



Hidden Valley Lake Community Services District

Board of Directors Regular Meeting

DATE: February 18, 2020
TIME: 7:00 p.m.
PLACE: Hidden Valley Lake CSD
Administration Office, Boardroom
19400 Hartmann Road
Hidden Valley Lake, CA

- 1) CALL TO ORDER
Director Graham attending remotely from
5259 Hoskin Hill Lane, Port Orchard, WA 98367
- 2) PLEDGE OF ALLEGIANCE
- 3) ROLL CALL
- 4) APPROVAL OF AGENDA
- 5) EMPLOYEE RECOGNITION:
Trish Wilkinson – Congratulations for receiving your Advance Accounting Certificate
- 6) CONSENT CALENDAR
 - A. MINUTES: Approval of the December 11, 2019 Finance Committee Meeting Minutes.
 - B. MINUTES: Approval of the January 6, 2020 Personnel Committee Meeting Minutes.
 - C. MINUTES: Approval of the January 8, 2020 Personnel Committee Meeting Minutes.
 - D. MINUTES: Approval of the January 8, 2020 Closed Session Meeting Minutes.
 - E. MINUTES: Approval of the January 14, 2020 Closed Session Meeting Minutes.
 - F. MINUTES: Approval of the January 15, 2020 Closed Session Meeting Minutes.
 - G. MINUTES: Approval of the January 15, 2020 Finance Committee Meeting Minutes.
 - H. MINUTES: Approval of the January 16, 2020 Personnel Committee Meeting Minutes.
 - I. MINUTES: Approval of the January 20, 2020 Closed Session Meeting Minutes.
 - J. MINUTES: Approval of the January 21, 2020 Regular Board Meeting Minutes.
 - K. APPROVAL OF NEW AND REVISED POLICIES: Personnel Policy 3101 Nepotism (revised)
 - L. APPROVE: THE 2020 LAKE WATER USE AGREEMENT
 - M. DISBURSEMENTS: Check #036956 - #037050 including drafts and payroll for a total of \$510,802.61.
- 7) BOARD COMMITTEE REPORTS (for information only, no action anticipated)
 - Finance Committee
 - Personnel Committee
 - Emergency Preparedness Committee
 - Lake Water Use Agreement-Ad Hoc Committee (HVLA Dam report)
 - Valley Oaks Project Committee

- 8) STAFF REPORTS (for information only, no action anticipated)
 - Financial Report
 - Administration/Customer Service Report
 - ACWA State Legislative Committee
 - Field Operations Report

- 9) BOARD LIST OF PRIORITIES:
 - Moratorium (Email update from Erik Ekdahl)
 - Tank 9
 - I&I
 - SCADA
 - AMI
 - Generators

- 10) DISCUSSION AND POSSIBLE ACTION: Accept the 2018-19 Audit Report by Smith & Newell as presented

- 11) DISCUSSION: Availability Fees

- 12) DISCUSSION: History of Rate Increases (recent five-year period) and Future Projections

- 13) DISCUSSION AND POSSIBLE ACTION: Approve Revised Reorganization Chart and Budget for FY 2020/21 for the Reorganization of Staff in Field Operations

- 14) DISCUSSION AND POSSIBLE ACTION: Review and Award Proposal to Conduct a Total Salary & Compensation Study

- 15) DISCUSSION AND POSSIBLE ACTION: Accept Telstar Proposal in the Amount of \$11,972.00 to Supply and Install New Chlorine Leak Detector

- 16) DISCUSSION AND POSSIBLE ACTION: Consider Appointment of Leo Havener as Interim General Manager and Approve Personal Services Agreement

- 17) DISCUSSION AND POSSIBLE ACTION: Consider the Approval of the Personnel Policy 3103 Holiday Pay

- 18) DISCUSSION AND POSSIBLE ACTION: Consider the Approval of the Liability Waiver and the Volunteer Service Agreement

- 19) PUBLIC COMMENT

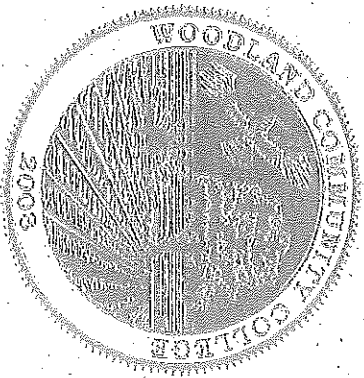
- 20) BOARD MEMBER COMMENT

- 21) ADJOURN

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.



Woodland Community College

Yuba Community College District
Lake County Campus

This is to certify that

Patricia Wilkinson

Has satisfactorily completed 34 semester credits of instruction in

Advanced Accounting

Certificate of Achievement

December 18, 2019

Date

A handwritten signature in black ink, appearing to read "M. K. L.", written over a horizontal line.

Dean of Instruction



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
FINANCE COMMITTEE REPORT
MEETING DATE: December 11, 2019**

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

Director Judy Mirbegian
Director Jim Freeman
Full Charge Bookkeeper, Trish Wilkinson
Administrative Assistant, Penny Cuadras
Water Resources Specialist, Alyssa Gordon

CALL TO ORDER

The meeting was called to order at 12:30 pm by Director Mirbegian.

APPROVAL OF AGENDA

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

DISCUSS AND REVIEW:

CIP (Capital Improvement Plan)

The Committee recommend the naming of the Revenue and Expense report be modified to Transfers and Expenditures.

Transfer of Operating Revenue Funds will be scheduled for the last day of the quarter.

DISCUSS AND REVIEW:

Funds 313/314 and 320/325

The Committee recommend an adjustment to the capital budget be brought to the Board for review to allow for reallocation into other Professional Services.

DISCUSS AND REVIEW:

Investment Policy

The Committee requests the completed policy be brought back to the committee for review. SOP's must be in place to create a foundation safety net with 3-6 months of operating reserves.

DISCUSS AND RECOMMEND:

Mountain Meadow North Main Line Project

On behalf of the Board, Director Mirbegian spoke with John Wanger, Coastland Engineer on December 2, 2019 to inform him of the Boards decision to postpone the project pending a funding plan. Coastland will contact Terracon to amend the contract to include a winner suspension.

The contract must come before the Board for approval, all contracts are to be signed by the Board and/or the General Manager. Project projected to go forward in March.

PUBLIC COMMENT

No public present.

COMMITTEE MEMBER COMMENT

Match Commitment letters must include the true financial impact and funding plan.

Adjust the timeline for projects and limit un-budgeted projects

Items for Finance Committee agenda must go before Full Charge Bookkeeper for approval.

ADJOURNMENT

The meeting was adjourned at 1:44 p.m.



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
PERSONNEL COMMITTEE REPORT
MEETING DATE: January 6, 2020**

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:

Director Jim Lieberman
Director Carolyn Graham
Penny Cuadras, Secretary to the Board

CALL TO ORDER

The meeting was called to order at 10:05 a.m. by Director Lieberman

APPROVAL OF AGENDA

Agenda was approved as written by Director Graham.

DISCUSS AND REVIEW:

Employee Handbook, Travel Time, Overtime and hours Worked

The Committee continues to review the Employee Handbook; discussing Legal recommendations and making the necessary updates and revisions. The Committee will continue to meet on a regular basis until the employee handbook is complete and ready for final review by the Board.

PUBLIC COMMENT

No members of the public were present.

COMMITTEE MEMBER COMMENT

No Committee Member comment.

ADJOURNMENT

Meeting adjourned at 12:31 p.m.



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
PERSONNEL COMMITTEE REPORT
MEETING DATE: January 8, 2020**

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:

Director Jim Lieberman
Director Carolyn Graham
Penny Cuadras, Secretary to the Board

CALL TO ORDER

The meeting was called to order at 10:02 a.m. by Director Graham

APPROVAL OF AGENDA

Agenda was approved as written by Director Lieberman.

DISCUSS AND REVIEW:

Field Staffing Options

Utility Supervisor, Dennis White informed the Committee that the District will be short an Operator I in February. Mr. White provided a brief presentation of required maintenance due to lack of adequate staffing.

Suggested staffing options;

Current Fiscal Year

- 1) Leave the Operator I position open to allow for upward movement of current staff
- 2) Dissolve the unfunded Operator I position
- 3) Add a third Utility Worker

2020-21 FY

- 4) Add fourth Utility Worker
- 5) Add Wastewater Lead Position

The Committee recommends item be brought before the Board at a regular meeting for discussion.

DISCUSS AND REVIEW:

Employee Handbook

The Committee continues to review the Employee Handbook; discussing Legal recommendations and making the necessary updates and revisions. The Committee will continue to meet on a regular basis until the employee handbook is complete and ready for final review by the Board.

An addendum for Clarification of Overtime and Hours Worked and example of Travel time was added as approved and directed by the Board of Directors.

PUBLIC COMMENT

No members of the public were present.

COMMITTEE MEMBER COMMENT

No Committee Member comment.

ADJOURNMENT

Meeting adjourned at 12:58 p.m.



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
FINANCE COMMITTEE REPORT
MEETING DATE: January 15, 2020**

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

Present were:

Director Mirbegian
Director Graves
Full Charge Bookkeeper, Trish Wilkinson
Administrative Assistant, Penny Cuadras
Norm Newell, CPA (via phone)

CALL TO ORDER

The meeting was called to order at 12:31 pm by Director Mirbegian.

APPROVAL OF AGENDA

On a motion made by Director Graves and seconded by Director Mirbegian the Committee unanimously approved the agenda.

DISCUSS:

Draft Audit Review with Smith & Newell

Following review and discussion of the 2018-19 Audit Report, the Committee recommend the Board accept the 2018-2019 Audit at the February 18th Regular Board Meeting.

DISCUSS:

Financial Reports

The Committee reviewed in detail the Financial reports for the period ending January 31, 2020.

DISCUSS:

Coyote Valley Plaza

The Committee discussed the recent purchase of the Plaza. Lien placed on the property by HVLCSD was not satisfied by First American Title when property sold. Staff are working with First American Title to recoup the defaulted amount.

DISCUSS:

CV Strategies Update

The Committee recommend the project be placed on hold pending review by the Interim General Manager.

DISCUSS:

Water / Sewer Availability Fees

The Committee discussed the Water and Sewer Availability Fees. Legal counsel has confirmed this is a legal assessment as fees were implemented prior to the 218 Law. The Committee continues to review this and recommends item go before the Board for further discussion.

DISCUSS:
Tax Payers Bond

Director Mirbegian updated the Committee of conversation with NBS regarding bonds, financial requirements and process to administrate a bond.

PUBLIC COMMENT

No public present

COMMITTEE MEMBER COMMENT

ITEMS FOR NEXT AGENDA

Access Road Project

ADJOURNMENT

The meeting was adjourned at 1:59 p.m.



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
PERSONNEL COMMITTEE REPORT
MEETING DATE: January 16, 2020**

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:

Director Jim Lieberman

Director Carolyn Graham

Penny Cuadras, Secretary to the Board

Trish Wilkinson, Full Charge Bookkeeper

CALL TO ORDER

The meeting was called to order at 10:09 AM by Director Lieberman

APPROVAL OF AGENDA

Agenda was approved as written by Director Graham seconded by Director Lieberman.

DISCUSS AND REVIEW:

Employee Handbook

The Committee continues to review the Employee Handbook; discussing Legal recommendations and making the necessary updates and revisions. The Committee will continue to meet on a regular basis until the employee handbook is complete and ready for final review by the Board.

The Committees recommendation to the Board:

Approve the proposed revisions to the Nepotism policy to include additional "close relatives" In section 3101.0

PUBLIC COMMENT

No members of the public were present.

COMMITTEE MEMBER COMMENT

No Committee Member comment.

ADJOURNMENT

Meeting adjourned at 12:32 PM.



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING DATE: January 21, 2020**

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 Judy Mirbegan, President
Director Jim Lieberman, Vice-President
Director Jim Freeman
Director Carolyn Graham
Director Gary Graves
Penny Cuadras, Secretary to the Board

CALL TO ORDER

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

APPROVAL OF AGENDA

Director Graham moved to approve the agenda as presented. Seconded by Director Graves. Motion carries unanimous.

EMPLOYEE RECOGNITION

Craig Shields has announced his resignation as of January 24th, 2020. Craig has been with the District for 3 years as a Utility Operator I. The District wishes him well in his new endeavor.

The District welcomes Nikolaus Hendricks to the HVLCSD team. Nik came onboard December 26th, 2020 as a Utility Technician.

PRESENTATION

ACWA' s Region I Outreach Award – The Board of Directors expressed appreciation to Alyssa Gordon for the dedication and commitment she has put forth as the District Representative on the ACWA State Legislation Committee. The District receiving this award is greatly due to her timely efforts.

Thank you, Coastland Engineering for your Donation to Clearlake Gleaners Food Bank on HVLCSD Behalf

CONSENT CALENDAR

Director Graham moved to approve the Consent Calendar. Director Freeman seconded. The Board unanimously approved the following Consent Calendar items. Motion carries unanimously.

- (A) MINUTES: Approval of the December 17, 2019 Regular Board Meeting Minutes.
- (B) MINUTES: Approval of the December 13, 2019 Personnel Committee Meeting Minutes.
- (C) MINUTES: Approval of the December 12, 2019 Special Meeting Minutes.
- (D) MINUTES: Approval of the January 2, 2020 Closed Session Meeting Minutes.
- (E) DISBURSEMENTS: Check #036902 - #036955 including drafts and payroll for a total of \$253,179.44.

BOARD COMMITTEE REPORTS

Finance Committee: Met January 15th, Director Mirbegan reported on the meeting.

Personnel Committee: Met January, 6th, 8th and 16th. Director Graham reported on the meeting

Safety and Security Committee: Have not met.

Lake Water Use Agreement-Ad Hoc Committee: Have not met.

Valley Oaks Sub-Committee: Ken Porter has requested a quote for Commercial Connections.

STAFF REPORTS

Financial Report: Inquiries addressed

Administration/Customer Services Report: No comment

Field Operation Report: Director Mirbegan noted increase in Vac Truck Miles, Mountain Meadow North Mainline Project pending signed contract from Terracon. Project to begin in March, estimated completion – 35 days.

ACWA State Legislative Committee: Meeting 1/24

I.T Monthly Report: No Comment

PROJECT PRIORITIES:

- Moratorium (Paula Whelan, Wagner & Bonsignor will contact SWRCB for response in February)
- Tank 9
- I&I
- SCADA
- AMI
- Generators

DISCUSSION AND POSSIBLE ACTION:

Consider an Amendment to the NBS Rate Study 4/2019 as Proposed by Greg Clumpner of NBS

Director Mirbegan recommended item be tabled until the Interim General Manager has been given the opportunity to review and provide guidance.

Director Freeman moved to table item, seconded by Director Lieberman motion carries.

DISCUSSION AND POSSIBLE ACTION:

Reconsider Contract with CV Strategies

Director Freeman provided an update of CV Strategies thus far. Recommends item be put on hold. The Board agrees with the recommendation the contract with CV Strategies be put on hold until the Interim General Manager has the opportunity to review the Rate Study.

DISCUSSION:

Discuss Holiday Pay for Field Staff

The Board President will contact legal for further clarification on Holiday Pay regarding staff mandated to work during a District paid Holiday.

DISCUSS AND POSSIBLE ACTION:

Appointment of Interim General Manager

The Board has extended an offer to the Interim General Manager candidate with a 6-month contract contingent upon a full, complete and approved Background Check and completed contract. Candidate has accepted the offer with an expected start date of February 24, 2020. The Board will vote and execute the contract during the open and public meeting February 18, 2020

DISCUSS AND POSSIBLE ACTION:

Authorization for Board President to Execute Services Agreement for Interim General Manager

Item moved to the February Agenda

PUBLIC COMMENT

Member of the Public asked if the Holiday pay extended to all employees? This will be addressed by legal counsel.

BOARD MEMBER COMMENT

Director Freeman informed the Board of the sudden death of Jim Comstock's son Wesley Comstock.



POLICY TITLE:	Nepotism	
POLICY#: 3101	ADOPTED DATE: March 19, 2013 PRESIDENT: Judy Mirbegian	REVISION DATE: February 18, 2020 10/15/2019 PRESIDENT: Judy Mirbegian

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date. This version of the Policy, supersedes all other previous versions.

PURPOSE 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:

POLICY 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.

3101.1 For the purpose of this policy, "close relative" is defined as spouse, domestic partner, child, grandchild, mother, father, grandparents, brother, sister, mother-in-law, father-in-law, sister-in-law, brother-in-law, aunt, uncle, nephew, niece, foster child, ward of the court or any step-relations.

3101.2 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.

3101.3 When an individual is considered for appointment in a department where a close relative has supervisory responsibility, the appointment shall not be granted.

Approved and Adopted on **February 18, 2020.**

Judy Mirbegian, President to the Board

Attest:

Penny Cuadras, Secretary to the Board



POLICY TITLE:	Nepotism	
POLICY #: 3101	ADOPTED DATE: March 19, 2013	REVISION DATE: October 15, 2019
	PRESIDENT: Judy Mirbegan	PRESIDENT: Judy Mirbegan

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date. This version of the Policy, supersedes all other previous versions.

PURPOSE 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:

POLICY 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.

3101.1 For the purpose of this policy, "close relative" is defined as husband, wife, domestic partner, mother, father, son, daughter, sister, brother, father-in-law, mother-in-law, sister-in-law and brother-in-law, grandparent.

3101.2 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.

3101.3 When an individual is considered for appointment in a department where a close relative has supervisory responsibility, the appointment shall not be granted.

Approved and Adopted on **October 15th, 2019.**



Judy Mirbegan, Acting President to the Board

Attest: 

Kirk Cloyd, General Manager

WATER USE AGREEMENT

THIS WATER USE AGREEMENT ("Agreement") is between the HIDDEN VALLEY LAKE COMMUNITY SERVICE DISTRICT ("District") and the HIDDEN VALLEY LAKE ASSOCIATION ("Association") concerning rights to and use of Hidden Valley Lake and its shoreline ("Lake").

RECITALS

- A. District holds appropriate water rights pursuant to License 9674 (Application 22033) ("License"), issued by the State Water Resources Control Board, to divert and store water for recreational, wildlife enhancement and fire protection purposes; and
- B. Association holds fee title to the land underlying Lake, subject to an easement authorizing District to flood said lands with water diverted and stored to the License; and
- C. District and Association desire to formalize their respective rights and responsibilities related to the use of the Lake, and to ensure that the Lake remains a secure and safe water resource for the District and Association.

Now, therefor, District and Association hereby agree as follows:

1. Association Use of Lake

Association shall have the right to enter upon and use Lake for recreational and maintenance purposes under the terms and conditions provided herein and subject to the District's use of water pursuant to License.

2. Compensation

Association shall pay to the District the sum of one dollar (\$1.00) for each year or any part thereof for the right authorized under this agreement. Said sum shall be due upon execution of this agreement by both parties. In addition, Association shall be responsible for all costs of maintaining the Lake, access thereto in suitable condition for recreational and maintenance uses, including all costs associated with any treatment of the Lake with aquatic pesticides unless otherwise agreed to by both parties.

3. Compliance with Law

- a. In exercising its rights under this agreement, Association shall comply with all applicable requirements of federal and state laws and regulations and county ordinances
- b. Association shall provide the District advanced notice of any maintenance work proposed to be conducted at the Lake, including the date and time such work is

scheduled and the name of the firm and/or individual performing such work which could impact any state and federal regulations.

- c. District hereby appoints Association to be the agent of the District for application of aquatic pesticides to the Lake, provided that such application is consistent with and complies with all state and federal regulations
- d. Association shall provide District with copies of all documentation it submits to governmental agencies regulating the Lake and its use, and provide District an opportunity to review and comment thereon in advance of its submission, to the extent maximally practicable
- e. Failure to comply with any aspect of this agreement shall constitute a violation of this agreement. The violator may be subject to a fine not to exceed \$300.00 per occurrence and a maximum of \$300.00 may be charged per given month for a maximum annual fine of \$3,600.00 per calendar year. The violating party is to be given 15 calendar days to correct the violation. If no corrective action is taken by the end of the 15-day period, the \$300.00 fine is to be billed to the violating party and is collectable immediately.

Fines may be implemented for failure to meet the annual and/or quarterly meeting requirements, failure to pay the annual use fee within the first quarter, any and all failure to notify the District of any and all treatments and applications to the lake water for aquatic weed abatement or dredging.

Any and all fines, fees or costs associated with local, state and/or federal non-compliance due to a violation of this agreement shall be the sole responsibility of the violating party to pay.

4. Reservation of District's Right to Use Lake Water

Notwithstanding the rights granted Association under this Agreement, District shall retain the right to utilize any and all water in the Lake to the extent it determines, in its sole discretion that such use is necessary to meet emergency situations and conditions. Association shall ensure that access routes to the Lake are maintained in such a condition that emergency vehicles have full access thereto.

5. Meetings

- a. Annual Meeting to Review Water Use Agreement-Representatives of Association and District shall meet at least once per calendar year in the first quarter to review and discuss the terms of the Agreement, and issues related to Lake use and management
- b. Quarterly Meetings to Review Operations and Maintenance Activities-Representatives of Association and District shall meet at least quarterly to review and discuss issues related to Lake operations and maintenance activities.

6. Indemnification

Association shall indemnify and hold harmless, and when requested by the District to do so, defend the District, its directors and employees from any and all claims, demands or charges and from any loss or liability including attorney's fees and expenses of litigation arising out of the Association's negligent or intentional acts including negligent errors or omissions, violations of laws, willful misconduct or fraudulent representations or concealment by the Association, its officers, employees, agents or licensees arising out of this Agreement, excepting and excluding liability

damages or charges caused by reason of the sole negligence of the District or the willful misconduct or fraudulent representation or concealment by the District, its directors, volunteers, employees or independent contractors.

7. Insurance

The association shall maintain for the entire duration of this contract such commercial general liability and automobile liability insurance as shall protect the District and its directors and employees from claims which may arise from the Association's obligations or rights under this Agreement. The amount of commercial general liability insurance will not be less than \$2,000,000 combined single limit per occurrence coverage for bodily and personal injury and property damage, and \$2,000,000 general aggregate. The amount of Automobile Liability insurance will not be less than \$1,000,000 Combined Single Limit per occurrence. The Association shall provide District with a certificate of insurance and an additional insured endorsement for its commercial general liability and automobile liability policies, and it shall name the District as an additional insured.

8. Litigation Costs

Should litigation be necessary to enforce any terms or provisions of this contract or to collect any portion of the amount payable under this contract, litigation and collection expenses, witness fees, court costs and reasonable attorneys' fees shall be paid to the prevailing party in the amounts set by the court.

9. Effective Date

This agreement shall become effective upon the execution by both parties, and be effective for one year unless renewed, or sooner terminated by either party. Renewal of this agreement for successive one-year terms shall be automatic upon payment by Association of a renewal fee of one dollar (\$1), which shall cover compensation for the next ensuing year.

10. Termination

This agreement may be terminated by either party for any cause upon 60 days written notice given to the other.

Executed on this 6th day of February 2020

Hidden Valley Lake Community Services District

Judy Mirbegian, President to the Board

Printed Name & Title

Signature

Hidden Valley Lake Association

Randy Murphy, G.M.
Printed Name & Title



Signature

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	158.89
01-11	STATE OF CALIFORNIA EDD			N		FUND TOTAL FOR VENDOR	3,374.49
01-111	JAMES DAY CONSTRUCTION, I			N		FUND TOTAL FOR VENDOR	279.00
01-1122	PARKSON CORPORATION			N		FUND TOTAL FOR VENDOR	8,111.40
01-1392	MEDIACOM			N		FUND TOTAL FOR VENDOR	510.03
01-1579	SOUTH LAKE REFUSE COMPANY			N		FUND TOTAL FOR VENDOR	241.91
01-1705	SPECIAL DISTRICT RISK MAN			N		FUND TOTAL FOR VENDOR	21,404.81
01-1722	US DEPARTMENT OF THE TREA			N		FUND TOTAL FOR VENDOR	5,875.71
01-1723	ADVANCED ELECTRONIC SECUR			N		FUND TOTAL FOR VENDOR	47.16
01-1751	USA BLUE BOOK			N		FUND TOTAL FOR VENDOR	7,658.12
01-1961	ACWA/JPIA			N		FUND TOTAL FOR VENDOR	321.71
01-2057	BARTLEY PUMP, INC.			N		FUND TOTAL FOR VENDOR	7,960.70
01-21	CALIFORNIA PUBLIC EMPLOYE			N		FUND TOTAL FOR VENDOR	6,800.51
01-2111	DATAPROSE			N		FUND TOTAL FOR VENDOR	781.28
01-2283	ARMED FORCE PEST CONTROL,			N		FUND TOTAL FOR VENDOR	102.50
01-2538	HARDESTER'S MARKETS & HAR			N		FUND TOTAL FOR VENDOR	43.74
01-2541	MENDO MILL CLEARLAKE			N		FUND TOTAL FOR VENDOR	348.76
01-2585	TYLER TECHNOLOGY			N		FUND TOTAL FOR VENDOR	1,979.22
01-2598	VERIZON WIRELESS			N		FUND TOTAL FOR VENDOR	438.46
01-2638	RICOH USA, INC.			N		FUND TOTAL FOR VENDOR	386.30
01-2648	B & G TIRES OF MIDDLETOWN			N		FUND TOTAL FOR VENDOR	580.17
01-2684	OFFICE DEPOT			N		FUND TOTAL FOR VENDOR	235.19
01-2699	MICHELLE HAMILTON			N		FUND TOTAL FOR VENDOR	1,805.00
01-2700	REDFORD SERVICES			N		FUND TOTAL FOR VENDOR	720.00
01-2744	ST HELENA HOSPITAL dba JO			N		FUND TOTAL FOR VENDOR	388.67
01-2768	LAKE COUNTY VECTOR CONTRO			N		FUND TOTAL FOR VENDOR	25.02
01-2781	SAM GARCIA			N		FUND TOTAL FOR VENDOR	250.00

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#: 120 SEWER ENTERPRISE FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2788	GHD			N		FUND TOTAL FOR VENDOR	1,423.00
01-2816	CARDMEMBER SERVICE			N		FUND TOTAL FOR VENDOR	102.41
01-2820	ALPHA ANALYTICAL LABORATO			N		FUND TOTAL FOR VENDOR	3,302.00
01-2823	GARDENS BY JILLIAN			N		FUND TOTAL FOR VENDOR	100.00
01-2825	NATIONWIDE RETIREMENT SOL			N		FUND TOTAL FOR VENDOR	568.75
01-2827	SMITH CONSTRUCTION			N		FUND TOTAL FOR VENDOR	636.00
01-2830	CUMMINS SALES AND SERVICE			N		FUND TOTAL FOR VENDOR	10,899.13
01-2847	ALYSSA GORDON			N		FUND TOTAL FOR VENDOR	28.26
01-2876	BOLD POLISNER MADDOW NELS			N		FUND TOTAL FOR VENDOR	45.00
01-2880	MIDDLETOWN COPY & PRINT			N		FUND TOTAL FOR VENDOR	80.44
01-2914	RAY MORGAN COMPANY			N		FUND TOTAL FOR VENDOR	15.43
01-2917	AT&T MOBILITY			N		FUND TOTAL FOR VENDOR	67.00
01-2921	LOCAL GOVERNMENT COMMISSI			N		FUND TOTAL FOR VENDOR	4,636.36
01-2922	AMAZON CAPITAL SERVICES,			N		FUND TOTAL FOR VENDOR	428.98
01-2926	THATCHER COMPANY, INC.			N		FUND TOTAL FOR VENDOR	3,002.72
01-2933	CSMFO			N		FUND TOTAL FOR VENDOR	55.00
01-2945	APPLIED TECHNOLOGY SOLUTI			N		FUND TOTAL FOR VENDOR	437.75
01-2950	AFLAC			N		FUND TOTAL FOR VENDOR	458.05
01-2951	JENFITCH, LLC			N		FUND TOTAL FOR VENDOR	1,285.80
01-2972	WILEY PRICE & RADULOVICH,			N		FUND TOTAL FOR VENDOR	513.50
01-2982	FOSTER MORRISON CONSULTIN			N		FUND TOTAL FOR VENDOR	6,790.40
01-2989	CV STRATEGIES			N		FUND TOTAL FOR VENDOR	1,491.88
01-2990	REDWOOD COAST FUELS			N		FUND TOTAL FOR VENDOR	1,054.34
01-2991	HOWE ELECTRIC			N		FUND TOTAL FOR VENDOR	475.00
01-2992	BACKGROUNDS ONLINE			N		FUND TOTAL FOR VENDOR	9.75
01-8	AT&T			N		FUND TOTAL FOR VENDOR	127.07
01-82	E & M ELECTRIC & MACHINER			N		FUND TOTAL FOR VENDOR	495.00

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#: 120 SEWER ENTERPRISE FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099 ACCT NO#	G/L NAME	G/L AMOUNT
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01-9	PACIFIC GAS & ELECTRIC CO			N	FUND TOTAL FOR VENDOR	18,027.19
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*** FUND TOTALS *** 127,384.96

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	645.00
01-1002	PETTY CASH REIMBURSEMENT			N		FUND TOTAL FOR VENDOR	158.93
01-11	STATE OF CALIFORNIA EDD			N		FUND TOTAL FOR VENDOR	3,974.78
01-111	JAMES DAY CONSTRUCTION, I			N		FUND TOTAL FOR VENDOR	2,144.00
01-1392	MEDIACOM			N		FUND TOTAL FOR VENDOR	528.02
01-1579	SOUTH LAKE REFUSE COMPANY			N		FUND TOTAL FOR VENDOR	241.90
01-1659	WAGNER & BONSIGNORE			N		FUND TOTAL FOR VENDOR	536.93
01-1705	SPECIAL DISTRICT RISK MAN			N		FUND TOTAL FOR VENDOR	21,404.79
01-1722	US DEPARTMENT OF THE TREA			N		FUND TOTAL FOR VENDOR	7,111.15
01-1723	ADVANCED ELECTRONIC SECUR			N		FUND TOTAL FOR VENDOR	47.15
01-1751	USA BLUE BOOK			N		FUND TOTAL FOR VENDOR	374.37
01-1961	ACWA/JPIA			N		FUND TOTAL FOR VENDOR	321.70
01-21	CALIFORNIA PUBLIC EMPLOYE			N		FUND TOTAL FOR VENDOR	7,800.09
01-2111	DATAPROSE			N		FUND TOTAL FOR VENDOR	781.28
01-2283	ARMED FORCE PEST CONTROL,			N		FUND TOTAL FOR VENDOR	102.50
01-2538	HARDESTER'S MARKETS & HAR			N		FUND TOTAL FOR VENDOR	39.01
01-2541	MENDO MILL CLEARLAKE			N		FUND TOTAL FOR VENDOR	129.37
01-2585	TYLER TECHNOLOGY			N		FUND TOTAL FOR VENDOR	1,979.21
01-2598	VERIZON WIRELESS			N		FUND TOTAL FOR VENDOR	438.46
01-2638	RICOH USA, INC.			N		FUND TOTAL FOR VENDOR	386.28
01-2648	B & G TIRES OF MIDDLETOWN			N		FUND TOTAL FOR VENDOR	580.17
01-2684	OFFICE DEPOT			N		FUND TOTAL FOR VENDOR	235.17
01-2699	MICHELLE HAMILTON			N		FUND TOTAL FOR VENDOR	625.00
01-2702	PACE SUPPLY CORP			N		FUND TOTAL FOR VENDOR	2,447.24
01-2744	ST HELENA HOSPITAL dba JO			N		FUND TOTAL FOR VENDOR	388.67
01-2768	LAKE COUNTY VECTOR CONTRO			N		FUND TOTAL FOR VENDOR	25.02
01-2781	SAM GARCIA			N		FUND TOTAL FOR VENDOR	250.00

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#: 130 WATER ENTERPRISE FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2816	CARDMEMBER SERVICE			N		FUND TOTAL FOR VENDOR	201.80
01-2820	ALPHA ANALYTICAL LABORATO			N		FUND TOTAL FOR VENDOR	1,372.00
01-2823	GARDENS BY JILLIAN			N		FUND TOTAL FOR VENDOR	100.00
01-2825	NATIONWIDE RETIREMENT SOL			N		FUND TOTAL FOR VENDOR	568.75
01-2827	SMITH CONSTRUCTION			N		FUND TOTAL FOR VENDOR	636.00
01-2842	COASTLAND CIVIL ENGINEERI			N		FUND TOTAL FOR VENDOR	3,840.00
01-2847	ALYSSA GORDON			N		FUND TOTAL FOR VENDOR	113.04
01-2876	BOLD POLISNER MADDOW NELS			N		FUND TOTAL FOR VENDOR	45.00
01-2880	MIDDLETOWN COPY & PRINT			N		FUND TOTAL FOR VENDOR	80.44
01-2914	RAY MORGAN COMPANY			N		FUND TOTAL FOR VENDOR	15.42
01-2917	AT&T MOBILITY			N		FUND TOTAL FOR VENDOR	67.00
01-2922	AMAZON CAPITAL SERVICES,			N		FUND TOTAL FOR VENDOR	160.87
01-2926	THATCHER COMPANY, INC.			N		FUND TOTAL FOR VENDOR	1,694.29
01-2933	CSMFO			N		FUND TOTAL FOR VENDOR	55.00
01-2945	APPLIED TECHNOLOGY SOLUTI			N		FUND TOTAL FOR VENDOR	437.75
01-2950	AFLAC			N		FUND TOTAL FOR VENDOR	510.66
01-2972	WILEY PRICE & RADULOVICH,			N		FUND TOTAL FOR VENDOR	513.50
01-2982	FOSTER MORRISON CONSULTIN			N		FUND TOTAL FOR VENDOR	6,790.40
01-2989	CV STRATEGIES			N		FUND TOTAL FOR VENDOR	1,491.87
01-2990	REDWOOD COAST FUELS			N		FUND TOTAL FOR VENDOR	1,054.33
01-2991	HOWE ELECTRIC			N		FUND TOTAL FOR VENDOR	475.00
01-2992	BACKGROUNDS ONLINE			N		FUND TOTAL FOR VENDOR	9.75
01-8	AT&T			N		FUND TOTAL FOR VENDOR	127.07
01-9	PACIFIC GAS & ELECTRIC CO			N		FUND TOTAL FOR VENDOR	28,597.16

*** FUND TOTALS ***

102,653.29

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#: 140 FLOOD ENTERPRISE FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
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01-9	PACIFIC GAS & ELECTRIC CO			N		FUND TOTAL FOR VENDOR	285.98
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*** FUND TOTALS *** 285.98

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
01-19	NBS GOVERNMENT FINANCE GR			N		FUND TOTAL FOR VENDOR	2,697.59
01-2893	U.S. BANK			N		FUND TOTAL FOR VENDOR	47,911.65
*** FUND TOTALS ***							50,609.24

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 CIEDEB 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	141,282.02
*** FUND TOTALS ***						141,282.02
*** REPORT TOTALS ***			422,215.49			422,215.49

G / L EXPENSE DISTRIBUTION

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
120 2075	AFLAC	458.05
120 2088	SURVIVOR BENEFITS - PERS	15.38
120 2090	PERS PAYABLE	2,981.18
120 2091	FIT PAYABLE	4,495.43
120 2092	CIT PAYABLE	1,539.73
120 2093	SOCIAL SECURITY PAYABLE	14.88
120 2094	MEDICARE PAYABLE	675.19
120 2095	S D I PAYABLE	464.24
120 2099	DEFERRED COMP - 457 PLAN	568.75
120 5-00-5025	RETIREE HEALTH BENEFITS	2,351.10
120 5-00-5060	GASOLINE, OIL & FUEL	1,054.34
120 5-00-5061	VEHICLE MAINT	11,479.30
120 5-00-5062	TAXES & LIC	25.02
120 5-00-5080	MEMBERSHIP & SUBSCRIPTIONS	55.00
120 5-00-5092	POSTAGE & SHIPPING	521.65
120 5-00-5121	LEGAL SERVICES	558.50
120 5-00-5122	ENGINEERING SERVICES	1,423.00
120 5-00-5123	OTHER PROFESSIONAL SERVICES	12,928.39
120 5-00-5130	PRINTING & PUBLICATION	259.63
120 5-00-5140	RENTS & LEASES	215.00CR
120 5-00-5145	EQUIPMENT RENTAL	1,037.73
120 5-00-5148	OPERATING SUPPLIES	4,969.07
120 5-00-5150	REPAIR & REPLACE	24,480.24
120 5-00-5155	MAINT BLDG & GROUNDS	202.50
120 5-00-5156	CUSTODIAL SERVICES	2,525.00
120 5-00-5157	SECURITY	47.16
120 5-00-5191	TELEPHONE	1,142.56
120 5-00-5192	ELECTRICITY	18,027.19
120 5-00-5193	OTHER UTILITIES	241.91

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 5-00-5194	IT SERVICES	3,015.99
120 5-00-5195	ENV/MONITORING	3,302.00
120 5-00-5311	EQUIPMENT - OFFICE	428.98
120 5-00-5545	RECORDING FEES	7.50
120 5-10-5010	SALARIES & WAGES	370.31
120 5-10-5020	EMPLOYEE BENEFITS	8,716.45
120 5-10-5021	RETIREMENT BENEFITS	1,804.19
120 5-10-5090	OFFICE SUPPLIES	311.19
120 5-10-5170	TRAVEL MILEAGE	49.23
120 5-30-5010	SALARIES & WAGES	301.53
120 5-30-5020	EMPLOYEE BENEFITS	7,201.02
120 5-30-5021	RETIREMENT BENEFITS	1,999.76
120 5-30-5022	CLOTHING ALLOWANCE	250.00
120 5-30-5090	OFFICE SUPPLIES	64.18
120 5-40-5010	DIRECTORS COMPENSATION	18.37
120 5-40-5020	DIRECTOR BENEFITS	11.06
120 5-40-5030	DIRECTOR HEALTH BENEFITS	5,206.08
	** FUND TOTAL **	127,384.96
130 1052	ACCTS REC WATER USE	645.00
130 2075	AFLAC	510.66
130 2088	SURVIVOR BENEFITS - PERS	17.17
130 2090	PERS PAYABLE	3,392.05
130 2091	FIT PAYABLE	5,574.49
130 2092	CIT PAYABLE	1,968.33
130 2093	SOCIAL SECURITY PAYABLE	16.12
130 2094	MEDICARE PAYABLE	752.28
130 2095	S D I PAYABLE	517.48
130 2099	DEFERRED COMP - PLAN 457 PAYAB	568.75
130 5-00-5020	EMPLOYEE BENEFITS	388.67
130 5-00-5025	RETIREE HEALTH BENEFITS	2,351.10
130 5-00-5060	GASOLINE, OIL & FUEL	1,054.33
130 5-00-5061	VEHICLE MAINT	580.17
130 5-00-5062	TAXES & LIC	25.02
130 5-00-5080	MEMBERSHIP & SUBSCRIPTIONS	55.00
130 5-00-5092	POSTAGE & SHIPPING	521.65
130 5-00-5121	LEGAL SERVICES	558.50
130 5-00-5122	ENGINEERING SERVICES	240.00
130 5-00-5123	OTHER PROFESSIONAL SERVICES	8,292.02
130 5-00-5124	WATER RIGHTS	536.93
130 5-00-5130	PRINTING & PUBLICATION	259.63
130 5-00-5145	EQUIPMENT RENTAL	1,037.70
130 5-00-5148	OPERATING SUPPLIES	1,741.36
130 5-00-5150	REPAIR & REPLACE	5,730.40
130 5-00-5155	MAINT BLDG & GROUNDS	202.50
130 5-00-5156	CUSTODIAL SERVICES	625.00
130 5-00-5157	SECURITY	47.15

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 5-00-5191	TELEPHONE	1,160.55
130 5-00-5192	ELECTRICITY	28,597.16
130 5-00-5193	OTHER UTILITIES	241.90
130 5-00-5194	IT SERVICES	2,520.97
130 5-00-5195	ENV/MONITORING	1,372.00
130 5-00-5311	EQUIPMENT - OFFICE	160.87
130 5-00-5545	RECORDING FEES	7.50
130 5-10-5010	SALARIES & WAGES	370.24
130 5-10-5020	EMPLOYEE BENEFITS	8,716.37
130 5-10-5021	RETIREMENT BENEFITS	1,804.19
130 5-10-5090	OFFICE SUPPLIES	311.20
130 5-10-5170	TRAVEL MILEAGE	134.01
130 5-30-5010	SALARIES & WAGES	378.14
130 5-30-5020	EMPLOYEE BENEFITS	6,929.97
130 5-30-5021	RETIREMENT BENEFITS	2,586.68
130 5-30-5022	CLOTHING ALLOWANCE	250.00
130 5-30-5090	OFFICE SUPPLIES	64.18
130 5-40-5010	DIRECTORS COMPENSATION	19.88
130 5-40-5020	DIRECTOR BENEFITS	11.94
130 5-40-5030	DIRECTOR HEALTH BENEFITS	5,206.08
130 5-70-7205	MMN WTR MAIN	3,600.00
	** FUND TOTAL **	102,653.29
140 5-00-5192	ELECTRICITY	285.98
	** FUND TOTAL **	285.98
215 1200	INVESTMENTS WITH FISCAL AGENT	3,270.10CR
215 5-00-5123	OTHER PROFESSIONAL SERVICES	2,697.59
215 5-00-5522	INTEREST ON LONG-TERM DEBT	51,181.75
	** FUND TOTAL **	50,609.24
218 5-00-5522	INTEREST ON LONG-TERM DEBT	29,783.46
218 5-00-5595	CIEDB LOAN ANNUAL FEE	5,135.08
218 5-00-5599	PRINCIPAL PMT	106,363.48
	** FUND TOTAL **	141,282.02

	** TOTAL **	422,215.49

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 :	1/01/2020 THRU 1/31/2020	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

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

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>2,765,252.36</u>	<u>122,218.08</u>	<u>2,077,356.90</u>	<u>687,895.46</u>	<u>75.12</u>
TOTAL REVENUES	<u>2,765,252.36</u>	<u>122,218.08</u>	<u>2,077,356.90</u>	<u>687,895.46</u>	<u>75.12</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	654,560.00	91,041.54	553,643.09	100,916.91	84.58
ADMINISTRATION	443,138.00	39,572.07	288,719.69	154,418.31	65.15
OFFICE	0.00	0.00	0.00	0.00	0.00
FIELD	338,928.00	33,393.76	180,701.11	158,226.89	53.32
DIRECTORS	49,730.00	5,345.35	21,360.00	28,370.00	42.95
SPECIAL PROJECTS	657,757.22	0.00	657,757.22	0.00	100.00
CAPITAL PROJECTS & EQUIP	<u>201,000.00</u>	<u>0.00</u>	<u>200,160.19</u>	<u>839.81</u>	<u>99.58</u>
TOTAL EXPENDITURES	<u>2,345,113.22</u>	<u>169,352.72</u>	<u>1,902,341.30</u>	<u>442,771.92</u>	<u>81.12</u>
REVENUES OVER/(UNDER) EXPENDITURES	420,139.14	(47,134.64)	175,015.60	245,123.54	41.66

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

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	300.00	200.00	60.00
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	360.00	4,640.00	7.20
120-4050 SALES OF RECLAIMED WATER	118,000.00	452.87	83,999.34	34,000.66	71.19
120-4111 COMM SEWER USE	36,959.00	2,961.46	20,963.22	15,995.78	56.72
120-4112 GOV'T SEWER USE	855.00	71.21	498.47	356.53	58.30
120-4116 SEWER USE CHARGES	1,167,934.00	98,309.00	688,938.44	478,995.56	58.99
120-4210 LATE FEE	20,000.00	1,851.98	13,357.29	6,642.71	66.79
120-4300 MISC INCOME	1,500.00	26.12	5,304.29 (	3,804.29)	353.62
120-4310 OTHER INCOME	200.00	0.00	0.00	200.00	0.00
120-4320 FEMA/CalOES Grants	1,083,419.00	0.00	948,419.00	135,000.00	87.54
120-4505 LEASE INCOME	0.00	0.00	0.00	0.00	0.00
120-4550 INTEREST INCOME	1,500.00	0.00	1,031.49	468.51	68.77
120-4580 TRANSFERS IN	314,185.36	18,545.44	314,185.36	0.00	100.00
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	2,765,252.36	122,218.08	2,077,356.90	687,895.46	75.12
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REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: JANUARY 31ST, 2020

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	13,925.92 (	2,155.92)	118.32
120-5-00-5025 RETIREE HEALTH BENEFITS	22,840.00	1,763.32	4,812.34	18,027.66	21.07
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	1,054.34	13,773.98 (	1,773.98)	114.78
120-5-00-5061 VEHICLE MAINT	15,000.00	11,479.30	16,578.82 (	1,578.82)	110.53
120-5-00-5062 TAXES & LIC	800.00	25.02	25.02	774.98	3.13
120-5-00-5074 INSURANCE	27,000.00	0.00	35,055.52 (	8,055.52)	129.84
120-5-00-5075 BANK FEES	21,000.00	1,760.56	11,393.75	9,606.25	54.26
120-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	7,500.00	55.00	5,469.00	2,031.00	72.92
120-5-00-5092 POSTAGE & SHIPPING	7,000.00	521.65	3,779.48	3,220.52	53.99
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	558.50	6,757.20 (	1,757.20)	135.14
120-5-00-5122 ENGINEERING SERVICES	27,000.00	1,423.00	9,847.50	17,152.50	36.47
120-5-00-5123 OTHER PROFESSIONAL SERVICE	30,000.00	12,928.39	61,700.13 (	31,700.13)	205.67
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	259.63	2,162.09	2,837.91	43.24
120-5-00-5135 NEWSLETTER	500.00	0.00	0.00	500.00	0.00
120-5-00-5140 RENTS & LEASES	0.00 (	215.00) (	215.00)	215.00	0.00
120-5-00-5145 EQUIPMENT RENTAL	5,000.00	1,037.73	2,332.56	2,667.44	46.65
120-5-00-5148 OPERATING SUPPLIES	40,000.00	4,969.07	35,122.63	4,877.37	87.81
120-5-00-5150 REPAIR & REPLACE	142,000.00	24,480.24	98,305.30	43,694.70	69.23
120-5-00-5155 MAINT BLDG & GROUNDS	5,500.00	202.50	6,965.81 (	1,465.81)	126.65
120-5-00-5156 CUSTODIAL SERVICES	16,500.00	2,525.00	8,800.00	7,700.00	53.33
120-5-00-5157 SECURITY	5,000.00	47.16	311.16	4,688.84	6.22
120-5-00-5160 SLUDGE DISPOSAL	45,000.00	0.00	36,222.02	8,777.98	80.49
120-5-00-5165 TERTIARY POND MAINTENANCE	35,000.00	0.00	35,000.00	0.00	100.00
120-5-00-5180 UNCOLLECTABLE ACCOUNTS	0.00	0.00	182.43 (	182.43)	0.00
120-5-00-5191 TELEPHONE	9,500.00	1,142.56	5,963.48	3,536.52	62.77
120-5-00-5192 ELECTRICITY	60,000.00	18,027.19	41,702.48	18,297.52	69.50
120-5-00-5193 OTHER UTILITIES	2,600.00	241.91	1,452.48	1,147.52	55.86
120-5-00-5194 IT SERVICES	45,000.00	3,015.99	29,164.22	15,835.78	64.81
120-5-00-5195 ENV/MONITORING	32,000.00	3,302.00	19,302.00	12,698.00	60.32
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	1,822.00	178.00	91.10
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	428.98	536.23	763.77	41.25
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	0.00	120.04	3,379.96	3.43
120-5-00-5510 SEWER OUTREACH	0.00	0.00	0.00	0.00	0.00
120-5-00-5545 RECORDING FEES	250.00	7.50	128.50	121.50	51.40
120-5-00-5580 TRANSFERS OUT	0.00	0.00	45,144.00 (	45,144.00)	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: JANUARY 31ST, 2020

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	654,560.00	91,041.54	553,643.09	100,916.91	84.58

AS OF: JANUARY 31ST, 2020

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	25,906.06	211,427.01	70,174.99	75.08
120-5-10-5020 EMPLOYEE BENEFITS	93,979.00	8,716.45	39,539.43	54,439.57	42.07
120-5-10-5021 RETIREMENT BENEFITS	57,507.00	4,589.14	32,997.68	24,509.32	57.38
120-5-10-5063 CERTIFICATIONS	500.00	0.00	0.00	500.00	0.00
120-5-10-5090 OFFICE SUPPLIES	4,000.00	311.19	1,748.50	2,251.50	43.71
120-5-10-5170 TRAVEL MILEAGE	1,200.00	49.23	712.26	487.74	59.36
120-5-10-5175 EDUCATION / SEMINARS	4,000.00	0.00	2,294.81	1,705.19	57.37
120-5-10-5179 ADM MISC EXPENSES	350.00	0.00	0.00	350.00	0.00
TOTAL ADMINISTRATION	443,138.00	39,572.07	288,719.69	154,418.31	65.15

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2020

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

AS OF: JANUARY 31ST, 2020

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	21,093.86	114,502.17	100,647.83	53.22
120-5-30-5020 EMPLOYEE BENEFITS	68,254.00	7,201.02	34,926.81	33,327.19	51.17
120-5-30-5021 RETIREMENT BENEFITS	46,724.00	4,784.70	29,408.78	17,315.22	62.94
120-5-30-5022 CLOTHING ALLOWANCE	1,800.00	250.00	1,349.50	450.50	74.97
120-5-30-5063 CERTIFICATIONS	1,500.00	0.00	90.00	1,410.00	6.00
120-5-30-5090 OFFICE SUPPLIES	1,000.00	64.18	393.07	606.93	39.31
120-5-30-5170 TRAVEL MILEAGE	500.00	0.00	30.78	469.22	6.16
120-5-30-5175 EDUCATION / SEMINARS	4,000.00	0.00	0.00	4,000.00	0.00
TOTAL FIELD	338,928.00	33,393.76	180,701.11	158,226.89	53.32

AS OF: JANUARY 31ST, 2020

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	258.37	1,684.76	1,315.24	56.16
120-5-40-5020 DIRECTOR BENEFITS	90.00	11.06	73.25	16.75	81.39
120-5-40-5030 DIRECTOR HEALTH BENEFITS	41,340.00	5,075.92	19,275.26	22,064.74	46.63
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	326.73	3,273.27	9.08
TOTAL DIRECTORS	49,730.00	5,345.35	21,360.00	28,370.00	42.95

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

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	657,757.22	0.00	657,757.22	0.00	100.00
TOTAL SPECIAL PROJECTS	657,757.22	0.00	657,757.22	0.00	100.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

120-SEWER ENTERPRISE FUND
 CAPITAL PROJECTS & EQUIP
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-70-7101 VAC TRUCK	201,000.00	0.00	200,125.92	874.08	99.57
120-5-70-7201 I & I	0.00	0.00	34.27 (	34.27)	0.00
120-5-70-7203 HEADWORKS RAKE	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL PROJECTS & EQUIP	201,000.00	0.00	200,160.19	839.81	99.58
TOTAL EXPENDITURES	2,345,113.22	169,352.72	1,902,341.30	442,771.92	81.12
REVENUES OVER/(UNDER) EXPENDITURES	420,139.14 (	47,134.64)	175,015.60	245,123.54	41.66

*** END OF REPORT ***

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

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>2,256,021.80</u>	<u>146,122.23</u>	<u>1,374,040.97</u>	<u>881,980.83</u>	<u>60.91</u>
TOTAL REVENUES	<u>2,256,021.80</u>	<u>146,122.23</u>	<u>1,374,040.97</u>	<u>881,980.83</u>	<u>60.91</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	873,602.00	59,480.86	522,908.93	350,693.07	59.86
ADMINISTRATION	443,438.00	39,657.09	288,845.45	154,592.55	65.14
OFFICE	0.00	0.00	0.00	0.00	0.00
FIELD	339,528.00	39,075.84	217,035.10	122,492.90	63.92
DIRECTORS	54,530.00	5,367.46	21,550.21	32,979.79	39.52
CAPITAL PROJECTS & EQUIP	<u>158,988.00</u>	<u>3,600.00</u>	<u>161,738.12</u>	<u>(2,750.12)</u>	<u>101.73</u>
TOTAL EXPENDITURES	<u>1,870,086.00</u>	<u>147,181.25</u>	<u>1,212,077.81</u>	<u>658,008.19</u>	<u>64.81</u>
REVENUES OVER/(UNDER) EXPENDITURES	385,935.80	(1,059.02)	161,963.16	223,972.64	41.97

AS OF: JANUARY 31ST, 2020

130-WATER ENTERPRISE FUND

REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-4035 RECONNECT FEE	12,000.00	1,575.00	11,795.00	205.00	98.29
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	340.00	660.00	34.00
130-4040 LIEN RECORDING FEES	500.00	0.00	962.90 (	462.90)	192.58
130-4045 AVAILABILITY FEES	25,000.00	0.00	900.00	24,100.00	3.60
130-4110 COMM WATER USE	104,000.00	5,914.73	61,593.81	42,406.19	59.22
130-4112 GOV'T WATER USE	6,000.00	426.69	3,361.55	2,638.45	56.03
130-4115 WATER USE	1,940,435.00	135,305.85	1,131,330.40	809,104.60	58.30
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	2,693.84	21,697.52	3,302.48	86.79
130-4215 RETURNED CHECK FEE	1,000.00	50.00	900.00	100.00	90.00
130-4300 MISC INCOME	2,000.00	156.12	2,295.74 (	295.74)	114.79
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	0.00	1,877.25	122.75	93.86
130-4580 TRANSFER IN	136,986.80	0.00	136,986.80	0.00	100.00
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	2,256,021.80	146,122.23	1,374,040.97	881,980.83	60.91
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REVENUE & EXPENSE REPORT (UNAUDITED)

AS OF: JANUARY 31ST, 2020

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	388.67	482.31 (	482.31)	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	13,925.92 (	2,155.92)	118.32
130-5-00-5025 RETIREE HEALTH BENEFITS	22,840.00	1,763.33	4,812.38	18,027.62	21.07
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	1,054.33	11,910.67 (	910.67)	108.28
130-5-00-5061 VEHICLE MAINT	24,292.00	580.17	5,679.61	18,612.39	23.38
130-5-00-5062 TAXES & LIC	1,200.00	25.02	25.02	1,174.98	2.09
130-5-00-5074 INSURANCE	27,000.00	0.00	35,055.52 (	8,055.52)	129.84
130-5-00-5075 BANK FEES	21,000.00	1,760.55	11,071.22	9,928.78	52.72
130-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	24,000.00	55.00	20,209.00	3,791.00	84.20
130-5-00-5092 POSTAGE & SHIPPING	6,000.00	521.65	3,779.43	2,220.57	62.99
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	558.50	6,329.70	3,670.30	63.30
130-5-00-5122 ENGINEERING SERVICES	60,000.00	240.00	290.00	59,710.00	0.48
130-5-00-5123 OTHER PROFESSIONAL SERVICE	40,000.00	8,292.02	38,972.87	1,027.13	97.43
130-5-00-5124 WATER RIGHTS	70,000.00	536.93	3,835.49	66,164.51	5.48
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	259.63	2,162.06	5,337.94	28.83
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	1,037.70	3,907.74	31,092.26	11.16
130-5-00-5148 OPERATING SUPPLIES	5,000.00	1,741.36	3,526.86	1,473.14	70.54
130-5-00-5150 REPAIR & REPLACE	185,000.00	5,730.40	45,798.35	139,201.65	24.76
130-5-00-5155 MAINT BLDG & GROUNDS	12,000.00	202.50	5,689.45	6,310.55	47.41
130-5-00-5156 CUSTODIAL SERVICES	4,200.00	625.00	2,150.00	2,050.00	51.19
130-5-00-5157 SECURITY	5,000.00	47.15	311.15	4,688.85	6.22
130-5-00-5180 UNCOLLECTABLE ACCOUNTS	0.00	0.00	227.51 (	227.51)	0.00
130-5-00-5191 TELEPHONE	9,500.00	1,160.55	5,985.38	3,514.62	63.00
130-5-00-5192 ELECTRICITY	150,000.00	28,597.16	94,054.93	55,945.07	62.70
130-5-00-5193 OTHER UTILITIES	2,200.00	241.90	1,452.42	747.58	66.02
130-5-00-5194 IT SERVICES	40,000.00	2,520.97	31,018.16	8,981.84	77.55
130-5-00-5195 ENV/MONITORING	20,000.00	1,372.00	9,282.00	10,718.00	46.41
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	30,103.15 (	103.15)	100.34
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	160.87	268.11	731.89	26.81
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	0.00	120.02	2,379.98	4.80
130-5-00-5505 WATER CONSERVATION	9,000.00	0.00	3,450.00	5,550.00	38.33
130-5-00-5545 RECORDING FEES	100.00	7.50	128.50 (	28.50)	128.50
130-5-00-5580 TRANSFERS OUT	0.00	0.00	126,894.00 (	126,894.00)	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: JANUARY 31ST, 2020

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	59,480.86	522,908.93	350,693.07	59.86

AS OF: JANUARY 31ST, 2020

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	25,906.37	211,086.67	70,515.33	74.96
130-5-10-5020 EMPLOYEE BENEFITS	93,979.00	8,716.37	39,539.18	54,439.82	42.07
130-5-10-5021 RETIREMENT BENEFITS	57,507.00	4,589.14	32,958.77	24,548.23	57.31
130-5-10-5063 CERTIFICATIONS	0.00	0.00	0.00	0.00	0.00
130-5-10-5090 OFFICE SUPPLIES	4,000.00	311.20	1,748.36	2,251.64	43.71
130-5-10-5170 TRAVEL MILEAGE	2,000.00	134.01	1,217.67	782.33	60.88
130-5-10-5175 EDUCATION / SEMINARS	4,000.00	0.00	2,294.80	1,705.20	57.37
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	39,657.09	288,845.45	154,592.55	65.14

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: JANUARY 31ST, 2020

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

AS OF: JANUARY 31ST, 2020

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	26,460.07	147,199.96	67,950.04	68.42
130-5-30-5020 EMPLOYEE BENEFITS	68,254.00	6,929.97	34,562.05	33,691.95	50.64
130-5-30-5021 RETIREMENT BENEFITS	46,724.00	5,371.62	33,312.99	13,411.01	71.30
130-5-30-5022 CLOTHING ALLOWANCE	1,800.00	250.00	1,349.48	450.52	74.97
130-5-30-5063 CERTIFICATIONS	600.00	0.00	190.00	410.00	31.67
130-5-30-5090 OFFICE SUPPLIES	1,000.00	64.18	393.04	606.96	39.30
130-5-30-5170 TRAVEL MILEAGE	2,000.00	0.00	27.58	1,972.42	1.38
130-5-30-5175 EDUCATION / SEMINARS	4,000.00	0.00	0.00	4,000.00	0.00
TOTAL FIELD	339,528.00	39,075.84	217,035.10	122,492.90	63.92

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

130-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	279.88	1,867.69	1,132.31	62.26
130-5-40-5020 DIRECTOR BENEFITS	90.00	11.94	80.85	9.15	89.83
130-5-40-5030 DIRECTOR HEALTH BENEFITS	41,340.00	5,075.64	19,274.94	22,065.06	46.63
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	326.73	8,073.27	3.89
TOTAL DIRECTORS	54,530.00	5,367.46	21,550.21	32,979.79	39.52

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: JANUARY 31ST, 2020

130-WATER ENTERPRISE FUND
 CAPITAL PROJECTS & EQUIP
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-70-7101 VAC TRUCK	134,000.00	0.00	133,417.28	582.72	99.57
130-5-70-7202 GENERATORS	24,988.00	0.00	16,953.39	8,034.61	67.85
130-5-70-7204 TANK 9	0.00	0.00	1,860.00 (	1,860.00)	0.00
130-5-70-7205 MMN WTR MAIN	0.00	3,600.00	9,507.45 (	9,507.45)	0.00
TOTAL CAPITAL PROJECTS & EQUIP	158,988.00	3,600.00	161,738.12 (	2,750.12)	101.73
TOTAL EXPENDITURES	1,870,086.00	147,181.25	1,212,077.81	658,008.19	64.81
REVENUES OVER/(UNDER) EXPENDITURES	385,935.80 (	1,059.02)	161,963.16	223,972.64	41.97

*** END OF REPORT ***



**Hidden Valley Lake Community Services District
Financial Activity, Cash and Investment Summary
As of January 31, 2020
(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	\$ 680,842.88	\$ 484,131.66	\$ 615,424.57	\$ 179,107.65	\$ 1,959,506.76
Cash Receipts					
Utility Billing Deposits	307,360.50	-	-	-	
Electronic Fund Deposits	-	-	-	-	
Other Deposits	-	28.68	3,535.44	163.04	
Total Cash Receipts	\$ 307,360.50	\$ 28.68	\$ 3,535.44	\$ 179,270.69	
Cash Disbursements					
Accounts Payable Checks issued	387,076.90	-	-	-	
Electronic Fund/Bank Draft Disbursements	48,182.75	-	-	-	
Payroll Checks issued - net	72,021.85	-	-	-	
Bank Fees	3,521.11	-	-	-	
Other Disbursements	-	-	-	3,270.10	
Total Disbursements	\$ 510,802.61	\$ -	\$ -	\$ 3,270.10	
Transfers Between Accounts					
Transfers In	52,002.98	-	-	-	
Transfers Out	-	50,218.14	-	-	
Total Transfers Between Accounts	\$ 52,002.98	\$ 50,218.14	\$ -	\$ -	
Ending Balances in General Ledger	\$ 477,400.77	\$ 433,942.20	\$ 618,960.01	\$ 176,000.59	\$ 1,706,303.57
Reconciling Adjustments to Financial Institutions [2]					
Financial Institution Ending Balances	\$ 567,708.89	\$ 433,942.20	\$ 618,960.01	\$ 176,000.59	\$ 1,796,611.69

Ending Balances General Ledger Distribution by District Funds

100 Operating	-	-	-	-	-
120 Wastewater Operating	145,701.68	62,001.07	71,496.00	-	279,198.75
130 Water Operating	156,216.17	165,153.07	106,549.33	-	427,918.57
140 Flood Enterprise	102.47	-	-	-	102.47
215 2016 Sewer Refinancing Bond	-	72,989.42	93,504.36	176,000.59	342,494.37
218 2002 CIEDB Loan	(23,112.68)	-	12,232.46	-	(10,880.22)
219 2012 USDA Solar COP	0.23	22,496.27	870.54	-	23,367.04
313 Wastewater Operating Reserve	4,026.56	22,802.83	58,239.60	-	85,068.99
314 Wastewater CIP	22,572.00	(7,858.78)	94,167.54	-	108,880.76
319 2012 USDA Solar COP Reserve	-	31,294.04	-	-	31,294.04
320 Water CIP	74,424.49	3.07	-	-	74,427.56
325 Water Operating Reserve	97,469.85	-	-	-	97,469.85
350 2002 CIEDB Loan Reserve	-	-	181,900.18	-	181,900.18
711 2016 Bond Administration	-	-	-	-	-
712 Bond Revolving	-	65,061.21	-	-	65,061.21
Total Ending Balances in General Ledger	\$ 477,400.77	\$ 433,942.20	\$ 618,960.01	\$ 176,000.59	\$ 1,706,303.57

[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: 1/01/2020 THRU 1/31/2020
 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	1/03/2020	BANK-DRAFT	000405	STATE OF CALIFORNIA EDD	2,294.49CR	CLEARED	A	1/03/2020
1010	1/03/2020	BANK-DRAFT	000406	US DEPARTMENT OF THE TREASURY	3,867.52CR	CLEARED	A	1/03/2020
1010	1/03/2020	BANK-DRAFT	000407	CALIFORNIA PUBLIC EMPLOYEES RE	4,942.61CR	CLEARED	A	1/06/2020
1010	1/03/2020	BANK-DRAFT	000408	NATIONWIDE RETIREMENT SOLUTION	412.50CR	CLEARED	A	1/17/2020
1010	1/03/2020	BANK-DRAFT	000409	AFLAC	343.45CR	CLEARED	A	1/07/2020
1010	1/03/2020	BANK-DRAFT	010320	AFLAC	0.03CR	CLEARED	G	1/07/2020
1010	1/17/2020	BANK-DRAFT	000410	AFLAC	312.63CR	OUTSTND	A	0/00/0000
1010	1/17/2020	BANK-DRAFT	000411	CALIFORNIA PUBLIC EMPLOYEES RE	5,045.41CR	CLEARED	A	1/21/2020
1010	1/17/2020	BANK-DRAFT	000412	NATIONWIDE RETIREMENT SOLUTION	412.50CR	OUTSTND	A	0/00/0000
1010	1/17/2020	BANK-DRAFT	000413	STATE OF CALIFORNIA EDD	3,014.40CR	CLEARED	A	1/17/2020
1010	1/17/2020	BANK-DRAFT	000414	US DEPARTMENT OF THE TREASURY	5,749.63CR	CLEARED	A	1/17/2020
1010	1/24/2020	BANK-DRAFT	012420	CalPERS UAL 26384 January	155.90CR	CLEARED	G	1/28/2020
1010	1/24/2020	BANK-DRAFT	022420	CalPERS UAL 1739 January	10,983.88CR	CLEARED	G	1/28/2020
1010	1/31/2020	BANK-DRAFT	000415	AFLAC	312.63CR	OUTSTND	A	0/00/0000
1010	1/31/2020	BANK-DRAFT	000416	CALIFORNIA PUBLIC EMPLOYEES RE	4,612.58CR	CLEARED	A	2/05/2020
1010	1/31/2020	BANK-DRAFT	000417	NATIONWIDE RETIREMENT SOLUTION	312.50CR	CLEARED	A	2/04/2020
1010	1/31/2020	BANK-DRAFT	000418	STATE OF CALIFORNIA EDD	2,040.38CR	CLEARED	A	1/31/2020
1010	1/31/2020	BANK-DRAFT	000419	US DEPARTMENT OF THE TREASURY	3,369.71CR	CLEARED	A	1/31/2020
CHECK:								
1010	1/03/2020	CHECK	036956	BELL, BRANDON A	1,707.38CR	CLEARED	P	1/03/2020
1010	1/03/2020	CHECK	036957	HENDRICKS, NIKOLAUS D	196.97CR	CLEARED	P	1/03/2020
1010	1/03/2020	CHECK	036958	ALPHA ANALYTICAL LABORATORIES	1,316.00CR	CLEARED	A	1/08/2020
1010	1/03/2020	CHECK	036959	AT&T MOBILITY	67.00CR	CLEARED	A	1/09/2020
1010	1/03/2020	CHECK	036960	COASTLAND CIVIL ENGINEERING, I	3,640.00CR	CLEARED	A	1/07/2020
1010	1/03/2020	CHECK	036961	GHD	1,423.00CR	CLEARED	A	1/07/2020
1010	1/03/2020	CHECK	036962	MEDIACOM	519.45CR	CLEARED	A	1/13/2020
1010	1/03/2020	CHECK	036963	MICHELLE HAMILTON	1,095.00CR	CLEARED	A	1/07/2020
1010	1/03/2020	CHECK	036964	NBS GOVERNMENT FINANCE GROUP	2,697.59CR	CLEARED	A	1/08/2020
1010	1/03/2020	CHECK	036965	OFFICE DEPOT	128.36CR	CLEARED	A	1/09/2020
1010	1/03/2020	CHECK	036966	PACIFIC GAS & ELECTRIC COMPANY	12,514.87CR	CLEARED	A	1/09/2020
1010	1/03/2020	CHECK	036967	REDFORD SERVICES	480.00CR	CLEARED	A	1/22/2020
1010	1/03/2020	CHECK	036968	RICOH USA, INC.	386.29CR	CLEARED	A	1/08/2020
1010	1/03/2020	CHECK	036969	SAM GARCIA	500.00CR	CLEARED	A	1/06/2020
1010	1/03/2020	CHECK	036970	SPECIAL DISTRICT RISK MANAGEME	313.47CR	CLEARED	A	1/09/2020
1010	1/03/2020	CHECK	036971	THATCHER COMPANY, INC.	1,858.43CR	CLEARED	A	1/07/2020
1010	1/03/2020	CHECK	036972	TYLER TECHNOLOGY	121.00CR	CLEARED	A	1/07/2020
1010	1/03/2020	CHECK	036973	AHUMADA, DANIEL	5.07CR	CLEARED	A	1/08/2020
1010	1/03/2020	CHECK	036974	MOBERG, DANIEL	201.74CR	CLEARED	A	1/14/2020
1010	1/10/2020	CHECK	036975	ACWA/JPIA	643.41CR	CLEARED	A	1/16/2020
1010	1/10/2020	CHECK	036976	ADVANCED ELECTRONIC SECURITY S	94.31CR	CLEARED	A	1/27/2020
1010	1/10/2020	CHECK	036977	ALPHA ANALYTICAL LABORATORIES	675.00CR	CLEARED	A	1/17/2020
1010	1/10/2020	CHECK	036978	ARMED FORCE PEST CONTROL, INC.	205.00CR	CLEARED	A	1/17/2020
1010	1/10/2020	CHECK	036979	B & G TIRES OF MIDDLETOWN	1,160.34CR	CLEARED	A	1/24/2020

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

CHECK DATE: 1/01/2020 THRU 1/31/2020
 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	1/10/2020	CHECK	036980	CUMMINS SALES AND SERVICE	6,476.53CR	CLEARED	A	1/15/2020
1010	1/10/2020	CHECK	036981	VOID CHECK	0.00	CLEARED	A	1/10/2020
1010	1/10/2020	CHECK	036982	DATAPROSE	1,562.56CR	CLEARED	A	1/17/2020
1010	1/10/2020	CHECK	036983	FOSTER MORRISON CONSULTING, LT	13,580.80CR	CLEARED	A	1/17/2020
1010	1/10/2020	CHECK	036984	HARDESTER'S MARKETS & HARDWARE	82.75CR	CLEARED	A	1/17/2020
1010	1/10/2020	CHECK	036985	HOWE ELECTRIC	950.00CR	CLEARED	A	1/15/2020
1010	1/10/2020	CHECK	036986	GARDENS BY JILLIAN	200.00CR	CLEARED	A	1/24/2020
1010	1/10/2020	CHECK	036987	JAMES DAY CONSTRUCTION, INC.	2,423.00CR	CLEARED	A	1/22/2020
1010	1/10/2020	CHECK	036988	MENDO MILL CLEARLAKE	219.38CR	CLEARED	A	1/17/2020
1010	1/10/2020	CHECK	036989	OFFICE DEPOT	263.77CR	CLEARED	A	1/22/2020
1010	1/10/2020	CHECK	036990	RAY MORGAN COMPANY	30.85CR	CLEARED	A	1/17/2020
1010	1/10/2020	CHECK	036991	REDWOOD COAST FUELS	890.40CR	CLEARED	A	1/15/2020
1010	1/10/2020	CHECK	036992	SOUTH LAKE REFUSE COMPANY	483.81CR	CLEARED	A	1/16/2020
1010	1/10/2020	CHECK	036993	SPECIAL DISTRICT RISK MANAGEME	42,220.86CR	CLEARED	A	1/17/2020
1010	1/10/2020	CHECK	036994	TYLER TECHNOLOGY	24.50CR	CLEARED	A	1/17/2020
1010	1/10/2020	CHECK	036995	USA BLUE BOOK	3,894.13CR	CLEARED	A	1/21/2020
1010	1/10/2020	CHECK	036996	JACKSON, JAMES	8.30CR	OUTSTND	A	0/00/0000
1010	1/10/2020	CHECK	036997	JOHNSON, JON	91.29CR	CLEARED	A	2/04/2020
1010	1/10/2020	CHECK	036998	WHYTE, ROBERT	161.07CR	CLEARED	A	1/16/2020
1010	1/10/2020	CHECK	036999	UNDERWOOD, CLAY C	44.40CR	CLEARED	A	2/03/2020
1010	1/10/2020	CHECK	037000	GOODMAN, RICHARD	2.85CR	OUTSTND	A	0/00/0000
1010	1/17/2020	CHECK	037001	ALPHA ANALYTICAL LABORATORIES	1,070.00CR	CLEARED	A	1/23/2020
1010	1/17/2020	CHECK	037002	AMAZON CAPITAL SERVICES, INC.	589.85CR	CLEARED	A	1/21/2020
1010	1/17/2020	CHECK	037003	AT&T	254.14CR	CLEARED	A	1/22/2020
1010	1/17/2020	CHECK	037004	BACKGROUNDS ONLINE	19.50CR	CLEARED	A	1/23/2020
1010	1/17/2020	CHECK	037005	BARTLEY PUMP, INC.	7,960.70CR	CLEARED	A	1/22/2020
1010	1/17/2020	CHECK	037006	BOLD POLISNER MADDOW NELSON &	90.00CR	CLEARED	A	1/23/2020
1010	1/17/2020	CHECK	037007	CARDMEMBER SERVICE	304.21CR	CLEARED	A	1/22/2020
1010	1/17/2020	CHECK	037008	COASTLAND CIVIL ENGINEERING, I	200.00CR	CLEARED	A	1/22/2020
1010	1/17/2020	CHECK	037009	CSMFO	110.00CR	CLEARED	A	1/29/2020
1010	1/17/2020	CHECK	037010	CUMMINS SALES AND SERVICE	4,422.60CR	CLEARED	A	1/22/2020
1010	1/17/2020	CHECK	037011	JENFITCH, LLC	1,285.80CR	CLEARED	A	1/22/2020
1010	1/17/2020	CHECK	037012	LAKE COUNTY VECTOR CONTROL DIS	50.04CR	OUTSTND	A	0/00/0000
1010	1/17/2020	CHECK	037013	LOCAL GOVERNMENT COMMISSION IN	4,636.36CR	CLEARED	A	1/23/2020
1010	1/17/2020	CHECK	037014	MENDO MILL CLEARLAKE	258.75CR	CLEARED	A	1/23/2020
1010	1/17/2020	CHECK	037015	PACE SUPPLY CORP	373.23CR	CLEARED	A	1/22/2020
1010	1/17/2020	CHECK	037016	PARKSON CORPORATION	8,111.40CR	CLEARED	A	1/22/2020
1010	1/17/2020	CHECK	037017	PETTY CASH REIMBURSEMENT	317.82CR	CLEARED	A	1/17/2020
1010	1/17/2020	CHECK	037018	REDWOOD COAST FUELS	1,218.27CR	CLEARED	A	1/21/2020
1010	1/17/2020	CHECK	037019	ST HELENA HOSPITAL dba JOBCARE	777.34CR	CLEARED	A	1/22/2020
1010	1/17/2020	CHECK	037020	TYLER TECHNOLOGY	2,358.75CR	CLEARED	A	1/22/2020
1010	1/17/2020	CHECK	037021	US BANK - GLOBAL CORP TRUST SE	141,282.02CR	CLEARED	A	1/22/2020
1010	1/17/2020	CHECK	037022	USA BLUE BOOK	524.96CR	CLEARED	A	1/28/2020
1010	1/17/2020	CHECK	037023	VERIZON WIRELESS	193.84CR	CLEARED	A	1/21/2020

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

CHECK DATE: 1/01/2020 THRU 1/31/2020
 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	1/17/2020	CHECK	037024	WAGNER & BONSIGNORE	536.93CR	CLEARED	A	1/27/2020
1010	1/17/2020	CHECK	037025	PULLMAN, BRYAN & GAY	75.28CR	CLEARED	A	1/29/2020
1010	1/17/2020	CHECK	037026	ADAIR, EMERALD	55.00CR	CLEARED	A	1/28/2020
1010	1/24/2020	CHECK	037027	ALPHA ANALYTICAL LABORATORIES	912.00CR	CLEARED	A	1/29/2020
1010	1/24/2020	CHECK	037028	VOID CHECK	0.00	CLEARED	A	1/23/2020
1010	1/24/2020	CHECK	037029	APPLIED TECHNOLOGY SOLUTIONS	875.50CR	CLEARED	A	2/03/2020
1010	1/24/2020	CHECK	037030	CV STRATEGIES	2,983.75CR	CLEARED	A	2/05/2020
1010	1/24/2020	CHECK	037031	MICHELLE HAMILTON	1,335.00CR	CLEARED	A	1/29/2020
1010	1/24/2020	CHECK	037032	MIDDLETOWN COPY & PRINT	160.88CR	CLEARED	A	1/31/2020
1010	1/24/2020	CHECK	037033	PACE SUPPLY CORP	2,074.01CR	CLEARED	A	1/28/2020
1010	1/24/2020	CHECK	037034	REDFORD SERVICES	240.00CR	OUTSTND	A	0/00/0000
1010	1/24/2020	CHECK	037035	RICOH USA, INC.	386.29CR	CLEARED	A	1/30/2020
1010	1/24/2020	CHECK	037036	SMITH CONSTRUCTION	1,272.00CR	CLEARED	A	2/05/2020
1010	1/24/2020	CHECK	037037	SPECIAL DISTRICT RISK MANAGEME	275.27CR	CLEARED	A	1/29/2020
1010	1/24/2020	CHECK	037038	THATCHER COMPANY, INC.	2,838.58CR	CLEARED	A	1/30/2020
1010	1/24/2020	CHECK	037039	USA BLUE BOOK	3,613.40CR	CLEARED	A	1/31/2020
1010	1/24/2020	CHECK	037040	VERIZON WIRELESS	683.08CR	CLEARED	A	1/28/2020
1010	1/24/2020	CHECK	037041	WILEY PRICE & RADULOVICH, LLP	1,027.00CR	CLEARED	A	1/28/2020
1010	1/31/2020	CHECK	037042	ALPHA ANALYTICAL LABORATORIES	701.00CR	CLEARED	A	2/05/2020
1010	1/31/2020	CHECK	037043	ALYSSA GORDON	141.30CR	CLEARED	A	2/04/2020
1010	1/31/2020	CHECK	037044	AT&T MOBILITY	67.00CR	CLEARED	A	2/06/2020
1010	1/31/2020	CHECK	037045	E & M ELECTRIC & MACHINERY, IN	495.00CR	CLEARED	A	2/04/2020
1010	1/31/2020	CHECK	037046	MEDIACOM	518.60CR	OUTSTND	A	0/00/0000
1010	1/31/2020	CHECK	037047	OFFICE DEPOT	78.23CR	OUTSTND	A	0/00/0000
1010	1/31/2020	CHECK	037048	PACIFIC GAS & ELECTRIC COMPANY	34,395.46CR	CLEARED	A	2/06/2020
1010	1/31/2020	CHECK	037049	TYLER TECHNOLOGY	1,454.18CR	CLEARED	A	2/04/2020
1010	1/31/2020	CHECK	037050	U.S. BANK	47,911.65CR	CLEARED	A	2/05/2020
DEPOSIT:								
1010	1/02/2020	DEPOSIT		CREDIT CARD 1/02/2020	1,323.05	CLEARED	C	1/06/2020
1010	1/02/2020	DEPOSIT	000001	REGULAR DAILY POST 1/02/2020	1,324.89	CLEARED	C	1/03/2020
1010	1/03/2020	DEPOSIT		CREDIT CARD 1/03/2020	3,955.77	CLEARED	C	1/06/2020
1010	1/03/2020	DEPOSIT	000001	CREDIT CARD 1/03/2020	2,463.87	CLEARED	C	1/06/2020
1010	1/03/2020	DEPOSIT	000002	REGULAR DAILY POST 1/03/2020	2,361.93	CLEARED	C	1/06/2020
1010	1/06/2020	DEPOSIT		CREDIT CARD 1/06/2020	2,259.94	CLEARED	C	1/06/2020
1010	1/06/2020	DEPOSIT	000001	CREDIT CARD 1/06/2020	2,054.68	CLEARED	C	1/06/2020
1010	1/06/2020	DEPOSIT	000002	CREDIT CARD 1/06/2020	2,060.67	CLEARED	C	1/07/2020
1010	1/06/2020	DEPOSIT	000003	CREDIT CARD 1/06/2020	2,510.02	CLEARED	C	1/08/2020
1010	1/06/2020	DEPOSIT	000004	REGULAR DAILY POST 1/06/2020	8,288.59	CLEARED	C	1/07/2020
1010	1/07/2020	DEPOSIT		CREDIT CARD 1/07/2020	1,874.52	CLEARED	C	1/08/2020
1010	1/07/2020	DEPOSIT	000001	CREDIT CARD 1/07/2020	419.29	CLEARED	C	1/09/2020
1010	1/07/2020	DEPOSIT	000002	CREDIT CARD 1/07/2020	4,397.09	CLEARED	C	1/09/2020
1010	1/07/2020	DEPOSIT	000003	REGULAR DAILY POST 1/07/2020	6,303.58	CLEARED	C	1/08/2020
1010	1/08/2020	DEPOSIT		CREDIT CARD 1/08/2020	4,637.64	CLEARED	C	1/10/2020

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

CHECK DATE: 1/01/2020 THRU 1/31/2020
 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	1/08/2020	DEPOSIT	000001	CREDIT CARD 1/08/2020	7,509.21	CLEARED	C	1/10/2020
1010	1/08/2020	DEPOSIT	000002	REGULAR DAILY POST 1/08/2020	12,224.58	CLEARED	C	1/09/2020
1010	1/08/2020	DEPOSIT	000003	CREDIT CARD 1/08/2020	2,821.93	CLEARED	C	1/13/2020
1010	1/09/2020	DEPOSIT		CREDIT CARD 1/09/2020	899.55	CLEARED	C	1/13/2020
1010	1/09/2020	DEPOSIT	000001	CREDIT CARD 1/09/2020	536.48	CLEARED	C	1/13/2020
1010	1/09/2020	DEPOSIT	000002	CREDIT CARD 1/09/2020	4,019.79	CLEARED	C	1/13/2020
1010	1/09/2020	DEPOSIT	000003	REGULAR DAILY POST 1/09/2020	4,954.25	CLEARED	C	1/10/2020
1010	1/10/2020	DEPOSIT		CREDIT CARD 1/10/2020	1,203.24	CLEARED	C	1/13/2020
1010	1/10/2020	DEPOSIT	000001	CREDIT CARD 1/10/2020	1,446.66	CLEARED	C	1/13/2020
1010	1/10/2020	DEPOSIT	000002	REGULAR DAILY POST 1/10/2020	8,414.54	CLEARED	C	1/13/2020
1010	1/13/2020	DEPOSIT		CREDIT CARD 1/13/2020	2,874.47	CLEARED	C	1/13/2020
1010	1/13/2020	DEPOSIT	000001	CREDIT CARD 1/13/2020	170.60	CLEARED	C	1/13/2020
1010	1/13/2020	DEPOSIT	000002	CREDIT CARD 1/13/2020	1,092.28	CLEARED	C	1/14/2020
1010	1/13/2020	DEPOSIT	000003	CREDIT CARD 1/13/2020	1,232.68	CLEARED	C	1/15/2020
1010	1/13/2020	DEPOSIT	000004	REGULAR DAILY POST 1/13/2020	10,348.69	CLEARED	C	1/14/2020
1010	1/14/2020	DEPOSIT		CREDIT CARD 1/14/2020	1,340.46	CLEARED	C	1/15/2020
1010	1/14/2020	DEPOSIT	000001	CREDIT CARD 1/14/2020	915.60	CLEARED	C	1/16/2020
1010	1/14/2020	DEPOSIT	000002	REGULAR DAILY POST 1/14/2020	3,251.99	CLEARED	C	1/15/2020
1010	1/15/2020	DEPOSIT		CREDIT CARD 1/15/2020	1,030.46	CLEARED	C	1/16/2020
1010	1/15/2020	DEPOSIT	000001	CREDIT CARD 1/15/2020	3,837.45	CLEARED	C	1/17/2020
1010	1/15/2020	DEPOSIT	000002	REGULAR DAILY POST 1/15/2020	3,938.75	CLEARED	C	1/16/2020
1010	1/15/2020	DEPOSIT	000003	DRAFT POSTING	11,397.66	CLEARED	U	1/16/2020
1010	1/15/2020	DEPOSIT	000004	CC DRAFT POSTING	15,860.13	CLEARED	U	1/17/2020
1010	1/16/2020	DEPOSIT		CREDIT CARD 1/16/2020	6,250.76	CLEARED	C	1/17/2020
1010	1/16/2020	DEPOSIT	000001	CREDIT CARD 1/16/2020	1,036.10	CLEARED	C	1/21/2020
1010	1/16/2020	DEPOSIT	000002	REGULAR DAILY POST 1/16/2020	5,992.41	CLEARED	C	1/17/2020
1010	1/17/2020	DEPOSIT		CREDIT CARD 1/17/2020	3,519.15	CLEARED	C	1/21/2020
1010	1/17/2020	DEPOSIT	000001	CREDIT CARD 1/17/2020	3,498.24	CLEARED	C	1/21/2020
1010	1/17/2020	DEPOSIT	000002	REGULAR DAILY POST 1/17/2020	6,979.71	CLEARED	C	1/21/2020
1010	1/17/2020	DEPOSIT	000003	DAILY PAYMENT POSTING - ADJ	57.05CR	CLEARED	U	1/22/2020
1010	1/17/2020	DEPOSIT	000004	DAILY PAYMENT POSTING	57.00	CLEARED	U	1/22/2020
1010	1/21/2020	DEPOSIT		CREDIT CARD 1/21/2020	3,500.43	CLEARED	C	1/21/2020
1010	1/21/2020	DEPOSIT	000001	CREDIT CARD 1/21/2020	2,854.31	CLEARED	C	1/21/2020
1010	1/21/2020	DEPOSIT	000002	CREDIT CARD 1/21/2020	1,334.83	CLEARED	C	1/21/2020
1010	1/21/2020	DEPOSIT	000003	CREDIT CARD 1/21/2020	5,050.88	CLEARED	C	1/22/2020
1010	1/21/2020	DEPOSIT	000004	CREDIT CARD 1/21/2020	6,403.56	CLEARED	C	1/23/2020
1010	1/21/2020	DEPOSIT	000005	REGULAR DAILY POST 1/21/2020	20,275.41	CLEARED	C	1/22/2020
1010	1/21/2020	DEPOSIT	000006	CREDIT CARD 1/21/2020	4,395.74	CLEARED	C	1/23/2020
1010	1/22/2020	DEPOSIT		DAILY PAYMENT POSTING - ADJ	69.46CR	CLEARED	U	1/21/2020
1010	1/22/2020	DEPOSIT	000001	DAILY PAYMENT POSTING	69.46	CLEARED	U	1/21/2020
1010	1/22/2020	DEPOSIT	000002	CREDIT CARD 1/22/2020	897.49	CLEARED	C	1/23/2020
1010	1/22/2020	DEPOSIT	000003	CREDIT CARD 1/22/2020	1,246.82	CLEARED	C	1/24/2020
1010	1/22/2020	DEPOSIT	000004	REGULAR DAILY POST 1/22/2020	711.84	CLEARED	C	1/23/2020
1010	1/23/2020	DEPOSIT		CREDIT CARD 1/23/2020	1,296.32	CLEARED	C	1/24/2020

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

CHECK DATE: 1/01/2020 THRU 1/31/2020
 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	1/23/2020	DEPOSIT	000001	CREDIT CARD 1/23/2020	1,213.17	CLEARED	C	1/27/2020
1010	1/23/2020	DEPOSIT	000002	REGULAR DAILY POST 1/23/2020	8,517.50	CLEARED	C	1/24/2020
1010	1/24/2020	DEPOSIT		CREDIT CARD 1/24/2020	1,649.16	CLEARED	C	1/27/2020
1010	1/24/2020	DEPOSIT	000001	CREDIT CARD 1/24/2020	1,339.92	CLEARED	C	1/27/2020
1010	1/24/2020	DEPOSIT	000002	REGULAR DAILY POST 1/24/2020	1,658.78	CLEARED	C	1/27/2020
1010	1/24/2020	DEPOSIT	000003	DAILY PAYMENT POSTING - ADJ	189.89CR	CLEARED	U	1/31/2020
1010	1/27/2020	DEPOSIT		CREDIT CARD 1/27/2020	1,138.83	CLEARED	C	1/27/2020
1010	1/27/2020	DEPOSIT	000001	CREDIT CARD 1/27/2020	128.38	CLEARED	C	1/27/2020
1010	1/27/2020	DEPOSIT	000002	CREDIT CARD 1/27/2020	270.62	CLEARED	C	1/28/2020
1010	1/27/2020	DEPOSIT	000003	DAILY PAYMENT POSTING - ADJ	129.62CR	CLEARED	U	1/27/2020
1010	1/27/2020	DEPOSIT	000004	CREDIT CARD 1/27/2020	1,181.12	CLEARED	C	1/29/2020
1010	1/27/2020	DEPOSIT	000005	REGULAR DAILY POST 1/27/2020	1,465.17	CLEARED	C	1/28/2020
1010	1/27/2020	DEPOSIT	012720	215 TRANSFER INT & NBS	52,002.98	CLEARED	G	1/27/2020
1010	1/28/2020	DEPOSIT		CREDIT CARD 1/28/2020	117.47	CLEARED	C	1/29/2020
1010	1/28/2020	DEPOSIT	000001	CREDIT CARD 1/28/2020	578.42	CLEARED	C	1/30/2020
1010	1/28/2020	DEPOSIT	000002	REGULAR DAILY POST 1/28/2020	1,608.29	CLEARED	C	1/29/2020
1010	1/29/2020	DEPOSIT		CREDIT CARD 1/29/2020	449.28	CLEARED	C	1/30/2020
1010	1/29/2020	DEPOSIT	000001	CREDIT CARD 1/29/2020	723.82	CLEARED	C	1/31/2020
1010	1/29/2020	DEPOSIT	000002	REGULAR DAILY POST 1/29/2020	1,461.62	CLEARED	C	1/30/2020
1010	1/30/2020	DEPOSIT		CREDIT CARD 1/30/2020	612.88	CLEARED	C	1/31/2020
1010	1/30/2020	DEPOSIT	000001	CREDIT CARD 1/30/2020	798.23	CLEARED	C	2/03/2020
1010	1/30/2020	DEPOSIT	000002	REGULAR DAILY POST 1/30/2020	1,203.61	CLEARED	C	1/31/2020
1010	1/31/2020	DEPOSIT		CREDIT CARD 1/31/2020	1,421.28	CLEARED	C	2/03/2020
1010	1/31/2020	DEPOSIT	000001	CREDIT CARD 1/31/2020	1,923.53	CLEARED	C	2/03/2020
1010	1/31/2020	DEPOSIT	000002	REGULAR DAILY POST 1/31/2020	1,958.97	CLEARED	C	2/03/2020
1010	1/31/2020	DEPOSIT	000003	CREDIT CARD 1/31/2020	1,456.05	CLEARED	C	2/03/2020
MISCELLANEOUS:								
1010	1/03/2020	MISC.		PAYROLL DIRECT DEPOSIT	20,196.04CR	CLEARED	P	1/03/2020
1010	1/03/2020	MISC.	000001	PAYROLL DIRECT DEPOSIT	1,904.35CR	CLEARED	P	1/03/2020
1010	1/03/2020	MISC.	036956	BELL, BRANDON A	1,707.38	CLEARED	P	1/03/2020
1010	1/03/2020	MISC.	036957	HENDRICKS, NIKOLAUS D	196.97	CLEARED	P	1/03/2020
1010	1/17/2020	MISC.		PAYROLL DIRECT DEPOSIT	28,110.61CR	CLEARED	P	1/17/2020
1010	1/31/2020	MISC.		PAYROLL DIRECT DEPOSIT	23,715.20CR	CLEARED	P	1/31/2020
SERVICE CHARGE:								
1010	1/02/2020	SERV-CHG		MERCH SERV FEES 27	1,431.18CR	CLEARED	G	1/02/2020
1010	1/02/2020	SERV-CHG	000001	MERCH SERVICE FEE 25	1,281.54CR	CLEARED	G	1/02/2020
1010	1/02/2020	SERV-CHG	000002	MERCH SERVICE FEE 29	497.20CR	CLEARED	G	1/02/2020
1010	1/15/2020	SERV-CHG		ACCOUNT ANALYSIS FEES	311.19CR	CLEARED	G	1/15/2020

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

CHECK DATE: 1/01/2020 THRU 1/31/2020
 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
TOTALS FOR ACCOUNT 1010					CHECK TOTAL:			
					387,076.90CR			
					DEPOSIT TOTAL:			
					307,360.50			
					INTEREST TOTAL:			
					0.00			
					MISCELLANEOUS TOTAL:			
					72,021.85CR			
					SERVICE CHARGE TOTAL:			
					3,521.11CR			
					EFT TOTAL:			
					0.00			
					BANK-DRAFT TOTAL:			
					48,182.75CR			
TOTALS FOR POOLED CASH FUND					CHECK TOTAL:			
					387,076.90CR			
					DEPOSIT TOTAL:			
					307,360.50			
					INTEREST TOTAL:			
					0.00			
					MISCELLANEOUS TOTAL:			
					72,021.85CR			
					SERVICE CHARGE TOTAL:			
					3,521.11CR			
					EFT TOTAL:			
					0.00			
					BANK-DRAFT TOTAL:			
					48,182.75CR			



HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

CAPITAL EXPENDITURES

2019 - 2020

JANUARY

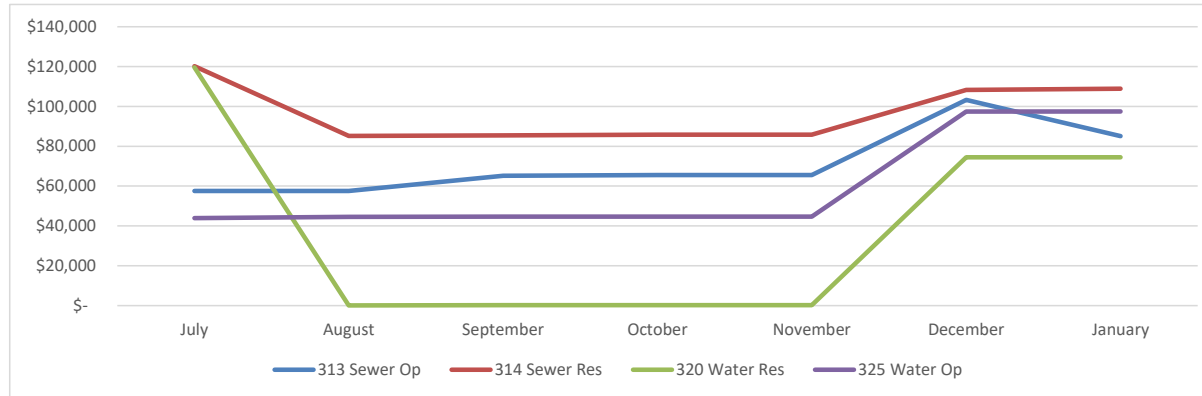
SEWER CIP/OP EXPENSES	FUND	Budget	Year to Date Actual
I & I Study (Intern/Fellowship)	313	60,000	18,545
IT Upgrades	313	5,000	4,160
Vac Truck (60%)	712	201,000	200,126
I & I Repair	314	100,000	-
Chlorine tank auto shutoff	314	32,000	-
SCADA	712	30,000	-
Chlorine Disinfection Facility	314	45,000	-
Aquatic Harvesting	314	35,000	35,000
Total		\$ 508,000	\$ 257,831

SEWER CIP/OP REVENUE TRANSFERS	FUND	Budgeted Transfers In	Year to Date Transfer In
Sewer Op Reserve (3%)	313	45,147	22,572
FEMA/CalOES	313		-
Sewer CIP (3%)	314	45,147	22,572
FEMA/CalOES	314		-
Total		\$ 90,294	\$ 45,144.00

WATER CIP/OP EXPENSES	FUND	Budget	Year 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	133,417
Repair Water Main Line	320	200,000	2,712
IT Upgrades	320	5,000	4,160
Total		\$ 659,000	\$ -

WATER CIP/OP REVENUE TRANSFERS	FUND	Budgeted Transfer In	Yr to Date Transfer In
Water CIP (8%)	320	148,243	74,118
Water OP Reserve Fund (5%)	325	105,548	52,776
Total		\$ 253,792	\$ 126,894

	July	August	September	October	November	December	January
313 Sewer Op	\$ 57,553	\$ 57,553	\$ 65,153	\$ 65,508	\$ 65,508	\$ 103,281	\$ 85,069
314 Sewer Res	\$ 120,197	\$ 85,198	\$ 85,498	\$ 85,771	\$ 85,771	\$ 108,343	\$ 108,881
320 Water Res	\$ 119,601	\$ 101	\$ 240	\$ 266	\$ 266	\$ 74,410	\$ 74,428
325 Water Op	\$ 43,928	\$ 44,587	\$ 44,658	\$ 44,672	\$ 44,673	\$ 97,464	\$ 97,470



Activity	July	August	September	October	November	December	January
313 Sewer Op Transfer In						\$22,752 1 & 2 Qtr	
313 Sewer Op Transfer Out							\$18,545 Civic Sparks Sept - Dec
314 Sewer Res Transfer In						\$22,572 1 & 2 Qtr	
314 Sewer Res Transfer Out		\$ 5,693 HeadRake \$35,000 AquaHarvest					
320 Water Res Transfer In						\$74,118 1 & 2 Qtr	
320 Water Res Transfer Out	\$ 16,386 Coastland	\$133,417 Vac Truck					
325 Water Op Transfer In						\$52,776 1 & 2 Qtr	
325 Water Op Transfer Out							



MEMO

To: Board of Directors

From: Trish Wilkinson, Full Charge Bookkeeper

Date: February 7, 2020

RE: Office & Administrative Staff Overtime Monthly Report

January 2020

Overtime:

Administrative Assistant: - hours

Water Resources Specialist: - hours

Full Charge Bookkeeper: - hours

Senior Accounts Representative: .50 hours

Accounts Representative: 1.00 hours

Total Overtime: 1.50 hours



HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

2019 - 2020 BUDGET

January 2020

DEBT SERVICE REVENUE		FUND	BUDGET AMOUNT	
1)	1995-2 BOND - TAX ASSESSMENT	215	\$	298,541
2)	CIEDB LOAN - FUND 130	218		171,064
3)	USDA RUS LOAN (SOLAR) - FUND 120	219		32,258
TOTAL REVENUE			\$	501,862

DEBT SERVICE EXPENDITURE			BUDGET AMOUNT	PAID TO DATE
1)	1995-2 BOND REDEMPTION (PRINCIPAL)	215	\$ 179,000	179,000
	1995-2 BOND REDEMPTION (INTEREST)	215	105,272	105,272
	BOND ADMINISTRATION (ANNUAL FEE)	215	6,585	2,810
	COUNTY COLLECTION FEES	215	3,414	4,040
	CSD ADMIN COSTS	215	4,270	4,270
			\$ 298,541	\$ 295,393
2)	CIEDB (PRINCIPAL)	218	106,363	106,363
	CIEDB (INTEREST)	218	59,566	59,567
	CIEDB (ANNUAL FEE)	218	5,135	5,135
			171,064	171,065
3)	USDA RUS LOAN (PRINCIPAL)	219	\$ 16,500	16,500
	USDA RUS LOAN (INTEREST)	219	15,758	15,758
			\$ 32,258	\$ 32,258
TOTAL DEBT SERVICE			501,862	498,716

MEMO

To: Board of Directors

From: Marty Rodriguez

Date: 02/13/2019

RE: Senior Account Representative's Monthly Report

Monthly Billing 12/31/2019

Mailed statements: 2,148

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 01/21/2020

Delinquent statements for January bills:

Mailed statements: 447

Electronic statements: 77

Courtesy Notification 02/11/2020

No Courtesy notices delivered due to SB998 law

No Electronic notices due to SB998 law

Phone Notification 02/12/2020

No Phone notifications due to SB998 law

Lock Offs 02/13/2020

No Lock Offs due to SB998 law



Hidden Valley Lake Community Services District

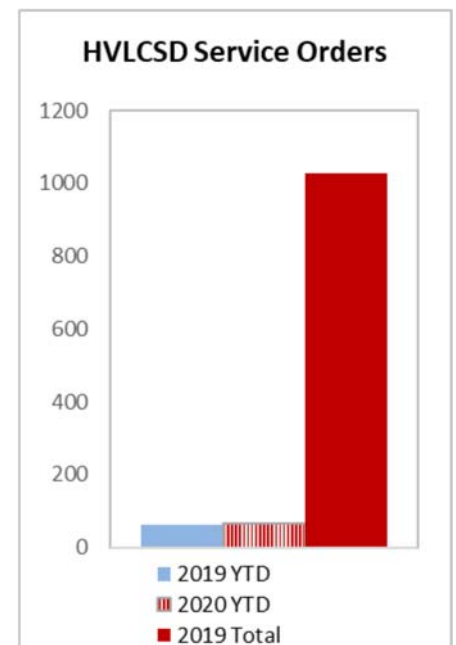
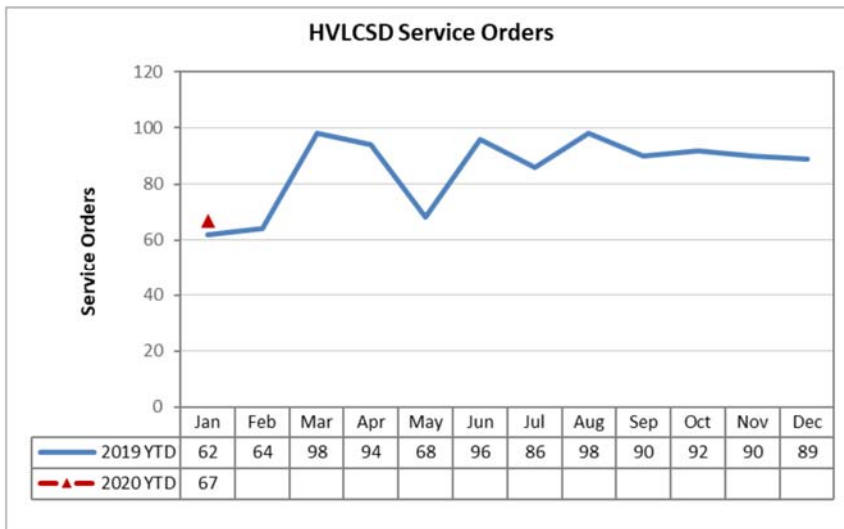
January 2020 Report

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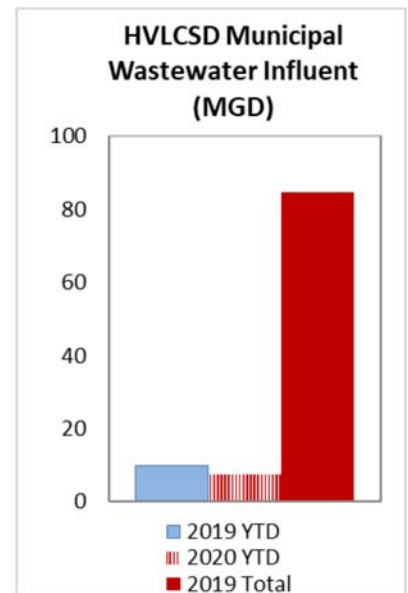
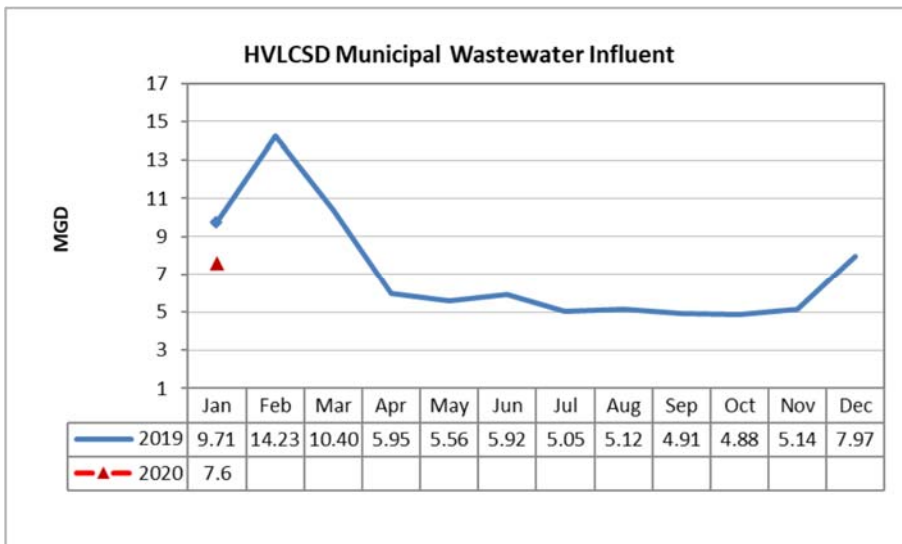
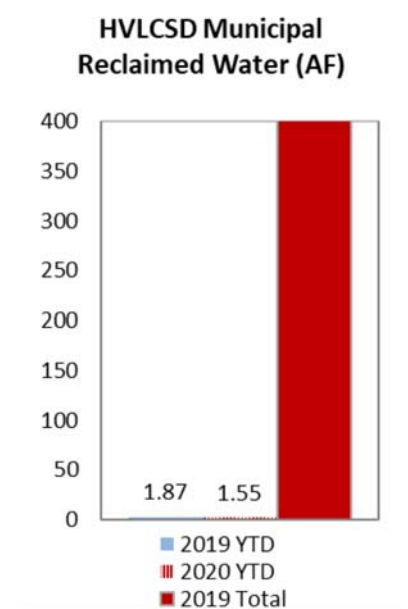
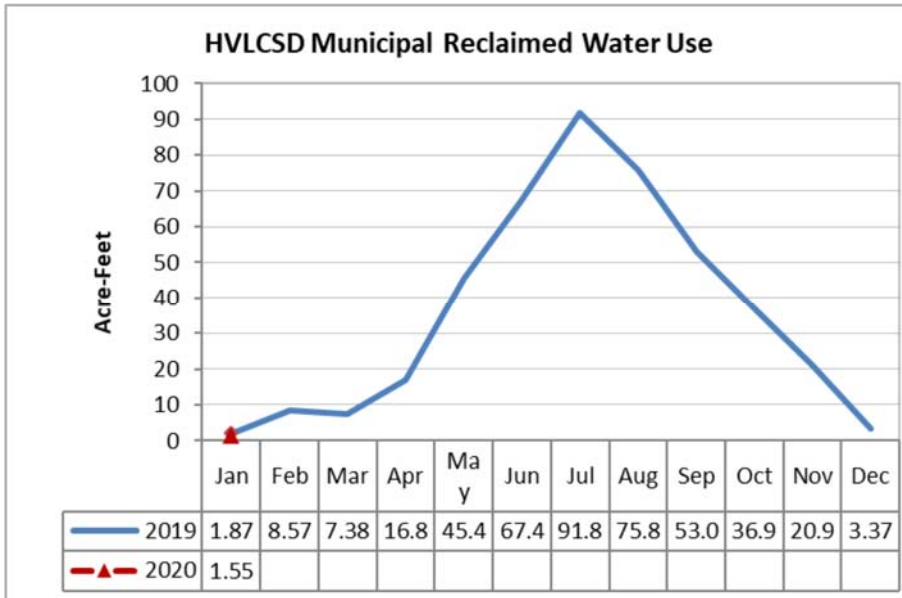
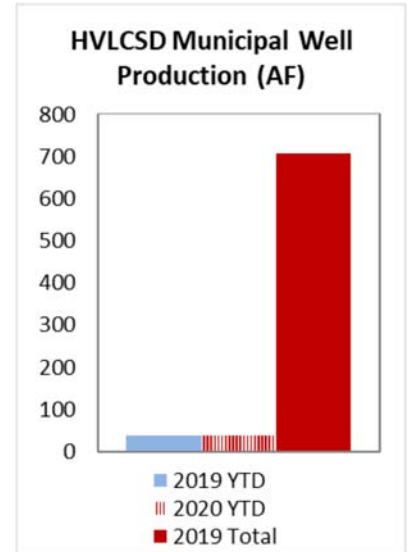
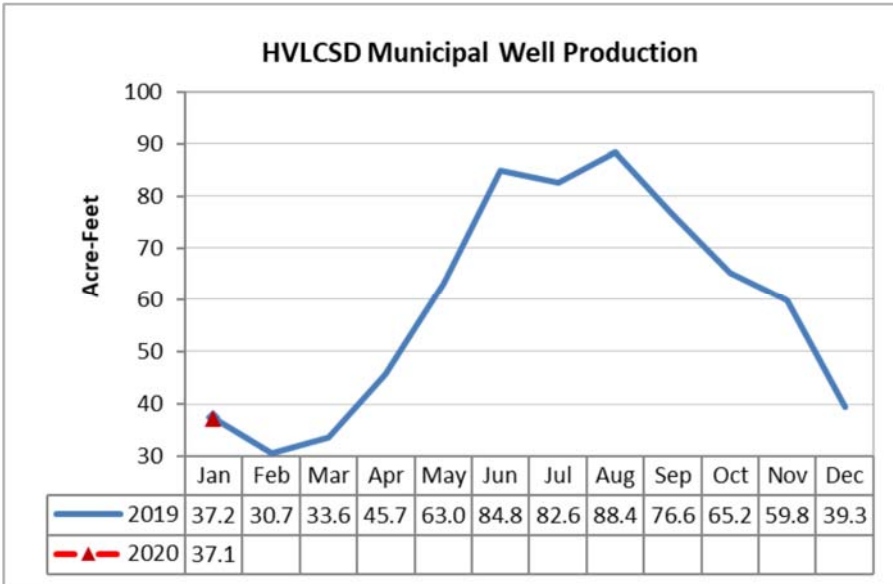
Water Connections:		Sewer Connections:	
New (January)	0	New (January)	0
Residential (December)	2448	Residential (December)	1465
Commercial & Govt (December)	39	Commercial & Govt (December)	16
Total (January) :	2487		1481

Rainfall		
<i>This month</i>	<i>Last year</i>	<i>Historical</i>
1.87	11.76	8.37



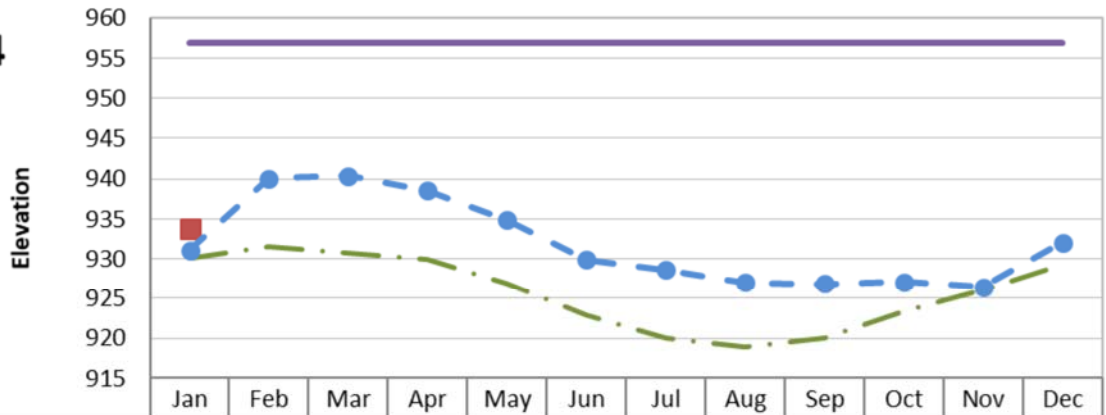
Hours		
Overtime Hours	9	\$273.13

January 2020 Field Report



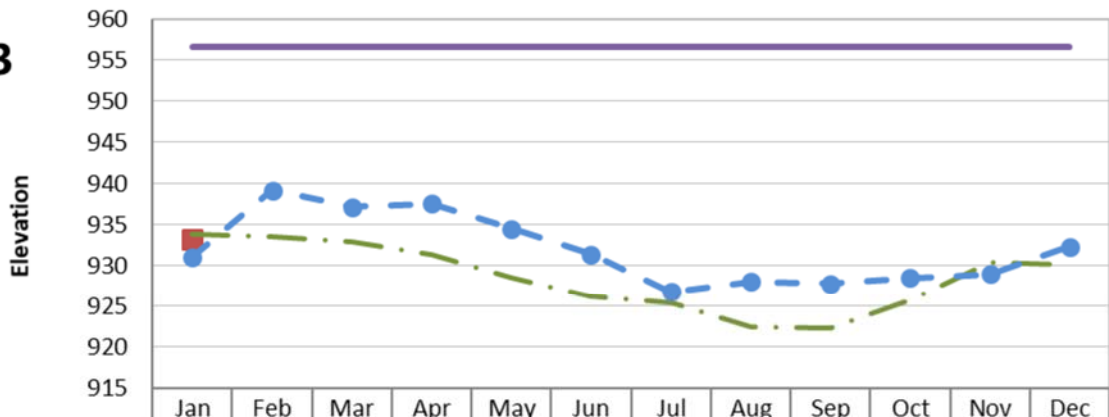
January 2020 Field Report

Well 4



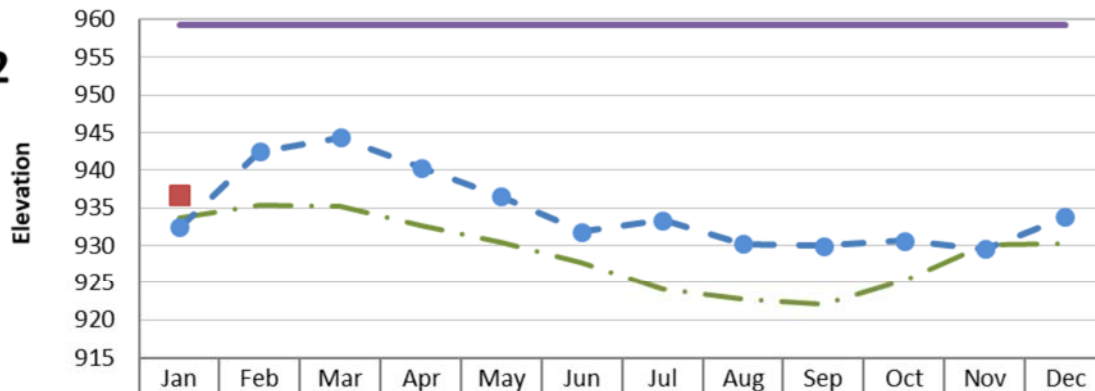
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Well 4 2020	933.7											
Well 4 Historical	930.0	931.5	930.6	929.9	926.8	922.9	920.0	918.8	919.9	923.3	926.0	929.2
Top of Casing	956.9	956.9	956.9	956.9	956.9	956.9	956.9	956.9	956.9	956.9	956.9	956.9
Well 4 2019	931.1	940.0	940.3	938.5	934.8	929.8	928.6	927.0	926.8	927.1	926.4	932.0

Well 3



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Well 3 2020	933.1											
Well 3 Historical	933.8	933.5	932.9	931.3	928.5	926.1	925.3	922.4	922.2	925.7	930.4	930.0
Top of Casing	956.7	956.7	956.7	956.7	956.7	956.7	956.7	956.7	956.7	956.7	956.7	956.7
Well 3 2019	931.1	939.1	937.1	937.6	934.5	931.3	926.7	928.0	927.7	928.5	928.9	932.3

Well 2



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Well 2 2020	936.7											
Well 2 Historical	933.6	935.4	935.1	932.7	930.4	927.7	924.1	922.7	922.1	925.2	930.1	930.2
Top of Casing	959.4	959.4	959.4	959.4	959.4	959.4	959.4	959.4	959.4	959.4	959.4	959.4
Well 2 2019	932.4	942.4	944.3	940.3	936.5	931.8	933.3	930.1	929.9	930.6	929.5	933.7

Projects Update

FEMA projects

HMGP DR-4344 Project 512 (LHMP)

- 1/22 Received "Notification of Payments" letter
- 1/29 Completed Mitigation Action Worksheets for Chapter 5 Mitigation of LHMP
- 2/3 First draft of LHMP published, distributed to HMPC
- 2/5 Received response to payment inquiry (See attached)
- 2/11-2/13 CSTI course "Mitigation for Emergency Managers"
- 2/19 Deadline for comments on first draft
- 2/28 Public review draft scheduled
- 3/6 Reimbursement checks expected (\$7,776.)

HMGP DR-4434 (February Rains)

- 1/15 Reduced Project 138 from \$684,000 to \$178,782.00
- 1/28 Discussed the reduction of Project 126 from \$91,000 to \$41,000

RPA DR-4308 (Stormflow 2017)

- 2/6/20 FEMA has approved an additional cost allocation to project LKHVF83 of \$166,279.68 (See attached).

Projects Update

Non_FEMA projects

IRWM/Waterboards

1/29 Received clarification request, and issued response to Prop 1 projects (Tank 9 and I&I)

2/4 Draft copy of 2019 EAR delivered to Input forum

2/4 Received response from SWRCB DWR regarding Compliance order investigation indicating an additional delay of 4-8 weeks (See attached).

Water main replacement

1/22 Board president signed agreement, Coastland to draw up Winter Suspension Amendment language

Civicspark

Extensive Mitigation action worksheet development related to LHMP project

Capacity building – Monthly reports

Capacity building – Groundwater Monitoring Reports

Geo-locating Hydrants

Flow vs. consumption data analysis

Planning hydrant painting project

Purchased, installed rain gauge

Wastewater

1/16 Cat1 SSO reported to CalOES

1/31 Spill Report of SSO to CWRWQCB

January 2020 Field Report

Water Operations and Maintenance Highlights

- 1/6 PSI flow check on Coyote Valley hydrant
- 1/7 Saw cutting prep for service line replacement on Greenridge
- 1/8 Service line replacement on Greenridge
- 1/13 Service line replacement on Greenridge
- 1/21 Trimmed brush at Greenridge booster station
- 1/22 Installed flow monitor on Deer Hill for I&I analysis
- 1/23 Fixed a leak on Spruce Grove

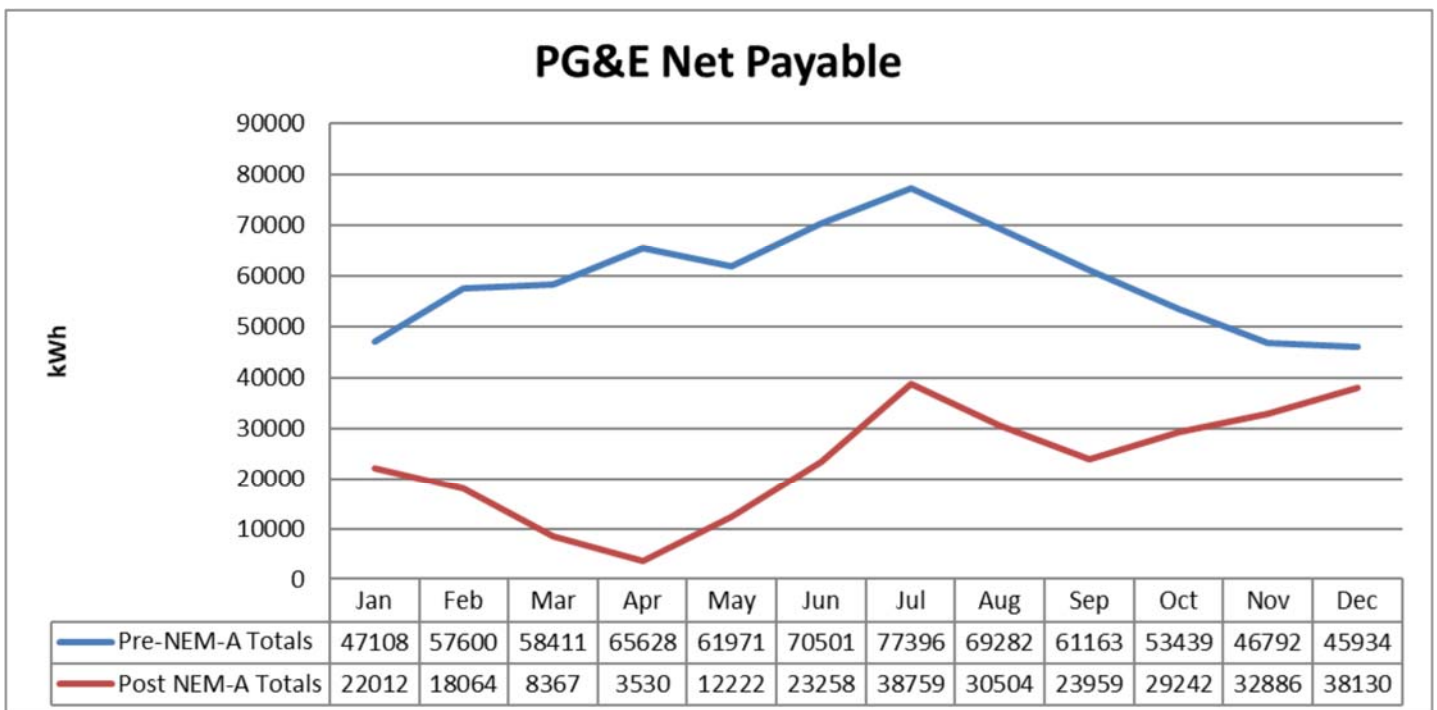
Wastewater Operations and Maintenance Highlights

- 1/5 Progress on draining EQ basin
- 1/6 Cleaned chemical room injection filter
- 1/8 Staff helped at Greenridge service line replacement
- 1/10 Covered Poly Tote prior to rains
- 1/15 Installed air compressor. Ran all 3 sand filters to prep for heavy rains
- 1/16 Poly pump motor failure
- 1/17 Back flushed sample pump & line 503. Activated 3rd filter to prepare for heavy rains
- 1/21 Repairs on #2 AB chain
- 1/24 401 high pressure alarm showed inactive compressor
- 1/29 Updated all lift stations and SCADA PC

January 2020 Field Report

Vehicle Mileage	
Vehicle	Mileage
Truck 1	0
Truck 2 (new construction truck)	697
Truck 3	1,527
Truck 4	422
Truck 6	438
Truck 7	1,585
Truck 8	0
Dump Truck	86
Backhoe	2.64 hrs
New Holland Tractor	0.60 hrs
Vac Truck	108

Fuel Tank Use		
	Gasoline	Diesel
Tank Meter	236.50	133.20
Fuel Log	236.10	134.10



Alyssa Gordon

From: Brake, Andrew@CalOES <Andrew.Brake@CalOES.ca.gov>
Sent: Wednesday, February 5, 2020 3:51 PM
To: Alyssa Gordon
Cc: Kirk Cloyd; Chavez, Concepcion@CalOES; Asghari, Maurine@CalOES; Shepard, Robin@CalOES; TryTouch, Pouv@CalOES; CalOES HM Grants Payments
Subject: DR4344-PL0512 Hidden Valley Lake Community Services District 033-91015: Payment Inquiry

Hi Alyssa,

Thank you for your inquiry regarding the District's reimbursement payments. Two payments (for \$3,480 and \$4,296) were processed by the Grants Processing Unit (GPU) on January 22 (please see screenshot below) and are now with the Accounting Unit for additional processing. After the Accounting Unit completes its procedures, the payment transmittals will be sent to the State Controller's Office where the checks are actually created and mailed out. This process takes up to a few weeks – if the District doesn't receive its checks by the first week of March, let me know, and I'll look into their status.

The District's third payment (for \$26,683) is currently with the GPU awaiting managerial review and signature. The GPU will mail a Notification of Payment letter to the District once we've completed our processing. If I can offer additional assistance with this matter, please don't hesitate to ask.

Date	Entry Type	OES Proj. #	Sup. #	OES 400 ID	Oblig. FEMA Amt.	Deoblig. FEMA Amt.	Admin. Cost	Full Oblig. Amt.	Payment Amt.	Trans. ID	Claim Sched.
06/12/2019	SUPPLEM	L 512	L 13	L	112,542.00		.00	112,542.00	.00		
01/22/2020	400 PAYM	L 512	L	L 21217					3,480.00	99288	
01/22/2020	400 PAYM	L 512	L	L 21218					4,296.00	99295	
01/28/2020	400 PAYM	L 512	L	L 21222					26,683.00	99387	

Thank you,
Andrew Brake
Staff Services Analyst
Recovery Infrastructure Branch - Grants Processing Unit
California Governor's Office of Emergency Services
3650 Schriever Avenue, Mather, CA 95655
Office: (916) 845-8110
Direct: (916) 845-8402
Email: andrew.brake@caloes.ca.gov

From: Chavez, Concepcion@CalOES <Concepcion.Chavez@CalOES.ca.gov>
Sent: Wednesday, February 5, 2020 2:08 PM
To: Brake, Andrew@CalOES <Andrew.Brake@CalOES.ca.gov>
Subject: FW: 4344-512

Hello Andrew,

Can you please assist with Hidden Valley Lake CSD's question below?

Concepcion Chavez, Hazard Mitigation Grants Specialist
Coastal Unit
Recovery - Hazard Mitigation Assistance Branch
California Governor's Office of Emergency Services



Office: (916) 845-8854
Cell: (916) 767-4715
www.caloes.ca.gov/HMGP

From: Alyssa Gordon <agordon@hvlcsd.org>
Sent: Wednesday, February 5, 2020 11:14 AM
To: Chavez, Concepcion@CalOES <Concepcion.Chavez@CalOES.ca.gov>
Subject: 4344-512

Hi Conchi,

On 1/22/20, CalOES mailed us a Notification of Payments, stamped by the Grants Processing Unit (692275) on 1/21/20. What is the status of the expenses we incurred in 2018-2019?

Thanks,
Alyssa

RECEIVED

FEB 06 2020



FEMA

FEB 04 2020

Ms. Tina Walker
 Governor's Authorized Representative
 California Governor's Office of Emergency Services
 3650 Schriever Avenue
 Mather, California 95655

Reference: Final Inspection Report, Subrecipient Closeout
 FEMA-4308-DR-CA, P.A. ID: 033-2277F-00
 Subrecipient: Hidden Valley Lake Community Services District
 Cal OES Log: 676712.1; FEMA Log: 391186

Dear Ms. Walker:

This responds to your letter dated April 24, 2019, which submitted the Final Inspection Report to close Hidden Valley Lake Community Services District (Subrecipient) Public Assistance application under FEMA-4308-DR-CA. The Subrecipient completed a Project Completion and Certification Report (P.4) and requested approval from the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) and the California Governor's Office of Emergency Services (Cal OES) for final total funding of \$669,590.21. Cal OES forwarded the P.4 recommending final total funding of \$669,590.21.

The Subrecipient's application consists of two (2) small and two (2) large Project Worksheets (PW). Your request addresses two (2) small projects and one (1) large projects. FEMA previously closed PW 195 a large project. The Subrecipient requests the final cost adjustments detailed in the table below.

PW #	FEMA Prior Approved Amount	Subrecipient Claimed Amount	Cal OES Recommended Amount	FEMA Final Approved Amount	FEMA Approved Adjustment
Small Projects					
178	\$5,317.17	\$5,317.17	\$5,317.17	\$5,317.17	\$0.00
342	\$55,155.00	\$55,155.00	\$55,155.00	\$55,155.00	\$0.00
Small PW Total	\$60,472.17	\$60,472.17	\$60,472.17	\$60,472.17	\$0.00

Previously Closed Large Projects					
Previously Closed Large PW 195 Total	\$417,196.48	\$417,196.48	\$417,196.48	\$417,196.48	\$0.00
Individual Large Projects					
787	\$475,797.50	\$609,118.04	\$642,077.18	\$642,077.18	\$166,279.68
Large PW Total	\$475,797.50	\$609,118.04	\$642,077.18	\$642,077.18	\$166,279.68
Application Total					
Grand Total	\$953,466.15	\$1,086,786.69	\$1,119,745.83	\$1,119,745.83	\$116,279.68

Small Projects

The California Governor’s Office of Emergency Services (Cal OES) has certified that all work was completed on all of the Subrecipient’s small projects. The U.S. Department of Homeland Security’s Federal Emergency Management Agency (FEMA) has reviewed the documentation previously and concurs with Cal OES’ funding recommendation. Therefore, funding remains at \$60,472.17 for this Subrecipient’s small projects.

Large Projects

FEMA approved PW 787 for an estimated cost of \$475,797.50 to address cleanup and facility damages to the Subrecipient’s waste water treatment plant (WWTP) equalization pond, plant basin, and plant access roads. The Subrecipient claimed final actual costs and originally certified the amount in the P.4 for \$609,118.04. The Recipient received subsequent documentation from the Subrecipient after the Final Inspection Report, Subrecipient Closeout was requested by letter to FEMA. This documentation revises the final actual completed costs and the total to \$642,077.18. The added cost includes:

- 1) Teledyne Instruments for the rental flowmeters used for 9 months for \$14,354.27.
- 2) Direct Administrative Costs claimed \$13,806.88.
- 3) “Record Bee” advertising for bid for construction repairs to access roads \$365.30.
- 4) Force Account Labor revised total is \$4,432.69. The Recipient removed Jacob Gill for \$9,607.68 and Marina Deligiannis for \$10,001.40 (both CivicSpark Fellows) from the Subrecipient’s Force Account Labor Summary Record. The revised Force Account claim is: \$24,041.76 – 19,609.07 = \$4,432.69. The change is an email dated January 15, 2020 from Cal OES.

The actual completion date was September 30, 2018 which is within the Project Performance period of 18 month Title 44 Code of Federal Regulations (CFR) § 206.204. FEMA has prepared PW 787 Version 1 for the amount of \$166,279.68.

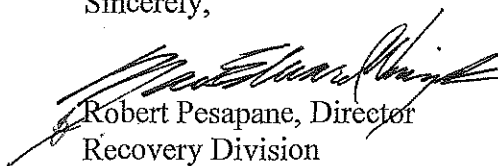
Ms. Tina Walker
Final Inspection Report
FEMA-4308-DR-CA, P.A. ID: 033-2277F-00
Page 3 of 3

FEMA approves the Subrecipient's request to close their application in accordance with 44 CFR § 206.205. Total approved funding for this Subrecipient is \$1,119,745.83.

The Subrecipient may appeal the large project determinations to the Regional Administrator at FEMA Region IX. If the Subrecipient elects to appeal, the appeal must: 1) contain documented justification supporting the Subrecipient's position, 2) specify the monetary figure in dispute, and 3) cite the provisions in federal law, regulation, or policy with which the Subrecipient believes the initial action was inconsistent. This appeal must be submitted to your office by the Subrecipient within 60 days of their receipt of this determination. Your evaluation of that appeal is required to be submitted to the Regional Administrator at FEMA Region IX within 60 days of your receipt of the Subrecipient's letter.

If you have any questions regarding this matter, please contact me at 510-627-7250.

Sincerely,


Robert Pesapane, Director
Recovery Division
FEMA Region IX

Enclosure: None

cc: Kirk Cloyd, General Manager
Hidden Valley Lake Community Services District
19400 Hartmann Road, Hidden Valley Lake, CA 95467

Alyssa Gordon

From: Paula Whealen
Sent: Tuesday, February 4, 2020 4:05 PM
To: Ekdahl, Erik
Cc: Rizzardo, Jule; Vasquez, Victor; Mayo, Zach
Subject: RE: HVLCSD Request to Rescind Compliance Order

Erik:

Thanks for getting back to me so quickly. We will look forward to hearing from you when the investigation is completed. We are also available for a call if your staff have questions regarding the District's facilities and/or our investigation.

Best regards,
Paula

From: Ekdahl, Erik
Sent: Tuesday, February 04, 2020 3:10 PM
To: Paula Whealen
Cc: Rizzardo, Jule; Vasquez, Victor; Mayo, Zach
Subject: RE: HVLCSD Request to Rescind Compliance Order

Hi Paula, thanks for reaching out. Staff have completed a draft of their investigation, and that draft is undergoing review now. We should have information in 4-8 weeks. A bit longer than initially thought, but not too far off from our initial estimate. We will, of course, attempt to move the review forward as quickly as we possibly can.

Feel free to give me a call if you have additional questions.

Best,
Erik

From: Paula Whealen
Sent: Tuesday, February 4, 2020 2:35 PM
To: Ekdahl, Erik
Cc: Rizzardo, Jule; Vasquez, Victor; Mayo, Zach
Subject: FW: HVLCSD Request to Rescind Compliance Order

EXTERNAL:

Hi Erik:

This is to follow up with you regarding the Hidden Valley Lake Community Services District matter discussed in your May 29, 2019 email below. Please note that Kirk Cloyd is no longer with the District and its Board has asked me to reach out to you regarding the status of your staff's subterranean stream investigation on Putah Creek. You indicated that the analysis would require 6-8 months. As of this date, we have not hear from either Zach Mayo or Victor Vasquez on the progress of their analysis.

As you can imagine, the District is extremely anxious to receive a response on its request to rescind Compliance Order 02_03_14R_004 dated May 6, 2019. Please let us know where this analysis stands. We are happy to arrange a call or meeting to discuss if you or your staff desires.

Best regards,
Paula

Paula J. Whealen, Principal
Wagner & Bonsignore, Consulting Civil Engineers

From: Ekdahl, Erik

Sent: Wednesday, May 29, 2019 10:56 AM

To: Kirk Cloyd ; Miller, Sheri

Cc: Jason.Liles; Newton, Daniel; Rizzardo, Jule; Vasquez, Victor; Mayo, Zach; Kuenzi, Nicole; Stork, Natalie

Subject: Re: HVLCSD Request to Rescind Compliance Order

Hi Kirk, thanks for submitting your report and evaluation. Based on the information in the report, and after giving it a quick overview, the Division is planning to proceed with a subterranean stream investigation for the entire basin. We are working with our Division of Drinking Water on next steps, and should have a better understanding of the details once the subterranean stream investigation is substantially complete.

We estimate that our staff will take 6-8 months to complete the subterranean stream investigation. We would like to request that the Division's staff leads (Zach Mayo, Victor Vasquez) be able to reach out to your staff and the consulting geologist that worked on the report. We may also want to schedule an interim check in sometime in the fall once the investigation is underway.

Key questions that we will consider in our investigation:

- Does the basin meet the four- part criteria for a subterranean stream?
- Does the geology where the District's wells are located meet the four-part test?

Related questions that we will also need to consider include:

- Whether extractions by the CSD's wells affect downstream/senior water right holders and instream flows.
- Seasonality associated with any relationship between extractions and senior rights/instream flows
- Whether extractions throughout the basin have similar effects

If there are any additional questions, please do not hesitate to reach out to Victor, Zach, or myself.

Best,
Erik

Erik Ekdahl
Deputy Director, Division of Water Rights
State Water Resources Control Board
Sacramento, CA 95814

From: Kirk Cloyd
Sent: Thursday, May 9, 2019 2:13 PM
To: Miller, Sheri
Cc: Ekdahl, Erik; [Jason.Liles](#)
Subject: HVLCSO Request to Rescind Compliance Order

Ms. Miller,

Attached, please find a copy of the recent study completed by Hidden Valley Lake CSD (HVLCSO) and memo requesting that Compliance Order 02_03_14R_004 be rescinded based on the findings.

In summary:

- HVLCSO's Well 4 and Ag well are drafting percolating ground water and not from the underflow of Putah Creek.
- Wells 2 & 3 are still being evaluated at this time.
- Based on the findings of the attached study, well 4 is the alternate water supply the State Water Board requires HVLCSO to have.
- HVLCSO respectfully requests that the compliance order be rescinded.

HVLCSO, our Board of Directors, constituents, Senator Mike McGuire office and the Lake County Board of Supervisors await the Department of Drinking Water's decision.

Thank you,

Kirk Cloyd, G.M.
Hidden Valley Lake CSD
(707) 987-9201

Cc: Erik Ekdahl, Division of Water Rights
Jason Liles, Senator Mike McGuire office



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
707.987.9201
707.987.3237 fax
www.hvlcsd.org

January 31, 2020

Ms. Jeanine Townsend, Clerk to the Board
State Water Resources Control Board
1001 I Street
Sacramento, CA 95814
Subject: Comment Letter – Proposed Urban Water Conservation Reporting Regulations

Dear Ms. Townsend:

The Hidden Valley Lake Community Services District (the District) appreciates the opportunity to comment on this regulatory action to require permanent monthly water production reporting by urban water suppliers, as contained in the Initial Statement of Reasons (ISOR) for the proposed Division 3, Chapter 3.5, Article 2 of Title 23 of the California Code of Regulations (hereafter “monthly reporting rule” or “rule”).

As a member of the Association of California Water Agencies (ACWA), we appreciated that the current proposal reflects much of our input, which we intended to help better integrate this reporting process with the State Water Board’s Electronic Annual Report (eAR) process and reporting associated with implementing the Water Conservation and Drought Planning Act of 2018 (also known as “AB 1668 and SB 606”). While this proposal has been significantly revised to address some of these issues, we continue to have concerns with an on-going reporting requirement that we believe is not reflective of the water use efficiency target-setting and reporting requirements of the new legislation.

Authority and Purpose

We appreciate the removal of references to authority under Water Code 275, however this action may be insufficient. The proposal should be revised to eliminate all references to eliminating “waste and unreasonable use of water” as a purpose that would be advanced by this rule. Although this proposed rule requires reporting monthly water production, we look for the identification of benefits and justification for the rule.

Residential Gallons Per Capita Per Day

The proposal requires monthly water production reporting in order to allow the State Water Board to continue to calculate and publically post the “Residential Gallons Per Capita Per Day” (R-GPCD) for each urban water supplier on a monthly basis. Although this R-GPCD metric has been used by the State Water Board as a general indication of changes in water use during the drought of 2015-16 and since, it is reported in comparison to a somewhat arbitrary 2013 baseline (which is different for each urban water supplier). Additionally, R-GPCD does not take into consideration urban water



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supplier-specific rainfall, temperature, humidity, groundwater levels, snowpack, legislation, litigation, and other unique conditions water systems experience, as well as surface storage, groundwater storage, emergency storage, supplemental supply, and the myriad other plans and programs water systems have in place to ensure supply can meet demand.

Another broader policy concern associated with continued use of R-GPCD is related to the difference between “conservation” and “efficiency.” These two words are often used interchangeably, in common parlance as well as in statute. However, these two words retain significant difference as applied by urban water suppliers. “Efficiency” is a concept that suppliers strive and advocate for; “conservation” is a tool that should be reserved for emergencies. Reducing average water use to the level most agencies consider “conservation” amounts to a hardening of demand that ultimately limits everyone’s options when it comes to emergency conditions.

This District has invested significant resources to ensure self-reliance during periods of drought, and it is imperative we develop a framework that accounts for those ratepayer-funded investments. Supply is the primary metric for urban water suppliers and their ratepayers; a metric designed during the drought as a near-term monitor of consumption under conditions that affected the entire state is not appropriate to measure long-term efficiency and supply reliability.

Given that R-GPCD is not an adequate metric to use in determining water use efficiency, and it is not aligned with the water use efficiency target-setting process under AB 1668 and SB 606 process, we request that it now be discontinued by the State Water Board. If R-GPCD is retained as a water use reporting metric, we request that the above disclaimer language be included as a footnote in any publicly-accessible reporting of R-GPCD values for urban water suppliers.

Sunset the Rule with SB606/AB1668 Implementation

The drought-related emergency that was the context for this monthly reporting rule ended in 2017 and the 2018 Water Conservation and Drought Planning Act has essentially precluded the need for this monthly reporting. Although The Evaluation of Inconsistency in the Notice of Proposed Rulemaking states that the rule “may be adjusted to complement” the Act, we request that more specific and binding language to sunset this rule at the earliest date be added.

Data Integrity

The immediacy of monthly reporting represents a liability to urban water suppliers. Many agencies bill on a bimonthly basis, meaning that monthly reports require estimating and/or prorating demand. Additionally, over the course of a year the process of accounting for missed payments, shutoffs, stuck meters, zero reads, AMI discrepancies,



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and other supply or demand can amount to as much as a 15-percent disparity compared with the results of monthly reports. For many water suppliers the requirement to submit water production data on a monthly basis forces submittal of incorrect and/or incomplete data that will not serve the State's goal of presenting accurate and useful information.

The District requests that the State Water Board include within any adoption resolution a clear indication that this monthly provisional data is not intended to develop policy, declare emergencies, or administer water use regulations.

Enforcement Protocol and Provision for Delayed Reporting

With regard to the proposal for imposition of immediate fines for failure to submit monthly reports, we find the purpose and need for such fines to be entirely unconvincing considering the absence of any clear public policy need for this data. Under the previous monthly reporting process, the State Water Board administered its enforcement authorities in a progression of informational orders, conservation orders, and/or civil liability. From both a fairness and transparency standpoint, we request that the State Water Board develop and publish a policy and protocol relating to enforcement of this monthly reporting rule which implements the progressive enforcement policy, contains a grace period for delayed submittals upon a showing of good cause by water suppliers (such as natural disasters and other extraordinary circumstances), and proposes a more judicious use of fines when necessary.

Thank you for considering these comments.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Alyssa Gordon'.

Alyssa Gordon
Water Resources Specialist
Hidden Valley Lake Community Services District

INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Coyote Creek Dam No. 397 County Lake
 Type of Dam ERTH Type of Spillway Concrete weir and channel
 Water is 0.15 feet above the spillway crest and 8.15 feet below the dam crest.
 Weather Conditions Clear and cool
 Contacts Made Lupe Chavarria (Consultant engineer), Matt Woodard and Niko O'Bryan (Hidden Valley Lake)
 Reason for Inspection Annual Inspection

Important Observations, Recommendations or Actions Taken

As previously requested, eradication of berry vine patches and Tule growth is required to keep vegetation low and to provide access for inspection of the upstream face (photo 1).

Tule and cattails in the spillway entrance need to be removed during routine maintenance. Minor vegetation in the spillway joints needs to be removed to prevent potential undermining of the concrete slab.

Small voids were observed in the spillway weir and chute which need to be repaired (photos 2 & 3). As mentioned in previous reports, the concrete spillway channel must be thoroughly evaluated for deficiencies and sounded for voids between the concrete walls and invert, and the underlying foundation. Mr. Chavarria is working on a plan to evaluate the spillway, and DSOD will review the plan once submitted.

Voids were observed along the left spillway wall at more than one location (photo 5). The voids must be backfilled and compacted before the next DSOD annual inspection. I requested that the owner walk the right spillway wall as soon as it is accessible to observe if voids are also present along that wall.

The V-notch weir designated "W6" located at the lowest elevation of the drain collection ditch (photo 4) is intended to capture a total flow rate from the five blanket drain outfalls and the CMP pipe, which conveys seepage from the known seepage band. However, the weir also captures precipitation and surface runoff. Because this weir does not isolate the blanket drain and seepage flows, I asked the owner not to report data from the W6 weir during rain events. As previously noted, the weir plate needs repair.

Mr. Chavarria plans to submit the 2018 and 2019 instrumentation data report along with his evaluation of the data regarding safety soon.

Conclusions

From the known information and visual inspection, the dam, reservoir, and the appurtenances are judged safe for continued use.

Observations and Comments

<u>Dam</u>	<p>The visible portions of the upstream and downstream faces, the crest, and the abutment contacts remain in satisfactory condition with no indication of surficial distress or instability.</p> <p>Vegetation control throughout most of the embankment is satisfactory. The downstream face is covered with low lying grass that provides erosion protection and adequate access for inspection and monitoring for seepage and other defects. As part of routine maintenance on the upstream face, eradication of berry vine patches and Tule growth is required to keep vegetation low and to provide access for inspection (photo 1).</p> <p>Rodent control appeared satisfactory, and few to minor signs of rodent activity were observed.</p>
------------	---

Photos taken? Yes No
 cc for Owner/Book

Inspected by H. Babbin *HUB 1/17/20*
 Date of Inspection 2 January 2020 *Lupe*
 Date of Report 14 January 2020 *1/21/20*

INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Coyote Creek Dam No. 397

Date of Inspection 2 January 2020

Observations and Comments

<u>Spillway</u>	<p>The spillway approach, control section, and upper exit channel were clear and unobstructed. Tule and cattails in the spillway entrance need to be removed during routine maintenance. Minor vegetation in the spillway joints needs to be removed to prevent potential undermining of the concrete slab.</p> <p>Small voids observed in the spillway weir and chute need to be repaired (photos 2 & 3). As mentioned in previous reports, the concrete spillway channel must be thoroughly evaluated for deficiencies and sounded for voids between the concrete walls and invert, and the underlying foundation. Mr. Chavarria is working on a plan to evaluate the spillway, and DSOD will review the plan once it's submitted.</p> <p>Voids were also observed along the left spillway wall at more than one location (photo 5). The voids must be backfilled and compacted before the next DSOD annual inspection. I requested that the owner walk the right spillway wall as soon as it is accessible to observe if voids are also present along that wall.</p>
<u>Outlet</u>	<p>The upstream and downstream controls were fully cycled in my presence during this inspection and found to be in good operating condition. The California Water Code section 6102.5(c) requires that the upstream and downstream outlet controls be fully cycled by the owner annually, and in the presence of DSOD every three years. The next complete outlet cycling in DSOD's presence will be due in 2023.</p>
<u>Seepage</u>	<p>The historic seepage area in the bottom third of the embankment was producing small amounts of live seepage (photo 6). This has reportedly decreased due to the new French drain with a CMP collector pipe that was installed to drain this area. Vegetation growth around the blanket drain outfalls at the toe of the dam, W1 through W5 (designation is from the north end of the outfall ditch toward the southeast end of the ditch, see photo 4), should be kept clear during routine maintenance. Flow through the blanket drains labeled W1 through W5 were estimated to be 2 gpm, 3gpm, 1gpm, 0.5gpm, and dry respectively. All seepage was clear and is considered normal for this time of year.</p>
<u>Instr.</u>	<p>Instrumentation consists of the following:</p> <ul style="list-style-type: none">• Five (5) horizontal drains installed to drain, and monitor flow from, the natural springs near the left abutment. The horizontal drains, designated D1 through D5, are measured monthly.• Five (5) drain collector outfalls with 90-degree V-notch weirs installed to drain, and monitor flow from, the embankment chimney and blanket drain. The outfall weirs, designated W1 through W5, are monitored monthly.• One (1) V-notch weir (W6) installed to monitor total embankment chimney and blanket drain seepage. Weir W6 is monitored monthly when in service. This weir also captures flow from the seepage band via the CMP collector pipe, surface runoff and precipitation.• Two (2) piezometers through the embankment installed to monitor the performance of the embankment chimney and blanket drain. Piezometers, designated P1 and P2, are monitored monthly. <p>Mr. Chavarria plans to submit the 2018 and 2019 instrumentation data report along with his evaluation of the data regarding safety soon.</p> <p>Because the weir W6 does not isolate the blanket drain and seepage band flows, I asked the owner not to report data from the W6 weir during rain events. As previously noted, the weir plate needs</p>

INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Coyote Creek Dam No. 397

Date of Inspection 2 January 2020

Observations and Comments

repair.

No additional instrumentation is recommended or required at this time.



Photo 1: Upstream face of dam viewed toward the right abutment. Vegetation and berry vines are circled.



Photo 2: View of spillway chute. Small voids were observed, one is circled.

INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Coyote Creek Dam No. 397

Date of Inspection 2 January 2020



Photo 3: Another small void in the spillway weir (circled). Note the dense Tule growth which needs to be removed.



Photo 4: Collector ditch for outfall drain weirs, designated W1 through W5, located at toe. The CMP drainage pipe for the seepage band is circled. Approximate location of W6 is noted.

INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Coyote Creek Dam No. 397

Date of Inspection 2 January 2020



Photo 5: Large voids observed behind the left spillway wall. Other smaller voids were observed, but not photographed. All locations along the left wall were identified and discussed with the owner's representatives on site.

INSPECTION OF DAM AND RESERVOIR IN CERTIFIED STATUS

Name of Dam Coyote Creek Dam No. 397

Date of Inspection 2 January 2020

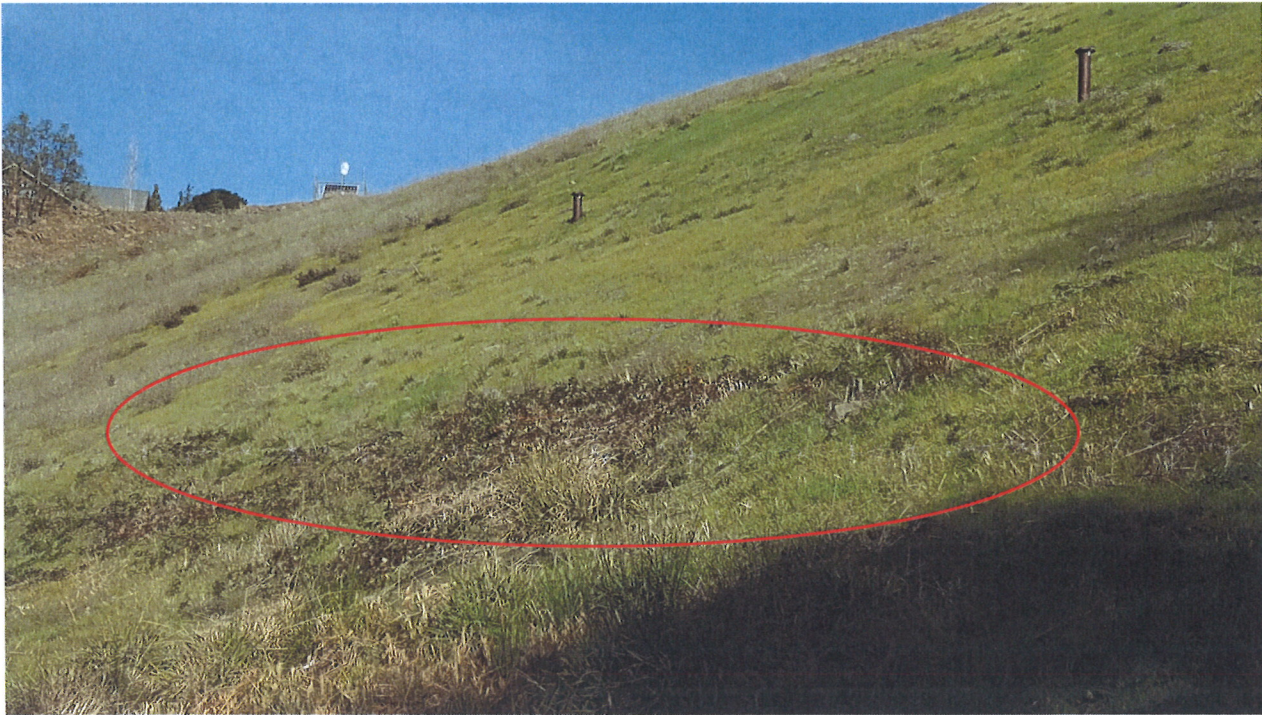


Photo 6: Seepage band on the downstream face is circled.

**ACTION OF
HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

DATE: February 18, 2020

AGENDA ITEM: Discuss: Moratorium Follow Up HVLCSD Request to Rescind Compliance Order

BACKGROUND: On February 4, 2020 Staff reached out to Paula Whelan for a status update on the request to rescind Compliance Order 02_03_14R_004 dated May 6, 2019

See the response from Erik Ekdahl at the SWRCB regarding the Putah Creek groundwater analysis. Paula Whelan will check back with him in 4 weeks.

“Hi Paula, thanks for reaching out. Staff have completed a draft of their investigation, and that draft is undergoing review now. We should have information in 4-8 weeks. A bit longer than initially thought, but not too far off from our initial estimate. We will, of course, attempt to move the review forward as quickly as we possibly can.

Feel free to give me a call if you have additional questions.

*Best,
Erik”*

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

I, Penny Cuadras, 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 February 18, 2020 by the following vote:

Ayes:

Noes:

Abstain:

Absent

Secretary to the Board

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AT THE
CONCLUSION OF THE AUDIT**

To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

We have audited the financial statements of the business-type activities and each major fund of Hidden Valley Lake Community Services District (District) for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you during the planning of our audit. Professional standards also require that we communicate to you the following information related to our audit.

SIGNIFICANT AUDIT MATTERS**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in the notes to the financial statements. In 2018-19, the District implemented, if applicable, Governmental Accounting Standards Board (GASB) Statement Nos. 83 and 88. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimate of depreciation is based on estimated or actual historical cost and the useful lives of such assets. Management's estimates of the net pension liability and net OPEB liability are based on actuarial reports. We evaluated the key factors and assumptions used to develop the District's estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

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

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

RESTRICTION ON USE

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

A handwritten signature in cursive script, appearing to read "Smith & Newell", written in dark ink.

Smith & Newell CPAs
Yuba City, California
January 16, 2020

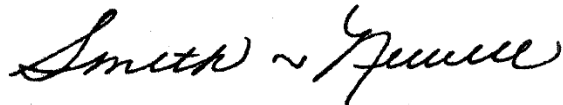
INDEPENDENT AUDITOR'S MANAGEMENT LETTER

To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

In planning and performing our audit of the financial statements of Hidden Valley Lake Community Services District, (District) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Controller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The appendix that accompanies this letter summarizes our prior year comments and suggestions and provides the status regarding those matters. This letter does not affect our report dated January 16, 2020, on the financial statements of the District.

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



Smith & Newell CPAs
Yuba City, California
January 16, 2020

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Appendix A: Status of Prior Year Recommendations

For the Year Ended June 30, 2019

STATUS OF PRIOR YEAR RECOMMENDATION

Payroll Withholding

Prior Year Recommendation

We recommend that the District review the withholdings entered in the payroll system to ensure that employee withholdings are correct in accordance with the Form W-4 and DE-4 completed by each employee.

Status

Implemented

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**HIDDEN VALLEY LAKE
COMMUNITY SERVICES DISTRICT,
CALIFORNIA**

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2019**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Annual Financial Report
For the Year Ended June 30, 2019

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INTRODUCTORY SECTION

- **List of Officials**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

List of Officials

For the Year Ended June 30, 2019

Board of Directors

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

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining Fund Financial Statements**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of Hidden Valley Lake Community Services District, California (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the District as of June 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section and combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

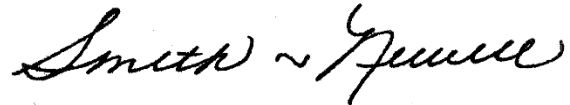
The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 16, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script, appearing to read "Smith & Newell", is written in black ink.

Smith & Newell CPAs
Yuba City, California
January 16, 2020

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**Management's Discussion and Analysis
(Unaudited)**

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Introduction

This section of the Annual Financial Report contains a narrative overview and analysis of the Hidden Valley Lake Community Services District (District) financial activities for the year ended June 30, 2019.

The Management's Discussion and Analysis (MD&A) is a required section of the District's Annual Financial Report, as shown in the overview below. The purpose of the MD&A is to present a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2019. This report will (1) focus on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity. Readers are encouraged to consider the information presented here in conjunction with the Annual Financial Statements.

This information, presented in conjunction with the annual Basic Financial Statements, is intended to provide a comprehensive understanding of the District's operations and financial standing. The annual report consists of a series of basic financial statements and notes to those statements. These statements are organized so the reader can understand the District as an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2019 were as follows:

- The Statement of Net Position indicates that total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$1,225,434. Unrestricted net position represents (\$795,877), and net investment in capital assets was at \$915,280. The remaining restricted amounts were \$910,609 for debt service and \$195,422 for capital facilities.
- Total net position decreased \$303,880 (20%) in fiscal year 2018/19 compared to a decrease of \$486,528 (32%) in fiscal year 2017/18.
- Total assets increased from \$9,851,860 in fiscal year 2017/18 to \$9,980,989 in fiscal year 2018/19.
- Total liabilities increased 6% from \$8,585,310 in fiscal year 2018/19 to \$9,061,262 in fiscal year 2018/19.
- The District recorded deferred outflows of resources in the amount of \$484,116, a \$59,525 increase (14%) and deferred inflows of resources in the amount of \$161,827, a \$16,582 increase (10%), in order to record the different components required by GASB 68 and GASB 75 for pension and OPEB accounting and reporting. Deferred outflows of resources are technically not assets but increase net position similar to an asset and deferred inflows of resources are technically not liabilities but decrease net position similar to liabilities. See Note 1N in the notes to financial statements for a definition of deferred inflows and outflows of resources.
- Total program and general revenues increased by 189,188 (6%) mainly due to an increase of rates.
- Total expenses and special items increased by \$493,143 (14%) from prior year. The increase was due to \$206,407 in Sewer and Water operating and maintenance expenses, and a decrease of \$285,516 in net 2019 Storm Emergency response repair proceeds and expenses.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Overview of the Financial Statements

The financial section of this report consists of five parts.

- Independent Auditor's Report
- Management Discussion and Analysis (Unaudited)
- Basic Financial Statements, which include: Government-Wide Financial Statements and Fund Financial Statements
- Notes to Basic Financial Statements
- Required Supplementary Information (Unaudited)
- Supplementary Information, which includes Combining Fund Statements

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position provide information about the activities of the District, presenting an aggregate view of the District's finances. The basic financial statements also include notes explaining pertinent information in the financial statements and provide more detailed data.

The basic financial statements for the District are presented as Government-Wide and Proprietary, or enterprise fund financial statements. The chart below provides an overview of the major features of the financial statements.

Chart A Major Features of Hidden Valley Lake Community Services District Government-wide and Fund Financial Statements		
	Government-Wide Statements	Fund Statements Proprietary Funds
Scope	Entire District government	Activities the District water and wastewater systems operated similar to private businesses.
Required financial statements	Statement of net position Statement of activities	Statement of net position Statement of revenues expenses, and changes in net position Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Financial Statements and Notes

The fund financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

A "fund" is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has two proprietary funds: Sewer Operations and Water Operations. Proprietary funds distinguish operating revenues and expenses from non-operating items.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

The notes provide additional information that is essential to fully understanding the data provided in the financial statements. Below are summaries and comparisons of the fund financial statements.

**Table 1
Summary of Net Position
June 30, 2019 and 2018**

	Enterprise Funds			
	2019	2018	Dollar Change	Percent Change
Assets				
Current and other assets	\$ 3,520,732	\$ 3,167,745	\$ 361,873	11%
Non current assets	6,500,257	6,774,115	(232,744)	-3%
Total Assets	<u>10,020,989</u>	<u>9,941,860</u>	<u>129,129</u>	<u>1%</u>
Deferred Outflows of Resources				
Deferred pension adjustments	449,116	390,998	58,118	15%
Deferred OPEB adjustments	35,000	33,593	1,407	4%
Total Deferred Outflows of Resources	<u>484,116</u>	<u>424,591</u>	<u>59,525</u>	<u>14%</u>
Liabilities				
Current liabilities	1,188,796	498,705	690,091	138%
Noncurrent liabilities	7,912,466	8,176,605	(264,139)	-3%
Total Liabilities	<u>9,101,262</u>	<u>8,675,310</u>	<u>425,952</u>	<u>5%</u>
Deferred Inflows of Resources				
Deferred pension adjustments	97,020	78,587	18,433	23%
Deferred OPEB adjustments	81,389	83,240	(1,851)	-2%
Total Deferred Inflows of Resources	<u>178,409</u>	<u>161,827</u>	<u>16,582</u>	<u>10%</u>
Net Position				
Net investment in capital assets	915,280	853,972	61,308	7%
Restricted				
Debt Service	910,609	860,060	50,549	6%
Capital Facilities	195,422	444,455	(249,033)	-56%
Unrestricted	(795,877)	(629,173)	(166,704)	26%
Total Net Position	<u>\$ 1,225,434</u>	<u>\$ 1,529,314</u>	<u>\$ (303,880)</u>	<u>-20%</u>

Net position decreased by \$303,880 to \$1,225,434 from FY 2017/18 to FY 2018/19 as described below:

Total assets and deferred outflows increased by \$138,654. Current assets increased by \$352,987. Capital assets decreased by \$232,774 due to depreciation.

Current liabilities (obligations due within 12 months) increased by \$690,091 (138%). The net increase was due primarily to an increase in accounts payable of \$676,506 for storm emergency costs owed to the County.

Non-current (long-term) liabilities decreased by \$264,139 due to a decrease in the net pension and net OPEB liabilities and debt principal payments. Long-term liabilities are reduced each year as each series on the outstanding debt principal amounts are paid back to the bondholders. Additional information on the District's non-current liabilities can be found in Note 5 Long-Term Liabilities.

The largest portion of the District's net position reflects its investment in capital assets (e.g. land, sewer & water lines and improvements, buildings, machinery, equipment, and vehicles) net of outstanding debt. The District uses these capital assets to provide services for the residents and businesses in its service area.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Although the District's investment in its capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used or sold to liquidate District liabilities. The remaining balance of the unrestricted net position may be used to meet the District's ongoing obligations to its customers and creditors. The net position also included restricted assets required by various debt agreements restricting revenues pledged to repay debt and restricted assets for capital facilities.

Revenues, Expenses, and Change in Net Position Statement Analysis

**Table 2
Summary of Changes in Net Position
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2019 and 2018**

	Enterprise Funds			
	2019	2018	Dollar Change	Percent Change
Operating Revenues				
Charges for Services	\$ 3,176,656	\$ 2,945,567	\$ 231,089	8%
Assessments	281,018	283,863	(2,845)	-1%
Permits and Inspections	37,570	54,548	(16,978)	-31%
Miscellaneous	90,787	121,598	(30,811)	-25%
Total Operating Revenues	<u>3,586,031</u>	<u>3,405,576</u>	<u>180,455</u>	<u>5%</u>
Operating Expenses				
Sewer	2,032,548	1,885,637	146,911	8%
Water	1,714,032	1,644,685	69,347	4%
Flood	2,329	1,109	1,220	110%
Total Operating Expenses	<u>3,748,909</u>	<u>3,531,431</u>	<u>217,478</u>	<u>6%</u>
Operating Income (Loss)	(162,878)	(125,855)	(37,023)	29%
Non-Operating Revenues (Expenses)				
Interest Income	26,643	17,910	8,733	49%
Debt Interest	(186,536)	(196,387)	9,851	-5%
Total Non-Operating Revenues (Expenses)	<u>(159,893)</u>	<u>(178,477)</u>	<u>18,584</u>	<u>-10%</u>
Change in Net Position Before Special Items & Transfers	(322,771)	(304,332)	(18,439)	6%
Proceeds for 2017 Storms Emergency Response & Repairs	1,087,144	304,407	782,737	257%
Expenses for 2017 Storms Emergency Response & Repairs	(1,068,253)	-	(1,068,253)	100%
Cummulative effect of change in accounting principle	-	(486,603)	486,603	-100%
Change in Net Position	(303,880)	(486,528)	182,648	-38%
Net Position - Beginning of Year	1,529,314	2,015,842	(486,528)	-24%
Net Position - End of Year	<u>\$ 1,225,434</u>	<u>\$ 1,529,314</u>	<u>\$ (303,880)</u>	<u>-20%</u>

The statement of revenues, expenses, and changes in net position reflects the District's operating and non-operating revenues by major sources, operating and non-operating expenses by categories.

The District's (\$303,880) change in net position during FY 2018/19 was as follows:

- Total operating revenues increased by \$180,455. Total service charges and sewer assessments increased by a net of \$228,224 as a result of a scheduled increase in the sewer and water service charges

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

- Operating expenses increased by \$217,478. The most significant changes in expenses from FY 2017/18 to FY 2018/19 were increases in operating and maintenance expenses from salaries and benefits, professional services and depreciation.
- The Special Items relate to the 2019 Storms emergency response proceeds of \$1,087,144 and costs of \$1,068,253. An estimated 97% of the costs will be reimbursed by the Federal and State FEMA/OES programs. Applications for reimbursement have been submitted and reviewed by FEMA/OES representatives and are in the process of funding. The \$1,012,484 requested has been recorded as a receivable as of June 30, 2019.

Capital Asset Administration

**Table 3
Capital Assets (Net of Depreciation)
June 30, 2019 and 2018**

	Business-Type Activities			Percent Change
	2019	2018	Dollar Change	
Land (not depreciated)	\$ 607,918	\$ 607,918	\$ -	0%
Structures and improvements	2,161,248	2,281,668	(120,420)	-5%
Equipment, vehicles and machinery	300,877	221,809	79,068	36%
Infrastructure	3,280,854	3,472,244	(191,390)	-6%
Total	\$ 6,350,897	\$ 6,583,639	\$ (232,742)	-4%

The District's net capital assets decreased from \$6,583,639 to \$6,350,897 for the year ended June 30, 2019. The total decrease was \$232,742 with the addition of a construction truck to the capital assets. Details of the capital asset transactions can be found on page 27, Note 3.

Debt Administration

**Table 4
Outstanding Long-Term Liabilities and Debt (net of debt discounts/premiums)
June 30, 2019 and 2018**

	Business-Type Activities			Percent Change
	2019	2018	Dollar Change	
Liabilities				
Compensated Absences	\$ 59,604	\$ 54,712	\$ 4,892	9%
Total Liabilities	59,604	54,712	4,892	9%
Debt				
Bonds	3,190,424	3,365,688	(175,264)	-5%
Loans	1,711,693	1,814,480	(102,787)	-6%
Certificates of Participation	533,500	549,500	(16,000)	-3%
Total Debt	5,435,617	5,729,668	(294,051)	-5%
Total Long-Term Liabilities and Debt	\$ 5,495,221	\$ 5,784,380	\$ (289,159)	-5%

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

The District's long-term debt was for the infrastructure of water lines, sewer lines, pump stations and processing plant. At year end June 30, 2019, the long-term debt decreased from \$5,784,380 to \$5,495,221 due to payments and changes in compensated absences. The increase in compensated absences is due to adjustments made in the calculation of the liability and current and long-term allocation. Details of the debt outstanding can be found on pages 28 through 30, Note 5.

Economic Factors and Next Year's Budget

For fiscal year 2018/2019, Hidden Valley Lake Community Services District had two (2) new residential water connections and three (3) new residential sewer connections. This is consistent with numbers throughout the economic downturn. Although the housing market appears to have stabilized, new construction is nonexistent due to the meter moratorium imposed by the State of California. The fiscal year was also marred by more rain and flooding events which greatly increased operational costs in the sewer fund due to (Infiltration and Intrusion). The cost to haul and treat the sewer and rain water that hydraulically overloaded the system is anticipated to be offset by the receipt of \$948,420 in FEMA/OES assistance.

As we move into the 2019/20 fiscal year, the effects of a slow economic recovery are being addressed through a comprehensive 5-year rate study. The plan is to increase water, sewer and recycled water use charges to provide for increased operational costs, replacement of aging infrastructure and build up the Capital Improvement and Reserve Funds in both the water and sewer enterprise funds.

Requests for Information

This financial report is designed to provide citizens, customers, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Trish Wilkinson, Full Charge Bookkeeper, Hidden Valley Lake Community Services District, 19400 Hartmann Road, Hidden Valley Lake, California 95467, 707-987-9201, twilkinson@hvlcsd.org www.hvlcsd.org

Basic Financial Statements

- **Government-Wide Financial Statements**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Net Position
June 30, 2019

	Business-Type Activities
ASSETS	
Cash and investments	\$ 1,959,534
Investments with fiscal agent	177,580
Receivables:	
Accounts (net of allowance)	325,778
Assessments	5,395
Delinquent assessments	109,360
Intergovernmental	1,012,484
Interest	5,023
Prepaid costs	34,938
Capital assets:	
Non-depreciable	607,918
Depreciable, net	5,742,979
Total capital assets	<u>6,350,897</u>
Total Assets	<u>9,980,989</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension adjustments	449,116
Deferred OPEB adjustments	<u>35,000</u>
Total Deferred Outflows of Resources	<u>484,116</u>
LIABILITIES	
Accounts payable	744,932
Salaries and benefits payable	39,231
Interest payable	67,269
Long-term liabilities:	
Due within one year	337,364
Due in more than one year	5,157,857
Net pension liability	1,403,810
Net OPEB liability	<u>1,310,799</u>
Total Liabilities	<u>9,061,262</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension adjustments	97,020
Deferred OPEB adjustments	<u>81,389</u>
Total Deferred Inflows of Resources	<u>178,409</u>
NET POSITION	
Net investment in capital assets	915,280
Restricted for debt service	910,609
Restricted for capital facilities	195,422
Unrestricted	<u>(795,877)</u>
Total Net Position	<u>\$ 1,225,434</u>

The notes to the basic financial statements are an integral part of this statement.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Statement of Activities

For the Year Ended June 30, 2019

<u>Functions/Programs:</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Business-Type Activities</u>	
Business-type activities:					
Sewer	\$ 2,157,432	\$ 1,349,156	\$ 281,018	\$ -	\$ (527,258)
Water	1,775,684	1,865,070	-	-	89,386
Flood control	2,329	-	-	-	(2,329)
Total Business-Type Activities	3,935,445	3,214,226	281,018	-	(440,201)
Total	\$ 3,935,445	\$ 3,214,226	\$ 281,018	\$ -	(440,201)
General revenues:					
Interest and investment earnings					26,643
Miscellaneous					90,787
Special items:					
Storms emergency response and repair proceeds					1,087,144
Storms emergency response and repair expenses					(1,068,253)
Total General Revenues and Special Items					136,321
Change in Net Position					(303,880)
Net Position - Beginning					1,529,314
Net Position - Ending					\$ 1,225,434

The notes to the basic financial statements are an integral part of this statement.

Basic Financial Statements

- **Fund Financial Statements**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Net Position
Enterprise Funds
June 30, 2019

	<u>Sewer Operations</u>	<u>Water Operations</u>	<u>Flood Control</u>	<u>Totals</u>
ASSETS				
Current Assets:				
Cash and investments	\$ 1,154,902	\$ 804,070	\$ 562	\$ 1,959,534
Investments with fiscal agent	177,580	-	-	177,580
Receivables:				
Accounts (net of allowance)	118,554	207,224	-	325,778
Assessments	5,395	-	-	5,395
Intergovernmental	1,012,484	-	-	1,012,484
Interest	2,409	2,614	-	5,023
Prepaid costs	17,469	17,469	-	34,938
Total Current Assets	<u>2,488,793</u>	<u>1,031,377</u>	<u>562</u>	<u>3,520,732</u>
Noncurrent Assets:				
Advances to other funds	40,000	-	-	40,000
Delinquent assessments receivable	109,360	-	-	109,360
Capital assets, net	3,047,228	3,303,669	-	6,350,897
Total Noncurrent Assets	<u>3,196,588</u>	<u>3,303,669</u>	<u>-</u>	<u>6,500,257</u>
Total Assets	<u>5,685,381</u>	<u>4,335,046</u>	<u>562</u>	<u>10,020,989</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension adjustments	224,558	224,558	-	449,116
Deferred OPEB adjustments	16,313	18,687	-	35,000
Total Deferred Outflows of Resources	<u>240,871</u>	<u>243,245</u>	<u>-</u>	<u>484,116</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	697,524	47,408	-	744,932
Salaries and benefits payable	18,621	20,610	-	39,231
Interest payable	42,450	24,819	-	67,269
Compensated absences	19,039	14,199	-	33,238
Bonds payable	181,263	-	-	181,263
Loans payable	-	106,363	-	106,363
Certificates of participation	16,500	-	-	16,500
Total Current Liabilities	<u>975,397</u>	<u>213,399</u>	<u>-</u>	<u>1,188,796</u>

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 1 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Net Position
Enterprise Funds
June 30, 2019

	<u>Sewer Operations</u>	<u>Water Operations</u>	<u>Flood Control</u>	<u>Totals</u>
LIABILITIES (CONTINUED)				
Noncurrent Liabilities:				
Advances from other funds	-	40,000	-	40,000
Compensated absences	15,102	11,264	-	26,366
Bonds payable	3,009,161	-	-	3,009,161
Loans payable	-	1,605,330	-	1,605,330
Certificates of participation	517,000	-	-	517,000
Net pension liability	701,905	701,905	-	1,403,810
Net OPEB liability	591,264	719,535	-	1,310,799
Total Noncurrent Liabilities	<u>4,834,432</u>	<u>3,078,034</u>	<u>-</u>	<u>7,912,466</u>
Total Liabilities	<u>5,809,829</u>	<u>3,291,433</u>	<u>-</u>	<u>9,101,262</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension adjustments	48,510	48,510	-	97,020
Deferred OPEB adjustments	41,023	40,366	-	81,389
Total Deferred Inflows of Resources	<u>89,533</u>	<u>88,876</u>	<u>-</u>	<u>178,409</u>
NET POSITION				
Net investment in capital assets	(676,696)	1,591,976	-	915,280
Restricted for debt service	730,855	179,754	-	910,609
Restricted for capital facilities	57,553	137,869	-	195,422
Unrestricted	(84,822)	(711,617)	562	(795,877)
Total Net Position	<u>\$ 26,890</u>	<u>\$ 1,197,982</u>	<u>\$ 562</u>	<u>\$ 1,225,434</u>

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 2 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenses
and Changes in Net Position
Enterprise Funds
For the Year Ended June 30, 2019

	Sewer Operations	Water Operations	Flood Control	Totals
OPERATING REVENUES				
Assessments	\$ 281,018	\$ -	\$ -	\$ 281,018
Permits and inspections	37,570	-	-	37,570
Charges for services	1,311,586	1,865,070	-	3,176,656
Miscellaneous	47,172	43,615	-	90,787
Total Operating Revenues	1,677,346	1,908,685	-	3,586,031
OPERATING EXPENSES				
Salaries and benefits	721,447	796,097	-	1,517,544
Insurance	72,430	24,209	-	96,639
Office expenses	25,226	25,670	-	50,896
Continuing education	6,194	14,504	-	20,698
Dues and subscriptions	5,897	19,304	-	25,201
Postage	6,397	6,397	-	12,794
Repairs and maintenance	300,100	153,122	-	453,222
Gas, fuel and oil	10,430	10,413	-	20,843
Supplies	61,619	49,782	-	111,401
Professional services	165,514	126,972	-	292,486
Rents and leases	22,641	-	-	22,641
Travel	2,273	2,272	-	4,545
Telephone	10,624	10,624	-	21,248
Power	44,846	137,757	2,329	184,932
Other utilities	2,599	2,598	-	5,197
Depreciation	225,322	165,356	-	390,678
Other operating	297,277	2,364	-	299,641
Office and safety equipment	14,841	52,080	-	66,921
Director's compensation	-	2,002	-	2,002
Environmental monitoring	35,041	22,768	-	57,809
Water conservation	-	8,156	-	8,156
Water rights	-	49,308	-	49,308
Annual operating fees	1,830	32,277	-	34,107
Total Operating Expenses	2,032,548	1,714,032	2,329	3,748,909
Operating Income (Loss)	(355,202)	194,653	(2,329)	(162,878)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	17,861	8,782	-	26,643
Interest expense	(124,884)	(61,652)	-	(186,536)
Total Non-Operating Revenues (Expenses)	(107,023)	(52,870)	-	(159,893)
Income (Loss) Before Special Items and Transfers	(462,225)	141,783	(2,329)	(322,771)

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 1 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenses
and Changes in Net Position
Enterprise Funds
For the Year Ended June 30, 2019

	<u>Sewer Operations</u>	<u>Water Operations</u>	<u>Flood Control</u>	<u>Totals</u>
Proceeds for the storms emergency response and repair	1,087,144	-	-	1,087,144
Expenses for the storms emergency response and repair	(1,068,253)	-	-	(1,068,253)
Transfers in	1,312,127	100,722	-	1,412,849
Transfers out	(1,312,127)	(100,722)	-	(1,412,849)
Change in Net Position	(443,334)	141,783	(2,329)	(303,880)
Total Net Position - Beginning	<u>470,224</u>	<u>1,056,199</u>	<u>2,891.00</u>	<u>1,529,314</u>
Total Net Position - Ending	<u>\$ 26,890</u>	<u>\$ 1,197,982</u>	<u>\$ 562</u>	<u>\$ 1,225,434</u>

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 2 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2019

	Sewer Operations	Water Operations	Flood Control	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,670,906	\$ 1,895,533	\$ -	\$ 3,566,439
Cash paid to suppliers	(340,427)	(643,034)	(2,329)	(985,790)
Cash paid to employees	(770,711)	(864,610)	-	(1,635,321)
Net Cash Provided (Used) by Operating Activities	559,768	387,889	(2,329)	945,328
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Special project amounts paid	(698,612)	-	-	(698,612)
Interfund loan repayments received	50,000	-	-	50,000
Interfund loan repayments made	-	(50,000)	-	(50,000)
Transfer in from other funds	1,312,127	100,722	-	1,412,849
Transfer out to other funds	(1,312,127)	(100,722)	-	(1,412,849)
Net Cash Provided (Used) by Noncapital Financing Activities	(648,612)	(50,000)	-	(698,612)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(119,021)	(38,915)	-	(157,936)
Principal paid on debt	(191,263)	(102,787)	-	(294,050)
Interest paid on debt	(127,237)	(63,144)	-	(190,381)
Net Cash Provided (Used) by Capital and Related Financing Activities	(437,521)	(204,846)	-	(642,367)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	18,711	7,537	-	26,248
Net Cash Provided (Used) by Investing Activities	18,711	7,537	-	26,248
Net Increase (Decrease) in Cash and Cash Equivalents	(507,654)	140,580	(2,329)	(369,403)
Balances - Beginning	1,840,136	663,490	2,891	2,506,517
Balances - Ending	\$ 1,332,482	\$ 804,070	\$ 562	\$ 2,137,114

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 1 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Cash Flows
Enterprise Funds
For the Year Ended June 30, 2019

	<u>Sewer Operations</u>	<u>Water Operations</u>	<u>Flood Control</u>	<u>Totals</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO				
NET CASH PROVIDED (USED) BY OPERATING				
ACTIVITIES				
Operating income (loss)	\$ (355,202)	\$ 194,653	\$ (2,329)	\$ (162,878)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	225,322	165,356	-	390,678
Decrease (increase) in:				
Accounts receivable	(13,442)	(13,152)	-	(26,594)
Assessments receivable	7,003	-	-	7,003
Prepaid costs	3,020	3,194	-	6,214
Pension adjustment - deferred outflows	(32,815)	(25,303)	-	(58,118)
OPEB adjustment - deferred outflows	(675)	(732)	-	(1,407)
Increase (decrease) in:				
Accounts payable	656,243	20,264	-	676,507
Salaries and benefits payable	1,651	1,893	-	3,544
Compensated absences	2,802	2,090	-	4,892
Net pension liability	(14,909)	(47,326)	-	(62,235)
Net OPEB liability	72,547	78,593	-	151,140
Pension adjustment - deferred inflows	9,111	9,322	-	18,433
OPEB adjustment - deferred inflows	(888)	(963)	-	(1,851)
Net Cash Provided (Used) by Operating Activities	<u>\$ 559,768</u>	<u>\$ 387,889</u>	<u>\$ (2,329)</u>	<u>\$ 945,328</u>

The notes to the basic financial statements are an integral part of this statement.

Continued (Page 2 of 2)

Basic Financial Statements

- **Notes to Basic Financial Statements**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Hidden Valley Lake Community Services District is a public corporation formed in 1984 under the provisions of the Community Services District Law, Division 3 of Title 6 (commencing with Section 61000) of the Government Code of the State of California. The District was formed for the purposes of providing for the collection of sewage, waste and storm water of the District and of its residents as well as the supply of water to the residents of the District. On January 1, 1993, Stonehouse Mutual Water Company merged with Hidden Valley Lake Community Services District. Stonehouse Mutual Water Company was a mutual water company which had been organized in June 1968 to provide water and sewer services to the owners of Hidden Valley Lake Association lots. The merger was approved by the shareholders with authorization to transfer all assets and liabilities to the District as of December 31, 1992, and dissolve Stonehouse Mutual Water Company. Notification was received from the Franchise Tax Board that the Certificate of Dissolution was filed as a conditional dissolution on January 21, 1993. Upon the issuance of a Tax Clearance Certificate by the Franchise Tax Board, the corporation was dissolved.

The activities of the District are governed by a Board of Directors, each of whom is elected to office for a term of four years by the registered voters of the District.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Component Units

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

Joint Agencies

The District is a participant in the Special District Risk Management Authority (SDRMA), which is a joint powers agency organized for the purpose of pooled joint-protection coverage to member entities. SDRMA operates public entity pools for auto and general liability coverage, plus workers compensation and errors and omissions coverage and pool purchases excess insurance for members. Complete audited financial statements of SDRMA can be obtained at 1112 I Street, Suite 300, Sacramento, CA 95814. The District is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information on all the activities of the District. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. These statements present the business-type activities of the District, which rely to a significant extent on assessments and fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the District's business-type activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include (1) charges paid by the recipients of goods and services offered by the program, (2) operating grants and contributions, and (3) capital grants and contributions. Revenues that are not classified as program revenues, are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District funds, which are organized into the proprietary fund type. The operations of the District are organized as a series of sub-funds consolidated into two major proprietary funds which account for the total water and sewer operations. An emphasis is placed on major funds within the proprietary category; each is displayed in a separate column.

The District reports the following major proprietary funds:

- The Sewer Operations fund is an enterprise fund used to account for activity related to providing customers with sewer service and billing for service provided by the District.
- The Water Operations fund is an enterprise fund used to account for activity related to providing customers with water service and billing for service provided by the District.

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange include revenue from grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

For purposes of the accompanying Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased, including investments with fiscal agent, to be cash equivalents.

E. Investments

The District pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short term investments are reported at amortized cost, investments in the State of California Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the District could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Income from pooled investments is allocated to the individual funds based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund.

F. Receivables

Receivables consist mainly of user fees, interest, intergovernmental, assessments, and delinquent assessments. Although Management believes all assessments are ultimately collectible because they are collected with property taxes, management has established an allowance for doubtful accounts of \$430 for the Sewer Operations fund and \$0 for the Water Operations fund. Accounts receivables are stated net of these amounts.

Assessments receivable are recognized when billed. Assessments receivable shown in the financial statements include only those assessments currently due or delinquent.

G. Other Assets

Inventory

Inventory items are recorded as expenses at the time inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Prepaid Costs

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenses when consumed rather than when purchased.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, sewer and similar items) are defined by the District as assets with a cost of \$1,000 or more. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are valued at their acquisition value at the time of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Equipment	5 to 30 years
Structures and improvements	5 to 30 years
Infrastructure	20 to 75 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

I. Assessment Revenue

The District levies special assessments on the property owners within the District boundaries. The special assessments are collected along with property taxes by the County of Lake.

Lake County assesses properties, bills, collects, and distributes the assessments to the District.

Assessments are due in two installments (secured roll) on November 1 and March 12 and become delinquent after December 10 and April 10, respectively.

J. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenses in the reimbursing fund and reductions to expenses in the reimbursed fund.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Interfund Transactions (Continued)

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

K. Compensated Absences

The District's policy regarding compensated absences is to permit employees to accumulate earned but unused vacation leave. The liability for these compensated absences is recorded as long-term liabilities in the government-wide and proprietary fund financial statements. The current portion of this debt is estimated based on historical trends.

L. Pension

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

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018

M. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Measurement Period	June 30, 2017 to June 30, 2018

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then. The District has two items that qualify for reporting in this category. These items relate to the outflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. These items relate to the inflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

O. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

P. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 83, Certain Asset Retirement Obligations (AROs). This statement enhances the comparability of financial statements among governments by establishing uniform criteria for governments to recognize and measure certain AROs including obligations that may not have been previously reported. This statement also enhances the decision-usefulness of the information provided to financial statement users by requiring disclosures related to those AROs.

Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowing, and Direct Placements. This statement improves financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risk associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 2: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2019, the District's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 600
Deposits (less outstanding checks)	<u>1,351,877</u>
Total Cash	<u>1,352,477</u>
Investments:	
Investments with fiscal agent	177,580
Local Agency Investment Fund (LAIF)	<u>607,057</u>
Total Investments	<u>784,637</u>
Total Cash and Investments	<u>\$ 2,137,114</u>

B. Cash

At year end, the carrying amount of the District's cash deposits (including amounts in checking and money market accounts) was \$1,351,877, and the bank balance was \$1,443,277. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the District had cash on hand of \$600.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The District complies with the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the District's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amount are collateralized.

C. Investments

Investments are selected based on safety, liquidity and yield. The District's investment policy is more restrictive than the California Government Code. Under the provisions of the District's investment policy and the California Government Code, the District may invest or deposit in the following:

- Repurchase Agreements
- Local Agency Investment Fund (LAIF)
- U.S. Treasury Bonds/Notes/Bills
- U.S. Government Agency Obligations
- Bankers' Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Time Certificates of Deposit
- Reverse Repurchase Agreements

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Fair Value of Investments - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The District's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the District's investment in external investment pools is not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2019, the District had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Money market mutual funds	\$ 177,580	\$ 177,580	\$ -	\$ -
Total Investments Measured at Fair Value	177,580	<u>\$ 177,580</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pool				
LAIF	<u>607,057</u>			
Total Investments	<u>\$ 784,637</u>			

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the District's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the District to meet all projected obligations.

As of June 30, 2019, the District had the following investments, all of which had a maturity of 5 years or less:

<u>Investment Type</u>	<u>Interest Rates</u>	<u>Maturities</u>		<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
		<u>0-1 year</u>	<u>1-5 years</u>		
Investments Held by Fiscal Agents					
Money market mutual funds	Variable	\$ 177,580	\$ -	\$ 177,580	-
Total Investments Held by Fiscal Agents		<u>177,580</u>	<u>-</u>	<u>177,580</u>	
Pooled Investments					
LAIF	Variable	<u>607,057</u>	<u>-</u>	<u>607,057</u>	<u>-</u>
Total Pooled Investments		<u>607,057</u>	<u>-</u>	<u>607,057</u>	<u>-</u>
Total Investments		<u>\$ 784,637</u>	<u>\$ -</u>	<u>\$ 784,637</u>	<u>-</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of year-end for each investment type.

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Rating</u>	<u>% of Portfolio</u>
Money Market Mutual Funds	A	AAAm	Aaa-mf	22.63%
LAIF	N/A	Unrated	Unrated	<u>77.37%</u>
Total				<u>100.00%</u>

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk, the District's investment policy requires that all securities owned by the District shall be held in safekeeping by a third party bank trust department.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's investment policy contains limitations on the amount that can be invested in any one issuer. All investments of the District were pooled with LAIF, which holds a diversified portfolio of high quality investments, or held by fiscal agents.

D. Investment in External Investment Pool

The District maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2019, the District's investment in LAIF valued at amortized cost was \$607,057 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$105.7 billion. Of that amount, 98.23 percent is invested in non-derivative financial products and 1.77 percent in structured notes and asset-backed securities.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 3: CAPITAL ASSETS

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

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2019</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 607,918	\$ -	\$ -	\$ 607,918
Total Capital Assets, Not Being Depreciated	<u>607,918</u>	<u>-</u>	<u>-</u>	<u>607,918</u>
Capital Assets, Being Depreciated:				
Structures and Improvements	3,811,950	-	-	3,811,950
Equipment	1,745,985	157,936	(1,177)	1,902,744
Infrastructure	<u>25,967,744</u>	<u>-</u>	<u>-</u>	<u>25,967,744</u>
Total Capital Assets, Being Depreciated	<u>31,525,679</u>	<u>157,936</u>	<u>(1,177)</u>	<u>31,682,438</u>
Less Accumulated Depreciation For:				
Structures and Improvements	(1,530,282)	(120,420)	-	(1,650,702)
Equipment	(1,524,176)	(78,868)	1,177	(1,601,867)
Infrastructure	<u>(22,495,500)</u>	<u>(191,390)</u>	<u>-</u>	<u>(22,686,890)</u>
Total Accumulated Depreciation	<u>(25,549,958)</u>	<u>(390,678)</u>	<u>1,177</u>	<u>(25,939,459)</u>
Total Capital Assets, Being Depreciated, Net	<u>5,975,721</u>	<u>(232,742)</u>	<u>-</u>	<u>5,742,979</u>
Total Capital Assets, Net	<u>\$ 6,583,639</u>	<u>(\$ 232,742)</u>	<u>\$ -</u>	<u>\$ 6,350,897</u>

Depreciation

Depreciation expense was charged to operations as follows:

Sewer Operations	\$ 225,322
Water Operations	<u>165,356</u>
Total Depreciation Expense	<u>\$ 390,678</u>

NOTE 4: INTERFUND TRANSACTIONS

Advances To/From Other Funds

Advances to/from other funds are non-current interfund loans. The following are advances to/from other funds as of June 30, 2019:

	<u>Advances To</u> <u>Other Funds</u>	<u>Advances From</u> <u>Other Funds</u>
Sewer Operations	\$ 40,000	\$ -
Water Operations	<u>-</u>	<u>40,000</u>
Total	<u>\$ 40,000</u>	<u>\$ 40,000</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 4: INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, and subsidies of various District operations. The following are interfund transfers for the fiscal year ended June 30, 2019:

	Transfers In	Transfers Out
Sewer Operations	\$ 1,312,127	\$ 1,312,127
Water Operations	100,722	100,722
Total	\$ 1,412,849	\$ 1,412,849

NOTE 5: LONG-TERM LIABILITIES

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

Type of Indebtedness	Balance July 1, 2018	Additions	Adjustments/ Retirements	Balance June 30, 2019	Amounts Due Within One Year
Bonds	\$ 3,334,000	\$ -	(\$ 173,000)	\$ 3,161,000	\$ 179,000
Unamortized premium	31,688	-	(2,264)	29,424	2,263
Bonds, net	3,365,688	-	(175,264)	3,190,424	181,263
Direct borrowing loans	1,814,480	-	(102,787)	1,711,693	106,363
Direct borrowing certificates of participation	549,500	-	(16,000)	533,500	16,500
Compensated absences	54,712	51,235	(46,343)	59,604	33,238
Total Business-Type Activities	\$ 5,784,380	\$ 51,235	(\$ 340,394)	\$ 5,495,221	\$ 337,364

Individual issues of debt payable outstanding at June 30, 2019, are as follows:

Bonds:

Sewer System Reassessment District No. 1 Limited Obligation Refunding Improvement Bonds Series 2016, issued March 9, 2016 in the amount of \$3,650,000, payable in annual installments of \$150,000-\$280,000 with an interest rate of 3.25-3.50% and maturity on September 2, 2032. The bonds were used to refund the Improvement Bonds Series 1995-2 which were used to finance improvements to the sewer system. The bonds are secured by a pledge of reassessment revenues.

	\$ 3,161,000
Total Bonds	3,161,000

Loans:

California Infrastructure and Economic Development Bank direct borrowing Loan, issued June 24, 2002 in the amount of \$3,000,000, payable in annual installments of \$61,530-\$160,350 with an interest rate of 3.48% and maturity on February 1, 2032. The loan was used to finance the expansion and upgrade of the water system. Net system revenues and all amounts in the enterprise fund are pledged as collateral for the debt. In the event of default, the District agrees to pay accrued interest plus the principal of all unpaid installments under the related agreement.

	1,711,693
Total Loans	1,711,693

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Certificates of Participation:

2012 Series direct borrowing Certificate of Participation Water Reclamation Plant Energy Sustainability Project issued October 1, 2012, in the amount of \$640,000, payable in annual installments of \$14,000 to \$31,500 with an interest rate of 3.00% and maturity on August 1, 2041. The certificates of participation were used to finance the sewer system solar project. Net revenues are pledged as collateral for the debt. In the event of default, the District agrees to pay accrued interest plus the principal of all unpaid installments under the related agreement.

	<u>533,500</u>
Total Certificates of Participation	<u>533,500</u>
Total	<u>\$ 5,406,193</u>

Following is a schedule of debt payment requirements of business-type activities to maturity for long-term debt, excluding compensated absences that have indefinite maturities, net pension liability which is reported in Note 8, and net OPEB liability, which is reported in Note 9.

<u>Year Ended</u> <u>June 30</u>	Bonds		
	Principal	Interest	Total
2020	\$ 179,000	\$ 105,272	\$ 284,272
2021	185,000	99,357	284,357
2022	192,000	93,231	285,231
2023	199,000	86,728	285,728
2024	206,000	79,843	285,843
2025-2029	1,137,000	287,170	1,424,170
2030-2033	<u>1,063,000</u>	<u>76,038</u>	<u>1,139,038</u>
Total	<u>\$ 3,161,000</u>	<u>\$ 827,639</u>	<u>\$ 3,988,639</u>

<u>Year Ended</u> <u>June 30</u>	Loans from Direct Borrowings		
	Principal	Interest	Total
2020	\$ 106,363	\$ 59,567	\$ 165,930
2021	110,065	55,865	165,930
2022	113,895	52,035	165,930
2023	117,859	48,071	165,930
2024	121,960	43,969	165,929
2025-2029	676,497	153,155	829,652
2030-2032	<u>465,054</u>	<u>32,738</u>	<u>497,792</u>
Total	<u>\$ 1,711,693</u>	<u>\$ 445,400</u>	<u>\$ 2,157,093</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Year Ended <u>June 30</u>	Certificates of Participation from Direct Borrowings		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 16,500	\$ 15,757	\$ 32,257
2021	17,000	15,255	32,255
2022	17,500	14,738	32,238
2023	18,000	14,205	32,205
2024	18,500	13,658	32,158
2025-2029	101,000	59,520	160,520
2030-2034	117,500	43,148	160,648
2035-2039	136,000	24,180	160,180
2040-2042	<u>91,500</u>	<u>4,177</u>	<u>95,677</u>
Total	<u>\$ 533,500</u>	<u>\$ 204,638</u>	<u>\$ 738,138</u>

NOTE 6: NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (Plan), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Effective January 1, 2013, the District added a retirement tier for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the District's retirement costs.

Summary of Rate of Tiers and Eligible Participants

Open for New Enrollment Miscellaneous PEPRA	Miscellaneous members hired on after January 1, 2013
Closed to New Enrollment Miscellaneous	Miscellaneous members hired before January 1, 2013

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.5% @ 55	50-55	1.420% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	50-62	1.000% to 2.500%

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	10.609%	8.000%	0.000%
Miscellaneous PEPRA	6.842%	6.250%	0.000%

For the year ended June 30, 2019, the contributions recognized as part of pension expense for the Plan was as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 167,312	\$ -

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Relate to Pension

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

	<u>Proportion June 30, 2018</u>	<u>Proportion June 30, 2019</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	.03719%	.03725%	.00006%

As of June 30, 2019, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 1,403,810
Total Net Pension Liability	<u>\$ 1,403,810</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

For the year ended June 30, 2019 the District recognized pension expense of \$91,295. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 193,214	\$ -
Changes of assumptions	160,039	(39,222)
Difference between expected and actual experience	53,862	(18,329)
Difference between projected and actual earnings on pension plan investments	6,940	-
Difference between District contributions and proportionate share of contributions.	7,200	(4,553)
Change in employers proportion	<u>27,861</u>	<u>(34,916)</u>
Total	<u>\$ 449,116</u>	<u>(\$ 97,020)</u>

\$193,214 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2020	\$ 135,185
2021	81,313
2022	(48,991)
2023	(12,625)
Thereafter	<u>-</u>
Total	<u>\$ 158,882</u>

Actuarial Assumptions

The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increase	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Actuarial Assumptions (Continued)

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

Discount Rate

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

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

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

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 – 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	<u>1.0%</u>	0.00%	-0.92%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.00% used for this period

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 7: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability for the Plan as of the measurement date, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
Miscellaneous	\$ 2,162,621	\$ 1,403,810	\$ 777,424

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

The District provides a single-employer defined benefit healthcare plan (the “Retiree Health Plan”) for eligible employees. The Retiree Health Plan provides lifetime healthcare insurance for eligible retirees through Special District Risk Management Authority (SDRMA) the District’s group health insurance plan. The Board of Directors reserves the authority to review and amend the funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the District. No assets were accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

The coverage requires the employee to meet the following requirements:

- Satisfaction of requirements for retirement under CalPERS, and
- Retirement from the District having reached at least age 55 and completing a minimum of 5 years of service with the District.

Benefits Provided

The District provides the following benefits to qualifying retirees who elect to continue medical coverage offered by the District. The benefits continue for the retiree’s lifetime:

- 50 percent of the medical premiums for the retiree
- 50 percent of the medical premiums for the retiree’s spouse, if covered, while the retiree is living

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

A retiree may elect to cover eligible dependents other than a spouse, provided the retiree pays 100 percent of any additional premium for their coverage.

Coverage and/or the premiums subsidy above are not available in retirement in these circumstances:

- For survivors, after the retiree’s death (other than as available under COBRA)
- For retirees eligible for PERS retirement from the District but failing to satisfy the age and service requirements above
- For retirees who meet the age and service requirements but do not continue their medical coverage through the District

The 2018 monthly healthcare premium rates are shown below:

SDRMA 2018 Rates Northern California			
Plan	Employee Only	Employee + 1	Employee +2
Blue Shield PPO Gold	\$ 814.98	\$ 1,630.98	\$ 2,117.52
Gold PPO Medicare	523.26	1,046.52	1,569.78

Employees Covered By Benefit Terms

At June 30, 2019 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Active employees	<u>12</u>
Total	<u><u>16</u></u>

B. Net OPEB Liability

The District’s net OPEB liability of \$1,310,799, was measured as of June 30, 2018, and was determined by the actuarial valuation as of that date.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Funding method	Entry-Age Normal Cost, level percent of pay
Asset valuation method	Market value of assets
Salary increases	3.25% per year, since benefits do not depend on salary, this used only to allocate the cost of benefits between services years
Discount rate	3.62% as of June 30, 2018
Healthcare cost trend rates	7.5% for 2019, decreasing .5% per year to an ultimate rate of 5.0% for 2024 and later years
General inflation rate	2.75% per year

The discount rate was based on the Fidelity Muni Go AA 20 Year Index.

Mortality rates were based on the mortality rates published by CalPERS adjusted to back out 20 years of Scale BB to central year 2008 and then projected forward 6 years using MacLeod Watts Scale 2017 to year 2014.

All actuarial assumptions used in the June 30, 2019 valuation were based on the results of the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements.

C. Changes in the Net OPEB Liability

	<u>Net OPEB Liability</u>
Balance at June 30, 2018	\$ <u>1,159,659</u>
Changes for the year:	
Services cost	150,829
Interest	46,055
Change of assumptions	(12,151)
Benefit payments	<u>(33,593)</u>
Net changes	<u>151,140</u>
Balance at June 30, 2019	\$ <u>1,310,799</u>

Changes of assumptions reflects a change in the discount rate from 3.56 percent to 3.62 percent.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 8: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (2.62%)	Current Rate (3.62%)	1% Increase (4.62%)
Net OPEB liability	\$ 1,537,085	\$ 1,310,799	\$ 1,130,566

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	Current Trend -1%	Current Trend	Current Trend +1%
Net OPEB Liability	\$ 1,082,090	\$ 1,310,799	\$ 1,629,485

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the District recognized OPEB expense of \$182,882. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to the measurement date	\$ 35,000	\$ -
Changes of assumptions	-	(81,389)
Total	\$ 35,000	(\$ 81,389)

\$35,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30			
2020	(\$	14,002)	
2021	(	14,002)	
2022	(	14,002)	
2023	(	14,002)	
2024	(	14,002)	
Thereafter	(	11,379)	
	(\$	81,389)	

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2019

NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined together with other municipalities to participate in the Special District Risk Authority Management (SDRMA) for general liability, vehicle liability, and errors and omissions purposes. SDRMA is a public entity risk pool which serves as a common risk management and insurance program. The District pays an annual premium to SDRMA for its insurance coverage. The agreements with SDRMA provide that they will be self-sustaining through member premiums and will reinsure through commercial companies for excess coverage.

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.

NOTE 10: OTHER INFORMATION

A. Subsequent Events

Management has evaluated events subsequent to June 30, 2019 through January 16, 2020, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

**B. Federal Emergency Management Administration (FEMA)/Office of Emergency Services (OES)
Application and Reimbursement Status for 2017 Storm Emergency**

In January and February 2017, there were storm events that resulted in emergency response costs and damage to infrastructure. A formal disaster emergency was declared by the District and County. The State and federal governments subsequently adopted an emergency declaration that provided for federal and State assistance in reimbursement of certain eligible costs incurred by the District. The District submitted several applications to FEMA/OES representatives.

FEMA/OES reviewed and approved the requests for reimbursement in May 2019, and the District recorded a receivable of \$1,012,484 as of June 30, 2019.

**Required Supplementary Information
(Unaudited)**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2019
Last 10 Years*

Measurement Period	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Miscellaneous Plan					
Proportion of the net pension liability	0.01414%	0.01560%	0.01480%	0.01480%	0.03725%
Proportionate share of the net pension liability	\$ 880,120	\$ 1,071,015	\$ 1,282,357	\$ 1,466,045	\$ 1,403,810
Covered payroll	641,041	758,445	794,520	746,828	773,598
Proportionate share of the net pension liability as a percentage of covered payroll	137.30%	141.21%	161.40%	196.30%	181.47%
Plan fiduciary net position as a percentage of the total pension liability	77.74%	73.61%	71.62%	72.91%	74.97%

*The District implemented GASB 68 for the fiscal year June 30, 2015, therefore only five years are shown.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2019
Last 10 Years*

Fiscal Year	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2016</u>	<u>2017/2018</u>	<u>2018/2019</u>
Miscellaneous Plan					
Contractually required contribution (actuarially determined)	\$ 68,280	\$ 65,481	\$ 65,481	\$ 67,344	\$ 67,063
Contributions in relation to the actuarially determined contributions	<u>(146,425)</u>	<u>(154,320)</u>	<u>(154,320)</u>	<u>(166,813)</u>	<u>(166,679)</u>
Contribution deficiency (excess)	<u>\$ (78,145)</u>	<u>\$ (88,839)</u>	<u>\$ (88,839)</u>	<u>\$ (99,469)</u>	<u>\$ (99,616)</u>
Covered payroll	\$ 758,445	\$ 794,520	\$ 746,828	\$ 773,598	\$ 858,574
Contributions as a percentage of covered payroll	18.37%	19.42%	20.66%	21.56%	19.41%

*The District implemented GASB 68 for the fiscal year June 30, 2015, therefore only five years are shown.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District Pension Plan
Notes to District Pension Plan
For the Year Ended June 30, 2019

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Change of assumptions: For the measurement date of June 30, 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rate were as follows:

Valuation Date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2016 Funding Valuation Report
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by entry age and service
Discount rate	7.375%
Retirement age	The probabilities of retirement are based on the January 2014 CalPERS Experience Study and Review of Actuarial Assumptions

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District OPEB Plan
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2019
Last 10 Years*

Fiscal Year	2017/2018	2018/2019
Net OPEB Liability		
Service Cost	\$ 168,137	\$ 150,829
Interest	35,914	46,055
Changes of assumptions	(95,664)	(12,151)
Benefit payments	(20,997)	(33,593)
	<hr/>	<hr/>
Net Change in Net OPEB Liability	87,390	151,140
	<hr/>	<hr/>
Net OPEB Liability - Beginning	1,072,269	1,159,659
	<hr/>	<hr/>
Net OPEB Liability - Ending	<u>\$ 1,159,659</u>	<u>\$ 1,310,799</u>
Covered payroll	\$ 770,191	\$ 804,618
Net OPEB liability as a percentage of covered payroll	150.57%	162.91%

* The District implemented GASB 75 for the fiscal year June 30, 2018, therefore only two years are shown.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District OPEB Plan
Note to District OPEB Plan
For the Year Ended June 30, 2019

NOTE 1: SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

The Discount rate was changed to 3.56 percent as of June 30, 2017, to 3.62 percent as of June 30, 2018.

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Combining Fund Financial Statements

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Net Position
Sewer Operations
June 30, 2019

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
ASSETS				
Current Assets:				
Cash and investments	\$ 130,905	\$ 442,603	\$ 47,841	\$ 57,120
Investments with fiscal agent	-	177,580	-	-
Receivables:				
Accounts (net of allowance)	118,554	-	-	-
Assessments	-	5,395	-	-
Intergovernmental	1,012,484	-	-	-
Interest	575	695	6	433
Prepaid costs	17,469	-	-	-
Total Current Assets	<u>1,279,987</u>	<u>626,273</u>	<u>47,847</u>	<u>57,553</u>
Noncurrent Assets:				
Advances to other funds	-	-	-	-
Delinquent assessments receivable	-	109,360	-	-
Capital assets, net	3,047,228	-	-	-
Total Noncurrent Assets	<u>3,047,228</u>	<u>109,360</u>	<u>-</u>	<u>-</u>
Total Assets	<u>4,327,215</u>	<u>735,633</u>	<u>47,847</u>	<u>57,553</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension adjustments	224,558	-	-	-
Deferred OPEB adjustments	16,313	-	-	-
Total Deferred Outflows of Resources	<u>240,871</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	697,524	-	-	-
Salaries and benefits payable	18,621	-	-	-
Interest payable	-	36,060	6,390	-
Compensated absences	19,039	-	-	-
Bonds payable	-	181,263	-	-
Certificates of participation	-	-	16,500	-
Total Current Liabilities	<u>735,184</u>	<u>217,323</u>	<u>22,890</u>	<u>-</u>
Noncurrent Liabilities:				
Compensated absences	15,102	-	-	-
Bonds payable	-	3,009,161	-	-
Certificates of participation	-	-	517,000	-
Net pension liability	701,905	-	-	-
Net OPEB liability	591,264	-	-	-
Total Noncurrent Liabilities	<u>1,308,271</u>	<u>3,009,161</u>	<u>517,000</u>	<u>-</u>
Total Liabilities	<u>2,043,455</u>	<u>3,226,484</u>	<u>539,890</u>	<u>-</u>

Wastewater Capital Facilities Unreserved	USDA Reserve Fund	All Bonds Administration	All Bonds Assessment Revolving Fund	Total Sewer Operations
\$ 125,188	\$ 31,282	\$ -	\$ 319,963	\$ 1,154,902
-	-	-	-	177,580
-	-	-	-	118,554
-	-	-	-	5,395
-	-	-	-	1,012,484
700	-	-	-	2,409
-	-	-	-	17,469
<u>125,888</u>	<u>31,282</u>	<u>-</u>	<u>319,963</u>	<u>2,488,793</u>
-	-	-	40,000	40,000
-	-	-	-	109,360
-	-	-	-	3,047,228
<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>3,196,588</u>
<u>125,888</u>	<u>31,282</u>	<u>-</u>	<u>359,963</u>	<u>5,685,381</u>
-	-	-	-	224,558
-	-	-	-	16,313
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>240,871</u>
-	-	-	-	697,524
-	-	-	-	18,621
-	-	-	-	42,450
-	-	-	-	19,039
-	-	-	-	181,263
-	-	-	-	16,500
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>975,397</u>
-	-	-	-	15,102
-	-	-	-	3,009,161
-	-	-	-	517,000
-	-	-	-	701,905
-	-	-	-	591,264
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,834,432</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,809,829</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Net Position
Sewer Operations
June 30, 2019

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension adjustments	48,510	-	-	-
Deferred OPEB adjustments	41,023	-	-	-
Total Deferred Inflows of Resources	<u>89,533</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	3,047,228	(3,190,424)	(533,500)	-
Restricted for debt service	-	699,573	-	-
Restricted for capital facilities	-	-	-	57,553
Unrestricted	(612,130)	-	41,457	-
Total Net Position	<u>\$ 2,435,098</u>	<u>\$ (2,490,851)</u>	<u>\$ (492,043)</u>	<u>\$ 57,553</u>

Wastewater Capital Facilities Unreserved	USDA Reserve Fund	All Bonds Administration	All Bonds Assessment Revolving Fund	Total Sewer Operations
-	-	-	-	48,510
-	-	-	-	41,023
-	-	-	-	89,533
-	-	-	-	(676,696)
-	31,282	-	-	730,855
-	-	-	-	57,553
125,888	-	-	359,963	(84,822)
<u>\$ 125,888</u>	<u>\$ 31,282</u>	<u>\$ -</u>	<u>\$ 359,963</u>	<u>\$ 26,890</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Revenues, Expenses
and Changes in Net Position
Sewer Operations
For the Year Ended June 30, 2019

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
OPERATING REVENUES				
Assessments	\$ -	\$ 281,018	\$ -	\$ -
Permits and inspections	7,170	-	-	30,400
Charges for services	1,311,586	-	-	-
Miscellaneous	23,122	24,050	-	-
Total Operating Revenues	<u>1,341,878</u>	<u>305,068</u>	<u>-</u>	<u>30,400</u>
OPERATING EXPENSES				
Salaries and benefits	721,447	-	-	-
Insurance	72,430	-	-	-
Office expenses	25,226	-	-	-
Continuing education	6,194	-	-	-
Dues and subscriptions	5,897	-	-	-
Postage	6,397	-	-	-
Repairs and maintenance	300,100	-	-	-
Gas, fuel and oil	10,430	-	-	-
Supplies	61,619	-	-	-
Professional services	156,069	2,087	-	-
Rents and leases	22,641	-	-	-
Travel	2,273	-	-	-
Telephone	10,624	-	-	-
Power	44,846	-	-	-
Other utilities	2,599	-	-	-
Depreciation	225,322	-	-	-
Other operating	297,277	-	-	-
Office and safety equipment	14,841	-	-	-
Environmental monitoring	35,041	-	-	-
Annual operating fees	1,830	-	-	-
Total Operating Expenses	<u>2,023,103</u>	<u>2,087</u>	<u>-</u>	<u>-</u>
Operating Income (Loss)	<u>(681,225)</u>	<u>302,981</u>	<u>-</u>	<u>30,400</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest income	1,988	5,195	64	4,079
Interest expense	-	(109,118)	(15,766)	-
Total Non-Operating Revenues (Expenses)	<u>1,988</u>	<u>(103,923)</u>	<u>(15,702)</u>	<u>4,079</u>
Income (Loss) Before Special Items and Transfers	<u>(679,237)</u>	<u>199,058</u>	<u>(15,702)</u>	<u>34,479</u>

Wastewater Capital Facilities Unreserved	USDA Reserve Fund	All Bonds Administration	All Bonds Assessment Revolving Fund	Total Sewer Operations
\$ -	\$ -	\$ -	\$ -	\$ 281,018
-	-	-	-	37,570
-	-	-	-	1,311,586
-	-	-	-	47,172
-	-	-	-	1,677,346
-	-	-	-	721,447
-	-	-	-	72,430
-	-	-	-	25,226
-	-	-	-	6,194
-	-	-	-	5,897
-	-	-	-	6,397
-	-	-	-	300,100
-	-	-	-	10,430
-	-	-	-	61,619
-	-	7,358	-	165,514
-	-	-	-	22,641
-	-	-	-	2,273
-	-	-	-	10,624
-	-	-	-	44,846
-	-	-	-	2,599
-	-	-	-	225,322
-	-	-	-	297,277
-	-	-	-	14,841
-	-	-	-	35,041
-	-	-	-	1,830
-	-	7,358	-	2,032,548
-	-	(7,358)	-	(355,202)
5,875	22	534	104	17,861
-	-	-	-	(124,884)
5,875	22	534	104	(107,023)
5,875	22	(6,824)	104	(462,225)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Revenues, Expenses
and Changes in Net Position
Sewer Operations
For the Year Ended June 30, 2019

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
Proceeds for the storms emergency response and repair	1,087,144	-	-	-
Expenses for the storms emergency response and repair	(1,068,253)	-	-	-
Transfers in	873,934	29,381	-	18,000
Transfers out	(401,454)	(7,358)	-	(322,104)
Change in Net Position	(187,866)	221,081	(15,702)	(269,625)
Total Net Position - Beginning	<u>2,622,964</u>	<u>(2,711,932)</u>	<u>(476,341)</u>	<u>327,178</u>
Total Net Position - Ending	<u><u>\$ 2,435,098</u></u>	<u><u>\$ (2,490,851)</u></u>	<u><u>\$ (492,043)</u></u>	<u><u>\$ 57,553</u></u>

Wastewater Capital Facilities Unreserved	USDA Reserve Fund	All Bonds Administration	All Bonds Assessment Revolving Fund	Total Sewer Operations
-	-	-	-	1,087,144
-	-	-	-	(1,068,253)
383,454	-	7,358	-	1,312,127
(551,829)	-	(29,382)	-	(1,312,127)
(162,500)	22	(28,848)	104	(443,334)
288,388	31,260	28,848	359,859	470,224
<u>\$ 125,888</u>	<u>\$ 31,282</u>	<u>\$ -</u>	<u>\$ 359,963</u>	<u>\$ 26,890</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Cash Flows
Sewer Operations
For the Year Ended June 30, 2019

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,328,436	\$ 312,070	\$ -	\$ 30,400
Cash paid to suppliers	(330,983)	(2,086)	-	-
Cash paid to employees	(770,711)	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>226,742</u>	<u>309,984</u>	<u>-</u>	<u>30,400</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Special project storms emergency response and repair	(698,612)	-	-	-
Interfund loan repayments received	-	-	-	-
Transfer in from other funds	873,934	29,381	-	18,000
Transfer out to other funds	(401,454)	(7,358)	-	(322,104)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(226,132)</u>	<u>22,023</u>	<u>-</u>	<u>(304,104)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(119,021)	-	-	-
Principal paid on debt	-	(175,263)	(16,000)	-
Interest paid on debt	-	(110,993)	(16,244)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(119,021)</u>	<u>(286,256)</u>	<u>(32,244)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	1,739	4,791	58	4,895
Net Cash Provided (Used) by Investing Activities	<u>1,739</u>	<u>4,791</u>	<u>58</u>	<u>4,895</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(116,672)	50,542	(32,186)	(268,809)
Balances - Beginning	<u>247,577</u>	<u>569,641</u>	<u>80,027</u>	<u>325,929</u>
Balances - Ending	<u>\$ 130,905</u>	<u>\$ 620,183</u>	<u>\$ 47,841</u>	<u>\$ 57,120</u>

Wastewater Capital Facilities Unreserved	USDA Reserve Fund	All Bonds Administration	All Bonds Assessment Revolving Fund	Total Sewer Operations
\$ -	\$ -	\$ -	\$ -	\$ 1,670,906
-	-	(7,358)	-	(340,427)
-	-	-	-	(770,711)
-	-	(7,358)	-	559,768
-	-	-	-	(698,612)
-	-	-	50,000	50,000
383,454	-	7,358	-	1,312,127
(551,829)	-	(29,382)	-	(1,312,127)
(168,375)	-	(22,024)	50,000	(648,612)
-	-	-	-	(119,021)
-	-	-	-	(191,263)
-	-	-	-	(127,237)
-	-	-	-	(437,521)
6,437	22	665	104	18,711
6,437	22	665	104	18,711
(161,938)	22	(28,717)	50,104	(507,654)
287,126	31,260	28,717	269,859	1,840,136
<u>\$ 125,188</u>	<u>\$ 31,282</u>	<u>\$ -</u>	<u>\$ 319,963</u>	<u>\$ 1,332,482</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Cash Flows
Sewer Operations
For the Year Ended June 30, 2019

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (681,225)	\$ 302,981	\$ -	\$ 30,400
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	225,322	-	-	-
Decrease (increase) in:				
Accounts receivable	(13,442)	-	-	-
Assessments receivable	-	7,003	-	-
Prepaid costs	3,020	-	-	-
Pension adjustment - deferred outflows	(32,815)	-	-	-
OPEB adjustment - deferred outflows	(675)	-	-	-
Increase (decrease) in:				
Accounts payable	656,243	-	-	-
Salaries and benefits payable	1,651	-	-	-
Compensated absences	2,802	-	-	-
Net pension liability	(14,909)	-	-	-
Net OPEB liability	72,547	-	-	-
Pension adjustment - deferred inflows	9,111	-	-	-
OPEB adjustment - deferred inflows	(888)	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 226,742</u>	<u>\$ 309,984</u>	<u>\$ -</u>	<u>\$ 30,400</u>

Wastewater Capital Facilities Unreserved	USDA Reserve Fund	All Bonds Administration	All Bonds Assessment Revolving Fund	Total Sewer Operations
\$ -	\$ -	\$ (7,358)	\$ -	\$ (355,202)
-	-	-	-	225,322
-	-	-	-	(13,442)
-	-	-	-	7,003
-	-	-	-	3,020
-	-	-	-	(32,815)
-	-	-	-	(675)
-	-	-	-	656,243
-	-	-	-	1,651
-	-	-	-	2,802
-	-	-	-	(14,909)
-	-	-	-	72,547
-	-	-	-	9,111
-	-	-	-	(888)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,358)</u>	<u>\$ -</u>	<u>\$ 559,768</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Net Position
Water Operations
June 30, 2019

	<u>Water</u>	<u>CIEDB Loan Redemption</u>	<u>CIEDB Loan Reserve</u>
ASSETS			
Current Assets:			
Cash and investments	\$ 333,747	\$ 126,807	\$ 178,402
Receivables:			
Accounts (net of allowance)	161,487	28,077	-
Interest	1,171	91	1,352
Prepaid costs	17,469	-	-
Total Current Assets	<u>513,874</u>	<u>154,975</u>	<u>179,754</u>
Noncurrent Assets:			
Capital assets, net	3,303,669	-	-
Total Noncurrent Assets	<u>3,303,669</u>	<u>-</u>	<u>-</u>
Total Assets	<u>3,817,543</u>	<u>154,975</u>	<u>179,754</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	224,558	-	-
Deferred OPEB adjustments	18,687	-	-
Total Deferred Outflows of Resources	<u>243,245</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	47,408	-	-
Salaries and benefits payable	20,610	-	-
Interest payable	-	24,819	-
Compensated absences	14,199	-	-
Loans payable	-	106,363	-
Total Current Liabilities	<u>82,217</u>	<u>131,182</u>	<u>-</u>
Noncurrent Liabilities:			
Advances from other funds	-	40,000	-
Compensated absences	11,264	-	-
Loans payable	-	1,605,330	-
Net pension liability	701,905	-	-
Net OPEB liability	719,535	-	-
Total Noncurrent Liabilities	<u>1,432,704</u>	<u>1,645,330</u>	<u>-</u>
Total Liabilities	<u>1,514,921</u>	<u>1,776,512</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	48,510	-	-
Deferred OPEB adjustments	40,366	-	-
Total Deferred Inflows of Resources	<u>88,876</u>	<u>-</u>	<u>-</u>

Water Operations Reserve	Water Capital Fund	Total Water Operations
\$ 38,237	\$ 126,877	\$ 804,070
6,668	10,992	207,224
-	-	2,614
-	-	17,469
<u>44,905</u>	<u>137,869</u>	<u>1,031,377</u>
	-	3,303,669
	-	3,303,669
<u>44,905</u>	<u>137,869</u>	<u>4,335,046</u>
-	-	224,558
-	-	18,687
-	-	243,245
-	-	47,408
-	-	20,610
-	-	24,819
-	-	14,199
-	-	106,363
-	-	213,399
-	-	40,000
-	-	11,264
-	-	1,605,330
-	-	701,905
-	-	719,535
-	-	3,078,034
-	-	3,291,433
-	-	48,510
-	-	40,366
-	-	88,876

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Net Position
Water Operations
June 30, 2019

NET POSITION	<u>Water</u>	<u>CIEDB Loan Redemption</u>	<u>CIEDB Loan Reserve</u>
Net investment in capital assets	3,303,669	(1,711,693)	-
Restricted for debt service	-	-	179,754
Restricted for capital facilities	-	-	-
Unrestricted	(846,678)	90,156	-
Total Net Position	<u>\$ 2,456,991</u>	<u>\$ (1,621,537)</u>	<u>\$ 179,754</u>

Water Operations Reserve	Water Capital Fund	Total Water Operations
-	-	1,591,976
-	-	179,754
-	137,869	137,869
44,905	-	(711,617)
<u>\$ 44,905</u>	<u>\$ 137,869</u>	<u>\$ 1,197,982</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Revenues, Expenses
And Changes in Net Position
Water Operations
For the Year Ended June 30, 2019

	Water	CIEDB Loan Redemption	CIEDB Loan Reserve
OPERATING REVENUES			
Charges for services	\$ 1,427,852	\$ 271,032	\$ -
Miscellaneous	43,615	-	-
Total Operating Revenues	<u>1,471,467</u>	<u>271,032</u>	<u>-</u>
OPERATING EXPENSES			
Salaries and benefits	796,097	-	-
Insurance	24,209	-	-
Office expenses	25,670	-	-
Continuing education	14,504	-	-
Dues and subscriptions	19,304	-	-
Postage	6,397	-	-
Repairs and maintenance	153,122	-	-
Gas, fuel and oil	10,413	-	-
Supplies	49,782	-	-
Professional services	126,972	-	-
Travel	2,272	-	-
Telephone	10,624	-	-
Power	137,757	-	-
Other utilities	2,598	-	-
Depreciation	165,356	-	-
Other operating	2,364	-	-
Office and safety equipment	52,080	-	-
Director's compensation	2,002	-	-
Environmental monitoring	22,768	-	-
Water conservation	8,156	-	-
Water rights	49,308	-	-
Annual operating fees	26,834	5,443	-
Total Operating Expenses	<u>1,708,589</u>	<u>5,443</u>	<u>-</u>
Operating Income (Loss)	<u>(237,122)</u>	<u>265,589</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	3,725	315	4,709
Interest expense	-	(61,652)	-
Total Non-Operating Revenues (Expenses)	<u>3,725</u>	<u>(61,337)</u>	<u>4,709</u>
Income (Loss) Before Transfers	<u>(233,397)</u>	<u>204,252</u>	<u>4,709</u>
Transfers in	100,722	-	-
Transfers out	-	-	-
Change in Net Position	<u>(132,675)</u>	<u>204,252</u>	<u>4,709</u>
Total Net Position - Beginning	<u>2,589,666</u>	<u>(1,825,789)</u>	<u>175,045</u>
Total Net Position - Ending	<u>\$ 2,456,991</u>	<u>\$ (1,621,537)</u>	<u>\$ 179,754</u>

Water Operating Reserve	Water Capital Fund	Total Water Operations
\$ 63,915	\$ 102,271	\$ 1,865,070
-	-	43,615
<u>63,915</u>	<u>102,271</u>	<u>1,908,685</u>
-	-	796,097
-	-	24,209
-	-	25,670
-	-	14,504
-	-	19,304
-	-	6,397
-	-	153,122
-	-	10,413
-	-	49,782
-	-	126,972
-	-	2,272
-	-	10,624
-	-	137,757
-	-	2,598
-	-	165,356
-	-	2,364
-	-	52,080
-	-	2,002
-	-	22,768
-	-	8,156
-	-	49,308
-	-	32,277
-	-	<u>1,714,032</u>
<u>63,915</u>	<u>102,271</u>	<u>194,653</u>
-	33	8,782
-	-	(61,652)
-	<u>33</u>	<u>(52,870)</u>
63,915	102,304	141,783
-	-	100,722
<u>(19,010)</u>	<u>(81,712)</u>	<u>(100,722)</u>
44,905	20,592	141,783
-	<u>117,277</u>	<u>1,056,199</u>
<u>\$ 44,905</u>	<u>\$ 137,869</u>	<u>\$ 1,197,982</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Cash Flows
Water Operations
For the Year Ended June 30, 2019

	Water	CIEDB Loan Redemption	CIEDB Loan Reserve
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 1,466,177	\$ 269,048	\$ -
Cash paid to suppliers	(637,591)	(5,443)	-
Cash paid to employees	(864,610)	-	-
Net Cash Provided (Used) by Operating Activities	(36,024)	263,605	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund loan repayments paid	-	(50,000)	-
Transfers in other funds	100,722	-	-
Transfers out other funds	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	100,722	(50,000)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(38,915)	-	-
Principal paid on debt	-	(102,787)	-
Interest paid on debt	-	(63,144)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(38,915)	(165,931)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	3,038	280	4,185
Net Cash Provided (Used) by Investing Activities	3,038	280	4,185
Net Increase (Decrease) in Cash and Cash Equivalents	28,821	47,954	4,185
Balances - Beginning	304,926	78,853	174,217
Balances - Ending	\$ 333,747	\$ 126,807	\$ 178,402
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (237,122)	\$ 265,589	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation/amortization	165,356	-	-
Decrease (increase) in:			
Accounts receivable	(5,290)	(1,984)	-
Prepaid costs	3,194	-	-
Pension adjustment - deferred outflows	(25,303)	-	-
OPEB adjustment - deferred outflows	(732)	-	-
Increase (decrease) in:			
Accounts payable	20,264	-	-
Salaries and benefits payable	1,893	-	-
Compensated absences	2,090	-	-
Net pension liability	(47,326)	-	-
Net OPEB liability	78,593	-	-
Pension adjustment - deferred inflows	9,322	-	-
OPEB adjustment - deferred inflows	(963)	-	-
Net Cash Provided (Used) by Operating Activities	\$ (36,024)	\$ 263,605	\$ -

Water Operating Reserve	Water Capital Fund	Total Water Operations
\$ 57,247	\$ 103,061	\$ 1,895,533
-	-	(643,034)
-	-	(864,610)
<u>57,247</u>	<u>103,061</u>	<u>387,889</u>
-	-	(50,000)
-	-	100,722
<u>(19,010)</u>	<u>(81,712)</u>	<u>(100,722)</u>
<u>(19,010)</u>	<u>(81,712)</u>	<u>(50,000)</u>
-	-	(38,915)
-	-	(102,787)
-	-	(63,144)
-	-	(204,846)
-	34	7,537
-	34	7,537
38,237	21,383	140,580
-	105,494	663,490
<u>\$ 38,237</u>	<u>\$ 126,877</u>	<u>\$ 804,070</u>
\$ 63,915	\$ 102,271	\$ 194,653
-	-	165,356
(6,668)	790	(13,152)
-	-	3,194
-	-	(25,303)
-	-	(732)
-	-	20,264
-	-	1,893
-	-	2,090
-	-	(47,326)
-	-	78,593
-	-	9,322
-	-	(963)
<u>\$ 57,247</u>	<u>\$ 103,061</u>	<u>\$ 387,889</u>

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**HIDDEN VALLEY LAKE
COMMUNITY SERVICES DISTRICT,
CALIFORNIA**

**SINGLE AUDIT ACT
REPORTS AND SCHEDULES
FOR THE YEAR ENDED
JUNE 30, 2019**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Single Audit Act
For the Year Ended June 30, 2019

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of Hidden Valley Lake Community Services District, California (District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 16, 2020.

Internal Control Over Financial Reporting

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

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

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

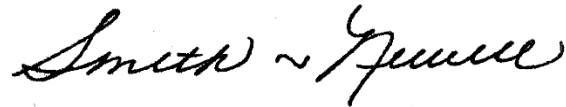
To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Smith & Newell".

Smith & Newell CPAs
Yuba City, California
January 16, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

Report on Compliance for Each Major Federal Program

We have audited the Hidden Valley Lake Community Services District, California's (District) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

Report on Internal Control Over Compliance

Management of the District, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

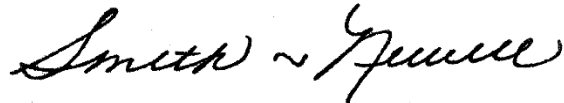
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and each major fund of Hidden Valley Lake Community Services District, California, (District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated January 16, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Smith & Newell CPAs
Yuba City, California
January 16, 2020

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Program/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Homeland Security				
State Emergency Management Agency:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4308-DR-CA	\$ -	\$ 244,941
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4434-DR-CA	-	743,860
Total U.S. Department of Homeland Security			-	988,801
Total			<u>\$ -</u>	<u>\$ 988,801</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

1. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Hidden Valley Lake Community Services District, California (District). The District's reporting entity is defined in Note 1 to the District's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule of Expenditures of Federal Awards. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

2. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The accompanying Schedule of Expenditures of Federal Awards, is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the District financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursements. In addition, the outstanding balance of prior years' loans that have significant continuing compliance requirements have been included in total federal expenditures.

3. INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

5. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the District's basic financial statements.

6. PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the District determined that no identifying number is assigned for the program or the District was unable to obtain an identifying number from the pass-through entity.

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements	<u>Status</u>
1. Type of auditor's report issued	Unmodified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified and not considered to be material weaknesses?	No
3. Noncompliance material to financial statements noted?	No

Federal Awards

1. Internal control over major programs:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified and not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No
4. Identification of major programs: 97.036 Disaster Grants – Public Assistance (Presidentially Declared Disaster)	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$750,000
6. Auditee qualified as a low-risk auditee under 2 CFR Section 200.520?	No

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

AN ORDINANCE ADOPTING WATER STANDBY/AVAILABILITY FEES

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT AS FOLLOWS:

Section 1: The owner of property located within District boundaries shall pay a water availability fee of \$48 per year per parcel if the owner's property meets all of the following criteria:

- a. The property is not currently being billed for water service;
- b. The property is eligible to receive water service as part of the original water service to the subdivision;
- c. The property is within Units 1 through 11, inclusive, of the Hidden Valley Lake subdivision; and
- d. The property has water distribution service stubbed to its property line.

Section 2: This ordinance and the various sections thereof are hereby declared to be severable. To the extent the terms and provisions of this ordinance are in conflict or otherwise are inconsistent with the terms and provisions of any prior District ordinances, resolutions, rules, and other actions, the terms and provisions of this ordinance shall prevail with respect thereto.

Section 3: If any section or provision of this ordinance shall be found unenforceable, unlawful, or invalid, then the other sections and provisions of this ordinance shall be considered valid and enforceable, notwithstanding the partial invalidity of such other portion(s) of the ordinance.

Section 4: The establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by this ordinance are for the purpose of meeting operating expenses, including employees' wage rates and fringe benefits; purchasing or leasing supplies, equipment or materials; meeting financial reserve needs and requirements; and obtaining funds for capital projects necessary to maintain service within existing service areas.

Amended


Section 5: Within ten days of adoption, this ordinance shall be published in a newspaper of general circulation within the Hidden Valley Lake area. The ordinance shall take effect upon the 30th day after its adoption. The charges imposed for this ordinance shall be for service beginning July 1, 1994 and collected as part of the tax roll. This ordinance and the charges referenced therein shall remain in effect for the current and future years and future collection on tax rolls until repealed by the Board of Directors.

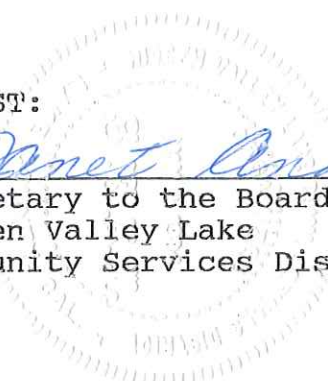
PASSED AND ADOPTED ON SEPTEMBER 22, 1994, by the following vote:

AYES:	DIRECTORS:	SAUNDERS, KNIGHT, SHARPEN, PETKOVICH
NOES:	DIRECTORS:	NONE
ABSENT:	DIRECTORS:	ALVERSON
ABSTAIN:	DIRECTORS:	NONE


President, Board of Directors

ATTEST:


Secretary to the Board of Directors
Hidden Valley Lake
Community Services District



HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

AN ORDINANCE ADOPTING SEWER STANDBY/AVAILABILITY FEES

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT AS FOLLOWS:

Section 1: The owner of property within the boundaries of the district shall pay a sewer availability fee of \$30.00 per year per parcel if the owner's property meets all of the following criteria:

- a. The property is eligible to receive sewer service due to the District's Water Reclamation Project.
- b. The property is currently undeveloped.
- c. The property is within Hidden Valley Lake subdivision, Units 1, 2, 5, portions of 3, 6, and 10; and
- d. The property has a sewer collection service stubbed to its property line.

Section 2: This ordinance and the various sections thereof are hereby declared to be severable. To the extent the terms and provisions of this ordinance are in conflict or otherwise are inconsistent with the terms and provisions of any prior District ordinances, resolutions, rules, or other actions, the terms and provisions of this ordinance shall prevail with respect thereto.

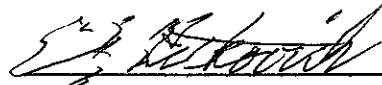
Section 3: If any section or provision of this ordinance shall be found unenforceable, unlawful, or invalid, then the other sections and provisions of this ordinance shall be considered valid and enforceable, notwithstanding the partial invalidity of such other portion (s) of the ordinance.

Section 4: The establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by this ordinance are for the purpose of meeting operating expenses, including employees' wage rates and fringe benefits; purchasing or leasing supplies, equipment or materials; meeting financial reserve needs and requirements; and obtaining funds for capital projects necessary to maintain service within existing service areas.

Section 5: Within ten days of adoption, this ordinance shall be published in a newspaper of general circulation within the Hidden Valley Lake Area. The ordinance shall take effect upon the 30th day after its adoption. The charges imposed for this ordinance shall be for service beginning July 1, 1995 and collected as part of the tax roll. This ordinance and the charges referenced therein shall remain in effect for the current and future years and on future collection on tax rolls until repealed by the Board of Directors.

PASSED AND ADOPTED ON AUGUST 4, 1995, 1995, by the following vote:

AYES:	DIRECTORS:	ALVERSON, SAUNDERS, KNIGHT, SHARPEN, PETKOVICH
NOES:	DIRECTORS:	NONE
ABSENT:	DIRECTORS:	NONE
ABSTAIN:	DIRECTORS:	NONE



President, Board of Directors
Hidden Valley Lake
Community Services District

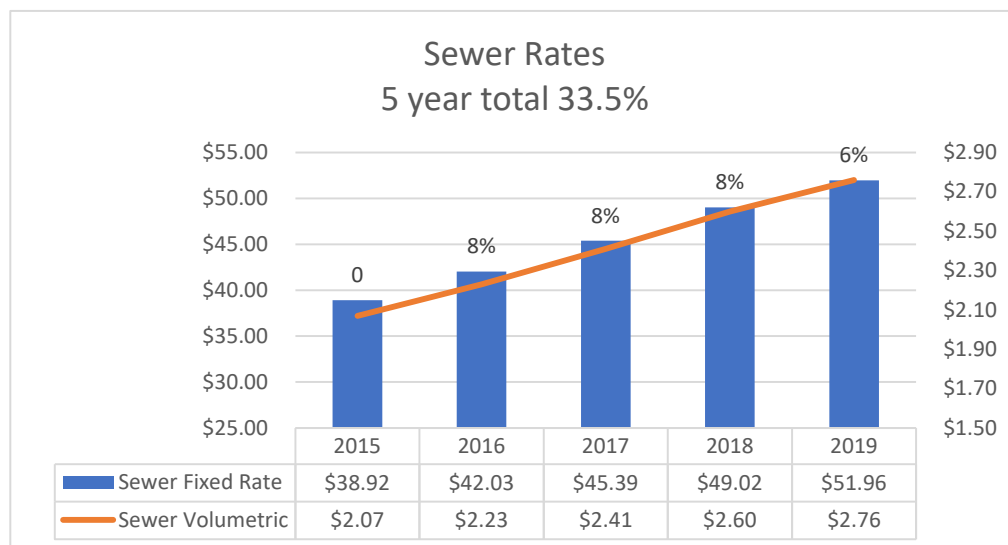
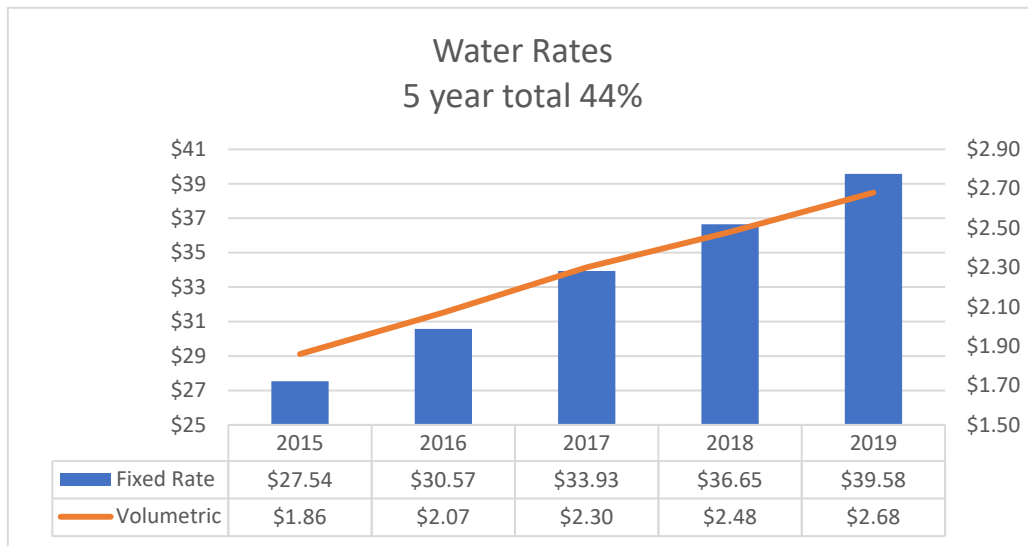
ATTEST:





Secretary to the Board of Directors
Hidden Valley Lake
Community Services District

Year	2015	2016	2017	2018	2019	
Water Fixed Rate	\$ 27.54	\$ 30.57	\$ 33.93	\$ 36.65	\$ 39.58	
Water Volumetric	\$ 1.86	\$ 2.07	\$ 2.30	\$ 2.48	\$ 2.68	
% fixed		11%	11%	8%	8%	44%
% volumetric		11%	11%	8%	8%	44%
Sewer Fixed Rate	\$ 38.92	\$ 42.03	\$ 45.39	\$ 49.02	\$ 51.96	
Sewer Volumetric	\$ 2.07	\$ 2.23	\$ 2.41	\$ 2.60	\$ 2.76	
% fixed		8%	8%	8%	6%	34%
% volumetric		8%	8%	8%	6%	33%



DRAFT TECHNICAL MEMORANDUM

TO: PENNY CUADRAS, HVLCSD
 FROM: GREG CLUMPNER, DIRECTOR, NBS
 RE: ADJUSTED **SEWER** RATE – QUICK ANALYSIS
 DATE: JANUARY 4, 2020

PURPOSE AND BASIC ASSUMPTIONS

Penny – Here’s an analysis similar to water for a sewer rate scenario. I assumed the following:

1. All CIP was eliminated except what was shown as Priorities #2 and #5 (CS Line Replacement and RAINS 2019). *(There’s a table below showing details.)*
2. All other CIP in FY’20/21 and later was pushed out by one year (but not used).
3. The “revenue bond” was reduced from \$1.65 mil to \$1.1 mil.
4. All other assumptions remain unchanged.

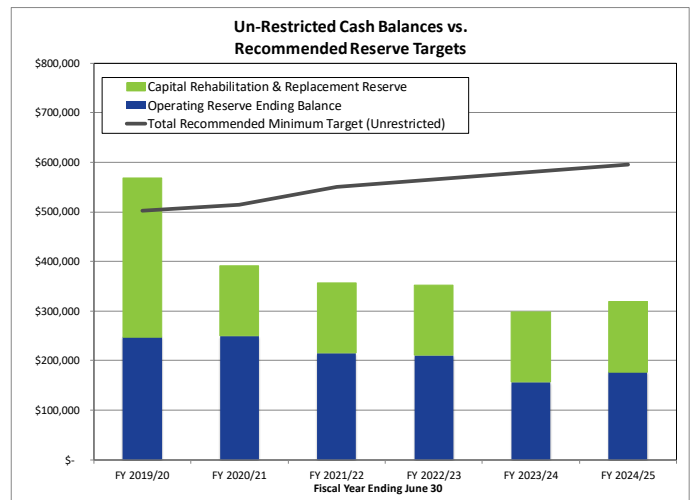
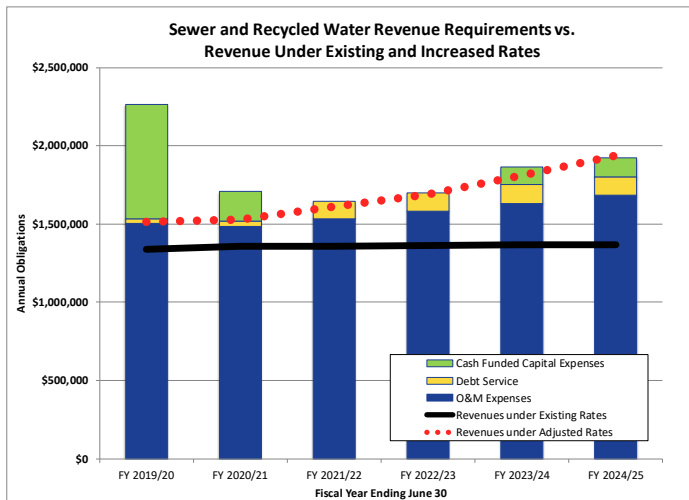
RESULTS

The following are the basic points, tables and charts that summarize what this does to the rates.

- Rates are reduced to 5%, 5%, 7%, and 7%/year and the FY’19/20 increase is skipped:

RATE REVENUE REQUIREMENTS SUMMARY	Adopted	Projected				
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
New Results - Annual % rate Increases	7.00%	0.00%	5.00%	5.00%	7.00%	7.00%
Rate Study Results - Annual % rate Increases	7.00%	10.00%	8.00%	8.00%	8.00%	8.00%

- Charts of Revenue Requirement/Rate Revenue and Reserves under adjusted rates:



CAPITAL IMPROVEMENT PROGRAM

Updated by Alyssa - (Sewer CIP to be Updated 4-4-19.xlsx)

TABLE 8 : Capital Improvement Program Costs (in Current-Year Dollars) ²

Project Description	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
CS Line Replacement - I&I (HVLCD Priority #2)	160,000	100,000	100,000	100,000	100,000	100,000	\$ -
RAINS 2019 (HVLCD 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	-	-	-	-	-	-	-
Vacc Truck	201,000	-	-	-	-	-	-
Dump Truck ³	-	-	75,000	-	-	-	-
IT Upgrades ³	5,000	-	5,000	5,000	5,000	5,000	5,000
Manhole Rehabilitation	-	-	50,000	50,000	50,000	50,000	50,000
Preliminary Design Facility	45,000	-	-	-	-	-	-
SCADA Replacement	30,000	-	30,000	30,000	30,000	30,000	30,000
Tideflex - Stormwater (not funded unless Grant/SRF Funding)	-	-	131,600	131,600	131,600	131,600	131,600
Future Projects ⁴	-	-	-	-	-	-	-
Total: REDUCED CIP (Red Only) (Current-Year Dollars)	\$ 508,000	\$ 650,001	\$ 904,001	\$ 219,000	\$ 219,000	\$ 219,000	\$ 250,600
Total: CIP Program Costs (Current-Year Dollars)	\$ 508,000	\$ 650,001	\$ 1,035,601	\$ 350,600	\$ 350,600	\$ 350,600	\$ 501,200

ALL OTHER PROJECTS ARE PUSHED OUT ONE YEAR - ONLY RED CIP IS USED

Greg Clumpner: NOT included in the total below due to assumed grant/SRF funding.

Adjusted Rates:

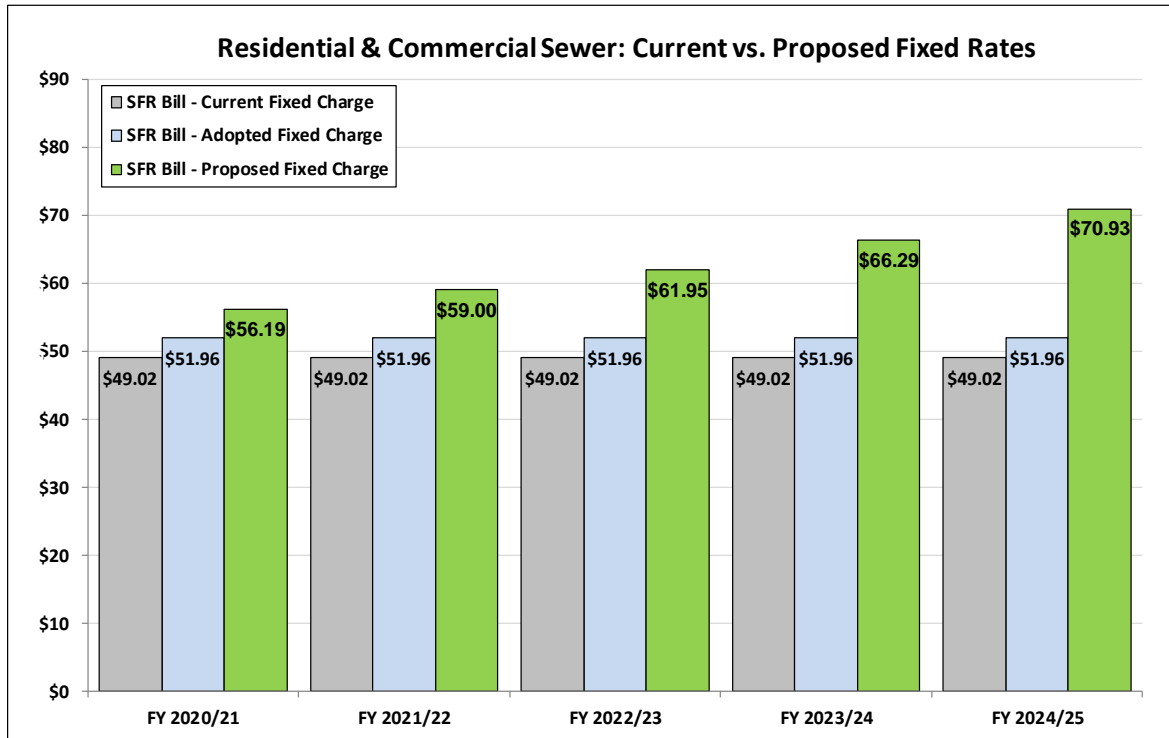
Sewer Rate Schedule	Current Rates ('18/19)	Adopted Rates ('19/20)	Proposed Sewer Rates				
			FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
% Increase in Annual Rate Revenue:			0.00%	5.00%	5.00%	7.00%	7.00%
Fixed Service Charge per HEU							
Residential & Municipal	\$49.02	\$51.96	\$56.19	\$59.00	\$61.95	\$66.29	\$70.93
Commercial	\$49.02	\$51.96	\$56.08	\$58.88	\$61.82	\$66.15	\$70.78
Volumetric Charge (\$/hcf)							
Residential & Municipal (Applied to Average Winter Water Use)	\$2.60	\$2.76	\$3.15	\$3.30	\$3.47	\$3.71	\$3.97
Commercial (Applied to Average Winter Water Use) ²	\$2.83	\$3.00	\$3.00	\$3.15	\$3.30	\$3.54	\$3.78

Rate Study Results:

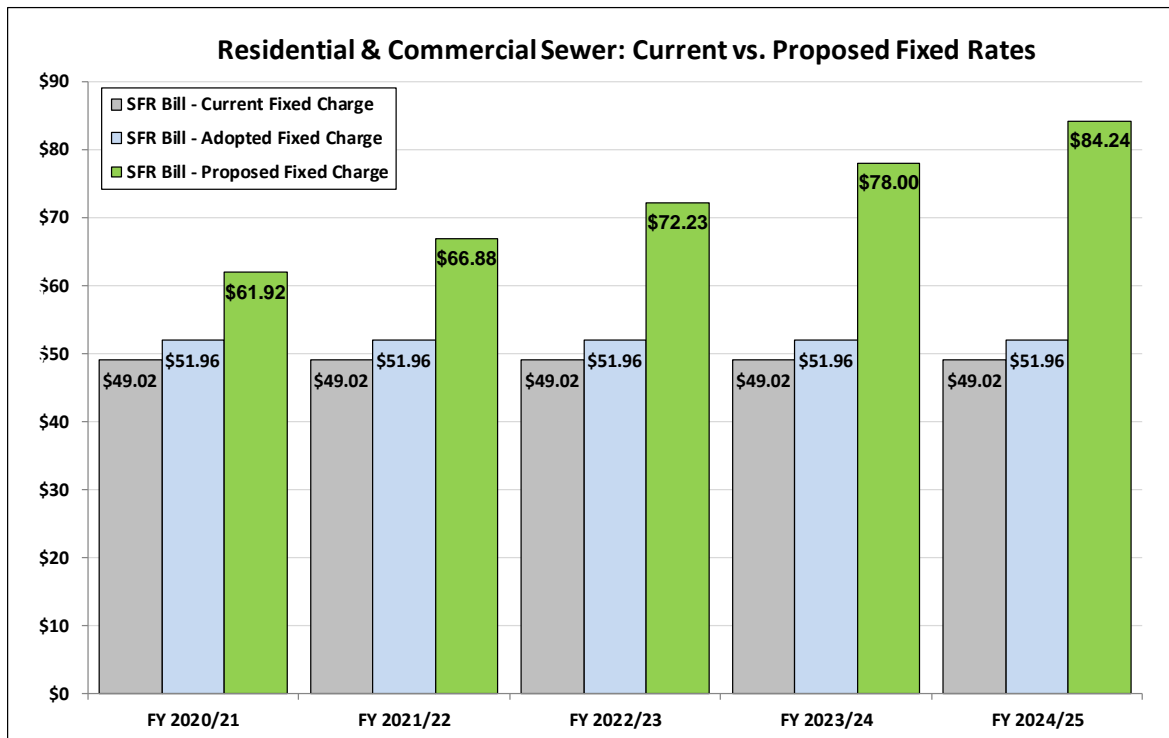
Sewer Rate Schedule	Current Rates ('18/19)	Adopted Rates ('19/20)	Proposed Sewer Rates				
			FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25
% Increase in Annual Rate Revenue:			10.00%	8.00%	8.00%	8.00%	8.00%
Fixed Service Charge per HEU							
Residential & Municipal	\$49.02	\$51.96	\$61.92	\$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.

Adjusted Rates:



Rate Study Results:



DRAFT TECHNICAL MEMORANDUM

TO: PENNY CUADRAS, HVLCS D
FROM: GREG CLUMPNER, DIRECTOR, NBS
RE: ADJUSTED WATER RATE – QUICK ANALYSIS
DATE: JANUARY 4, 2020

PURPOSE AND BASIC ASSUMPTIONS

Penny – I thought I'd run a quick analysis of one water rate scenario as an example of how rates could be adjusted. I assumed the following:

1. All CIP was eliminated except what was shown as Priorities #1 and #3 (Tank 9 and AMI). *(There's a table below showing details.)*
2. All CIP was pushed out by one year.
3. The "revenue bond" was reduced from \$19 mil to \$5 mil.
4. All other assumptions remain unchanged.

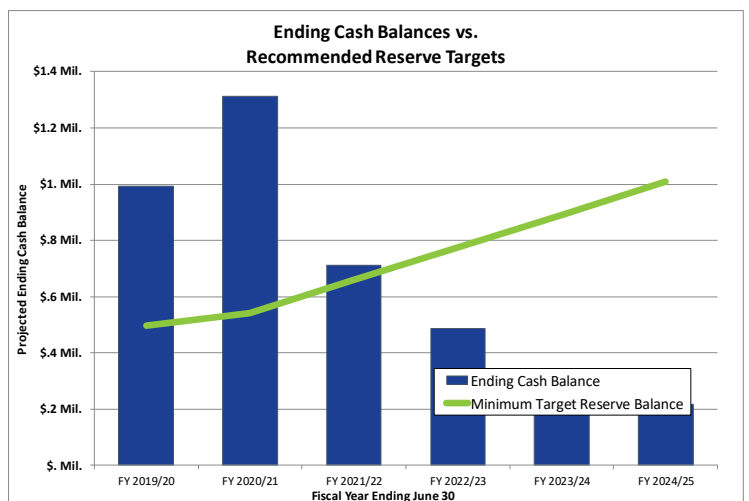
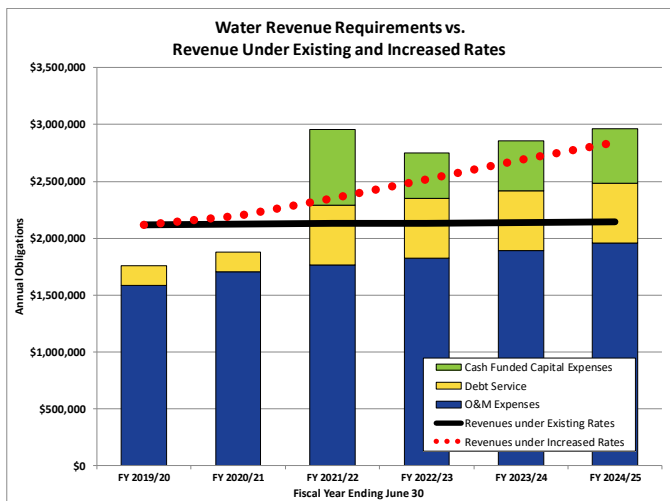
RESULTS

The following are the basic points, tables and charts that summarize what this does to the rates.

- Rates are reduced to 7%/year and the '19/20 increase is skipped:

RATE REVENUE REQUIREMENTS SUMMARY	Adopted	Projected			
	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
New Results - Annual % rate Increases	0.00%	7.00%	7.00%	7.00%	7.00%
Rate Study Results - Annual % rate Increases	20.00%	15.00%	15.00%	15.00%	8.00%

- Charts of Revenue Requirement/Rate Revenue and Reserves under adjusted rates:



CAPITAL IMPROVEMENT PROGRAM

Updated by Alyssa - (Water CIP to be Updated 4-4-19.xlsx)

TABLE 11 : Capital Improvement Program Costs (in Current-Year Dollars):

Project Description ³	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2025/26
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 Backhoe		-	541,800	541,800	541,800	541,800	541,800
Dump Truck ⁴		-	75,000	-	-	-	-
Hydrants		-	748,400	748,400	748,400	748,400	748,400
IT Upgrades ⁴		5,000	5,000	5,000	5,000	5,000	5,000
SCADA Replacement ⁴		-	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
Future Projects ⁵		-	-	-	-	-	-
Total: REDUCED CIP (Red Only) (Current-Year Dollars)	\$ -	\$ 320,000	\$ 1,279,800	\$ 1,279,800	\$ 1,279,800	\$ 1,279,800	\$ 1,279,800
Total: Capital Improvement Program Costs (Current-Year)	\$ -	\$ 609,000	\$ 3,902,800	\$ 3,767,800	\$ 3,767,800	\$ 3,767,800	\$ 3,767,800

ALL PROJECTS PUSHED OUT ONE YEAR - ONLY RED CIP IS USED

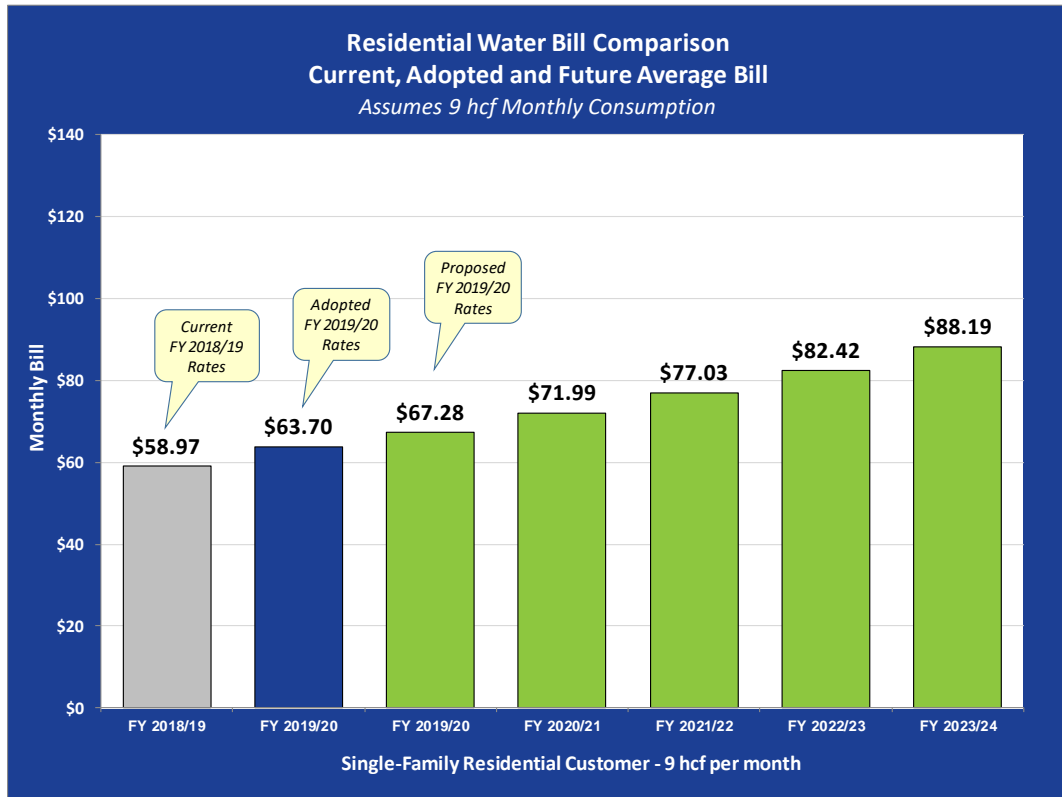
Adjusted Rates:

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
Increase in Rate Revenue:			0.00%	7.00%	7.00%	7.00%	7.00%
Fixed Service Charge							
<i>Monthly Fixed Service Charge:</i>							
5/8 inch	\$36.65	\$39.58	\$40.25	\$43.07	\$46.08	\$49.31	\$52.76
3/4 inch	\$53.72	\$58.02	\$40.25	\$43.07	\$46.08	\$49.31	\$52.76
1 inch	\$87.88	\$94.91	\$96.48	\$103.23	\$110.46	\$118.19	\$126.46
1.5 inch	\$173.25	\$187.11	\$190.19	\$203.51	\$217.75	\$232.99	\$249.30
2 inch	\$275.71	\$297.75	\$302.65	\$323.84	\$346.50	\$370.76	\$396.71
Water Commodity Charges							
<i>Volumetric Rates</i>							
Single & Multi-Family	\$2.48	\$2.68	\$3.00	\$3.21	\$3.44	\$3.68	\$3.94
Commercial	\$2.48	\$2.68	\$3.24	\$3.46	\$3.70	\$3.96	\$4.24
Municipal	\$2.48	\$2.68	\$3.58	\$3.83	\$4.10	\$4.39	\$4.70

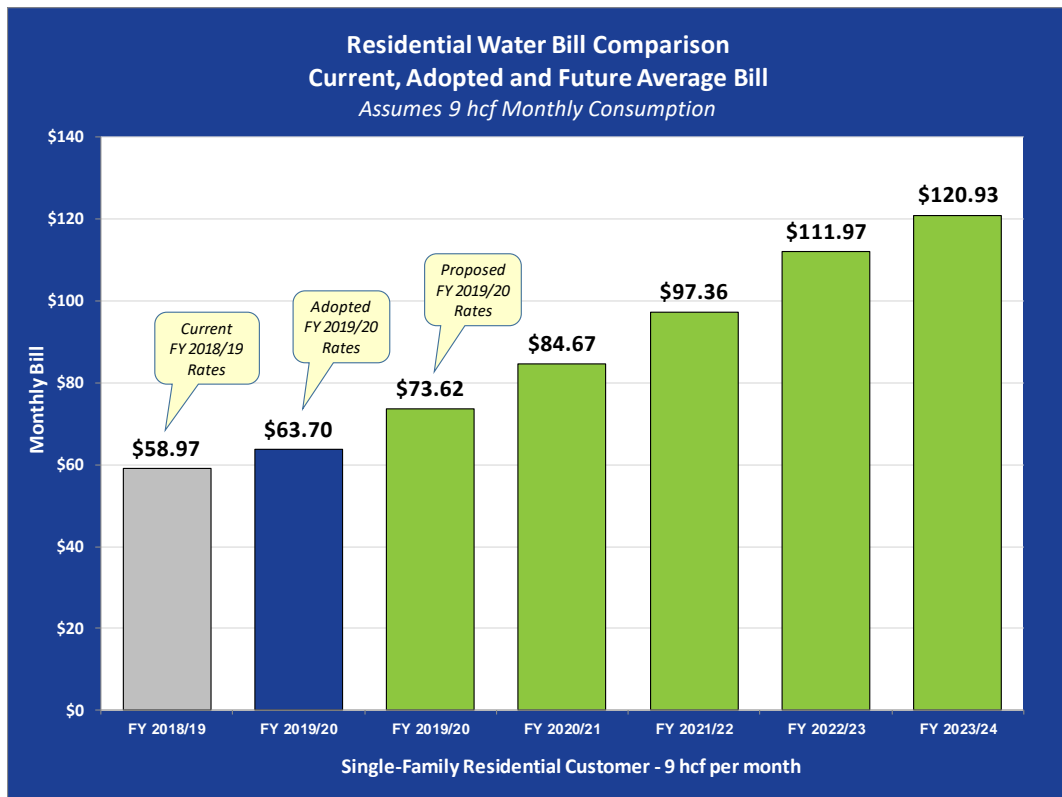
Rate Study Results:

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
Increase in Rate Revenue:			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

Adjusted Rates:



Rate Study Results:





HIDDEN VALLEY LAKE
COMMUNITY SERVICES DISTRICT

WATER, SEWER & RECYCLED WATER RATE STUDY REPORT

April 2019

ACCEPTED AUGUST 20, 2019

OFFICE LOCATIONS:

Temecula – Headquarters
32605 Temecula Parkway, Suite 100
Temecula, CA 92592

San Francisco - Regional Office
San Francisco, CA 94102

Davis - Regional Office
Davis, CA 95616

Phone: 800.676.7516

www.nbsgov.com

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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

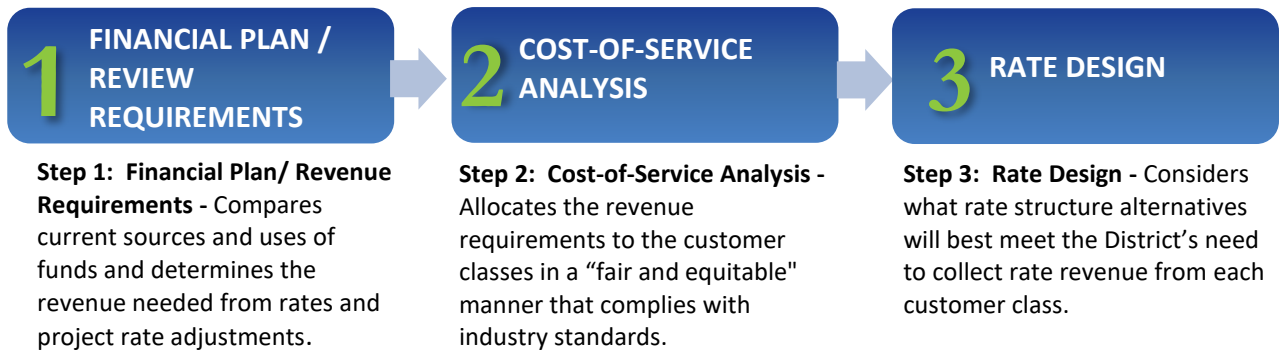
- Changes in annual operating costs, including adjustments resulting from the District’s salary survey
- The need to build adequate CIP and replacement reserves

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 rebuilt 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.

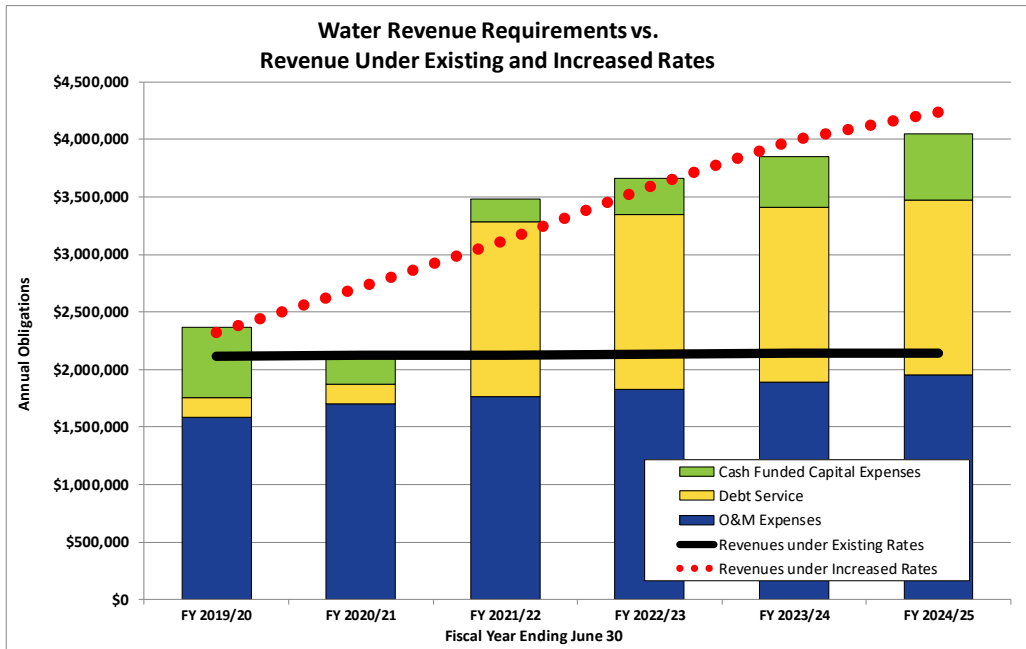
Meeting Net Revenue Requirements: For Fiscal Years 2019/20 through 2024/25, the projected net revenue requirement that must be recovered from rates increases by more than 74%, from \$2.28 million to \$3.98 million, as shown in **Figures 3 and 4**. Without additional rate increases, the water utility 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.

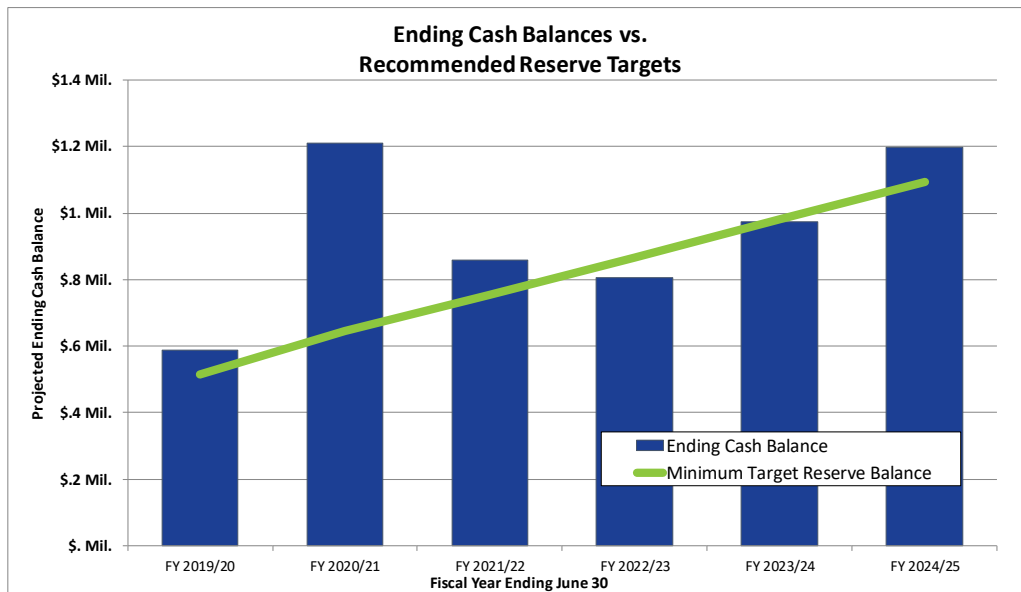
Figure 5 summarizes the projected reserve fund balances and reserve targets for the next five years. Figure 6 indicates that, assuming the proposed rate increases are adopted, the District’s reserves will increase over the next five years, and will keep up with the reserve fund target, which is growing 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



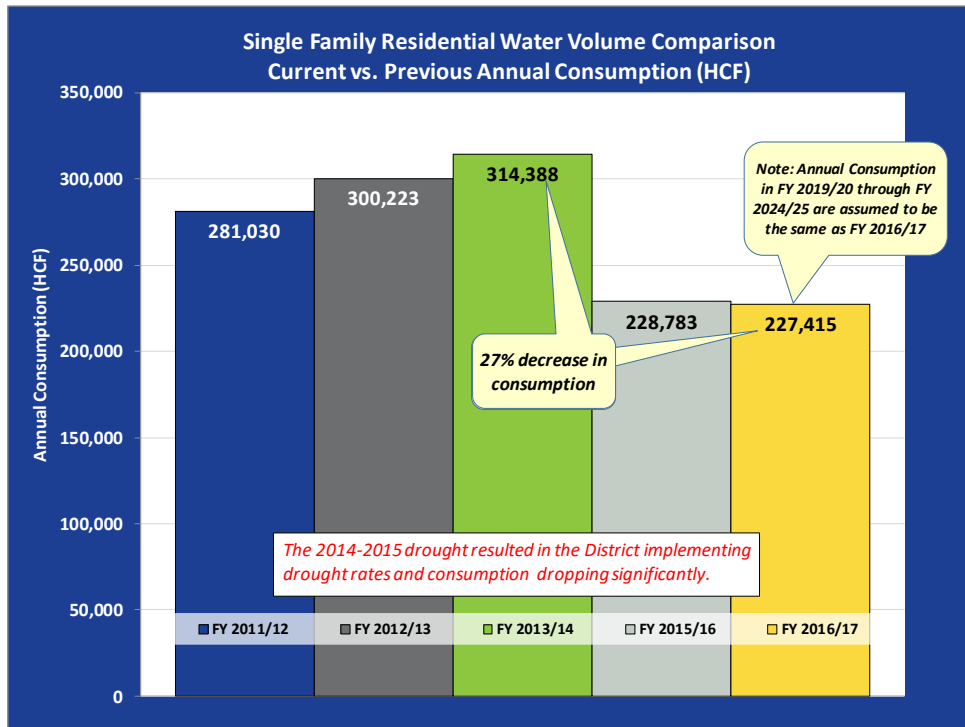
Building and Maintaining Reserve Funds: The Water Utility should maintain sufficient reserves. NBS recommends the District adopt and maintain the following reserve fund target balances:

- ✓ **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.

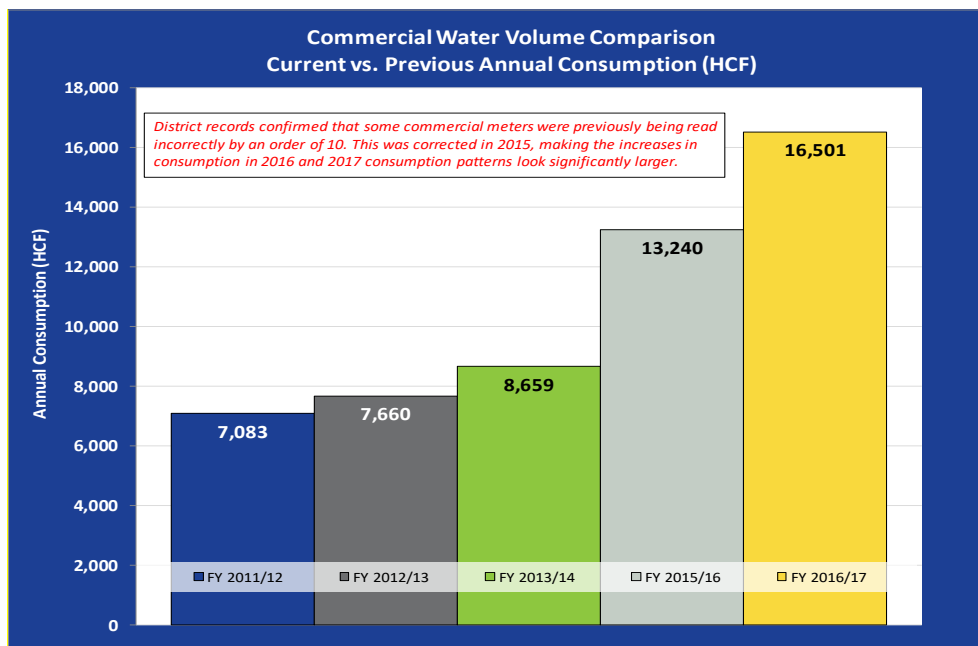
⁴ OPEB refers to “Other Post-Employment Benefits”.

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

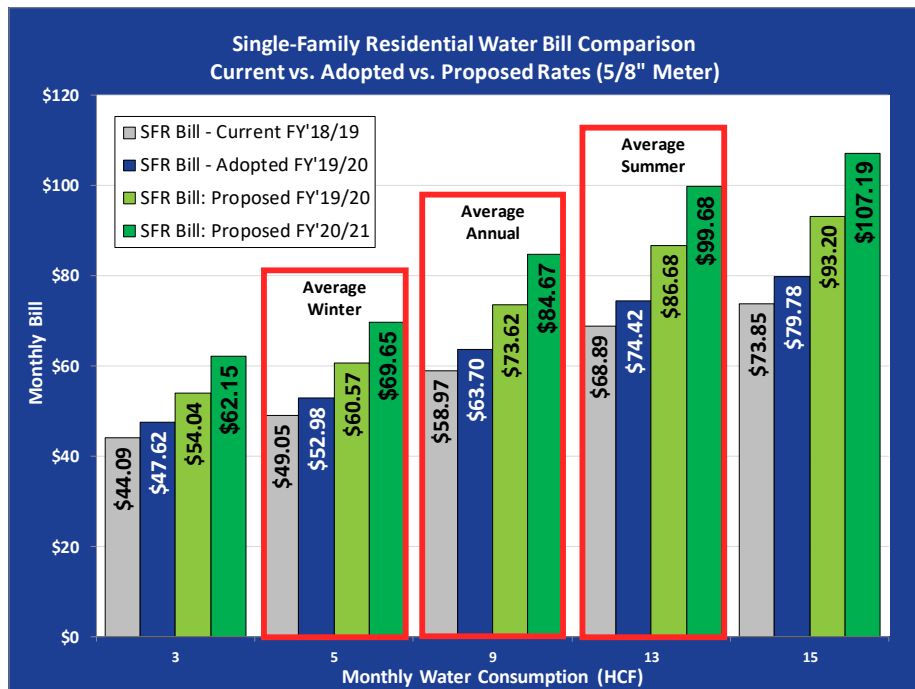


Figure 11. Projected Monthly Single-Family Water Bills – Average Water Use

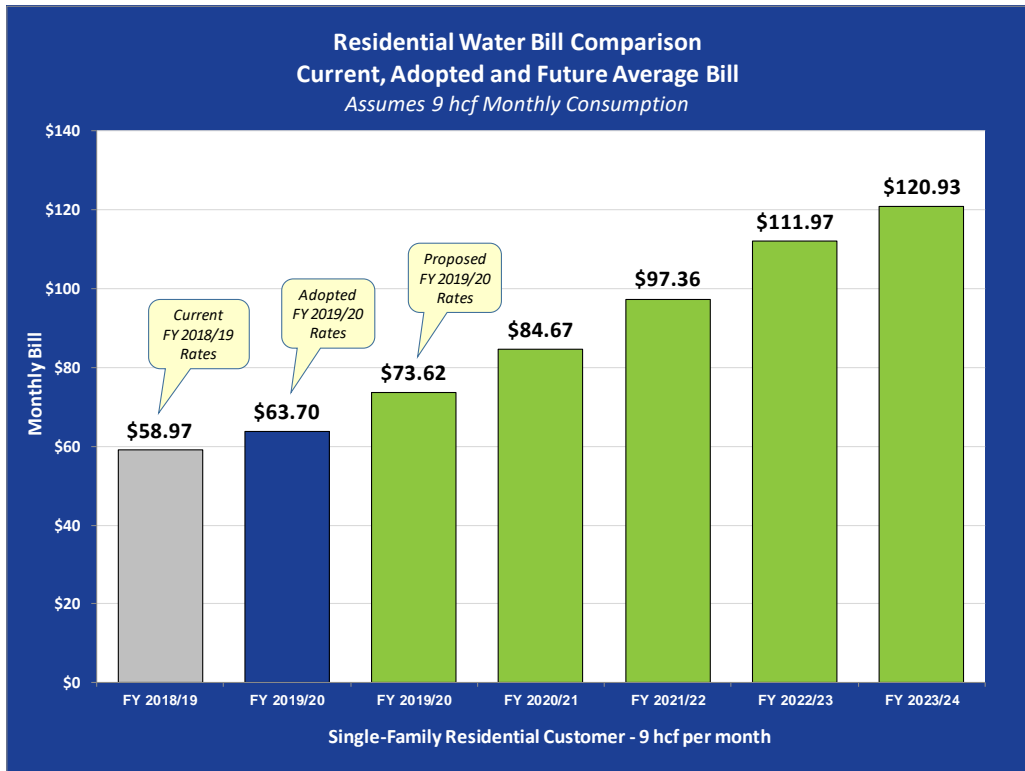
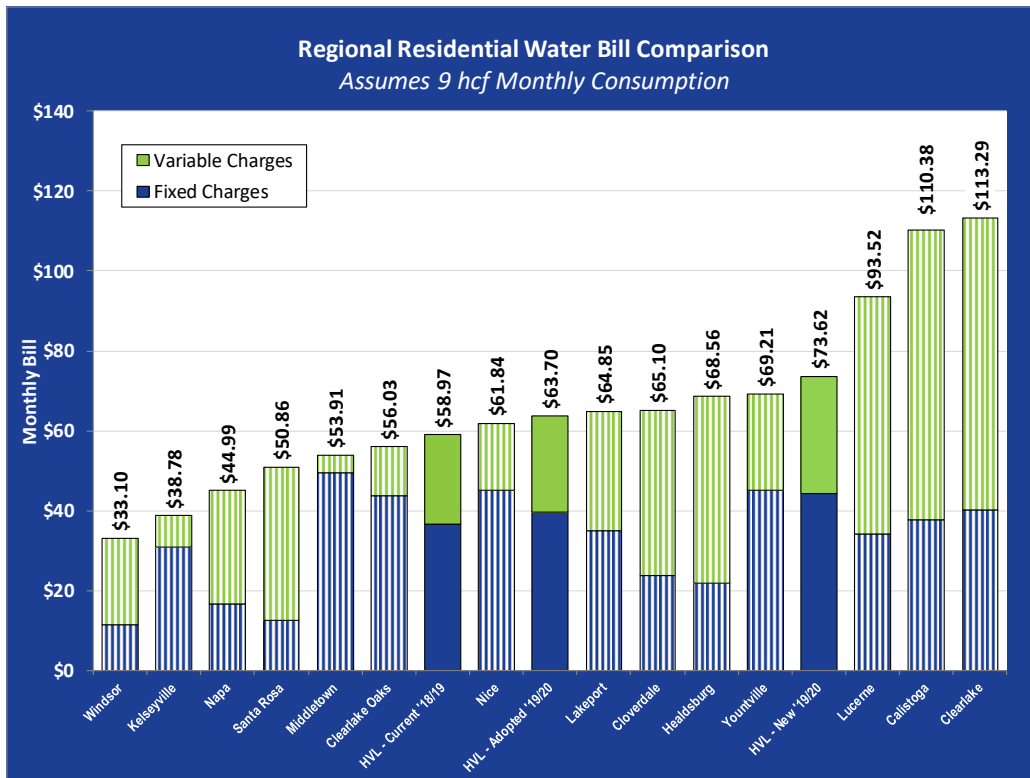


Figure 12. Regional Comparison of Monthly Water Bills for Single-Family Residential



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

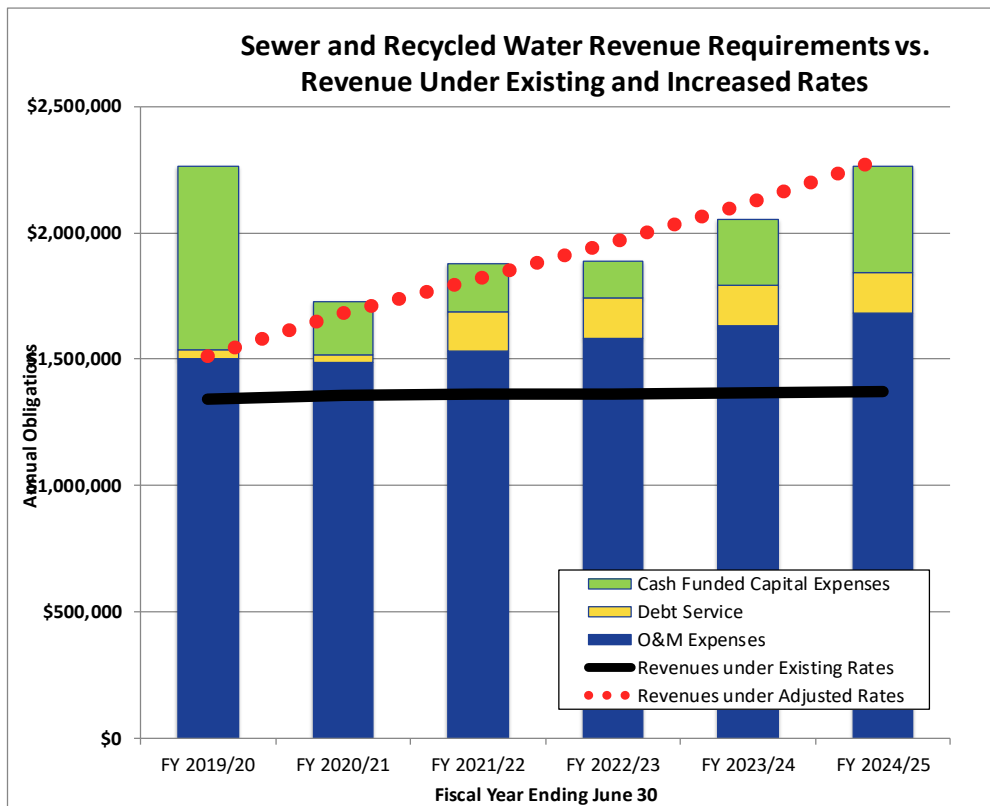


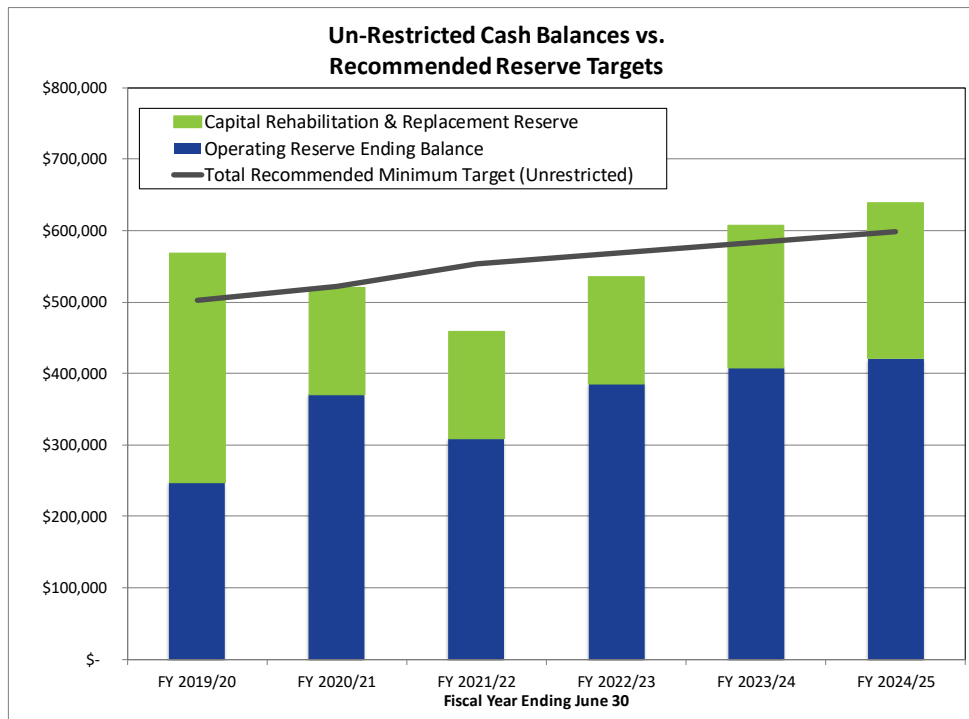
Figure 17 summarizes the projected reserve fund balances and reserve targets, for the next five years. Figure 18 indicates that, assuming the proposed rate increases are adopted, the District’s initial small

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 ² (hcf)	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

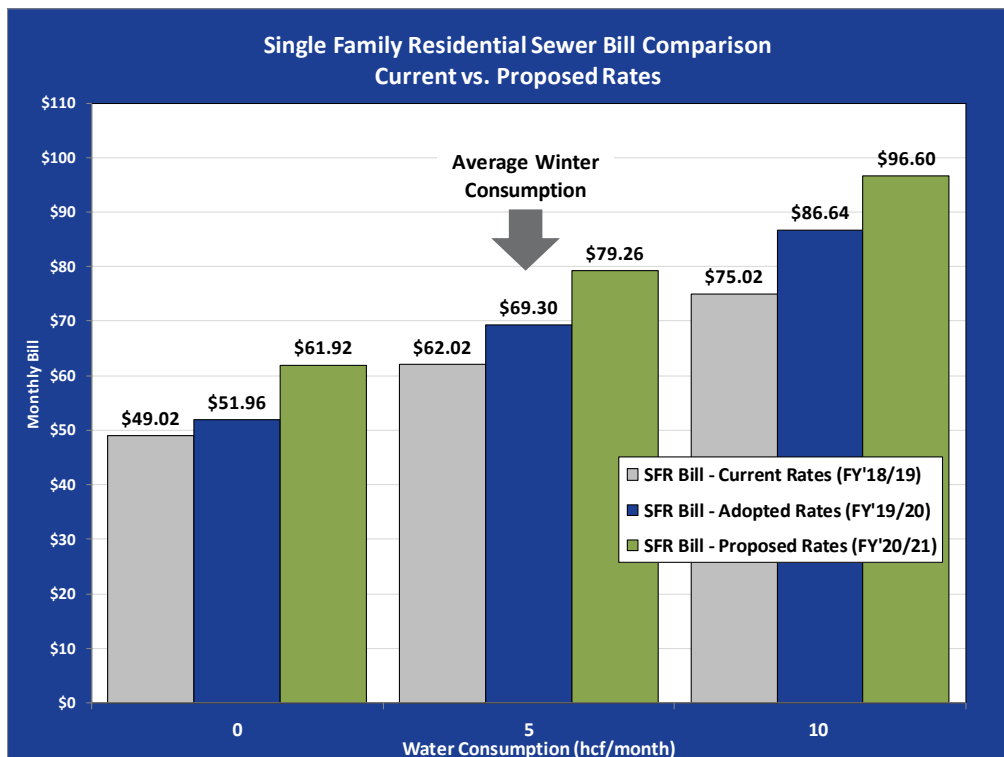


Figure 25. Commercial Sewer Bill Comparison – Current vs. Proposed Rates

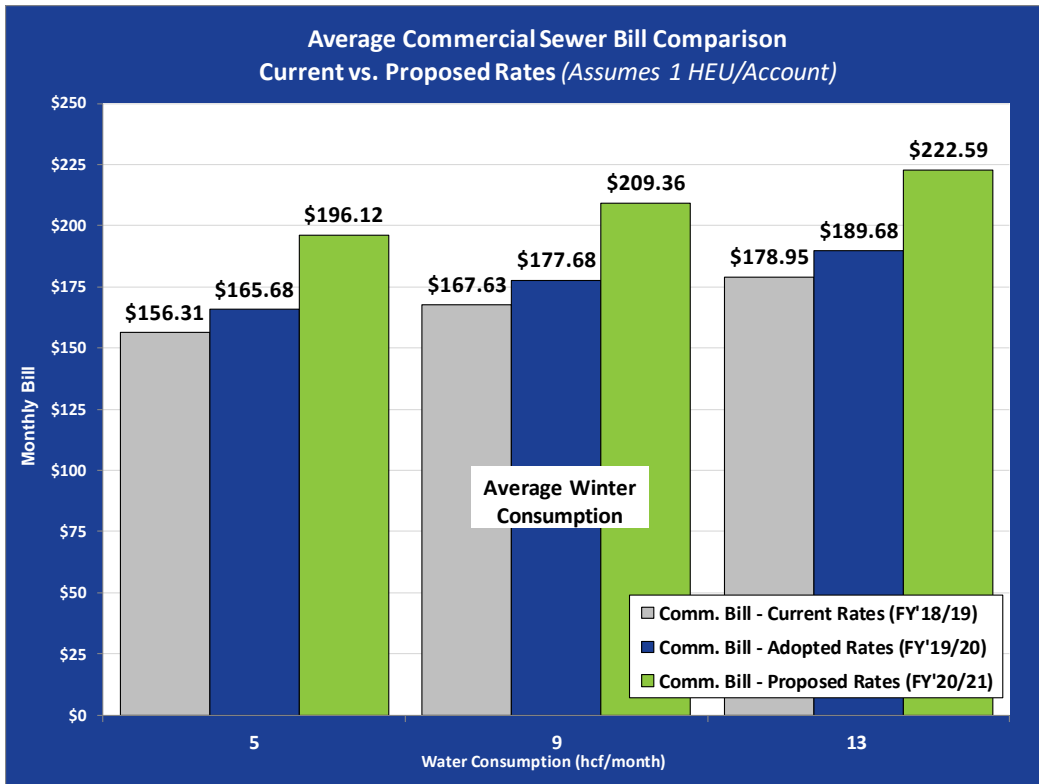
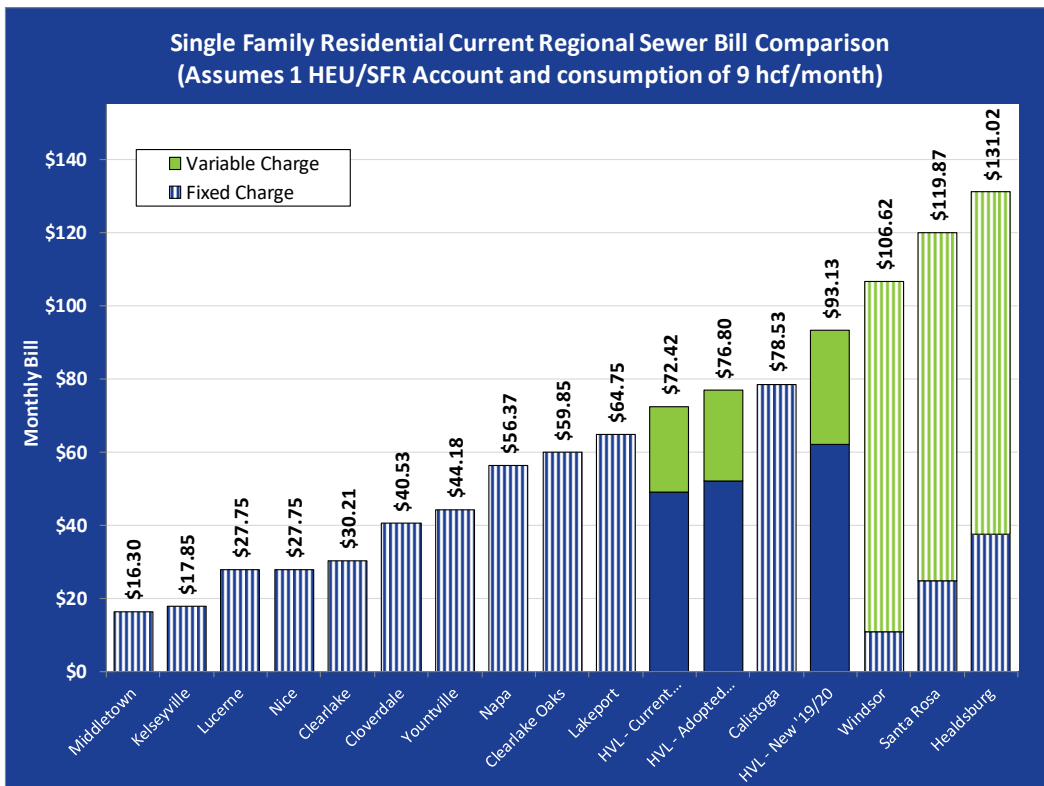


Figure 26. Regional Sewer Bill Comparison – Single Family Residential



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.

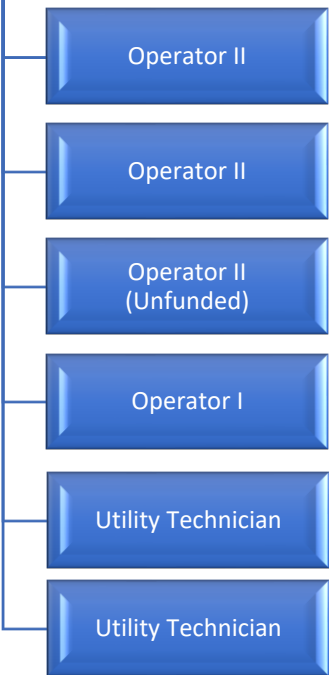
We are also assuming that future water consumption levels, which District staff believe are representative of future conditions, are accurate, and that funding from grants and low-interest loans is largely unavailable or will not be secured in time to construct urgently needed capital projects. We also assume that the District will consider reducing future rate increases if such funding becomes available.

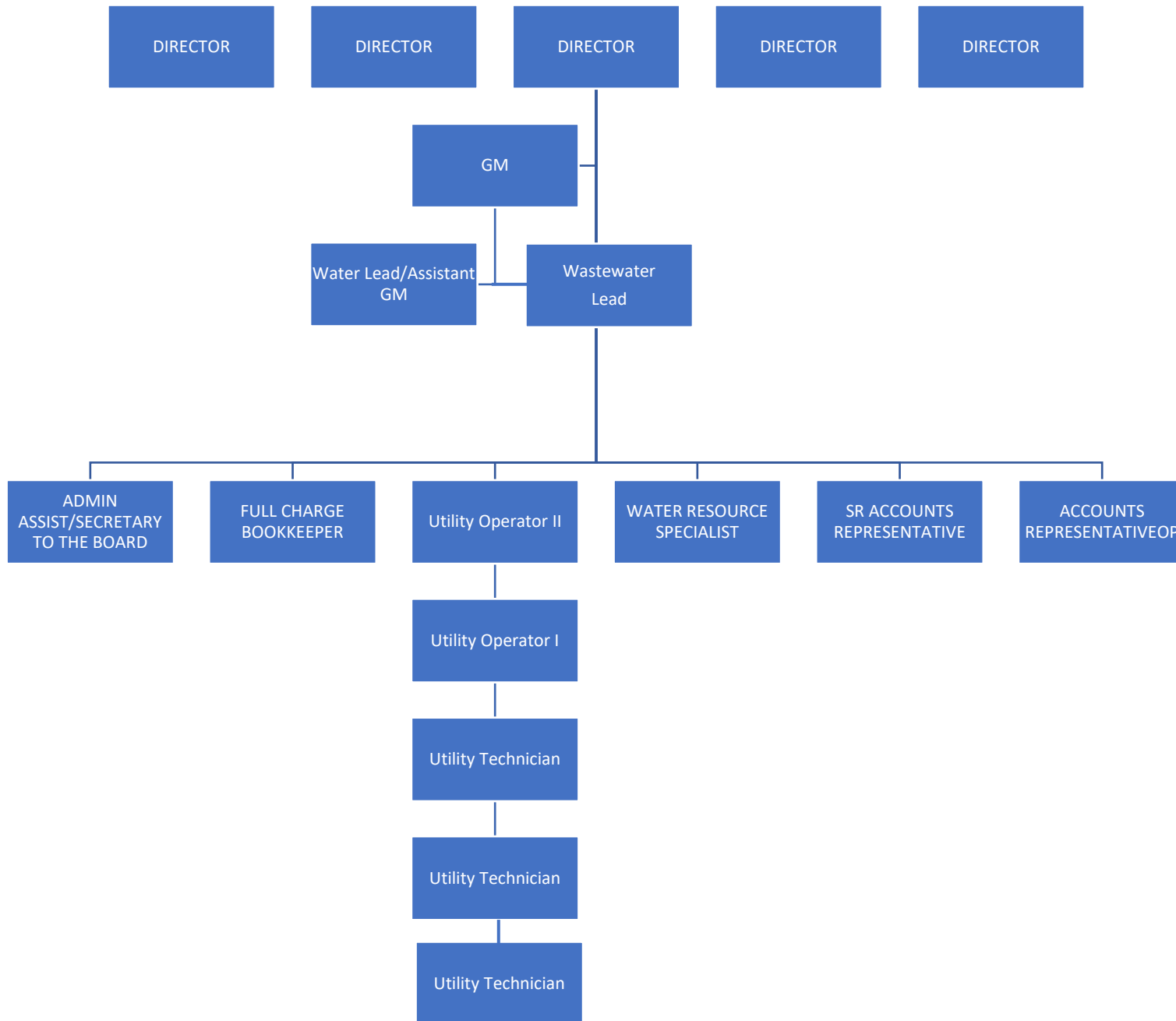
While we believe NBS' use of such information and assumptions is reasonable for the purpose of this report and its recommendations, some assumptions will invariably not materialize as stated herein or may vary significantly due to unanticipated events and circumstances. Therefore, the actual results 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

2019 ORGANIZATIONAL CHART





REPORT

2020



JANUARY 27

Hidden Valley Lake

Authored by: Dennis White



Logo
Name

Much Needed Field Staff

Hidden Valley Community District

Hydrant Flushing program

Why Flushing Hydrants and wasting water keeps use safe. Flushing hydrants can be frustrating to residents in places with low water supplies, but it is essential to ensuring clean and safe water. You have probably seen it many times and thought to yourself, "what a waste of good clean water!" Flushing hydrants can be frustrating to residents in places with low water supplies or those who pay high premiums to keep their taps flowing. While it may seem like a waste of good clean water, flushing of hydrants is essential to keeping your water safe and maintain the integrity of a pipe network. Flushing hydrants can be done to not only test the fire flow capacity in the event of a fire, but also to remove sediment and rust from the water, or to maintain proper chlorine concentrations in your area.

First, let's look at flushing hydrants for the purpose of keeping chlorine concentrations high for disinfection purposes. Chlorine additions are common disinfection procedures in US water treatment plants, and it ensures that bacteria are not thriving in the water or pipe network. However, chlorine naturally degrades the longer it is in water, which means that water sitting in pipes for long periods of time or further out from the treatment plant can have concentrations lower than acceptable, creating danger. Hydrants are flushed to keep water moving and keep pipes from stagnating in this case. The State water resource control board requires that we maintain a .20mg/l at the furthest part of the distribution system.

Another reason hydrant flushing can be necessary is if water becomes stagnant in pipes, or water becomes contaminated. Sediments, rust, and even chemicals can sometimes leach into a water system from broken pipes or even the linings of the pipes themselves. Engineers recognize this risk and determine key locations where hydrant flushing will increase water quality.

The final reason hydrants may be flushed is to test or record flow values. Certain codes indicate the necessary fire flows from hydrants in order to maintain safety in the event of a disaster. Pressures and flow rates at hydrants can be drastically affected by other users'

usage of water, or even possibly a burst pipe. Periodical testing ensures that there is enough water supply, which also can affect home and business owners' insurance rates.



This is also a State requirement for a public agency. The District has about 350 wharf hydrants and 6 multiple tree hydrants. This requires three field staff members at 30min

Per hydrant this does not include start up and tear down times. Equals about 175 hours
19.4 consecutive days.

Water valve exercise program

Valve Exercising Program. The purpose of the Valve Exercising Program is to exercise main line valves throughout the distribution system to assure reliable operation and maintain water quality. Each valve is operated through a full cycle and returned to its normal position.

Valves, those devices that regulate and stop or start water in the distribution system, are an integral part of a drinking water utility. Making sure valves are functioning properly through a valve exercising program is something most systems know they should do. Few actually do it.

So, what is a valve exercise program? Basically, there are four components to a valve exercise program:

1. locate the valves,
2. fully exercise valves,
3. maintain detailed valve records, and
4. schedule and perform needed repairs.

according to AWWA, "Each valve should be operated through a full cycle and returned to its normal position on a schedule that is designed to prevent a buildup of tuberculation [rust formation in pipes as a result of corrosion] or other deposits that could render the valve inoperable or prevent a tight shutoff. The interval of time between operations of valves in critical locations or valves subjected to severe operating conditions should be shorter than for other less important installations but can be whatever time period is found to be satisfactory based on local experience. The number of turns required to complete the operation cycle should be recorded and compared with permanent installation records to ensure that full gate travel (i.e., it can be opened and closed) is maintained.

From my experience, most valve problems encountered during a valve exercise program are from one of the following five categories:

1. System personnel cannot locate the valve. It almost goes without saying that these valves will need attention.
2. The valve is already broken. You need to know how many and where, so replacements can be scheduled, and costs budgeted.

-
3. The stem or operating nut breaks before valve movement can be accomplished.
 4. Bonnet bolts are decayed and break off before the valve turns, resulting in a water leak that needs to be repaired immediately. (I think that this situation is better found now than in the middle of the night when the valve is needed, and failure further complicates the reason the valve was needed.)
 5. You get the valve near closed, the gate gets lodged, and it breaks in or near the closed position. This is usually the result of something happening inside the valve as it nears the closed position: the worst tuberculation in the valve happens; the discs spread, requiring higher torque (rotational force) to pull them back together; or there is some pressure on the gate from the water pressure on either side of the gate.

I have seen valves that turn fairly easily all the way down to the near-closed position and then require 10 times more torque to get them to open back up. This is caused by using too much torque the first time you get into the near-closed position. Control of the torque is critical in this situation.

Opening the valve at least three turns to allow flushing of debris from the valve should follow every three tries at low torque. Some opt to open hydrants to assure flushing of debris from the valve and system. If full gate travel cannot be realized, then you should raise the torque slightly and attempt another close. If, at this point, you force the valve too hard, then a much higher percentage of broken valves will result. The ability of controlling the torque combined with constant monitoring of the accurate counter mechanism will result in the end product you are looking for—a fully exercised and operational valve.

Every water utility must give serious consideration to this area to assure future reliability of the system. Many would argue that a proactive valve exercise program is the one thing that any water utility can undertake that will have the most positive results for the water utility and its customers.

The District has 687 Valve that need to be exercised annually which also includes the cleaning of the can risers.

This requires three field staff members at 45min per Valve this includes set up time. Equals about 515.25 hours 57 consecutive days.

WATER LEAK DETECTION AND REPAIR PROGRAM

Benefits of Leak Detection and Repair

Minimizing leakage in water systems has many benefits for water customers (and their suppliers). These benefits include:

- Improved operational efficiency.
- Lowered water system operational costs.
- Reduced potential for contamination.
- Extended life of facilities.
- Reduced potential property damage and water system liability.
- Reduced water outage events.
- Improved public relations.

Some added benefits of leak detection and repair that are difficult to quantify include:

- increased knowledge about the distribution system, which can be used to respond more quickly to emergencies and set priorities for replacement or rehabilitation programs;
 - more efficient use of existing supplies and delayed capacity expansion;
- increased firefighting capability.

Leak detection and repair programs can lead other important water system activities, such as:

- inspecting hydrants and valves in a distribution system;
- updating distribution system maps;
- using remote sensor and telemetry technologies for ongoing monitoring and analysis of source, transmission, and distribution facilities. Remote sensors and monitoring software can alert operators to leaks, fluctuations in pressure, problems with equipment integrity, and other concerns; and
- inspecting pipes, cleaning, lining, and other maintenance efforts to improve the distribution system and prevent leaks and ruptures from occurring.

Unaccounted-for Water

Unaccounted-for-water includes unmeasured water put to beneficial use as well as water losses from the system. It is the difference between water produced (metered at the treatment facility) and metered use (i.e., water sales plus non-revenue producing metered water). Unaccounted-for water can be expressed in millions of gallons per day (mgd) but is usually discussed as a percentage of water production:

Unaccounted-for water (%) = [(Production - metered use) / (Production)] x 100%.

Authorized un-metered uses include firefighting, main flushing, process water for water treatment plants, landscaping of public areas, etc. Water losses include all water that is not identified as authorized metered water use or authorized un-metered use.

Types of Leaks

There are different types of leaks, including service line leaks, and valve leaks, but in most cases, the largest portion of unaccounted-for water is lost through leaks in supply lines. There are many possible causes of leaks, and often a combination of factors leads to their occurrence. The material, composition, age, and joining methods of the distribution system components can influence leak occurrence. Another related factor is the quality of the initial installation of distribution system components. Water conditions are also a factor, including temperature, velocity, and pressure. External conditions, such as stray electric current; contact with other structures; and stress from traffic vibrations, frost loads, and freezing soil around a pipe can also contribute to leaks.

The underground piping should be maintained. Leaks in underground plumbing can be caused by many different factors, including rusting through from age or from stray electric currents from other underground utilities that can prematurely rust metallic piping, driving over piping with heavy trucks or equipment, poor initial installation, freezing and thawing of a pipeline,

leaking joints or valves, or transient high-pressure events such as opening and closing valves or starting and stopping pumps quickly. Signs of underground leaks include:

-
- Unusually wet spots on the ground surface.
 - An area that is green, moldy, soft, or mossy surrounded by drier conditions.
 - A notable drop in water pressure/flow volume.
 - A sudden problem with rusty water or dirt or air in the water supply (there are other causes for this besides a leak).
 - Heaving or cracking of paved areas.
 - Sink holes or potholes.
 - Unexplained sudden increase in water use, consistently high-water use, or water use that has been climbing at a fairly steady rate.

Leak Detection and Repair Strategies

There are various methods for detecting water distribution system leaks. These methods usually involve using sonic leak-detection equipment, which identifies the sound of water escaping a pipe. These devices can include pinpoint listening devices that make contact with valves and hydrants, and geophones that listen directly on the ground. In addition, correlator devices can listen at two points simultaneously to pinpoint the exact location of a leak.

Large leaks do not necessarily constitute the greatest volume of lost water, particularly if water reaches the surface where they are usually found quickly, isolated, and repaired. However, undetected leaks, even small ones, can lead to large quantities of lost water since these leaks might exist for a long time. Ironically, many small leaks are easier to detect because they are noisier and easier to hear using hydrophones. The most difficult leaks to detect and repair are usually those under stream crossings. Leak detection efforts should focus on that portion of the distribution system.

Active leak detection is crucial in identifying unreported water leakage and losses in the distribution system. Finding and repairing water losses through an active leak detection program will reduce water loss and, in many cases, save substantial money. Without a leak detection program, leaks may only be found when they become visible at the surface, or when major infrastructure collapses. Active leak control will reduce expensive emergency overtime repairs and the associated liability costs. The impact on customers is

also greater in emergency repair situations as is the possible impact on other infrastructure (roads, sewers, utilities) and on the environment due to possible discharges of chlorinated water. Detecting leaks is only the first step in eliminating leakage. Leak repair is the more costly step in the process.

Distribution system leakage totals calculated in accordance with the formula below shall be recorded in annual percent and volume;

$DSL(\%) = [(TP - AC) / (TP)] \times 100$ Where: DSL = Percent of Distribution System Leakage (%)
TP = Total Water Produced and Purchased AC = Authorized Consumption

Any water that cannot be accounted for shall be considered distribution system leakage. We should maintain reportable documentation.

If the calculated annual distribution system leakage is greater than 10 percent, the district must provide an explanation of any technical or economic concerns, or other system characteristics, contributing to exceedance of the 10% standard.

If an alternative method is being used to calculate distribution system leakage totals, then it must include annual figures and the chosen methodology's numerical standard(s). The alternative methodology used must be included in one of the recognized national publications on water loss and/or leakage. Furthermore, any alternative method must provide a better evaluation of distribution system leakage than calculating the percent of total water produced and purchased; it must be appropriate for the system requesting to use it; and it must use numerical standards so that compliance and action levels can be assessed.









Service Line Replacement Program
Manhole Lid Replacement Program
LUG Program
Water Maintenance Program
Sewer Line Jetting
Sewer line Camera inspection program
Air vac release program both water and wastewater
Tank Maintenance program
Safety training

January 13, 2020

Hidden Valley Lake CSD

Cost Estimate for Classification and Total Compensation Study

SUBMITTED BY:

VICKI QUINTERO BRASHEAR

Director of Products and Services

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Your Path to Performance

January 13, 2020

Penny Cuadras
Admin Assistant to the G.M.
Hidden Valley Lake CSD
pcuadras@hvlcsd.org

Re. Cost Estimate for Classification and Total Compensation Study

Sent via email to: pcuadras@hvlcsd.org

CPS HR Consulting (CPS HR) is pleased to submit this quote in response to your request for a classification and total compensation study. We have outlined our understanding of the scope of work, work plan, timeline, and cost.

Thank you for the opportunity to be considered for this assignment. Should you have questions or comments about the information presented in this quote, please contact Kelly Gonzales at kgonzales@cpshr.us or (916) 471-3334.

Sincerely,



Vicki Quintero Brashear
CPS HR Consulting
Director of Products and Services

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About CPS HR Consulting

CPS HR Consulting (CPS HR) is an innovative, client-centered human resources and management consulting firm specializing in solving the unique problems and challenges faced by government and non-profit agencies. As a self-supporting public agency, we understand the needs of public sector clients and have served as a trusted advisor to our clients for over 30 years. The distinctive mission of CPS HR is to promote human resource excellence in the public sector.

CPS HR occupies a unique position among its competitors in the field of government consulting; as a Joint Powers Authority, whose charter mandates that we serve only public sector clients, we actively serve all government sectors including Federal, State, Local, Special Districts, Education, and Non-Profit Organizations. This singular position provides CPS HR with a systemic and extensive understanding of how each government sector is inter-connected to each other and to their communities. That understanding, combined with our knowledge of public and private sector best practices, translates into meaningful and practical solutions for our clients' operational and business needs.

Our experience makes us uniquely qualified for your requested services for a classification and compensation study. Our team members specialize in providing human resources consulting services to the education industry throughout the State, and have considerable experience conducting classification and salary studies.

Scope of Work and Consulting Approach

CPS HR understands that the District is seeking a consulting firm to conduct a classification and total compensation study for 10 classifications with 12 incumbents.

CPS HR has provided pricing for the Classification and Total Compensation Study, as well as the following Optional Services:

- American Disability Act (ADA) Analysis
- Fair Labor Standards Act (FLSA) Analysis
- Employee Appeals Process

Work Plan - Classification Study

The classification work plan outlined in this section defines tasks within a comprehensive classification study, from employee orientation sessions to final reports and the deliverables associated with each task. CPS HR provides information on three optional classification services and provides those prices separately.

Task 1 – Receive and Review Background Materials. Upon contract execution, CPS HR will gather background information including the following materials:

• Organization Charts	• Classification Specifications
-----------------------	---------------------------------

<ul style="list-style-type: none"> ● Budgets 	<ul style="list-style-type: none"> ● Relevant Policies and Procedures
<ul style="list-style-type: none"> ● Memorandums of Understanding 	<ul style="list-style-type: none"> ● Salary Resolutions and Schedules
<ul style="list-style-type: none"> ● Past Classification and Compensation Studies 	<ul style="list-style-type: none"> ● Mission, Vision, and Values of the Organization

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- The client must upload electronic copies of all documents to a shared online site within **five (5) business days** of request.

Task 2 – Initial Project Meeting. The CPS HR Project Manager will meet with the District’s Internal Project Manager, HR Staff, and designated key stakeholders to initiate the project by confirming study goals, objectives, tasks to be performed, and methodologies. During this kick off meeting, CPS HR and the District will also discuss and agree upon a communication plan for this study, since open and consistent communication is a key element in project acceptance and success.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- CPS HR has budgeted for the kick off meeting to be held onsite with the Proposed Project Manager in attendance.

Task 3 – Develop Job Evaluation Tool. CPS HR will use an online survey tool to ensure valid information is gathered, analyzed, and documented consistently from incumbents regarding their current classifications. This activity includes finalizing a Position Description Questionnaire for approval by the District and electronic distribution of the PDQ to study participants. The PDQ is designed to capture specific information about the tasks being conducted by the incumbent and can be used in studies with multiple analytical goals such as position allocation and classification specification development/revisions.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- For purposes of creating a cost-effective response, our pricing assumes the District will utilize CPS HR’s PDQ with minor (2-3) edits. Additional hours spent on the task will be contracted separately.
- The PDQ will be provided in English in an online survey format. All surveys must be completed online.

Task 4 – Conduct Orientation. The CPS HR Project Manager will draft a communication to be sent via e-mail (by District staff) to all employees included in the study to invite them to attend an orientation session. For purposes of this scope of work, we have planned for **one (1) in-person, one-hour orientation session** to be conducted on the same day. A Frequently Asked Questions (FAQ) document will be compiled after all of the sessions and provided to District staff within three (3) business days of the session.

The purpose of the orientation session is to (i) communicate study goals, methodology, and processes; (ii) demonstrate the PDQ and explain to employees how the document should be completed; (iii) explain

the role of employees, supervisors, and managers in the study; and (iv) respond to employee questions regarding the study process.

These tasks and processes are critical in gaining employee understanding, trust, and acceptance of the study. Where possible, we encourage executives, managers, supervisors, employee bargaining unit representatives, and human resources staff to attend the meeting(s) to familiarize themselves with employee questions and the responses to those questions.

Task 5 – PDQ Completion. All study employees in single position classifications and a representative sample of employees in multiple position classifications will have the opportunity to provide information on the duties and responsibilities as it relates to job specifications, duties not covered in the job specification, minimum qualifications, and physical demands. Each incumbent’s supervisor will then review the collected data to ensure that the incumbent has accurately and sufficiently captured all pertinent information on job context and work output. A third level review may be added to include manager review.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- All surveys must be completed online, including supervisor and manager comments/approval.
- Links to surveys will be sent via e-mail by CPS HR. A complete roster, including employee name and e-mail address (among other data points), must be uploaded to the shared online site by District staff using a Microsoft Excel template provided by CPS HR. Upload by the client must occur **at least five (5) days** before distribution of links is planned.
- **Responsiveness of study participants is absolutely critical to maintaining the agreed timeline.** An amended timeline will be provided by the CPS HR Project Manager if the online PDQ completion date is pushed out. Any contract amendment needed due to timeline shift will be discussed with the District at the appropriate point.

Task 6 – Receive and Review PDQs/Prepare for Job Evaluation Interviews. The CPS HR Project Team will thoroughly review each PDQ to obtain an understanding of the duties and responsibilities assigned to each position. Job evaluation interview questions for study employees will be developed based upon the results of the documentation review.

CPS HR Project Team members will develop an interview schedule and will coordinate the schedule with the District’s designated staff member.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- Our pricing assumes that:
 - 100% of incumbents will provide completed PDQs
 - project staff will create interview questions for all respondents

Task 7 – Conduct Job Evaluation Interviews, Focus Groups, follow up Supervisor/Manager Interviews. In addition to the PDQs, job evaluation interviews will be conducted with employees in single position classifications and a representative sampling of employees in multiple position classifications to ensure

the CPS HR Project Team has a complete understanding of the duties and responsibilities assigned to each position. CPS HR will utilize a combination of interviews and focus groups to meet with identified incumbents. Interviews with supervisors or managers may also be held to further clarify information documented on their subordinate employees' PDQs. For planning purposes, each individual interview is 30 minutes and focus groups one hour; supervisor or manager interviews range from 45 minutes to one hour.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- Our pricing assumes that:
 - 100% of incumbents will be interviewed in person
 - Where applicable, some of those incumbents will participate in a focus group in person (for multiple position classifications)
 - Up to 20% of supervisors/managers will have follow-up one-on-one interviews which will be held by teleconference

Discussion Type	# Needed	# of Days Needed for Consultant to Carry Out
One-on-one interviews (in person)	12	2
Supervisor one-on-one interviews (teleconference)	6	1

- CPS HR will identify all meeting participants with input from the District. Each participant will be required to schedule his/her interview day/time using an online scheduling system, to which a link will be sent by CPS HR to each participant. Links will be sent at least seven (7) calendar days before the first day of discussions. NOTE: If individuals are unable to access the online scheduling system because of their field activities, District staff will be provided access to the online scheduling system to reserve slots and will be responsible for informing each participant of his/her interview day/time.
- Discussions will take place over three sequential business days (i.e., Day 1 through 2: one-on-one interviews; Day 3: supervisor one-on-one interviews via teleconference).
- The District will arrange for needed rooms for in-person activities at a single location at District offices. All discussions will take place between the hours of 8:00 am and 5:00 pm Local Time.
- Reschedules have not been planned or costed for this project.

Task 8 – FLSA Analysis (Optional). The CPS HR Project Team will analyze the duties and responsibilities of each position and provide recommendations to ensure compliance with the Fair Labor Standards Act (FLSA) exempt/non-exempt designations. Each position will be thoroughly reviewed based on the duties, responsibilities, scope of authority, and span of control for purposes of determining whether it is exempt

or non-exempt under FLSA. We will provide a brief write-up on any positions that we find are not properly designated and summarize all other positions. The CPS HR Project Team will prepare a summary report in a table format presenting the following information: (i) Employee name; (ii) Current classification; (iii) Current FLSA status; (iv) Recommended FLSA status; (v) Exemption type (if applicable); and (vi) Summary on the rationale for the exemption (if applicable).

Task 9 – ADA Analysis (Optional). The CPS HR Project Team will assess each position’s essential functions. CPS HR will prepare a questionnaire as part of the data collection effort to gather information about the physical demands and environmental conditions. In addition, the CPS HR Project Team will capture data through the PDQs about essential functions. These essential functions will be verified through discussions with incumbents and supervisors.

Task 10 – Analyze Classification Data. The Project Team will analyze all information collected from the incumbents and their supervisor/manager, and any job evaluation interviews to identify the job level, scope, typical duties, requisite knowledge, skills, abilities, and other job-related characteristics of each position. This analysis will be used to develop recommendations regarding classification concepts and a classification structure that aligns with current business needs, and to evaluate the proper classification allocation for study employees.

Classification concepts serve as the foundation for a classification plan by identifying the nature and level of jobs, with clear definitions of the differences between them. Classification concepts will also provide the framework for the consolidation of existing classifications, the elimination of classifications and/or the creation of new classifications where appropriate, and the revision and development of classification specifications to ensure they properly identify scope and level of District relative to other classifications and to ensure that there is consistent titling within the classification plan.

- Classification concepts include:
 - Definition of classification levels, such as entry, journey, advanced journey, and supervisory
 - Definition of nature of work such as clerical, technical, professional, supervisory, and management
 - Titling protocols and standards within the classification structure
 - Flexible staffing, where applicable
 - The use and application of common classification allocation factors such as decision-making, scope and complexity, contact with others, supervision received and exercised, and knowledge, skills, and abilities
- Classification Structure – Development of a recommended classification structure for the District, with a crosswalk of any changes from the current structure.

An accurate and up-to-date classification system provides an organization with the necessary tools to make administrative, fiscal, and human resources decisions. Further, accurate and current classification specifications provide the fundamental and essential building blocks for successful administration of recruitment, performance management, compensation, retention

and succession planning programs. Identifying positions based on a well-defined and orderly classification system supports organizational planning, budget analysis and preparation, and various other administrative functions.

To create a valid classification system, CPS HR consultants will rely upon sound principles of job evaluation. Using these principles, CPS HR will develop a classification structure for the District that is designed to reflect distinct differences in the levels and types of work being performed based on established classification factors and concepts.

- Analysis of classifications against comparable positions in the established labor market. While this is accomplished as a typical step within a compensation project, CPS HR recommends that this be done for only special circumstances for this classification project. In cases of highly specialized or technical positions or situations when specific aspects need to be validated, comparisons to other classifications in other agencies may be a sound course of action. However, we do not recommend conducting this for every position, and our price estimate reflects doing this for a small percentage of the total classifications.
- Placement of individual positions into the recommended classification structure (incumbent allocations).

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- CPS HR will provide a classification specification template via the shared online site if the District does not already have one that must be utilized.

Task 11 – Prepare, Submit, and Present Draft Classification Report. The Project Team will prepare a Draft Classification Report which will include the methodology, findings, and recommended changes to the classification structure and allocation recommendations.

CPS HR will facilitate a meeting with the representatives of District management and affected employee bargaining units to discuss the classification findings.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- Costs assume one virtual meeting, for up to two hours, with primary District Project Manager/HR staff to discuss the Draft Classification Report.
- As the District conducts its review of the Draft Report and Draft Structure, client comments and questions will be captured in a single document provided on the online shared drive. We are unable to accept commentary via e-mail.
- Timeline assumes the District will provide all comments or requests for change to the Draft Report/Structure within two business weeks of receipt.

Task 12 – Revise/Create Classification Specifications. Once the District has approved the classification study findings, the classification specifications will be revised/created accordingly. The format for classification specification revisions will be submitted to the District for approval. Our methodology for this task will result in:

- Accurately identifying the specific essential duties and responsibilities; required knowledge, skills, and abilities; minimum education and experience requirements; and minimum special qualifications for each position in the study.
- Reviewing, revising, editing, and developing written classification specifications for each study classification that clearly specify and describe a general statement of duties; any distinguishing features of the class; essential duties, knowledge, skills, and abilities; acceptable minimum education and experience; and required special training and certifications.
- Describing the typical work environment for the classification.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- Classification specifications will be uploaded to the shared online site. Documents will be marked “Draft” and provided in Microsoft Word with several views – “with mark-up” and “without mark-up.” This will allow the District to easily view tracked changes. Edits and comments made by both parties will be captured in these online shared documents. CPS HR will post finalized versions of classification specifications in both Microsoft Word and Adobe PDF marked “Final.”
- As the District conducts its review of the Draft Classification Specifications, client comments and questions will be captured in a single document provided on the online shared drive. We are unable to accept commentary via e-mail.
- Timeline assumes the District will provide all comments or requests for change to the Draft Classification Specifications within two business weeks of receipt.

Task 13 – Incumbent Allocation and Appeals Process (Optional). Following the acceptance of the updated classification structure and allocation recommendations made in the draft report, as well as revised job descriptions, CPS HR can provide the District with an allocation list of all employees under study. to each individually within a period mutually-agreed upon by CPS HR and the District.

Task 14 – Prepare, Submit, and Present Final Classification Report. CPS HR’s reporting will include a discussion of our methodology and a narrative summary to support our recommendations in the Draft Classification Report submitted to the District for feedback. CPS HR will research any comments and issues raised during the review of the Draft Classification Report. Once these have been resolved, CPS HR will prepare and present the Final Classification Report to the District’s primary stakeholders. The District will be responsible for approving and implementing classification specification content changes through their standard process, including any necessary notifications to employees, employee representatives, or the Department of Human Resources.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- Costs assume one in-person meeting for up to two hours, with primary District stakeholders to present the Final Classification Report.

Project Timeline

- **CPS HR estimates 23 weeks to complete the classification study.** An example timeline is presented on the following page and the CPS HR Internal Project Manager and the District can discuss varying approaches to customize the timeline. *Our timeline presents the general amount of time for each step without accounting for variables that would cause delay or prolong task time.*
- It is important for projects of this size and duration to keep in mind holiday schedules, planned breaks/closures, the District’s internal operational needs, workload fluctuations, board/council dates, and other variables that may impact deadlines. CPS HR recommends a timeline that can be flexible to accommodate varying factors in achieving set milestones.

Classification Study - Estimated Timeline	Week Number(s)
Receive and Review Background Materials	1 to 2
Initial Project Meeting	3
Develop Job Evaluation Tool; Obtain Approval from Client	4
Conduct Orientation with Participants; Submit FAQ document to Client	5
PDQ Completion	6 to 7
Receive and Review PDQs/Prepare for Job Evaluation Interviews	8 to 9
Send Link to Study Participants for Interview/Focus Group Scheduling	10
Conduct Job Evaluation Interviews and Focus Groups	11
Analyze Classification Data	12 to 13
Prepare, Submit, and Present Draft Classification Report	14 to 15
Client Review of Draft Classification Report/Structure; Client Provides Feedback	16 to 17
Revise/Create Classifications Specifications and Classification Report/Structure	18 to 19
Incumbent Allocations	20
Prepare, Submit, and Present Final Classification Report and Any Outstanding Documents <i>(if minor edits are needed, timeline can be accelerated)</i>	21 to 23

Work Plan - Compensation Study

The compensation work plan outlined in this section is intended to define all tasks within a compensation study from labor market selection to final reports, and the types of deliverables associated with the task. **Please note that work on the compensation portion will begin after all work has been completed and accepted on the classification portion of the project.**

Task 2.1 – Review the District’s Background Materials. Upon contract execution, CPS HR will request background information from the District to ensure our Project Manager and the CPS HR Project Team is prepared for initial meetings.

- Compensation philosophy and strategy
- Salary schedules
- Benefits summaries
- Budget Information
- Memorandums of Understanding (MOUs)
- Compensation policies and procedures
- Other documents relevant to the study

The CPS HR Project Manager will coordinate activities through and report to the District’s Internal Project Manager and other designated key stakeholders.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- The client must upload electronic copies of all documents to a shared online site within **five (5) business days** of request.

Task 2.2 – Initial Project Meeting/Labor Market Agency and Benchmark Selection Discussions. The CPS HR Project Manager will meet with the District’s Internal Project Manager and any other designated stakeholders to discuss the study methodologies, deliverables, timelines, communication, and data collection methods. The CPS HR Project Manager will work to understand the District’s compensation philosophy in this meeting to obtain direction and consensus. Additionally, the CPS HR Project Manager will be available to discuss the following elements of compensation policy:

- Labor Market Agency Selection - This section of the workshop focuses on the typical labor market selection criteria and the process by which CPS HR will evaluate and prepare recommendations for the District’s labor market agencies; such selection criteria typically includes: (i) Geographic Proximity, (ii) Services provided, (iii) Past labor market agency practices, (iv) Cost of Living/Cost of Wages, and (v) Size of the organization (measures may include number of employees or population)

Additional workshop topics are

- Labor market position (i.e., median, mean, or other percentile)

- Benchmark classifications to be selected based on the following criteria:
 - They should be classifications for which counterparts can readily be found in surveyed employers so that sufficient compensation data can be gathered. Classifications which have a large number of comparables from other agencies are generally selected as benchmark classifications.
 - Benchmark classifications should have significant relationships to other classifications in their occupational group. This ensures that they will make good reference points in relating and establishing salaries for other classifications within their occupational groups. Use of private sector data or other data sources

Using the selection criteria established in the initial project meetings, the CPS HR Project Team will conduct research on potential labor market agencies and will provide the District with recommendations concerning the survey agencies and benchmark classifications to be used in the study.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- It is assumed that no more than 10 benchmark classifications will be identified for the study.
- It is assumed that no more than 11 labor market agencies will be selected for comparison by the District.

Task 2.3 – Design, Develop, and Distribute the Survey Instrument. The CPS HR Project Team will develop a comprehensive survey instrument to ensure the effective collection of compensation data from each of the survey agencies.

The survey instrument will include a brief description of each of the survey classifications with a request for the minimum and maximum monthly salary for each. CPS HR’s survey instrument is designed to be completed electronically. For a total compensation study, the following elements of total compensation and the benefits practices are often collected: (i) Cash add-ons premium pays such as: Longevity pay and deferred compensation; (ii) Agency contribution to medical, dental, and vision programs; (iii) Agency contributions to defined-benefit retirement programs and Social Security practices; and (iv) Paid time off practices such as: Holiday leave, vacation and sick leave, administrative leave.

Task 2.4 – Review, Analyze, and Validate Labor Market Survey Data. CPS HR begins labor market data collection by researching available information online to make preliminary classification matches and obtain benefits data. The CPS HR Project Team will reach out to labor market agencies to confirm and/or complete survey data after completing as much pre-work as possible. We find that this initial collection effort results in greater participation from the labor market agencies. Once CPS HR has completed their survey analysis tasks, the CPS HR Project Manager will audit the final data as part of our quality review process.

Classification matching includes reviewing agency background materials such as copies of classification specifications, organization charts, staffing information, and other useful materials to substantiate the accuracy of the comparability of the matches. To determine whether a match from a labor market agency is comparable to the District’s benchmark, CPS HR utilizes a whole job analysis methodology; this commonly used methodology analyzes the job as a whole, rather than by individual factors, by evaluating

the core duties and responsibilities, the nature and level of work performed, and the minimum qualifications to determine whether the classification is comparable enough to be utilized as a match. The methodology recognizes slight differences in duties assigned to matches from other labor market agencies which do not impact the type, nature, and level of work performed. Matches should not be so broad that they include classifications performing dissimilar work, or work done at a higher or lower level, but they also should not be so narrow that they exclude matches doing comparable work, with slight differences in work that do not change the level and nature of work.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- Should any labor market agencies be non-responsive to requests for information, we will provide the District with contact information and request that they use their professional contacts to follow up on CPS HR's behalf. We have found this approach to be beneficial.
- The District may add additional labor market agencies should any in the initial selection be non-responsive or not provide sufficient matches at an additional cost.
- **Responsiveness of labor market agencies is absolutely critical to maintaining the agreed timeline.** An amended timeline will be provided by the CPS HR Project Manager if the data collection period is pushed out. Any contract amendment needed due to timeline shift will be discussed with the District at the appropriate point.

Task 2.5 – Design and Develop Data Spreadsheets. CPS HR will develop an individual data sheet for each survey classification that presents the comparable classification used in each agency with the relevant data associated with that classification, such as the position ranking within the labor market and salary range minimum and maximum.

The labor market data analyses will be conducted based upon the labor market position affirmed within the District's compensation philosophy (e.g., median, mean, or other percentile). Each comparable match for each survey classification is reported in the relevant data sheet for full disclosure and review by others. We find this level of transparency in matching provides for a better understanding and acceptance of study results.

Task 2.6 – Conduct Benefits Analysis. The benefits data submitted from the labor market agencies will be incorporated into the base salary data sheets to provide a total compensation analysis. This quantitative analysis of program costs will provide the District with an understanding of how the study classes compare against their market when the costs of benefits programs are taken into consideration. Within these data sheets, four (4) different analyses can be conducted based on how the District wishes to view the data:

1. An analysis of where the survey classification falls within the labor market for base salary
2. An analysis of where the survey classification falls within the labor market when the cost of cash add-ons is taken into consideration (total cash)
3. An analysis of where the survey classification falls within the labor market when the cost of cash add-ons and health programs are taken into consideration

4. An analysis of where the survey classification falls within the labor market when the cost of cash add-ons, health program costs and retirement contributions are taken into consideration (total compensation)

Task 2.7 – Conduct Internal Equity Analysis/Prepare Draft Salary Recommendations. A comprehensive and balanced pay program is the result of the analysis of external labor market data, combined with an analysis of important internal relationships that reflect the District’s value system of jobs. With the whole job methodology, the internal pay relationship analysis for non-benchmark classifications will involve a number of steps to arrive at sound and equitable relationships. Among others, the most important of these will include:

- Analysis of existing and historical pay relationships;
- Analysis of base compensation within the organizational hierarchy to establish consistent classification and job series pay parameters within departments and laterally agency-wide;
- Development of consistent, uniform, and realistic guidelines for determining internal relationships including span of control, nature and level of work performed and related components; and
- Recommendation of equitable and appropriate internal relationship differentials based on the above.

Provided is the methodology CPS HR utilizes for establishing salary levels for benchmark and non-benchmark classifications in our compensation studies. This methodology would be applied to all of the District’s study classifications.

1. Conduct a comprehensive understanding of the District’s approach to identify the benchmark classifications to be used in the salary setting process.
2. Establish salary recommendations for these benchmark classifications by setting the salary level based on the market data.
3. Conduct a comprehensive review of the District’s current internal alignment differentials to determine what their practices are, and if they should be adjusted.
4. Apply recommended internal differentials within job families to build the salary recommendations for classifications which have significant relationships to each other because they are in the same job series or family.
5. Determine what classifications remain that are not benchmark classifications, or classes that minimal comparable data was available for, and are also not part of a job series or family. These classifications are then reviewed to determine which classifications are the subject classifications currently internally aligned with and whether that relationship should be changed. Evaluation factors include the nature and level of work performed, as well as the minimum qualifications.

The salary recommendations for each study classification will display the following information:

- Classification title

- Current monthly range maximum
- Recommended monthly range maximum
- The percentage difference and/or dollar amount difference between the current and recommended monthly range maximum

This information will provide the District with the percentage and dollar amount of any increase on a classification-by-classification basis.

Task 2.8 – Prepare and Present Draft Compensation Report. The CPS HR Project Team will develop a Draft Compensation Report detailing the results of the labor market survey and a suggested implementation plan to address salary range changes. This draft report will comprise the following:

- Scope of the study
- Labor market agencies, including the comparable characteristics (e.g., size, scope of services, number of employees, etc.)
- Study benchmarks, including methodology utilized to identify benchmarks
- Labor market data analysis/methodologies
- Results of the base salary survey
- Salary recommendations for all classifications

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- Costs assume one virtual meeting, for up to two hours, with primary District Project Manager/HR staff to discuss the Draft Compensation Report and accompanying data.
- As the District conducts its review of the Draft Report, client comments and questions will be captured in a single document provided on the online shared drive. We are unable to accept commentary via e-mail.
- Timeline assumes the District will respond to the Draft Report within two business weeks of receipt.

Task 2.9 – Research and Resolve Issues/Prepare and Present the Final Compensation Report. Based upon the District’s review of the Draft Compensation Report, the CPS HR Project Team will follow-up and resolve any outstanding compensation issues. CPS HR will present the findings to designated key stakeholders and respond to any questions about the outcome of the study or the methodology during that meeting.

Client Responsibilities and/or Pricing Assumptions Associated with Task:

- Costs assume one in-person meeting, for up to two hours, with primary District stakeholders to present the Final Compensation Report.

Project Timeline

CPS HR estimates 22 weeks to complete the compensation study. An example timeline is presented on the following page and the CPS HR Internal Project Manager and the District can discuss varying approaches to customize the timeline. *Our timeline presents the general amount of time for each step without accounting for variables that would cause delay or prolong task time.*

Compensation Study - Estimated Timeline	Week Number(s)
<i>Compensation study will begin after all activities associated with the Classification Study have been completed.</i>	
Review the District’s Background Materials; Preliminary Discussion with District to Discuss Possible Labor Market Agency Pool and Benchmark Selection; Conduct Research	1 to 2
Initial Project Meeting, Including Labor Market Agency and Benchmark Selection	3
Design, Develop, and Distribute Survey Instrument	4
Review, Analyze, and Validate Labor Market Survey Data	5 to 8
Design and Develop Data Spreadsheets	9 to 11
Conduct Benefits Analysis	12 to 13
Meeting and Client Review of Preliminary Data and Matches	14
Conduct Internal Equity Analysis/Prepare Draft Salary Recommendations	15 to 16
Prepare Draft Compensation Report	17 to 18
Client Review of Draft Compensation Report/Provides Feedback	19 to 20
Research and Resolve Issues/Prepare and Present the Final Compensation Report	21 to 22

Start Date

CPS HR would be able to commence work after March 1, 2020. We request a minimum two-week lead time between full contract execution and initial project meeting. We require that contracts be executed prior to scheduling the initial project meeting.

Professional Fixed Fee

CPS HR has prepared the following **professional fixed fees** based on the scope of work discussed and further detailed below.

Travel expenses will be billed as a direct pass-through with no markup.

Classification Study	Professional Fixed Fee*
Classification Study	\$ 36,995
Total Compensation Study	\$ 15,299
Expenses (not-to-exceed)	\$ 1,500
Not-To-Exceed Contract Amount:	\$ 53,794
<i>Optional Classification Services (not included in NTE)</i>	
FLSA Analysis	\$80 per incumbent
ADA Analysis	\$80 per classification

Pricing Assumptions

General Scope	
Number of Classifications	Up to 10
Number of Incumbents	Up to 12
Number of Benchmarks	Up to 10
Number of Labor Markets	Up to 11
Not included in the fixed fee:	
Materials Production	CPS HR provides all documents electronically, including Draft Reports, data sheets, classification specifications, and Final Reports. Hard copy printing of documents for this engagement will be the responsibility of the District.

Billing Terms

CPS HR will bill in four equal installments. The milestones for billing are:

- Completion of Job Evaluation Interviews
- Submission of Draft Classification Report
- Submission of Final Classification Report
- Submission of Final Compensation Report

Expenses will be billed within the time incurred.

CPS HR may request amendment to the funds should work be requested outside of the scope and terms of this proposal.

Pricing Philosophy

CPS HR is flexible with the proposed work plan; alternate approaches may be discussed with the District which may in turn change the proposed cost of the project. As described in this proposal, the methods, approach, timelines, as well as the proposed fee, have been prepared as accurately as possible based upon the services requested and study objectives described in the information provided to CPS HR. The proposed professional fees reflect the steps and time necessary to conduct the study in a sound, thorough, and sustainable manner, including important input and review by the District's Internal Project Manager and designated stakeholders to accomplish the study objectives. If changes or additional services are required, we will be happy to discuss changes to the project activities, schedule, and/or fee proposal.



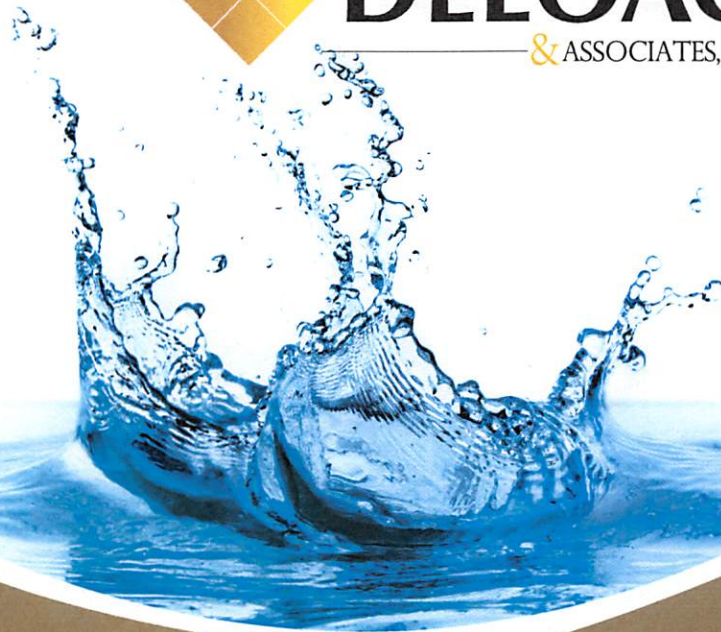
Proposal to Conduct a Compensation Study

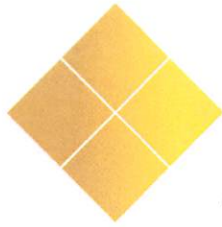
January 2020

Submitted by



DELOACH
— & ASSOCIATES, INC —





DELOACH
— & ASSOCIATES, INC —

**Proposal to Conduct a
Compensation Study for the Hidden
Valley Lake Community Services
District**

Submitted by:

DELOACH & Associates, Inc.
Rancho Cucamonga, CA.

Robert A. DeLoach
President

COVER LETTER – LETTER OF TRANSMITTAL

January 8, 2020

Ms. Penny Cuadras
Administrative Assistant
Hidden Valley Lake Community Services District
19400 Hartmann Rd.
Hidden Valley Lake, CA. 95467

Subject: PROPOSAL TO CONDUCT A COMPENSATION STUDY FOR THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Dear Ms. Cuadras;

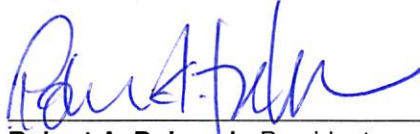
Congratulations to the Hidden Valley Lake Community Services District for your recent award recognizing your Regional Outreach efforts presented by the Association of California Water Agencies at their fall conference in San Diego. We appreciate the opportunity to submit our proposal to conduct the Compensation Study (“Study”) for the Hidden Valley Lake Community Services District (“District”). At the direction of the District’s Board of Directors, the District is undertaking this effort to evaluate compensation levels for its employees within a defined labor market.

DELOACH & Associates, Inc. (“Consultant”) is uniquely qualified to provide value to your organization based on our experience working with water and wastewater utilities throughout California. This effort includes assignments for city, county, special districts as well as for for-profit and non-profit clients. Our extensive experience assessing and maximizing organizational performance including employee compensation methodologies has guided our approach to this project. Our goals for this effort are established in our understanding of the challenges confronting the water and wastewater industry and our demonstrated expertise in developing long-term strategies that maintain and build operational efficiency.

As President of DELOACH & Associates, Inc., I am authorized to negotiate terms and conditions as well as obligate Consultant at all times during the duration of this project. I will assume the lead role and responsibility as Project Director and will be responsible for the successful completion of the project. Our company is dedicated to each of our client’s projects and commits the necessary resources to achieve the highest levels of quality control, and commitment to meeting project timelines and budget to ensure the highest quality work product.

Thank you for considering DELOACH & Associates, Inc. for your Compensation Study. Please contact us if you have any questions regarding our proposal or need additional information about our company. We look forward to working with the Hidden Valley Lake Community Services District.

Respectfully submitted,



Robert A. DeLoach, President
DELOACH & Associates, Inc.
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FIRM EXPERIENCE AND QUALIFICATIONS

DELOACH & Associates, Inc. is a full-service management consulting firm focused on municipal and private utility management and utility asset management. With over 25 years of municipal and private utility experience Mr. DeLoach is a recognized leader, innovator and facilitator creating value for his clients.

We are a private California Corporation (S-Corporation) located in Rancho Cucamonga, CA. and have worked extensively throughout the State of California as well as completed several projects in Arizona and Nevada. We have extensive experience working with public sector organizations including both union and non-union work environments, City Councils, Special District Board of Directors, LAFCO's and Joint Power Authorities.

Our firm's areas of expertise include organizational development and staffing assessments, employee compensation and classification studies, operational performance assessments, strategic planning, employee and board development, executive recruitment services and executive management performance appraisals. Our dedicated team of professionals is uniquely qualified based on our combined years of utility management experience allowing us to respond to our client needs as demonstrated by our record of successfully completed projects.

Representative Experience and References

Valley Center Municipal Water District ("VCMWD")

Project title: Classification and Compensation Study
Contact: Gary Arant, General Manager
garant@vcmwd.org

VCMWD retained DELOACH & Associates, Inc. to complete a classification and compensation study that would be competitive within the San Diego County labor market and provided VCMWD the ability to attract, retain and motivate employees. The labor market for VCMWD was established on two primary factors. The first being the geographic location of the agency and the reasonable expectation of commute times for employees. The second factor related to unique and specific aspects of individual position classifications that may not be readily identified within the geographic labor market. The effort resulted in development of revised position classifications and a total compensation analysis and comparison to agencies within their prescribed labor market.

Mission Springs Water District ("MSWD")

Project title: Update of Employee Classification and Compensation Schedule
Contact: Matt McCue, Director of Finance and Administration
(760) 329-6448
mmccue@mswd.org

MSWD had experienced significant organizational change resulting in a 33% reduction in staffing levels. There were two primary objectives of this project with the first being a review of the organizational structure and operational performance in relation to the existing staffing allocation plan. The findings and recommendations indicated that the organizational structure would need to be revised and additional resources allocated to adequately meet required performance

objectives. The second objective was to review, update and modify position classifications and conduct a salary study consistent with the revised staffing plan.

Sonoma County Water Agency – County of Sonoma

Project title: Staffing Allocation Plan and Employee Classification and Compensation Review
Contact: Grant Davis, General Manager
(707) 526 – 5370
grant.davis@scwa.ca.gov

The Sonoma County Water Agency retained our firm to conduct a Staffing Allocation Plan. Integrated into this effort was the requirement to conduct an employee classification and compensation review of agencies within the Sonoma, Napa, Marin, Lake, Solano and Contra Costa county labor market. The project was undertaken to assess the current allocation of staffing across all functional areas of agency operations in relation to key performance indicators. A review of employee compensation, position classifications including qualifications was key to assessing staffing needs within existing budgetary constraints established by the County Board of Supervisors. The report findings provided Agency management with the tools and information needed to modify the current organizational structure including adjusting as warranted employee classifications and compensation.

City of Pasadena Water & Power (“PWP”)

Project title: Organizational Performance Assessment – Water Operations
Contact: Gurcharan Bawa, Director of Public Works
(626) 744-4478
gbawa@cityofpasadena.net

The objective of the Organizational Performance Assessment (“OPA”) was to assist PWP leadership including the City Council in assessing its current operational performance, organizational structure and employee position classifications in relation to its compensation plan. The OPA was used to evaluate staffing levels consistent with operational needs including an evaluation of its programs and services and realigning position classifications and supervisory span of control. A comparative review of agencies of similar size and scope was undertaken to ‘benchmark’ operational performance.

City of Pomona Water & Wastewater Utility Department

Project title: Water and Wastewater Department Staffing Study
Contact: Darron Poulsen, Manager of Utility Operations
(760) 246 - 2896
dpoulsen@vwvra.com

DELOACH & Associates, Inc. was a sub-consultant to Woodard and Curran and was tasked with conducting a Staffing Study (“Study”) as part of a larger strategic planning effort for the City’s Water and Wastewater Department. The Study included an assessment of current utility operations, allocation of staffing resources, and development of comparative data from other

utilities of similar size and scope to support recommended staffing levels needed in the future. We were also tasked with conducting a benchmark position compensation review to be used in determining if a larger classification and compensation study would be warranted.

Association of California Water Agencies

Project title: Organizational Performance Assessment (“OPA”)
Contact: Tim Quinn, Executive Director (Retired)
Cindy Tuck, Deputy Executive Director
timq@acwa.com
cindyt@acwa.com

The Association of California Water Agencies (“ACWA”) Board of Directors and Executive Director initiated the development of an Organizational Performance Assessment to evaluate the performance effectiveness of the State’s largest non-profit member organization. The objective was to identify strengths and weaknesses of the current organizational structure and allocation of staffing in relation to service delivery and performance effectiveness. A review of executive leadership needs within the organization was also conducted.

Other representative experience including compensation studies (references upon request):

- Scotts Valley Water District
- San Lorenzo Valley Water District
- Pajaro – Sunny Mesa CSD
- Indio Water Authority
- San Geronio Water Agency
- Victor Valley Wastewater Reclamation Authority
- Elsinore Valley Municipal Water District
- East Valley Water District
- Cucamonga Valley Water District

FIRM ORGANIZATION AND KEY PERSONNEL

We have a dedicated team of professionals that will be committed to this Compensation Study effort. Each member of our team has worked on a variety of water and wastewater utility projects and is intimately familiar with the issues and challenges facing public utility sector organizations today. We are experienced with the time demands and service delivery expectations associated with projects and assignments such as the Compensation Study for the District.

The team of professionals assigned to this project is noted below:

Robert A. DeLoach **Project Director**

Mr. DeLoach is President and founder of DELOACH & Associates Inc., a full service management consulting practice focused on public and private sector utility management.

After completing his education at the California State University Pomona in 1975, Mr. DeLoach obtained his C-27 State Contractors license and successfully operated a landscape and irrigation construction business. In 1983 he transitioned into the public sector and became the Director of Public Works and Engineering for the City of Azusa and then in 1990 with the City of Pomona

where he managed municipal public works, engineering, water, sewer and storm water systems. In 1997, he assumed the executive leadership role as General Manager and CEO for the Cucamonga Valley Water District and President of Fontana Union Water Company. The vision to develop his current consulting business was driven by the need for focused utility management experience in the private sector consulting arena. In 2010 he established DELOACH & Associates, Inc. and has successfully worked with public and private water and wastewater agencies in California and Arizona as well as many of the firms that support the utility industry.

In addition to the background and experience noted above, Mr. DeLoach is currently a Project Director for The Pacific Institute based in Seattle, WA, and since 2017, served as President and CEO of Integrated Stormwater Resources, a private storm water utility focusing on infrastructure financing.

Mr. DeLoach will serve as the Project Director for the Compensation Study for the District and will coordinate all of the firm's efforts and will be responsible for all work products and deliverables.

JoLynne Russo-Pereyra
Technical Consultant/Survey Analytics

Ms. Pereyra will serve as the Technical Consultant for this project and will be responsible for survey analytics and technical report writing and graphics development of the final work product. Ms. Pereyra has over 25 years of municipal water and wastewater experience serving in various capacities for both city and special district government. She has served as an instructor with the University of California in Riverside where she taught strategic and organizational leadership. As a consultant member of our team Ms. Pererya has been engaged in numerous consulting assignments related to organizational and professional development, and employee training. Additionally, Ms. Pereyra has served as the Assistant General Manager for the Cucamonga Valley Water District. She obtained her Bachelors degree in Political Science from the University of California, Santa Barbara and her MPA from Columbia University in New York.

Beth Barry
Administrative Coordinator

Ms. Barry has worked for DELOACH & Associates, Inc. since 2014 and will serve as the Administrative Coordinator for this project. In this capacity she will be responsible for providing administrative support and coordination for all aspects of the project. Ms. Barry will also serve as the primary liaison with the District and will be continuously available to District staff as needed. Since joining our team Ms. Barry has worked on a number of classification, compensation and organizational assessment projects for cities, counties and special districts. Prior to joining our firm Ms. Barry had over 15 years of administrative experience and worked extensively in the areas of executive administration and customer service support both in the private and public sector.

SCOPE OF INVOLVEMENT OF DISTRICT STAFF AND BOARD OF DIRECTORS

During the course of project it will be important to maintain a high level of communication between the District and Consultant. We are proposing the establishment of a project team consisting of individuals from both the District and the Consultant with a designated 'point-of-contact' for each party. In-person meetings will be carefully coordinated to ensure the project progresses efficiently through the final report completion date developed as part of this Proposal. Flexibility and

availability are key to utilizing the time and involvement of District staff efficiently to minimize disruptions in their routine work

Each member of our team will be continuously available to the District with email and telephonic communication used extensively to efficiently maintain active participation and communication for the duration of the project. A project schedule will be developed with identified milestones and deliverables to guide progress. We anticipate a number of designated points of interaction with the District as outlined below and referenced in our detailed Scope of Work:

1. Initial project orientation with project team
2. Distribute Position Description Questionnaire (“PDQ”) to designated employees selected by the District and Consultant.
3. Review results of PDQ position classification analysis and compensation survey with Project Team.
4. Prepare and review draft compensation survey data and initial recommendations with Project Team.
5. Presentation of Compensation Study report to Project Team

PROPOSED SCOPE OF WORK

The Hidden Valley Lake Community Services District is seeking a Compensation Study to evaluate compensation levels of District employees in relation to public agencies of comparable size and scope, (labor market). Located in Lake County the District provides water and wastewater service to a service area population of approximately 7,300 with approximately 2,500 metered water service connections. The District employee’s 12 authorized full-time employees assigned to various administrative and operational functions. The Compensation Study will include survey data from comparable agencies developed from a defined Labor Market within Lake County and surrounding areas from which it would be reasonable to expect that prospective candidates would be willing to commute to work.

Conducting a Compensation Study will provide the District with an assessment of their competitive position in the labor market and assist with making decisions consistent with the organizations compensation philosophy. This information will be useful in evaluating the District’s ability to attract, retain and motivate employees to ensure a competent and motivated workforce.

The cost of employee compensation and benefits on the overall cost of conducting business has increasingly become an obstacle to improving operational performance. Our experience in linking the organizational structure with its performance effectiveness is a key component of our strategy in creating the optimum compensation plan for the District. Understanding the performance capacity of the current organizational structure is integral to our critical path process of initiating a compensation study.

Our proposal will include the tasks on the following pages:

Task 1 – Conduct project orientation with District representatives, establish the Project Team, initial documentation review, and compensation survey methodology.

The objective of Task 1 is for District and the Consultant is to introduce their respective project team members, review the Professional Service Agreement and related contract documents, review project scope of work, deliverables and schedule.

1. Conduct project orientation meeting, identify District and Consultant Project Team members and shared contact information.
2. Review project scope of work, project objectives, project deliverable schedule, and review Consultant work plan and schedule.
3. Identify comparable agencies to be included in the labor market survey.
4. Review benchmark survey methodology and survey components (Wages: Hourly, monthly and annual salary data. Benefits: To be provided by the District if included in a total compensation review).
5. Review Position Description Questionnaire (“PDQ”) and methodology for disseminating and collecting completed PDQ’s.

Task 2 – Assessment of the current compensation philosophy, identify current recruitment and retention issues related to compensation and identify position classifications to serve as labor market benchmark positions.

The objective of Task 2 is to understand the functionality of the current compensation plan and the issues impacting employee attraction and retention within the current labor market including the operational, budgetary and political drivers.

1. Identify issues and constraints within the current plan to include salary compaction, overlap and District’s competitive position of “lead, match or lag” within the current labor market.
2. Review current employee position classifications, personnel rules and regulations, approved resolutions and related documents impacting employee compensation.
3. Analyze and understand compensation trends and issues over the past 10 years and the increase or decrease in employee related expenses.
4. Review employee recruitment and retention issues (if any) related to the current compensation plan.
5. Identify position classifications to serve as labor market benchmark positions and internal relationships.

Task 3 – Evaluate the performance effectiveness of the current staffing plan and how employee compensation strategies impact operational effectiveness and service levels.

The objective of Task 3 is to analyze how the current organizational structure functions, its ability to accommodate growth, and analyze organizational trends related to competitive compensation strategies.

1. Identify internal Key Performance Indicator (“KPI”) and potential impacts to the current compensation plan.
2. Conduct interviews with select District staff responsible for key operational and administrative performance.
3. Identify operational best practices that can be leveraged to improve effectiveness of the compensation plan.

4. Prepare a summary report of Task 3.

Task 4 – Conduct compensation comparison survey and collect organizational benchmark data.

This objective of Task 4 is to provide the District with a comparison of its compensation plan within the current labor market.

1. Contact survey agencies to obtain support for compensation survey support and identify key contact person.
2. Collect salary and benefit data from agencies identified in the labor market survey. Salary and benefit data included in the survey shall consist of employee wages and benefits for the current fiscal year 2019-2020 budget and will be used as the survey benchmark.
3. Conduct follow-up discussions with survey agencies as necessary to clarify information.
4. Identify emerging trends in management of employee compensation and benefits including employee pension programs.
5. Prepare a summary report of employee benefit data collected through the labor market survey.
6. Prepare a summary report of employee compensation (salary) indicating the District's current position in relation to the labor market average for each classification.

Task 5 – Conduct employee position classification review, identifying specific position duties and responsibilities and evaluate existing career ladders within job families.

The objective of Task 5 is to provide the District with an evaluation of the existing position classifications and their impact on compensation strategies and provide recommendations for modifying current position classifications where needed.

1. Consultant interview with District employees to review Position Description Questionnaire ("PDQ") and to verify work requirements and the nature of supervision provided or exercised.
2. Where necessary conduct meetings with employees of similar or identical position classifications to clarify specific position requirements or issues related to job responsibilities and function.
3. Review completed employee PDQ's with employee's supervisor or manager.
4. Conduct a "Job Match" survey to determine if position classifications appropriately align with current job responsibilities, skills and qualifications. Identify distinguishing characteristics within the position classification including compensation alignment within the labor market.
5. Analyze current position classifications for internal equity and external compensation competitiveness.
6. Develop new or revised position classifications as needed.
7. Prepare a summary report of Task 5.

Task 6 - Preparation of a final Compensation Study Report. Presentation of final report and recommendations to District including the Board of Directors.

The objective of Task 6 is to prepare the final Compensation Study Report incorporating the various task summary reports and findings, collected survey data, trend analysis and presentation of final report.

1. Prepare Compensation Study report
2. Presentation to District Board of Directors and employees.
3. Provide seven (7) physical copies and one electronic copy of the final study.

Notes to Proposed Scope of Work:

1. Task 3 and Task 5 reflect efforts intended to identify and demonstrate internal and external issues impacting employee compensation that should be taken into consideration in a review of employee compensation. Organization effectiveness and employee position classifications are key to the overall success of the District. The job descriptions may be designed to reflect the specific needs of the organization and may not accurately reflect data collected within the intended labor market that drive individual compensation levels.

PROJECT SCHEDULE

Consultant will commit the resources necessary to complete the Compensation Study within a timeframe mutually developed by the District and Consultant consistent with our proposed Scope of Work. (Consultant understands that initiation of this effort may be delayed until such time as the District selects a new General Manager. For purposes of demonstrating a proposed project schedule a March 1, 2020 start date has been used in our proposed schedule). Tasks identified in our Scope of Work will run concurrently.

Task	March	April	May	June
Task 1	-----			
Task 2	-----			
Task 3	-----	-----X		
Task 4	-----	----- X		
Task 5	-----	-----	----- X	
Task 6	-----	-----	-----	--- X

Notes to Project Schedule:

1. Schedule shown is consistent with Scope of Work as proposed. Schedule can be modified to reflect additions or deletions to individual components of Scope of work.
2. Scheduled as proposed reflects benefit data collection for purposes of agency-to-agency comparative review.
3. Completion of salary and benefits survey may be impacted by the responsiveness of survey agencies.
4. Refer to "Scope of Involvement of District Staff" for anticipated scheduled meetings with Project Team.
5. Consultant will coordinate with the District to develop anticipated target dates for submittal and presentation of summary reports. Reports will be submitted in electronic format.
6. Approximate dates of summary reports submittals - (X).
7. Based on scheduling needs Consultant will be available for presentations to the Board of Directors and staff beyond the anticipated completion date.



FEE PROPOSAL

Our fee to conduct the compensation study for the Hidden Valley Lake Community Services District reflects our understanding of the District's requirements and as outlined in our proposed Scope of Work. The total fee based on the proposed Scope of Work is: **\$14,812.00**.

Notes to Fee Proposal:

1. Fee proposal as represented is a total fee and inclusive of anticipated consultant expenses.
2. A breakdown of our proposed fee by individual Task can be prepared if requested.
3. Additional work requested of the District shall be negotiated by both parties. Consultant shall not proceed with additional work unless directed to do so by the District in writing.
4. Consultant shall invoice District monthly during the duration of the project. Invoices shall identify work performed during the invoicing period including any approved expenses.



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Our fee to conduct the compensation study for the Hidden Valley Lake Community Services District reflects our understanding of the District's requirements and as outlined in our proposed Scope of Work. The total fee based on the proposed Scope of Work is: **\$14,812.00**.

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SALARY & COMPENSATION STUDY FOR...



11/14/2019

WBCP, Inc.

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Project Scope

I. Conduct comprehensive salary and benefits study for various positions, for the following 10 titles:

1. General Manager
2. Administrative Assistant
3. Senior Accountants representative
4. Accounts Representative Entry Level
5. Full Charge Bookkeeper
6. Water Resources Specialist I-II Flex
7. Utility Supervisor
8. Utility Operator II
9. Utility Operator I
10. Utility Technician

II. Salary and benefits information to be collected included: salary range (low to high), and other benefits information to be determined not to exceed 13 points of information (benefits, insurance, differentials, etc.). This information could also include information about flexible work schedules or other options such as telecommute, etc.

III. WBCP did not receive a list of comparator names, or the preferred number of comparators, therefore providing the suggestion below.

1. Compare against eight other comparable organizations. At the kick off meeting, we will identify the special districts/organizations we will be selecting; our proposal is based on this number and will increase or decrease based on the number of comparing organizations selected.

SALARY SURVEY - Project Approach

Working closely with the Hidden Valley Lake Community Services District, or identified representatives, WBCP will collect desired salary and benefits information using the following approach:

- Hidden Valley Lake approves WBCP's spreadsheet design and confirms what information WBCP will be collecting from comparator organizations.
- Hidden Valley Lake will provide and populate the spreadsheet with the District's data for their positions. It is important that the information populated be current and accurate.
- WBCP will collect identified information described in Project Scope for other comparator organizations using website, phone calls, facsimile and other communications to collect and/or confirm information.
- **Process:** Once an agreement is signed, we will set up a kick-off meeting date where we will review your needs including identifying up to 13 points of information (benefits, insurance, differentials, etc.) and use the sample spreadsheets in this proposal as a point of reference. We will also identify how information will be displayed in the spreadsheet (i.e., how much detail will be captured and how it will be communicated in the documentation). After the kickoff meeting, we will secure a timeline, followed by an approval of the spreadsheet content.

Outcomes and Deliverables

1. Reports will include:

- Anomalies and other details by comparator organizations.
- Salary and benefit data findings above and over median.
- If there is not an exact, or close to exact, job classifications match with comparing organizations, report will reflect a title that is a closely matched whenever possible and list these anomalies in the final report to review; final report will also identify where there are no matches.
- Compensation and benefit information where drastic differences exist will be highlighted.
- Where available, data spreadsheet report will include job description hyperlinks and hyperlinks to bargaining unit details (if applicable).

2. Print one copy and bind classification and compensation spreadsheet and summary report, and provide electronic reports.

Project Team

WENDI BROWN – *President*

Wendi is President of WBCP, an executive search, communications and strategy firm, serving clients in Oregon, California and Texas, since 2004. WBCP's team is passionate about helping organizations improve their recruitment services, place great talent, redesign antiquated processes, and execute communication campaigns. Formerly, Wendi was an internal Human Resources Consultant for the County of Orange, California, providing countywide communications, human resources, executive search and recruiter training services to the Chief Executive/Human Resources Office and, at that time, 25 decentralized departments, with 17,000 employees, serving a community of 300,000. Wendi has a Bachelor's of Science in Business Administration with an emphasis in Marketing from Colorado Technical University; earned several certificates in Project Management, Global Business, Marketing and Human Resources; and is working towards a Master's in Management from Southern Oregon University. Wendi will provide client relations, oversight of the classification and compensation study, manage staff collecting the data, and review and edit final report content and formatting.

HEATHER JACK – *WBCP Executive Search Associate*

Heather has been working for WBCP since 2015. Heather supports all recruitments that we manage at WBCP, in addition to working on other projects in human resources, employee engagement, salary and benchmark studies, and other human resource related projects with several municipalities in Oregon and California. Heather has a Bachelor's of Science degree in Anthropology and a double minor in Environmental Studies and French from Southern Oregon University.

Maggie Alexandre – *WBCP Executive Search and Class and Compensation Associate*

Maggie Alexandre is a Human Resources professional with over 30 years of experience, mainly in the financial services industry and has managed teams up to 80 human resource personnel. She began her career in HR at Robertson, Stephens & Company, a boutique investment bank in San Francisco, CA and continued in the HR Director role at other investment banks and private equity firms in San Francisco until 2016. Maggie has worked in all areas of HR as a generalist with a focus in Employee Relations. She moved to Oregon from the Bay Area in 2016 and has been working as an Executive Search Associate for WBCP since 2018. She studied Anthropology at California State University, Long Beach and received her Human Resources Management Certificate from California State University, San Francisco.

ADDITIONAL SUPPORT CONSULTANTS/STAFF

WBCP will use additional administrative consultants to provide other support for data research, collection and review process.

Professional Fees & Expenses

The total fee for professional consulting for this project is \$4,000. This includes all work outlined in this proposal’s scope of work, not including expenses. Expenses are not to exceed \$300.00 and will include shipping, print and binding costs for reports. Consulting fees will be billed 50% upon securing our services and 50% upon project completion. Invoices are to be paid within 30 days and payment delays will delay the project until bills are paid in full. Work on the project will begin on *(this date will be populated at a later time – within two weeks of agreement)*, and we will coordinate our timeline to meet the needs of the Client.

CLIENT APPROVAL

SIGNATURE

DATE

EXHIBIT A – Sample Data Spreadsheet

Snipping Tool
File Edit Tools Help

New [Icons]

Data Comparison by Grants Pass Job Position

Accounting Technician								
City	Job Title**	Annual Salary (per 1.0 FTE)		Benefits & Insurance				Comments
		Min	Max	VEBA Yes/No	Medical Employer Contribution	PERS Retirement P/U EE 6%	Deferred Compensation Contribution Plan Y/N	
Albany	Accounting Specialist	\$ 35,748	\$ 45,564	N	97%	Y	Y	
Ashland	Financial Clerk II	\$ 34,492	\$ 43,134	Y	95%	Y*	Y	*PERS + 6% ee pick-up; also provide a minimal deferred comp match of \$40/month for all.
Keizer	Accounting Technician	\$ 38,583	\$ 50,294	N	90%*	Y	Y	non-exempt/unrep; all ees exempt from SocSec; *\$1,699.70/mo ee/family top plan
Klamath Falls	Accounting Technician	\$ 42,420	\$ 47,064	Y	90%	N	Y - 401 / 457	AFSCME
Lake Oswego	Accounting Specialist I	\$ 35,672	\$ 45,552	Y-\$900/yr	91%	Y	Y	AFSCME/LOMEA
McMinnville	Accountant I	\$ 39,456	\$ 50,352	N	84%	Y	N	
Redmond	Accountant III	\$ 45,696	\$ 56,184	Y	93% - 95%*	Y - PERS non-rep and Police only; no pick-up AFSCME ees	Y	*Depending on the medical plan; the % of employer contribution varies. -EE only 93% -EE plus one 95% -EE plus family 94%
Roseburg	Accounting Clerk I & II	\$ 31,680	\$ 44,604	Y	95%	Y	N	
Tigard	Accounting Assistant I	\$ 31,884	\$ 42,756	Y	90%	N	Y	
Woodburn	no like position							
	Average	\$ 37,292	\$ 47,278					
	Median	\$ 35,748	\$ 45,564					
Grants Pass	Accounting Technician	\$ 28,680	\$ 38,712					***See Appendix B
	% difference from average	-23.09%	-18.12%					
	% difference from median	-19.77%	-15.04%					

EXHIBIT A – Sample Data Spreadsheet

2019 Compensation Study

Class: Risk Manager
Unit: FAME

AGENCY	TITLE	Monthly Salary & Wages					Monthly Employer Paid Benefits Allowance					TOTAL ANNUAL BENEFITS	ANNUAL TOTAL COMP	Contract Date	Bargaining Unit	Notes
		MAXIMUM BASE PAY	EPMC	EE Contrib to ER Rate (- value)	ER Paid DEFCMP	TOTAL ANNUAL SALARY	MEDICAL	VISION	DENTAL	LIFE INS	LTD					
Berkeley	Director of Human Resources¹	\$18,233.11	\$1,458.65	-\$1,458.65	\$180.90	\$220,968.12	\$2,065.58	\$0.00	\$170.32	\$4.70	\$31.54	\$27,265.72	\$248,233.84		Unrepresented	
Concord	Senior Human Resources Analyst²	\$11,313.00	N/A	N/A	\$506.06	\$141,828.68	\$1,789.21	\$0.00	\$132.30	\$27.15	\$13.50	\$23,545.93	\$165,374.62		Management	
Hayward	Assistant City Attorney	\$13,792.13	N/A	N/A	N/A	\$165,505.56	\$1,797.71	\$14.35	\$148.08	\$9.62	\$14.48	\$23,810.90	\$189,316.46	6/26/2018	Unrepresented	Next Increase 7/1/19
Milpitas	Assistant Director of Finance³	\$10,169.68	N/A	N/A	\$75.00	\$122,936.16	\$2,027.64	\$17.05	\$220.17	\$7.00	\$7.13	\$27,347.88	\$150,284.04	1/1/2019	Unrepresented	
Oakland	Manager, Claims and Risk	\$13,971.69	N/A	N/A	N/A	\$167,660.28	\$2,027.64	\$21.53	\$106.38	\$1.08	\$8.69	\$25,983.73	\$193,644.01		UK2 - Sr Mgmt EEs, Unrepresented	
San Jose	Risk Manager	\$11,999.88	N/A	N/A	N/A	\$143,998.56	\$1,644.96	\$16.00	\$149.84	\$1.61	N/A	\$21,748.90	\$165,747.46	7/1/18 - 6/30/21	Exec Mgmt & Prof. EEs Union 99	Next Increase 6/30/2019 (3%)
Santa Clara	Risk Manager	\$16,038.00	N/A	N/A	N/A	\$192,456.00	\$970.02	\$9.02	\$22.22	\$14.00	\$22.13	\$12,448.71	\$204,904.71	12/17/17 - 12/14/19	Unclassified Mgmt Unit 9	Next Increase 12/17/19 (4%)
Sunnyvale	Risk Manager	\$12,143.00	\$485.72	N/A	\$242.86	\$154,458.96	\$2,011.50	\$17.60	\$130.30	\$12.24	\$68.85	\$26,885.91	\$181,344.87		Confidential Mgmt EEs	
Palo Alto	Director of Human Resources & Chief People Officer¹	\$19,555.47	N/A	N/A	N/A	\$234,665.64	\$2,172.00	\$15.00	\$189.96	\$2.54	\$17.50	\$28,764.03	\$263,429.67		Management & Professional	

Fremont	Risk Manager	\$13,813.62	\$0.00	\$0.00	\$276.27	\$169,078.71	\$2,230.13	\$0.00	\$0.00	\$11.30	\$76.11	\$27,810.52	\$196,889.23		FAME	
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Comparators plus Palo Alto

Median: \$165,505.56
Fremont vs. Median: 2.113%

Median: \$25,983.73
Fremont vs. Median: 6.569%

\$189,316.46
3.846%

Current MOU Comparators (excludes Palo Alto)

Median less Palo Alto w/ Milpitas: \$159,982.26
Fremont vs. Median: 5.380%

Median: \$24,897.32
Fremont vs. Median: 10.475%

\$185,330.67
5.871%

Comparators less Milpitas plus Palo Alto

Median less Milpitas w/ Palo Alto: \$166,582.92
Fremont vs. Median: 1.476%

Median: \$24,897.32
Fremont vs. Median: 10.475%

\$191,480.24
2.747%

EXHIBIT A – Sample Data Spreadsheet

County of Mariposa Example

Account Clerk II

County	Job Title	MOU	Monthly Rate		Annual Rate		Medical & Dental Insurance, Retirement, and Other							Monthly		Total Annual Rate		Differentials				
			Min	Max	Min	Max	Medical Emp Contribution	Dental Emp Contribution	Vision Emp Contribution	Retirement Offset/ Ploakup	Flexible Benefit Allowance (can be used for medical offset; 457 plan; or take cash)	Life Inc	Social Security	TOTAL EMPLOYER CONTRIBUTION	Min	Max	Education Incentive	Longevity	On-Call	Uniform	Vacation Cash-Out	
Amador	Finance Assistant II	SEIU	\$2,996.93	\$3,643.47	\$35,963.16	\$43,721.64	\$1,707.12	\$85.02	\$13.11	N/A	N/A	\$2.32	\$225.90	\$2,045.67	\$60,511.14	\$68,269.62		2.5% @ each of 10, 15, 20 years	\$4/hr			
Calaveras	No Match		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						
Colusa	Account Clerk II	MSC	\$2,456.00	\$3,150.00	\$29,472.00	\$37,800.00	\$1,330.00	\$45.00	\$12.91	Y	\$136.00	\$4.30	\$195.30	\$1,723.71	\$50,156.52	\$58,484.52	up to 9 mos education leave w/o pay w/approval	2.5% eligible every 2 yrs thru step 15		up to \$300/biennial if required		
Glenn	Account Clerk II	UPFC	\$2,409.33	\$2,929.33	\$28,912.00	\$35,152.00	\$1,629.90	N/A	\$7.98	N/A	N/A	\$0.42	\$181.62	\$1,819.92	\$50,751.05	\$56,991.05		See Data Notes	\$3/hr	\$200 every 2 yrs if req	Paid in excess of 2x accrual rate	
Madera	Account Clerk II	Clerical	\$2,708.29	\$3,291.94	\$32,499.48	\$39,503.28	\$1,227.41	N/A	N/A	N/A	N/A	\$0.73	\$204.10	\$1,432.24	\$49,686.41	\$56,690.21		5% after 10 yrs 2.5% after 15 yrs 2.5% after 20 yrs	\$1.20/hr		80 hrs/yr w/balance of 100 hrs	
Merced	Account Clerk II	UPE Local 1	\$2,671.07	\$3,251.73	\$32,052.84	\$39,020.76	\$715.00	\$40.91	\$8.06	N/A	N/A	\$0.40	\$201.61	\$963.98	\$43,644.57	\$50,612.49	Tuition/Books for related training	See Data Notes	\$3/hr		20 hrs/yr	
Plumas	No Match		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						
Tuolumne	Account Clerk II	UEN	\$2,551.47	\$3,114.80	\$30,617.60	\$37,377.60	\$1,869.00	N/A	N/A	N/A	N/A	\$0.30	\$193.12	\$2,062.62	\$55,368.99	\$62,128.99	50% tuition/books for job related	See Data Notes	See Data Notes			
Average			\$2,632.18	\$3,230.21										Average	\$51,686.40	\$58,862.81						
Median			\$2,611.27	\$3,200.87										Median	\$50,453.78	\$57,737.78						
Mariposa	Account Clerk II	SEIU	\$2,679.51	\$3,257.56	\$32,154.12	\$39,090.72	\$500.00	\$47.30	\$8.60	21.0% Safety/11.0% Non-Safety Emp's/yr	\$696.01	\$0.62	\$201.97	\$1,454.30	\$49,608.12	\$56,544.72	\$200/semester tuition reimbursement	\$500/yr 10 yrs; \$750/yr 15 yrs; \$1K/yr 20 yrs	1.90/hr		80 hrs/yr w/min of 240 hrs	
% difference from average			1.77%	0.84%										% difference from average		-4.19%	-4.10%					
% difference from median			2.55%	1.74%										% difference from median		-1.70%	-2.11%					

EXHIBIT A – Data Anomalies Example

4. GLENN

GLENN ANOMALIES – N/A

GLENN DATA NOTES

Longevity pay (UPEC/MMA/POA):

- 5% after 10 years
- 6% after 15 years
- 7% after 20 years
- 8% after 25 years
- 9% after 30 years

Educational Incentive (DSA):

- 5% for Intermediate POST or BA/BS
 - 10% for Advanced POST or M/MS or BA 30 + units
 - 15% for Supervisory POST or PhD or M/MS + 30 units
-

5. MADERA

MADERA ANOMALIES

- **Assistant Auditor/Controller** - certification as a Certified Public Accountant is desirable.
- **Geographical Information System Manager (GIS Specialist)** - responsible for managing the County's GIS function and is expected to provide specialized support, coordination and direction of GIS services within various County departments and for the general public.

MADERA DATA NOTES

Educational Incentive (PO/DPO):

- 5% Intermediate POST Certificate
 - 2.5% Advanced POST Certificate
 - 2.5% Supervisory POST Certificate
-

EXHIBIT A – Data Irregularities Example

4. Job Classification Match Irregularities

Comparing classifications will have some variations due to job responsibilities and minimum qualifications. Best matches were made based on the closest match to the job description considering level in the organization and what department they were in, duties and responsibilities, required knowledge, skills and abilities.

Of the 84 Mariposa County job classifications, 15 jobs resulted in 50 percent or less matching in the counties surveyed (4 or fewer of the 8 counties had matching or similar job classifications). One job, Plant Operator II had no similar positions in any of the 8 counties surveyed. The table below highlights those jobs.



Mariposa Job Classification	Number of Matches	Counties with Similar or Matching Job Classifications
Administrative Technician	3	Amador, Glenn, Tuolumne
Assessment/Recording Office Manager	4	Amador, Merced, Plumas Tuolumne
Development Services Technician	2	Amador, Calaveras
Deputy Treasurer	0	
Division Director of Human Services	1	Merced
Fleet Manager	4	Calaveras, Glenn, Merced, Tuolumne
Mental Health Assistant II	4	Amador, Glenn, Madera, Merced
Office Technician	4	Amador, Calaveras, Glenn, Plumas
Plant Operator II	0	
Public Works Superintendent	2	Amador, Colusa
Recreation Supervisor	2	Merced, Tuolumne
Solid Waste and Recycling Manager	4	Amador, Calaveras, Plumas, Tuolumne
Staff Development Coordinator – HSD	2	Glenn, Tuolumne
Technical Services Manager	2	Madera, Merced
Transit System Bus Driver	2	Colusa, Tuolumne
Utilities Manager	1	Madera



**ACTION OF
HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

DATE: February 18, 2020

AGENDA ITEM: Discussion and Possible Action: Award Proposal to conduct a Total Salary & Compensation Study

RECOMMENDATIONS: Recommendation to the Board to Award Proposal to Conduct a Total Compensation Study to Robert DeLoach and Associates

FINANCIAL IMPACT: \$14,812

FUND: 120 - \$7,406 / 130 - \$7,406

ACCOUNT: 5-00-5123

BACKGROUND: In September 2019 Staff was directed to provide a Scope of Work for a Total Compensation Study. Three agencies have submitted a proposal to conduct the study.

CPS HR Consulting provided a cost estimate of \$53,794

Estimated 22 weeks to complete the study with a timeline to begin March 1, 2020

Robert Deloach and Associates provided a cost estimate of \$14,812

Estimated 11 weeks to complete the study with a timeline to begin March 1, 2020

WBCP provided a cost estimate of \$4300

No timeline provided

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

I, Penny Cuadras, 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 February 18, 2020 by the following vote:

Ayes:

Noes:

Abstain:

Absent

Secretary to the Board



Contractor License #422364
Contractor DIR #100000899

**CONTROL SYSTEM INTEGRATION • INSTRUMENTATION SERVICES
SCADA/AUTOMATION • PLC/HMI • ELECTRICAL • CALIBRATION • MAINTENANCE**

November 14, 2019

Hidden Valley Lake CSD
18896 Grange Road
Middletown, CA 95461

Sent via Email: dwhite@hvlcsd.org

Attn: Dennis White
Subject: Hidden Valley Lake CSD Chlorine Leak Detector – Provide and Install
Reference: SR 35867

Drawings: N/A
Specifications: N/A

Dear Dennis,

Telstar Instruments ("Telstar") is pleased to provide a quote for the referenced project to the above identified purchaser ("Customer"). Hidden Valley Lake CSD- Provide and Install New DeNora 1620B Chlorine Leak Detector

By accepting this proposal from Telstar you agree to treat this as confidential information.

SCOPE OF SUPPLY and SERVICES

- 1. Qty-1 DeNora 1620B Multi-point Gas Leak Detector
 - 2- Chlorine Sensors, 0-10 ppm, Indicator
 - 1- Nema 4X Enclosure w/ Window
- 2. Qty-1 Day Installation- Mount Unit, Wire to Customers Existing power, Wire Outputs to Customer's existing SCADA, Start-up and Calibrate New Unit
- 3. Qty-1 Day SCADA Integration for Leak Detector

Lump Sum Price for this Scope.....\$11,972.00

Shipping and Handling for Telstar Supplied Materials IS INCLUDED

Sales Tax IS INCLUDED

This quotation is based on Customer's representation that this IS a prevailing wage project.



Contractor License #422364
Contractor DIR #100000899

**CONTROL SYSTEM INTEGRATION • INSTRUMENTATION SERVICES
SCADA/AUTOMATION • PLC/HMI • ELECTRICAL • CALIBRATION • MAINTENANCE**

CLARIFICATIONS, EXCEPTIONS, AND EXCLUSIONS

- a. This quotation is based on the inclusion of Telstar's standard Terms and Conditions as part of any purchase order, contract or other agreement.
- b. Telstar's quotation includes only those items listed above. Requests for additions/deletions from our scope will require a change in the quoted price.
- c. Telstar assumes no responsibility for performance, applicability, compatibility, start-up, testing, or acceptance of any equipment not furnished by Telstar under this proposal.
- d. Telstar is supplying only equipment specified and noted above.
- e. Please reference the above stated quote number in all correspondence and purchase orders.

TERMS AND CONDITIONS

Base Terms: Quotation is valid for 30 days from the date of Telstar's quotation. Payment is due and payable 30 days from date of invoice. If payment is not received by the 30th day, a .05% daily service charge (18-3/4% per annum) will be charged on all accounts past due. In the event of a dispute concerning payment, attorney's fees, court costs and costs of collection will be paid to the prevailing party. The cost for permits and bonding are excluded unless expressly referenced in Telstar's quotation. Our standard insurance applies unless agreed to in writing by Telstar. Telstar's standard one year parts only warranty applies to this quotation. All other warranties, express or implied, or referenced elsewhere in contract documents are excluded, including but not limited to implied warranties of merchantability or fitness for purpose. Unless expressly stated in Telstar's estimate, this quote is based on standard straight time hours and does not include any prevailing wage rates. The price quoted herein is for the labor and materials specifically listed within the body of this quote. Service calls are charged at a 4-hour minimum per person, excluding travel time. Unless expressly stated in the quotation, training, operation and maintenance manuals, and preparation of as built drawings are excluded from Telstar's scope of work.

Limitation of Liability: (a) In no event shall Telstar, its suppliers or subcontractors be liable for special, indirect, incidental or consequential damages, whether in contract, warranty, tort, negligence, strict liability or otherwise, including, but not limited to, loss of profits or revenue, loss of use of the Equipment or any associated equipment, cost of capital, cost of substitute equipment, facilities or services, downtime costs, delays, and claims of customers of Customer, its officers, directors, members employees or any third parties for any damages. Telstar's liability for any claim whether in contract, warranty, tort, negligence, strict liability, or otherwise for any loss or damage arising out of, connected with, or resulting from this Agreement or the performance or breach thereof, or from the design, manufacture, sale, delivery, resale, repair, replacement, installation, technical direction of installation, inspection, operation or use of any equipment covered by or furnished under this Agreement, or from any services rendered in connection therewith, shall in no case exceed twenty-five percent (25%) of the purchase price allocable to the Equipment, part or Services that is the subject of the claim. (b) All causes of action against Telstar Instruments arising out of or relating to this Agreement or the performance or breach hereof shall be deemed barred unless brought within one year from the date of discovery or other accrual. (c) In no event, regardless of cause, shall Telstar Instruments be liable for liquidated damages, offsets or penalties of any kind or to indemnify, defend or hold harmless Customer, its officers, directors, members, employees or any third party, arising from or related to the Equipment and/or Services provided by Telstar.

Force Majeure: Telstar shall neither be liable for loss, damage, detention or delay nor be deemed to be in default for failure to perform when prevented from doing so by causes beyond its reasonable control including but not limited to acts of war (declared or undeclared), Acts of God, fire, strike, labor difficulties, acts or omissions of any governmental authority or of Customer, compliance with government regulations, insurrection or riot, embargo, delays or shortages in transportation or inability to obtain necessary labor, materials, or manufacturing facilities



Contractor License #422364
Contractor DIR #100000899

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from usual sources or from defects or delays in the performance of its suppliers or subcontractors due to any of the foregoing enumerated causes. In the event of delay due to any such cause, the date of delivery will be extended by period equal to the delay plus a reasonable time to resume production, and the price will be adjusted to compensate Telstar Instruments for such delay.

Cancellation: In the event of cancellation by Customer, Customer agrees to fully reimburse and compensate Telstar for all costs associated with this Quotation or subsequent order, including but not limited to engineering, labor, materials, quote and estimating time, and product return fees, plus a ten percent (10%) markup to compensate for disruption in scheduling, planned production, indirect costs and profit. Payment for cancellation shall be due within ten (10) days from the date of submission of charges by Telstar.

Entire Agreement: This Quotation constitutes the entire agreement between Telstar and Customer. There are no agreements, understandings, restrictions, warranties, or representations between Telstar and Customer other than those set forth herein or herein provided. This Quotation may only be amended, changed or revised by a written amendment signed by an authorized representative of Telstar. No oral or implied agreements shall be of any force or affect.

Precedence: In the event Telstar is issued an authorization for work, Purchase Order, Contract or similar Agreement with conflicting Terms and Conditions than those set forth herein, these Terms and Conditions will shall take precedence and shall supersede any and all other conflicting Terms and Conditions.

Submittals: In the event Telstar receives a Notice to Proceed or a written statement to proceed with submittals, Telstar will be entitled to compensation based on percent of completion of submittal cost to Customer. Telstar will prepare only one set of submittals, and any resubmittals shall be subject to an additional charge for engineering time and other costs in preparing re-submittals.

Prevailing Wages: Telstar relies upon Customer's representations as to whether this Project requires payment of prevailing wages. Customer agrees to defend, indemnify and hold Telstar harmless from and against any and all claims, actions and demands, including but not limited to payment of legal fees, fines, back pay, and any penalties or interest, associated with Customer's inaccurate representation of whether prevailing wages are required to be paid.

Bonding: Cost of Bonding is not included. Contact Telstar for a quote if bonding is required.

We look forward to working with you on this project. If you have any questions, please contact me at the phone number below.

Sincerely,

Kevin Ward

Kevin Ward
Chemical Feed Sales and Service
Telstar Instruments
(925) 671-2888
kward@telstarinc.com

**ACTION OF
HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

DATE: February 18, 2020

AGENDA ITEM: Discussion and Possible Action: Telstar Proposal – Supply and Install New Chlorine Leak Detector

RECOMMENDATIONS: Recommendation to the Board to accept the following proposal for a New Chlorine Leak Detector

FINANCIAL IMPACT: \$11,972.00

FUND/AMT: 120-5150

DEPARTMENT/AMT:

ACCOUNT/AMT:

BACKGROUND: In 2018 the District Risk Management Plan (RMP) was accepted by the County Environmental Health Services Department. As indicated in section 2.6 #8, this RMP has identified chlorine leak detector installations as a planned change to improve safety. We remain committed to moving forward with improvements identified in this 5-year document.

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

I, Penny Cuadras, 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 February 18, 2020 by the following vote:

Ayes:

Noes:

Abstain:

Absent

Secretary to the Board



POLICY TITLE:	HOLIDAY POLICY	
POLICY #: 3103	ADOPTED DATE: November 2015 President:	REVISION DATE: February 18, 2020 President: Judy Mirbegian

The Board of Directors revised and adopted this policy at its public meeting on the latest revision date. This version of the Policy, supersedes all other previous versions.

POLICY

3103.1 The District observes the following list of holidays and floating holidays:

- | | |
|---|------------------------------------|
| New Year's Day | Thanksgiving Day and the day after |
| Martin Luther King Day | Veterans' Day |
| Presidents' Day | Memorial Day |
| July 4 | Two Floating Holidays |
| Christmas Eve half-day off (but only if December 24 falls on a Monday-Thursday) | |
| Christmas Day | |

3103.2 All regular full-time employees are eligible to receive eight hours of pay for each District-designated holiday. Regular part-time employees receive holiday pay pro rata, based on the number of hours they are regularly scheduled to work in a workweek.

3103.3 *Special Holiday Pay.* For any employee who is required by the District to work on a designated holiday other than a Floating Holiday, that employee will receive, in addition to their regular 8 hours of holiday pay, the additional special holiday pay of 1.5 times their regular hourly rate for each hour they are required to work on the holiday. Special holiday pay is a separate entitlement from overtime compensation.

3103.4 Employee requests to take Floating Holidays shall normally be requested and approved ahead of time through their supervisor.

Approved and Adopted on February 18, 2020

Judy Mirbegian,
President to the Board

Attest: _____
Penny Cuadras,
Secretary to the Board



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
WASTEWATER TREATMENT PLANT PUBLIC TOUR ATTENDEES**

**ASSUMPTION OF RISK, WAIVER OF LIABILITY AND
HOLD HARMLESS AGREEMENT**

EXPRESS ASSUMPTION OF THE RISK

I (on my behalf or my child's) understand that participation in a public tour of the Hidden Valley Lake Community Services District Wastewater Treatment Plant located at 18896 Grange Road Middletown Ca. 95461 involves a risk and possibility of bodily injury or property damage, and I agree to assume all such risks. Risks to visitors may include, but not be limited to, uneven or wet surfaces, possible exposure to unpleasant or harmful fumes and gases, and potential exposure to biological components of wastewater. Visitors are advised to follow all instructions from District personnel in order to minimize these potential hazards.

RELEASE AND WAIVER OF LIABILITY

I (on my behalf or my child's) agree to release the Hidden Valley Lake Community Services District, its Board of Directors, officers, employees, agents, and volunteers from any and all liability arising out of or resulting from my (or my child's) participation in this tour.

INDEMNITY AND HOLD HARMLESS

I agree to indemnify and hold harmless the Hidden Valley Lake Community Services District from any loss, liability, damage, cost or expense, including litigation or attorney fees, arising out of or connected in any way with my (or my child's) participation in this tour regardless of the cause.

ACKNOWLEDGEMENT

I have carefully read this document and understand that it is a release of all liability, a hold harmless, and an express assumption of all risk inherent in a public tour of the Hidden Valley Lake Community Services District Wastewater Treatment Plant. I am fully aware of the legal consequences of signing this document and voluntarily sign my name evidencing my acceptance of the above provisions.

If the attendee is a minor, this form must be signed by a parent or legal guardian. No child or adult will be allowed to participate in the tour without a signed form in the possession of HVLCSO.

(Signature of Attendee or Parent)

(Date)

(Print Name of Attendee)

Age of Attendee if under 18)

(Street Address)

(City, State, Zip Code)

(Phone number)

(Email Address)



VOLUNTEER INFORMATION

PLEASE PRINT NEATLY!

Name _____ Phone (1) _____ Phone (2) _____

Email _____

Address _____ City _____ Zip _____

Organization or School _____ Grade _____

Physical or Working Condition Limitations _____

EMERGENCY CONTACT

Name _____ Relation _____ Phone (1) _____

Address _____ Phone (2) _____

I am 18 years or older

OR

I am under 18 and my parent/guardian has signed below

SERVICE AGREEMENT

I will comply with all policies, rules, regulations, directives and instructions. I understand that instructions for safety will be given before each project is started. I understand I am an unpaid volunteer for Hidden Valley Lake Services District Community Services District (HVLCSD). I have read and agree to the following policies and conditions:

- I understand that this program may involve physical labor. I understand that I may be outdoors where natural hazards, such as poison-oak, uneven terrain, and changing weather may be encountered. HVLCSD staff will try to minimize the Participant's exposure to such hazards and will provide safety instructions before each project is started.
- I understand that HVLCSD holds its volunteers to the highest standards of personal behavior and any behavior that the District finds unacceptable is grounds for the immediate ending of the volunteer's participation.
- HVLCSD, its partner agencies, its staff members and volunteers can take photographs of the volunteer in connection with this program. HVLCSD and its partners may use and publish these photos in print and/or electronically for the purposes such as publicity, advertising and internet content.
- If the volunteer operates a private motor vehicle as part of their volunteer activities, they must file a certification of insurance coverage and mechanical safety of the vehicle.
- I agree to hold harmless, defend and indemnify HVLCSD, its officers, agents, employees, partners and volunteers from any and all liability and claims of any kind, including attorney's fees and costs, arising out of or in connection with Volunteer Program activities and my volunteer activities for that program.

HVLCSD reserves the right to end a volunteer's service at any time.

Volunteer Signature

Date

PARENTAL PERMISSION

I, the parent/guardian of the above participant, do hereby give my permission for this youth to participate in the Hidden Valley Lake Community Services District's Volunteer Program. I understand that the program will have competent adult supervision and appropriate measures will be made to minimize the risk of injury. I understand that my signature acknowledges that this applicant is in good health and gives my consent for the Hidden Valley Lake Community Services District to arrange for emergency medical care and/or treatment that may be necessary for my child. I agree to hold harmless, indemnify and defend HVLCSD its officers, agents, partners, and employees from any and all liability arising out of or as a result of my child's participation in the HVLCSD Volunteer program.

Parent/Gaudian Name _____ Phone _____

Other Emergency Contact or Physician _____ Phone _____

Parent/Guardian Signature

Date