecast prior to consideration of expenditure issues.

<i>Principle</i>	Develop a Budget Consistent with Approaches to Achieve Goals
<i>Objective</i>	Develop and Evaluate Financial Options

Practice A government should prepare and maintain a revenue manual that documents revenue sources and factors relevant to present and projected future levels of those revenues.

Attainment The documentation of revenue sources promotes a better understanding of a government's resources. Revenue documentation is also important as an administrative function, since budget operations often experience fairly frequent staff turnover.

Notes Documentation of revenue sources in the form of a revenue manual that uses a consistent format for each revenue source is suggested. Major revenue sources are the most important to document. The budget document may also include documentation of major revenue sources, either as summary material or in lieu of a revenue manual. The revenue manual or other documentation should be made available to all interested parties. It should be reviewed and updated at least every budget period.

Notes The format for documentation in a revenue manual could include the following:

- Title and brief description of the revenue source;
- Statute section providing authorization and any limitations;
- Identification of any dedication or "earmarking" of the revenue, whether legislated or by other means;
- Collection methodology and any collection issues;
- Definition of the revenue base and tax or rate structure;
- Accounting information, such as account and fund numbers;
- Historical information such as legislative history, impact of other laws, rate changes, exemptions, etc.;
- Historical revenue levels (trends) and projected future levels and the basis for the future projections, along with graphic presentation of trends;
- Equity impacts on taxpayers or rate-payers; and
- Effect of changes in economic circumstances or other external factors.

Principle Develop a Budget Consistent With Approaches to Achieve Goals
Objective Develop and Evaluate Financial Options

Practice Governments should prepare multi-year projections of expenditures for each fund and for existing and proposed new programs.

Attainment Expenditure projections provide critical information to decision-makers and other stakeholders about whether projected expenditure levels can be sustained, whether new programs are affordable, and whether a program's current and future costs are acceptable compared to program benefits and projected revenue availability.

Details Expenditure projections should extend several years into the future. A period of at least three years (or longer if necessary) is recommended to evaluate how costs may change over time, to isolate non-recurring costs or savings, and to understand the implications of costs once fully phased in. Fund level and government-wide expenditure projections should be prepared and documented so that they may be linked with the accounting system and integrated into overall financial projections. All expenditure projections should identify service level assumptions and key issues that may affect actual expenditures. Expenditure assumptions should also be described in relation to revenue assumptions. A single expenditure projection may be prepared based on one set of assumptions (covering multiple periods); or, multiple projections using alternative sets of assumptions may be prepared in order to more clearly identify the impact of different scenarios. Projections should be available to stakeholders prior to making budget decisions. Inclusion of multi-year projections in a formal budget document, at least in summary form, is recommended.

Notes Assumptions for expenditure projections should be consistent with related revenue and program performance assumptions. A review of expenditure projections for individual programs, particularly those with significant unexpected increases or decreases, is critical. Projections may identify only direct costs or both direct and indirect costs. However, if only direct costs are identified, a discussion accompanying the projections should address indirect impacts. Projections of maintenance and operating costs for any capital expenditures, as well as debt service expenditures, also should be prepared. Documentation should clarify key issues related to expenditures, highlight critical assumptions, and discuss recurring and non-recurring items. Forecasting variances should be analyzed to improve projection methodologies.

<i>Pri</i>	Develop a Budget Consistent with Approaches to Achieve Goals
<i>ci</i>	
<i>e</i>	Develop and Evaluate Financial Options
<i>e</i>	

- Practice* A government should evaluate revenue and expenditure options together, and consider the implications for other financial indicators prior to making specific choices with regard to the proposed budget.
- ati* *ae* Decision makers and other stakeholders should have an understanding of the financial implications of revenue and spending options being considered, including the ability of the government to sustain programs and services in the long run.
- t* *ts* A process should be established for undertaking a comprehensive review of options for program and service levels and projected funding amounts. The review should also include beginning and ending fund balances; changes in fund balances at a fund level, for the government as a whole, and for major programs; and outstanding debt levels. Financial information, both actual and projected, and assumptions used for preparing projections should be documented using appropriate technology to aid this process. At least a summary of the key materials should be incorporated into formal budget documents. Such a summary is often included in sections of the budget document highlighting key issues.
- tes* A key component of this process is determining whether a package of revenue and expenditure options being considered for the budget will maintain, erode, or improve a government's financial position in the budget period and longer term. This process also provides an opportunity to consider the degree of revenue diversification, to review revenues identified as one-time or unpredictable and their uses, and to evaluate the extent to which program fees cover program costs. This process does not necessarily involve dedicating revenues to support specific programs (other than enterprise operations). Before dedicating revenues, governments should consider any impact such action might have on financial flexibility and whether it would reduce the level of scrutiny given to program expenditures and operating efficiency.

<i>P r i c i e</i>	Develop a Budget Consistent With Approaches to Achieve Goals
<i>e e t</i>	Develop and Evaluate Financial Options

Practice A government should develop a capital improvement plan that identifies its priorities and time frame for undertaking capital projects and provides a financing plan for those projects.

ati a e The cost of desired capital projects will usually substantially exceed available funds in most governments. Development of a capital improvement plan provides a framework for prioritizing projects and identifying funding needs and sources.

t ts A process should exist for evaluating proposed capital projects and financing options, and developing a long-range capital improvement plan that integrates projects, time frames, and financing mechanisms. The plan, including both capital and operating costs, should project at least five years into the future and should be fully integrated into the government's overall financial plan. The process for developing the plan should allow ample opportunity for stakeholder involvement in prioritizing projects and review. The capital improvement plan should be included in a budget document, either in a single document describing both the operating and capital budgets or in a separate document describing the capital improvement plan and capital budget. The plan should be approved by the governing body.

tes The emphasis of this practice is on ensuring that proposed capital projects, their timing, and their financing best meet the government's policies and plans. The capital improvement plan should take into account overall affordability in terms of both capital and operating costs, community concerns, available alternatives, coordination with other projects (including projects being considered by other governmental entities), impacts on services, beneficiaries of the project, and important community goals such as those related to economic development or the environment. The GFOA Distinguished Budget Presentation Award Program recommends documentation of the impact of proposed capital improvements on the operating budget. An evaluation of capital financing alternatives should address equity considerations, or who will pay for the project in relation to who benefits from it. It should also consider whether the money will be available when needed, how costly the financing method is, whether a financing method is legally permissible, and the administrative requirements associated with the financing option. In evaluating each funding option, the philosophy of the government regarding use of debt relative to pay-as-you-go and the acceptability of the financing method may also be considered. A government should consult its debt and other relevant policies when deciding how projects will be funded (see practices entitled

e e P i c e t s s a c e a a a e e t a e e P i c e t e e a a a c i t).

Principle Develop a Budget Consistent with Approaches to Achieve Goals
e e t Make Choices Necessary to Adopt a Budget

Practice A government should prepare and present a recommended comprehensive program and financial plan (the “budget”) for review by stakeholders and consideration for adoption by the governing body.

attainable A complete plan is necessary to allow stakeholders to judge how well all of the different aspects of the plan fit together and whether there is an appropriate balance of resources and assigned uses.

tests The proposed budget will consist of a set of recommended actions regarding programs and services to be funded, including service level, quality, and goals to be achieved. It will also identify funding requirements and sources of funds, and provide the supplemental information necessary to review the plans. The budget should be consistent with policies and goals set by the government. The recommended budget must also comply with any statutory requirements; in some cases, it may be appropriate to produce a separate document to comply with these requirements.

tests The recommended budget should be the government’s considered approach to addressing stakeholder issues previously raised. As a comprehensive program and financial plan, the budget should include all programs and funds. Consideration also should be given to including closely related entities that may not otherwise have their own budget or whose budget is important to a government, e.g., an urban renewal authority or a captive capital leasing organization. A proposed budget consists of one or more separately bound documents. Ideally, the proposed budget should be a complete and comprehensive document that includes everything that will be in the adopted budget, except for any subsequent changes made by the legislative body and a copy of the appropriations resolution or bills authorizing the budget.

Principle Develop a Budget Consistent with Approaches to Achieve Goals
Objective Make Choices Necessary to Adopt a Budget
Practice Prepare and Present a Recommended Budget

Practice A government should include a description of key programmatic and financial policies, plans, and goals in its budget documents.

Objective Identification of key programmatic and financial policies, plans, and goals assists stakeholders in determining the appropriateness of a government's direction and allows stakeholders to develop their own opinions as to whether the government's programs and decisions conform to or are likely to achieve those policies, plans, and goals.

Details Budget documents should describe key financial and programmatic plans and goals. Goals and objectives for individual programs and/or organizational units included in the budget documents should also be provided. Organization-wide policies and goals are often presented in an introductory section of the budget. The goals and objectives for individual programs and organizational units also should be described. They usually appear as a part of the narrative for each individual unit or program. Key interrelationships of programs and units in terms of goals to be achieved should be identified.

Notes This practice is oriented toward identifying those policies, plans, and goals that most influence the recommended budget. A description of policies, plans, and goals can help build support among stakeholders for actions that might not otherwise be understood. It is particularly important to describe policies pertaining to achieving budgetary balance, use of fund reserves, and creation and use of stabilization funds. (See practice entitled *Practice 11.1: Identifying Policies*)

Principle Develop a Budget Consistent with Approaches to Achieve Goals
e e t Make Choices Necessary to Adopt a Budget
e t
Practice Prepare and Present a Recommended Budget

Practice The budget and the budget deliberation process should highlight key issues and decisions.

attainable Identification of key issues and decisions focuses attention on the most critical areas, improves the likelihood that an appropriate level of deliberation will occur regarding decisions in these areas, supports the notion of government accountability to stakeholders, and promotes trust.

timely Identification and analysis of key issues and major programmatic and financial changes should be provided as early as possible in the budget process and also should be identified in the proposed budget. Summary information should always be provided, with more detailed information available where appropriate or upon request.

transparency Key issues and decision areas may be programmatic, financial, or process-oriented. The goal is to provide for disclosure, appropriate analysis, and discussion of these issues so that well-considered budgetary decisions may be made. At times, key decisions and issues may arise that a government administration or legislative body considers inappropriate to highlight. In these cases, a government should take into account practical considerations along with the intent and purpose of this practice. Good practice requires identification of key issues, even if the information may cast the government in an unfavorable light.

Principle Develop a Budget Consistent with Approaches to Achieve Goals
e e t Make Choices Necessary to Adopt a Budget
e t
Practice Prepare and Present a Recommended Budget

Practice Budget documents should contain a description of the short-term and long-term financial plan of the government.

attainable Stakeholders need to have the financial plan of the government clearly identified in order to make the best budgetary decisions.

tips A financial overview typically consists of financial statements and accompanying narrative, charts, and graphics. The overview should clearly describe the current and projected financial position and fund balances, the financial activities and expectations for the budget period, and the expected implications for future periods. The overview should provide clear information about capital plans and funding, along with the impact of capital plans on operating costs and activities. Debt and debt service issues should also be discussed. Financial data presented in the budget documents should include comparisons of prior period actual results, current period budget and/or estimated actual results, and budget period projected figures. Key assumptions for revenues and expenditures should be highlighted.

tes A financial overview should normally consist of all funds of a government, whether or not there are statutory requirements for budgeting those funds. The manner of presenting materials on fund balances, including available amounts and reserve funds, should be carefully considered. A clear distinction should be made between total fund balance (or reserves), the amount restricted by legislative policy (as opposed to statutory requirements), and the amount considered available for expenditures.

<i>Principle</i>	Develop a Budget Consistent with Approaches to Achieve Goals
<i>Practice</i>	Make Choices Necessary to Adopt a Budget
<i>Practice</i>	Prepare and Present a Recommended Budget

<i>Practice</i>	Budget documents should include information that provides the reader with a guide to the programs the government operates and the organizational structure in place to provide those programs and services.
<i>Practice</i>	Information concerning programs and the organizational structure supporting those programs provides context for the proposed allocation of resources in the budget. This information is necessary in order to make reasoned decisions about the use of resources and to make clear the direction of the government's programs.
<i>Practice</i>	Information provided to the reader in the budget documents and through other means should include: program descriptions, goals and objectives, organization charts, means of providing major services (e.g., in-house or contracted out), information relating programs to organizational units, management approaches, multi-period comparative staffing information by unit, unit sources and uses of funds, and performance measures. Key functional relationships between organizations also should be identified.
<i>Practice</i>	The intent of this practice is that a government make available sufficient information about its operations so that the interested stakeholder has an understanding of the programs and services provided, can identify goals and priorities of each program, and can place resource needs for those programs and services into an appropriate context.

<i>Principle</i>	Develop Budget Consistent with Approaches to Achieve Goals
<i>Make Choices Necessary to Adopt a Budget</i>	
<i>Practice</i>	Prepare and Present a Recommended Budget

Practice The budget should include a description of the relationship between the form of accounting used to describe revenues and expenditures in the budget, and the form of accounting used to prepare the annual financial report.

Practice Explaining the differences between the budgetary basis of accounting and the basis used in preparing the annual financial report helps stakeholders understand and interpret the numbers presented in each document. Documented reconciliations between different bases can also help prevent errors during preparation or interpretation of the budget.

Practice The relationship between budgetary revenues, expenditures, and funds available and those presented in financial reports should be explained by both numerical reconciliations and a written explanation, in both the budget and the annual financial report. In some cases, the bases used may be identical.

Practice There are four basic categories of difference between the budgetary basis of accounting and the basis of accounting that follows generally accepted accounting principles (GAAP) for state and local governments:

- *Cash plus encumbrances* —“Cash plus encumbrances” and “modified accrual” are two of the different ways to define revenues and expenditures;
- *Time period* —The budget period may differ from the accounting reporting period, e.g., lapse periods for encumbrances;
- *Fund reporting structures*—The budget and accounting reports may have different fund reporting structures, e.g., a budget may account for debt service in the general fund, while GAAP principles require that debt service be recorded in a separate fund.
- *Entities and funds* —The government’s financial report may not include all of the same entities and funds as the budget document.

<i>Pri</i>	Develop a Budget Consistent with Approaches to Achieve Goals
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<i>e</i>	Make Choices Necessary to Adopt a Budget
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<i>Practice</i>	Prepare and Present a Recommended Budget

Practice A government should prepare a summary of both the proposed and final budget.

ati *a* *e* Most stakeholders do not want to take the time to read and understand the details of a budget. A concise summary of key issues, choices, and financial trends is therefore needed to inform and direct the reader to the appropriate location for additional information.

t *ts* The summary should focus on issues likely to be important to the public. Contents may include priorities, key issues, and choices/decisions for the budget period; major changes in tax rates, tax policy, or projected service levels and priorities and reasons for those changes; important financial issues, including changes in the economy and the long-range outlook; and significant use of or increase in fund balance or retained earnings. The summary should also refer the reader to additional information available elsewhere about particular issues or financial details.

The summary can take many forms, including a transmittal letter, budget message, executive summary, or budget-in-brief. The summary should be available and disseminated in an easily accessible manner that is likely to be communicated to the public and generate interest. Preparation of separate documents tailored to different audiences, including citizens, the media, and elected officials, is encouraged. Electronic formats should be considered as a means to disseminate the budget.

tes The summary should be as nontechnical as possible and easy to read. The GFOA Distinguished Budget Presentation Award Program recommends, at a minimum, the inclusion of summary information in the budget document and, if feasible, in a separate document as well.

Pri ci e Develop a Budget Consistent with Approaches to Achieve Goals
e e t Make Choices Necessary to Adopt a Budget
e t
Practice Prepare and Present a Recommended Budget

Practice Budget documents and related materials made available to stakeholders should be presented in a clear and readily comprehensible format.

ati a e The budget is the guide that determines the direction of government. It is arguably the single most important document routinely prepared by governments. To be usable, it not only must contain the appropriate information, but must also be prepared in a manner that is clear and comprehensible.

t ts Some items in a budget document that will assist the reader include: a table of contents, summaries, a consistent format, high-level summary information that describes overall funding sources and the organization as a whole, a description of the overall planning and budgeting process and the interrelationships of those various processes, supplementary information about the government and the area for which it has responsibility, charts and graphs to better illustrate important points, succinct and clearly-written summaries, uncluttered pages, and detailed information placed in appropriate locations so that it does not overwhelm the reader. Similar requirements apply to the non-written means (e.g., audio, video) of presenting budget material to stakeholders at various times during the budget process. Some governments prepare summary information in a document separate from the more detailed budget document in order to avoid overwhelming the reader and to control overall costs of document preparation.

tes To achieve the goal of this practice, multiple formats may be used that are tailored to the needs of various stakeholders. These may include brief summaries of important information to be used by different audiences to enhance their understanding of important budget issues and tradeoffs.

Principle Develop a Budget Consistent with Approaches to Achieve Goals
Make Choices Necessary to Adopt a Budget

Practice A government should adopt a budget that meets all statutory requirements prior to the beginning of the fiscal year.

Attainment The timely adoption of a budget permits the government to proceed with implementing programs and services that further the achievement of goals.

Standards The adopted budget should clearly present the financial, operating, and capital plan. It should include all operations and funds, although not necessarily at the same level of detail. Non-appropriated funds, revolving funds, and any other planned revenues and expenditures also should be included. Whenever feasible, the adopted budget should include (though not necessarily in a single document) all statutorily required materials such as the appropriation ordinance or bills, tax levies, and rate adjustments. Legally required documents that otherwise do not contribute to an understanding of the budget may be included as an appendix.

Notes If there are delays in adopting the budget, actions should be taken to minimize uncertainty when the new budget period starts, as appropriate. A continuing appropriation may be legally required.

Principle Evaluate Performance and Make Adjustments
Objective Monitor, Measure, and Evaluate Performance

Practice A government should periodically evaluate the performance of the programs and services it provides.

Attainment Government functions, programs, and activities should be periodically reviewed to determine whether they are accomplishing intended program goals and making efficient use of resources. Unlike private enterprise, there are often no simple measures such as profit to evaluate “bottom line” performance. A performance evaluation provides both accountability and information on which to base improvements.

Tools Performance measures, including efficiency and effectiveness measures, should be presented in basic budget materials, including the operating budget document, and should be available to stakeholders. Performance measures should be reported using actual data, where possible. At least some of these measures should document progress toward achievement of previously developed goals and objectives. More formal reviews and documentation of those reviews should be carried out as part of the overall planning, decision-making, and budget process.

Notes Evaluating and reporting on program performance on a routine, publicized basis keeps stakeholders apprised of actual results compared to expectations. One option is to prepare regular reports of key performance measures, with in-depth evaluations or reviews conducted once every several years. Program performance information should be available during the budget process. Regardless of whether the program is provided by government employees or contracted out, the reporting and evaluation process should be similar.

Principle Evaluate Performance and Make Adjustments
Objective Monitor, Measure, and Evaluate Performance
Practice Monitor, Measure, and Evaluate Program Performance

Practice Governments should monitor and evaluate stakeholder satisfaction with programs and services.

Objective The main contact with a government for many stakeholders is through the programs and services it provides. It is important for a government to be aware of and respond to stakeholders' perceptions of these programs and services. Stakeholders' perceptions of the quality of public services is an important factor in their overall perception of the government and their level of confidence in governmental decision making.

Methods There are many ways to assess stakeholder satisfaction, including various forms of contact with the legislative body and administrative leaders, citizen surveys, public forums or hearings, and focus groups of clients/customers. A government should determine the methods it wishes to use and should then formally assess satisfaction with programs and services. These assessments should be conducted regularly. Stakeholder satisfaction should be reported using appropriate technology and should be available to all stakeholders.

Notes Governments define areas where goals need to be adjusted by identifying and understanding stakeholders' concerns. Governments should consider developing performance measures and benchmarks to evaluate stakeholder satisfaction.

Principle Evaluate Performance and Make Adjustments

Objective Monitor, Measure, and Evaluate Performance

Practice A government should evaluate its financial performance relative to the adopted budget.

Attributes Regular monitoring of budgetary performance provides an early warning of potential problems and gives decision makers time to consider actions that may be needed if major deviations in budget-to-actual results become evident. It is also an essential input in demonstrating accountability.

Details Budget-to-actual or budget-to-projected actual comparisons of revenues, expenditures, cash flow, and fund balance should be periodically reviewed during the budget period. Staffing levels should also be monitored. Comparisons for at least the current year should be included in the budget document and be generally available to stakeholders during discussions related to budget preparation and adoption.

Notes Consistency and timeliness are particularly important when implementing this practice: it is essential that reports are prepared on a routine, widely-publicized basis. In addition to monitoring budget-to-actual results, reasons for deviations should be evaluated. These factors are important in assessing the significance of variations, including whether they are expected to be temporary or longer-term in duration. (See practices entitled *Timeliness in Assessing Performance* and *Timeliness in Assessing Results*.)

Principle Evaluate Performance and Make Adjustments
Objective Monitor, Measure, and Evaluate Performance

Practice A government should monitor and evaluate its financial condition.

Attainment The financial health of a government is critical to its ability to meet the needs of stakeholders. Financial condition should be evaluated to identify potential problems and any changes that may be needed to improve performance over both the short and long terms.

Indicators Financial indicator measures often are developed to monitor financial condition and achievement of explicitly set financial goals. Indicators to monitor factors that affect financial performance are also reported. A report on financial condition should be periodically prepared and updated. The report may be a separate document or incorporated into other relevant documents, including the budget document. When reporting on financial condition, the government should highlight the significance of relevant indicators.

Notes Financial condition is distinguished from budget performance. Budget performance identifies explicit short-term indicators, primarily revenue and expenditure status for the budget period. An evaluation of financial condition considers a broader array of factors that may have long-term implications for the financial health of the government. These factors may include specific measures of the government's financial performance (e.g., trends in operating position or liquidity) as well as measures of the community's general social, demographic, and economic conditions.

Principle Evaluate Performance and Make Adjustments

Objective Monitor, Measure, and Evaluate Performance

Practice Governments should monitor and evaluate external factors that may affect budget and financial performance and achievement of goals.

Attainment Factors outside the government's control, such as the national or regional economy, demographic changes, statutory changes, legislation, mandates, and weather, may affect achievement of stated goals. Monitoring these factors helps governments to evaluate and respond to the effect of these external influences on goals, programs, and financial plans.

Notes External factors that are likely to be important in achieving goals should be identified and monitored regularly. The results of this analysis should be factored into the assessment of program and financial performance and considered in making adjustments to these programs. Trends and significant issues may be described in reports to stakeholders discussing program, budget, and financial performance. The assessment of external factors should be reported, at least in summary form, and available to stakeholders.

Notes Many external factors cannot be controlled or sometimes even predicted by a government. Contingency planning can help address negative impacts or take better advantage of positive factors that might arise from external events. To the extent that external events have long-range impacts, programs, plans, and goals may need to be adjusted to reflect these changes. (See practice entitled *Objective Practice Attainment*.)

Principle Evaluate Performance and Make Adjustments
Objective Monitor, Measure, and Evaluate Performance

Practice Governments should monitor, measure, and evaluate capital program implementation.

Activities Monitoring the status of capital projects helps to ensure that projects progress as planned, problems (such as delays in key milestones and cost overruns) are identified early enough to take corrective action, funds are available when needed, and legal requirements are met.

Tools Reports on capital project implementation should be prepared for decision makers and other stakeholders. Summary information should be considered for projects that are progressing as planned. More detailed information will probably be needed for projects where there are issues. Project milestones, such as dates for completion of such tasks as planning, land acquisition, engineering and design, and construction, should be identified and progress in meeting these milestones should be reported. Governments should monitor quality compliance and financial performance.

Notes A government may have a large number of significant projects. This practice is intended to promote the development of mechanisms to ensure that decision makers are not overwhelmed with information on which no decision is needed and that they receive timely information where decisions or actions are required.

Principle Evaluate Performance and Make Adjustments
Make Adjustments as Needed

Practice The budget should be adjusted during the budget period should unforeseen events require changes to the original budget plan.

Practice The budget is a plan based on a set of assumptions that may not always match actual experiences during the execution phase. A government should watch for significant deviations from expectations and make adjustments so that the plan is consistent with revised expectations.

Practice Governments should have procedures in place to determine when deviations from the budget plan merit adjustments to the budget. Budget adjustments, whether to programs or to revenues and expenditures, should be made as appropriate. Final changes to the budget should be reported. The timing and manner in which this is done depends on the stakeholder group and the level of materiality of the changes.

Practice Budget adjustments may be administrative or legislative depending on the government's procedures and on statutory requirements such as the legal level of control of the budget appropriations.

Pri ci e Evaluate Performance and Make Adjustments
e e t Make Adjustments as Needed

Practice A government should adjust its policies, plans, programs, and management strategies during the budget period, as appropriate.

ati a e Changing conditions or programs and services that are not producing the desired results or efficiently utilizing resources may require adjustments in order for the government to continue to meet the needs of stakeholders and to meet its own goals.

t ts Governments should have procedures in place to provide for review, decision making, and implementation of changes to policies, plans, programs, and management strategies during the budget period. Adjustments should be based on findings obtained from monitoring and assessing program and financial results, stakeholder input, and external circumstances. Regular briefings to senior program officers, management, and elected officials on the contents of the reports permit timely adjustments as needed to the plan or program activities.

tes The adjustments made by a government should be based on its assessment of performance. This practice helps complete the budget planning cycle and will feed into the review of services, goals, plans, and programs which occurs near the beginning of the cycle. This practice is distinguished from the earlier review processes in that it is intended to focus more on mid-period adjustments, rather than on more fundamental changes that may be needed to achieve broad goals. (See practices under elements entitled *e ti rt ities a a e es r er e t er ices a ita ssets a a a e e t e e Pr ra atic erati a a ita P icies a Pa s e e Pr ra sa er ices at re siste t it P icies a Pa s*; and *e e a a e e t trate ies*.)

Principle Evaluate Performance and Make Adjustments
Element Make Adjustments as Needed

Practice A government should modify or change its broad goals if conditions change sufficiently that these goals are no longer appropriate.

Attainable Goals may need to be adjusted in response to new information about program results, stakeholder needs, and external circumstances in order to be more relevant for the community or more practically attainable.

Timely Governments should have procedures in place to ensure that goals are reviewed during the budget period and adjusted when appropriate. Adjustments should be based, in part, on findings obtained from monitoring and assessing program and financial results, stakeholder input, and external circumstances. Opportunities and challenges facing the government also should be considered.

Notes This practice helps complete the budget planning cycle and will feed into the goal development phase which begins the cycle. It is desirable to minimize the number of adjustments to longer-term goals in order to maintain credibility. Adjustment of performance measures associated with goals is another way to adjust or clarify goals without changing basic intent of a goal. (See elements and practices under principle entitled *strategic*.)

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Practices

- 1.1 Identify stakeholder concerns, needs, and priorities
- 1.2 Evaluate community condition, external factors, opportunities and challenges

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Practices

- 2.1 Assess services and programs, and identify issues, opportunities, and challenges
- 2.2 Assess capital assets, and identify issues, opportunities, and challenges
- 2.3 Assess governmental management systems, and identify issues, opportunities, and challenges

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Practices

- 3.1 Identify broad goals
- 3.2 Disseminate goals and review with stakeholders

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Practices

- 4.1 Develop policy on stabilization funds
- 4.2 Develop policy on fees and charges
- 4.3 Develop policy on debt issuance and management
 - 4.3a Develop policy on debt level and capacity
- 4.4 Develop policy on use of one-time revenues
 - 4.4a Evaluate the use of unpredictable revenues
- 4.5 Develop policy on balancing the operating budget
- 4.6 Develop policy on revenue diversification
- 4.7 Develop policy on contingency planning

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Practices

- 5.1 Prepare policies and plans to guide the design of programs and services
- 5.2 Prepare policies and plans for capital asset acquisition, maintenance, replacement, and retirement

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Practices

- 6.1 Develop programs and evaluate delivery mechanisms
- 6.2 Develop options for meeting capital needs and evaluate acquisition alternatives
- 6.3 Identify functions, programs, and/or activities of organizational units
- 6.4 Develop performance measures

6.4a Develop performance benchmarks

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Practices

- 7.1 Develop strategies to facilitate attainment of program and financial goals
- 7.2 Develop mechanisms for budgetary compliance
- 7.3 Develop the type, presentation, and time period of the budget

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Practices

- 8.1 Develop a budget calendar
- 8.2 Develop budget guidelines and instructions
- 8.3 Develop mechanisms for coordinating budget preparation and review
- 8.4 Develop procedures to facilitate budget review, discussion, modification, and adoption
- 8.5 Identify opportunities for stakeholder input

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Practices

- 9.1 Conduct long-range financial planning
- 9.2 Prepare revenue projections
 - 9.2a Analyze major revenues
 - 9.2b Evaluate the effect of changes to revenue source rates and bases
 - 9.2c Analyze tax and fee exemptions
 - 9.2d Achieve consensus on a revenue forecast
- 9.3 Document revenue sources in a revenue manual
- 9.4 Prepare expenditure projections
- 9.5 Evaluate revenue and expenditure options
- 9.6 Develop a capital improvement plan

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Practices

- 10.1 Prepare and present a recommended budget
 - 10.1a Describe key policies, plans and goals
 - 10.1b Identify key issues
 - 10.1c Provide a financial overview
 - 10.1d Provide a guide to operations
 - 10.1e Explain the budgetary basis of accounting
 - 10.1f Prepare a budget summary
 - 10.1g Present the budget in a clear, easy-to-use format
- 10.2 Adopt the budget

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Practices

- 11.1 Monitor, measure, and evaluate program performance
 - 11.1a Monitor, measure, and evaluate stakeholder satisfaction
- 11.2 Monitor, measure, and evaluate budgetary performance
- 11.3 Monitor, measure, and evaluate financial condition
- 11.4 Monitor, measure, and evaluate external factors
- 11.5 Monitor, measure, and evaluate capital program implementation

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Practices

- 12.1 Adjust the budget
- 12.2 Adjust policies, plans, programs and management strategies
- 12.3 Adjust broad goals, if appropriate

MEMO

To: Board of Directors

From: Marty Rodriguez

Date: 08/12/2019

RE: Senior Account Representative's Monthly Report

Monthly Billing 07/31/2019

Mailed statements: 2,136

Electronic statements: 461

The statement "SPECIAL MESSAGE"

LOSS OF WATER DUE TO POWER OUTAGES: For more information go to:

<https://www.hvlcsd.org/emergency-generator-update>

Sin agua debido al corte de energía:

para obtener más información vaya a:

<https://www.hvlcsd.org/emergency-generator-update>

Delinquent Billing 07/22/2019

Delinquent statements for July bills:

Mailed statements: 439

Electronic statements: 75

Courtesy Notification 08/06/2019

Courtesy notices delivered to the customer's property for delinquent July's bill: 186

Electronic notices: 31

Phone Notification 08/07/2019

Phone notifications: 128

The phone notification was sent out around 10:30 am resulting in 92 payments received by the office staff during business hours.

Lock Offs 08/08/2019

36 Customers were in the Lock Off Process at 5:00 pm on 08/07/2019.

23 payments were made before service orders went out in the field at 9:00 am on 08/08/2019.

A total of 13 customers were Locked Off for non-payment.

Throughout Lock off day 9 payments were collected and meters unlocked.

At the time of this report only 4 meters remain locked.



Hidden Valley Lake Community Services District

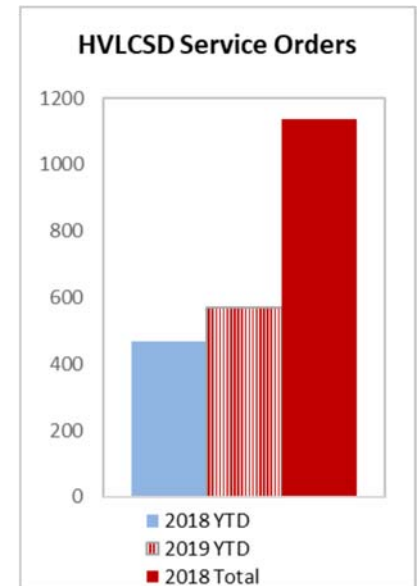
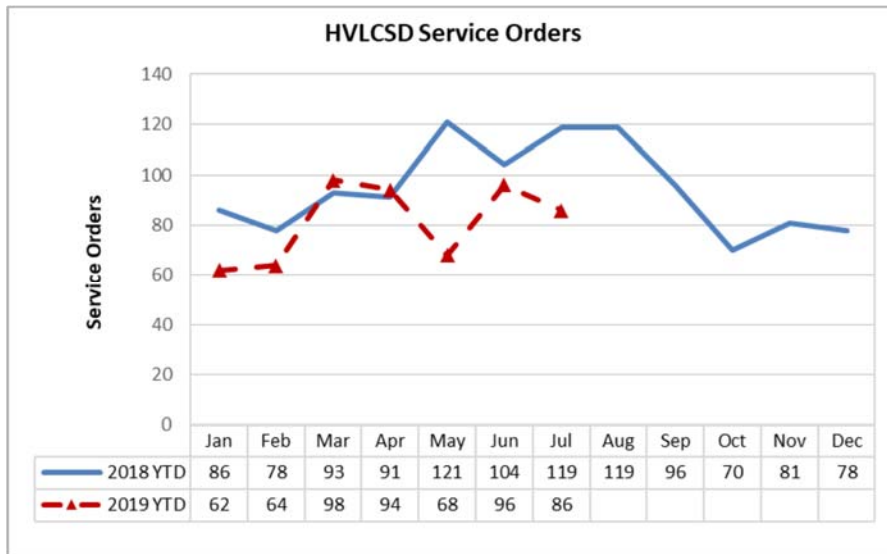
July 2019 Report

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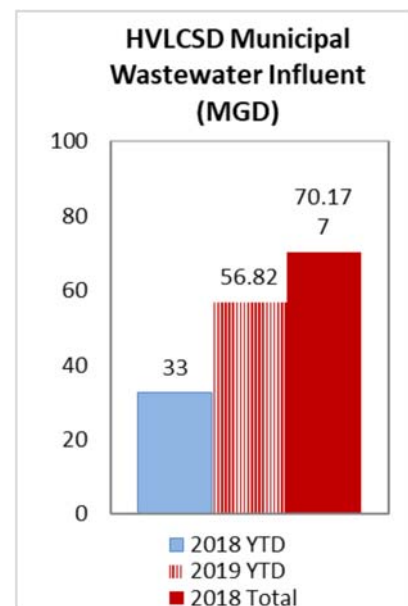
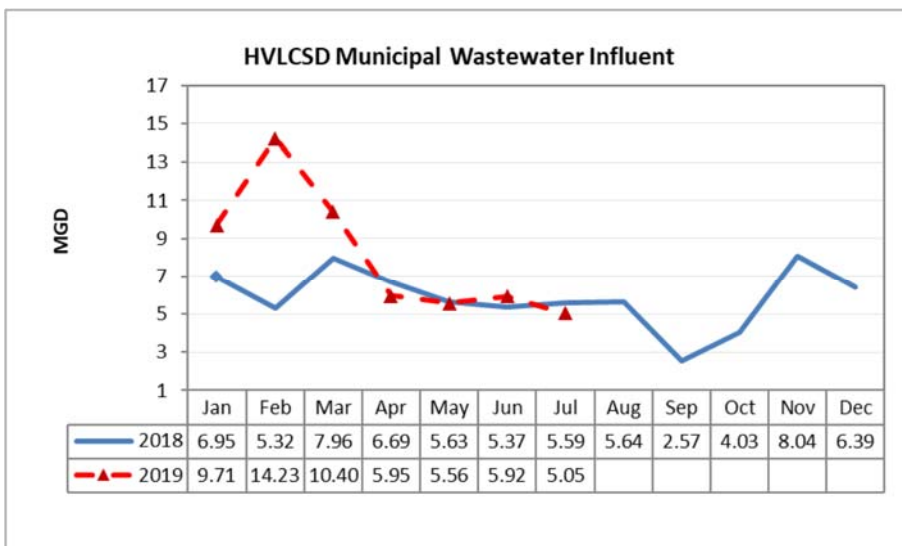
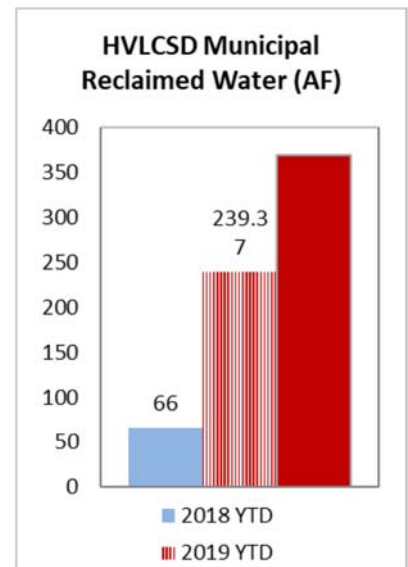
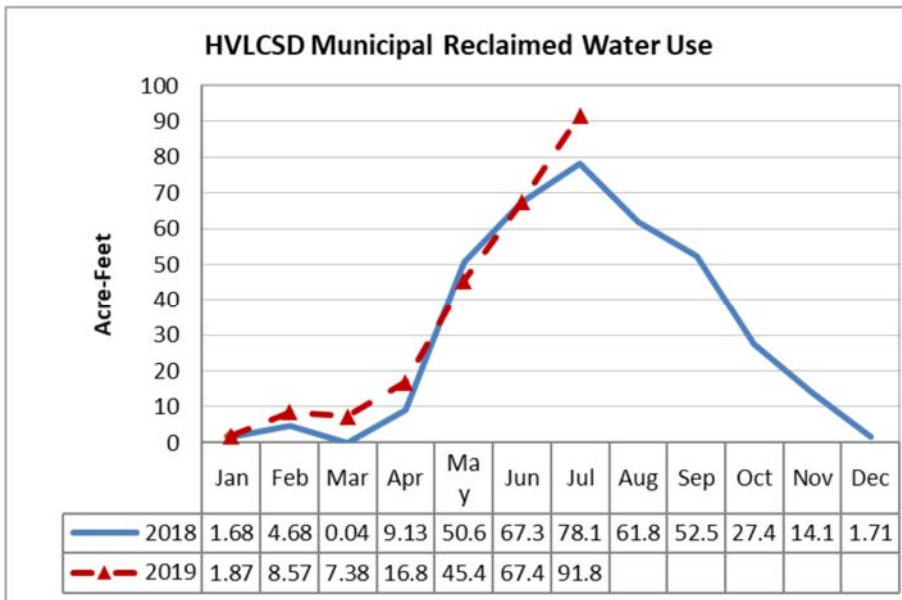
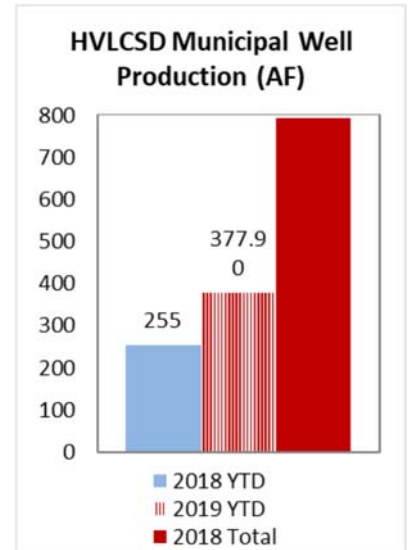
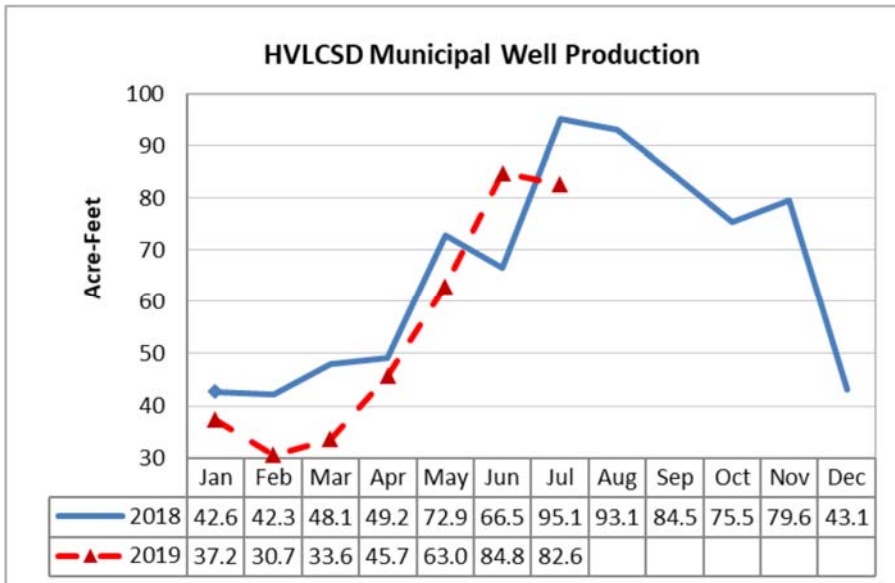
Water Connections:		Sewer Connections:	
New (July)	0	New (July)	0
Residential (June)	2444	Residential (June)	1472
Commercial & Govt (June)	39	Commercial & Govt (June)	16
Total (July) :	2483		1488

Rainfall		
<i>This month</i>	<i>Last year</i>	<i>Historical</i>
0	0	0.01

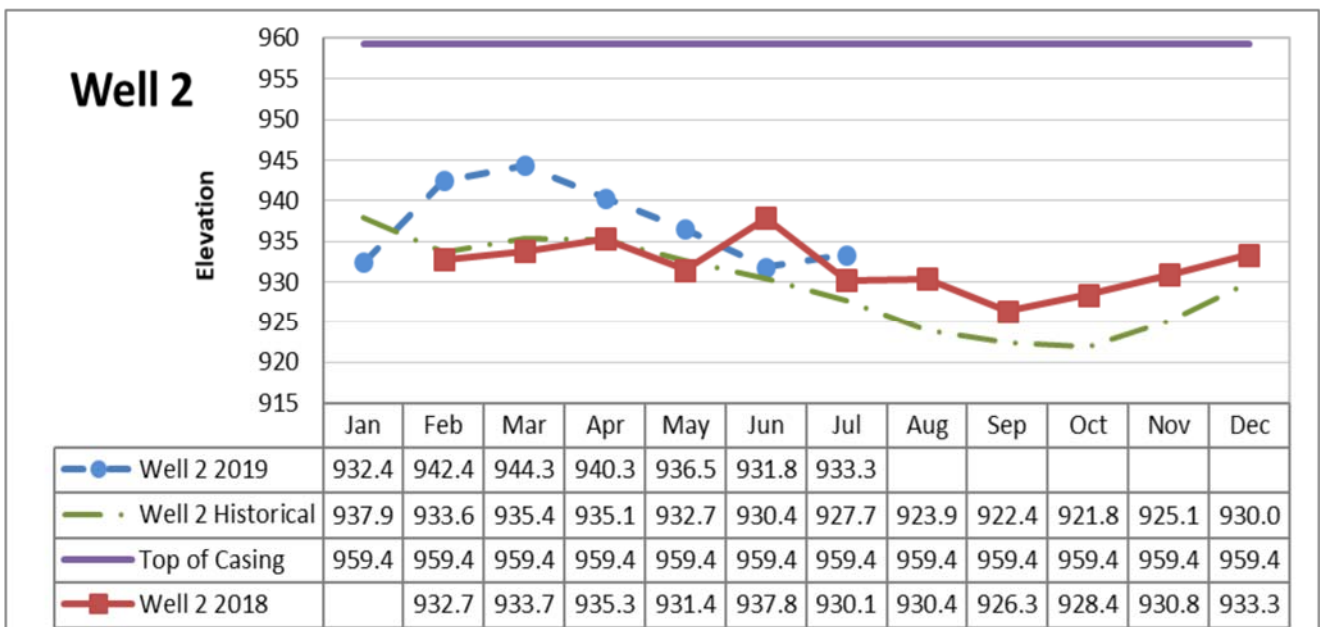
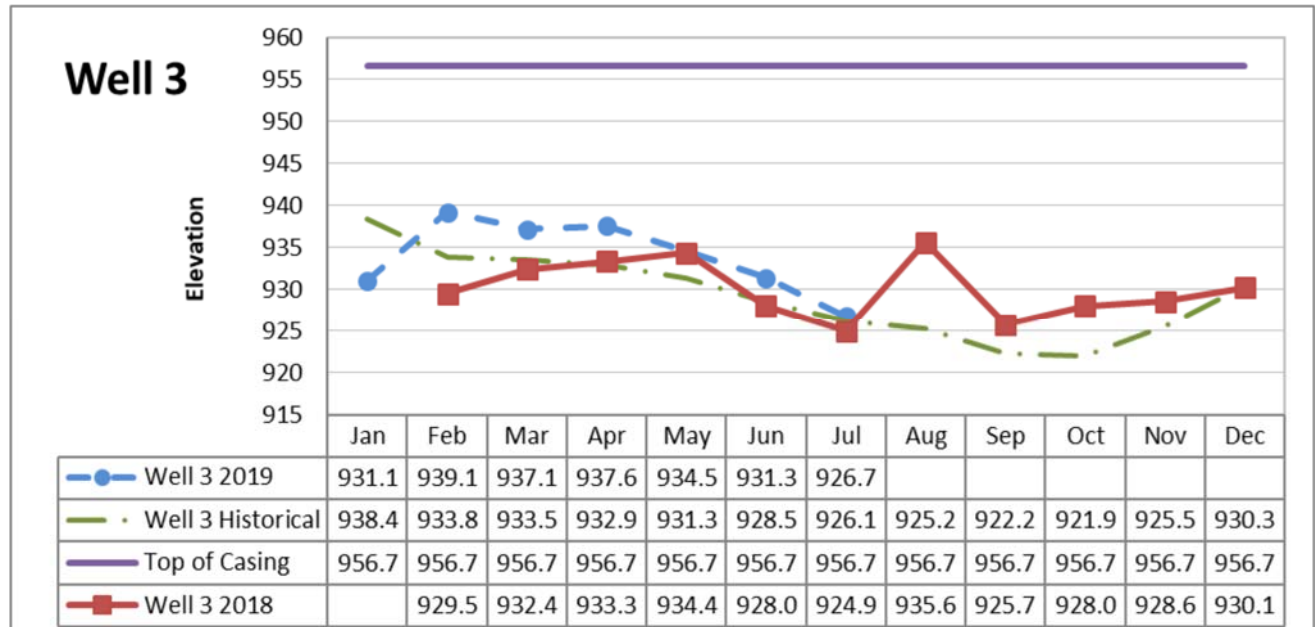
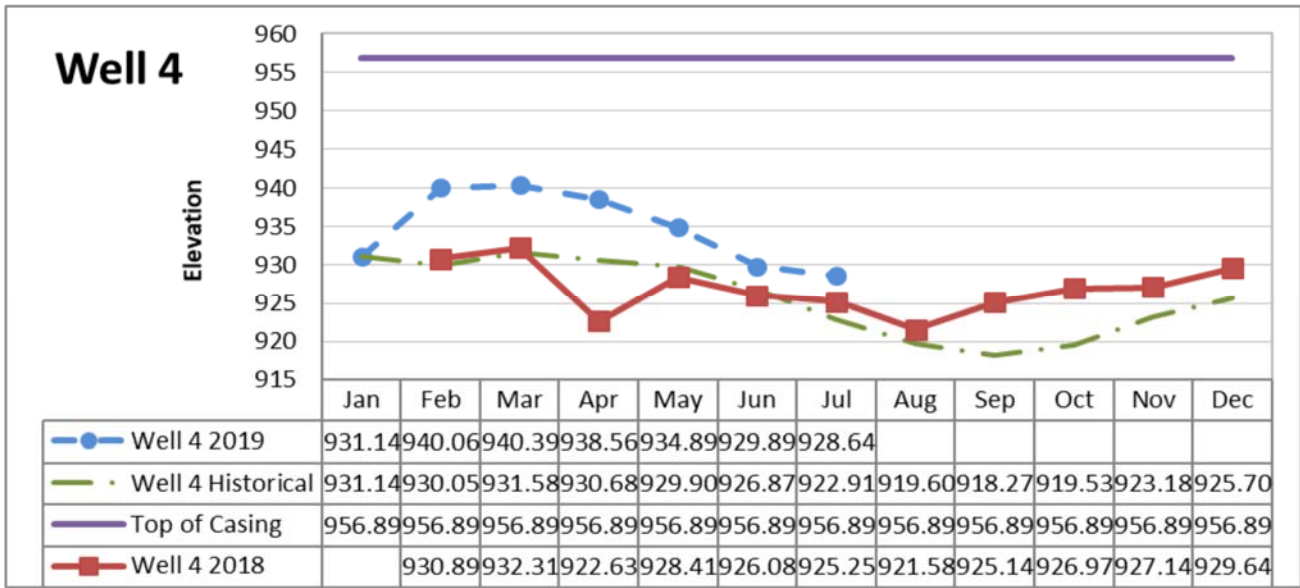


Hours		
Overtime Hours	48	\$1,752.42

July 2019 Field Report



July 2019 Field Report



Projects Update

FEMA projects

HMGP DR-4344 Project-512 (LHMP)

Project kick-off scheduled for 9/5; Stakeholder meeting 1pm (WWTP), Public meeting 6pm (Admin Conf. Rm)

7/25 Mailed work schedule to CalOES, HMG Division (See attached)

Scheduling newspaper and social media notifications of kickoff meeting.

RPA DR-4434 (February Rains)

7/25 Revisions to initial reimbursement request updated the total to \$977,838.29 (Project 100063). This includes \$657,757.22 to Lake County Special Districts.

7/30 Requesting plans, Specifications and Estimate from Coastland on Road Repair (Project 100138)

8/1 Project 100126—Signed contract for Aquatic Harvesting (\$35,000), and Proposal for EQ Basin cleaning (\$6,635)

HMGP DR-4434

7/30 Submitted NOI for the I&I Project (\$850,000)

RPA DR-4308 (Stormflow 2017)

7/19 Received multiple requests for information for final closeout of Project LKHVF83 (PW 787)

7/29 Submitted responses for Project LKHVF83 closeout.

Projects Update

Non_FEMA projects

CivicSpark

7/29, 8/1, 8/2 Conducting interviews of CivicSpark Fellow candidates

7/30 Submitted CivicSpark Services Agreement

8/1 Submitted CVRWQCB Progress Report (See attached)

8/2 Conclusion of the current service year for Mike & Ernie

Water main replacement

Bid documentation under review by attorney

8/20 Award of Contract scheduled

IRWM/Waterboards

7/24 Finalized Department of Water Resources Project Interest Forms (DWR PIF) for both Unit 9 Tank (\$462,552) and I&I Project (\$375,000)

9/20 DWR Workshop scheduled

11/29 Final application deadline

ACWA SLC

8/23 Next ACWA meeting scheduled

County of Lake

Submitted "Moratorium map" to County Assessor's office in GIS format (See attached)

July 2019 Field Report

Water Operations and Maintenance Highlights

- 7/9,7/11 Courtesy notices, lockoffs
- 7/9 Repairs to piping at Unit 9 tank
- 7/15 Troubleshooting Zone 4 pumps
- 7/16 Replaced 3 manholes
- 7/18 Troubleshooting Lift Station 1 pump
- 7/19 Service line repair Meadow View
- 7/22 Service line repair Spyglass
- 7/23 Backfilling from previous repairs (Moonridge, Meadow View, Spyglass)
- 7/30 Switched from Well 3 to Well 4
- Regular maintenance and operations
- 7/23-7/31 Meter reads

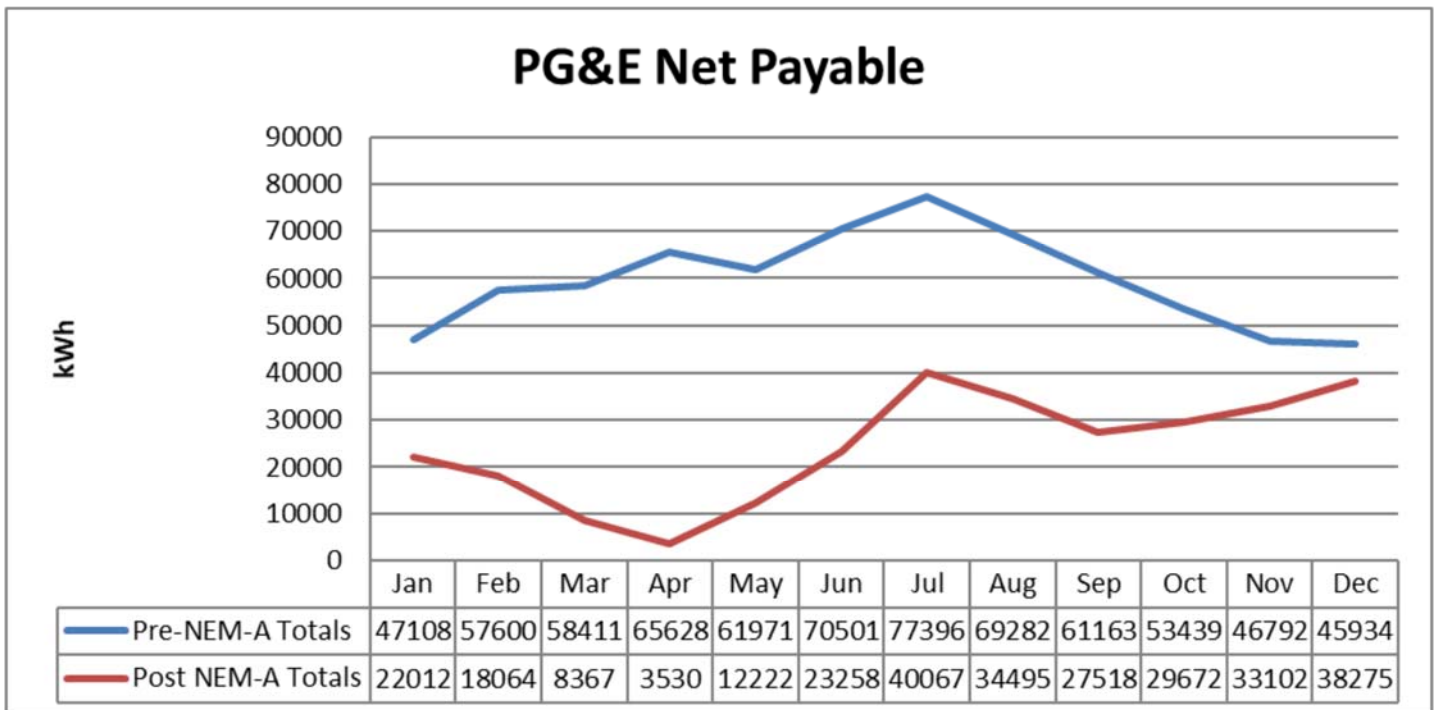
Wastewater Operations and Maintenance Highlights

- 7/9,7/11 Courtesy notices, lockoffs
- 7/8 Lanced filters
- 7/12 Sludge bed maintenance
- 7/15 Repaired blockage in Lift Station 1
- 7/16 Replaced 3 manholes
- 7/17 Troubleshooting high SVI levels
- 7/19-30 Troubleshooting polymer issues
- Regular maintenance and operations
- 7/23-7/31 Meter reads

July 2019 Field Report

Vehicle Mileage	
Vehicle	Mileage
Truck 1	131
Truck 2 (new construction truck)	1958
Truck 3	2167
Truck 4	N/A
Truck 6	720
Truck 7	1116
Truck 8	0
Dump Truck	52
Backhoe	3.8 hrs
New Holland Tractor	2 hrs

Fuel Tank Use		
	Gasoline	Diesel
Tank Meter	234.3	300.6
Fuel Log	248.9	300.3





Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hvlcsd.com

MEMO

To: California Governor's Office of Emergency Services, Hazard
Mitigation Grants Division

From: Alyssa Gordon, Water Resources Specialist, Hidden Valley Lake
Community Services District

Date: 7/25/2019

RE: *Work Schedule*

Pursuant to the Hazard Mitigation Grants Program Notification to Subgrantees
Grant Administration Procedures, please find enclosed a projected work
schedule, including milestones.

Please do not hesitate to contact me with any questions or concerns.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alyssa Gordon".

Alyssa Gordon

Hidden Valley Lake Community Services District

LHMP Schedule

Proposal Schedule

- Kickoff meeting (HMPC Meeting #1) and Public Meeting #1 – November 2018
- HMPC Meeting #2 (Risk Assessment) –January 2019
- HMPC Meetings #3 and #4 (Mitigation Strategy)–February 2019
- District/HMPC (First) Draft LHMP – March 2019
- District/HMPC comments – March 2019
- Comments incorporated into Public Review (Second) Draft – April 2019
- Public review period/ Public Meeting #2 and HMPC Meeting #5 – May 2019
- Public comments incorporated and LHMP submittal to Cal OES – June 14, 2019

Updated Schedule

- Kickoff meeting (HMPC Meeting #1) and Public Meeting #1 – September 2019
- HMPC Meeting #2 (Risk Assessment) –November/December 2019
- HMPC Meetings #3 and #4 (Mitigation Strategy)–January 2020
- District/HMPC (First) Draft LHMP – February 2020
- District/HMPC comments – March 2020
- Comments incorporated into Public Review (Second) Draft – March 2020
- Public review period/ Public Meeting #2 and HMPC Meeting #5 – April 2020
- Public comments incorporated and LHMP submittal to Cal OES – April 2020



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August 1, 2019

Mr. Guy Childs
California Regional Water Quality Control Board
Central Valley Region
11020 Sun Center Drive, #200
Rancho Cordova, CA 95670-6114

Re: Quarterly Progress Report

Dear Mr. Childs,

In response to your request from August 2018 for quarterly progress reports, we have compiled a list of completed and ongoing activities with respect to our Infiltration and Inflow (I&I) Work Plan Assessment. Attached are Figures and Appendices.

COMPLETED:

May

1. 5/1/19 – The CWSRF Intended Use Plan was published. The HVLCSD I&I project did not appear on the fundable list.
2. 5/14/19 – CivicSpark Fellows transitioned their Teledyne ISCO flow monitoring knowledge to the HVLCSD Field Operations staff. Flow monitor maintenance and data collection can now be managed long-term, with a primary focus on the Lift Station 6 sub-basin.
3. 5/14/19 – CivicSpark Fellows transitioned their ArcGIS and GPS experience to HVLCSD Field Operations staff. The fellows showcased geolocating tools (ESRI Collector App, EOS Arrow 100 GNSS) for field staff to build and maintain the HVLCSD wastewater infrastructure.
4. 5/18/19 – Disaster 4434 was declared for multiple counties including County of Lake, due to excessive rains from 2/24 through 3/1.
5. 5/22/19 – The priority list of manhole lids to be replaced was finalized and added to the wastewater geodatabase. See **Figure 1**

June

6. 6/5/19 – The Lift Station Three basin manhole geolocation was completed, building on the existing geodatabase of the wastewater infrastructure.

7. 6/6/19 – Replaced three manhole lids; MH# 3.0-2 on Mill Pond Road, MH# 1.0-5 on Mountain Meadow South, and MH# 1.0-7 on Mountain Meadow South. These lids are close to each other and located in a lower elevation area that is prone to flooding.
8. 6/13/19 – Presented the HVLCSO Sanitary Sewer Overflow (SSO) Standard Operating Procedure (SOP) to Field Operations. This SOP was approved and immediately utilized. See **Appendix A**
9. 6/30/19 – Auditing of the Sewer System Management Plan (SSMP) continued.

July

10. 7/9/19 – The Lift Station One basin manhole geolocation was completed. This basin was the last to be geolocated, which was completed with CivicSpark Fellows and HVLCSO Field Operations staff. This portion of the wastewater geodatabase, excluding the known buried manholes, is now complete.
11. 7/9/19 - Presented the HVLCSO Manhole lid SOP to Field Operations. This SOP was approved and immediately utilized. See **Appendix B**
12. 7/9/19 – FEMA Recovery Scoping Meeting with HVLCSO on DR 4434 took place. A damage inventory was developed, and one project (Emergency Protective Services, \$977,838.29) was submitted for reimbursement.
13. 7/16/19 – Replaced three manhole lids; MH# 3.0-1 on Mountain Meadow South, MH# 4.0-1 on Mountain Meadow South, and MH# 4.0-2 on Mountain Meadow North. The focus continues to be on replacing manhole lids in lower elevation areas, in close proximity to each other.
14. 7/16/19 – Completed the addition of all sewer laterals to the wastewater geodatabase.
15. 7/16/19 - The audit of the SSMP was finalized. This update included format changes and improved content in the appendices, and the Board of Directors approved the document at their monthly meeting (<http://www.hvlcsd.org/sewer-system-management-plan-ssmp>).
16. 7/16/19 – The CivicSpark Fellows delivered their final presentation of their service year on I/I and GIS to the Board of Directors.
17. 7/22/19 – Aquatic Harvesting of weeds in the Reclamation pond began.
18. 7/23/19 – The I&I Integrated Regional Water Management DWR funding application was completed for the upcoming PSP solicitation.
19. 7/23/19 – Another project resulting from DR 4434 was submitted for reimbursement (Sewer pump repair \$13,975.16).
20. 7/24/19 – A manhole lid replacement schedule was posted for the upcoming four months.

NEXT STEPS:

21. Continue with manhole lid replacement project, as scheduled.
22. Continue to submit reimbursement requests for DR4434.
23. Leverage the completed asset database within the wastewater geodatabase to document on-going maintenance (jetting, FOGs).
24. Discuss improvement opportunities available within a single fiscal year such as point repair vs. line replacement.
25. Purchase Vac-Con truck to enhance local autonomy and ability to conduct routine maintenance and respond to SSOs.

This concludes the fourth quarterly report delivered to the Central Valley Regional Water Boards. Do you have any recommendations on how to proceed? We welcome your guidance on any next steps. Thank you for your help and consideration in advance.

Dennis White

Field Operations Lead, Cert #40478
Cell 707-533-3498

Alyssa Gordon

Water Resources Specialist
707-987-9201

Michael Burley

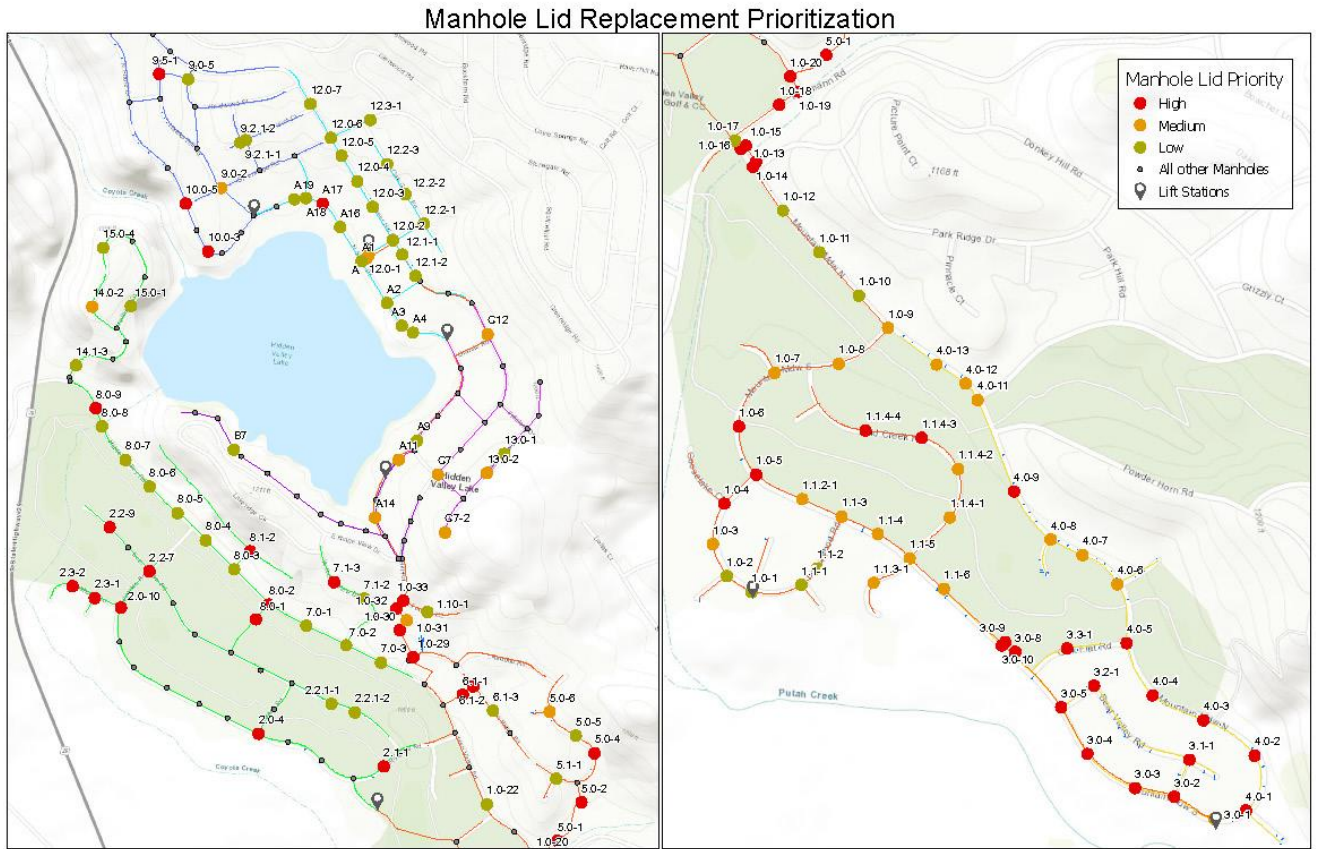
CivicSpark Water Fellow
707-987-9201

Ernesto Ruvalcaba


CivicSpark Water Fellow
707-987-9201

APPENDIX of FIGURES

Figure 1 Manhole Lid Replacement Prioritization



Date: 5/15/2019

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SOP Owner	Dennis White	Approval	Kirk Cloyd and Dennis White

Standard Operating Procedure

1. Purpose

This document provides step-by-step guidance to field operators and administrative staff when servicing and reporting a sanitary sewer overflow (SSO). It serves as a reference document to aid District staff in properly complying with state regulations. This document should be updated on a regular basis to reflect any changes to response procedures (Last Reviewed/Update Date).

SSOs can pollute the environment, adversely affect aquatic life, and threaten public health. If not properly reported, the State Water Resources Control Board (SWRCB) and the Central Valley Regional Water Quality Control Board (CVRWQCB) have the authority to enforce fines, and if operators are negligent or willfully out of compliance they can face serious legal consequences. *Always contain and report all SSOs.*

2. Scope

This procedure is applicable to all overflows of the sanitary sewer collection system, usually out of manhole lids, but can be from the treatment plant as well. This SOP is relevant during high rain, flooding events or stoppages that cause manhole overflows, and includes any release of untreated sewage into the environment.

Intended audience:


Field Operations: Utility Supervisor > Field Operators
 Administrative Staff: General Manager > Water Resources Specialist
 Board of Directors: President of the Board

3. Prerequisites

The first priority for any SSO is to contain the spill. For field staff going out to stop the SSO, the following materials are suggested:

- PPE including safety/reflective vest and rubber gloves
- SSO containment materials such as: Earthen filled sandbags, hay bales, plastic sheeting, and concrete collar
- Bleach (Chlorine), 12.5% solution and spray bottle
- Trash bags
- Rake & shovel
- Sewer snake
- Traffic cones & other safety/traffic notification signs
- Mobile phone with a camera and video capabilities

The second priority is notification and reporting. It is necessary to properly notify the overflow to agencies via phone and email in order to stay within legal compliance, and complete an SSO report. There are several documents needed that outline the reporting

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process, and are located at this hyperlink: <https://www.hvlcsd.org/wdr-ssr-report-form>; which is located on the website under Services > Wastewater > WDR SSO Report Form.

These documents are:

Enrollee’s Guide to the SSO Database: This document provides a visual walk-through of CIWQS registration, the SSO database, reports, a glossary of terms, and examples.

SWRCB Order WQ 2013-0058-EXEC: This document outlines the categories of SSOs and their relevant reporting requirements.

CVRWQCB Order No 5-00-019 Waste Discharge Requirement: At the end of this document there is a list of standard provisions and reporting requirements for waste discharge to land.

4. Responsibilities

The Utility Supervisor is responsible for carrying out this procedure, and may delegate the tasks to qualified employees. When the Utility Supervisor is not available, the highest certified operator will assume the responsibility to carry out this procedure and direct the efforts of the maintenance crew.

As delegated by the Utility Supervisor, administrative support will be provided by the Water Resource Specialist, and/or the General Manager.

Cooperation with HVLA (General Manager, Security Services, etc) may be required for community notification. This may include signage of SSO, lake closure, road closure, Nixel Alerts and any other necessary public information.


5. Procedure

I. RESPONSE (At the same time as II. Regulatory Compliance): For Utility Supervisor, Lead Wastewater Operator, Field Operations staff, and HVLA Security Personnel

This section describes the initial response and steps required to contain the SSO. Refer to the responsibilities section as *there are several tasks that need to be completed concurrently*, specifically completing containment and completing regulatory compliance procedures.

For all discharges of untreated or partially treated wastewater resulting from sanitary sewer system failure (any category of SSO):


1. Report the spill to the Utility Supervisor.

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2. Identify yourself to the property owner who called for service (if applicable).
3. Document the problem (take digital photos and videos with **detailed narration**) and restore sewer mainline flow (remove blockage) as soon as possible. Work with the Utility Supervisor to determine the need for pumper trucks. Note the time the spill began and its duration to eventually determine the volume of the spill.
4. Contain the spill using known methods and available resources:
 - a) Build a barrier with earth, hay bales, or sandbags and plastic sheeting.
 - b) If necessary, install a concrete collar around the manhole.
 - c) Update the Utility Supervisor with spill containment progress.
 - d) Take pictures of response progress, and note time of completion.
5. Clean up affected area:
 - a) Remove all signs of pollution (solids, toilet paper, grease, etc.) using gloves, rakes, and trash bags, and haul it off for disposal.
 - b) Spray down the area of the spill with the disinfecting 12.5% chlorine bleach solution.
 - c) Take pictures of the clean-up activities.
6. Community Notification: The G.M. may delegate communication tasks, or communicate directly with HVLA to determine appropriate notification procedures for each incident. Consideration should be given to the appropriate response given the amount of sewage and what bodies of water it may enter, if any.

This may require posting signs that warn the public of a sewage release in the affected area, especially where there is the potential for public contact. If deemed necessary, signs should include the wording: "raw sewage."

Notifying downstream users: For spills of over 60-70k gallons of raw sewage, ensure downstream users are notified. This may happen as a result of reporting the spill to the California Office of Emergency Services (CalOES) and the resulting collaboration with various state and local regulatory agencies, but confirm who is responsible and what action has been taken. Document everything.
7. Water Sampling (as per regulatory compliance requirements):
 - a. Complete sampling within 48 hours of notification of the SSO.
 - b. Ensure samples are taken from the appropriate locations.
 - c. Evaluate water quality results and take appropriate action.

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8. Follow up:
 - a. Confirm the cause of the spill and check sewer lines downstream of the spill to ensure lines are free of debris or blockages.
 - b. Conduct any necessary or relevant repair steps, such as:
 - i. Add line segment to cleaning schedule, change frequency, or change cleaning method.
 - ii. Inspect by video camera (CCTV) and re-run if needed.
 - iii. Repair or replace line segment.
 - c. Collect photos, videos, and all spill information.

II. REGULATORY COMPLIANCE (At the same time as I. Response)

Notification: For Utility Supervisor, who may delegate this responsibility as they see fit.

For this crucial step in the SSO SOP, please refer to the following resources for detailed information: <https://www.hvllcsd.org/wdr-ssr-report-form> (hvllcsd.org > Services > Wastewater > WDR SSO Report Form). A full guide of the necessary reporting steps is provided.


For category I spills, notification is required within two hours of learning about the event. Obtain a notification control number. CAL OES: 1-800-852-7550. "Regional Board" CVRWQCB: (916)-464-3291

Notification is **not** required for category II and III spills, but **reports are required for all categories of spills.**

Reporting: For the Utility Supervisor, who may delegate this responsibility as they see fit.

Overflows shall be reported in accordance with the state and regional boards, using the above online resources. There are strict timelines that must be adhered to that vary based on the spill category. These range between three days for Category I or II spills and 30 days for a category III spill.

An SSO technical report and a no-spill certification are just some of the documents that need to be completed on the CIWQS online database. Consult the [Enrollee's guide to the SSO Database](#) for detailed instructions and a visual walkthrough of the process. All the documentation: Photos, the control number, and data that have been created throughout this process will be useful in completing these reports.

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6. **References**

Reporting Reference Documents

As listed previously: <https://www.hvlcsd.org/wdr-ssr-report-form>: SWRCB Order WQ 2013-0058-EXEC; CVRWQCB Order No 5-00-019 Waste Discharge Requirements; Enrollee's Guide to the SSO Database.

CalOES

1-800-852-7550

"Regional Board" CVRWQCB:

(916)-464-3291

Pumper truck Companies


Action Sanitary: (707) 994-5068
Carrier Pumping Services: (530) 695-3534
EPS: (707) 775-5443
Fossa's: (707) 279-4423

Water Quality Testing Companies

Alpha Labs: (707) 468-0401

Lake County Offices

Lake County OES: Dale Carnathan: (707) 263-3450
Department of Water Resources Angela DePalma-Dow: (707)-263-2344
Department of Environment Health: Craig Wetherbee (707)-263-1164 ext. 114

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Hidden Valley Lake Association (HVLA)

General Number: (707) 987-3138

Other Resources:

State Water Board Website: <https://www.waterboards.ca.gov/>

SSO FAQs: https://www.waterboards.ca.gov/ciwqs/docs/ssso_faqs.pdf

Regional Water Board Website: <https://www.waterboards.ca.gov/centralvalley/>

Water Code section 13271:
https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=WAT§ionNum=13271

7. Definitions

CIWQS: California Integrated Water Quality System Project. It hosts the online database where SSO reports are completed.


Category 1 overflow: Discharges of untreated or partially treated wastewater of any volume resulting from an enrollee’s sanitary sewer system failure or flow condition that:

- Reach surface water and/or reach a drainage channel tributary to a surface water; or
- Reach a Municipal Separate Storm Sewer System (MS4) and are not fully captured and returned to the sanitary sewer system or not otherwise captured and disposed of properly. Any volume of wastewater not recovered from the MS4 is considered to have reached surface water unless the storm drain system discharges to a dedicated storm water or groundwater infiltration basin (e.g., infiltration pit, percolation pond).

Category 2 overflow: Discharges of untreated or partially treated wastewater of 1,000 gallons or greater resulting from an enrollee’s sanitary sewer system failure or flow condition that do not reach surface water, a drainage channel, or a MS4 unless the entire SSO discharged to the storm drain system is fully recovered and disposed of properly.

Category 3 overflow: All other discharges of untreated or partially treated wastewater resulting from an enrollee’s sanitary sewer system failure or flow condition.


Overflow: Any condition of sewage emitted or discharged from the collection system to the surrounding environment that is caused by a problem in the District’s sanitary sewer collection system.

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PPE: Personal Protective Equipment. For an SSO, minimum PPE includes gloves, proper clothing and closed toed shoes/boots, and a safety vest. Depending on the nature of the SSO other PPE could include a mask and eye protection, along with associated sewer repair tools may be necessary.

Sewer Snake: Also known as a plumber's snake or drain snake; is a slender, flexible auger used to dislodge clogs in plumbing. It is often used to clear a clogged drainpipe or sanitary sewer.

Appendix B Manhole Lid Replacement SOP

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SOP Owner	Marina Deligiannis & Ernesto Ruvlacaba	Approval	Kirk Cloyd and Dennis White

Standard Operating Procedure

1. Purpose

Describe the process for a Manhole Lid Replacement.

The replacement of manhole lids is a District priority. TITUS® TwistLIFT® Security Locks and Composite Access Covers will replace cast iron lids throughout the collection system. Damaged manhole lids/rings, below grade, buried manholes, and manholes in area susceptible to flooding take precedence in the replacement schedule. The composite locking manhole cover prevents inflow into the manhole, and eliminates corrosion which reduces groundwater infiltration.

For further documentation, refer to Section 6. References.

2. Scope

This procedure is applicable to all manhole lids in the District’s sanitary sewer collection system in accordance to its replacement priority. This SOP is relevant to the District’s continuous maintenance and operations of the sanitary sewer collection system.

Intended audience:

- Field Operations: Utility Supervisor > Field Operators
- Administrative Staff: Project Manager and Account Representatives


3. Prerequisites

It should be noted that contact with raw sewage is a potential health hazard and care should be taken to prevent contamination of uniform, skin, or tools by using appropriate personal protective equipment as may be necessary due to field conditions at the job site. **It is essential that good safety and hygiene practices be used during operations and appropriate clean up after work is completed to ensure safety.** Training is required when handling heavy equipment, i.e. jackhammer, before replacing a manhole lid and ring. Refer to Section 6. References for further training resources.

Several preparatory steps over the course of two months are required for a successful manhole lid replacement procedure. The following timeline itemizes these steps:

Two months prior:

Maintain a proper inventory of manhole lids that conforms to the District’s budget.

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One month prior:

Schedule manhole lid replacement date and at a minimum of three locations based on the ssManhole priority field on GIS. Refer to Section 6. References for location.

One week prior:

Open a service order for the project work.

Notify and coordinate with the Director of Operations at the Hidden Valley Lake Association (HVLA) of the date and locations of the manhole lid replacements.

Saw cut at designated manholes:

- Observe proper safety procedures using the following equipment:
 - Hard hat, safety glasses, safety vests, work gloves, steel toed work boots, and ear protection.
 - Traffic control devices, such as flags, flag stands, cone barricades, "stop and slow" sign holder, and caution tape.
 - Saw cutter and construction truck.
- Saw cut a 4'x4' square around each manhole site location. Place safety cones/tape around project site after completion.

One day prior:

Place an order of pre-mixed concrete and concrete mixer.

4. Responsibilities


As previously stated in Section 2. Scope, the intended audience are the individuals with primary responsibilities in this SOP.

The Project Manager and Utility Supervisor will work together to determine the size of the crew for this project. Identified participants of the manhole lid replacement are as follows:

- Project Manager
- Utility Supervisor
- Field Operator(s)
- Account Representative

The Project Manager is responsible for managing the process of the manhole replacement and GIS documentation. This is achieved by working together with the Utility Supervisor on all pre-requisite tasks, and coordinating the project through completion.

The Utility Supervisor is responsible for the roles, tasks and completion of a manhole lid replacement. The Utility Supervisor must properly assign roles to field staff in the completion of the manhole lid replacement as well as maintain the manhole lid inventory. The Utility Supervisor will also provide appropriate training for all members of the field staff.

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The Field Operator(s) will complete their task(s) as assigned by the Utility Supervisor.

The Account Representative will create and close manhole lid service order as assigned by the Project Manager.

Contact information for responsible parties:

<i>Utility Supervisor:</i>	<i>Field Staff on Call:</i>	<i>Administrative:</i>
707-533-4398 (Cell)	707-355-9368 (Cell)	707-987-9201 (Ofc)
		707-533-3632 (Cell)

5. Procedure

The following steps will guide staff on how to safely replace manhole lids to improve infrastructure. As previously stated in Section 3. Prerequisites, safety procedures and equipment are an integral part of the manhole lids replacement process.

It is recommended that the manhole lid replacement be started earlier in the work day. This allows for flexibility and oversight during the replacement.

All individuals must make sure the following equipment is available for use for this procedure:

Personal Safety Equipment:

- Hard hat, safety glasses, safety vests, work gloves, steel toed work boots, and ear protection.

Job Site Safety Equipment:

- Traffic control devices, such as flags, flag stands, cone barricades, "stop and slow" sign holder, and caution tape.

Construction Equipment/Materials:

- Manhole ring, manhole lid, manhole lid opener, jackhammer, shovels, wrenches, air compressor, construction truck, junk removal trailer, saw cutter, digging bar, grade rings (donuts/tire tubes), two 2x4 wood planks, brush, small chisel, thin gage wire, and concrete/cement as required.

1. Analyze the job site. Make sure all necessary tools are present.
2. Set up traffic control. A "stop and slow" sign holder will direct traffic during the entire process of the lid replacement.
3. Dig up pre-cut concrete surrounding each manhole using a jackhammer and digging bar. **Figure 1**
4. Dispose of concrete debris using a shovel.
 - a. Field staff will place concrete debris in either bed of company truck or attached junk removal trailer.




**Field Operations Department
Wastewater Division/Function**

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- b. Use caution when removing debris. Field staff should be aware of surroundings when handling debris removal tools and loose concrete.
 - c. Once the bed or trailer reaches capacity, start a collection site for the rest of the debris on the side of the road near the work area.
 - d. Dump concrete debris at designated spot at the WWTP, located adjacent to the WWTP entrance gate.
5. Once concrete debris is removed, carefully remove old manhole ring and cover.
 6. After the old ring and cover is removed, thoroughly clean the excess debris off of the lip of manhole, including dirt, cement, and smaller rocks by using a brush, small chisel, or hammer.
 7. Use two 2x4 wood planks tied with 4 pieces of thin wires to hold firmly over the new manhole ring in order to grade new manhole. **Figure 2**
 - a. The wood planks should be sitting on their tall side.
 - b. Affix wood planks securely to manhole ring with wires.
 - c. Inflate tire tube with air compressor and place under new manhole ring.
 - d. Make sure the ring is level and securely in place.
 8. Locate a nearby water connection, either a hydrant or residence. **Figure 3**
 - a. Prior to hooking up a hose to the water connection; properly document the meter before and after using the water.
 - b. The meter serial number and the amount of water used should be listed on the service order.
 9. Using concrete mixer and water from connected hose, slowly mix concrete mix to pour into dug up area surrounding manhole.
 10. Remove the wooden planks and wires.
 11. After concrete is poured and completely filled into excavated area, use a smoothing tool to even out the freshly poured concrete. **Figure 4**
 12. Place traffic cones with bright caution tape connecting each cone at each four corners of project site. **Figure 5**
 13. With connected hose, cleanup project site including tools and debris, making sure to keep distance from the project site.
 14. For 2-4 hours while concrete is drying, monitor the site to make sure concrete is drying properly.
 15. After concrete is dry, remove traffic cones and caution tape. Then, deflate and remove tire tube that is placed under manhole ring.
 16. Remove any dry concrete that may have gotten onto the new manhole ring.
 17. Put new manhole lid on manhole ring and lock into place.
 18. Before leaving, ensure all construction equipment and safety materials are removed from the site.
 19. Make sure that all documentation is complete.
 - a. Complete manhole lid service order.
 - b. Update ssManhole attribute table.

6. References

The following documents and weblinks help describe the process and materials for the manhole lid replacement project.

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[Titus Industrial Group](#)

[Safety and operating instruction: Handheld pneumatic jackhammer](#)

Hidden Valley Lake Community Service District: [Infiltration and Inflow Work Plan](#)

Hidden Valley Lake Community Services District: [Infiltration and Inflow Assessment](#)

ArcOnline > Equipment and Locations > ssManhole > Attribute table > Priority Figures:



Figure 1: Concrete debris removal



Figure 2: 2x4's to grade new manhole ring



Field Operations Department
Wastewater Division/Function

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Figure 3: Water connection



Figure 4: Even out the poured concrete



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Ruvlacaba



Figure 5: Manhole completion with safety cones and caution tape


7. Definitions / Acronyms

The following section includes frequently used terms and acronyms used throughout this document.

Definitions

TITUS TwistLIFT Security Lock & Composite Cover Lock: The composite cover with locking mechanism is designed to secure manhole cover in order to protect against unauthorized access to the manhole, restrict movement of the cover, and reducing wear to the cover.

Manhole: A covered opening in the surface, often times in pavement that allows as an access point of a community's collection system.

	Field Operations Department Wastewater Division/Function	SOP #	S0001-06
		Revision #	5
		Implementation Date	7/15/19
Page #	8 of 8	Last Reviewed/Update Date	7/15/19
SOP Owner	Marina Deligiannis & Ernesto Ruvlacaba	Approval	Kirk Cloyd and Dennis White

Grade Ring (i.e. Tire tube/Donut): Is added under the manhole ring to allow the manhole ring to reach grade level as well as to prevent any poured concrete from leaking into manhole.

Tire Tube: An inflatable ring-shaped tube used for grading purposes in this procedure.

Digging Bar: Long, straight metal bar used to loosen hard or compacted materials.

Jackhammer: Is an air pneumatic tool that combines a hammer directly with a chisel that may be used as construction machinery.

Air Compressor: A device that converts power into pressurized air.

Junk Removal Trailer: A trailer used to haul trash or debris.

Thin wire: A wire is a long thin piece of metal that is used to fasten things or to carry electric current.

Acronyms

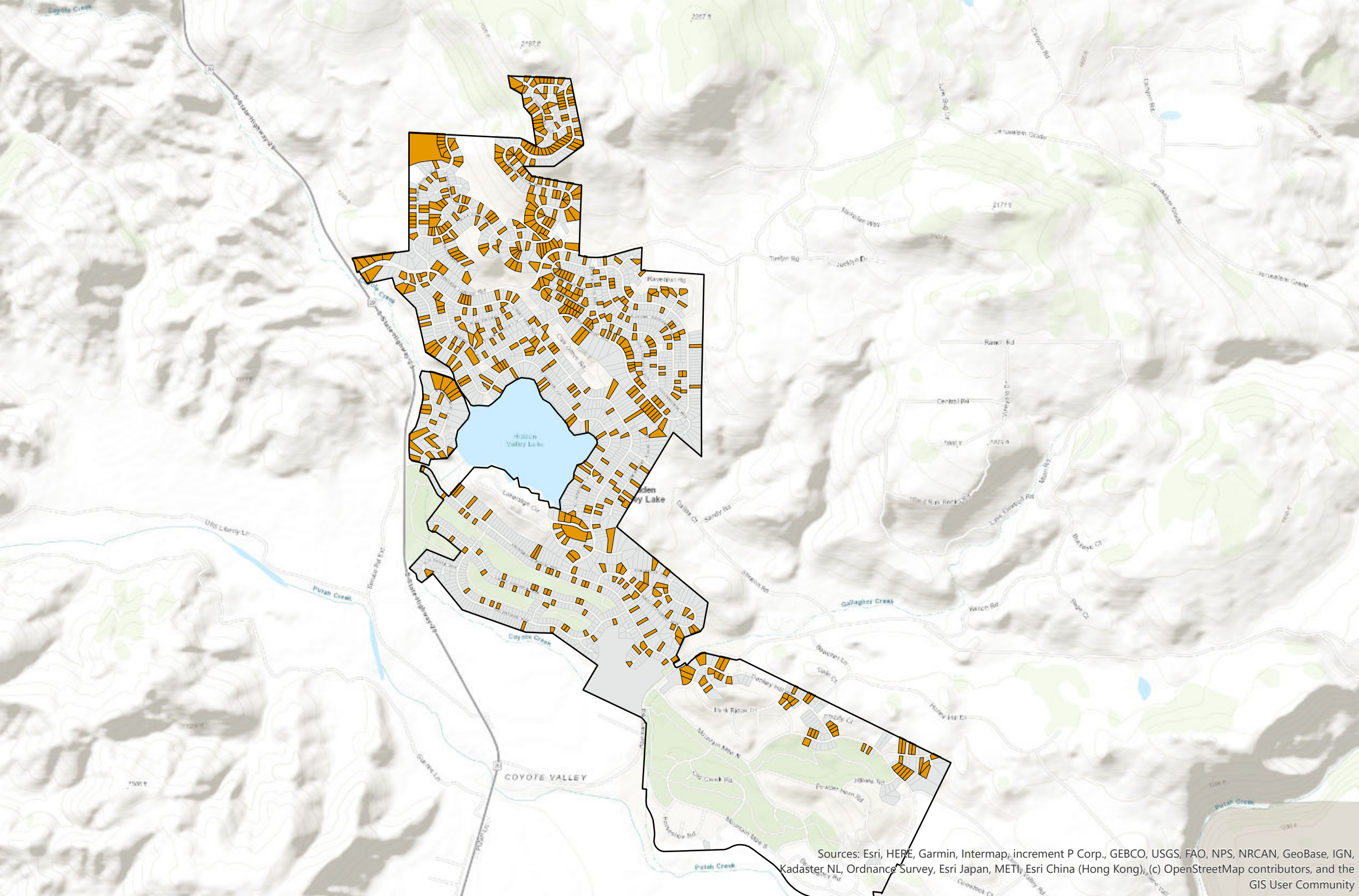
WWTP: Waste Water Treatment Plant. Infrastructure and system of screening chemical application's and other processes to treat wastewater and recycled water. The endpoint in any collection system.

Infiltration and Inflow (I/I): Combination of groundwater and storm water that enters a collection system. I/I enter the collection system through direct connections and defects in pipes, manholes and service laterals.

2x4: Two-by-four. Refers to the common size of dimensional lumber.

AC: Asbestos Concrete. A material more commonly found in older sewer collection systems.

SDR 35: Standard Dimension Ratio. A sewer main pipe used for sewer purposes.



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hvicsd.org

MEMO

To: Board of Directors
From: Kirk Cloyd
Date: August 20, 2019
RE: General Manager's Monthly Report

Good evening. The following report discusses items Hidden Valley Lake CSD completed over the past month and is intended to provide the Board and public with an update on the progression of projects.

Water

1. The District submitted a draft update to Compliance Order# 02_03_14R_004 Directive 6 (Source Capacity Planning Study) as the current one on file with the State and Regional Boards lists Hidden Valley Lake as the alternate water source. The District and State regulators recognize the financial and operational barriers to this proposal and have worked with HVLCSD to identify an alternate to addressing the meter moratorium issue. The alternative is noted in the report already submitted to the State and Regional Boards. Should the State accept the report which gives strong indication that Well 4 and the Ag Well draft from the ground water aquifer rather than Putah Creek subterranean flow then Directive 7 will become null and void. Until the state makes a determination, the Regional Board has accepted quarterly verbal updates as no action or work can be done to achieve further compliance until the State Water Board makes their determination.
2. The G.M. spoke at the Annual Tri-State Conference on behalf of HVLCSD highlighting the Cr6 pilot study conducted by AMS.
3. Unfortunately, two homes were lost in an isolated fire the night of Sunday July 28th. The District's water system worked as designed providing Cal Fire with the water needed to contain the fire and keeping it from spreading.

Sanitary Sewer

No reportable issues.

Stormwater

No reportable issues.



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Recycled Water

The District received and reviewed the Recycled Water Amended Monitoring & Reporting Requirements for ALL recycled water purveyors from the State Water Board. In short, the new regulations require changes to the reporting requirements that will go into place in 2020.

Finance

1. Staff continues to prepare for the annual audit which is scheduled for Sept. 5th and 6th.
2. The G.M. worked with Catherine MacLeod, FSA, FCA, EA, MAAA of MacLeod Watts, Inc. to obtain a copy of the District's OPEB Liability roll forward valuation they prepare. Changes were discussed that will affect next year's valuation.

Human Resources

1. Employee Handbook Update: Staff continues to work with the Personnel Committee to review recommendations made by the District's HR attorney on improvements to the Employee Handbook. Additional meetings are needed to complete the review prior to Board presentation.
2. The District flew the entry level Accounts Representative position and received five qualified candidates after extending the submission date. Interviews are scheduled for Thursday Aug. 22nd.
3. The G.M. has met one on one with several Board members as recommended by Dr. Bienati. The remaining Board members will be scheduled in as their calendars permit.
4. Five annual employee evaluations were completed this past month, four CivicSpark Fellows were interviewed and all applications submitted for the entry level Accounts Representative were reviewed and classified.
5. Several Annual Employee Evaluations were completed this review period.

Information Technology

1. Applied Technologies converted the District Outlook to Office 360 which made it possible for us to discontinue usage of LuxSci, updated District e-mail processing and improved the stability of the Outlook platform. Additionally, PC and phone upgrades were completed during this past month.



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Facilities

No reportable issues.

Vehicles and Equipment

1. The G.M. and Utility Supervisor discussed the purchase of a used Vac-Truck through the Federal or State system which is bid on at each respective level through those government entities. This removes the requirement for the individual organization such as HVLCSO to go to bid. Further, District legal counsel noted that used equipment does not require a bid in general as it is not possible to compare used equipment with different qualities, mileage, hours of use and attributes.
2. Unit 4 has been returned to service after the replacement of the windshield, repair of the gear indicator, repair of the brakes and several other issues that kept it from being road worthy.

Emergency Preparedness

1. The Konocti Conservation Crew (KCC#27) utilized two crews to remove organic matter from the RWRF on July 15th and 16th.
2. Staff attended the South Lake County Fire Safe Council Meeting.
3. The G.M. attended HVLA's monthly Firewise meeting.
4. Staff continues to work with Cal OES and FEMA representatives to discuss 4434 (Feb-March floods).
5. The annual facility tour was conducted by the Emergency Preparedness Committee. Several issues were brought to the Committee's attention but will take an additional financial commitment from the District to resolve.
6. Staff and the Emergency Preparedness Committee have reviewed The District's V.A. (Vulnerability Assessment) and are currently in the process of updating the V.A.
7. The G. M. attended the Lake County Sheriff's Office of Emergency Services Operational Area Emergency Coordinators Meeting on behalf of the District.

General Information:

1. The G.M. attended the Westside Sac IRWM Coordinating Committee Regular Business Meeting in Solano County.



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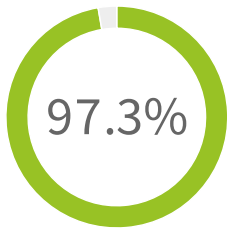
2. Valley Oaks was annexed into the District boundaries via the LLAFCO process:
 - A. Staff met with Kimco Development and reminded them of the necessary steps to proceed with their development. The initial step is to draft a developer's agreement to include an escrow account ensuring the developer pays for all costs rather than the existing constituents and have it reviewed by legal counsel for both parties.
 - B. District legal counsel was contacted and Mr. Doug Coty concurs with the District's use of a Developer's Agreement and escrow account to protect the District and its current constituents.
3. The General Manager and Water Resources Specialist attended the graduation of our CivicSpark Fellows. It gave The District the opportunity to network with other CivicSpark hosts and furthered the interview process for the next CivicSpark service period.
4. Upon request, the District provided HVLA with the cost of services based on past usage should a rate increase be implemented. This request was made so HVLA can budget for the next fiscal year.
5. G.M. Board member 1 on 1 meetings have been held as recommended by Dr. Bienati with Directors Lieberman, Mirbegian and Graham. Meetings with Directors Freeman and Herndon are expected to be scheduled the week of Aug. 19th.
6. Per Dr. Bienati, the G. M. drafted 2019/20 G.M. goals for the Executive meeting on Monday Aug. 19th.
7. The District purchased a used (Demo) Vactor Vac-Truck based on the recommendations of District Counsel, Doug Coty. This equipment will be used in the water and sewer utilities and may be contracted to outside agencies such as HVLA.
8. The District investigated and joined (at not out of pocket expense); NJPA, now Sourcewell. This will allow the District to purchase items without going to bid as Sourcewell is a Federal agency that pre-bids so agencies don't have to. There is a State of California equivalent that we will look into as time permits.

Executive Summary Report

Generated for HVLCSD for July 2019



Health Score



Breakdown

Proactive Monitoring	100%	Server Availability	99.1%	Failed Login Attempts	0%
Antivirus	97.2%	Patch Management	97.9%	Backup	89.3%
Coverage	95%	Coverage	100%		
Protection	99.3%	Protection	95.7%		

Managed Devices

Devices

20

- 1 Server
- 17 Desktop
- 2 Laptop

Checks Passing

Application	99%
Disk/File	94%
Event	100%
Network	100%
Script	100%
Service	100%
System	94%
Task	88%

Alerts Resolved

671

Protection Effectiveness

Antivirus

Devices with Antivirus	19
Frequency of up-to-date Devices	99.3%
Threats Quarantined/Resolved	0

Backup

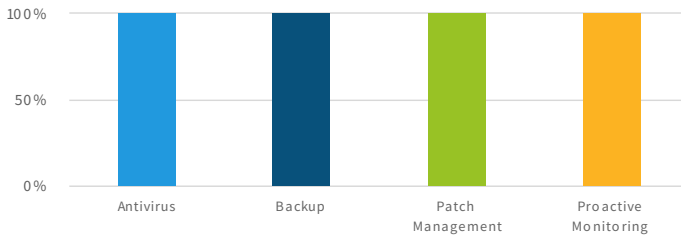
Devices with Backup	2
Data Backed Up (GB)	418
Successful Backups	50

Patch Management

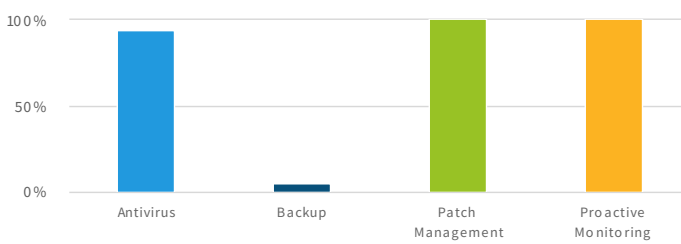
Devices with Patch Management	20
Patches Detected	92
Patches Installed	88

Coverage

Servers



Workstations



Operating Systems



Top 5

Devices with Failing Checks

HVLCSD2016-04
 ACCOUNTS1-PC
 HVLCSD2016-06
 HVLCSD-02
 HVLCSD2016-01

Devices at Risk

OFFICE

Terminology Explained

Health Score

A weighted aggregation of the systems health across various components. If a feature is not enabled, the health score will not be negatively impacted.

Alerts Resolution

The number of outages that occurred over the course of the month which were closed or cleared.

Checks Passing

The percentage of checks that have passed throughout the month. Checks are grouped into categories. For example, System category comprises of Failed login, Server performance monitoring, OSX update, Package management, and Physical memory checks.

Frequency of Up-to-Date Devices

How often AntiVirus checks have been up-to-date across Servers and Workstations throughout the entire month.

Top 5 Devices at Risk

Devices which have the most common failures of Antivirus, Vulnerability, Risk Intelligence and Web Protection checks throughout the entire month.

**ACTION OF
HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

DATE: August 20, 2019

AGENDA ITEM: Discussion and Possible Approval: Acceptance of NBS Rate Study, discuss Proposition 218 and provide Staff with direction. Staff recommends proceeding with the Prop. 218 rate increase process based on NBS’s recommendations.

RECOMMENDATIONS: Accept NBS Rate Study and authorize staff to proceed with the rate increase based on the Study and staff to begin public outreach and the 218 process.

FINANCIAL IMPACT: Estimated \$3,500 for printing and mailing

BACKGROUND:

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

I, Kirk Cloyd, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular board meeting thereof held on August 20, 2019 by the following vote:

Ayes:

Noes:

Abstain:

Absent

Secretary to the Board



HIDDEN VALLEY LAKE
COMMUNITY SERVICES DISTRICT

WATER, SEWER & RECYCLED WATER RATE STUDY REPORT

Administrative Draft Report

April 2019

OFFICE LOCATIONS:

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SECTION 1. BACKGROUND, PURPOSE AND OVERVIEW OF THE STUDY

BACKGROUND

In 2014, the Hidden Valley Lake Community Services District (“District”) retained NBS to complete a water and sewer rate study which resulted in a March 2015 rate study report, and new rates were implemented soon afterwards. However, within a month, the San Juan Capistrano court decision was issued; this decision had significant implications for how tiered rates are designed. Essentially, the decision required water agencies to “*demonstrate that the tiers correspond to the actual cost of providing service at a given level of usage.*” In addition, severe drought and mandated conservation throughout California prompted the District to replace its four-tiered rates with a new uniform (single tier) rate and new drought surcharges.

“Significant declines in water use have impacted the District’s revenues and reserves.”

Since then, the District has been evaluating changes in consumption patterns, water supply limitations, future CIP funding requirements, and the desire to continue to improve the fairness and equity of rates. In light of these considerations, an updated rate study was needed. This revised rate study presents significant changes related to funding assumptions for planned water and sewer capital projects along with significant increases in recorded commercial water consumption due to meter reading issues.

PURPOSE

This re-evaluation of the District’s water, sewer and recycled water rates is intended to ensure these rates meet basic Proposition 218 (Prop 218) requirements, industry standards, reflect the District’s current priorities, and promote transparent communications between the District and its ratepayers.

OVERVIEW OF THE STUDY

In developing the proposed new water and sewer rates, NBS and District Staff worked cooperatively to develop new financial plan and rate alternatives, with the intent that the District Board will provide direction on these alternatives. The proposed rates summarized in this report represent a conservative or worst-case scenario based on current uncertainty of grant and/or State Revolving Fund (SRF) loan funding. Using revenue bonds instead of grant or SRF funding results in significant rate increases over the next five years of almost 100% for water and 50% for sewer. If grant and/or SRF funding become available during this time, the recommended rate increases could be reduced. Also, because there is insufficient time to implement new rates this July, this study has assumed that currently adopted water and sewer rates for FY 2019/20 will be implemented as planned on July 1, 2019. However, the “proposed” new water rates will be implemented mid-fiscal year (January 1, 2020) and every January 1 thereafter. Proposed new sewer rate increases will continue to be implemented July 1 each year.

Key Issues Addressed – In addition to ensuring that water and sewer rates collect sufficient revenue to meet the annual operating costs and capital improvement plans, other key issues addressed included:

- The need to use new revenue bonds instead of grant and low-interest State revolving fund loans to fund approximately \$19 million of water capital improvement projects and approximately \$1.65 million of sewer capital improvement projects
- Lower water sales over the last few years due to the drought and conservation concerns
- Consumption records also indicate that commercial water use significantly increased while residential use has significantly decreased
- Water supply limitations and the potential need to build a new well

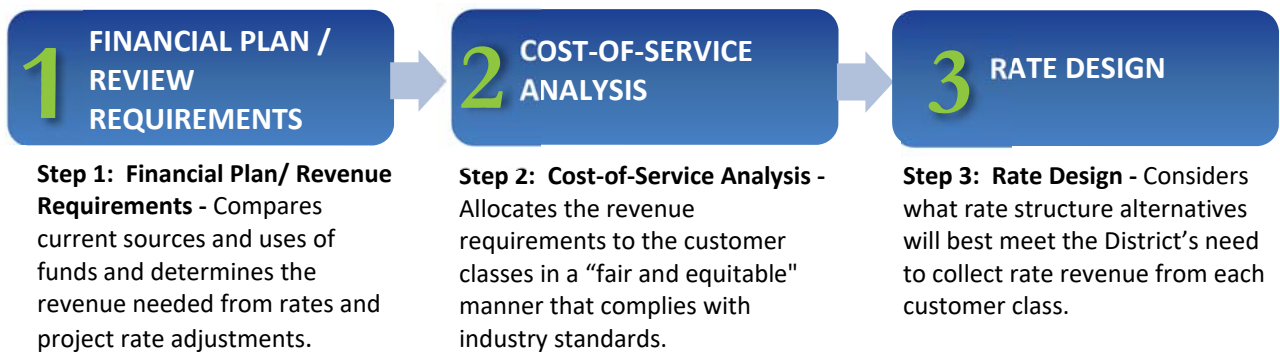
- Changes in annual operating costs, including adjustments resulting from the District’s salary survey
- The need to build adequate CIP and replacement reserves

Recommendations – As a part of the water and sewer financial plans, NBS evaluated projected revenues and expenditures to determine net revenue requirements. In light of the water utility’s decreased water sales and planned capital improvements, it will be critical to issue new revenue bonds to fund capital projects and rebuild reserves. Likewise, the sewer utility will also need to issue additional debt in order to cover projected deficits, fund capital projects and rebuild reserves. NBS recommends the District Board review the rate increases described below and determine the District’s priorities for capital improvements vs. the tradeoff of the higher rates needed to fund these improvements.

RATE STUDY METHODOLOGY

Components of the Rate Study Methodology – A comprehensive utility rate study typically has three major components: (1) the utility’s overall revenue requirements and financial plan, (2) the cost-of-service for each customer class, and (3) rate structure design, as shown in **Figure 1**. These components reflect industry standards, primarily from the American Water Works Association (AWWA)¹, and address the general requirements for equity and fairness. In terms of the chronology of the study, these three steps represent the order they were performed in this study.

Figure 1: Primary Components of a Rate Study



The following sections in this report present an overview of the methodologies, assumptions, and data used along with the financial plans and rates developed.

Rate Design Criteria – Several criteria are typically considered in setting rates and developing sound rate structures. The fundamentals of this process have been documented in several rate-setting manuals. For example, the foundation for evaluating rate structures is generally credited to James C. Bonbright in the *Principles of Public Utility Rates*², which outlines pricing policies, theories, and economic concepts along with various rate designs. The other common industry standard is AWWA Manual M1. The following is a simplified list of the attributes of a sound rate structure:

- Rates should be easy to understand from the customer’s perspective.
- Rates should be easy to administer from the utility’s perspective.
- Rates should promote the efficient allocation of the resource.
- Rates should be equitable and non-discriminating (e.g., cost based).

¹ *Principles of Water Rates, Fees, and Charges*, Manual of Water Supply Practices, M1, AWWA, seventh edition, 2017.

² James C. Bonbright; Albert L. Danielsen and David R. Kamerschen, *Principles of Public Utility Rates*, (Arlington, VA: Public Utilities Report, Inc., Second Edition, 1988), p. 383-384.

- There should be continuity in the rate making philosophy over time.
- Other utility policies should be considered (e.g., encouraging conservation & economic development).
- Rates should consider the customer's ability to pay.
- Rates should provide month-to-month and year-to-year revenue stability.

The following section covers basic rate design criteria that NBS and District staff considered as a part of their review of the rate structure alternatives.

Rate Structure Issues – The relationship between fixed costs and variable costs is one of the most fundamental rate structures considerations. Fixed costs typically do not vary with the amount of water consumed. Debt service and District personnel are examples of fixed costs. In contrast, variable costs such as the cost of chemicals and electricity, tend to change with the quantity of water sold. The vast majority of rate structures contain a fixed or minimum charge in combination with a volumetric charge.

The District's rate design objectives are not necessarily the same as those in other communities. For example, some communities, particularly those with very expensive purchased water costs, place a very high priority on conservation-oriented rates. Other communities who have many low-income customers may want to implement low-income subsidies.

The District's 2015 rate study considered various combinations of fixed vs. variable charges and determined that collecting 60 percent of rate revenue from fixed charges and 40 percent from variable charges was preferred. Additionally, the previous four-tiered volumetric rates were replaced with a single-tier (uniform) volumetric rate. This water rate design still appears to be a good fit in light of the District's projected water sales and the need to emphasize revenue sufficiency going forward.

Key Financial Assumptions

Following are the key assumptions used in the water, sewer and recycled water rate analyses:

- **Funding of Capital Projects** – After extensive review of the planned capital improvement projects (CIP) and funding requirements by the District and its engineering consultant, the District has decided that the water utility lacks any guarantees that SRF loans and Prop 1 Grants will be available to fund CIP costs over the next several years, and therefore needs to assume the use of additional debt (revenue bonds). The sewer utility will also need new revenue bonds, although a much smaller amount.
- **Reserve Targets** – The water and sewer utility reserves are currently below target levels. Going forward, the target reserves for operations and maintenance (O&M) and capital rehabilitation and replacement (R&R) follow general utility industry standards. This includes approximately 90-days of O&M expenses for both the water and sewer O&M Reserves, and approximately 3% of net assets as the target reserve level for the R&R Reserves.
- **Inflation and Growth Projections:**
 - ✓ Customer growth is assumed to be 0.25% annually. While some additional growth may occur³, NBS did not rely on any additional growth during the next five years.
 - ✓ General cost inflation is about 3% annually.
 - ✓ Operating expenses, which include among other things labor costs, health benefits, and retirement benefits, are inflated at a rate of approximately 3% to 4% annually.
 - ✓ No inflation is added to other costs.

The next two sections discuss the water, sewer and recycled water rate studies.

³ The District has roughly 700 undeveloped lots, but these are not expected to develop within the timeframe of this study.

SECTION 2. WATER RATE STUDY

A. KEY WATER RATE STUDY ISSUES

The revised water rate analysis was undertaken with a few specific objectives, including:

- Restructuring the District’s approach to funding capital improvements, which total about \$19 million over the next five years.
- Analyzing and adjusting for recorded consumption changes over past several years.
- Generating additional revenue to meet projected funding requirements and rebuild reserve funds.
- In light of recent conservation, continuing to collect approximately 60% of water rate revenue from fixed charges and 40% from volumetric rates continues to be a reasonable approach to rate design.
- Update fixed charges and volumetric rates to reflect changes in consumption patterns.

NBS developed several water rate alternatives over the course of this study based on industry standards and cost-of-service principles. The fixed and volumetric charges were calculated based on the net revenue requirements, number of customer accounts, water consumption, and other District-provided information. The following are the basic components included in this analysis:

- **Developing Unit Costs:** The water revenue requirements were “functionalized” into three categories: (1) fixed capacity costs; (2) variable costs (or volume-based), and; (3) customer service costs, such as meter reading, billing, mailing, and responding to customer questions. Unit costs for each of these categories were then allocated to functional areas, including water consumption, peaking factors, number of accounts by meter size, and customer class.
- **Determining Revenue Requirements by Customer Class:** The total revenue collected from customer classes (i.e., groups of customers with similar consumption patterns) was determined using the unit costs and the total units belonging to each class. For example, volume-related costs are allocated based on the water consumption for each class, while customer costs are allocated based on number of meters. Once the revenue requirement for each customer class is determined, collecting these revenue requirements from each customer class is addressed in the rate design task.
- **Rate Design and Fixed vs. Variable Costs:** The revenue required from each customer class are collected from fixed charges and volumetric rates. The cost of service analysis indicated that an allocation of 60% of the costs to fixed and 40% to variable rates is a reasonable basis for rate design. State agencies, such as the California Water Efficiency Partnership, would like water utilities to collect at least 70% of rate revenue from volumetric rates. However, many utilities prefer to collect less than 70% from volumetric rates because of the revenue instability that can and has resulted when water use drops unexpectedly.

“The best way to promote financial stability is to collect fixed costs through fixed charges.”

B. WATER UTILITY REVENUE REQUIREMENTS

Rate increases for municipal utilities are governed by the need to meet operating and capital costs, and maintain adequate reserves and meet required debt coverage. These are important in order to handle minor emergencies, fund working capital, maintain a good credit rating, and generally follow sound financial management practices. The current financial state of the District’s water utility is as follows:

Capital Improvement Costs: The \$19 million in planned capital projects for FY 2019/20 through FY 2024/25 shown in **Figure 2** are a major driver of the water utility's projected annual costs. These costs are in current year dollars; future inflation of 3% is assumed for actual funding of these revenue requirements.

Figure 2. Summary of Water Capital Project Costs

Project Description	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Tanks (Tank 9 - HVLCS Priority #1)	\$ 220,000	\$ 979,800	\$ 979,800	\$ 979,800	\$ 979,800	\$ 979,800
Generators (HVLCS Priority #4)	\$ -	\$ 434,400	\$ 434,400	\$ 434,400	\$ 434,400	\$ 434,400
AMI (HVLCS Priority #3)	\$ 100,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Admin Vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MMN Water Main	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -
DS Line Replacement	\$ -	\$ 541,800	\$ 541,800	\$ 541,800	\$ 541,800	\$ 541,800
Backhoe	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -
Dump Truck ¹	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -
Hydrants	\$ -	\$ 748,400	\$ 748,400	\$ 748,400	\$ 748,400	\$ 748,400
IT Upgrades ¹	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
SCADA Replacement ¹	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Vacc Truck	\$ 134,000	\$ -	\$ -	\$ -	\$ -	\$ -
Well	\$ -	\$ 728,400	\$ 728,400	\$ 728,400	\$ 728,400	\$ 728,400
Total: Planned CIP Costs	\$ 609,000	\$ 3,902,800	\$ 3,767,800	\$ 3,767,800	\$ 3,767,800	\$ 3,767,800

1. Full CIP costs split between water and sewer funds. This is the amount allocated to water fund.

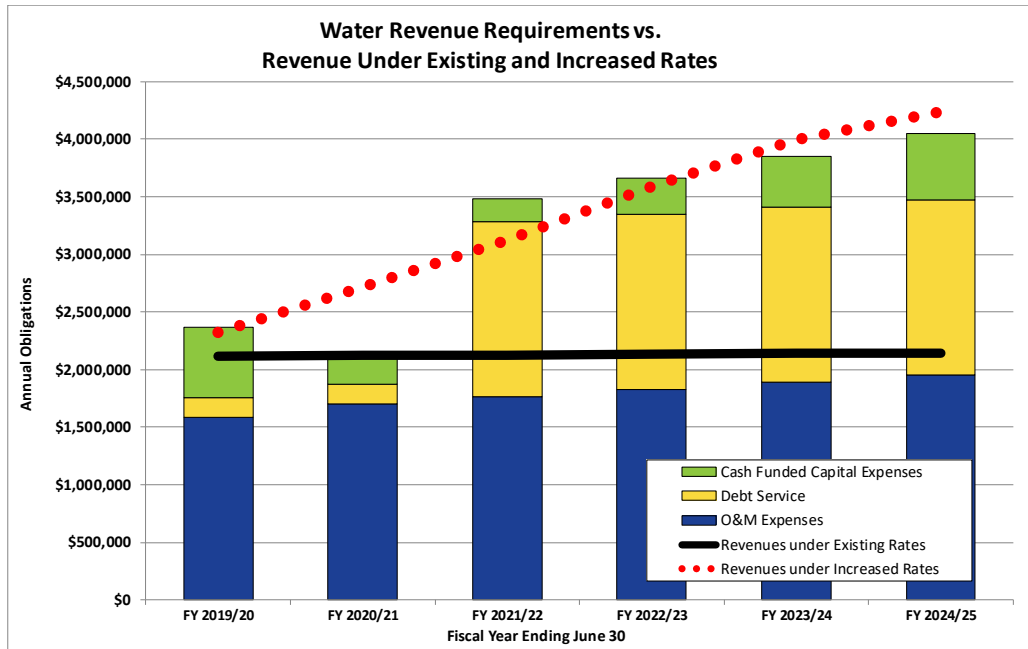
Meeting Net Revenue Requirements: For Fiscal Years 2019/20 through 2024/25, the projected net revenue requirement that must be recovered from rates increases by more than 74%, from \$2.28 million to \$3.98 million, as shown in **Figures 3 and 4**. Without additional rate increases, the water utility would run annual deficits that grow to about \$1.9 million by the end of FY 2024/25. (Note: since FY 2018/19 numbers are not yet available and estimates would need to be revised within a few months, only FY 2019/20 through FY 2024/25 are shown. Also, the five years of proposed January 1 rate increases encompass FY 2019/20 through FY 2023/24, and assume the currently adopted July 1, 2019 increase is implemented. The FY 2024/25 numbers are shown for information only.)

Figure 3. Summary of Water Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements ¹	Adopted		Projected			
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Sources of Water Funds						
Rate Revenue Under Existing Rates	\$ 2,050,434	\$ 2,055,560	\$ 2,060,699	\$ 2,065,851	\$ 2,071,015	\$ 2,076,193
Other Operating Revenue	68,600	66,704	66,808	66,913	67,018	67,123
Interest Earnings	-	-	-	-	-	-
Total Sources of Potable Funds	\$ 2,119,034	\$ 2,122,264	\$ 2,127,507	\$ 2,132,764	\$ 2,138,033	\$ 2,143,316
Uses of Water Funds						
Salaries & Benefits	\$ 796,528	\$ 870,325	\$ 904,591	\$ 943,049	\$ 983,658	\$ 1,026,573
Water Rights	70,000	72,100	74,191	76,342	78,480	80,521
Repair & Replacement	185,000	190,550	196,076	201,762	207,411	212,804
Electricity	120,000	122,400	124,848	127,345	129,892	132,490
All Other Expenses	413,450	448,491	462,281	476,523	490,799	504,646
Potable System Debt Service ¹	171,065	170,746	1,521,287	1,520,946	1,520,592	1,520,226
Rate-Funded Capital Expenses	597,462	219,884	-	140,938	440,692	567,913
Total Use of Potable Water Funds	\$ 2,353,505	\$ 2,094,496	\$ 3,283,274	\$ 3,486,906	\$ 3,851,525	\$ 4,045,173
Surplus/(Deficiency) before Rate Increase	\$ (234,471)	\$ 27,768	\$ (1,155,766)	\$ (1,354,142)	\$ (1,713,492)	\$ (1,901,857)
Additional Revenue from Rate Increases	205,043	596,112	996,348	1,458,542	1,859,879	2,097,941
Surplus/(Deficiency) after Rate Increase	\$ (29,427)	\$ 623,881	\$ (159,419)	\$ 104,400	\$ 146,388	\$ 196,084
Projected Annual Potable Rate Revenue Increase	20.00%	15.00%	15.00%	15.00%	8.00%	4.00%
Net Revenue Requirement - Potable System	\$ 2,284,905	\$ 2,027,792	\$ 3,216,465	\$ 3,419,993	\$ 3,784,507	\$ 3,978,050
Overall Debt Coverage Ratio	8.92	10.82	1.45	1.74	1.98	2.11

1. Assumes \$19 million (net proceeds) in new revenue bonds is issued in FY'20/21 and debt service begins in FY'21/22.

Figure 4. Water Revenue Requirements through FY 2022/23



The District was previously planning on using SRF funding as well as Prop 1 Grant funding to pay for capital improvement projects. Since those funds are not guaranteed to be available, a new \$19 million revenue bond is assumed to cover these costs. The bonds would be issued in FY 19/20 and debt service would start in FY 20/21. To meet the considerable increase in debt service payments and other annual costs, five years of annual rate increases of 20%, 15%, 15%, 15% and 8% are needed starting January 1, 2020.

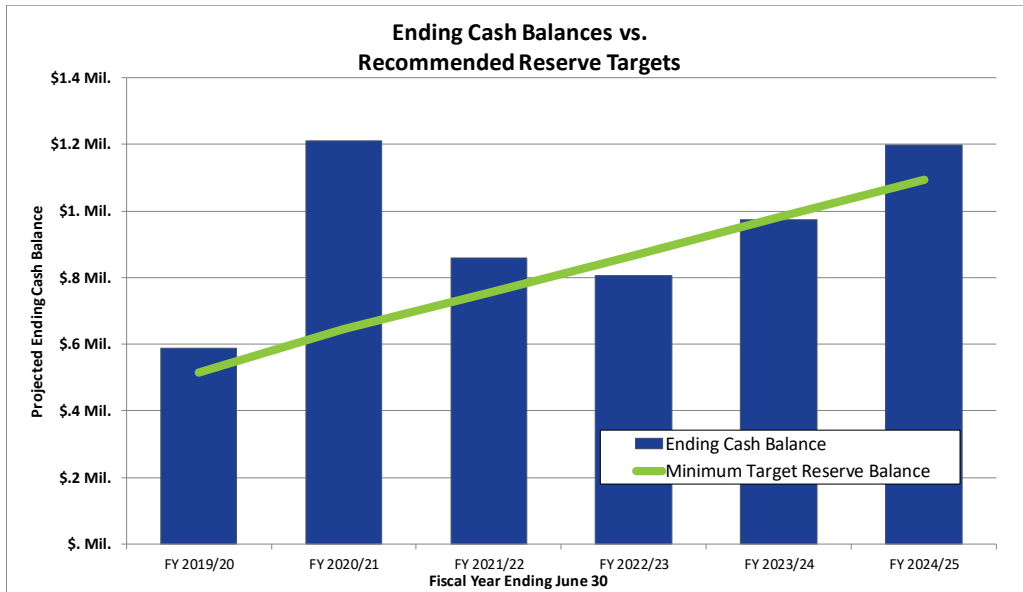
Figure 5 summarizes the projected reserve fund balances and reserve targets for the next five years. Figure 6 indicates that, assuming the proposed rate increases are adopted, the District’s reserves will increase over the next five years, and will keep up with the reserve fund target, which is growing to account for the additional capital improvements the District will be building.

Figure 5. Summary of Water Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Adopted	Projected				
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Operating Reserve						
Ending Balance	\$ 396,000	\$ 426,000	\$ 269,514	\$ 393,449	\$ 473,000	\$ 489,000
<i>Recommended Minimum Target</i>	<i>396,000</i>	<i>426,000</i>	<i>440,000</i>	<i>456,000</i>	<i>473,000</i>	<i>489,000</i>
Water Capital Fund						
Ending Balance	\$ 191,417	\$ 785,298	\$ 588,039	\$ 411,800	\$ 502,019	\$ 709,328
<i>Recommended Minimum Target</i>	<i>118,600</i>	<i>219,000</i>	<i>315,300</i>	<i>411,800</i>	<i>508,700</i>	<i>605,800</i>
Debt Reserve ¹						
Ending Balance	\$ 171,065	\$ 1,523,219	\$ 1,535,518	\$ 1,535,177	\$ 1,534,823	\$ 1,534,457
<i>Recommended Minimum Target</i>	<i>171,065</i>	<i>1,535,848</i>	<i>1,535,518</i>	<i>1,535,177</i>	<i>1,534,823</i>	<i>1,534,457</i>
Total Ending Balance	\$ 758,482	\$ 2,734,516	\$ 2,393,071	\$ 2,340,427	\$ 2,509,842	\$ 2,732,785
<i>Total Recommended Minimum Target</i>	<i>685,665</i>	<i>2,180,848</i>	<i>2,290,818</i>	<i>2,402,977</i>	<i>2,516,523</i>	<i>2,629,257</i>

1. Assume reserves for a new \$19 million revenue bond will be funded by the revenue bond in FY 20/21.

Figure 6. Water Reserve Funds through FY 2022/23



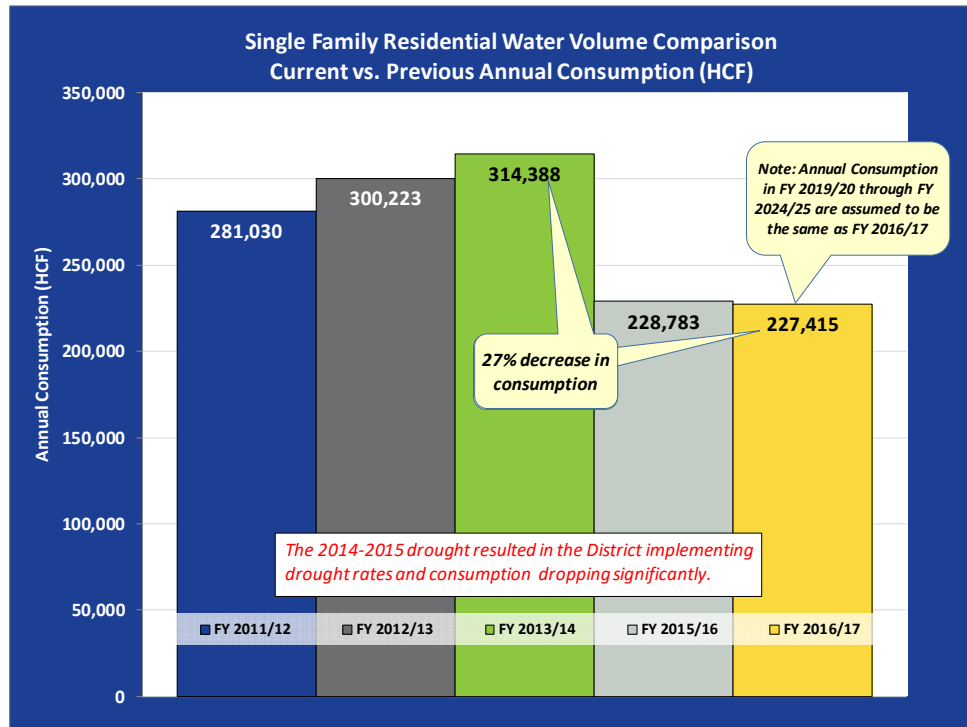
Building and Maintaining Reserve Funds: The Water Utility should maintain sufficient reserves. NBS recommends the District adopt and maintain the following reserve fund target balances:

- ✓ **Operating Reserve** should normally be equal to 25% of the Utility’s budgeted annual operating expenses, which is equal to a three-month (or 90-day) cash cushion for normal operations. An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures. Fluctuations might be caused by weather patterns, the natural inflow and outflow of cash during billing cycles, natural variability in demand-based revenue streams (e.g., volumetric charges), local natural disasters and – particularly in periods of economic distress – changes or trends in age of receivables.
- ✓ **Capital Rehabilitation and Replacement (R&R) Reserve** are typically about 3% of net depreciable capital assets, which equates to a 33-year replacement cycle for capital assets.
- ✓ **Debt Reserve** is the reserve requirement for the CEIDB loan of approximately \$170,000. We assume the new \$19 million revenue bond would require one-year of debt service as a reserve.
- ✓ **OPEB⁴ Reserve** – The District’s is establishing this reserve fund to begin addressing its current liability for post-retirement benefits, with the intent of increasing annual contributions in the future.

Summary of Changing Consumption Patterns: NBS confirmed that customer billing data indicate that the District has experienced lower than expected water rate revenues. This was primarily related to the drop in residential water use shown in **Figure 7**, which indicates that residential consumption decreased by 27%. This reflects the drought and drought-related conservation mandates that impacted water supplies throughout most of California. An additional factor that affected consumption was the drought surcharges that the District implemented from 2015 until April 2017.

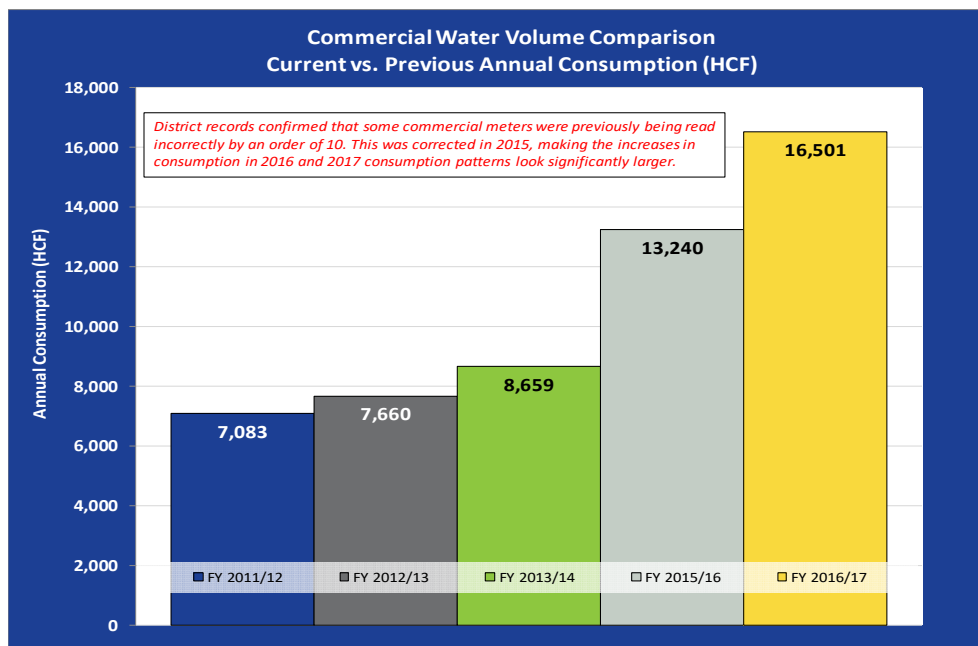
⁴ OPEB refers to “Other Post-Employment Benefits”.

Figure 7: Annual Water Consumption for Single Family Residential Customers from 2011-2017



District staff also became aware of an issue of incorrect meter readings for some commercial customers. The lower than actual readings gives the impression that there were significant increases in commercial water use after 2013-14, as shown in **Figure 8**. However, District staff believe that the previous consumption was just under-recorded. Going forward, District staff are comfortable assuming that future residential and commercial consumption will be similar to that recorded for FY 2016/17.

Figure 8: Annual Water Consumption for Commercial Customers from 2011-2017



C. CURRENT VS. PROPOSED WATER RATES

Currently, the District charges all customer classes with a standard 5/8” meter a monthly fixed charge of \$36.65, plus a uniform commodity rate of \$2.48/hcf for all water consumed. The proposed new rates follow this same rate design. **Figure 9** compares the current (FY 2018/19) and proposed rates for FY 2019/20 through 2022/23. Regarding the “Increase in Rate Revenue” shown in Figure 9, these are increases in total rate revenue that are not applied across-the-board to fixed and volumetric charges in the first year (i.e., the test year) due to cost-of-service calculations. However, after the test year, they are applied as a straight percentage to both fixed and volumetric charges.

Figure 9. Current and Proposed Water Rates for FY 2018/19 through 2022/23

Water Rate Schedule	Current Rates ('18/19)	Adopted '19/20 Rates	Proposed Rates				
			FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<i>Increase in Rate Revenue:</i>			20.00%	15.00%	15.00%	15.00%	8.00%
Fixed Service Charge							
<i>Monthly Fixed Service Charge:</i>							
5/8 inch	\$36.65	\$39.58	\$44.25	\$50.89	\$58.52	\$67.30	\$72.68
3/4 inch	\$53.72	\$58.02	\$44.25	\$50.89	\$58.52	\$67.30	\$72.68
1 inch	\$87.88	\$94.91	\$107.20	\$123.28	\$141.78	\$163.04	\$176.09
1.5 inch	\$173.25	\$187.11	\$212.13	\$243.95	\$280.54	\$322.62	\$348.43
2 inch	\$275.71	\$297.75	\$338.04	\$388.74	\$447.06	\$514.11	\$555.24
Water Commodity Charges							
<i>Volumetric Rates</i>							
Single & Multi-Family	\$2.48	\$2.68	\$3.26	\$3.75	\$4.32	\$4.96	\$5.36
Commercial	\$2.48	\$2.68	\$3.99	\$4.59	\$5.27	\$6.07	\$6.55
Municipal	\$2.48	\$2.68	\$5.08	\$5.84	\$6.72	\$7.73	\$8.35

Figure 10 compares monthly bills for residential customers under current and proposed rates at varying levels of water consumption, **Figure 11** shows projected water bills under average consumption, and **Figure 12** provides a comparison of water bills for other regional communities.

Figure 10. Comparison of Monthly Water Bills for Single-Family Residential Customers

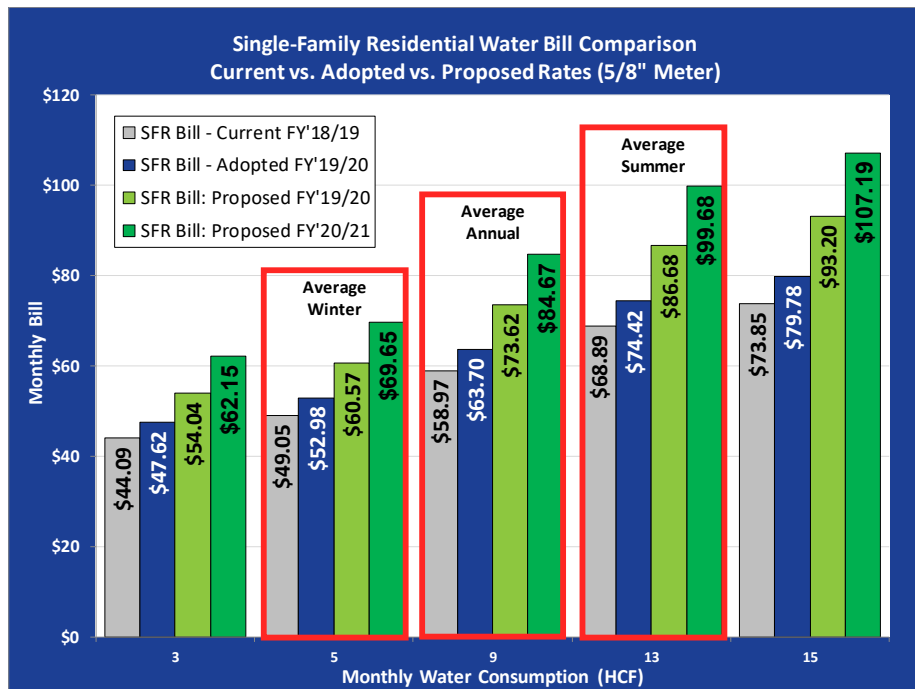


Figure 11. Projected Monthly Single-Family Water Bills – Average Water Use

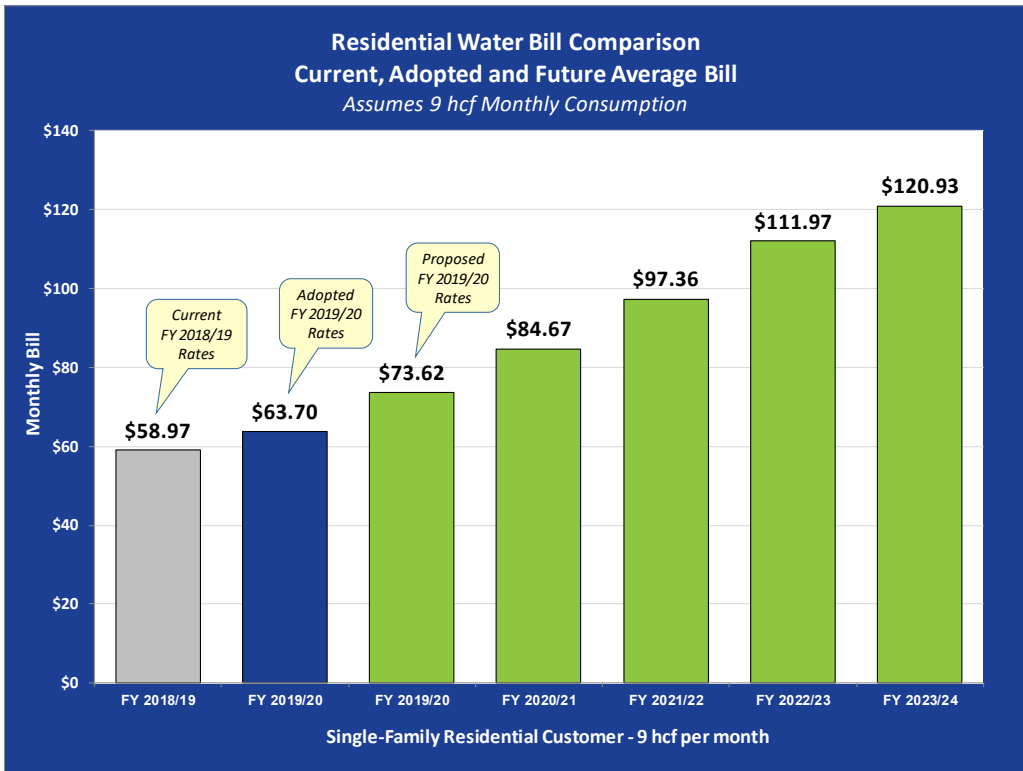
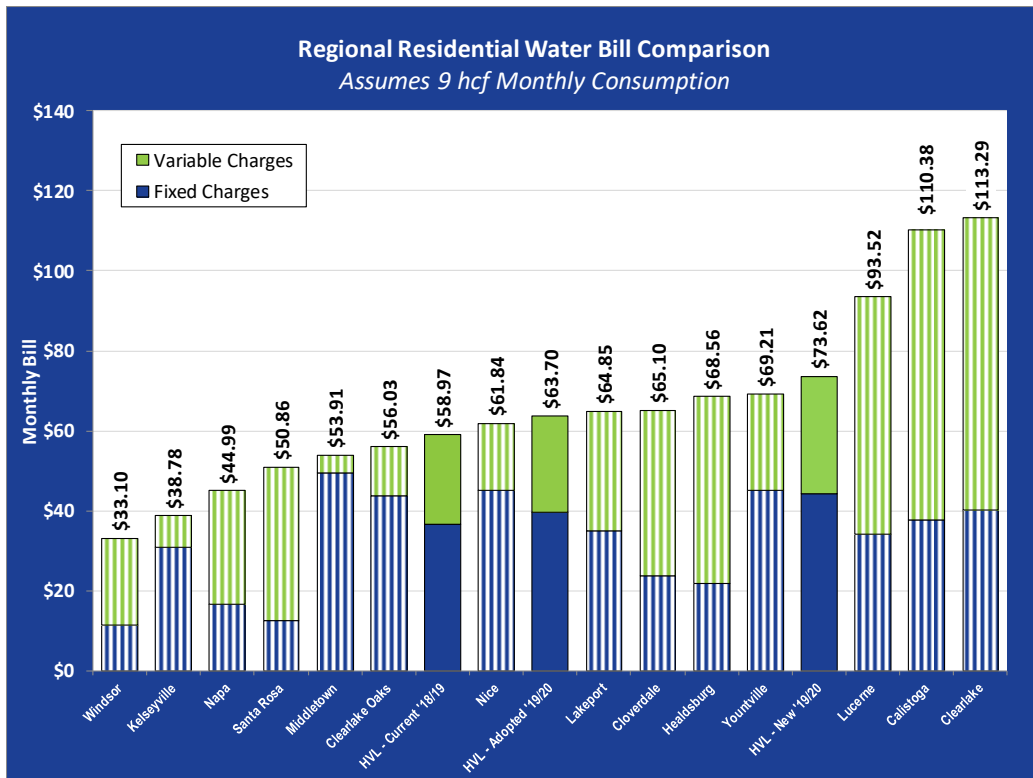


Figure 12. Regional Comparison of Monthly Water Bills for Single-Family Residential



D. DROUGHT RATES

The District has emergency drought plans with four drought emergency stages requiring progressively greater reductions in water use by 10% through 40%. Assuming consumption is reduced by these amounts, the District will lose revenue from volumetric rates, although there will be some cost savings as production costs are slightly lower. NBS estimated these cost savings along with revenue losses to calculate drought rates.

The objectives of these drought rates are to meet the revenue requirement under drought conditions, after accounting for both cost savings and revenue losses. **Figure 13** summarizes these drought rates, which reflect the differences in volumetric rates for single-family and multi-family residential (SFR and MFR), commercial and municipal customers.

Figure 13. Proposed Drought Rates

Water Rate Schedule	Current Rates ('18/19)	Adopted '19/20 Rates	Proposed Rates				
			FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Fixed Service Charge							
Monthly Fixed Service	<i>(Same as Non-Drought fixed Service Charges)</i>						
Commodity Charges for All Water Consumed							
SFR and MFR:							
Drought Stage 1	\$3.10	\$3.35	\$3.56	\$4.09	\$4.70	\$5.41	\$5.84
Drought Stage 2	\$3.47	\$3.75	\$4.05	\$4.66	\$5.36	\$6.16	\$6.65
Drought Stage 3	\$3.72	\$4.02	\$4.68	\$5.39	\$6.19	\$7.12	\$7.69
Drought Stage 4	\$4.14	\$4.47	\$5.53	\$6.36	\$7.31	\$8.41	\$9.08
Commercial							
Drought Stage 1	\$2.48	\$3.35	\$4.35	\$5.00	\$5.75	\$6.61	\$7.14
Drought Stage 2	\$2.48	\$3.75	\$4.95	\$5.69	\$6.55	\$7.53	\$8.13
Drought Stage 3	\$2.48	\$4.02	\$5.72	\$6.58	\$7.57	\$8.70	\$9.40
Drought Stage 4	\$2.48	\$4.47	\$6.75	\$7.77	\$8.93	\$10.27	\$11.10
Municipal							
Drought Stage 1	\$2.48	\$3.35	\$5.54	\$6.37	\$7.32	\$8.42	\$9.10
Drought Stage 2	\$2.48	\$3.75	\$6.31	\$7.25	\$8.34	\$9.59	\$10.36
Drought Stage 3	\$2.48	\$4.02	\$7.29	\$8.38	\$9.64	\$11.09	\$11.98
Drought Stage 4	\$2.48	\$4.47	\$8.61	\$9.90	\$11.38	\$13.09	\$14.13

SECTION 3. SEWER AND RECYCLED WATER RATE STUDY

A. KEY SEWER AND RECYCLED WATER RATE STUDY ISSUES

Some of the specific objectives addressed in the sewer rate analysis included:

- Generating additional revenue needed to meet projected funding requirements.
- Updating the volumetric-based charge for residential customers that maintains the average winter water use basis. This is more equitable than a 100-percent flat rate because it reflects the differences in effluent generation and therefore better aligns with the cost of service.
- Updating the volumetric rate for commercial customers that relies on average winter water use for improving equity, as explained below there have been significant changes in consumption data and the cost-basis for commercial customers that NBS believes is better represented by winter water use.
- Updating recycled water rates for the one customer within the District, which is the Golf Course.

As with the water rates, the proposed sewer rates were developed based on industry standards and cost-of-service principles, and reflect input from District staff and the District Board. However, it is ultimately the District Board that decides whether to adopt and implement these recommended rates.

The proposed rate structure for residential customers continues to include a fixed monthly charge per housing equivalent unit (HEU) plus a volumetric rate based on their average winter water consumption. This volumetric charge is used to set the volumetric charge each month for the subsequent 12 months and, in this respect, acts like a fixed charge except it varies based on each customer's winter consumption. The rate structure for commercial customers is similar, with a fixed monthly charge per HEU plus a volumetric rate based on *average monthly* water consumption (not average winter use).

The updated rates were set based on the net revenue requirements, number of customer accounts and housing equivalent units, water consumption, and the estimated volume and strength of the effluent. The following are the basic components of this analysis:

- **Customer classes:** Customer classes are typically determined by grouping customers with similar flow and strength characteristics in order to reflect the cost differences in serving each type of customer. The District's existing customer classes have been retained in the proposed rates developed:
 - **Residential** – Consists of single- and multi-family residential customers⁵; multi-family accounts are assessed fixed charges based on the number of housing equivalent units (HEUs), with a single-family account representing one HEU⁶.
 - **Commercial** – Includes all commercial and industrial users, who are assigned HEUs based on their effluent characteristics (e.g., there are 15 accounts and 35 HEUs in commercial).
 - **Recycled Water** – The District has only one recycled water meter, which is at the golf course. The recycled water rate represents the additional treatment costs of recycled water, which should not be paid by sewer customers.

⁵ The District's one municipal customer (the fire department) was included in residential because its consumption and strength characteristics are better represented in residential than in commercial.

⁶ An HEU is the typical (average) winter water use of SFR. It's applied to all SFR, and doesn't vary with number of bedrooms. For example, 3-5 people in a home aren't assumed to generate more or less effluent (on average) if they are in a 2- vs. 5- bedroom home. Commercial HEUs are estimates of how they compare to SFR effluent.

- **Cost Allocation Factors:** For the purpose of allocating costs to customer classes, the sewer revenue requirements were “functionalized” into five categories:
 1. Flow (volume) related costs
 2. Strength costs related to biochemical oxygen demand (BOD)
 3. Strength costs related to total suspended solids (TSS)
 4. Customer service related costs, and
 5. Recycled water related costs.

These cost allocation factors represent varying levels of the cost of service. For example, effluent with higher levels of BOD and TSS is costlier to treat and, therefore, should be allocated a greater proportion of treatment costs. Details documenting these cost allocations are shown in Appendix B.

- **Determining Revenue Requirements by Customer Class:** Based on these cost allocation factors, revenue requirements were allocated to each customer class. For example, customer costs are allocated based on number of accounts and billable units, flow-related costs are allocated based on the estimated effluent generated by each class, and strength-related costs are allocated based on estimated strength of wastewater discharged by each customer class. Once the revenue requirement for each customer class is determined, collecting these revenue requirements from each customer class is reflected in the rate design.
- **Rate Design:** The revenue requirements collected from residential customers were based on the number of housing equivalent units and, for residential customers, the average winter water consumption. Average winter water use is the best means of estimating potential flow to the wastewater treatment plant because outdoor irrigation is typically at its lowest during the winter months. Revenue requirements recovered from commercial and industrial customers through fixed charges are based on the number of HEUs; their monthly water consumption is applied to monthly water use. This is because the amount of wastewater discharged by commercial users is generally assumed to be better correlated to their monthly vs. average winter water use.

B. SEWER UTILITY REVENUE REQUIREMENTS

Rate increases are governed by the need to meet the operating and capital costs, debt service payments and reserves included in the revenue requirements. The District’s sewer utility is summarized as follows:

Capital Improvement Costs: As with the water utility, sewer capital projects are a major driver of the projected annual costs. The planned capital improvement costs for FY 2019/20 through FY 2024/25 shown in **Figure 14** total more than \$2.3 million, and are shown in current year dollars. Future inflation of 3% is assumed for actual funding requirements.

Figure 14. Summary of Sewer Capital Project Costs

Project Description	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
CS Line Replacement - I&I (HVLCS Priority #2)	\$ 160,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
RAINS 2019 (HVLCS Priority #5) ¹	\$ -	\$ 550,001	\$ 550,001	\$ -	\$ -	\$ -
Backhoe	\$ -	\$ 60,000	\$ -	\$ -	\$ -	\$ -
Chlorine Tank Auto Shut Off	\$ 32,000	\$ -	\$ -	\$ -	\$ -	\$ -
Aquatic Harvesting	\$ 35,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000	\$ 34,000
Admin vehicle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Truck ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vacc Truck	\$ 201,000	\$ -	\$ -	\$ -	\$ -	\$ -
Dump Truck ²	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ -
IT Upgrades ²	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Manhole Rehab	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Preliminary Design - Chlorine Disinfection Facility	\$ 45,000	\$ -	\$ -	\$ -	\$ -	\$ -
SCADA Replacement ²	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Tideflex - Stormwater ³	\$ -	\$ 131,600	\$ 131,600	\$ 131,600	\$ 131,600	\$ 131,600
Total: CIP Program Costs* (Current-Year Dollars)	\$508,000	\$904,001	\$769,001	\$219,000	\$219,000	\$219,000

* Total does **not** include Tideflex project costs.

1. Per District staff (call of 4/11/19), \$300k was spent in '19/20 and the remaining \$1.1 million must be spent over the following 2 years.

2. Full CIP costs split between water and sewer funds. This is the amount allocated to sewer fund.

3. This project will not be funded unless Grant/SRF Funds are available and, therefore, is not included in the total costs.

Meeting Net Revenue Requirements: The District’s sewer utility is currently running a small structural deficit that is likely to increase to over \$870,000 per year with no rate increases. The proposed rate increases would stabilize this deficit over the next five years. Projected net revenue requirements (i.e., total annual expenses less non-rate revenue) increase by approximately 45% in Fiscal Years 2020/21 through 2024/25 from about \$1.5 million to \$2.2 million.

Building and Maintaining Reserve Funds: The District should maintain sufficient reserves for the Utility. NBS recommends that the District adopt and maintain the following reserve fund targets:

- ✓ **Operating Reserve** equal to 25% of the Utility’s budgeted annual operating expenses. This reserve target is equal to a three-month (or 90-day) cash cushion for normal operations. An Operating Reserve is intended to promote financial viability in the event of any short-term fluctuation in revenues and/or expenditures.
- ✓ **Capital Facilities Reserve** equal to a minimum of 3% of net depreciable capital assets (or approximately \$100,000 based on a total system asset value of approximately \$3.4 million). This reserve provides for capital repair and replacement needs.
- ✓ **Debt Reserve** equal to the reserve requirements for the existing and planned debt, which is approximately \$160,000 annually after the new revenue bonds are issued.

Figures 15 and 16 summarize the sources and uses of funds, including net revenue requirements, and the recommended annual percent increases in total rate revenue for the next five years. This figure shows the small deficit in FY 2019/20 and, without rate increases, grows to over \$870,000 by FY 2024/25. With rate increases, the deficit turns into small net surpluses over the next five years.

Figure 15. Summary of Sewer Revenue Requirements

Summary of Sources and Uses of Funds and Net Revenue Requirements	Adopted		Projected			
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Sources of Sewer Funds						
Rate Revenue Under Current Rates - Sewer	\$ 1,201,016	\$ 1,204,019	\$ 1,207,029	\$ 1,210,046	\$ 1,213,071	\$ 1,216,104
Rate Revenue Under Current Rates - RW	110,000	110,000	110,000	110,000	110,000	110,000
Non-Rate Revenues	27,200	42,506	42,612	42,719	42,826	42,933
Interest Earnings	1,500	-	-	-	-	-
Total Sources of Funds	\$ 1,339,716	\$ 1,356,525	\$ 1,359,641	\$ 1,362,765	\$ 1,365,897	\$ 1,369,037
Uses of Sewer Funds						
Operating Expenses	\$ 1,502,741	\$ 1,486,100	\$ 1,533,579	\$ 1,582,639	\$ 1,632,819	\$ 1,683,602
Existing Debt Service	32,258	32,255	32,238	32,205	32,158	32,095
New Debt Service	-	-	121,065	124,931	128,913	128,913
Rate Funded Capital Expenses	-	38,298	190,308	146,486	256,441	396,933
Total Use of Funds	\$ 1,534,998	\$ 1,556,653	\$ 1,877,190	\$ 1,886,262	\$ 2,050,331	\$ 2,241,542
Surplus (Deficiency) before Rate Increase	\$ (195,282)	\$ (200,129)	\$ (517,549)	\$ (523,497)	\$ (684,434)	\$ (872,505)
Additional Revenue from Rate Increases (Sewer) ¹	174,027	323,310	455,381	598,589	753,853	922,171
Additional Revenue from Rate Increases (Recycled) ²	-	11,000	20,680	31,134	42,425	54,619
Surplus (Deficiency) after Rate Increase	\$ (21,255)	\$ 134,182	\$ (41,488)	\$ 106,226	\$ 111,845	\$ 104,285
Projected Annual Rate Revenue Adjustment - Sewer¹	7.00%	10.00%	8.00%	8.00%	8.00%	8.00%
Projected Annual Rate Revenue Increase - RW²	0.00%	10.00%	8.00%	8.00%	8.00%	8.00%
Net Revenue Requirement³	\$ 1,506,298	\$ 1,514,147	\$ 1,834,578	\$ 1,843,543	\$ 2,007,505	\$ 2,198,609

1. The FY 2019/20 rate increase is assumed to be implemented on July 1, 2019, and future increases are also implemented July 1 each year.
2. The FY 2019/20 rate increase is assumed to not be implemented on July 1, 2019, but future potable increases are implemented on recycled water July 1 each year.
3. Total Use of Funds less non-rate revenues and interest earnings. This is the annual amount needed from rates.

Figure 16. Sewer Revenue Requirements through FY 2024/25

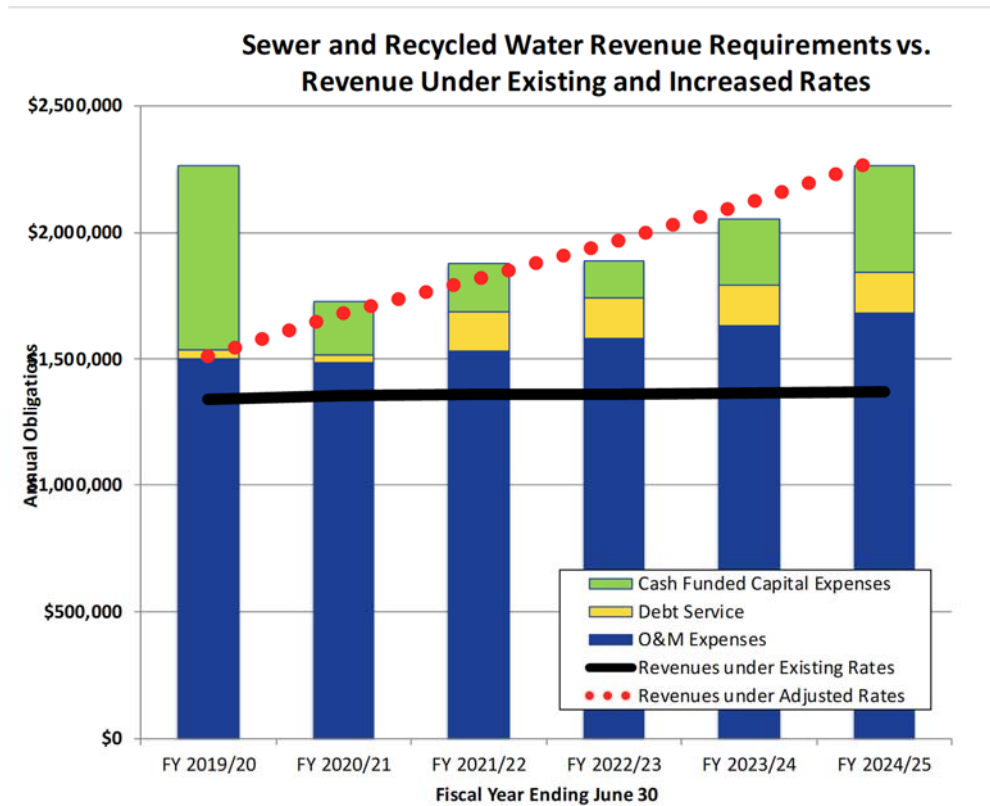


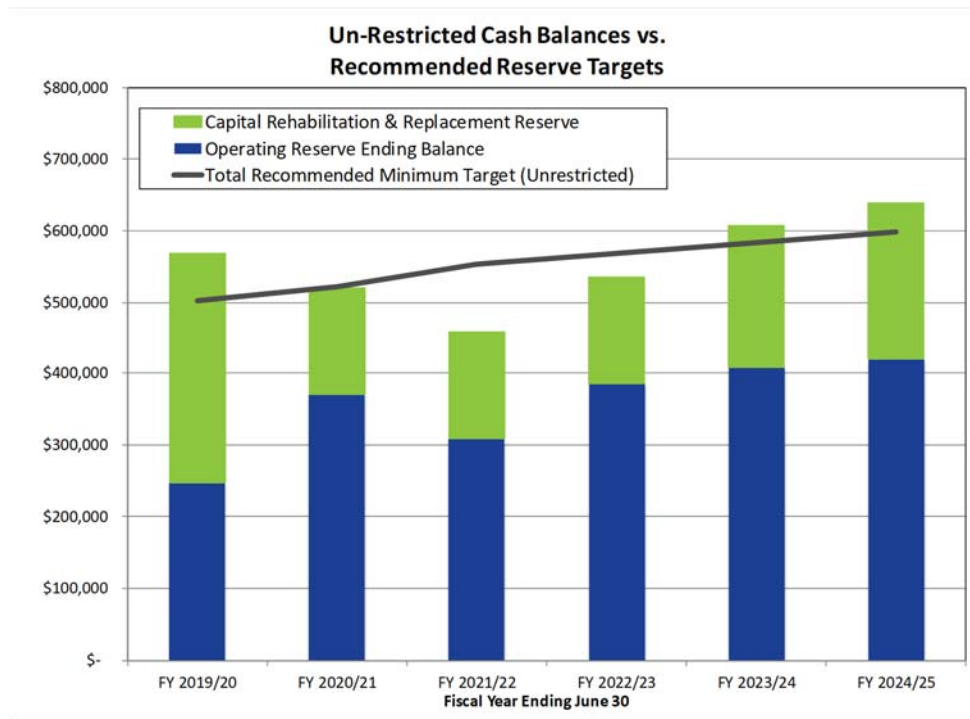
Figure 17 summarizes the projected reserve fund balances and reserve targets, for the next five years. Figure 18 indicates that, assuming the proposed rate increases are adopted, the District’s initial small

surplus of reserves will be drawn down over the next two years, but will then rebound to meet the target reserve fund the last two years.

Figure 17. Summary of Sewer Reserve Funds

Beginning Reserve Fund Balances and Recommended Reserve Targets	Adopted		Projected			
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
Operating Reserve						
Ending Balance	\$ 247,337	\$ 370,760	\$ 308,915	\$ 385,924	\$ 408,000	\$ 421,000
<i>Recommended Minimum Target</i>	<i>376,000</i>	<i>372,000</i>	<i>383,000</i>	<i>396,000</i>	<i>408,000</i>	<i>421,000</i>
Capital Rehabilitation & Replacement Reserve						
Ending Balance	\$ 320,756	\$ 150,000	\$ 150,000	\$ 150,000	\$ 199,702	\$ 217,487
<i>Recommended Minimum Target</i>	<i>126,000</i>	<i>150,000</i>	<i>170,000</i>	<i>173,000</i>	<i>175,000</i>	<i>178,000</i>
Debt Reserve						
Ending Balance	\$ 32,310	\$ 32,310	\$ 153,375	\$ 157,241	\$ 161,223	\$ 161,223
<i>Recommended Minimum Target</i>	<i>32,310</i>	<i>32,310</i>	<i>153,375</i>	<i>157,241</i>	<i>161,223</i>	<i>161,223</i>
Total Ending Balance	\$ 600,402	\$ 553,070	\$ 612,291	\$ 693,165	\$ 768,925	\$ 799,710
<i>Total Recommended Minimum Target</i>	<i>\$ 534,310</i>	<i>\$ 554,310</i>	<i>\$ 706,375</i>	<i>\$ 726,241</i>	<i>\$ 744,223</i>	<i>\$ 760,223</i>
<i>Total Recommended Minimum Target (Unrestricted)</i>	<i>\$ 502,000</i>	<i>\$ 522,000</i>	<i>\$ 553,000</i>	<i>\$ 569,000</i>	<i>\$ 583,000</i>	<i>\$ 599,000</i>

Figure 18. Sewer Reserve Funds Through FY 2024/25



A summary of the sewer utility’s proposed 5-year financial plan is included in Appendix B – Sewer Rate Study Summary Tables. These tables include revenue requirements, reserve funds, revenue source and proposed rate increases for the 5-year period.

C. SEWER CUSTOMER CHARACTERISTICS

The five factors used in allocating costs as a part of the sewer cost-of-service analysis are effluent (flow), BOD, TSS, customer costs, and recycled water costs. Water consumption data from January 2017 through December 2017 was used to estimate the flows to the District’s wastewater treatment plant, and District

staff believe this data is representative of future conditions. Residential bills reflect average winter consumption because it is correlated to the amount of residential effluent going to the treatment plant.

For residential customers, the average winter water consumption used to calculate their bills is assumed to include four billing periods; December 2016 - March 2017 were considered the “winter” months because consumption is lowest in these months. Based on water consumption records summarized in **Figure 19** residential customers account for approximately 95.6% of effluent at the plant (i.e., single-family = 93% and multi-family = 2.6%). Commercial customers account for the remaining 4.4% of the flow. Effluent strength factors for individual customer classes⁷ are shown in **Figure 20** and described below.

Figure 19. Summary of Estimated Flow to Treatment Plant

Development of the FLOW Allocation Factor						
Customer Class	Number of HEUs ¹	Annual Volume (hcf)	Average Winter Monthly Consumption (hcf) ²	Annual Winter Average Based Volume (hcf)	Adjusted Annual Volume (hcf)	Percentage of Adjusted Volume
Single Family Residential ³	1,445	150,324	7,348	88,171	124,640	93.1%
Multi-Family Residential	54	3,615	201	2,417	3,416	2.6%
Commercial	35	10,224	347	4,158	5,878	4.4%
Total ⁴	1,534	164,163	7,895	94,745	133,934	100.0%
					133,934	Flow (hcf/yr.)
					1.41	Flow Adj. Factor

1. Consumption and Meters from source files: *NBS 2018 - #17_Manipulated Sewer Billing Data.xlsx* (data combined and summarized in pivot tables).

Note: The adjusted annual flow per HEU for commercial customers is approximately twice that of SFR. In this sense, these are not truly "HEU's".

2. Includes months of December 2016 through March 2017.

3. Includes the one Municipal account (fire department) which has the same consumption as residential.

4. Recycled Water excluded from flow allocation factor. One customer only in the District, volumetric rate only.

Figure 20. Summary of Annual Flow and Strength Characteristics by Customer Class

Development of the STRENGTH Allocation Factor									
Customer Class	Adjusted Annual Flow (hcf)	Biochemical Oxygen Demand (BOD)				Total Suspended Solids (TSS)			
		Average Strength Factor (mg/l) ²	Calculated BOD (lbs./yr.)	Adjusted BOD (lbs./yr.)	Percent of Total	Average Strength Factor (mg/l) ²	Calculated TSS (lbs./yr.)	Adjusted TSS (lbs./yr.)	Percent of Total
Single Family Residential	124,640	200	155,509	181,546	93.1%	180	139,958	150,410	93.1%
Multi Family Residential	3,416	200	4,262	4,976	2.6%	180	3,836	4,123	2.6%
Commercial ¹	5,878	200	7,334	8,562	4.4%	180	6,601	7,094	4.4%
Total	133,934		167,105	195,084	100%		150,395	161,627	100%
			Target, from WWTP Data			195,084 BOD (lbs./yr.)			161,627 TSS (lbs./yr.)
						1.17 BOD Adj. Factor			1.07 TSS Adj. Factor

1. Commercial was previously billed on monthly water use, now if billed on average winter; as a result it is more typical of indoor/residential strengths.

2. Typical strength factors for BOD and TSS are derived from the State Water Resources Control Board Revenue Program Guidelines, Appendix G.

- **Residential** customers, including single-family, multi-family and municipal, have BOD and TSS strength factors of 200 mg/l, which is within the normal range for residential users.
- **Commercial** customers can have individual strength factors that are higher or lower than residential, depending on the particular type of commercial uses. In the District’s case, NBS and the District believe that commercial effluent is, on average, consistent with residential strengths. Therefore, strength factors assigned to commercial class customers are the same as residential customers.

⁷ Strength factors for each customer class were derived from the State Water Resources Control Board Revenue Program Guidelines, Appendix G, page G-21 “Commercial User Strength Characteristics.”

Figure 21 compares the total number of accounts and billing units (depending on how customers are billed) by customer class. **Figure 22** then summarizes the total rate revenue requirements by customer class resulting from the cost-of-service cost allocation components previously shown in Figures 19 and 20 (Flow and Strength Characteristics), and Figure 21 (Customer Costs).

Figure 21. Number of Accounts and Billing Units by Customer Class

Development of the CUSTOMER Allocation Factor					
Customer Class	Number of Accounts ⁴	Percentage of Accounts	Number of HEUs ⁴	Percentage of Assigned HEUs	Average HEUs per Account
Single Family Residential	1,445	97.1%	1,445	94.2%	1.00
Multi-Family Residential	27	1.8%	54	3.5%	2.00
Commercial & Industrial	15	1.0%	35	2.3%	2.30
Recycled Irrigation ²	1	0.1%	0	0.0%	0.00
Total ²	1,488	100.0%	1,534	100.0%	1.03

1. Consumption and Meters from source files: *NBS 2018 - #17_Manipulated Sewer Billing Data.xlsx*

2. Recycled Water excluded from customer allocation factor. One customer only in the District, volumetric rate only.

Figure 22. Summary of Rate Revenue Requirements by Customer Class

Allocation of FY 2020/21 Revenue Requirements by Customer Class							
Customer Class	Cost Classification Components					Cost-of-Service Net Revenue Req't.	% of COS Net Revenue Req't.
	Volume	Treatment		Customer Related	Recycled Water		
		BOD	TSS				
Net Revenue Requirements ¹	\$ 654,698	\$ 330,445	\$ 330,445	\$ 172,017	\$ 149,724	\$ 1,637,329	--
	40.0%	20.2%	20.2%	10.5%	9.1%	100.0%	
Single-, Multi-Family & Municipal	\$ 625,964	\$315,942	\$315,942	\$170,167	\$ -	\$1,428,015	87.2%
Commercial	28,734	14,503	14,503	1,734	-	59,475	3.6%
Recycled Irrigation	-	-	-	116	149,724	149,839	9.2%
Total	\$ 654,698	\$ 330,445	\$ 330,445	\$ 172,017	\$ 149,724	\$1,637,329	100%

1. Revenue requirement for each customer class is determined by multiplying the revenue requirement from each cost classification by the allocation factors for each customer class.

D. CURRENT VS. PROPOSED SEWER RATES

Currently, all customers pay the same fixed monthly charge based on their number of household equivalent units (HEUs). Both residential and commercial customers also pay a volumetric monthly rate, but the uniform volumetric rate for residential customers is applied to average winter water use, while commercial customers pay a slightly higher volumetric rate that is applied to monthly water use.

Changes in Residential vs. Commercial Sewer Rates – The proposed rates retain the same customer classes, which combine single- and multi-family residential customers⁸, and combine commercial with industrial customers. However, as previously noted, water consumption for commercial customers is now significantly higher than previously thought due to meter misreads that have now been corrected. That new consumption data has increased the costs allocated to commercial customers and, as a result, NBS is recommending realigning commercial fixed and volumetric rates to account for these higher costs as follows: (1) since fixed charges for commercial costs are allocated on the basis of HEUs, they should be the same as residential customer, and (2) the volumetric rate for commercial was set to recover all remaining costs not collected through the fixed charges; this increased the commercial volumetric rate.

⁸ And the one municipal customer (the fire department).

In other words, higher fixed costs are partially collected from commercial as they are assigned, on average, more HEUs per account, as well as through higher volumetric charges.

Figure 23 shows current and proposed sewer rates for FY 2018/19 through FY 2022/23. Regarding the “% Increase in Annual Rate Revenue” shown in Figure 23, these are the percent increases in total rate revenue that are not applied in an across-the-board manner to fixed and volumetric charges in the first year (i.e., the test year) due to cost-of-service calculations. However, after the test year, they are applied as a straight percentage to both fixed and volumetric charges. **Figure 24** compares the average monthly sewer bills for residential customers under current and proposed rates. **Figure 25** compares commercial bills under current vs. proposed rates. **Figure 26** provides a comparison of monthly sewer bills for other communities in the region.

Figure 23. Current vs. Proposed Sewer Rates

Sewer Rate Schedule	Current Rates ('18/19)	Adopted Rates ('19/20)	Proposed Sewer Rates				
			FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
% Increase in Annual Rate Revenue:			10.00%	8.00%	8.00%	8.00%	8.00%
Fixed Service Charge per HEU							
Residential & Municipal	\$49.02	\$51.96	\$61.92	\$66.88	\$72.23	\$78.00	\$84.24
Commercial	\$49.02	\$51.96	\$61.92	\$66.88	\$72.23	\$78.00	\$84.24
Volumetric Charge (\$/hcf)							
Residential & Municipal (Applied to Average Winter Water Use)	\$2.60	\$2.76	\$3.47	\$3.75	\$4.05	\$4.37	\$4.72
Commercial (Applied to Average Winter Water Use) ²	\$2.83	\$3.00	\$3.31	\$3.57	\$3.86	\$4.17	\$4.50

1. Sewer customers are charged on the basis of their number of assigned Housing Equivalent Units (HEUs).

2. Proposed commercial volumetric charges, currently use average winter water use, but now use average monthly water use.

Figure 24. Residential Sewer Bill Comparison – Current vs. Proposed Rates

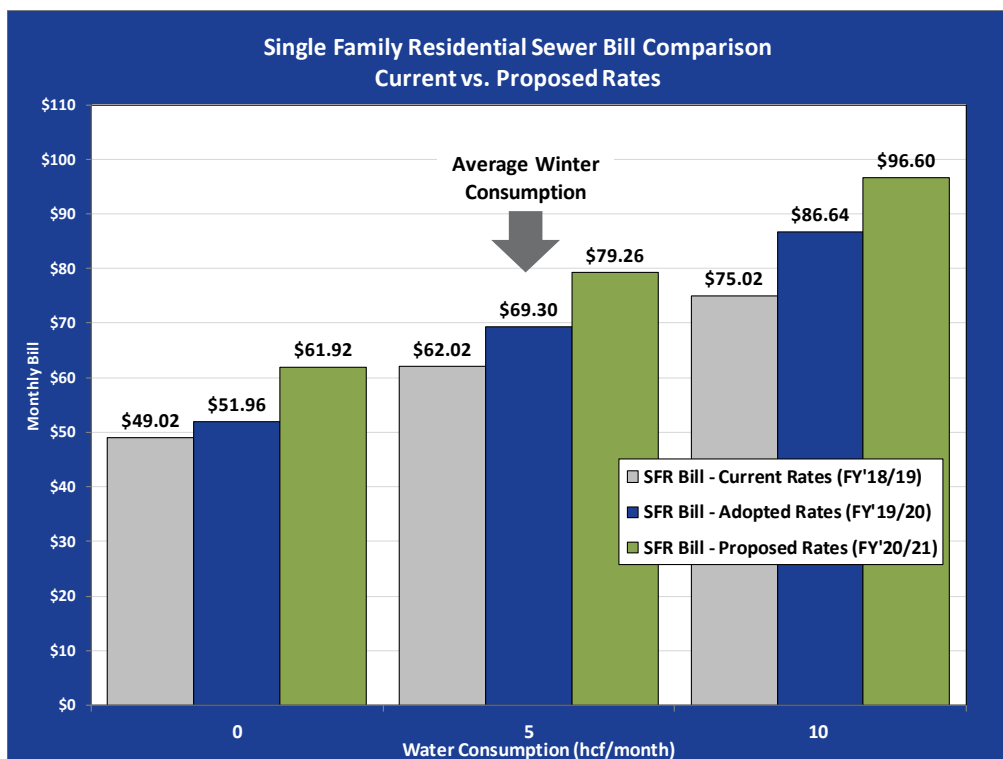


Figure 25. Commercial Sewer Bill Comparison – Current vs. Proposed Rates

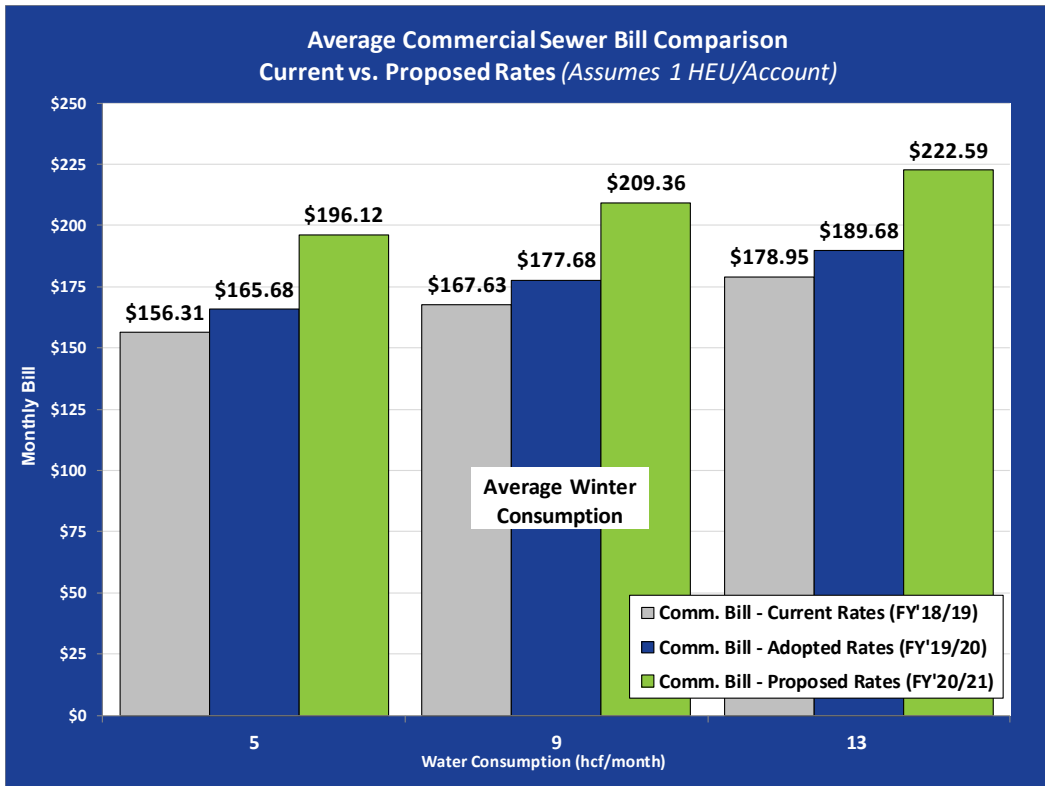
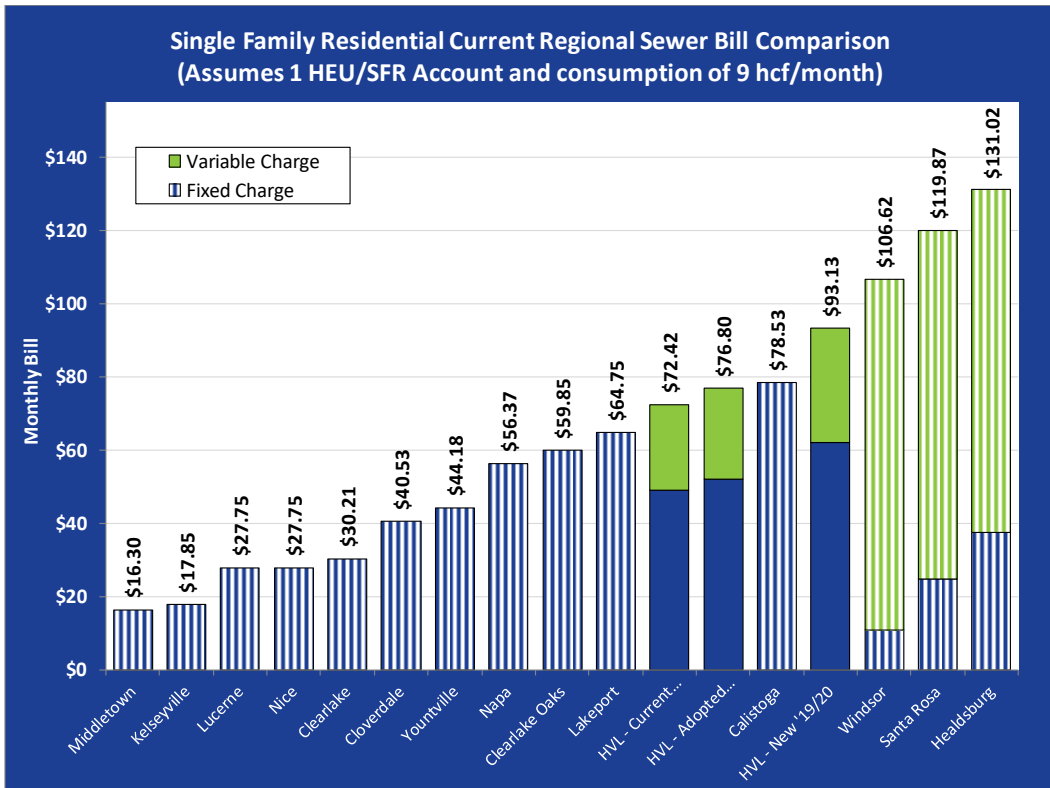


Figure 26. Regional Sewer Bill Comparison – Single Family Residential



E. CURRENT VS. PROPOSED RECYCLED WATER RATES.

The District has maintained one recycled water customer and has not evaluated the rate structure since its inception. The current rate is \$291.64 per acre foot. NBS considered the sewer utility's annual expenses and how those expenses might be allocated to the recycled water customer. The District's one recycled water customer, the golf course, is owned by the homeowner's association, who are to a large extent the same properties receiving water and sewer service provided by the District.

Basis for Setting Recycled Water Rate – There is no established industry standard for setting recycled water rates, and many agencies arbitrarily set rates at some percent below potable volumetric rates. There is also no clear allocation of benefits accruing from a recycled water program: Are there benefits to using recycled water instead of discharging effluent from the treatment plant? Do the lower water quality standards for recycled water make it less valuable than potable water? Do the additional constituents in recycled water translate into higher costs for recycled water irrigation systems? The answers to these questions are generally “yes”.

Whether there is an issue of allocating recycled water costs to individuals within the homeowner's association, such as golfers vs. non-golfers, is an issue that would be more appropriately addressed by the homeowner's association rather than the District.⁹

Proposed Recycled Water Rate – In view of these factors, the current recycled water rate is, in NBS' opinion, a reasonable and fair rate. However, we did calculate an updated rate using the annual recycled water consumption and a reasonable allocation of the sewer annual revenue requirements, which have increased for a number of reasons. A recommended volumetric rate is \$341.04 per acre foot. **Figure 27** Summarizes the calculation of the recycled water charge. Recycled water rates should be adjusted annual by the same adjustments as sewer rates, as shown in **Figure 28**.

Figure 27. Calculation of Recycled Water Rate

Customer Class	Total Annual RW Use ¹	Annual Rev. Req't			Monthly Fixed Charge	Volumetric Charge
		Total	Fixed	Volumetric		
Recycled Irrigation (hcf)	191,386					
Recycled Irrigation (Acre Ft)	439	\$149,839	\$0	\$149,839	\$0.00	\$0.78/hcf \$341.04/AF

1. Actual 2017 consumption

Figure 28. Proposed Recycled Water Rate

Recycled Water Rate Schedule	Current Rates ('18/19)	Adopted Rates ('19/20)	Proposed Recycled Water Rates				
			FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
% Increase in Annual Rate Revenue:			10.00%	8.00%	8.00%	8.00%	8.00%
Fixed Service Charge per HEU							
Recycled Irrigation (hcf)	\$291.64	\$291.64	\$341.04	\$368.32	\$397.79	\$429.61	\$463.98

⁹ For example, recycled water costs could be incorporated into green fees and/or other charges paid by golfers.

SECTION 4. RECOMMENDATIONS AND NEXT STEPS

CONSULTANT RECOMMENDATIONS

A number of factors have impacted the District’s water and sewer rates in the last several years. The drought and its mandated conservation efforts, the corresponding lower water sales, and the correction of some commercial water reading problems have been notable. However, the greatest impact is from issuing new revenue bonds to cover the cost of planned capital improvements, which had previously been assumed to be funded from grants and low-interest loans. In light of these factors, NBS has reevaluated water, sewer and recycled water rates and made adjustments that, in our opinion, best represent the overall rate objectives of the District in a fair, equitable, and defensible manner. However, the District Board will need to make some tough decisions about the tradeoff between higher rates and funding capital projects.

“The District Board will need to make tough decisions about the tradeoff between higher rates and funding capital projects.”

The following are NBS’ recommendations for the District’s consideration:

- **Approve and Accept This Study Report:** NBS recommends the District Board formally approve and adopt this report, its recommendations, and accompanying appendices as documentation of the rate study analyses and the basis for recommended rates. Whether the significantly higher proposed rates required to fund the planned capital improvements are acceptable to the Board and community is a decision only the District Board can make.
- **Complete a Review by a Qualified Attorney:** This rate study outlines proposed new rates. Because NBS are not attorneys, we do not provide legal opinions and, therefore, must defer to the review by legal counsel with respect to compliance with Proposition 218 and related State laws, as well as legal assistance developing acceptable language for new resolutions to implement these rates.
- **Implement Recommended Levels of Rate Increases and Proposed Rates:** Based on the analysis presented in this report, the District Board should implement the proposed rates recommended in this report (see Figures 9, 13, 23, and 28) for the next five years. These rate adjustments are structured based on industry standards and are necessary to ensure the following objectives are met:
 - Water rates that promote water conservation and reflect the cost of providing water service to each customer class.
 - Drought rates that offer revenue stability during the District’s four drought stages.
 - Sewer rates that more appropriately reflect the cost of providing sewer service to each customer class; in particular, commercial fixed charges based on better consumption data to improve equity between customers in the sewer utility.
 - Maintaining the financial health of the District’s water and sewer utilities.
 - Recycled water rates that can reasonably be considered fair and equitable to both the golf course and the District.
- **Adopt Reserve Fund Targets:** NBS recommends the District Board adopt the proposed reserve fund targets described in Sections 2 and 3 of this report for the water and sewer utilities. The District should periodically evaluate reserve fund levels and make it a long-term goal to achieve and maintain these levels for the Operating, Capital, and Debt Reserves.

NEXT STEPS

Annually Review Rates and Revenue – Any time an Agency adopts new utility rates or rate structures, those new rates should be closely monitored over the next several years to ensure the revenue generated is sufficient to meet the annual revenue requirements. Changing economic factors, water consumption patterns, new regulatory mandates, and unplanned capital improvements all underscore the need for this annual review.

Update Capital Funding Plans – This analysis identifies the rates needed to meet projected O&M and capital costs, but the District will need to carefully consider the timing and amount of funding from new revenue bonds. This should be provided by an experienced financial advisor and underwriter.

Note: The attached Technical Appendices provide more detailed information on the analysis of the water and sewer revenue requirements, cost of service and rate design analyses that have been summarized in this report.

PRINCIPAL ASSUMPTIONS AND CONSIDERATIONS

In preparing this report and the recommendations included herein, NBS has relied on a number of principal assumptions and considerations with regard to financial matters, number of customer accounts, billing records, and other conditions and events that may occur in the future. This information and assumptions, including the District's budgets and customer account information provided by District staff, are sources we believe to be reliable, although NBS has not independently verified this data.

We are also assuming that future water consumption levels, which District staff believe are representative of future conditions, are accurate, and that funding from grants and low-interest loans is largely unavailable or will not be secured in time to construct urgently needed capital projects. We also assume that the District will consider reducing future rate increases if such funding becomes available.

While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein or may vary significantly due to unanticipated events and circumstances. Therefore, the actual results can be expected to vary from those projected to the extent that actual future conditions differ from those assumed by us or provided to us by others.

APPENDIX A – WATER RATE ANALYSIS

APPENDIX B – SEWER RATE ANALYSIS



Emergency Preparedness Committee Charter

Name of Committee	Emergency Preparedness Committee
Purpose (Summary)	The Committee shall serve the Board as an advocacy and review panel for all safety, security and emergency preparedness issues as it relates to the Strategic Plan under the governance of the Board of Directors.
Specific Responsibilities	<ol style="list-style-type: none"> 1. Conduct annual tour of District facilities to review existing safety and security systems 2. Make appropriate recommendations for policies for the implementation of new safety rules and work practices when necessary 3. Review safety and security reports on a monthly basis prior to the regular monthly Board meetings 4. Periodically review the emergency crisis management plan and response actions designed to prevent or address potential catastrophic operational interruption due to facility outages and property damage caused by natural disasters, cyber-attacks, acts of terrorism or otherwise 5. Act as a fact-finding body and report to the Board regarding assessing and controlling hazards and make appropriate policy recommendations.
Any Specific Decisions Delegated to the Committee By the Board	None
Meeting Schedule (Regular Date, Time & Place)	Bi-monthly on the first Thursday, 12:00-1:00 pm at the District Administration Office
Composition (Number and Type, Board Members or Others)	One board member and the General Manager
Other Important Details	Attend regular county OES meetings



Finance Committee Charter

Name of Committee	Hidden Valley Lake Finance Committee Charter
Purpose (Summary)	The Finance Committee provides ongoing review of the financial status of the District for the purpose of ensuring continued economic stability in accordance with the laws governing California public agencies and with the District Strategic Plan
Specific Responsibilities	<ol style="list-style-type: none"> 1. Review monthly financial reports and compare monthly figures to projected budget 2. Initiate an annual Financial Audit or review and recommend auditor 3. Review investments and make investment recommendation to the Board 4. Review and recommend an annual Budget 5. Review and recommend budget adjustments 6. Review Insurance coverage on an annual basis to ensure adequate coverage 7. Discuss, deliberate and make recommendation on all Financial issues impacting the District as brought to the committee by the General Manger and or Board of Directors
Any Specific Decisions Delegated to the Committee By the Board	None
Meeting Schedule (Regular Date, Time & Place)	Second Wednesday of the month, 12:30-1:30 pm and as needed at the District Administration Office
Composition (Number and Type, Board Members or Others)	2 Board Member, General Manager and the Full Charge Bookkeeper
Other Important Details	Directors assigned to the Finance Committee are responsible for the signing of the Accounts Payable on a weekly basis
Date of Last Revision	2/13/2019



Personnel Committee Charter

Name of Committee	Personnel Committee
Purpose (Summary)	The purpose of the Personnel Committee is to oversee District personnel policy and related issues on behalf of the Board and make recommendations to the Board of Directors for appropriate action.
Specific Responsibilities	<ol style="list-style-type: none"> 1. Review and recommend updates of the District Employee Handbook to the Board of Directors annually for compliance with District Policy 2. Ensure all policies in the District Employee Handbook comply with state and federal law 3. Ensure job descriptions, District Organization chart and staffing plan are current 4. Monitor the timely, accurate reporting of annual District salary information to the State Controller and verify that the changes appear on the State Controllers' website. 5. Recommend potential policy changes to the Board of Directors for adoption 6. Report current activities to the Board at its regular monthly meeting
Any Specific Decisions Delegated to the Committee By the Board	None
Meeting Schedule (Regular Date, Time & Place)	Monday, eight days prior to the Regular Board Meeting at 9:30am in the District Boardroom
Composition (Number and Type, Board Members or Others)	Two Directors, the General Manager and the Administrative Assistant
Other Important Details	None