



# Hidden Valley Lake Community Services District

## Regular Board Meeting

DATE: May 21, 2013  
TIME: 7:00 p.m.  
PLACE: Hidden Valley Lake CSD  
Administration Office, Boardroom  
19400 Hartmann Road  
Hidden Valley Lake, CA

- 1) CALL TO ORDER
- 2) PLEDGE OF ALLEGIANCE
- 3) ROLL CALL
- 4) APPROVAL OF AGENDA
- 5) CONSENT CALENDAR

(A) MINUTES: Approval of the Minutes of the Board of Directors meeting of April 16, 2013 regular board meeting is recommended

(B) WARRANTS: Approval of warrant # 030833 - #030901 for a total of \$1,229,670.92 is recommended

(C) APPROVAL AND ACCEPTANCE OF THE 2011-2012 AUDIT REPORT

- Financial Statements Together with Independent Auditor's Report for the Year Ended June 30, 2012
- Single Audit Act Reports and Schedules for the Year Ended June 30, 2012
- Required Communication and Management Report for the Year Ended June 30, 2012

- 6) BOARD COMMITTEE REPORTS (for information only, no action anticipated)
  - Personnel Committee
  - Finance Committee
  - Security and Disaster Preparedness Program Committee
  - Policy Review Ad Hoc Committee
- 7) BOARD MEMBER ATTENDANCE AT OTHER MEETINGS (for information only, no action anticipated)
  - ACWA Region 1
  - ACWA State Legislative Committee
  - County OES
  - Other meetings attended
- 8) STAFF REPORTS (for information only, no action anticipated)
  - Accountant/Controller's Report
  - General Manager's Report
- 9) PUBLIC HEARING to consider placement of default balance liens on real property pursuant to Government Code Section 61115
- 10) DISCUSSION AND POSSIBLE ACTION: Adoption of Resolution 2013-06 confirming default balances and directing staff to file liens on real property



# Hidden Valley Lake Community Services District

## Regular Board Meeting

- 11) DISCUSSION AND POSSIBLE ACTION: Adoption of Ordinance 53 Amending Capital Facilities Fee
  
- 12) DISCUSSION AND POSSIBLE ACTION: Adoption of Resolution 2013-07 authorizing District's participation and support for Water Bond Coalition
  
- 13) DISCUSSION AND POSSIBLE ACTION: Retention of accounting firm to perform 2012-2013 audit
  
- 14) DISCUSSION AND POSSIBLE ACTION: Status of 6-month work priorities
  
- 15) DISCUSSION AND POSSIBLE ACTION: Adoption of revised Personnel Committee Policy
  
- 16) DISCUSSION AND POSSIBLE ACTION: Adoption of Resolution 2013-08 nominating a HVLCSO candidate for the 2014-2015 ACWA Region 1 Board
  
- 17) PUBLIC COMMENT
  
- 18) BOARD MEMBER COMMENT
  
- 19) ADJOURNMENT (Next Regular Board Meeting: June 18, 2013)

Public records are available upon request. Board Packets are posted on our website at [www.hiddenvalleylakecsd.com](http://www.hiddenvalleylakecsd.com). Click on the "Board Packet" link on the Agenda tab.

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

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



# Hidden Valley Lake Community Services District

## Regular Board Meeting Minutes

DATE: April 16, 2013  
TIME: 7:00 p.m.  
PLACE: Hidden Valley Lake CSD  
Administration Office, Boardroom  
19400 Hartmann Road  
Hidden Valley Lake, CA

1) CALL TO ORDER:

Meeting of the Hidden Valley Lake Community Services District Board of Directors called to order on April 16, 2013 at the hour of 7:00 p.m. by President Mirbegian at 19400 Hartmann Road, Hidden Valley Lake, California.

2) PLEDGE OF ALLEGIANCE:

3) ROLL CALL:

Present – Directors Freeman, Graham, Herndon, Lieberman, and Mirbegian. Also present: Roland Sanford, General Manager; Tami Ipsen, Administrative Assistant; and Tasha Klewe, Accountant/Controller.

4) APPROVAL OF AGENDA:

Director Freeman moved, Director Herndon seconded to approve the April 16, 2013 Agenda.

Motion approved by unanimous vote.

5) APPROVAL OF CONSENT CALENDAR:

A) MINUTES: Approval of the March 19, 2013 Regular Board Meeting, March 23 and 30, 2013 Special Meeting minutes is recommended

B) WARRANTS: Approval of Warrant # 030729 - #037082 for a total of \$202,596.11 is recommended

C) AUTHORIZATION FOR BOARD MEMBER ATTENDANCE at Spring ACWA Conference in Sacramento, California

Director Lieberman moved, Director Graham seconded to approve the consent calendar.

Motion approved by unanimous vote.

6) 2011-2012 AUDIT PRESENTATION BY SMITH AND NEWELL ACCOUNTANTS

Merilee Smith of Smith and Newell Certified Public Accountant presented the results of their 2011-2012 Audit and noted the District received an “unqualified opinion”, meaning no significant problems were found. Neither the Board nor staff had any requested revisions to the written reports. The Board will consider formal approval and acceptance of the 2011-2012 audit at the May 21, 2013 Board meeting.

7) BOARD COMMITTEE REPORTS:

Personnel Committee – Directors Mirbegian and Herndon had nothing to add to the April 3, 2013 committee report enclosed in the Board packet.

Director Freeman had nothing to add to the March 28, 2013 Finance Committee reported closed in the Board packet and gave a brief oral report on the committee's April 11, 2013 committee meeting. A written report on the April 11, 2013 Finance Committee meeting will be included with the May 21, 2013 Board meeting packet.

Security and Disaster Preparedness Program Committee - There was no report. The next meeting is scheduled for May 16, 2013.

Lake Water Use Agreement Review Committee – addressed under General Manager's report.

8) BOARD MEMBER ATTENDANCE AT OTHER MEETINGS

ACWA Region 1 – Director Mirbegian presented an oral report on upcoming ACWA Region 1 events.

ACWA State Legislative Committee – Director Herndon reported on the Committee's concerns regarding proposed legislation that would move responsibility for the state's drinking water program from the Department of Public Health to a new division of the State Water Resources Control Board.

County OES – Director Lieberman reported the County OES Area Committee is still looking for someone to lead the program.

Other meetings attended – There were none.

9.) STAFF REPORTS:

Accountant/Controller's Finance and Investment Report

Report enclosed in board packet. Tasha Klewe had nothing to add to the written report.

General Manager's Report:

Report enclosed in board packet. General Manager Roland Sanford had nothing to add to the written report.

General Manager Roland Sanford noted the Lake Water Use Review Committee met on March 20, 2013 and that neither the Hidden Valley Lake Association nor the District representatives had any requested changes to the current agreement.

Property owner inquired about the Sewer System Management Plan (SSMP) that was addressed in the General Manager's written report and the consequences if not updated in May. Mr. Sanford responded that while there was no automatic penalty for not completing the update by the end of May, the District could be considered negligent and fined if an accident, such as a sewer spill occurred, and the SSMP had not been properly updated.

10) DISCUSSION AND POSSIBLE ACTION: Development of guidelines for District sponsorship of community events

Mr. Sanford reported to date the District has sponsored three events promoting water awareness in 2012-2013 fiscal year and explained that as member of the California Urban

- 10) DISCUSSION AND POSSILBE ACTION: Development of guidelines for District sponsorship of community events CONT'D

Water Conservation Counsel, the District is required to implement Best Management Practices (BMP) specified by the Council. He further explained that the District was obligated to be a member of the Council pursuant to the terms of at least one of the District's loans from the State and that the three events sponsored by the District satisfy one of the Council's BMPs.

Director Graham asked whether staff had any information regarding the extent to which the District's water conservation outreach efforts had resulted in water savings, and any cost/benefit analysis of those outreach efforts. Mr. Sanford said staff would prepare a summary report addressing Director Graham's questions for the next Board meeting.

- 11) DISCUSSION AND POSSILBE ACTION: HVLCSD Board of Directors General Rules for Board Committees

Director Mirbegian reviewed the general rules and asked for any recommendations of changes.

Director Herndon moved, Director Lieberman seconded to approve the HVLCSD Board of Directors General Rules for Board Committees.

During discussion there were a few recommended changes:

6<sup>th</sup> bullet, to read, "The Board President may serve as a member of any committee whenever a committee member is absent, except in those circumstances that would cause a violation of the Brown Act."

7<sup>th</sup> bullet to read, "No standing committee shall investigate any matter outside the scope of its charter unless directed to do so by the full Board."

8<sup>th</sup> bullet, "All committees shall provide the Board with a written report summarizing the committee meetings that occurred since the prior regular monthly Board meeting."

After discussion Director Herndon moved, Director Graham seconded to approve the amended HVLCSD Board of Directors General Rules for Board Committees.

Motion approved by unanimous vote.

- 12) DISCUSSION AND POSSIBLE ACTION: Adoption of Resolution 2013-05 establishing Board committee meeting calendars for 2013

Director Mirbegian noted that for Brown Act compliance purposes the Board's standing committee meetings must be treated as if they are regular board meetings, and that pursuant to the Brown Act, the public must be informed when regular monthly meetings are scheduled to occur. She explained staff had prepared a regular meeting calendar for the Board's standing committee meetings that Board members periodically attend had also been prepared and included in the Board packet.

Director Lieberman moved, Director Freeman seconded to approve 2013-05, a Resolution of the Hidden Valley Lake Community Services District Board of Directors Setting a Placeholder for Conducting Business of Standing Board Committees.

Resolution approved by unanimous vote.

- 13) PUBLIC COMMENTS:

There were none.

14) BOARD MEMBER COMMENT:

Director Herndon commented that she would like to see that the Pledge of Allegiance recited at all committee meetings.

Director Graham recommended having the District's Mission Statement at the top of each Board agenda.

15) ADJOURNMENT: The meeting was adjourned at 9:08 p.m. on motion by Director Herndon, seconded by Director Freeman, and unanimously carried.

\_\_\_\_\_  
Roland Sanford      Date  
General Manager/Secretary to the

Board

\_\_\_\_\_  
Judy Mirbegian      Date  
President of the Board

**Hidden Valley Lake CSD  
Warrant Summary Report  
April 30, 2013**

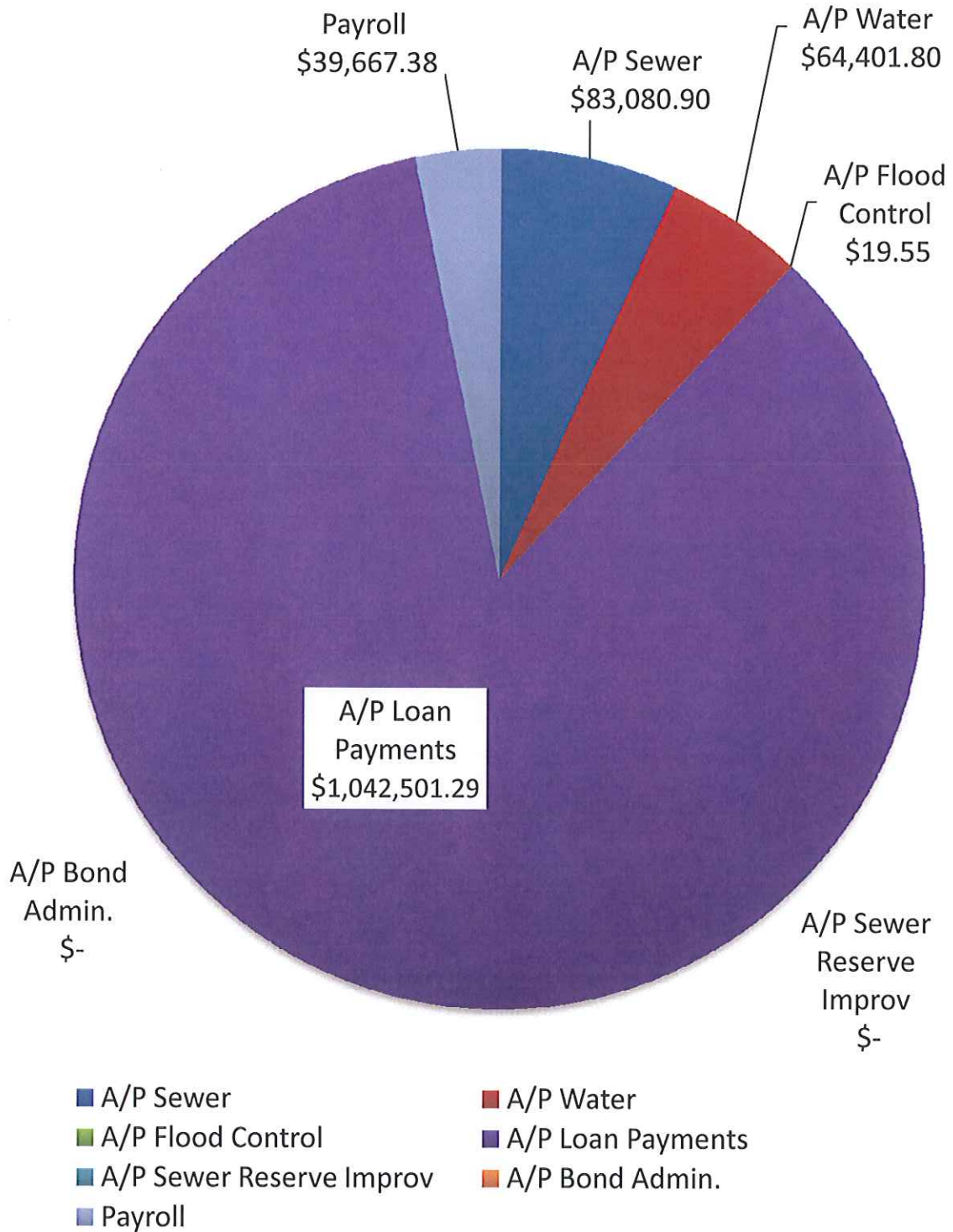
**HVLCSD Deposit Summary**

<b>Cash</b>	<b>\$ 656,360.10</b>
<b>Transfers:</b>	
<b>Money Market</b>	<b>\$ 995,000.00</b>
<b>Total Deposits</b>	<b><u>\$ 1,651,360.10</u></b>

**HVLCSD Expenditure Summary**

<b>Accounts Payable</b>	
<b>120 - Sewer</b>	<b>\$ 83,080.90</b>
<b>130 - Water</b>	<b>\$ 64,401.80</b>
<b>140 - Flood Control</b>	<b>\$ 19.55</b>
<b>175 - FEMA Fund</b>	<b>\$ -</b>
<b>215 - USDA Sewer Bond</b>	<b>\$ -</b>
<b>217 - State Loan</b>	<b>\$ 1,042,501.29</b>
<b>218 - CIEDB</b>	<b>\$ -</b>
<b>219 - USDA Solar Project</b>	<b>\$ -</b>
<b>375 - Sewer Reserve Improvement</b>	<b>\$ -</b>
<b>711 - Bond Administration</b>	<b>\$ -</b>
<b>Total AP</b>	<b><u>\$ 1,190,003.54</u></b>
<b>Payroll</b>	<b>\$ 39,667.38</b>
<b>Total Warrants</b>	<b><u>\$ 1,229,670.92</u></b>

**Hidden Valley Lake CSD  
Warrants  
April 30, 2013  
\$1,229,671**





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

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 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

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1010	4/19/2013	BANK-DRAFT		US DEPARTMENT OF THE TREASURY	30.60CR	POSTED	A	4/19/2013
1010	4/19/2013	BANK-DRAFT	000001	US DEPARTMENT OF THE TREASURY	4,332.89CR	POSTED	A	4/19/2013
<b>CHECK:</b>								
1010	4/05/2013	CHECK	030833	FRANK SILLIMAN	150.00CR	POSTED	A	4/10/2013
1010	4/05/2013	CHECK	030834	CHASE CARD SERVICES UNITED MIL	178.96CR	POSTED	A	4/09/2013
1010	4/05/2013	CHECK	030835	KAREN JENSEN	61.02CR	POSTED	A	4/05/2013
1010	4/05/2013	CHECK	030836	TYLER TECHNOLOGY	121.00CR	POSTED	A	4/09/2013
1010	4/05/2013	CHECK	030837	ELLISON, SCHNEIDER & HARRIS L.	874.40CR	POSTED	A	4/10/2013
1010	4/05/2013	CHECK	030838	BARRY SILVA	44.27CR	POSTED	A	4/30/2013
1010	4/05/2013	CHECK	030839	OFFICE DEPOT	61.04CR	POSTED	A	4/10/2013
1010	4/05/2013	CHECK	030840	GHD	2,131.25CR	POSTED	A	4/12/2013
1010	4/05/2013	CHECK	030841	ROLAND SANFORD	52.33CR	POSTED	A	4/09/2013
1010	4/05/2013	CHECK	030842	BARTLEY PUMP, INC.	8,290.20CR	POSTED	A	4/15/2013
1010	4/05/2013	CHECK	030843	BRELJE AND RACE LABS, INC.	716.70CR	POSTED	A	4/12/2013
1010	4/05/2013	CHECK	030844	CASE EXCAVATING, INC.	4,950.00CR	POSTED	A	4/19/2013
1010	4/05/2013	CHECK	030845	INDUSTRIAL ELECTRIC MOTORS	11,811.45CR	POSTED	A	4/09/2013
1010	4/05/2013	CHECK	030846	LAKE LABS	1,966.00CR	POSTED	A	4/09/2013
1010	4/05/2013	CHECK	030847	CALIFORNIA PUBLIC EMPLOYEES RE	7,314.90CR	POSTED	A	4/15/2013
1010	4/05/2013	CHECK	030848	STATE OF CALIFORNIA EMPLOYMENT	1,370.02CR	POSTED	A	4/08/2013
1010	4/05/2013	CHECK	030849	VARIABLE ANNUITY LIFE INSURANC	150.00CR	POSTED	A	4/10/2013
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1010	4/12/2013	CHECK	030852	ADTS, INC	178.00CR	POSTED	A	4/18/2013
1010	4/12/2013	CHECK	030853	AMY & JONATHON ALVES	150.00CR	POSTED	A	4/16/2013
1010	4/12/2013	CHECK	030854	AT&T	996.99CR	POSTED	A	4/16/2013
1010	4/12/2013	CHECK	030855	CSG SYSTEMS	1,313.06CR	POSTED	A	4/16/2013
1010	4/12/2013	CHECK	030856	DAVE SISSON	150.00CR	POSTED	A	4/18/2013
1010	4/12/2013	CHECK	030857	MEDIACOM	75.90CR	POSTED	A	4/16/2013
1010	4/12/2013	CHECK	030858	MERRILL, ARNONE & JONES, LLP	1,638.00CR	POSTED	A	4/16/2013
1010	4/12/2013	CHECK	030859	OFFICE DEPOT	56.45CR	POSTED	A	4/16/2013
1010	4/12/2013	CHECK	030860	RAINBOW RACING SYSTEM, INC.	918.87CR	POSTED	A	4/23/2013
1010	4/12/2013	CHECK	030861	RICOH AMERICAS CORPORATION	1,010.64CR	POSTED	A	4/16/2013
1010	4/12/2013	CHECK	030862	SOUTH LAKE REFUSE COMPANY	316.64CR	POSTED	A	4/16/2013
1010	4/12/2013	CHECK	030863	SPECIAL DISTRICT RISK MANAGEME	23,762.32CR	POSTED	A	4/17/2013
1010	4/12/2013	CHECK	030864	ARMED FORCE PEST CONTROL, INC.	180.00CR	POSTED	A	4/16/2013
1010	4/12/2013	CHECK	030865	EEL RIVER FUELS, INC.	1,243.22CR	POSTED	A	4/16/2013
1010	4/12/2013	CHECK	030866	HARDESTER'S MARKETS & HARDWARE	76.97CR	POSTED	A	4/17/2013
1010	4/12/2013	CHECK	030867	Inventron/BLTec Level Tech	925.35CR	POSTED	A	4/29/2013
1010	4/12/2013	CHECK	030868	LAKE COUNTY COURIER EXPRESS, L	1,491.30CR	POSTED	A	4/22/2013
1010	4/12/2013	CHECK	030869	PACE SUPPLY CORP	1,876.65CR	POSTED	A	4/16/2013
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1010	4/19/2013	CHECK	030871	SILVA, PAUL	527.41CR	POSTED	P	4/26/2013

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

CHECK DATE: 4/01/2013 THRU 4/30/2013  
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1010	4/19/2013	CHECK	030874	VARIABLE ANNUITY LIFE INSURANC	150.00CR	POSTED	A	4/25/2013
1010	4/19/2013	CHECK	030875	CALIFORNIA PUBLIC EMPLOYEES RE	7,253.73CR	POSTED	A	4/24/2013
1010	4/19/2013	CHECK	030876	MIKE PODLECK - AQUATIC ECOLOGI	480.00CR	POSTED	A	4/24/2013
1010	4/19/2013	CHECK	030877	NAPA AUTO PARTS	22.44CR	POSTED	A	4/24/2013
1010	4/19/2013	CHECK	030878	TELSTAR INSTRUMENTS, INC	19,015.45CR	POSTED	A	4/23/2013
1010	4/19/2013	CHECK	030879	USA BLUE BOOK	550.00CR	POSTED	A	4/29/2013
1010	4/19/2013	CHECK	030880	VERIZON WIRELESS	638.59CR	POSTED	A	4/24/2013
1010	4/19/2013	CHECK	030881	WEED TECH	1,450.00CR	POSTED	A	4/23/2013
1010	4/19/2013	CHECK	030882	CARDMEMBER SERVICE	9,486.99CR	POSTED	A	4/25/2013
1010	4/19/2013	CHECK	030883	ITRON	573.30CR	POSTED	A	4/23/2013
1010	4/19/2013	CHECK	030884	OFFICE DEPOT	306.54CR	POSTED	A	4/24/2013
1010	4/19/2013	CHECK	030885	SMITH & NEWELL CPA	10,450.00CR	POSTED	A	4/25/2013
1010	4/19/2013	CHECK	030886	ST HELENA HOSPITAL dba JOBCARE	180.00CR	POSTED	A	4/23/2013
1010	4/19/2013	CHECK	030887	WILL & MADELINE TUTTLE	150.00CR	POSTED	A	4/29/2013
1010	4/26/2013	CHECK	030888	MICHELLE HAMILTON	860.00CR	CLEARED	A	5/02/2013
1010	4/26/2013	CHECK	030889	OFFICE DEPOT	139.72CR	POSTED	A	4/30/2013
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1010	4/26/2013	CHECK	030891	PETER AND SARAH LOGAN	150.00CR	CLEARED	A	5/08/2013
1010	4/26/2013	CHECK	030892	REDFORD SERVICES	715.00CR	CLEARED	A	5/06/2013
1010	4/26/2013	CHECK	030893	ROLAND SANFORD	26.77CR	POSTED	A	4/30/2013
1010	4/26/2013	CHECK	030894	BRELJE AND RACE LABS, INC.	831.90CR	CLEARED	A	5/02/2013
1010	4/26/2013	CHECK	030895	CLEARLAKE LAVA, INC.	2,125.15CR	POSTED	A	4/30/2013
1010	4/26/2013	CHECK	030896	FRED WALDON & FAMILY TRUCKING	1,450.00CR	CLEARED	A	5/09/2013
1010	4/26/2013	CHECK	030897	LAKE COUNTY COURIER EXPRESS, L	1,410.40CR	CLEARED	A	5/07/2013
1010	4/26/2013	CHECK	030898	QUACKENBUSH MRRCF	6.21CR	POSTED	A	4/30/2013
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1010	4/02/2013	DEPOSIT	000002	CREDIT CARD 4/02/2013	992.47	POSTED	C	4/05/2013
1010	4/02/2013	DEPOSIT	000003	REGULAR DAILY POST 4/02/2013	2,370.13	POSTED	C	4/03/2013
1010	4/03/2013	DEPOSIT		CREDIT CARD 4/03/2013	840.43	POSTED	C	4/08/2013
1010	4/03/2013	DEPOSIT	000001	CREDIT CARD 4/03/2013	154.21	POSTED	C	4/08/2013
1010	4/03/2013	DEPOSIT	000002	REGULAR DAILY POST 4/03/2013	1,395.62	POSTED	C	4/04/2013
1010	4/03/2013	DEPOSIT	000003	DAILY PAYMENT POSTING - ADJ	174.62CR	POSTED	U	4/03/2013
1010	4/04/2013	DEPOSIT		CREDIT CARD 4/04/2013	384.18	POSTED	C	4/09/2013

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

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1010	4/05/2013	DEPOSIT		CREDIT CARD 4/05/2013	192.09	POSTED	C	4/08/2013
1010	4/05/2013	DEPOSIT	000001	CREDIT CARD 4/05/2013	465.87	POSTED	C	4/09/2013
1010	4/05/2013	DEPOSIT	000002	CREDIT CARD 4/05/2013	703.50	POSTED	C	4/09/2013
1010	4/05/2013	DEPOSIT	000003	REGULAR DAILY POST 4/05/2013	1,971.70	POSTED	C	4/08/2013
1010	4/08/2013	DEPOSIT		DAILY PAYMENT POSTING - ADJ	172.09CR	POSTED	U	4/08/2013
1010	4/08/2013	DEPOSIT	000001	DAILY PAYMENT POSTING	172.09	POSTED	U	4/08/2013
1010	4/08/2013	DEPOSIT	000002	CREDIT CARD 4/08/2013	293.58	POSTED	C	4/11/2013
1010	4/08/2013	DEPOSIT	000003	CREDIT CARD 4/08/2013	1,176.91	POSTED	C	4/11/2013
1010	4/08/2013	DEPOSIT	000004	REGULAR DAILY POST 4/08/2013	4,155.05	POSTED	C	4/09/2013
1010	4/09/2013	DEPOSIT		CREDIT CARD 4/09/2013	174.62	POSTED	C	4/12/2013
1010	4/09/2013	DEPOSIT	000001	REGULAR DAILY POST 4/09/2013	1,309.28	POSTED	C	4/10/2013
1010	4/09/2013	DEPOSIT	000002	CREDIT CARD 4/09/2013	273.69	POSTED	C	4/12/2013
1010	4/10/2013	DEPOSIT		CREDIT CARD 4/10/2013	334.04	POSTED	C	4/15/2013
1010	4/10/2013	DEPOSIT	000001	CREDIT CARD 4/10/2013	821.10	POSTED	C	4/15/2013
1010	4/10/2013	DEPOSIT	000002	REGULAR DAILY POST 4/10/2013	702.69	POSTED	C	4/11/2013
1010	4/11/2013	DEPOSIT		CREDIT CARD 4/11/2013	448.95	POSTED	C	4/16/2013
1010	4/11/2013	DEPOSIT	000001	CREDIT CARD 4/11/2013	89.76	POSTED	C	4/19/2013
1010	4/11/2013	DEPOSIT	000002	REGULAR DAILY POST 4/11/2013	1,507.97	POSTED	C	4/12/2013
1010	4/11/2013	DEPOSIT	000003	CREDIT CARD 4/11/2013	192.09	POSTED	C	4/16/2013
1010	4/11/2013	DEPOSIT	000004	CREDIT CARD 4/11/2013	778.42	POSTED	C	4/19/2013
1010	4/11/2013	DEPOSIT	000005	REGULAR DAILY POST 4/11/2013	256.31	POSTED	C	4/12/2013
1010	4/11/2013	DEPOSIT	000006	DAILY PAYMENT POSTING - ADJ	174.62CR	POSTED	U	4/11/2013
1010	4/12/2013	DEPOSIT		CREDIT CARD 4/12/2013	465.87	POSTED	C	4/16/2013
1010	4/12/2013	DEPOSIT	000001	CREDIT CARD 4/12/2013	625.77	POSTED	C	4/16/2013
1010	4/12/2013	DEPOSIT	000002	CREDIT CARD 4/12/2013	2,688.77	POSTED	C	4/16/2013
1010	4/12/2013	DEPOSIT	000003	REGULAR DAILY POST 4/12/2013	5,100.95	POSTED	C	4/15/2013
1010	4/15/2013	DEPOSIT		CREDIT CARD 4/15/2013	1,298.72	POSTED	C	4/17/2013
1010	4/15/2013	DEPOSIT	000001	CREDIT CARD 4/15/2013	547.56	POSTED	C	4/18/2013
1010	4/15/2013	DEPOSIT	000002	CREDIT CARD 4/15/2013	4,700.20	POSTED	C	4/18/2013
1010	4/15/2013	DEPOSIT	000003	REGULAR DAILY POST 4/15/2013	6,623.67	POSTED	C	4/16/2013
1010	4/15/2013	DEPOSIT	000004	Correct PG&E Rebate 3387871	635.85CR	POSTED	G	4/16/2013
1010	4/16/2013	DEPOSIT		REGULAR DAILY POST 4/16/2013	78.00	OUTSTND	C	0/00/0000
1010	4/16/2013	DEPOSIT	000001	REGULAR DAILY POST 4/16/2013	22,586.32	POSTED	C	4/16/2013
1010	4/16/2013	DEPOSIT	000002	CREDIT CARD 4/16/2013	758.30	POSTED	C	4/19/2013
1010	4/16/2013	DEPOSIT	000003	CREDIT CARD 4/16/2013	81.69	POSTED	C	4/19/2013
1010	4/16/2013	DEPOSIT	000004	CREDIT CARD 4/16/2013	2,116.61	POSTED	C	4/19/2013
1010	4/16/2013	DEPOSIT	000005	REGULAR DAILY POST 4/16/2013	7,823.32	POSTED	C	4/17/2013
1010	4/17/2013	DEPOSIT		CREDIT CARD 4/17/2013	121.69	POSTED	C	4/19/2013
1010	4/17/2013	DEPOSIT	000001	CREDIT CARD 4/17/2013	232.09	POSTED	C	4/22/2013
1010	4/17/2013	DEPOSIT	000002	CREDIT CARD 4/17/2013	2,491.82	POSTED	C	4/22/2013
1010	4/17/2013	DEPOSIT	000003	REGULAR DAILY POST 4/17/2013	2,867.78	POSTED	C	4/18/2013
1010	4/18/2013	DEPOSIT		CREDIT CARD 4/18/2013	199.62	POSTED	C	4/23/2013

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

CHECK DATE: 4/01/2013 THRU 4/30/2013  
 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
<b>DEPOSIT:</b>								
1010	4/18/2013	DEPOSIT	000001	REGULAR DAILY POST 4/18/2013	426.42	POSTED	C	4/19/2013
1010	4/19/2013	DEPOSIT		CREDIT CARD 4/19/2013	17.47	POSTED	C	4/23/2013
1010	4/19/2013	DEPOSIT	000001	CC DRAFT POSTING	146.55	POSTED	U	4/23/2013
1010	4/19/2013	DEPOSIT	000002	CREDIT CARD 4/19/2013	737.30	POSTED	C	4/23/2013
1010	4/19/2013	DEPOSIT	000003	REGULAR DAILY POST 4/19/2013	621.99	POSTED	C	4/22/2013
1010	4/19/2013	DEPOSIT	000004	DAILY PAYMENT POSTING - ADJ	81.69CR	POSTED	U	4/19/2013
1010	4/22/2013	DEPOSIT		CREDIT CARD 4/22/2013	498.01	POSTED	C	4/25/2013
1010	4/22/2013	DEPOSIT	000001	REGULAR DAILY POST 4/22/2013	4,624.36	POSTED	C	4/23/2013
1010	4/22/2013	DEPOSIT	000002	DAILY PAYMENT POSTING - ADJ	384.18CR	POSTED	U	4/22/2013
1010	4/23/2013	DEPOSIT		REGULAR DAILY POST 4/23/2013	4,585.08	POSTED	C	4/24/2013
1010	4/23/2013	DEPOSIT	000001	DAILY PAYMENT POSTING - ADJ	232.09CR	POSTED	U	4/23/2013
1010	4/24/2013	DEPOSIT		CREDIT CARD 4/24/2013	579.67	POSTED	C	4/29/2013
1010	4/24/2013	DEPOSIT	000001	REGULAR DAILY POST 4/24/2013	231.98	POSTED	C	4/25/2013
1010	4/25/2013	DEPOSIT		CREDIT CARD 4/25/2013	106.69	POSTED	C	4/30/2013
1010	4/25/2013	DEPOSIT	000001	REGULAR DAILY POST 4/25/2013	852.76	POSTED	C	4/26/2013
1010	4/26/2013	DEPOSIT		CREDIT CARD 4/26/2013	779.35	POSTED	C	4/30/2013
1010	4/26/2013	DEPOSIT	000001	CREDIT CARD 4/26/2013	409.18	POSTED	C	4/30/2013
1010	4/26/2013	DEPOSIT	000002	REGULAR DAILY POST 4/26/2013	354.60	POSTED	C	4/29/2013
1010	4/26/2013	DEPOSIT	000003	Trx from LAIF to cover pmt	300,000.00	POSTED	G	4/26/2013
1010	4/26/2013	DEPOSIT	000004	Trx from LAIF to cover pmt	595,000.00	POSTED	G	4/26/2013
1010	4/26/2013	DEPOSIT	000005	Trx from MM to cover deficit	100,000.00	POSTED	G	4/26/2013
1010	4/26/2013	DEPOSIT	000006	Deposit 95-3 Payment	540,505.97	POSTED	G	4/26/2013
1010	4/29/2013	DEPOSIT		CREDIT CARD 4/29/2013	192.09	CLEARED	C	5/02/2013
1010	4/29/2013	DEPOSIT	000001	REGULAR DAILY POST 4/29/2013	500.04	POSTED	C	4/30/2013
1010	4/30/2013	DEPOSIT		CREDIT CARD 4/30/2013	314.73	CLEARED	C	5/03/2013
1010	4/30/2013	DEPOSIT	000001	REGULAR DAILY POST 4/30/2013	682.28	CLEARED	C	5/01/2013
<b>MISCELLANEOUS:</b>								
1010	4/01/2013	MISC.		Correct Web Payment	87.08	POSTED	G	4/01/2013
1010	4/05/2013	MISC.		PAYROLL DIRECT DEPOSIT	19,908.45CR	POSTED	P	4/05/2013
1010	4/16/2013	MISC.		PAYROLL DIRECT DEPOSIT	184.70CR	POSTED	P	4/16/2013
1010	4/19/2013	MISC.		PAYROLL DIRECT DEPOSIT	19,046.82CR	POSTED	P	4/19/2013
<b>SERVICE CHARGE:</b>								
1010	4/15/2013	SERV-CHG		March 2013 ETS Fees	365.43CR	POSTED	G	4/02/2013
1010	4/15/2013	SERV-CHG	000001	March 2013 ETS Fees	289.11CR	POSTED	G	4/02/2013
1010	4/15/2013	SERV-CHG	000002	March 2013 ETS Fees	156.76CR	POSTED	G	4/02/2013
1010	4/15/2013	SERV-CHG	000003	March 2013 Analysis Fees	323.77CR	POSTED	G	4/15/2013
<b>TOTALS FOR ACCOUNT 1010</b>				CHECK	TOTAL:	1,722,127.81CR		
				DEPOSIT	TOTAL:	1,651,273.02		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	39,052.89CR		
				SERVICE CHARGE	TOTAL:	1,135.07CR		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	8,909.11CR		

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

CHECK DATE: 4/01/2013 THRU 4/30/2013  
 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 POOLED CASH FUND

CHECK	TOTAL:	1,722,127.81CR
DEPOSIT	TOTAL:	1,651,273.02
INTEREST	TOTAL:	0.00
MISCELLANEOUS	TOTAL:	39,052.89CR
SERVICE CHARGE	TOTAL:	1,135.07CR
EFT	TOTAL:	0.00
BANK-DRAFT	TOTAL:	8,909.11CR

VENDOR SET: 01 Hidden Valley Lake

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

SORTED BY CHECK

VENDOR	NAME	CHECK #	TOTAL AMOUNT		G/L 1099 ACCT NO#	G/L NAME	G/L AMOUNT
01-1722	US DEPARTMENT OF THE TREA	000000	8,909.11	N	120 2091	FIT PAYABLE	3,330.99
					120 2093	SOCIAL SECURITY PAYABL	75.68
					120 2094	MEDICARE PAYABLE	406.04
					120 5-10-5010	SALARIES & WAGES	250.77
					120 5-20-5010	SALARIES & WAGES	48.52
					120 5-30-5010	SALARIES & WAGES	175.61
					120 5-40-5010	DIRECTORS COMPENSATION	6.88
					130 2091	FIT PAYABLE	3,645.72
					130 2093	SOCIAL SECURITY PAYABL	76.93
					130 2094	MEDICARE PAYABLE	407.55
					130 5-10-5010	SALARIES & WAGES	250.73
					130 5-20-5010	SALARIES & WAGES	48.50
					130 5-30-5010	SALARIES & WAGES	176.77
					130 5-40-5010	DIRECTORS COMPENSATION	8.42
01-1	MISCELLANEOUS VENDOR	030833	150.00	N	130 5-00-5505	WATER CONSERVATION	150.00
01-2197	CHASE CARD SERVICES UNITE	030834	178.96	N	120 5-00-5179	ADM MISC EXPENSE	14.55CR
					120 5-30-5090	OFFICE SUPPLIES	9.95
					120 5-30-5175	EDUCATION / SEMINARS	188.16
					130 5-00-5179	ADM MISC EXPENSE	14.55CR
					130 5-30-5090	OFFICE SUPPLIES	9.95
01-2302	KAREN JENSEN	030835	61.02	N	120 5-20-5170	TRAVEL MILEAGE	30.51
					130 5-20-5170	TRAVEL MILEAGE	30.51
01-2585	TYLER TECHNOLOGY	030836	121.00	N	120 5-00-5110	CONTRACTUAL SERVICES	60.50
					130 5-00-5110	CONTRACTUAL SERVICES	60.50
01-2663	ELLISON, SCHNEIDER & HARR	030837	874.40	N	130 5-00-5124	WATER RIGHTS	874.40
01-2680	BARRY SILVA	030838	44.27	N	120 5-30-5175	EDUCATION / SEMINARS	44.27
01-2684	OFFICE DEPOT	030839	61.04	N	120 5-10-5090	OFFICE SUPPLIES	30.52
					130 5-10-5090	OFFICE SUPPLIES	30.52
01-2788	GHD	030840	2,131.25	N	130 5-00-5122	ENGINEERING SERVICES	2,131.25
01-2804	ROLAND SANFORD	030841	52.33	N	120 5-10-5090	OFFICE SUPPLIES	26.17
					130 5-10-5090	OFFICE SUPPLIES	26.16
01-2057	BARTLEY PUMP, INC.	030842	8,290.20	N	130 5-00-5150	REPAIR & REPLACE	8,085.20
					130 5-00-5312	TOOLS - FIELD	205.00
01-47	BRELJE AND RACE LABS, INC	030843	716.70	N	120 5-00-5195	ENV/MONITORING	716.70
01-2818	CASE EXCAVATING, INC.	030844	4,950.00	N	120 5-00-5150	REPAIR & REPLACE	4,950.00
01-2787	INDUSTRIAL ELECTRIC MOTOR	030845	11,811.45	N	120 5-00-5150	REPAIR & REPLACE	11,811.45
01-129	LAKE LABS	030846	1,966.00	Y	120 5-00-5195	ENV/MONITORING	1,614.00
					130 5-00-5195	ENV/MONITORING	352.00

VENDOR SET: 01 Hidden Valley Lake

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

SORTED BY CHECK

VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-21	CALIFORNIA PUBLIC EMPLOYE	030847	7,314.90	N	120 2088	SURVIVOR BENEFITS - PE	5.59
					120 2090	PERS PAYABLE	1,241.36
					120 5-10-5021	RETIREMENT BENEFITS	1,067.42
					120 5-20-5021	RETIREMENT BENEFITS	316.34
					120 5-30-5021	RETIREMENT BENEFITS	1,069.91
					130 2088	SURVIVOR BENEFITS - PE	5.57
					130 2090	PERS PAYABLE	1,215.82
					130 5-10-5021	RETIREMENT BENEFITS	1,067.39
					130 5-20-5021	RETIREMENT BENEFITS	316.32
					130 5-30-5021	RETIREMENT BENEFITS	1,009.18
01-11	STATE OF CALIFORNIA EMPLO	030848	1,370.02	N	120 2092	CIT PAYABLE	480.93
					120 2095	S D I PAYABLE	140.14
					120 5-10-5020	EMPLOYEE BENEFITS	4.93
					120 5-30-5020	EMPLOYEE BENEFITS	2.25
					130 2092	CIT PAYABLE	591.93
					130 2095	S D I PAYABLE	142.64
					130 5-10-5020	EMPLOYEE BENEFITS	4.93
					130 5-30-5020	EMPLOYEE BENEFITS	2.27
01-1530	VARIABLE ANNUITY LIFE INS	030849	150.00	N	120 2099	DEFERRED COMP - 457 PL	75.00
					130 2099	DEFERRED COMP - PLAN 4	75.00
01-1	MISCELLANEOUS VENDOR	030850	71.04		130 1052	ACCTS REC WATER USE	71.04
01-1961	ACWA/JPIA	030851	1,097.68	N	120 5-00-5020	EMPLOYEE BENEFITS	548.84
					130 5-00-5020	EMPLOYEE BENEFITS	548.84
01-2672	ADTS, INC	030852	178.00	N	120 5-00-5020	EMPLOYEE BENEFITS	89.00
					130 5-00-5020	EMPLOYEE BENEFITS	89.00
01-1	MISCELLANEOUS VENDOR	030853	150.00	N	130 5-00-5505	WATER CONSERVATION	150.00
01-8	AT&T	030854	996.99	N	120 5-00-5191	TELEPHONE	498.50
					130 5-00-5191	TELEPHONE	498.49
01-2111	CSG SYSTEMS	030855	1,313.06	N	120 5-00-5110	CONTRACTUAL SERVICES	656.53
					130 5-00-5110	CONTRACTUAL SERVICES	656.53
01-1	MISCELLANEOUS VENDOR	030856	150.00	N	130 5-00-5505	WATER CONSERVATION	150.00
01-1392	MEDIACOM	030857	75.90	N	120 5-00-5110	CONTRACTUAL SERVICES	37.95
					130 5-00-5110	CONTRACTUAL SERVICES	37.95
01-2754	MERRILL, ARNONE & JONES,	030858	1,638.00	Y	120 5-00-5121	LEGAL SERVICES	819.00
					130 5-00-5121	LEGAL SERVICES	819.00
01-2684	OFFICE DEPOT	030859	56.45	N	120 5-30-5090	OFFICE SUPPLIES	28.23
					130 5-30-5090	OFFICE SUPPLIES	28.22
01-1	MISCELLANEOUS VENDOR	030860	918.87	N	130 5-00-5505	WATER CONSERVATION	918.87
01-2638	RICOH AMERICAS CORPORATIO	030861	1,010.64	N	120 5-10-5090	OFFICE SUPPLIES	459.31
					120 5-30-5090	OFFICE SUPPLIES	46.02

SORTED BY CHECK

VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2638	RICOH AMERICAS CORPORATIO	030861	1,010.64	N	** (CONTINUED) **		
					130 5-10-5090	OFFICE SUPPLIES	459.30
					130 5-30-5090	OFFICE SUPPLIES	46.01
01-1579	SOUTH LAKE REFUSE COMPANY	030862	316.64	Y	120 5-00-5155	MAINT BLDG & GROUNDS	158.33
					130 5-00-5155	MAINT BLDG & GROUNDS	158.31
01-1705	SPECIAL DISTRICT RISK MAN	030863	23,762.32	N	120 5-00-5025	RETIREE HEALTH BENEFIT	849.92
					120 5-00-5074	INSURANCE	29.32
					120 5-10-5020	EMPLOYEE BENEFITS	1,469.91
					120 5-20-5020	EMPLOYEE BENEFITS	1,469.91
					120 5-30-5020	EMPLOYEE BENEFITS	3,259.30
					120 5-40-5020	EMPLOYEE BENEFITS	3,486.02
					130 5-00-5025	RETIREE HEALTH BENEFIT	849.91
					130 5-00-5074	INSURANCE	29.31
					130 5-10-5020	EMPLOYEE BENEFITS	2,089.74
					130 5-20-5020	EMPLOYEE BENEFITS	2,089.74
					130 5-30-5020	EMPLOYEE BENEFITS	4,633.68
					130 5-40-5020	EMPLOYEE BENEFITS	3,486.01
					140 5-10-5020	EMPLOYEE BENEFITS	4.64
					140 5-20-5020	EMPLOYEE BENEFITS	4.64
					140 5-30-5020	EMPLOYEE BENEFITS	10.27
01-2283	ARMED FORCE PEST CONTROL,	030864	180.00	N	120 5-00-5155	MAINT BLDG & GROUNDS	90.00
					130 5-00-5155	MAINT BLDG & GROUNDS	90.00
01-112	EEL RIVER FUELS, INC.	030865	1,243.22	N	120 5-00-5060	GASOLINE, OIL & FUEL	621.61
					130 5-00-5060	GASOLINE, OIL & FUEL	621.61
01-2538	HARDESTER'S MARKETS & HAR	030866	76.97	N	120 5-00-5148	OPERATING SUPPLIES	11.27
					130 5-00-5148	OPERATING SUPPLIES	11.27
					130 5-00-5150	REPAIR & REPLACE	54.43
01-1	MISCELLANEOUS VENDOR	030867	925.35	N	120 5-00-5150	REPAIR & REPLACE	925.35
01-2743	LAKE COUNTY COURIER EXPRE	030868	1,491.30	N	120 5-00-5110	CONTRACTUAL SERVICES	1,491.30
01-2702	PACE SUPPLY CORP	030869	1,876.65	N	130 5-00-5150	REPAIR & REPLACE	1,876.65
01-1	MISCELLANEOUS VENDOR	030870	300.00		130 1052	ACCTS REC WATER USE	300.00
01-1	MISCELLANEOUS VENDOR	030872	276.47		130 1052	ACCTS REC WATER USE	276.47
01-11	STATE OF CALIFORNIA EMPLO	030873	1,275.29	N	120 2092	CIT PAYABLE	477.55
					120 2095	S D I PAYABLE	138.96
					120 5-30-5020	EMPLOYEE BENEFITS	2.25
					130 2092	CIT PAYABLE	516.93
					130 2095	S D I PAYABLE	137.33
					130 5-30-5020	EMPLOYEE BENEFITS	2.27
01-1530	VARIABLE ANNUITY LIFE INS	030874	150.00	N	120 2099	DEFERRED COMP - 457 PL	75.00
					130 2099	DEFERRED COMP - PLAN 4	75.00
01-21	CALIFORNIA PUBLIC EMPLOYE	030875	7,253.73	N	120 2088	SURVIVOR BENEFITS - PE	5.46
					120 2090	PERS PAYABLE	1,204.18



VENDOR SET: 01 Hidden Valley Lake

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

SORTED BY CHECK

VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-21	CALIFORNIA PUBLIC EMPLOYE	030875	7,253.73	N	** (CONTINUED) **		
					120 5-10-5021	RETIREMENT BENEFITS	1,067.41
					120 5-20-5021	RETIREMENT BENEFITS	316.34
					120 5-30-5021	RETIREMENT BENEFITS	981.64
					130 2088	SURVIVOR BENEFITS - PE	5.70
					130 2090	PERS PAYABLE	1,234.87
					130 5-10-5021	RETIREMENT BENEFITS	1,067.40
					130 5-20-5021	RETIREMENT BENEFITS	316.32
					130 5-30-5021	RETIREMENT BENEFITS	1,054.41
01-2732	MIKE PODLECK - AQUATIC EC	030876	480.00	Y	130 5-00-5123	OTHER PROFESSIONAL SER	480.00
01-2749	NAPA AUTO PARTS	030877	22.44	N	130 5-00-5150	REPAIR & REPLACE	22.44
01-2195	TELSTAR INSTRUMENTS, INC	030878	19,015.45	N	120 1286	FIELD EQUIPMENT	13,144.94
					120 5-00-5150	REPAIR & REPLACE	2,999.05
					130 5-00-5150	REPAIR & REPLACE	2,871.46
01-1751	USA BLUE BOOK	030879	550.00	N	120 5-00-5150	REPAIR & REPLACE	550.00
01-2598	VERIZON WIRELESS	030880	638.59	N	120 5-00-5191	TELEPHONE	319.30
					130 5-00-5191	TELEPHONE	319.29
01-1422	WEED TECH	030881	1,450.00	Y	120 5-00-5155	MAINT BLDG & GROUNDS	1,450.00
01-2816	CARDMEMBER SERVICE	030882	9,486.99	N	120 5-00-5020	EMPLOYEE BENEFITS	125.00
					120 5-00-5092	POSTAGE & SHIPPING	413.25
					120 5-00-5148	OPERATING SUPPLIES	51.61
					120 5-00-5179	ADM MISC EXPENSE	35.37
					120 5-00-5311	EQUIPMENT - OFFICE	504.23
					120 5-10-5090	OFFICE SUPPLIES	137.17
					120 5-10-5175	EDUCATION / SEMINARS	847.00
					120 5-20-5175	EDUCATION / SEMINARS	811.72
					130 5-00-5092	POSTAGE & SHIPPING	413.25
					130 5-00-5148	OPERATING SUPPLIES	51.60
					130 5-00-5150	REPAIR & REPLACE	2,782.98
					130 5-00-5179	ADM MISC EXPENSE	35.36
					130 5-10-5090	OFFICE SUPPLIES	137.17
					130 5-10-5175	EDUCATION / SEMINARS	1,456.99
					130 5-20-5175	EDUCATION / SEMINARS	811.72
					130 5-30-5175	EDUCATION / SEMINARS	262.57
					130 5-40-5175	EDUCATION / SEMINARS	610.00
01-2067	ITRON	030883	573.30	N	130 5-00-5110	CONTRACTUAL SERVICES	573.30
01-2684	OFFICE DEPOT	030884	306.54	N	120 5-10-5090	OFFICE SUPPLIES	150.68
					120 5-30-5090	OFFICE SUPPLIES	2.60
					130 5-10-5090	OFFICE SUPPLIES	150.67
					130 5-30-5090	OFFICE SUPPLIES	2.59
01-17	SMITH & NEWELL CPA	030885	10,450.00	Y	120 5-00-5123	OTHER PROFESSIONAL SER	5,225.00
					130 5-00-5123	OTHER PROFESSIONAL SER	5,225.00
01-2744	ST HELENA HOSPITAL dba JO	030886	180.00	N	120 5-00-5020	EMPLOYEE BENEFITS	90.00
					130 5-00-5020	EMPLOYEE BENEFITS	90.00

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VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-1	MISCELLANEOUS VENDOR	030887	150.00	N	130 5-00-5505	WATER CONSERVATION	150.00
01-2699	MICHELLE HAMILTON	030888	860.00	Y	120 5-00-5110 130 5-00-5110	CONTRACTUAL SERVICES CONTRACTUAL SERVICES	430.00 430.00
01-2684	OFFICE DEPOT	030889	139.72	N	120 5-10-5090 130 5-10-5090	OFFICE SUPPLIES OFFICE SUPPLIES	69.86 69.86
01-2607	PATRICIA WILKINSON	030890	54.24	N	120 5-20-5170 130 5-20-5170	TRAVEL MILEAGE TRAVEL MILEAGE	27.12 27.12
01-1	MISCELLANEOUS VENDOR	030891	150.00	N	130 5-00-5505	WATER CONSERVATION	150.00
01-2700	REDFORD SERVICES	030892	715.00	Y	120 5-00-5110 130 5-00-5110	CONTRACTUAL SERVICES CONTRACTUAL SERVICES	357.50 357.50
01-2804	ROLAND SANFORD	030893	26.77	N	120 5-10-5090 130 5-10-5090	OFFICE SUPPLIES OFFICE SUPPLIES	13.39 13.38
01-47	BRELJE AND RACE LABS, INC	030894	831.90	N	120 5-00-5195	ENV/MONITORING	831.90
01-1479	CLEARLAKE LAVA, INC.	030895	2,125.15	N	120 5-00-5150	REPAIR & REPLACE	2,125.15
01-1	MISCELLANEOUS VENDOR	030896	1,450.00	N	120 5-00-5150	REPAIR & REPLACE	1,450.00
01-2743	LAKE COUNTY COURIER EXPRE	030897	1,410.40	N	120 5-00-5110	CONTRACTUAL SERVICES	1,410.40
01-2676	QUACKENBUSH MRRCF	030898	6.21	N	120 5-00-5150 130 5-00-5150	REPAIR & REPLACE REPAIR & REPLACE	3.11 3.10
01-989	HIDDEN VALLEY LAKE COMMUN	030899	540,505.97	N	216 2110 216 5-00-5522	BONDS INTEREST ON LONG-TERM	524,763.08 15,742.89
01-1505	STATE WATER RESOURCES CON	030900	1,042,501.29	N	217 4510 217 5-00-5522	Bond Principle INTEREST ON LONG-TERM	965,849.28 76,652.01
01-1002	PETTY CASH REIMBURSEMENT	030901	492.33	N	120 5-00-5092 120 5-00-5545 130 5-00-5092 130 5-00-5545 130 5-30-5175	POSTAGE & SHIPPING RECORDING FEES POSTAGE & SHIPPING RECORDING FEES EDUCATION / SEMINARS	3.10 22.00 3.10 22.00 442.13
	1099 ELIGIBLE	8	17,875.64				
	1099 EXEMPT	61	<u>1,712,633.87</u>				
***	REPORT TOTALS ***	69	1,730,509.51				

\*G / L EXPENSE DISTRIBUTION\*

ACCOUNT NUMBER      ACCOUNT NAME      AMOUNT

A C C O U N T S   P A Y A B L E  
D I S B U R S E M E N T   R E P O R T

SORTED BY CHECK

## \*G/L EXPENSE DISTRIBUTION\*

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
120 1286	FIELD EQUIPMENT	13,144.94
120 2088	SURVIVOR BENEFITS - PERS	11.05
120 2090	PERS PAYABLE	2,445.54
120 2091	FIT PAYABLE	3,330.99
120 2092	CIT PAYABLE	958.48
120 2093	SOCIAL SECURITY PAYABLE	75.68
120 2094	MEDICARE PAYABLE	406.04
120 2095	S D I PAYABLE	279.10
120 2099	DEFERRED COMP - 457 PLAN	150.00
120 5-00-5020	EMPLOYEE BENEFITS	852.84
120 5-00-5025	RETIREE HEALTH BENEFITS	849.92
120 5-00-5060	GASOLINE, OIL & FUEL	621.61
120 5-00-5074	INSURANCE	29.32
120 5-00-5092	POSTAGE & SHIPPING	416.35
120 5-00-5110	CONTRACTUAL SERVICES	4,444.18
120 5-00-5121	LEGAL SERVICES	819.00
120 5-00-5123	OTHER PROFESSIONAL SERVICES	5,225.00
120 5-00-5148	OPERATING SUPPLIES	62.88
120 5-00-5150	REPAIR & REPLACE	24,814.11
120 5-00-5155	MAINT BLDG & GROUNDS	1,698.33
120 5-00-5179	ADM MISC EXPENSE	20.82
120 5-00-5191	TELEPHONE	817.80
120 5-00-5195	ENV/MONITORING	3,162.60
120 5-00-5311	EQUIPMENT - OFFICE	504.23
120 5-00-5545	RECORDING FEES	22.00
120 5-10-5010	SALARIES & WAGES	250.77
120 5-10-5020	EMPLOYEE BENEFITS	1,474.84
120 5-10-5021	RETIREMENT BENEFITS	2,134.83
120 5-10-5090	OFFICE SUPPLIES	887.10
120 5-10-5175	EDUCATION / SEMINARS	847.00
120 5-20-5010	SALARIES & WAGES	48.52
120 5-20-5020	EMPLOYEE BENEFITS	1,469.91
120 5-20-5021	RETIREMENT BENEFITS	632.68
120 5-20-5170	TRAVEL MILEAGE	57.63
120 5-20-5175	EDUCATION / SEMINARS	811.72
120 5-30-5010	SALARIES & WAGES	175.61
120 5-30-5020	EMPLOYEE BENEFITS	3,263.80
120 5-30-5021	RETIREMENT BENEFITS	2,051.55
120 5-30-5090	OFFICE SUPPLIES	86.80
120 5-30-5175	EDUCATION / SEMINARS	232.43
120 5-40-5010	DIRECTORS COMPENSATION	6.88
120 5-40-5020	EMPLOYEE BENEFITS	3,486.02
	** FUND TOTAL **	83,080.90
130 1052	ACCTS REC WATER USE	647.51
130 2088	SURVIVOR BENEFITS - PERS	11.27
130 2090	PERS PAYABLE	2,450.69

VENDOR SET: 01 Hidden Valley Lake

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

SORTED BY CHECK

## \*G/L EXPENSE DISTRIBUTION\*

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
130 2091	FIT PAYABLE	3,645.72
130 2092	CIT PAYABLE	1,108.86
130 2093	SOCIAL SECURITY PAYABLE	76.93
130 2094	MEDICARE PAYABLE	407.55
130 2095	S D I PAYABLE	279.97
130 2099	DEFERRED COMP - PLAN 457 PAYAB	150.00
130 5-00-5020	EMPLOYEE BENEFITS	727.84
130 5-00-5025	RETIREE HEALTH BENEFITS	849.91
130 5-00-5060	GASOLINE, OIL & FUEL	621.61
130 5-00-5074	INSURANCE	29.31
130 5-00-5092	POSTAGE & SHIPPING	416.35
130 5-00-5110	CONTRACTUAL SERVICES	2,115.78
130 5-00-5121	LEGAL SERVICES	819.00
130 5-00-5122	ENGINEERING SERVICES	2,131.25
130 5-00-5123	OTHER PROFESSIONAL SERVICES	5,705.00
130 5-00-5124	WATER RIGHTS	874.40
130 5-00-5148	OPERATING SUPPLIES	62.87
130 5-00-5150	REPAIR & REPLACE	15,696.26
130 5-00-5155	MAINT BLDG & GROUNDS	248.31
130 5-00-5179	ADM MISC EXPENSE	20.81
130 5-00-5191	TELEPHONE	817.78
130 5-00-5195	ENV/MONITORING	352.00
130 5-00-5312	TOOLS - FIELD	205.00
130 5-00-5505	WATER CONSERVATION	1,668.87
130 5-00-5545	RECORDING FEES	22.00
130 5-10-5010	SALARIES & WAGES	250.73
130 5-10-5020	EMPLOYEE BENEFITS	2,094.67
130 5-10-5021	RETIREMENT BENEFITS	2,134.79
130 5-10-5090	OFFICE SUPPLIES	887.06
130 5-10-5175	EDUCATION / SEMINARS	1,456.99
130 5-20-5010	SALARIES & WAGES	48.50
130 5-20-5020	EMPLOYEE BENEFITS	2,089.74
130 5-20-5021	RETIREMENT BENEFITS	632.64
130 5-20-5170	TRAVEL MILEAGE	57.63
130 5-20-5175	EDUCATION / SEMINARS	811.72
130 5-30-5010	SALARIES & WAGES	176.77
130 5-30-5020	EMPLOYEE BENEFITS	4,638.22
130 5-30-5021	RETIREMENT BENEFITS	2,063.59
130 5-30-5090	OFFICE SUPPLIES	86.77
130 5-30-5175	EDUCATION / SEMINARS	704.70
130 5-40-5010	DIRECTORS COMPENSATION	8.42
130 5-40-5020	EMPLOYEE BENEFITS	3,486.01
130 5-40-5175	EDUCATION / SEMINARS	610.00
	** FUND TOTAL **	64,401.80
140 5-10-5020	EMPLOYEE BENEFITS	4.64
140 5-20-5020	EMPLOYEE BENEFITS	4.64

A C C O U N T S P A Y A B L E  
D I S B U R S E M E N T R E P O R T

SORTED BY CHECK

\*G/L EXPENSE DISTRIBUTION\*

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
140 5-30-5020	EMPLOYEE BENEFITS	10.27
	** FUND TOTAL **	19.55
216 2110	BONDS	524,763.08
216 5-00-5522	INTEREST ON LONG-TERM DEBT	15,742.89
	** FUND TOTAL **	540,505.97
217 4510	Bond Principle	965,849.28
217 5-00-5522	INTEREST ON LONG-TERM DEBT	76,652.01
	** FUND TOTAL **	1,042,501.29
-----		
	** TOTAL **	1,730,509.51

NO ERRORS

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

**DATE:** May 16, 2013

**AGENDA ITEM:** Approval and acceptance of 2011-2012 HVLCSD Audit Report

---

**RECOMMENDATIONS:**

Approve and accept 2011-2012 HVLCSD Audit Report prepared by Smith & Newell Certified Public Accountants of Yuba City, California

**FINANCIAL IMPACT:**

None

**BACKGROUND:**

At the April 16, 2013 Board of Directors meeting a representative of Smith & Newell Certified Public Accountants presented the results of their 2011-2012 District audit and the accompanying report comprised of the following three volumes:

- \* 1) financial Statements Together with Independent Auditor’s Report for the Year Ended June 30, 2012
- 2) Single Audit Act Reports and Schedules for the Year Ended June 30, 2012
- 3) Required Communication and Management Report for the Year Ended June 30, 2012

Neither the Board nor staff requested any revisions to the audit report at the April 16, 2013 Board meeting, or since then. Accordingly, staff recommends the Board approve and accept the 2011-2012 HVLCSD Audit Report as previously prepared by Smith & Newell Certified Public Accountants of Yuba City, California.

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

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Modification to recommendation and/or other actions:

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I, Roland Sanford, 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 (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board

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

**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2012**

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Annual Financial Report  
For the Year Ended June 30, 2012

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## **INTRODUCTORY SECTION**

- **List of Officials**

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Board of Directors**  
**For the Year Ended June 30, 2012**

Linda Herndon	President
Judy Mirbegian	Vice President
James Lieberman	Director
Carolyn Graham	Director
James 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 Statements**

**INDEPENDENT AUDITOR'S REPORT**

The Board of Directors  
Hidden Valley Lake Community Services District  
Middletown, California

We have audited the accompanying financial statements of the business-type activities and each major fund of the Hidden Valley Lake Community Services District, Middletown, California (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2013, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

---

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2012**

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, 2012. Readers are encouraged to consider the information presented here in conjunction with the Annual Financial Statements.

**Overview of the Financial Statements**

The financial section of this report consists of five parts.

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

**Financial Highlights**

**Entity-wide:**

- The District's total net assets were \$5,974,778 as of June 30, 2012. Of this total, \$1,790,380 was invested in capital assets, net of related debt.
- The District's total revenues include operating program revenues of \$3,304,012, capital program revenues of \$872,192, and general revenues of \$148,761 for a total of \$4,324,965.
- District expenses were \$3,810,744.

The Basic Financial Statements for the District are presented as "Government Wide" and Enterprise Fund financial statements.

**Government Wide Financial Statements**

The government-wide 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. The government-wide financial statements can be found on pages 6 and 7 of this report.

**Fund Financial Statements**

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 four proprietary funds: Water, Waste Water, Flood Control, and FEMA. The fund financial statements can be found on pages 8 through 13 of this report. Proprietary funds distinguish operating revenues and expenses from non-operating items. In addition, net assets are segregated amounts invested in capital assets, net of related debt and unrestricted.

## Statement of Changes in Net Assets

	Total	
	2012	2011
Operating Revenue		
Changes for Service	\$ 2,196,958	\$ 2,069,044
Miscellaneous	140,322	185,204
Assessments	1,107,054	1,061,296
Total Operating Revenues	<u>3,444,334</u>	<u>3,315,544</u>
Operating Expenses		
Salaries and benefits	1,171,105	1,182,622
Services and supplies	898,993	804,543
Depreciation	1,248,034	1,237,172
Total Operating Expenses	<u>3,318,132</u>	<u>3,224,337</u>
Operating Income (loss)	126,202	91,207
Non-Operating Revenue (Expenses)	388,019	(523,688)
Change in Net Assets	<u>514,221</u>	<u>(432,481)</u>
Total Net Assets - Beginning	5,460,557	5,792,300
Prior Period Adjustment	-	100,738
Total Net Assets - Beginning Restated	<u>5,460,557</u>	<u>5,893,038</u>
Total Net Assets, Ending	<u>\$ 5,974,778</u>	<u>\$ 5,460,557</u>

### Capital Asset Administration

The District's net capital assets increased from \$11,702,986 to \$12,201,754 for the year ended June 30, 2012. The total increase was \$498,768 including additions and adjustment to capital assets of \$1,746,802 and additions and adjustments to accumulated depreciation of \$1,248,034. Details of the capital asset transactions can be found on page 22, Note 4.

### Debt Administration

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, 2012 the long-term debt decreased from \$10,845,708 to \$10,625,508 due to payments. Details of the debt outstanding can be found on pages 23 through 25, Note 6.

### Economic Factors and Next Year's Budget

National and local foreclosures continue to flood the market affecting projected revenues. For fiscal year 2011/2012, Hidden Valley Lake Community Services District had only one new water connections and one new sewer connection (compared to two water and one sewer hookup for 2010-2011 and two for each, water and sewer, in 2009/2010, three for each, water and sewer, in 2008/2009, and nine water and three sewer hookups in 2007/2008.) Foreclosures are expected to continue through calendar year 2012 and beyond.

### Requests for Information

This financial report is designed to provide a general overview of the finances of the District. This report does not reflect the overall finances of operations. For that information, please refer to the separate audit reports. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Hidden Valley Lake Community Services District, 19400 Hartman Road, Hidden Valley Lake, CA 95467.

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## **Basic Financial Statements**

- **Government-Wide Financial Statements**



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## **Basic Financial Statements**

- **Fund Financial Statements**

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Totals

\$ 3,467,062  
381,395  
1,614  
198,420  
524,763  
1,679,767  
366,085  
22,550

6,641,656

7,285  
12,201,754

12,209,039

18,850,695

56,846  
15,404  
132,032  
275  
1,679,767  
366,085  
25,208  
268,777  
694,577  
17,500

3,256,471

15,705  
4,584,986  
4,223,034  
622,500  
173,221

9,619,446

12,875,917

**Totals**

1,790,380

2,717,704

435,228

1,031,466

\$ 5,974,778

**Totals**

\$ 1,107,054  
9,208  
2,187,750  
140,322

---

3,444,334

1,171,105  
5,629  
37,285  
52,147  
26,517  
19,205  
4,565  
207,011  
24,396  
15,461  
199,679  
5,724  
24,948  
185,142  
1,248,034  
10,350  
14,666  
956  
33,496  
12,842  
18,974

---

3,318,132

---

126,202

Totals

872,192

8,439

(492,612)

388,019

514,221

2,109,498

(2,109,498)

514,221

5,460,557

\$ 5,974,778

Totals

\$ 3,543,097  
(918,724)  
(1,118,862)

1,505,511

872,192  
2,109,498  
(2,109,498)

872,192

(932,802)  
(440,844)  
640,000  
(1,738,961)

(2,472,607)

9,030

9,030

(85,874)

3,552,936

\$ 3,467,062

Totals

126,202

1,248,034

(31,024)

148,962

(19,926)

(18,422)

(20,359)

(558)

9,185

63,417

\$ 1,505,511



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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

# HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

## Notes to Basic Financial Statements

For the Year Ended June 30, 2012

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Hidden Valley Lake Community Services District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### 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.

As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

Reporting for component units on the District's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the District's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

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.

#### B. Basis of Presentation

##### Government-Wide Financial Statements

The Statement of Net Assets and Statement of Activities display information about the combined operations of the 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.

# HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

## Notes to Basic Financial Statements

For the Year Ended June 30, 2012

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise fund, subject to the same limitation. The District has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses for all funds.

#### D. Cash, Cash Equivalents, and Investments

The District pools cash and investments of all funds except for imprest cash. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income from pooled investments is allocated to all funds in the pool. Interest is allocated on the basis of average month end cash balance amounts for each fund as a percentage of the total balance.

Investments are reported in the accompanying statements of net assets at fair value which is determined using selected bases annually. Short term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7: NET ASSETS**

The government-wide financial and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- Invested in capital assets, net of related debt - 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 assets - Consists of net assets 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 assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**Net Asset 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 assets are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

**NOTE 8: EMPLOYEES' RETIREMENT PLAN**

**A. Plan Description**

The Hidden Valley Community Services District contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit plan. PERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by statute. Copies of PERS' annual financial report may be obtained from their executive office - 400 Q Street, Lincoln Plaza East, Sacramento, CA 95811.

**B. Funding Policy**

Participants are required to contribute 8 percent of their annual covered salary. The District is required to contribute the actuarial determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. The required employer contribution rate for fiscal year 2011/2012 was 18.236% percent for miscellaneous employees. The contribution requirements of the plan are established by State statute and the employer contribution rate is established and may be amended by PERS.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2012**

**NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**B. Funding Policy**

The District has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

GASB 45 does not require pre-funding of OPEB benefits. Therefore, the District's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The District has elected not to establish an irrevocable trust at this time. The District Board reserves the authority to review and amend this funding policy annually.

**C. Annual OPEB Cost and Net OPEB Obligation**

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in its net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$ 41,316
Amortization of UAAL	27,336
Interest on Net OPEB Obligation	5,575
Adjustment to Annual Required Contribution	<u>( 2,360)</u>
Annual OPEB Cost	71,867
Contributions Made	<u>( 10,148)</u>
Increase in Net OPEB Obligation	<u>61,719</u>
Net OPEB Obligation - Beginning of Year	109,804
Adjustment	<u>1,698</u>
Net OPEB Obligation - Beginning of Year, Restricted	<u>111,502</u>
Net OPEB Obligation - End of Year	<u>\$ 173,221</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the year ended June 30, 2012 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2010	\$ 162,295	5.12%	\$ 153,989
June 30, 2011	68,400	17.32%	109,804
June 30, 2012	71,867	14.12%	173,221

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**E. Actuarial Methods and Assumptions (Continued)**

Payroll increase - Changes in the payroll for current employees are expected to increase at a rate of approximately 4% annually.

Discount rate - The calculation uses an annual discount rate of 5%. This is based on the assumed long-term return on plan assets or employer assets.

Actuarial cost method - The entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at March 1, 2012, was thirty years.

**NOTE 10: 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.

**NOTE 11: OTHER INFORMATION**

**A. Joint Agencies**

Special District Risk Management Authority (SDRMA) is a joint powers agent 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 1481 River Park Drive, Suite 110, Sacramento, CA 95815.

**B. Subsequent Event**

Management has evaluated events subsequent to June 30, 2012 through March 26, 2013, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information  
(Unaudited)**

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2012**

**1. SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The table below shows a one year analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2012, for the District Other Postemployment Benefit Plan. As additional years are available, a three-year trend analysis will be presented.

Miscellaneous Plan:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
June 30, 2011	\$ 0	\$ 1,240,847	\$ 1,240,847	0.00%	\$ 874,882	141.83%



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## Combining Fund Statements

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<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>	<u>Wastewater Capital Facilities Unreserved</u>	<u>Sewer Reserve Improvement</u>	<u>All Bonds Administration</u>	<u>All Bonds Assessment Revolving Fund</u>	<u>Total Sewer Operations</u>
\$ -	\$ 412,275	\$ 232,958	\$ -	\$ 137,968	\$ 145,707	\$ 2,932,410
-	-	-	-	-	-	165,446
-	539	231	-	24	263	1,428
-	-	-	-	-	-	198,420
-	-	-	-	-	-	524,763
1,512,192	-	164,005	-	-	-	1,677,982
-	-	-	-	-	341,000	366,085
-	-	-	-	-	-	11,532
<u>1,512,192</u>	<u>412,814</u>	<u>397,194</u>	<u>-</u>	<u>137,992</u>	<u>486,970</u>	<u>5,878,066</u>
-	-	-	-	-	-	7,285
-	-	-	13,093	-	-	7,903,183
-	-	-	13,093	-	-	7,910,468
<u>1,512,192</u>	<u>412,814</u>	<u>397,194</u>	<u>13,093</u>	<u>137,992</u>	<u>486,970</u>	<u>13,788,534</u>
-	-	-	-	-	-	21,532
-	-	-	-	-	-	7,485
7,912	-	-	-	-	-	98,152
-	-	-	1,676,197	-	-	1,676,197
-	16,586	-	-	-	-	25,085
-	-	-	-	-	-	13,372
-	-	-	-	-	-	268,777
-	-	-	-	-	-	610,863
17,500	-	-	-	-	-	17,500
<u>25,412</u>	<u>16,586</u>	<u>-</u>	<u>1,676,197</u>	<u>-</u>	<u>-</u>	<u>2,738,963</u>
-	-	-	-	-	-	7,835
-	-	-	-	-	-	4,584,986
-	-	-	-	-	-	1,944,205
622,500	-	-	-	-	-	622,500
-	-	-	-	-	-	69,920
<u>622,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,229,446</u>
<u>647,912</u>	<u>16,586</u>	<u>-</u>	<u>1,676,197</u>	<u>-</u>	<u>-</u>	<u>9,968,409</u>

<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>	<u>Wastewater Capital Facilities Unreserved</u>	<u>Sewer Reserve Improvement</u>	<u>All Bonds Administration</u>	<u>All Bonds Assessment Revolving Fund</u>	<u>Total Sewer Operations</u>
(640,000)	-	-	13,093	-	-	(145,648)
-	-	-	-	-	-	2,542,774
-	396,228	-	-	-	-	396,228
<u>1,504,280</u>	<u>-</u>	<u>397,194</u>	<u>(1,676,197)</u>	<u>137,992</u>	<u>486,970</u>	<u>1,026,771</u>
<u>\$ 864,280</u>	<u>\$ 396,228</u>	<u>\$ 397,194</u>	<u>\$ (1,663,104)</u>	<u>\$ 137,992</u>	<u>\$ 486,970</u>	<u>\$ 3,820,125</u>

<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>	<u>Wastewater Capital Facilities Unreserved</u>	<u>Sewer Reserve Improvement</u>	<u>All Bonds Administration</u>	<u>All Bonds Assessment Revolving Fund</u>	<u>Total Sewer Operations</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,107,054
-	-	-	-	-	-	9,208
-	-	-	-	-	-	960,841
-	-	-	18,617	17,302	-	118,908
-	-	-	18,617	17,302	-	2,196,011
-	-	-	-	-	-	547,924
-	-	-	-	-	-	1,170
-	-	-	-	-	-	18,175
-	-	-	-	6,561	-	52,147
-	-	-	-	-	-	5,511
-	-	-	-	-	-	3,187
-	-	-	-	-	-	2,244
-	-	-	-	-	-	108,994
-	-	-	-	-	-	12,201
-	-	-	-	-	-	12,610
-	-	-	-	-	-	26,419
-	-	-	-	-	-	851
-	-	-	-	-	-	14,125
-	-	-	-	-	-	53,070
-	-	-	8,823	-	-	997,023
-	-	-	-	-	-	5,253
-	-	-	-	-	-	7,309
-	-	-	-	-	-	24,539
-	-	-	-	-	-	2,659
-	-	-	8,823	6,561	-	1,895,411
-	-	-	9,794	10,741	-	300,600

<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>	<u>Wastewater Capital Facilities Unreserved</u>	<u>Sewer Reserve Improvement</u>	<u>All Bonds Administration</u>	<u>All Bonds Assessment Revolving Fund</u>	<u>Total Sewer Operations</u>
872,192	-	-	-	-	-	872,192
-	2,349	1,098	-	172	1,146	7,611
(7,912)	-	-	-	-	-	(373,699)
<u>864,280</u>	<u>2,349</u>	<u>1,098</u>	<u>-</u>	<u>172</u>	<u>1,146</u>	<u>506,104</u>
864,280	2,349	1,098	9,794	10,913	1,146	806,704
-	-	-	-	-	-	1,936,237
-	-	-	(1,936,237)	-	-	(1,936,237)
<u>864,280</u>	<u>2,349</u>	<u>1,098</u>	<u>(1,926,443)</u>	<u>10,913</u>	<u>1,146</u>	<u>806,704</u>
-	393,879	396,096	263,339	127,079	485,824	3,013,421
<u>\$ 864,280</u>	<u>\$ 396,228</u>	<u>\$ 397,194</u>	<u>\$ (1,663,104)</u>	<u>\$ 137,992</u>	<u>\$ 486,970</u>	<u>\$ 3,820,125</u>

USDA Solar Loan	Wastewater Capital Facilities Reserved	Wastewater Capital Facilities Unreserved	Sewer Reserve Improvement	All Bonds Administration	All Bonds Assessment Revolving Fund	Total Sewer Operations
\$ -	\$ -	\$ -	\$ -	\$ 17,302	\$ -	\$ 2,314,740
-	-	-	-	(6,561)	-	(352,283)
-	-	-	-	-	-	(527,874)
-	-	-	-	10,741	-	1,434,583
872,192	-	-	-	-	-	872,192
-	-	-	-	-	-	1,936,237
-	-	-	(1,936,237)	-	-	(1,936,237)
(1,512,192)	-	(164,005)	1,676,197	-	-	(1,785)
(640,000)	-	(164,005)	(260,040)	-	-	870,407
-	-	-	-	-	-	(851,903)
-	-	-	-	-	-	(355,812)
640,000	-	-	-	-	-	640,000
-	-	-	260,040	-	-	(1,736,120)
640,000	-	-	260,040	-	-	(2,303,835)
-	2,548	1,183	-	181	1,243	8,138
-	2,548	1,183	-	181	1,243	8,138
-	2,548	(162,822)	-	10,922	1,243	9,293
-	409,727	395,780	-	127,046	144,464	2,923,117
\$ -	\$ 412,275	\$ 232,958	\$ -	\$ 137,968	\$ 145,707	\$ 2,932,410

<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>	<u>Wastewater Capital Facilities Unreserved</u>	<u>Sewer Reserve Improvement</u>	<u>All Bonds Administration</u>	<u>All Bonds Assessment Revolving Fund</u>	<u>Total Sewer Operations</u>
\$ -	\$ -	\$ -	\$ 9,794	\$ 10,741	\$ -	\$ 300,600
-	-	-	8,823	-	-	997,023
-	-	-	-	-	-	(11,616)
-	-	-	-	-	-	148,962
-	-	-	-	-	-	(8,908)
-	-	-	(18,617)	-	-	(11,528)
-	-	-	-	-	-	(12,178)
-	-	-	-	-	-	4,214
-	-	-	-	-	-	28,014
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,741</u>	<u>\$ -</u>	<u>\$ 1,434,583</u>



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Revenues, Expenses**  
**And Changes in Net Assets**  
**Water Operations**  
**For the Year Ended June 30, 2012**

	Water	CIEDB Loan Redemption	CIEDB Loan Reserve	Water Capital Fund	Total Water Operations
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,226,909	\$ -	\$ -	\$ -	\$ 1,226,909
Miscellaneous	21,414	-	-	-	21,414
<b>Total Operating Revenues</b>	<u>1,248,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,248,323</u>
<b>OPERATING EXPENSES</b>					
Salaries and benefits	622,008	-	-	-	622,008
Insurance	4,459	-	-	-	4,459
Office expenses	19,110	-	-	-	19,110
Continuing education	21,006	-	-	-	21,006
Dues and subscriptions	16,018	-	-	-	16,018
Postage	2,321	-	-	-	2,321
Repairs and maintenance	96,197	-	-	-	96,197
Gas, fuel and oil	12,195	-	-	-	12,195
Supplies	2,851	-	-	-	2,851
Professional services	173,260	-	-	-	173,260
Travel	4,873	-	-	-	4,873
Telephone	10,823	-	-	-	10,823
Power	131,497	-	-	-	131,497
Depreciation	248,856	-	-	-	248,856
Other operating	5,097	-	-	-	5,097
Office and safety equipment	7,357	-	-	-	7,357
Director's compensation	956	-	-	-	956
Environmental monitoring	8,957	-	-	-	8,957
Water conservation	12,842	-	-	-	12,842
Annual operating fees	8,985	7,330	-	-	16,315
<b>Total Operating Expenses</b>	<u>1,409,668</u>	<u>7,330</u>	<u>-</u>	<u>-</u>	<u>1,416,998</u>
<b>Operating Income (Loss)</b>	<u>(161,345)</u>	<u>(7,330)</u>	<u>-</u>	<u>-</u>	<u>(168,675)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest income	98	1	712	-	811
Interest expense	-	(118,913)	-	-	(118,913)
<b>Total Non-Operating Revenue (Expenses)</b>	<u>98</u>	<u>(118,912)</u>	<u>712</u>	<u>-</u>	<u>(118,102)</u>
<b>Income (Loss) before Transfers</b>	<u>(161,247)</u>	<u>(126,242)</u>	<u>712</u>	<u>-</u>	<u>(286,777)</u>
Transfers in	-	173,261	-	-	173,261
Transfers out	(173,261)	-	-	-	(173,261)
<b>Change in net assets</b>	<u>(334,508)</u>	<u>47,019</u>	<u>712</u>	<u>-</u>	<u>(286,777)</u>
<b>Total Net Assets - Beginning</b>	<u>4,736,134</u>	<u>(2,581,908)</u>	<u>189,553</u>	<u>39,000</u>	<u>2,382,779</u>
<b>Total Net Assets - Ending</b>	<u>\$ 4,401,626</u>	<u>\$ (2,534,889)</u>	<u>\$ 190,265</u>	<u>\$ 39,000</u>	<u>\$ 2,096,002</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Cash Flows**  
**Water Operations**  
**For the Year Ended June 30, 2012**

	<u>Water</u>	<u>CIEDB Loan Redemption</u>	<u>CIEDB Loan Reserve</u>	<u>Water Capital Fund</u>	<u>Total Water Operations</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET</b>					
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (161,345)	\$ (7,330)	\$ -	\$ -	\$ (168,675)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation/amortization	248,856	-	-	-	248,856
Decrease (increase) in:					
Accounts receivable	(20,836)	-	-	1,428	(19,408)
Prepaid costs	(11,018)	-	-	-	(11,018)
Increase (decrease) in:					
Accounts payable	(6,892)	-	-	-	(6,892)
Salaries and benefits payable	(8,181)	-	-	-	(8,181)
Deferred revenue	(558)	-	-	-	(558)
Compensated absences payable	4,971	-	-	-	4,971
Net OPEB obligation	35,403	-	-	-	35,403
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 80,400</u>	<u>\$ (7,330)</u>	<u>\$ -</u>	<u>\$ 1,428</u>	<u>\$ 74,498</u>

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

**SINGLE AUDIT ACT  
REPORTS AND SCHEDULES  
FOR THE YEAR ENDED  
JUNE 30, 2012**

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Single Audit Act**  
**For the Year Ended June 30, 2012**

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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  
Middletown, California

We have audited the financial statements of the proprietary funds of Hidden Valley Lake Community Services District, California (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 26, 2013. 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.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies in internal control over financial reporting. (12-FS-01, 12-FS-02 12-FS-03 and 12-FS-04) A significant deficiency is a deficiency, or 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.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133**

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

Compliance

We have audited Hidden Valley Lake Community Services District, California's compliance with the types of compliance requirements described in the OMB Circular A-133 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, 2012. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the 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, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 12-SA-01 and 12-SA-02.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2012**

<u>Federal Program/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Grantor/ Pass-Through Grantor Number</u>	<u>Disbursements/ Expenditures</u>
<b>U.S. Department of Agriculture</b>			
Direct Program:			
Water and Waste Disposal Systems for Rural Communities	10.760	-	<u>\$ 1,512,192</u>
<b>Total U.S. Department of Agriculture</b>			<u>1,512,192</u>
<b>Total</b>			<u><u>\$ 1,512,192</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2012**

**I. SUMMARY OF AUDITOR'S RESULTS**

<b>Financial Statements</b>	<b><u>Status</u></b>
1. Type of auditor's report issued	Unqualified
2. Internal controls over financial reporting:	
a. Material weaknesses identified?	No
b. Significant deficiencies identified not considered to be material weaknesses?	Yes
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 not considered to be material weaknesses?	No
2. Type of auditor's report issued on compliance for major programs:	
All major programs	Unqualified
3. Any audit findings disclosed including those that are required to be reported in accordance with OMB Circular A-133 Section 510(a)?	Yes
4. Identification of major programs:	
10.760 Water and Waste Disposal Systems for Rural Communities	
5. Dollar threshold used to distinguish between Type A and Type B programs?	\$300,000
6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530?	No

**II. FINANCIAL STATEMENT FINDINGS**

12-FS-01	Account Balances (Significant Deficiency)
12-FS-02	Fund Equity Reserves (Significant Deficiency)
12-FS-03	CIEDB Debt Service Coverage (Significant Deficiency)
12-FS-04	Year-End Closing Process (Significant Deficiency)



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2012**

**12-FS-01 Account Balances (Significant Deficiency)**

**Condition**

During our audit, we noted that various balance sheet accounts had not been adjusted to reflect current year end balances. This is a repeat of a prior year finding.

**Cause**

We noted that accounts receivable, assessments receivable, capital assets, accumulated depreciation, and Net OPEB obligation were not adjusted as necessary to accurately reflect current balances.

**Criteria**

Generally accepted accounting principles require that account balances be adjusted as necessary to reflect current balances.

**Effect of Condition**

Accounts were not properly adjusted prior to the start of the annual audit.

**Recommendation**

We recommend that the District reconcile and adjust account balances in a timely manner.

**Corrective Action Plan**

Prior to the close of the audit, all balance sheet accounts were reconciled and adjusted as necessary to reflect current balances.

**12-FS-02 Fund Equity Reserves (Significant Deficiency)**

**Condition**

We noted that in prior years the District had not established a reserve for connection fees. Although the District now has a reserve, the beginning carryover balance was not verified. This is a repeat of a prior year finding.

**Cause**

The connection fees in prior years had not been properly reserved when received.

**Criteria**

Generally accepted accounting principles require that revenues received that are legally restricted to be used only for specific purposes are to be appropriately reserved.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2012**

**12-FS-03 CIEDB Debt Service Coverage (Significant Deficiency) (Continued)**

**Corrective Action Plan**

This District is current on all outstanding obligations and will continue to make timely payments to CIEDB. In 2010, The District's Board of Directors adopted a multi-year rate increase to help meet debt requirements.

**12-FS-04 Year End Closing Process (Significant Deficiency)**

**Condition**

The audit fieldwork process was delayed because of significant delays in receiving critical schedules and source documents.

**Cause**

District accounting staff was still posting year-end closing entries in March 2013.

**Criteria**

Governmental Accounting Standards identify timeliness as a key characteristic and objective of financial reporting system. Financial reports should be published soon after the close of the District's fiscal year so as to balance the needs of reliable financial data with the needs of financial statements users to make timely decisions.

**Effect of Condition**

The audit process for the District was significantly delayed.

**Recommendation**

We recommend that the District develop more sufficient procedures for year-end closing processes and produce critical schedules and source documents in a timely manner so as to not delay the financial reporting of the District.

**Corrective Action Plan**

The District has implemented this recommendation.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2012**

12-SA-02

<b>Name:</b>	<b>Water and Waste Disposal Systems for Rural Communities</b>
<b>CFDA #:</b>	<b>10.760</b>
<b>Federal Grantor:</b>	<b>U.S. Department of Agriculture</b>
<b>Pass Through Entity:</b>	<b>None</b>
<b>Award No.:</b>	<b>N/A</b>
<b>Year:</b>	<b>2011/2012</b>

**Condition**

During our reconciliation of the general ledger and actual expenses to reimbursement requests we noted estimated expenses of \$27,000 claimed and the actual cost was \$25,500, and \$400 of expenses claimed as the result of an input error.

**Cause**

The District reported program expenses that could not be supported by expenses recorded on the general ledger or actual invoice.

**Criteria**

Good internal control over federal grant programs require that amounts reported and invoiced as grant expenses be based on actual expenses.

**Effect of Condition**

The District reported amounts as expended on the grant that could not be supported.

**Questioned Costs**

The District reported \$1,900 in expenses that could not be supported by expenses recorded on the general ledger or actual invoice.

**Recommendation**

We recommend that the District only claim reimbursement for grant expenses based on actual amounts expended.

**Corrective Action Plan**

The District will await response from The United States Department of Agriculture, Rural Development, USDARD, as to action necessary to correct the overstatement.

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

**REQUIRED COMMUNICATION AND MANAGEMENT REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2012**

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Required Communication and Management Report**  
**For the Year Ended June 30, 2012**

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

In planning and performing our audit of the financial statements of the Hidden Valley Lake Community Services District as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. We have issued a separate report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by Government Auditing Standards dated March 26, 2013.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. We consider deficiencies 12-FS-01, 12-FS-02, 12-FS-03 and 12-FS-04 in the District's internal control to be significant deficiencies. These findings are presented in the separate report referred to above and also in the Schedule of Findings and Recommendations that accompanies this letter.

The District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Recommendations. We did not audit the District's response, and accordingly, we express no opinion on it.

Following this letter, we have included a report on communications as required by auditing standards generally accepted in the United States of America.

## **HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

### **Required Communication**

**For the Year Ended June 30, 2012**

We have audited the financial statements of the proprietary fund of Hidden Valley Lake Community Services District for the year ended June 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards and OMB Circular A-133, 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 FINDINGS**

##### **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. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2012. We noted no transactions entered into by the government unit 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 and net OPEB obligation.

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.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements are depreciation of capital assets and other postemployment benefits (OPEB) obligation.

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.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Management Report**  
**Schedule of Findings and Recommendations**  
**For the Year Ended June 30, 2012**

**12-FS-01 Account Balances (Significant Deficiency)**

**Condition**

During our audit, we noted that various balance sheet accounts had not been adjusted to reflect current year end balances. This is a repeat of a prior year finding.

**Cause**

We noted that accounts receivable, assessments receivable, capital assets, accumulated depreciation, and Net OPEB obligation were not adjusted as necessary to accurately reflect current balances.

**Criteria**

Generally accepted accounting principles require that account balances be adjusted as necessary to reflect current balances.

**Effect of Condition**

Accounts were not properly adjusted prior to the start of the annual audit.

**Recommendation**

We recommend that the District reconcile and adjust account balances in a timely manner.

**Corrective Action Plan**

Prior to the close of the audit, all balance sheet accounts were reconciled and adjusted as necessary to reflect current balances.

**12-FS-02 Fund Equity Reserves (Significant Deficiency)**

**Condition**

We noted that in prior years the District had not established a reserve for connection fees. Although the District now has a reserve, the beginning carryover balance was not verified. This is a repeat of a prior year finding.

**Cause**

The connection fees in prior years had not been properly reserved when received.

**Criteria**

Generally accepted accounting principles require that revenues received that are legally restricted to be used only for specific purposes are to be appropriately reserved.



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Management Report**  
**Schedule of Findings and Recommendations**  
**For the Year Ended June 30, 2012**

**12-FS-03 CIEDB Debt Service Coverage (Significant Deficiency) (Continued)**

**Corrective Action Plan**

This District is current on all outstanding obligations and will continue to make timely payments to CIEDB. In 2010, The District's Board of Directors adopted a multi-year rate increase to help meet debt requirements.

**12-FS-04 Year End Closing Process (Significant Deficiency)**

**Condition**

The audit fieldwork process was delayed because of significant delays in receiving critical schedules and source documents.

**Cause**

District accounting staff was still posting year-end closing entries in March 2013.

**Criteria**

Governmental Accounting Standards identify timeliness as a key characteristic and objective of financial reporting system. Financial reports should be published soon after the close of the District's fiscal year so as to balance the needs of reliable financial data with the needs of financial statements users to make timely decisions.

**Effect of Condition**

The audit process for the District was significantly delayed.

**Recommendation**

We recommend that the District develop more sufficient procedures for year-end closing processes and produce critical schedules and source documents in a timely manner so as to not delay the financial reporting of the District.

**Corrective Action Plan**

The District has implemented this recommendation.



# Hidden Valley Lake Community Services District

## Personnel Committee Report

DATE: May 1, 2013  
TIME: 11:00 a.m.  
PLACE: Hidden Valley Lake CSD  
Administration Office, Boardroom  
19400 Hartmann Road  
Hidden Valley Lake, CA

1) CALL TO ORDER:

Meeting of the Hidden Valley Lake Community Services District Personnel Committee called to order on May 1, 2013 at the hour of 11:00 a.m. by Director Mirbegian at 19400 Hartmann Road, Hidden Valley Lake, California.

2) PLEDGE OF ALLEGIANCE:

3) ROLL CALL:

Present – Directors Herndon and Mirbegian. Also present: Roland Sanford, General Manager; Tami Ipsen, Administrative Assistant.

4) APPROVAL OF AGENDA:

Director Herndon moved to approve the agenda.

Motion approved.

5) CSDA 2000 POLICY SERIES REVIEW

The committee reviewed the eight policies from the CSDA 2000 Policy Series:

- 5a) 2000 - Executive Officer
- 5b) 2003 - Employee Status
- 5c) 2006 - Continuity of Service
- 5d) 2016 - Customer Relations
- 5e) 2019 - Use of and Responsibility of Employer Property
- 5f) 2022 - Housekeeping
- 5g) 2025 - Personal Possession
- 5h) 2028 - Dress Code and Personal Standards

The committee made revisions to the sample policies and will present them to the Board of Directors for possible approval.

6) REVIEW OF PERSONNEL COMMITTEE POLICY

Mr. Sanford presented the Personnel Committee Policy with the revisions discussed at the April 3, 2013 Personnel Committee meeting. There were no additional changes.

7) PUBLIC COMMENTS:

There were none.

8) ADJOURNMENT:

The meeting was adjourned at 12:12 p.m.



# Hidden Valley Lake Community Services District

## Finance Committee Report

DATE: April 11, 2013  
TIME: 6:30 p.m.  
PLACE: Hidden Valley Lake CSD  
Administration Office, Boardroom  
19400 Hartmann Road  
Hidden Valley Lake, CA

1) CALL TO ORDER:

Meeting of the Hidden Valley Lake Community Services District Finance Committee called to order on April 11, 2013 at the hour of 6:31 p.m. by Director Freeman at 19400 Hartmann Road, Hidden Valley Lake, California.

2) PLEDGE OF ALLEGIANCE:

3) ROLL CALL:

Present – Directors Graham and Freeman. Also present: Roland Sanford, General Manager; Tami Ipsen, Administrative Assistant; and Tasha Klewe, Accountant Controller.

4) APPROVAL OF AGENDA:

Director Graham moved, Director Freeman seconded to approve the Finance Committee agenda.

Motion approved by unanimous vote.

5) RESULTS OF AUDIT SERVICES RFP SOLICITATION

Mr. Sanford reported pursuant to committee direction, staff reevaluated two previously rejected proposals for audit services. He noted in both proposals the qualifications of the individuals who would be performing the services were weak, and while one of the two bidders expressed a willingness to reduce their costs significantly, the proposed reduction did not offset the deficient qualifications. After discussion, the committee concluded the District's best option was to retain the current auditing firm for the 2012-2013 fiscal year audit and initiate an expanded search for an alternate firm to conduct the 2013-2014 fiscal year audit.

6) REVIEW OF THE DRAFT 2011-2012 HVLCSD AUDIT REPORT

Tasha Klewe summarized the conclusions and recommendations presented in the Financial Statements Together With Independent Auditor's Report for the Year Ended June 30, 2012 and the Single Audit Reports and Schedules for the Year Ended June 30, 2013 documents prepared by Smith and Newell. After discussion, it was agreed the committee would recommend the Board to accept the draft reports as written at the April 16, 2013 Board of Directors meeting.

7) PUBLIC COMMENT

There were none.

8) ADJOURNMENT

The meeting was adjourned at 7:58 on motion by Director Graham, seconded by Director Freeman, and unanimously carried.



# Hidden Valley Lake Community Services District

## Ad Hoc Policy Review Committee Report

DATE: April 30, 2013  
TIME: 10:00 a.m.  
PLACE: Hidden Valley Lake CSD  
Administration Office, Boardroom  
19400 Hartmann Road  
Hidden Valley Lake, CA

1) CALL TO ORDER:

Meeting of the Hidden Valley Lake Community Services District Finance Committee called to order on April 30, 2013 at the hour of 10:03 a.m. by Director Mirbegian at 19400 Hartmann Road, Hidden Valley Lake, California.

2) PLEDGE OF ALLEGIANCE:

3) ROLL CALL:

Present – Directors Mirbegian and Lieberman. Also present: Roland Sanford, General Manager; Tami Ipsen, Administrative Assistant.

4) APPROVAL OF AGENDA:

Director Lieberman moved, Director Mirbegian seconded to approve the Ad Hoc Policy Review Committee agenda.

Motion approved by unanimous vote.

5) CSDA Sample Policies: 1,000 and 4,000 Sample Policy Series

The committee reviewed the following CSDA Sample Policies:

- 1000 - Purpose of the Board
- 1010 - Adoption/Amendments of Policies
- 1020 - Conflict of Interest
- 1030 - Public Complaints
- 1040 - Claims Against the District
- 1050 - Copying Public Documents
- 1060 – Public Contributions
- 4005 – Operating Principles of the Board
- 4010 – Code of Ethics
- 4015 – Voluntary Candidate Expenditure Ceiling
- 4020 – Attendance at Meetings
- 4025 – Expenditures Reimbursement
- 4030 – Remuneration and Reimbursement
- 4035 – Directors' Health Insurance

6) PUBLIC COMMENT

There were none.

7) ADJOURNMENT

The meeting was adjourned at 11:36 a.m. on motion by Director Lieberman, seconded by Director Mirbegian, and unanimously carried.

*Board of Directors*

JIM FREEMAN  
CAROLYN GRAHAM  
LINDA HERNDON  
JIM LIEBERMAN  
JUDY MIRBEGIAN



*General Manager*  
ROLAND SANFORD

*Administrative Assistant*  
TAMI IPSEN

*Accountant/Controller*  
TASHA KLEWE

*Hidden Valley Lake  
Community Services District*

May 14, 2013

To: Hidden Valley Lake CSD  
From: Judy Mirbegian  
Re: ACWA 2013 Spring Conference & Exhibition

In accordance with the Government Code of California and District policy, I submit this report.

I attended the ACWA Spring Conference in Sacramento, CA on May 8-9, 2013. The theme of the Spring Conference was "Thinking California Water" and in light of recent legislative events it should come as no surprise that the Bay Delta Conservation Plan (BDCP) and the Water Bond dominated much of the conversation at ACWA. These topics were discussed at length at both luncheons I attended and Gov. Jerry Brown made an unannounced appearance to address the ACWA membership and pledge his support for the proposed BDCP and passage of the Bond in 2014. I attended the following seminars.

**Water Industry Trends Program; "Water Conservation Rate Structures and BMP 1.4"**

There was a panel discussion, followed by a Q&A forum regarding the California Urban Water Conservation Council's (CUWCC) Best Management Practice on water pricing. Essentially this BMP proposes that 70% of water rates should be from actual volume costs and 30% of the rate structure should be comprised of fixed costs. This 70/30 rate structure is one many agencies cannot achieve; certainly a challenge for small to mid-size agencies. So there was much discussion about the impracticality of this structure and actually there is an "alternative option" to the BMP.

In any event, this is the process of how water policy is made and listening to the feedback and input of other agencies and how they are addressing the issues is very informative.

**"State Water Board-Leadership in Times of Multiple Priorities and Coequal Goals"** Keynote Speaker Felicia Marcus, Chair, State Water Resources Control Board.

### **Water Industry Trends Program; “Recycled Water: Promising developments on the Legislative and Policy Fronts”**

This was a panel discussion of advancing the cause of potable uses for recycled water. This was a discussion of the innovative developments of the use of recycled water and could have future implications for how we use our recycled water.

### **Human Resources Program; “Conducting an Employee Investigation”**

This seminar was conducted by Susan Schoenig of Best, Best & Krieger, a leading Human Resources/Labor Employment law firm. This discussion was a comprehensive overview of how an employee investigation is conducted and I found it very informative and helpful.

### **Finance Program; “Demographic Economic Analysis and the Psychology of Investing”**

This finance program was both entertaining and educational and looked at national and global trends historically and demographically through the eyes of water use.

The second component was about avoiding the pitfalls of investing. I have a hard copy of the power point presentation and would be happy to share it. I think we could all benefit from reviewing this material.

### **“Cowin and Bonham: The Right Team at the Right Time”**

This was a discussion of the BDCP between Chuck Bonham, California Department of Fish and Wildlife and Mark Cowin, California Department of Water Resources, moderated by Randy Record, ACWA president.

### **Outreach 101; “The Importance of Grassroots Outreach”**

This was a very informative discussion about how best to contact and build relationships with State legislators about issues of importance to a water agency. I actually made the suggestion at our Region 1 meeting to consider a presentation on this same topic for the Fall ACWA conference as Region 1 will be required to sponsor a presentation at that conference. This seminar was well presented and very informative.

### **Human Resources Program; “Troubleshooting Employee Handbooks”**

Joseph Ortiz, Partner, Best, Best & Krieger

This was a presentation of the key elements of the employee handbook and how to best develop this very critical human resources/personnel element in a public organization. I will make a more detailed presentation at the next Personnel Committee meeting.

## **ACWA Region 1 Board Meeting**

The full Region 1 Board was in attendance and worked through a lengthily agenda highlighted by a discussion with Cindy Tuck, ACWA's Deputy Director, about considering the needs of coastal Region 1 as the Water Bond is pared down and re-packaged for legislative consideration. This all ties in with the North Coast Bond Coalition and the Integrated Regional Water Management Plan (IRWMP).

It is beneficial to all North Coast agencies who are members of ACWA to unify in our position and have a place at the table as the Water Bond develops, improving our chances of eligibility for grants and increased local funding of projects that are important to the North Coast.

Interestingly, the details in defining terms of eligibility and availability provoke a lively discussion.

The ACWA Region 1 Board meets again at the end of May and I am sure the discussion will continue.



## ACWA State Legislative Committee

Friday May 3, 2013

Sacramento, CA

### MEETING SUMMARY

#### **AB 1090 – FPPC Speaker (Zachery Morazzini) -** Whitnie Wiley

Zachery Morazzini, General Counsel for the FPPC, presented on AB 1090. According to Morazzini, AB 1090 is intended to harmonize existing conflicts of interest provisions, assist public officials, and offer real time advice to local officials on public contract decisions. ACWA members asked about the duplication of authority that AB 1090 would create by applying the Fair Political Practices Act to actions covered under Government code 1090. Mr. Morazzini stated that the FPPC has a strong ethical and due process separation between its legal and enforcement division which has been in place since the Political reform act was enacted and would not change under AB 1090. He stressed that the objective of the bill is to provide clarity for local officials and offer guidance/ advice when requested.

#### **Deputy Executive Director's Report -** Cindy Tuck

##### 1. Federal Update

- Deputy Secretary David Hayes will be retiring in June 2013
- Water Resources Development Act legislation might be on Senate Floor next week

##### 2. California Water Finance Task Force – Water Bond Legislation Confirmation hearing: nomination for EPA Administrator Gina McCarthy. The vote will be on May 9.

- \$11.14 Billion bond proposed for November 2014. The Board voted to authorize staff to work on reducing the size of the bond and eliminating earmarks. The Finance Task Force approved guidelines at end of March. See handouts. Key items the Board wants to consider regarding the bond: opposing statewide fee on water, avoiding earmarks, funding public benefits, protecting funds for delta sustainability and storage for coequal goals.
- Review of Bond Math handout: Left side overview of current version of bond. The right side is what the working group and task force developed as viable proposition that protects delta sustainability and local resources development. This will be discussed in greater detail at the conference.

##### 3. AB 145 (Perea) – Safe Drinking Water program - Update The Assembly Water Parks and Wildlife took over three bills, AB 145, AB 295 and AB 1331, which were moved as placeholders for the water bond negotiations that are expected after the State Budget has been approved by the legislature.

- A letter was sent to Secretaries Diana Dooley (California Health and Human Services Agency) and Matthew Rodriguez (Cal/ EPA) and sent coalition letter conveying solidarity on position with water community across the state.
- Met again with Assembly member Perea who said that he will consider a middle ground.
- Lisa Lien-Mager and ACWA staff helped write response regarding the Sacramento Bee's editorial on April 24, 2013 in support of moving the drinking water program to the State Water Board.
  - The bill is headed to the Appropriations Committee and the Assembly Floor. Cindy is sending outreach alerts to ACWA members to send letters to their legislative representatives.

#### **CEQA Modernization Update -** Whitnie Wiley

Whitnie will convene a working group to write language for policy principles for the board to adopt before the May 31 Board of Directors meeting. The group met yesterday for the first time and laid out schedule of six meetings between now and May 28, with a sub group to help draft principles. The working group will propose policy principles to be adopted on long-term basis, not simply considering bills that are currently being addressed.



**Groundwater Beneficial Use Legislative Proposal - Update - Whitnie Wiley**

No current language, group is still working towards finding language. Whitnie plans to bring proposal to meeting in October 2013.

**Hand Carry: SB 735 (Wolk) - Cindy Tuck**

Current position is Not Favor. New Position: Not Favor unless Amended.

**Review of Bill Packets - Wendy Ridderbusch**

- **AB 536:** Position was a Not Favor. *New position: Watch*
- **SB 753:** Pending Committee Input. *New position: Favor*
- **AB 756:** Suggests not favor. *Position: Not Favor*
- **AB 1059:** *Position: Not favor unless amended*
- **AB 1090:** *New Position: Oppose unless amended*
- **AB 1181:** *New Position: Oppose*
- **SB 425:** Move to Watch. *New Position: Watch*
- **SB 449:** Move to oppose. *New Position: Oppose*
- **SB 536:** *New Position: Favor if Amended*
- **SB 658:** Recommended position watch. *New Position: Watch*



ACWA, CMUA and CWA noted in their April 19 letter that more aggressive financial management for the SRF is needed, and this could be accomplished by CDPH without disrupting the entire drinking water program with transfer of the program. In the letter, the associations also note the two above-referenced middle grounds.

ACWA and its members are concerned that moving the entire drinking water program to the State Board could jeopardize elements of the program that work well and take the focus away from public health while failing to address challenges facing some disadvantaged communities (one of the drivers behind AB 145).

## **U.S. EPA Deems State Drinking Water Fund Out of Compliance**

The U.S. Environmental Protection Agency sent a notice to the California Department of Public Health on April 19 saying its administration of the Safe Drinking Water State Revolving Fund is out of compliance with applicable EPA requirements. California has over \$455 million in unspent federal funds in the SDWSRF, more than any other state in the nation. CDPH now has 60 days to submit a corrective plan to EPA.

EPA's review found CDPH is not in compliance with the following Safe Drinking Water Act requirements: expeditious and timely use of the funds; technical capability to operate the SDWSRF program, and a requirement to provide and follow a cash draw schedule.

ACWA members greatly value the SRF program and believe it is an important tool to help fund water projects in California. EPA's most recent needs survey found that \$39 billion in capital improvements are needed through 2026 for SRF-eligible water systems in California to continue to provide safe drinking water. There is plenty of demand for the SRF money and we agree that actions must be taken to distribute the funds more efficiently.

ACWA believes more aggressive financial management is needed to ensure the SDWSRF money can be put to use. This includes filling critical staffing vacancies at CDPH that currently make it difficult for the agency to distribute and manage SRF funds. In addition, CDPH should be provided with the resources it needs to effectively oversee the financial management of the SDWSRF. ACWA will work with and support CDPH in its effort to become compliant with the SDWA requirements and distribute the SRF money in an efficient manner. As noted above, ACWA also is discussing with the Brown Administration and the Legislature alternative ways to address this problem.

The EPA notice to CDPH can be found [here](#).

For questions, contact ACWA Deputy Executive Director for Government Relations Cindy Tuck at [cindy@acwa.com](mailto:cindy@acwa.com).

April 29, 2013

## ***Talks Continue on Proposed Move of State's Drinking Water Program***

ACWA continues to outline concerns with legislation that would move responsibility for the state's drinking water program from the Department of Public Health to a new division of the State Water Resources Control Board.

AB 145 (Perea) would vest authority, responsibility and jurisdiction for the state's drinking water program with a new Division of Drinking Water Quality at the State Board.

ACWA has an "oppose-unless amended" position on the bill. As amendments, ACWA and coalition partners the California Municipal Utilities Association (CMUA) and the California Water Association (CWA) have suggested two middle grounds on the legislation: 1) moving the State Drinking Water Revolving Fund (as opposed to the entire drinking water program) to the State Board; or 2) moving the drinking water program to a new office or department at the California Environmental Protection Agency (Cal/EPA).

A letter to the editor submitted by ACWA in response to an editorial on the issue was published today in *The Sacramento Bee*. The letter can be read [here](#).

AB 145 cleared the Assembly Water, Parks and Wildlife Committee on a 9-2 vote on April 2 and is set for hearing Tuesday, April 30, in the Assembly Environmental Safety and Toxic Materials Committee. Based on opposition from ACWA, CMUA and CWA, the bill's author, Assembly Member Henry Perea (D-Fresno) convened a stakeholder process to discuss concerns with the bill and potential alternative approaches, including the two above-referenced middle grounds.

ACWA members may be requested to send letters of opposition on AB 145 if needed when the bill reaches the Assembly floor or the Senate. Please prepare for that action in the very near future. Watch for further communication via ACWA's Outreach Network.

The status of the state's drinking water program and where it should be housed also is being debated in the state budget process. The governor's May revise of the state budget is expected to indicate the Administration's position. ACWA is engaging in those discussions and will provide updates as needed.

## **Concerns Conveyed to Brown Administration**

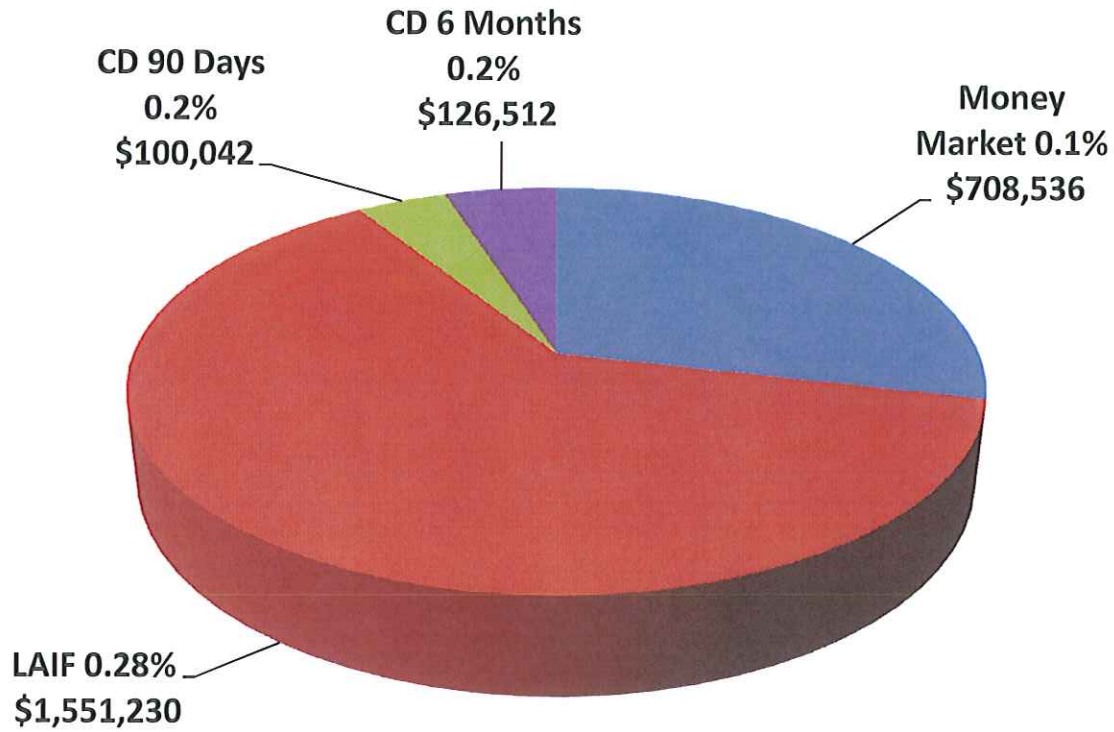
ACWA, CMUA and CWA sent a joint letter April 19 to California Secretary of Health and Human Services Diana Dooley and Cal/EPA Secretary Matt Rodriguez outlining why the state should not move its drinking water program from the California Department of Public Health (CDPH) to the State Water Resources Control Board (SWRCB) as proposed under pending legislation. The letter is available [here](#).

The Brown Administration is determining its position on the issue, and the two secretaries are providing input to the governor.

**Hidden Valley Lake CSD  
Pooled Cash  
April 30, 2013**

<b>Beginning Balance</b>	<b>\$ 377,394.35</b>
<b>Deposits</b>	
Cash	\$ 656,360.10
Transfers	\$ 995,000.00
<b>Total Deposits</b>	<b>\$ 1,651,360.10</b>
<b>Expenditures</b>	
Accounts Payable	\$ 1,190,003.54
Payroll	\$ 39,667.38
Bank Fees	\$ 1,135.07
<b>Total Expenditures</b>	<b>\$ 1,230,805.99</b>
<b>Ending Balance</b>	<b>\$ 797,948.46</b>

**HIDDEN VALLEY LAKE CSD  
INVESTMENT REPORT  
April 30, 2013  
\$2,486,320**



Investment	Interest Rate	Interest Earned this Period	Funds Invested
Money Market	0.10%	\$ 37.63	\$ 708,536
LAIF	0.28%	1,820.67	\$ 1,551,230
90 Day CD	0.20%	5.17	\$ 100,042
6 Month CD	0.20%	18.52	\$ 126,512
<b>Total Funds Invested</b>			<b>\$ 2,486,320</b>

This report is in compliance with the investment policy set forth by the board of the Hidden Valley Lake Community Services District.

HIDDEN VALLEY LAKE CSD  
REVENUE & EXPENSE REPORT (UNAUDITED)  
YEAR TO DATE APRIL 30, 2013

**120-SEWER ENTERPRISE FUND  
REVENUE**

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-4020 PERMIT & INSPECTION FEES	0.00	100.00	300.00	(300.00)	0.00%
120-4036 DEVELOPER SEWER FEES	0.00	0.00	0.00	0.00	0.00%
120-4045 AVAILABILITY FEES	6,000.00	5,835.47	5,835.47	164.53	97.26%
120-4050 SALES OF RECLAIMED WATER	78,100.00	11,618.89	83,370.18	(5,270.18)	106.75%
120-4111 COMM SEWER USE	20,500.00	17,036.10	17,036.10	3,463.90	83.10%
120-4112 GOV'T SEWER USE	0.00	(15,332.49)	0.00	0.00	0.00%
120-4116 SEWER USE CHARGES	849,000.00	144,235.78	722,577.62	126,422.38	85.11%
120-4210 LATE FEE 10%	15,400.00	2,632.74	13,228.17	2,171.83	85.90%
120-4300 MISC INCOME	700.00	591.27	496.16	203.84	70.88%
120-4310 OTHER INCOME	0.00	0.00	0.00	0.00	0.00%
120-4505 LEASE INCOME	8,400.00	0.00	785.90	7,614.10	9.36%
120-4550 INTEREST	0.00	2.67	(1.33)	1.33	0.00%
<b>TOTAL REVENUES</b>	<b>978,100.00</b>	<b>166,720.43</b>	<b>843,628.27</b>	<b>134,471.73</b>	<b>86.25%</b>

HIDDEN VALLEY LAKE CSD  
REVENUE & EXPENSE REPORT (UNAUDITED)  
YEAR TO DATE APRIL 30, 2013

**120-SEWER ENTERPRISE FUND**  
EXPENDITURES - ALL DEPTS

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5010 SALARY & WAGES	347,800.00	14,288.05	268,825.15	78,974.85	77.29%
120-5020 EMPLOYEE BENEFITS	123,000.00	10,514.23	104,484.26	18,515.74	84.95%
120-5021 RETIREMENT BENEFITS	57,000.00	4,819.06	42,545.97	14,454.03	74.64%
120-5025 RETIREE HEALTH BENEFITS	5,100.00	425.72	4,780.60	319.40	93.74%
120-5040 ELECTION EXPENSE	0.00	0.00	0.00	0.00	0.00%
120-5060 GASOLINE, OIL & FUEL	11,800.00	621.61	10,453.47	1,346.53	88.59%
120-5061 VEHICLE MAINT	8,000.00	0.00	5,236.05	2,763.95	65.45%
120-5062 TAXES & LIC	1,000.00	0.00	362.97	637.03	36.30%
120-5074 INSURANCE	17,700.00	29.32	29.32	17,670.68	0.17%
120-5075 BANK FEES	4,800.00	567.54	5,670.09	(870.09)	118.13%
120-5080 MEMBERSHIP & SUBSCRIPTIONS	3,600.00	2,436.50	5,000.06	(1,400.06)	138.89%
120-5090 OFFICE SUPPLIES	5,400.00	973.90	5,127.34	272.66	94.95%
120-5092 POSTAGE & SHIPPING	2,200.00	416.35	471.40	1,728.60	21.43%
120-5110 CONTRACTUAL SERVICES	29,000.00	4,444.18	34,995.52	(5,995.52)	120.67%
120-5121 LEGAL SERVICES	5,700.00	819.00	9,715.74	(4,015.74)	170.45%
120-5122 ENGINEERING SERVICES	7,500.00	0.00	0.00	7,500.00	0.00%
120-5123 OTHER PROFESSIONAL SERVICE	66,900.00	5,225.00	61,286.29	5,613.71	91.61%
120-5125 STRATEGIC PLANNING	5,000.00	0.00	0.00	5,000.00	0.00%
120-5126 RECRUITMENT	5,500.00	0.00	0.00	5,500.00	0.00%
120-5130 PRINTING & PUBLICATION	600.00	0.00	181.29	418.71	30.22%
120-5135 NEWSLETTER	700.00	0.00	0.00	700.00	0.00%
120-5140 RENTS & LEASES	0.00	0.00	0.00	0.00	0.00%
120-5145 EQUIPMENT RENTAL	0.00	0.00	26.34	(26.34)	0.00%
120-5148 OPERATING SUPPLIES	8,800.00	62.88	10,023.54	(1,223.54)	113.90%
120-5150 REPAIR & REPLACE	72,500.00	24,814.11	50,039.58	22,460.42	69.02%
120-5155 MAINT BLDG & GROUNDS	5,700.00	1,698.33	4,422.16	1,277.84	77.58%
120-5160 SLUDGE DISPOSAL	22,600.00	0.00	19,908.00	2,692.00	88.09%
120-5170 TRAVEL & MEETINGS	2,500.00	57.63	476.45	2,023.55	19.06%
120-5175 EDUCATION / SEMINARS	11,900.00	1,891.15	6,765.43	5,134.57	56.85%
120-5176 DIRECTOR TRAINING	5,000.00	0.00	263.89	4,736.11	5.28%
120-5179 ADM MISC EXPENSE	0.00	20.82	456.21	(456.21)	0.00%
120-5191 TELEPHONE	9,500.00	817.80	9,268.32	231.68	97.56%
120-5192 ELECTRICITY	34,000.00	0.00	14,687.49	19,312.51	43.20%
120-5195 ENV/MONITORING	35,400.00	3,162.60	25,825.10	9,574.90	72.95%
120-5198 ANNUAL OPERATING FEES	3,200.00	0.00	2,845.76	354.24	88.93%
120-5310 EQUIPMENT - FIELD	2,300.00	0.00	0.00	2,300.00	0.00%
120-5311 EQUIPMENT - OFFICE	3,400.00	504.23	3,337.61	62.39	98.17%
120-5312 TOOLS - FIELD	1,800.00	0.00	1,794.75	5.25	99.71%
120-5315 SAFETY EQUIPMENT	900.00	0.00	0.00	900.00	0.00%
120-5545 RECORDING FEES	200.00	22.00	149.88	50.12	74.94%
120-5580 TRANSFERS OUT	0.00	0.00	0.00	0.00	0.00%
120-5585 FLOOD CONTROL EXPENSE	0.00	0.00	129.27	(129.27)	0.00%
120-5590 NON-OPERATING OTHER	30,100.00	0.00	0.00	30,100.00	0.00%
120-5591 EXP APPLICABLE TO PRIOR YR	0.00	0.00	0.00	0.00	0.00%
120-5605 OPERATING CONTINGENCY	17,500.00	0.00	0.00	17,500.00	0.00%
120-5650 CAPITAL RESERVES	2,500.00	0.00	0.00	2,500.00	0.00%
<b>TOTAL COMBINED EXPENDITURES</b>	<b>978,100.00</b>	<b>78,632.01</b>	<b>709,585.30</b>	<b>266,014.70</b>	<b>72.55%</b>

HIDDEN VALLEY LAKE CSD  
REVENUE & EXPENSE REPORT (UNAUDITED)  
YEAR TO DATE APRIL 30, 2013

**130-WATER ENTERPRISE FUND  
REVENUES**

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-4035 RECONNECT FEES	13,000.00	1,720.00	9,580.00	3,420.00	73.69%
130-4038 COMM WATER METER INSTALL	0.00	0.00	0.00	0.00	0.00%
130-4039 WATER METER INST	0.00	100.00	400.00	(400.00)	0.00%
130-4040 RECORDING FEES INCOME	300.00	10.00	170.00	130.00	56.67%
130-4045 AVAILABILITY FEES	23,500.00	23,770.03	23,848.03	(348.03)	101.48%
130-4110 COMM WATER USE	13,800.00	1,151.03	11,510.30	2,289.70	83.41%
130-4112 GOV'T WATER USE	800.00	74.26	742.60	57.40	92.83%
130-4115 WATER USE CHARGES	1,024,800.00	172,081.74	863,617.07	161,182.93	84.27%
130-4117 WATER OVERAGE USE FEE	161,200.00	8,959.88	136,579.99	24,620.01	84.73%
130-4118 WATER OVERAGE COMM	7,400.00	749.75	8,644.16	(1,244.16)	116.81%
130-4119 WATER OVERAGE GOV	0.00	0.00	0.00	0.00	0.00%
130-4210 LATE FEE 10%	21,800.00	3,683.13	19,739.28	2,060.72	90.55%
130-4215 RETURNED CHECK CHARGE	800.00	175.00	575.00	225.00	71.88%
130-4300 MISC INCOME	200.00	504.19	597.70	(397.70)	298.85%
130-4310 OTHER INCOME	0.00	0.00	0.00	0.00	0.00%
130-4505 LEASE INCOME	0.00	323.08	5,998.70	(5,998.70)	0.00%
130-4550 INTEREST	100.00	35.37	25.50	74.50	25.50%
130-4580 TRANSFER IN	0.00	0.00	0.00	0.00	0.00%
<b>TOTAL REVENUES</b>	<b>1,267,700.00</b>	<b>213,337.46</b>	<b>1,082,028.33</b>	<b>185,671.67</b>	<b>85.35%</b>



HIDDEN VALLEY LAKE CSD  
REVENUE & EXPENSE REPORT (UNAUDITED)  
YEAR TO DATE APRIL 30, 2013

**130-WATER ENTERPRISE FUND**  
**EXPENDITURES - ALL DEPTS**

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5010 SALARY & WAGES	377,300.00	14,215.87	266,615.56	110,684.44	70.66%
130-5020 EMPLOYEE BENEFITS	158,000.00	12,910.99	126,058.29	31,941.71	79.78%
130-5021 RETIREMENT BENEFITS	65,400.00	4,831.02	45,852.03	19,547.97	70.11%
130-5025 RETIREE HEALTH BENEFITS	6,300.00	425.70	4,780.47	1,519.53	75.88%
130-5040 ELECTION EXPENSE	0.00	0.00	0.00	0.00	0.00%
130-5050 DEPRECIATION	0.00	0.00	0.00	0.00	0.00%
130-5060 GASOLINE, OIL & FUEL	11,800.00	621.61	9,782.03	2,017.97	82.90%
130-5061 VEHICLE MAINT	8,000.00	0.00	10,001.67	(2,001.67)	125.02%
130-5062 TAXES & LIC	1,000.00	0.00	632.45	367.55	63.25%
130-5074 INSURANCE	15,500.00	29.31	29.31	15,470.69	0.19%
130-5075 BANK FEES	4,800.00	567.53	5,670.13	(870.13)	118.13%
130-5080 MEMBERSHIP & SUBSCRIPTIONS	16,600.00	2,436.50	15,489.17	1,110.83	93.31%
130-5090 OFFICE SUPPLIES	5,400.00	973.83	5,049.97	350.03	93.52%
130-5092 POSTAGE & SHIPPING	2,200.00	416.35	471.39	1,728.61	21.43%
130-5110 CONTRACTUAL SERVICES	37,800.00	2,115.78	31,655.66	6,144.34	83.75%
130-5121 LEGAL SERVICES	5,700.00	819.00	9,715.75	(4,015.75)	170.45%
130-5122 ENGINEERING SERVICES	33,800.00	2,131.25	53,971.55	(20,171.55)	159.68%
130-5123 OTHER PROFESSIONAL SERVICE	75,900.00	5,705.00	117,960.08	(42,060.08)	155.42%
130-5124 WATER RIGHTS	14,700.00	874.40	15,265.37	(565.37)	103.85%
130-5125 STRATEGIC PLANNING	5,000.00	0.00	0.00	5,000.00	0.00%
130-5126 RECRUITMENT	5,500.00	0.00	0.00	5,500.00	0.00%
130-5130 PRINTING & PUBLICATION	600.00	0.00	181.29	418.71	30.22%
130-5135 NEWSLETTER	700.00	0.00	0.00	700.00	0.00%
130-5140 RENT & LEASES	0.00	0.00	0.00	0.00	0.00%
130-5145 EQUIPMENT RENTAL	0.00	0.00	1,779.92	(1,779.92)	0.00%
130-5148 OPERATING SUPPLIES	1,000.00	62.87	1,610.89	(610.89)	161.09%
130-5150 REPAIR & REPLACE	60,000.00	15,696.26	59,922.46	77.54	99.87%
130-5155 MAINT BLDG & GROUNDS	2,500.00	248.31	3,688.21	(1,188.21)	147.53%
130-5170 MILEAGE	4,000.00	57.63	1,746.55	2,253.45	43.66%
130-5175 EDUC / SEMINARS	14,400.00	3,583.41	6,700.52	7,699.48	46.53%
130-5176 DIRECTOR TRAINING	5,000.00	0.00	299.74	4,700.26	5.99%
130-5179 ADM MISC EXPENSE	0.00	20.81	420.08	(420.08)	0.00%
130-5191 TELEPHONE	9,500.00	817.78	9,262.22	237.78	97.50%
130-5192 ELECTRICITY	108,500.00	0.00	125,497.15	(16,997.15)	115.67%
130-5195 ENV/MONITORING	6,200.00	352.00	5,906.50	293.50	95.27%
130-5198 ANNUAL OPERATING FEES	13,100.00	0.00	22,216.76	(9,116.76)	169.59%
130-5310 EQUIPMENT - FIELD	1,400.00	0.00	0.00	1,400.00	0.00%
130-5311 EQUIPMENT - OFFICE	3,400.00	0.00	2,833.37	566.63	83.33%
130-5312 TOOLS - FIELD	2,100.00	205.00	1,146.10	953.90	54.58%
130-5315 SAFETY EQUIPMENT	900.00	0.00	0.00	900.00	0.00%
130-5505 WATER CONSERVATION	10,000.00	1,668.87	6,343.75	3,656.25	63.44%
130-5545 RECORDING FEES	400.00	22.00	208.12	191.88	52.03%
130-5580 TRANSFERS OUT (CIEDB)	173,300.00	0.00	173,018.05	281.95	99.84%
130-5585 FLOOD CONTROL	0.00	0.00	94.92	(94.92)	0.00%
130-5590 NON-OPERATING OTHER	0.00	0.00	0.00	0.00	0.00%
130-5591 EXP APPLICABLE TO PRIOR YEAR	0.00	0.00	0.00	0.00	0.00%
<b>TOTAL EXPENDITURES</b>	<b>1,267,700.00</b>	<b>71,809.08</b>	<b>1,141,877.48</b>	<b>125,822.52</b>	<b>90.07%</b>

**Hidden Valley Lake CSD  
Foreclosure Totals**

	<u>As of Feb 12, 2013</u>	<u>As of Mar 13, 2013</u>	<u>As of Apr 8, 2013</u>	<u>As of May 14, 2013</u>				
<b>Total Foreclosures</b>	<b>133</b>	<b>\$4,488.87</b>	<b>136</b>	<b>\$7,787.74</b>	<b>134</b>	<b>\$4,208.21</b>	<b>134</b>	<b>\$7,691.78</b>
<b># With Meter Locked</b>	<b>18</b>	<b>\$1,983.64</b>	<b>19</b>	<b>\$1,599.83</b>	<b>20</b>	<b>\$1,593.13</b>	<b>20</b>	<b>\$1,144.93</b>
<b># On Active Status</b>	<b>26</b>	<b>\$2,505.23</b>	<b>45</b>	<b>\$6,187.91</b>	<b>26</b>	<b>\$2,615.08</b>	<b>46</b>	<b>\$6,546.85</b>
<b># With \$0.00 Balance</b>	<b>36</b>	<b>\$0.00</b>	<b>18</b>	<b>\$0.00</b>	<b>34</b>	<b>\$0.00</b>	<b>14</b>	<b>\$0.00</b>
<b># Property No Meter</b>	<b>53</b>	<b>\$0.00</b>	<b>54</b>	<b>\$0.00</b>	<b>54</b>	<b>\$0.00</b>	<b>54</b>	<b>\$0.00</b>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
BI-MONTHLY REVENUE EXPENSE REPORT  
CYCLE 5 APRIL 30, 2013

	CYCLE		CYCLE		YTD		YTD		ANNUAL		PROJECTED	
	BUDGET	ACTUAL	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	BUDGET	ACTUAL	VARIANCE
<b>REVENUE</b>												
Sewer 120	\$ 163,017	\$ 171,764	\$ 171,764	\$ 8,747	\$ 815,085	\$ 843,628	\$ 28,543	\$ 978,100	\$ 1,006,643	\$ 978,100	\$ 1,006,643	\$ 28,543
Water 130	\$ 211,283	\$ 215,808	\$ 215,808	\$ 4,525	\$1,056,415	\$1,082,028	\$ 25,613	\$1,267,700	\$1,293,313	\$1,267,700	\$1,293,313	\$ 25,613
<b>EXPENSE</b>												
Sewer 120	\$ 163,017	\$ 156,115	\$ 156,115	\$ (6,902)	\$ 815,085	\$ 709,585	\$ (105,500)	\$ 978,100	\$ 872,600	\$ 978,100	\$ 872,600	\$ (105,500)
Water 130	\$ 211,283	\$ 156,927	\$ 156,927	\$ (54,356)	\$1,056,415	\$1,141,877	\$ 85,462	\$1,267,700	\$1,317,700	\$1,267,700	\$1,317,700	\$ 50,000
<b>NET REVENUE TO EXPENSE</b>												
SEWER REVENUE	\$ 163,017	\$ 171,764	\$ 171,764		\$ 815,085	\$ 843,628	\$ 28,543	\$ 978,100	\$ 1,006,643	\$ 978,100	\$ 1,006,643	\$ 28,543
SEWER EXPENSE	\$ 163,017	\$ 156,115	\$ 156,115		\$ 815,085	\$ 709,585	\$ (105,500)	\$ 978,100	\$ 872,600	\$ 978,100	\$ 872,600	\$ (105,500)
DIFFERENCE	\$ -	\$ 15,649	\$ 15,649		\$ -	\$ 134,043	\$ 134,043	\$ -	\$ 134,043	\$ -	\$ 134,043	\$ 134,043
WATER REVENUE	\$ 211,283	\$ 215,808	\$ 215,808		\$1,056,415	\$1,082,028	\$ 25,613	\$1,267,700	\$ 1,293,313	\$1,267,700	\$ 1,293,313	\$ 25,613
WATER EXPENSE	\$ 211,283	\$ 156,927	\$ 156,927		\$1,056,415	\$1,141,877	\$ 85,462	\$1,267,700	\$1,317,700	\$1,267,700	\$1,317,700	\$ 50,000
DIFFERENCE	\$ -	\$ 58,880	\$ 58,880		\$ -	\$ (59,849)	\$ (59,849)	\$ -	\$ (24,387)	\$ -	\$ (24,387)	\$ (24,387)

*Variance Comments:*

**REVENUE**

Water and sewer revenues continue to trend slightly above budgeted levels. In each case, annual revenues are now projected to be approximately \$25,000 in excess of budgeted levels. The unusually dry spring has resulted in elevated water demands that will most likely continue through the remainder of the fiscal year and quite possibly boost water reviews beyond current projections. However, at least for now, it is assumed that water demands will follow an "average water year" trend. Sewer revenues are largely unaffected by weather, since unlike water, the fee (revenue) is not determined by the volume of sewage generated by a given account. Consequently, it is unlikely that sewer revenues will deviate appreciably from current estimates.

**EXPENSES**

Annual water expenses are currently estimated to exceed budgeted levels by as much as \$50,000. At the moment there is approximately a \$25,000 water fund shortfall between projected annual revenue and projected annual expenses (down from the \$30,000 figure projected at the close of cycle 4). Staff will continue to closely monitor revenue streams and may defer some activities to the following fiscal year, in order to realign water fund revenues with the corresponding expenses.

Sewer expenses continue to trend well below budgeted levels - by approximately \$100,000. The prevailing dry weather, which has enhanced water revenues, has simultaneously minimized the volume of wastewater - reduced sewer infiltration and inflow - ultimately delivered to and treated at the sewer plant, and in turn, operating expenses. In addition to reducing the volume of water to be treated, the dry sunny days also indirectly reduce sewer expenses by way of increased electrical generation vis-à-vis the District's solar project. Prior to completion of the solar project, annual electricity expenses typically ranged between \$70,000 and \$80,000. Much of that cost has now been offset by the electricity produced by the solar project. Net sewer fund electrical costs for the current fiscal year are currently projected to be at or below \$20,000.

Board of Directors

JIM FREEMAN

CAROLYN GRAHAM

LINDA HERNDON

JIM LIEBERMAN

JUDY MIRBEGIAN



General Manager  
ROLAND SANFORD

Administrative Assistant  
TAMI IPSEN

Accountant/Controller  
TASHA KLEWE

*Hidden Valley Lake  
Community Services District*

## Memo

To: HVLCSD Board of Directors

From: Roland Sanford, General Manager

Date: May 21, 2013

RE: General Manager's Monthly Report

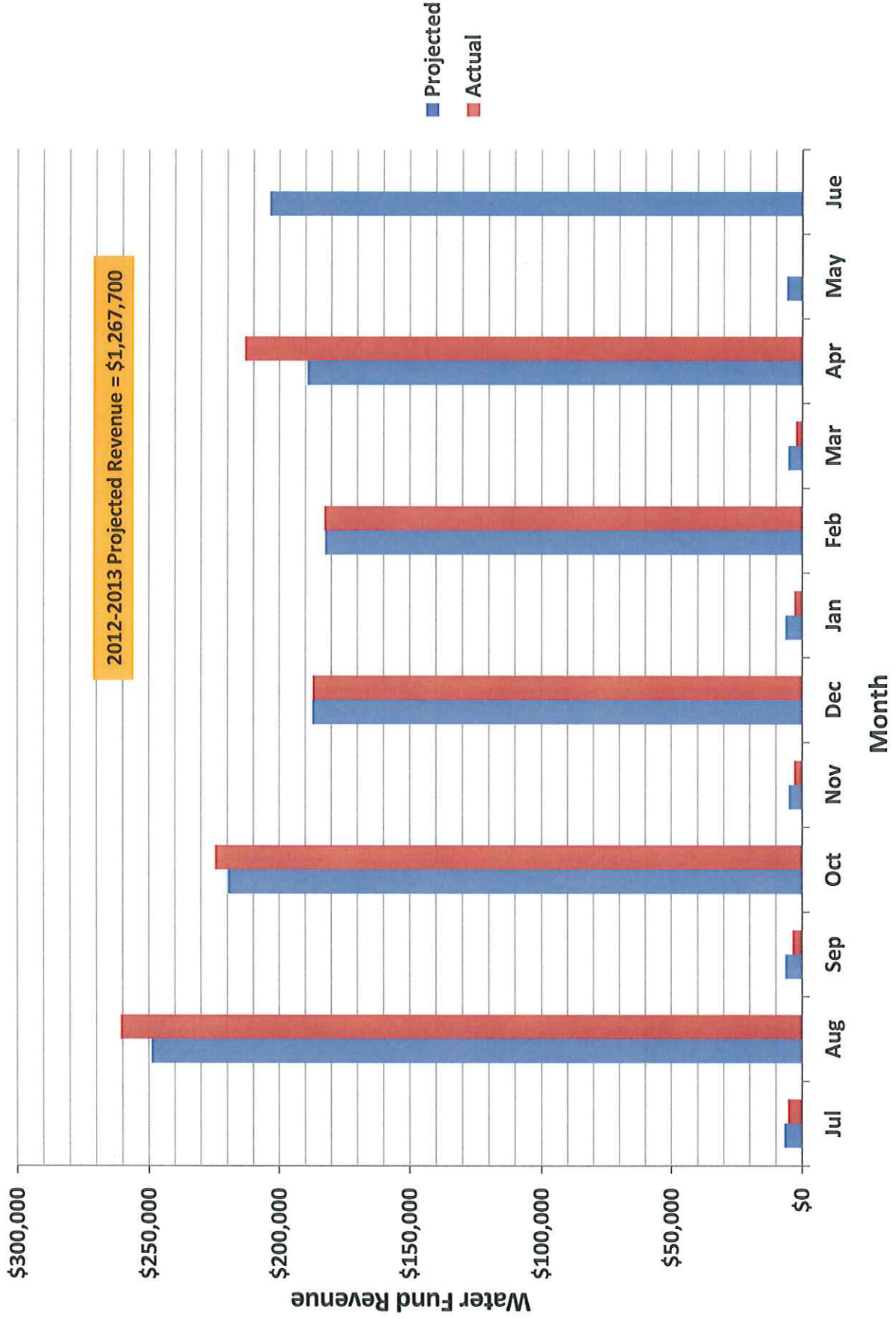
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May is officially "Water Awareness Month" in California and at least for the remainder of this year, much of the State will become keenly aware of the lack of water. As widely reported, precipitation totals throughout the State and in turn runoff has been well below historic averages. The situation is mirrored locally - Putah Creek stream flows are currently just 10 percent of normal for the month of May. Fortunately and as previously reported, the District's water supply, groundwater from the Coyote Valley groundwater basin, is reasonably robust and more than adequate, even in multiple dry years, to satisfy all District water demands.

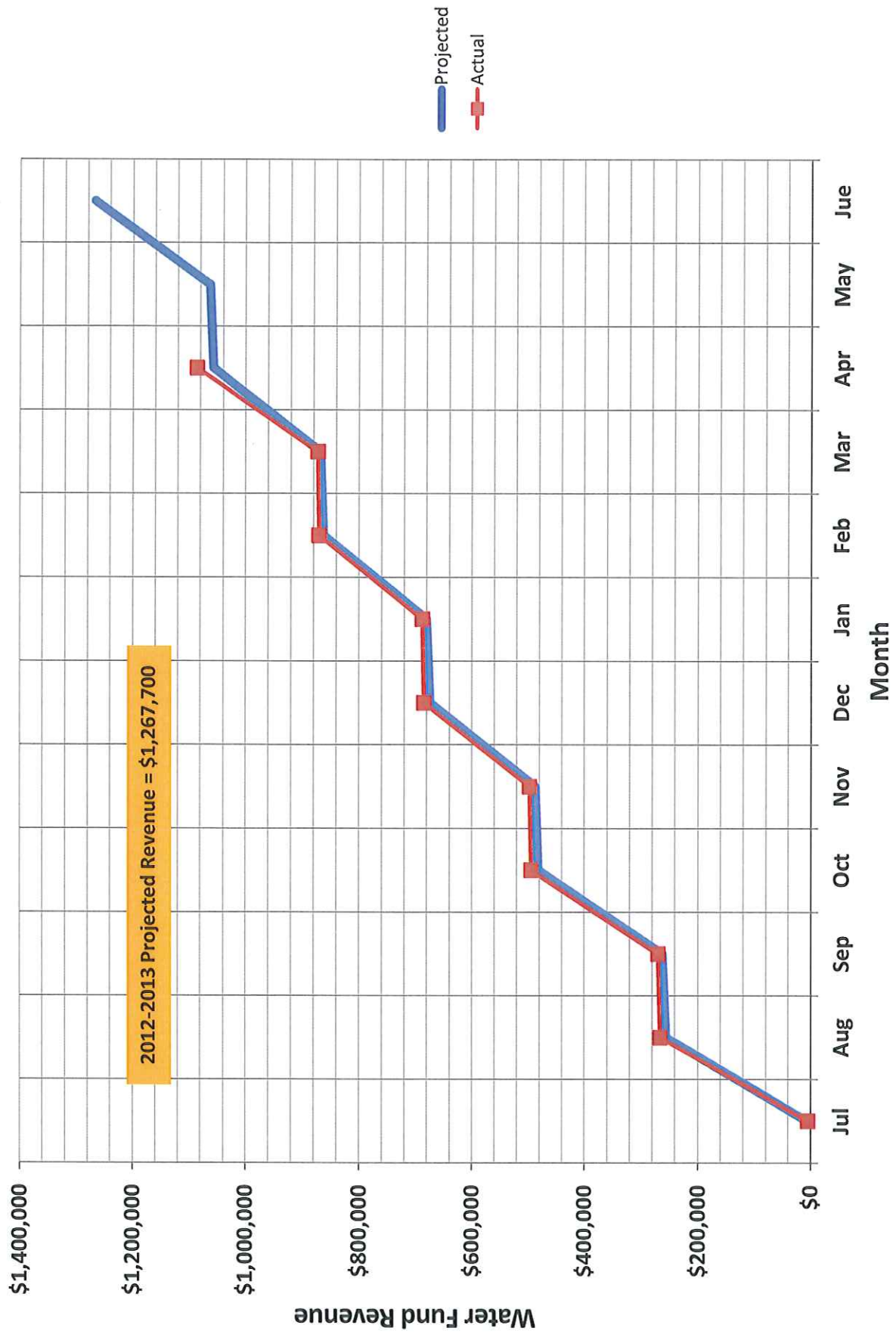
The lack of rain this winter is reflected by the recent and conspicuous increase in District water demands. As illustrated by the attached charts, water fund revenues for the prior billing cycle exceeded initial budget projections. For accounting purposes we will continue to assume "normal year" water usage rates. However, given the paucity of rain, it is highly likely that the elevated water use trend will continue through the remainder of the fiscal year.

Earlier this month the District hired Norman Rogers, a Hidden Valley Lake resident, as a temporary utility worker. Norman recently obtained his Water Treatment Grade I and Water Distribution Grade II certificates with the intent of pursuing a career in the water industry. Norman is a welcomed addition to the staff and we are pleased to have him on board. While on the topic of staff and certificates, I would like to congratulate Sam Garcia – Sam recently passed his Wastewater Grade I exam and will be receiving his Wastewater Grade 1 certificate shortly.

# Actual vs. Projected 2012-2013 Monthly Water Fund Revenue



# Actual vs. Projected 2012-2013 Cumulative Water Fund Revenue



I am also happy to report that earlier in the month the District achieved a major milestone – payoff of the \$3,291,243 Improvement Bond Series 1995-3 debt. One of four debt instruments used to fund construction of the District's Water Reclamation Facilities Project and the second of the four to be paid off ahead of schedule. Improvement Bond Series 1995-3 was originally scheduled to be paid off in 2015. By the end of 2016 the third and largest debt instrument, a \$9,994,334 loan from the State Water Resources Control Board, will also be paid off, leaving the final instrument, the \$5,500,000 Improvement Bond Series 1995-2 debt, which is scheduled to be paid off in 2034.

Finally, as a part of this month's agenda the Board and staff will revisit the six-month work priorities outlined by staff at the March 19, 2013 Board meeting. Progress has been uneven and I will be recommending remedies. In the meantime, a status summary of the more notable projects is as follows:

#### District Website

KM Creative of Rocklin, California has been retained to develop a new website for the District. Comments from the Board and staff have been incorporated into a second draft and it is anticipated that the final version of the new website will be online in late May or early June.

#### Financial Wellness Evaluation

NHA Advisors of San Rafael, California has been retained to evaluate the financial position of the District vis-à-vis future borrowing for construction of capital improvement projects. A kick-off meeting was held in late April to discuss the scope of work and to provide NHA Advisors with additional information regarding the District's finances. NHA Advisors is reviewing the District's most recent financial audit report and is tentatively scheduled to meet with staff in late May to finalize the scope of work and project timeline.

#### Water Master Plan/Capital Improvement Plan

Staff is compiling background information on the condition of the District's existing water and sewer infrastructure, and the infrastructure needed to accommodate projected population growth within and adjacent to the existing District boundaries. This information will be forwarded to an engineering firm for subsequent analysis and preparation of the Water Master Plan/Capital Improvement Plan. Work on the Water Master Plan/Capital Improvement Plan, by the yet-to-be-determined engineering firm, will begin in late May.

### Water Rights Petition for Change

The District's water right consultants, Wagner & Bonsignore of Sacramento, California have submitted the District's water rights Petition for Change to the State Water Resources Control Board for review and processing - the first of three major steps that must be taken to amend the District's appropriative water rights. Although submitted nearly five months ago, staff has yet to receive comments on the Petition for Change from the State Water Resources Control Board. Initially it was anticipated that preparation of the Environmental Impact Report (EIR) would begin this fall. However, due in part to the delay in receiving comments, District and Wagner & Bonsignore staff have concluded that it is in the District's best interest to delay EIR preparation until 2014.

### Treatment Plant Access Road Repair

Portions of the treatment plant access road, between Grange Road and the entrance to the treatment plant grounds, are failing. Accordingly, within the next few years extensive road repairs will most likely be needed to maintain all weather access to the treatment plant. Work has begun on a 200 foot-long segment of the treatment access road, between Grange Road and the entrance to the treatment plant grounds, using a new "geo-fabric" that is designed to retain gravel and other road bed surface materials (see photos presented in staff's operations report). Should this new geo-fabric treatment prove effective, staff will consider using it to repair larger road segments in lieu of the traditional but typically much more expensive chip seal or asphalt road repair options. The project is scheduled to be completed by the end of May.

### Sewer Lift Station Backup Generator Installation

Staff continues to evaluate bids for the installation of two permanent backup generators, one at Lift Station # 1 and the other at Lift Station # 4. The generators are intended to provide power to the lift station pumps during electrical outages. During storm events, sewer infiltration and inflow, coupled with "base" sewer flows, can quickly accumulate and unless pumped through the sewer collection system, flood the respective lift stations and spill into adjacent surface drainages. Installation of the new generators is scheduled for completion in late spring or early summer.

### Strategic Planning

Michael Wright of The Results Group – located in Santa Rosa, California – has facilitated three Board strategic planning workshops, two in March and one in May, and a single staff-only workshop in April. Preparation of the draft strategic plan document is tentatively scheduled for June.

### Crazy Creek Development/LAFCO MSR

No activity since May 2012. Staff has not heard from the developer or his consultants since May 2012.



### Sewer System Management Plan Update

Preparation of a Sewer System Management Plan (SSMP) is required pursuant to State Water Resources Control Board (SWRCB) Order Number 2006-0003-DWQ. The current version of the of the District's SSMP is out of date and incomplete, and in order for the District to remain in compliance with SWRCB regulations, must be updated by May, 2013. Preparation of the SSMP update is progressing slowly due to other work commitments.



# Hidden Valley Lake Community Services District

## April 2013 Report

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# April 2013

## Wastewater

### Operations and Maintenance Report

#### Wastewater:

Control problems at Lift 6 were remedied by a different probe placement in the wet-well.

Bioxide and Formula 52 were added to Lift 1, 4, 5, and Hardesters for odor control. Odor bars were also added in Lift 1 and 5.

FOG (fats, oil, & grease) control at Lifts 1 and 6.

Routine activities and maintenance.

#### Wastewater Treatment Plant:

The newly installed 801 VFD required additional troubleshooting to verify why it was tripping. The problem was eventually solved by changing an internal parameter.

Gopher control was performed around the Reclaim Water Levee and Pond 18 Transfer Pumps.

The solar inverter had quit running, and was sleeping due to a token error. The token was replaced, and a firmware upgrade was made. It has gone into a Desat error once since then, the tech will make another upgrade and possibly a component change to address this error from happening again.

The sludge beds are requiring more maintenance.

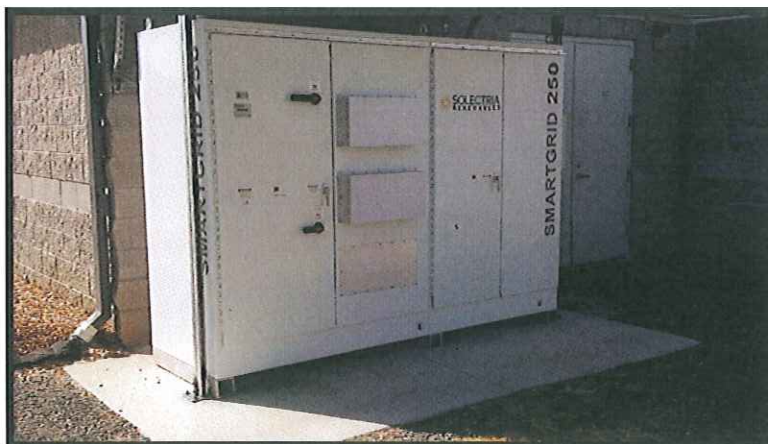
Routine activities and maintenance.

The safety meeting was for chlorine handling and hook-up at the WWTP & Wells.

Eff Pond level - 14.5'

March Plant Influent - 5.152 MG

Plant influent for the year - 25.20



Solar inverter repair.

# April 2013

## Water

### Operations and Maintenance Report

#### Water

Well Four was put back on-line after the 75 hp motor was completely gone through for its 10 year check up. The motor should be good for another 10 years.

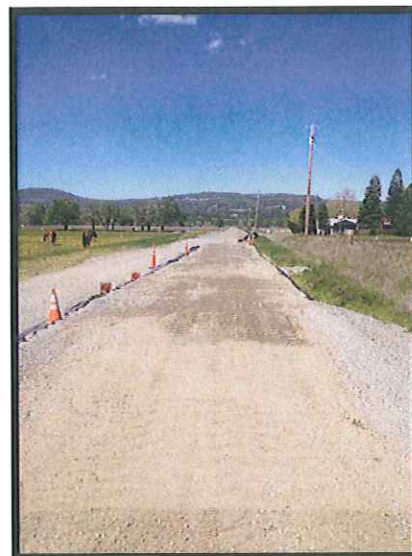
Two Staff member attended CRWA annual Tahoe Expo.

This month was meter reading, three day notices and lock offs. There where 271 three day notices, 32 lock offs with 20 unlocked by the end of the day. This left 12 properties remaining locked.

The Grange Road project was installed at the first swell on the entrance road to the Water Reclamation Treatment Plant. The project will allow drainage at the lowest point of the swell and minimize the ongoing road maintenance that has occurred in the past.



Well 4 pump ready to be installed after receiving routine 10 year maintenance and check-up.



Road project at the Water Reclamation Treatment Plant.

# Monthly Report

## April 2013

Rain/month

**MONTHLY RAINFALL**

.95"

**Overtime:** = 46 hours

\$1,890.02

**SEASON RAINFALL**

32.83"

(September 2012-April 2013)

**WATER CONNECTIONS**

**WASTEWATER CONNECTIONS**

RESIDENTIAL METERS

2412

RESIDENTIAL

1432

COMMERCIAL & GOVERNMENT METERS

34

COMMERCIAL & GOVERNMENT

33

TOTAL METERS

2446

TOTAL

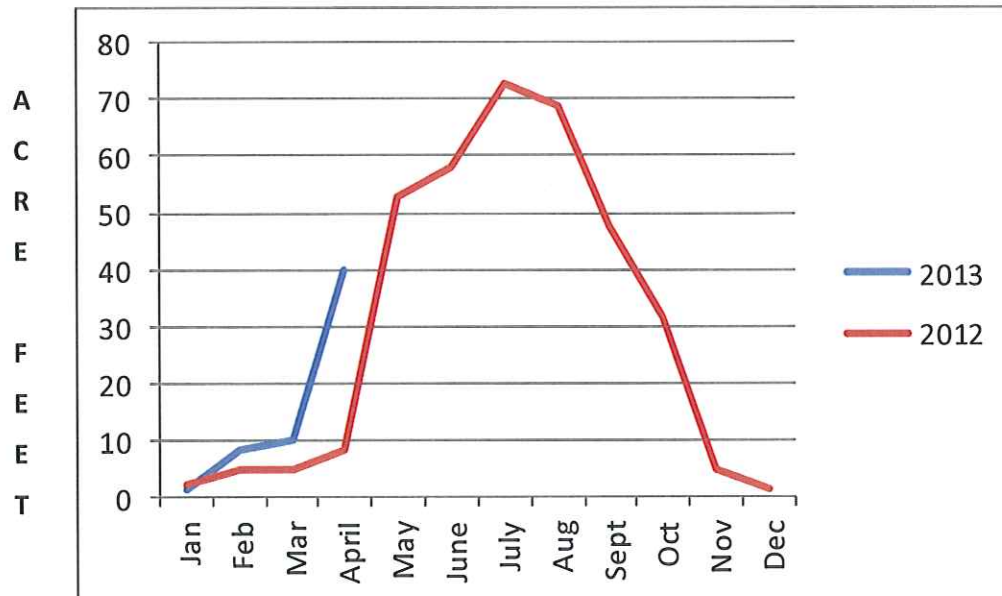
1465

MONTHLY SAFETY MEETING TOPIC - COMMUNICATION BREAKDOWN

### WELL PRODUCTION



### RECLAIMED WATER USE



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

**DATE:** May 16, 2013

**AGENDA ITEM:** Public Hearing to consider placement of default balance liens on real property pursuant to Government Code Section 61115

---

**RECOMMENDATIONS:**

Conduct public hearing in accordance with Government Code Section 6115 to provide the landowners associated with the properties identified in Exhibit A, and/or the public, the opportunity to protest or otherwise dispute the default balances calculated by staff for each of the properties identified in Exhibit A. At the conclusion of the public hearing and in the absence of good cause, staff recommend that the Board uphold the charges and associated penalty fees as proposed in Exhibit A

**FINANCIAL IMPACT:**

Potential recovery of \$1,143.60 of past due charges and associated penalty fees

**BACKGROUND:**

Default balance liens are typically placed on properties with District water and/or sewer accounts that are at least 45 days past due. A list of properties with past due accounts of 45 days or longer, and for which the District has not already placed a lien against, is presented in Exhibit A. Pursuant to Government Code Section 6115, the Board must hold a public hearing to allow landowners the opportunity to protest or otherwise dispute the charges and associated penalty fees being levied against their property by the District. At the conclusion of the public hearing the Board can uphold or modify the charges and associated penalty fees for any or all subject properties.

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, Roland Sanford, 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 (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board

**PROPERTY LIENS - MAY 2013**

**EXHIBIT A**

A \$10 FILING FEE HAS BEEN ADDED

<b>NAME</b>	<b>ADDRESS</b>	<b>APN</b>	<b>AMOUNT</b>
Judy Avey	20115 Gold Flat Court	141-732-05	\$378.35
Thomas Birch	18073 Spyglass Road	141-201-31	\$208.65
Michael Werner	18725 Fairway Point	141-642-04	\$398.52
Susan Linson	17468 Deer Hill Road	142-332-26	\$158.08
			<b>\$1,143.60</b>

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

**DATE:** May 16, 2013

**AGENDA ITEM:** Discussion and Possible Action: Resolution confirming default balances and directing staff to file liens on real property

---

**RECOMMENDATIONS:**

Adopt Resolution of the Board of Directors of the Hidden Valley Lake Community Services District confirming the Default Balance associated with the Defaulting Bill Identified in Exhibit A and directing staff to file a lien on said property

**FINANCIAL IMPACT:**

Potential recovery of \$1,143.60 of past due charges and associated penalty fees

**BACKGROUND:**

Default balance liens are typically placed on properties with District water and/or sewer accounts that are at least 45 days past due. A list of properties with past due accounts of 45 days or longer, and for which the District has not already placed a lien against, is presented in Exhibit A. Pursuant to Government Code Section 6115, the Board must hold a public hearing to allow landowners the opportunity to protest or otherwise dispute the charges and associated penalty fees being levied against their property by the District. At the conclusion of the public hearing the Board can uphold or modify the charges and associated penalty fees for any or all subject properties. Assuming the Board chooses to uphold the charges and associated penalty fees, as recommended by staff, the Board would then adopt a resolution (copy attached) confirming the default balances and authorizing staff to proceed with the filing of property liens on subject properties.

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, Roland Sanford, 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 (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board



RESOLUTION NO. 2013-06

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

WHEREAS, the Hidden Valley Lake Community Services District (the "District") previously cited the properties identified in Exhibit A for a Defaulting Bill (as defined in Resolution No. 2008-02); and

WHEREAS, notice of a public hearing to determine the amount of the Default Balance (as defined in Resolution No. 2008-02) under a Defaulting Bill was mailed to the property owners listed in Exhibit A; and

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

WHEREAS, in accordance with Resolution No. 2008-02, said public hearing was conducted on May 21, 2013, at 7:00 p.m. at 19400 Hartmann Road, Boardroom, Hidden Valley Lake, California; and

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

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

NOW, THEREFORE, BE IT RESOLVED, the District Board of Directors hereby adopts Resolution No. 2013-06 confirming the Default Balance in the amount of \$1,143.60; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, the District does direct the staff to file a lien for the unpaid Default Balances listed in exhibit A in the amount of \$1,143.60.

I HEREBY CERTIFY that the foregoing resolution was duly and regularly introduced and adopted by the Board of Directors of the Hidden Valley Lake Community Services District, County of Lake, State of California, on the 21<sup>st</sup> of May, 2013, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said District this 21<sup>st</sup> of May, 2013.

---

Roland Sanford  
General Manager/Secretary to the Board of Directors

---

Judy Mirbegian  
President of the Board of Directors

**PROPERTY LIENS - MAY 2013**

**EXHIBIT A**

A \$10 FILING FEE HAS BEEN ADDED

<b>NAME</b>	<b>ADDRESS</b>	<b>APN</b>	<b>AMOUNT</b>
Judy Avey	20115 Gold Flat Court	141-732-05	\$378.35
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Michael Werner	18725 Fairway Point	141-642-04	\$398.52
Susan Linson	17468 Deer Hill Road	142-332-26	\$158.08
			<b>\$1,143.60</b>

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

**DATE:** May 16, 2013

**AGENDA ITEM:** Discussion and Possible Action: Adoption of Ordinance 53 Amending Capital Facilities Fee

---

**RECOMMENDATIONS:**

Establish Sewer Assessment District 1 Capital Facilities Fee for the 2013-2014 fiscal year via adoption of HVLCSD Ordinance 53.

**FINANCIAL IMPACT:**

A source of District revenue, the amount of which is contingent on the number of new sewer connections in the 2013-2014 fiscal year. Over the last three fiscal years the District has averaged one new sewer connection per year. Accordingly, based on recent trends – one sewer connection per year - it is anticipated that the proposed amended Capital Facilities Fee will generate no more than \$10,000 of revenue in the 2013-2014 fiscal year.

**BACKGROUND:**

The District's Water Reclamation Facilities Project (Project) is designed to accommodate 1,841 Household Equivalent Units (HEU's) within Sewer Assessment District Number 1, and can also be expanded incrementally to accommodate additional properties not included in Sewer Assessment District Number 1. Construction of the Project has been financed in part through a State Revolving Fund loan (SRF loan) the District is repaying via annual property tax assessments. Since inception of the Project, every tax assessor parcel receiving sewer services within Sewer Assessment District Number 1 has been assessed \$380 per year, per HEU, for the purposes of retiring the SRF loan (the SRF loan is scheduled to be paid off on May 1, 2016)

Most of the properties within Sewer Assessment District Number 1 have been receiving sewer services since inception of the Project. However, as of May 1, 2013 there are approximately 350 undeveloped properties which are eligible but not currently receiving sewer services. To ensure that these undeveloped tax assessor parcels equitably share the burden of SRF loan repayment, they are assessed a "catch up fee" or what is more formally referred to as a Capital Facility Fee when they are developed and begin to receive sewer services. The Capital Facility Fee is calculated by multiplying the annual tax assessment (\$380) by the number of fiscal years that have elapsed since the District began SRF loan repayment and sewer service commences. Pursuant to this formula and the proposed ordinance, tax assessor parcels that begin to receive sewer services in the 2013-2014 fiscal year and are located within the Sewer Assessment District 1, would be subject to a \$7,220 Capital Facility Fee.

As previously mentioned, the Project can be expanded incrementally to accommodate properties outside Sewer Assessment District Number 1. Such properties are assessed a similar Capital Facilities

Fee, calculated as the original Project construction cost per HEU, adjusted for inflation. A more detailed explanation of the calculation is provided in Exhibit B of the proposed ordinance. For fiscal year 2013-2014, the proposed Capital Facility Fee for properties located outside Sewer Assessment District Number 1 is \$9,108.43.

---

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, Roland Sanford, 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 (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board

**ORDINANCE NO. 53**

**ORDINANCE OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES  
DISTRICT AMENDING CAPITAL FACILITIES FEES**

WHEREAS, The Hidden Valley Lake Community Services District (District) has constructed the Water Reclamation Facilities Project (Project), which consists of wastewater collection, treatment and storage facilities that serve the Phase 1 Sewer Assessment District area defined in the Engineer's Report of Hidden Valley Lake Community Services District Sewer Assessment District Number 1, and

WHEREAS, construction of the Project was financed in part through a State Revolving Fund loan (SRF loan) for which the District must make annual payments, and

WHEREAS, the District has established a Capital Facilities Fee that is levied on each user who connects to the Project, for the purposes of retiring the SRF loan, and

WHEREAS, the relationship between the Capital Facilities Fee and the Project is more fully set forth in Exhibit A and Exhibit B attached hereto;

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of Hidden Valley Lake Community Services District as follows:

1. The owner of a parcel or property within the District for which the District approved the provision of sewer service shall pay the following per single family residence or household equivalent unit (HEU) fee:

a) For a parcel or property that is identified in the 1987 Winzler & Kelley Engineers Report for Hidden Valley Lake Community Services District Sewer Assessment District Number 1 as receiving capacity as part of Sewer Assessment District Number 1, the fee shall be \$7,220.00.

b) For a parcel or property that is not identified in the 1987 Winzler & Kelly Engineers Report for Hidden Valley Lake Community Services District Sewer Assessment District Number 1 as receiving capacity as a part of Sewer Assessment District Number 1, the fee shall be \$9,108.43.

2. 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.

3. Within 10 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 60th day after its adoption.

4. To the extent that this Ordinance is inconsistent with the terms and conditions of prior District ordinances, rules and regulations, this Ordinance shall control over such inconsistencies.

**PASSED AND ADOPTED on \_\_\_\_\_, 2013 by the following vote:**

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

**Judy Mirbegian**  
**President of the Board of Directors**

**ATTEST:**

---

**Roland Sanford**  
**Secretary to the Board of Directors**

## **EXHIBIT A**

### **Capital Facility Fee Calculations Property Within The Boundaries Of Sewer Assessment District No. 1**

The Hidden Valley Lake Community Services District (District) has constructed the Water Reclamation Facilities Project (Project), which consists of wastewater collection, treatment and storage facilities designed to accommodate 1,841 Household Equivalent Units (HEUs) within the Phase 1 Sewer Assessment District (Sewer Assessment District Number 1) area defined in the Engineer's Report of Hidden Valley Lake Community Services District Sewer Assessment District Number 1. Construction of the Project began in 1994 and was financed in part through a State Revolving Fund loan (SRF loan) the District is repaying via annual property tax assessments. Since inception of the SRF loan, every tax assessor parcel receiving sewer services within Sewer Assessment District Number 1 has been assessed \$380 per year, per HEU, for the purposes of retiring the SRF loan (the SRF loan is scheduled to be paid off on May 1, 2016).

Most properties within Sewer Assessment District Number 1 are developed and receive sewer services. However, as of May 1, 2013 there are approximately 350 undeveloped tax assessor parcels which are eligible but not currently receiving sewer services. To ensure that these undeveloped tax assessor parcels equitably share the burden of SRF loan repayment, they are assessed a "catch up fee" or what is more formally referred to as a Capital Facility Fee when they are finally developed and begin to receive sewer services. The Capital Facility Fee is calculated by multiplying the annual tax assessment (\$380) by the number of fiscal years that have elapsed since the District began SRF loan repayment and sewer service commences. Accordingly, tax assessor parcels that begin to receive sewer services in the 2013-2014 fiscal year will be subject to a \$7,220.00 Capital Facility Fee

## **EXHIBIT B**

### **Capital Facility Fee Calculations Property Outside The Boundaries Of Sewer Assessment District No. 1**

The Hidden Valley Lake Community Services District (District) has constructed the Water Reclamation Facilities Project (Project), which consists of wastewater collection, treatment and storage facilities for 1,841 Household Equivalent Units (HEUs) within the Phase 1 Sewer Assessment District area (Sewer Assessment District Number 1) defined in the Engineer's Report of Hidden Valley Lake Community Services District Sewer Assessment District Number 1. While currently limited to the 1,841 HEU's, the capacity of the Project can be increased incrementally to accommodate properties not included Sewer Assessment District Number 1.

The Capital Facility Fee provides the principal mechanism for properties not included Sewer Assessment District Number 1 to financially contribute toward and receive sewer services from the District's Project. The Capital Facility Fee for properties not included in Sewer Assessment District Number 1 is based on the cost of expanding the Project, as measured in HEU's.

For accounting purposes, the total cost of constructing the Project (\$17,578,041) has been divided into two components; "common facilities" (\$9,554,776.59) and "other" (\$8,023,264.41). Common facilities include land and right-of-way; treatment, storage, and reclamation facilities; raw wastewater pumping and transmission facilities; and incidental costs for administration, legal, engineering, and financing. "Other" includes those items that are specific to individual properties, such as engineering and construction costs associated with site specific soil conditions.

The Capital Facility Fee is calculated by dividing the common facilities construction cost (\$9,554,776.59) by the original number of HEU's provided by the Project, and adjusting the resultant by The Engineering News Record Construction Cost Index (ENRCCI) to account for inflation. At the time of construction, the common facility cost per HEU was \$5,190.00. The ENRCCI at the time of Project construction (April 1994) was \$5,404.00. Currently (as of April 2013) the ENRCCI is \$9,484.00, a 1.755 fold increase. Accordingly, the Capital Facilities Fee for properties not included in Sewer Assessment District Number 1, for fiscal year 2013-2014, is \$9,108.43 per HEU.



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

**DATE:** May 16, 2013

**AGENDA ITEM:** Adoption of Resolution 2013-07 authorizing District's participation and support for Water Bond Coalition

---

**RECOMMENDATIONS:**

Adopt Resolution 2013-07 authorizing District's participation and support for the Water Bond Coalition

**FINANCIAL IMPACT:**

None

**BACKGROUND:**

The Northern and Coastal California Water Bond Coalition (Water Bond Coalition), an assemblage of 220 public entities (cities, counties and special districts) distributed over 34 counties and led by the Sonoma County Water Agency, was created in 2002 in response to proposed legislation that was designed to disproportionately allocate State Proposition 50 water bond funds (Proposition 50 funds) between Northern and Southern California counties. While in the end Southern California received what many construe as a disproportionately large fraction of the Proposition 50 funds, it is also generally acknowledged that if not for the Water Bond Coalition's political advocacy efforts, Northern and Coastal California would have received even less Proposition 50 water bond money.

The District actively participated in the creation of the Water Bond Coalition but was unsuccessful in obtaining Proposition 50 funds, not through any fault of the Water Bond Coalition, but because the District was not well positioned to compete for the Proposition 50 funds, once they had been allocated to the region and the State agencies that were charged with disbursement, via competitive grant programs, to local entities. For example, a significant portion of the Proposition 50 funds were allocated to regions that had or were initiating preparation of an "Integrated Regional Water Management Plan" (IRWMP). At the time Proposition 50 funds were first disbursed no IRWMP encompassed the Hidden Valley Lake community. Consequently, the District did not even have the option of competing for the Proposition 50 funds allocated to IRWMP's. Since then the region has initiated preparation of the "West Side Sacramento IRWMP". The District is not actively engaged with the West Side Sacramento IRWMP group – a topic for another time – but has the option to do so in the future.

The next significant water bond is scheduled to be on the November 2014 ballot and as occurred during the "birth" of its predecessors, there is considerable political jockeying by interested parties, including the Association of California Water Agencies (ACWA), to shape the legislation that will ultimately define the forthcoming water bond - to who and how those funds will be disbursed. In essence, a repeat of the Proposition 50 water bond scenario. The Sonoma County Water Agency is leading efforts to re-energize the Water Bond Coalition for political advocacy purposes. Staff has participated in several informal conference calls organized by the Sonoma County Water Agency and there is general agreement among the participants that the resumption of Water Bond Coalition

activities would be prudent. The next step is to formalize the resumption of activities by way of the attached resolution, which declares the District support for the Water Bond Coalition and designates the General Manager as the District's official representative to the Water Bond Coalition.

While there is no guarantee that the District's participation in the Water Bond Coalition will ultimately result in any grant monies for the District, it is reasonably certain that without the Water Bond Coalition's efforts, the District's probability of receiving any funding from the proposed water bond would be even lower. Much of the work required to energize and maintain the Water Bond Coalition is performed by the Sonoma County Water Agency. Because comparatively little District staff time is required to participate in the Water Bond Coalition and the potential rewards are significant, staff recommends the District once again participate in the Water Bond Coalition.

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

Modification to recommendation and/or other actions:

I, Roland Sanford, 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 (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

\_\_\_\_\_  
Secretary to the Board

## RESOLUTION NO. 2013-07

**RESOLUTION OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT AGREEING TO PARTICIPATE IN THE WATER BOND COALITION, SUPPORTING THE ACTIVITIES OF THE COALITION, ENDORSING EFFORTS OF THE COALITION TO ADVOCATE FOR THE FAIR AND EQUITABLE DISTRIBUTION OF STATE WATER BOND FUNDS FOR PROJECTS THAT WILL BENEFIT THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT AND OTHER ENTITIES THROUGHOUT NORTHERN AND COASTAL CALIFORNIA, AND DESIGNATING ROLAND SANFORD AS THE OFFICIAL REPRESENTATIVE FOR THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT TO THE WATER BOND COALITION.**

**WHEREAS**, in the past 10 years, the California electorate has approved Propositions 50, 84 and 1E that have provided more than \$12 billion for water-related projects in California; and

**WHEREAS**, an additional water bond measure is now being developed and if approved by the voters, would provide additional funding for the planning and implementation of water-related programs and projects in California; and

**WHEREAS**, the Hidden Valley Lake Community Services District took an active role in the creation of the Northern and Coastal California Water Bond Coalition in 2002, a diverse network of 220 cities, counties and special districts from 34 counties that worked to support the equitable distribution of state bond funds and secure grant funds for drinking water, wastewater, fisheries, wetlands, water reuse, non-point source and flood protection projects; and

**WHEREAS**, the development of a regional coalition to organize and promote local and regional projects for funding has proven to be effective in obtaining funding from these bond measures; and

**WHEREAS**, the Hidden Valley Lake Community Services District has identified over 12 million dollars in unmet funding needs for high priority projects that will increase water reuse, enhance fisheries, and improve water supply reliability and security; and

**WHEREAS**, there is a tremendous need for improvements in California's diverse water system and cities, counties, and local and regional water supply, flood control and sanitation agencies across the state are facing significant challenges including aging infrastructure, more challenging regulatory compliance standards, changes in climate that impact public safety and water supply reliability, and environmental impacts that could increase costs or reduce water availability; and

**WHEREAS**, existing state water infrastructure bond funds meant to help address these challenges will soon be fully expended and a new commitment of significant state funding to assist local and regional water management projects is necessary to assure water future supply reliability; and

**WHEREAS**, the Water Bond Coalition supports new investment in regional competitive grant programs that distribute funds equitably across the state – in acknowledgement of the importance of source watersheds as well as population centers – to achieve any of the following objectives:

- Integrated, multi-agency approaches to water management
- Improved protection of wildlife, fisheries and watersheds to reduce conflicts with water management efforts
- Improved water supply reliability
- Water systems that are diversified, resilient, and reliable in the face of natural disasters and a changing climate
- Funding for planning, implementation and sustaining projects in the following categories: integrated regional water management, water reuse and recycled water, flood protection, stormwater management, upgrades and enhancements to aging infrastructure, groundwater management, groundwater cleanup, water use efficiency, and water quality compliance

**NOW, THEREFORE, BE IT RESOLVED** that the Hidden Valley Lake Community Services District will participate in the Water Bond Coalition and support efforts by the Coalition to promote the principles above; and be it

**FURTHER RESOLVED**, that the Hidden Valley Lake Community Services District now designates Roland Sanford to serve as the official representative for the Hidden Valley Lake Community Services District to the Water Bond Coalition; and be it

**FURTHER RESOLVED**, that Roland Sanford and Board President Judy Mirbegian are authorized to sign letters and speak on behalf of the Hidden Valley Lake Community Services District in support of legislation that furthers the principles identified above.

**PASSED, APPROVED AND ADOPTED** this 21<sup>st</sup> day of May 2013 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

---

**Judy Mirbegian**  
**President of the Board**

**ATTEST:**

---

**Roland Sanford**  
**General Manager/Secretary to the Board**

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

**DATE:** May 16, 2013

**AGENDA ITEM:** Discussion and Possible Action: Retention of accounting firm to perform 2012-2013

---

**RECOMMENDATIONS:**

Retain Smith & Newell Certified Public Accountants of Yuba City, California to perform the 2012-2013 District audit and resume search for an alternative firm to conduct the 2013-2014 District audit.

**FINANCIAL IMPACT:**

None

**BACKGROUND:**

Smith & Newell Certified Public Accountants (Smith & Newell) has served as the District's independent auditor for over five consecutive years and most recently completed the 2011-2012 District audit. While staff is pleased with Smith & Newell's work, it is generally considered good practice for public agencies to switch independent auditors every few years to among other things, obtain a "fresh set of eyes". Accordingly, in late 2012 staff and the Board's Finance Committee issued a "Request for Proposals"(RFP) to perform the District's 2012-2013 and 2013-2014 audits. The RFP was posted on the California Special Districts Association list service web page, and initially, staff was concerned that the District would be overwhelmed with proposals. Quite the opposite occurred – no proposals were received. In view of the tepid results, the RFP was reissued and this time sent directly to approximately 10 firms. Five qualifying proposals were received. However, only one - by Smith & Newell, who had requested that they be allowed to submit a proposal despite the fact that the sole purpose of the bid solicitation was to identify a suitable alternative firm – exhibited the desired special district qualifications and competitive price. In addition to exhibiting substantially stronger qualifications, as summarized below, Smith & Newell was also the low bidder.

<i><b>Bidder</b></i>	<i><b>2012-2013 Audit</b></i>	<i><b>2013-2014 Audit</b></i>
<b>Fritz Russell</b> (Citrus Heights, CA)	\$23,000	\$23,500
<b>Smith &amp; Newell</b> (Yuba City, CA)	\$10,500	\$10,700
<b>Robertson &amp; Assoc.</b> (Lakeport, CA)	\$12,500	\$12,800

---

**Christy White**  
(Alameda, CA)

\$11,145

\$11,368

**MUN CPAs**  
(Sacramento, CA)

\$21,980

\$21,980

After review and discussion, staff and the Finance Committee concluded that it was in the District's best interests to retain what is clearly the superior firm; Smith & Newell, for one additional year, rather than switch firms simply for the sake of switching, and to resume the search for an alternative firm to conduct the 2013-2014 District audit.

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

Modification to recommendation and/or other actions:

I, Roland Sanford, 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 (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

\_\_\_\_\_  
Secretary to the Board

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

**DATE:** March 19, 2013

**AGENDA ITEM:** Discussion and Possible Action: Status of 6-month work priorities

---

**RECOMMENDATIONS:**

Suspend CSDA sample policy manual review and update of District Personnel Policy Manual to allow more time for staff to focus on 6-month work priorities.

**FINANCIAL IMPACT:**

None

**BACKGROUND:**

At the March 19, 2013 Board of Directors meeting staff identified the following work priorities for the next six months:

**Tier 1**

Maintain and demonstrate regulatory compliance

Update Sewer System Management Plan (SSMP)

Update Emergency Response Plan

Update Drinking Water Vulnerability Assessment

Update Wastewater Vulnerability Assessment

Update Drinking Water Risk Assessment

Update Wastewater Risk Assessment

Complete Risk Management Plan for Drinking Water Chlorination Facility

Complete sewer capital improvements before next rainy season to minimize potential for spills

Install generators

Replace lift station pumps

Expand SCADA system at wastewater treatment plant

Financial reporting and analysis

Complete 2011/2012 audit

Prepare 2013/2014 budget

Update Fixed Assets report

**Tier 2**

Complete Strategic Plan

Complete Water Master Plan/Capital Improvement Plan

---

(Tier 2 Continued)

- Initiate and complete Financial Wellness Evaluation
- Initiate Water/Sewer Rate Study
- Prepare for 2012-2013 audit

The Tier 2 activities, which are performed in part by contractors, are proceeding as anticipated. However, very little progress has been made with respect to the Tier 1 activities, which are almost entirely within the realm of in-house staff. Unfortunately, staff time has and continues to be diverted toward other items, much of it time sensitive. In retrospect, when presenting the six month work priorities to the Board, staff should have also identified the corresponding "low priority items" – things that would need to be put on hold to allow top priority items to move forward.

In order to complete the Tier 1 work priorities in a timely fashion, staff recommends that the ongoing review of the CSDA sample policy manual by the various Board committees, and the associated review of the District Personnel Policy Manual policies, be suspended until October 2013.

---

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, \_\_\_\_\_, 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 (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board



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

**DATE:** May 16, 2013

**AGENDA ITEM:** Discussion and Possible Action: Adoption of Revised Personnel Committee Policy

---

**RECOMMENDATIONS:**

Discuss proposed revisions to Personnel Committee Policy and adopt said policy as currently drafted or subsequently modified.

**FINANCIAL IMPACT:**

None

**BACKGROUND:**

The Personnel Committee Policy is intended to define the function and responsibilities of the Board's Personnel Committee. On May 1, 2013 the Personnel Committee met and reviewed the existing Personnel Committee Policy with the intent of updating the Policy as deemed appropriate. The Personnel Committee's recommended revisions and a "clean copy" of the revised Personnel Committee Policy are attached.

---

<input type="checkbox"/>	APPROVED AS RECOMMENDED	<input type="checkbox"/>	OTHER (SEE BELOW)
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---

Modification to recommendation and/or other actions:

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I, Roland Sanford, 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 (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board

**HIDDEN VALLEY LAKE  
COMMUNITY SERVICES DISTRICT**

**PERSONNEL COMMITTEE POLICY**

**PURPOSE**

The purpose of the Personnel Committee is to oversee District personnel policy and related issues and make recommendations to the Board of Directors for appropriate action.

**POLICY**

The Personnel Committee will carry out the preliminary District Personnel Policy review and oversight on behalf of the Board of Directors making recommendations to the Board for potential adoption. The Committee is comprised of two directors appointed by the President of the Board, and is supported by the General Manager and his/her designated staff.

**PROCEDURE**

The committee will meet at the beginning of each calendar year to produce a plan for accomplishing necessary tasks. These tasks include but are not limited to:

- Review and update the District Personnel Policy Manual annually
- Ensure all policies in the District Personnel Policy manual are in compliance with local, state and federal law
- Assess the need for new policies
- Ensure job descriptions are current
- Ensure annual salary information has been reported accurately and on time to the State Controller and verify that the changes appear on the State Controllers' website.
- Recommend all potential policy changes and additions to the Board of Directors for adoption
- Report current activities to the Board at its regular monthly meeting

**HIDDEN VALLEY LAKE  
COMMUNITY SERVICES DISTRICT**

**PERSONNEL COMMITTEE POLICY**

(Proposed Revisions – May 1, 2013)

**PURPOSE**

The purpose of the Personnel Committee is to oversee District personnel policy and related issues and make recommendations to the Board of Directors for appropriate action.

**POLICY**

The Personnel Committee will carry out the preliminary District Personnel Policy review and oversight on behalf of the Board of Directors making recommendations to the Board for potential adoption. The Committee is comprised of two directors appointed by the President of the Board, **and is supported by** the General Manager and ~~the Secretary to the Board.~~ **his/her designated staff.**

**PROCEDURE**

The committee will meet at the beginning of each calendar year to produce a plan for accomplishing necessary tasks. These tasks include but are not limited to:

- ~~• Consider Cost of Living Adjustments (COLA) for District employees with sensitivity to budget timing~~
- Review and update the District Personnel Policy Manual annually
- ~~Review~~ **Ensure** all policies in the **District Personnel Policy** manual ~~for~~ **are in** compliance with local, state and federal law
- Assess the need for new policies
- ~~Review~~ **Ensure** job position descriptions **are current** ~~and update with changes in job duties~~
- ~~Review position salary ranges at least every three years and publishes in the District newsletter a comparison of District salary ranges to like agencies in the region and any action resulting from the comparison.~~  
(Move into second paragraph of compensation policy and replace "...every three years..." with "...every three to five years...")

- Ensure annual salary information has been reported accurately and on time to the State Controller and verify that the changes appear on the State Controllers' website.
- ~~Submit Personnel Policy Manual to the Attorneys for the District for review~~  
*(This item to be addressed in a preamble to the revised policy manual)*
- Recommend all potential policy changes and additions to the Board of Directors for adoption
- Report current activities to the Board at its regular monthly meeting

Approved 07/17/2011

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

**DATE:** May 16, 2013

**AGENDA ITEM:** Discussion and Possible Action: Adoption of Resolution 2013-08 nominating a HVLCSD candidate for the 2014-2015 ACWA Region 1 Board

---

**RECOMMENDATIONS:**

Nominate a candidate for the 2014-2015 ACWA Region 1 Board via adoption of Resolution 2013-08.

**FINANCIAL IMPACT:**

None

**BACKGROUND:**

The District actively participates in the Association of California Water Agencies (ACWA) Region 1 events and District Board members often serve on the ACWA Region 1 Board. Judy Mirbegian currently serves on the ACWA Region 1 Board.

Later this year there will be an election of new ACWA Region 1 Board members (all Board member positions are up for election; two-year term, no term limits). Nominations are being sought by the ACWA Region 1 Nominating Committee. Staff recommends that the District Board nominate a candidate – a fellow District Board member – to serve on the ACWA Region 1 Board. Additional information regarding the functions and responsibilities of ACWA Region 1 Board members, and the process by which ACWA Region 1 Board members are elected, is attached.

---



APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, Roland Sanford, 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 (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board

---

## THE ROLE OF THE REGIONS

### Mission:

*ACWA Regions will provide the grassroots support to advance ACWA's legislative and regulatory agenda.*

### Background:

As a result of ACWA's 1993 strategic planning process, known as Vision 2000, ACWA modified its governance structure from one that was based on sections to a regional-based configuration. Ten regions were established to provide geographic balance and to group agencies with similar interests.

### The primary charge of regions:

- To provide a structure where agencies can come together and discuss / resolve issues of mutual concern and interest and based on that interaction, provide representative input to the ACWA board.
- To assist the Outreach Task Force in building local grassroots support for the ACWA Outreach Program in order to advance ACWA's legislative and regulatory priorities as determined by the ACWA Board and the State Legislative, Federal Affairs or other policy committees.
- To provide a forum to educate region members on ACWA's priorities and issues of local and statewide concern.
- To assist with association membership recruitment at the regional level.
- To take positions recommending specific action to the ACWA Board on local, regional, state and federal issues as well as to recommend endorsement for various government offices and positions.
  - *Individual region boards CANNOT take positions, action or disseminate communication on issues and endorsements without going through the ACWA Board structure.*

Region chairs and vice chairs, with support from their region boards, provide the regional leadership to fulfill this charge.

### **GENERAL DUTIES / RESPONSIBILITIES FOR REGION OFFICERS**

#### Region Chair:

- Serves as a member of the ACWA Board of Directors at bimonthly meetings at such times and places as the Board may determine. The Chair will also call at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- Is a member of ACWA's Outreach Program, and encourages region involvement.
  - Appoints Outreach Captain to help lead outreach effort within the region.
- Presides over all region activities and ensures that such activities promote and support accomplishment of ACWA's Goals.

- Makes joint recommendations to the ACWA president regarding regional appointments to all ACWA committees.
- Appoints representatives to serve on the region's nominating committee with the approval of the region board.
- Facilitates communication from the region board and the region membership to the ACWA board and staff.

Region Vice Chair:

- Serves as a member of the ACWA Board of Directors at bimonthly meetings at such times and places as the Board may determine. The Vice Chair will also participate in at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- In the absence of the chair and in partnership with the chair, exercises the powers and performs duties of the region chair.
- Is a member of ACWA's Outreach Program, and encourages region involvement.
- Makes joint recommendations to the ACWA president regarding regional appointments to all ACWA committees.

Region Board Member:

- May serve as alternate for the chair and/or vice chair in their absence (if appointed) to represent the region to the ACWA Board.
- Will participate in at least two Region membership meetings to be held at each of the ACWA Conferences and periodic Region Board meetings.
- Supports program planning and activities for the region.
- Actively participates and encourages region involvement in ACWA's Outreach Program.



## **2013 Region Election Timeline 2014-2015 Term**

- February 28:**      **NOMINATING COMMITTEES APPOINTED**
- Region chairs appoint at least three region members to serve as the respective region's Nominating Committee
  - Those serving on nominating committees are ineligible to seek region offices
  - Nominating Committee members posted online
- March 1-31:**      **NOMINATING COMMITTEE TRAINING**
- Nominating Committee packets will be e-mailed out to each committee member
  - ACWA staff will hold a training session via conference call with each nominating committee to educate them on their specific role and duties
    - Regions 1-5 Nominating Committees: March 26
    - Regions 6-10 Nominating Committees: March 27
- May 6:**      **CALL FOR CANDIDATES**
- The call for candidate nominations packet will be e-mailed to ACWA member agency Board Presidents and General Managers
  - The call for candidate nominations will be announced at the 2013 ACWA Spring Conference and Exhibition in Sacramento
- June 30:**      **DEADLINE FOR COMPLETED NOMINATION FORMS**
- Deadline to submit all Nomination Forms and board resolutions of support for candidacy for region positions
  - Nominating Committee members may need to solicit additional candidates in person to achieve a full complement of nominees for the slate
- July 8:**      **CANDIDATE INFORMATION TO NOMINATING COMMITTEES**
- All information submitted by candidates will be forwarded from an ACWA Region staff person to the respective region Nominating Committee members with a cover memo explaining their task

**July 9 - 26:**

**RECOMMENDED SLATES SELECTED**

- Nominating Committees will meet to determine a slate of individuals to recommend to their region members for election
- Nominating Committee chairs will inform their respective ACWA Regional Affairs Representative and current region chair of their recommended slate
- The Nominating Committee Chair will approve the official region ballot

**August 1:**

**ELECTIONS BEGIN**

- Official electronic ballots identifying the recommended slate and any additional candidates for consideration will be produced and e-mailed to ACWA member agencies only
- Only one ballot per agency will be counted

**September 30:**

**ELECTION BALLOTS DUE**

- *Deadline for all region elections. All region ballots must be received by ACWA by September 30, 2013*

**October 4:**

**ANNOUNCEMENT OF ELECTION RESULTS**

- Newly-elected members of the region boards will be contacted accordingly
- An ACWA Advisory will be distributed electronically to all members reporting the statewide region election results
- Results will be posted at [acwa.com](http://acwa.com) and will be published in the October issue of *ACWA News*

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# SFGate

Thursday May 16, 2013 2:21 PM PT

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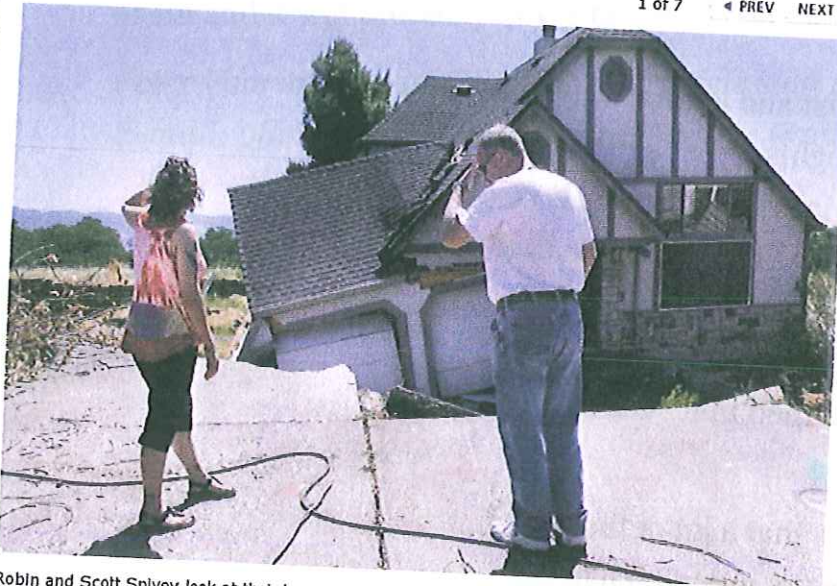
## Lake County homes swallowed by slide

Peter Firrite

Updated 9:47 am, Thursday, May 16, 2013

VIEW: LARGER | HIDE

1 of 7 ◀ PREV NEXT ▶



Robin and Scott Spivey look at their home, which has been destroyed by the landslide. The ground began slipping in March, and several homes in the Lakeside Heights neighborhood have been swallowed up. Photo: Michael Macor, The Chronicle



(Page 2 of 2)

A geotechnical investigation of the site in 1979 as part of the development plan found groundwater at the site ranging in depth from 4 1/2 to 10 feet underground. The report stated that the soil "undergoes a significant strength loss and becomes weak and compressible when saturated."

html  
**THE SACRAMENTO BEE** [sacbee.com](http://sacbee.com)

# California short on key state water workers, officials say

[jortiz@sacbee.com](mailto:jortiz@sacbee.com)

**Published Thursday, May. 16, 2013**

California officials say the state cannot retain enough trained workers to efficiently run and maintain its complex water delivery system, a problem that has consequences for cities and farms statewide.

State pay for some key jobs, they say, has fallen so far behind the industry's standard that the Department of Water Resources serves as a farm system for private utilities and other government entities.

The problem costs taxpayers extra tens of millions of dollars each year to move water around the state, officials say, because facilities aren't managed efficiently.

"There has been a talent drain in some critical areas," said Daniel Curtin, who sits on the California Water Commission, a panel appointed by the governor. "There are key facilities that are unmanned. That tells you that we could use a few more players, but the salaries are lagging behind industry standards."

The department manages California's main water delivery system, including the State Water Project, and works with local water districts to manage the state's resources. It has about 3,400 budgeted positions this year, and expects to fill about 96 percent of them, according to state budget documents.

But the vacancy rate among the department's 670 hydroelectric plant trades and crafts positions – workers who run and maintain the vast State Water Project – has run between 10 percent and 15 percent for the last two years. Currently, according to department figures, 90 of those key positions aren't filled.

Sean Rossi, a senior hydroelectric plant operator whose job for the state includes monitoring water and power in the San Joaquin Valley region, said utilities such as Pacific Gas and Electric Co. and government entities such as the federal Bureau of Reclamation routinely go after newly trained state Water Resources employees.

"As soon as they finish their apprenticeship, they're offered jobs. Some utilities will call and recruit us at work," Rossi said. "I don't blame people for leaving."

One small but crucial work group, senior water and power dispatchers, exemplify the water department's recruiting and retention problem.

The state needs seven senior water dispatchers to oversee the 700-mile-long State Water Project. The complex system of reservoirs, aqueducts, pumping plants and power stations delivers water to 25 million Californians and to 1,200 acres of farmlands, a total area roughly

the size of Rhode Island.

Water Resources has just five senior dispatchers, who earn \$72,000 to \$86,600 annually – 65 percent below the industry's median for the job, according to a recent letter by California Water Commission Chairman Joseph Byrne.

Officials at Gov. Jerry Brown's Department of Water Resources declined to be interviewed for this story, but Byrne's April 23 letter to Natural Resources Secretary John Laird called the water project's staffing shortage a "crisis" that threatens to interrupt the system's reliability and is creating "numerous negative impacts" to the statewide water system. Among those he cited:

- High turnover. Apprentice dispatchers, for example, train three or four years to learn how to control system water flows, maintain pumping and power facilities and monitor water quality. The state spends a total \$300,000 to \$400,000 per apprentice.

"Currently, many, if not most of these individuals, leave (the department) shortly after completing the program for significantly higher-paying jobs at other utilities," Byrne wrote.

The department says the problem has been worsening for a decade.

- Less reliable water delivery. The State Water Project doesn't have enough dispatchers to run pumps at full throttle during the best times of the year to minimize effects on fragile ecosystems.

"This directly reduces (the project's) ability to deliver water," Byrne said in the letter.

- Higher operating costs. Between 2011 and 2012, Byrne said, the water project spent an extra \$70 million for energy because it didn't have enough dispatchers to run pumps during non-peak hours when power is cheaper.

- Higher contracting costs. To backfill the staff shortage, the water department contracts out jobs that state employees could do, a practice restricted by state law.

"The last time we challenged one of those contracts, we lost," said Tim Neep, director of the operating engineers union that represents the state's skilled trades and craft workers.

The state's winning defense was, Neep said, "not enough bodies."

Byrne's letter also ties the water department's shortage of dispatchers to a Thanksgiving Day fire at the Thermalito Pumping/Generating Plant near Oroville.

The five-floor plant was destroyed, costing the state millions of dollars in lost power generation and "potentially hundreds of millions in clean-up costs and reconstruction," Byrne wrote.

The fire might not have been as devastating, he said, "had adequate personnel resources been available" to provide on-site staffing.

To help fill the jobs left vacant by those who leave, the department has reclassified the work and lowered qualifications in some instances.

The career path to senior water dispatcher used to take 14 years or more. But with some many lower-level dispatchers leaving for better-paying jobs, water project employees with as little as four years of experience assume those duties under a different job title.

The International Union of Operating Engineers, which represent skilled trades employees at Water Resources, has lobbied the governor's administration for higher pay. Its contract, like those of 18 other state employee bargaining units, expires in early July. All of those groups are negotiating new deals.

The union says the problem is serious enough to warrant a 45 percent pay raise. It's a touchy subject for Brown as he enters contract negotiations involving tens of thousands of employees throughout state government.

"They're worried about setting precedent for the other unions," said operating engineers lobbyist Tim Cremens. "And they're worried about public perception."

Byrne's letter didn't specifically call for wage increases at Water Resources, and Curtin also steered clear of taking a position on boosting pay for key water jobs.

But there's plenty of precedent. Several years ago, state prison nurses and engineers received substantial raises to make the state more competitive with the private sector and local governments.

Other professional groups such as state attorneys and computer programmers have argued for similar pay parity, but their wages remain well below the market standard.

Brown's budget proposals for the coming fiscal year don't hint at any big raises or a wave of new hires for the Department of Water Resources.

The administration has consistently signaled that Brown's agenda doesn't include a round of raises for state employees.

Julie Chapman, the administration's top labor relations official, suggested little will change when she was asked during a recent legislative committee hearing to forecast the outcome of labor talks.

"The governor has made statements," Chapman said, "that he's not going to spend money he doesn't have."

*Call The Bee's Jon Ortiz, (916) 321-1043. Follow him on Twitter @thestateworker and read his blog, The State Worker.*

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## Two leaks discovered in Lakeport subdivision hit by slides

By [MARY CALLAHAN](#)

THE PRESS DEMOCRAT

Published: Monday, May 13, 2013 at 6:17 p.m.

Two leaks have been discovered in the public water system serving a Lakeport-area subdivision where a monthslong landslide has rendered at least seven homes uninhabitable.

But there seems to be no consensus on whether the ruptures in the 2-inch line -- since repaired -- were responsible for the ongoing failure of the slope that creates a risk for homes in the Lakeside Heights subdivision.

Resident and homeowners' association

treasurer Gary Hurn said he shadowed the leak detection expert who found the burst pipes last Thursday. He was told that, combined, they issued about 30 gallons of water a minute into the hillside -- or what could be more than 2.5 million gallons in the 60 or so days since the land began shifting.

"If you extend those numbers over a period of two months, that cumulative number is staggering," said a neighbor, Scott Spivey, who was forced to abandon the home he had shared with his wife for 11 years when it began to list and sink into the ground.

"Mine is the lowest elevation in the water system," Spivey said. "Tons and tons of water . . . was moving toward my house."

But Kevin Ingram, a spokesman for the Lake County water and wastewater agency, said the county stands by a March 25 leak detection test that found no problems in the water system but did find breaks in subdivision landscape irrigation lines.

The fact that the ground has been moving may have wrenched the pipes sufficiently to damage them, he said.

Ingram also said water still flowing out of the hill onto the road even after the repair of all known leaks suggests there remains yet another, primary reason for the landslide.

"In the leak detection business," said Tom Ruppenthal, the Arizona-based technician who found the breaches last week, "we would say that they were small leaks."

Ingram said, "There's a number of contributing factors. "We have not got to the root of what the actual source is."

Trouble began in early March when Spivey, a one-time contractor who served as a Clearlake city building official until he was laid off a month earlier, began noticing doors in his Tudor-style home no longer fitting into the door frames. Then the garage began to buckle, and the garage door broke of its hinges.

The garage has since collapsed, the house sunk about 12 feet, and the structure has listed close to 20 degrees off vertical, he said. His insurance won't cover any of it.



Christopher Chung/ The Press Democrat  
Damage is shown in April at Jag Singh's home along Lancaster Road in the Lakeside Heights subdivision.

Fissures in the ground and damage to other homes has prompted county officials to red-tag seven houses and serve the inhabitants of six other homes with voluntary evacuation notices, Ingram said. The subdivision had 29 homes total.

Hurn disputed that the irrigation lines owned by the homeowners' association could have leaked much, as the system had been turned off since November.

He is among some homeowners who believe the problem may have begun with a March 6 chimney fire in the neighborhood and the possibility that a fire hydrant used that day was turned on or off too suddenly -- the abrupt change in pressure causing what's called a "water hammer" that ruptured the pipe.

But Lakeport Fire Chief Ken Wells said any such occurrence would have been marked by damage in the larger line linked directly to the hydrant.

"There was no water hammer," Wells said. "There was no leak in the hydrant system, and that's where it would happen. . . . We used less than 1,000 gallons on the whole fire."

Ingram, the Lake County Special Districts spokesman, said the county has appealed to the state for the loan of geotechnical and hydrology expertise that may provide a thorough assessment of the problem.

The county is also asking the governor to declare a state of emergency for the area in hopes of freeing emergency repair funds for some of the properties and the massive overhaul of water and wastewater lines that the subsidence of the land has made necessary.

In the meantime, the county hopes a monitor installed Monday to track water going into the subdivision against what remaining homeowners use will, ensures no additional leaks exist.

"We just don't know exactly when it's going to stop or subside," Hurn said. "And that's the big fear, because we have increasing sized cracks in the roadway. The homes are listing toward toppling over on the downslope. We're not at a stability point yet."

You can reach Staff Writer Mary Callahan at 521-5249 or [mary.callahan@pressdemocrat.com](mailto:mary.callahan@pressdemocrat.com).

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# STATE: Brown, Obama commit to Oct. 1 deadline for release of draft Bay Delta Conservation Plan



WEDNESDAY, 08 MAY 2013 23:26 | LAKE COUNTY NEWS REPORTS

SACRAMENTO – The state of California and the Obama administration agreed on Wednesday to a formal deadline of Oct. 1 for the release of the draft Bay Delta Conservation Plan and accompanying environmental documents for public review and comment.

The plan is meant to enable the state to make significant progress toward achieving the co-equal goals of securing California's water supply and restoring the Sacramento-San Joaquin Delta ecosystem.

"One calamitous storm or natural disaster – driven by climate change – could jeopardize the entire Delta, destroy its ecosystem and cut off water to 25 million Californians," said Gov. Jerry Brown. "This agreement with our federal partners moves us another step closer to being more prepared for an uncertain future in California."

Completion of the proposed plan and accompanying environmental impact report/environmental impact statement (EIR/EIS) is the culmination of more than six years of user-funded water planning and study.

After considering public comment, the state and federal agencies will complete the review process and determine the most appropriate ecosystem conservation and water conveyance plan for adoption and permitting.

"It's important that we continue to take an open and transparent approach as we evaluate this proposal to strengthen California's water security and restore the health of the Delta," said U.S. Interior Secretary Sally Jewell. "This is an aggressive deadline to issue the environmental analyses for public review and comment that will require a great deal of important work from both our state partners and the Administration. But with California's water system at constant risk of failure, and the continuing impacts to imperiled fish, we can't afford the dangers or costs of inaction."

The Bay Delta Conservation Plan establishes a Habitat Conservation Plan and a Natural Community Conservation Plan to restore and manage the fragile Sacramento-San Joaquin Delta ecosystem, which is the main water supply conduit for 25 million people from Alameda County to San Diego County and large parts of California's agricultural economy.

The Bay Delta Conservation Plan is part of larger state and federal efforts to bolster water conservation, storage and water sources to help meet the water needs of California.

In July of 2012, Gov. Brown and former Interior Secretary Ken Salazar announced major refinements to the Bay Delta Conservation Plan and a renewed commitment to completing the project's analysis and planning.

Since the beginning of the Brown administration, more than 300 Bay Delta Conservation Plan-related documents – draft plan elements, supporting analysis and stakeholder comments – have been made available to the public. In the past two months, several revised and updated chapters of the plan have been made public.

This week, state and federal agencies will provide a preliminary, consultant draft of the EIR/EIS in an unprecedented commitment to transparency.

For more information, visit [www.BayDeltaConservationPlan.com](http://www.BayDeltaConservationPlan.com).

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# Leaks found, repaired within public water system

**By Staff reports --**

Updated: 05/10/2013 11:45:56 PM PDT

LAKEPORT -- Lake County Special Districts personnel repaired two leaks within the public water system in the area of the Lakeside Heights subdivision Friday.

The leaks were found during a performance test by a certified expert Thursday, according to a press release by Lake County Public Information Officer Kevin Ingram. The detection found both leaks on Oxford Drive.

Lake County Special Districts will continue to conduct regular monitoring of its system and perform periodic leak detection tests in order to ensure continued slide movement does not lead to additional leaks within the existing public water and sewer infrastructure serving the subdivision, Ingram stated.

The Board of Supervisors (BOS) is set to receive landslide updates every week, as the issue has now become a standing item on their agenda. The weekly status reports will occur at 9:15 a.m. on BOS meeting days.

Contact Ingram at 263-2580 or by email at [Kevin.Ingram@lakecountyca.gov](mailto:Kevin.Ingram@lakecountyca.gov) for more information.

## Lakeside Heights landslide continues; BOS to receive weekly updates

By Jeremy Walsh -- Staff reporter Record Bee  
Updated:

record-  
bee.com

LAKEPORT -- The Lake County supervisors received a status report on the Lakeside Heights landslide Tuesday -- the type of update that will now be a weekly occurrence for the elected officials.

After the 45-minute presentation, the Board of Supervisors (BOS) asked county staff to begin developing options for future actions at the North Lakeport subdivision, especially moves that would need to occur if requests for state funding get denied.

"I think that we need to be having those discussions about what do we do and where do we go in the event that the state does not come through with anything," incident commander Scott De Leon, the county's public works director, said.

The ongoing slide, reportedly moving at a rate of one foot per day, has forced some evacuations and has caused damage to the public sewer system. The public water system, county roads and other residences remain at risk.

County officials reportedly first became aware of the unstable ground at the subdivision March 21. One home in the southeast corner was red-tagged initially, but that total has now risen to seven -- plus six other residences have received voluntary evacuation notices.

Water flow from the base of the Lakeside Heights hillside is believed to be a significant driving force for the land movement.

The source of the water, as well as the cause of the landslide, remains undetermined. A leak study conducted in late March found no ruptures in the county-maintained water system.

"Timing is of the essence to determine what that source is for water," Lake County Supervisor Anthony Farrington said.

Farrington, whose district includes Lakeside Heights, called for a second test of the public water line because of new movement since the initial system examination.

County staff has reached out to state officials to analyze the water conditions beneath the surface at Lakeside Heights, according to De Leon.

"We continue to see water coming out of the hillside," he said. "There's a source or a combination of sources, who knows."

Lake County Sheriff's Capt. Chris Macedo said the state approved funding for a hydrologist Tuesday morning and funding for a geologist appeared on track.

The water flow near the base of Downing Drive, along the southern end of the subdivision, appears to have slowed, Special Districts Administrator Mark Dellinger said. New cracks continue to develop north of the original landslide starting point, he added.

The county has spent roughly \$81,000 on work at the subdivision to date, excluding designs for a long-

term solution, according to Dellinger.

"Our primary objective over the past couple of weeks was to get the utilities out of harms way, with the focus of maintaining service to the remaining homes in the subdivision," De Leon said. "We tried to keep as many people in their homes as possible."

Efforts to establish a temporary sewer bypass are nearly complete, with two new manholes being installed last week, according to Dellinger.

County officials feared that if the sewer system became compromised, water and sewer service to Lakeside Heights would have to be shut off, which would prompt mandatory evacuations of all homes.

During their presentation Tuesday, county staff members tried to quash rumors claiming that all homes in the subdivision were due to receive voluntary evacuation notices this week.

Nearly two dozen Lakeside Heights homeowners and residents attended the BOS meeting at the Lake County Courthouse, but only one spoke.

Randall Fitzgerald, who lives on Lancaster Road, described noticing an influx of people visiting Lakeside Heights, with some possibly having bad intentions. "As publicity spreads about this situation, apparently we see these unwelcome guests," he said.

Empathizing with the residents' plight, Dellinger said, "This is a tragedy, and to have you guys being viewed as a looking-glass kind of thing is insult to injury. It's completely unacceptable."

Macedo said there is currently no law preventing people from accessing the open sections of the subdivision.

County staff continues to follow the status of the supervisors' request for a state-of-emergency declaration by Gov. Jerry Brown, De Leon said. State Sen. Noreen Evans recently drafted a letter urging the governor to issue such a declaration.

The BOS is set to receive landslide updates every week, as the issue has now become a standing item on the supervisors' agenda. The weekly status reports will occur at 9:15 a.m. on BOS meeting days.

District 5 Supervisor Rob Brown was absent from Tuesday's meeting. He has recused himself from previous Lakeside Heights discussions because he has an immediate family member living in the area.

Jeremy Walsh is a staff reporter for Lake County Publishing. Reach him at 263-5636, ext. 37 or [jwalsh@record-bee.com](mailto:jwalsh@record-bee.com). Follow coverage on Twitter, [@JeremyDWalsh](https://twitter.com/JeremyDWalsh) or [#LakeBOS](https://twitter.com/LakeBOS).

Will Kane

Updated 2:48 pm, Tuesday, May 7, 2013



A sinkhole shut down Lake Street and Second Avenue in San Francisco's Richmond District Monday evening. Photo: CBS San Francisco

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**(05-07) 14:48 PDT San Francisco -- A century-old sewer line burst in San Francisco's Inner Richmond and created a 20-foot wide**

sinkhole that was being repaired Tuesday by work crews.

Crews inspected the broken 19-inch brick sewer pipe with a camera robot to determine the extent of the damage and will take two weeks to replace a one-block stretch of sewer pipe on Lake Street between Second and Third avenues, said Tyrone Jue, a spokesman for the city's Public Utilities Commission.

The break was first reported Monday afternoon when a 10-foot deep hole appeared at the intersection of Lake and Second, Jue said. The sewer line is at least 100 years old, Jue said.

"This is an example of what happens when you have an aging sewer system and what the importance is in investing in infrastructure projects," Jue said.

Portions of Lake will be closed during the sewer repair work, Jue said.

## **Lake County BOS to receive Lakeside Heights update, debate future actions**

*By staff reports Record Bee  
Updated:*

record-  
bee.com

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LAKEPORT -- The Lake County supervisors are set to receive an update on the Lakeside Heights landslide Tuesday morning.

Unstable ground conditions at the North Lakeport subdivision have damaged the public sewer system and impacted more than a dozen homes, with some being red-tagged and others receiving voluntary evacuation notices.

More homes, public roads, and the water and sewer systems remain under threat because of the landslide, which first became apparent almost seven weeks ago. The cause is undetermined, but officials said water flowing from the hillside, discovered March 21, might have been a contributing factor.

The Board of Supervisors (BOS) is scheduled to consider a status report as well as post-incident monitoring and future actions Tuesday at 9:15 a.m. The regular BOS meeting will convene at 9 a.m. at the Lake County Courthouse.

The supervisors will present four proclamations, beginning at 9:10 a.m.: one declaring next week Correctional Officers Week and a trio designating May as Military Appreciation Month, Watershed Awareness Month and Perinatal Depression Awareness Month.

The Clear Lake Advisory Committee will present its quarterly report at 9:30 a.m.

At 9:45 a.m., the BOS will discuss recommendations related to the transition of the Office of Emergency Services from the sheriff's office to the administrative office.

The supervisors at 10 a.m. will consider issuing a letter opposing an assembly bill that would require the use of non-lead ammunition for the taking of wildlife in California.

Among non-timed items will be a proposed contract with BI Inc. for an evidence-based program for in-custody inmate services, a five-year agreement with the California Department of Health Care Services and a request to allow all supervisors to represent the county on the Area Agency on Aging governing board, as needed.

## Windsor's water-saving program extended, off to a promising start

By [CLARK MASON](#)

THE PRESS DEMOCRAT

Published: Sunday, April 21, 2013 at 4:48 p.m.

Windsor's innovative water conservation program has been extended for another year by Town Council members, despite some who said it's too early to pronounce it a success.

The council unanimously agreed to extend the program through June 2014, saying it is off to a promising start.

"I think it's working now," said Mayor Robin Goble, who last year voted against the pilot program when it was implemented on a 3-2 vote.

While too early to make a definitive judgment, "It's going the right way," she said.

The program allows residents to install devices such as low-flow toilets and showerheads, and convert lawns to drought-resistant landscaping, without any upfront cost or taking on of debt.

Financed by the town, homeowners and renters pay for the upgrades over five to 15 years with a small surcharge on their bill.

The town promises the savings on their water-sewer bill will be greater than the monthly surcharges.

There were some delays in getting the program operating after it was approved, but those appear to be resolved.

More than 300 residential customers have enrolled in Windsor Efficiency PAYS, or Pay As You Save, as it is called. They are saving an average of about \$30 per month on their bi-monthly utility bills and an average of 10,000 gallons annually per household, according to town officials.

But some Windsor residents, like Fran Tanti, are reporting much more dramatic savings. "I was astounded by the amount," Tanti told the council. "My bill went from \$175 to \$66, a savings of \$109."

"I am so enthused by this program," she said.

Windsor hopes to have 2,000 customers, or one-quarter of the town's households, signed up. That would save more than 30 million gallons annually as outdoor and indoor water uses are reduced.

"I can feel it taking off," said Councilwoman Debora Fudge. "I'm getting emails from people who are excited. The momentum is just starting."

Councilman Sam Salmon said the program is producing results and makes residents feel good about where they live. Participants "feel they can do something day-to-day to help the environment," he said.

Councilman Bruce Okrepkie noted that water is a precious commodity and essential to conserve.

“It’s too early to get a sense of the program,” he said “but everyone I talk to thinks highly of it and what it’s doing.”

Councilman Steve Allen last year cast a “no” vote on the pilot program, expressing qualms about the bids submitted by the landscape contractor who replaces the turf for participants. He said the bid was half the amount of the next highest, indicating something was amiss and the bids should have been thrown out.

This year he voted in favor of extending the program and expressed excitement about the amount of water savings participants are achieving inside their homes.

Ann Hancock, executive director of the Santa Rosa-based County Climate Protection Campaign, commended the council for its leadership on the issue.

“It’s a very, very promising program,” she said.

Windsor Efficiency PAYS is getting regional and national attention, according to Lauren Casey, a manager with the Sonoma County Climate Protection Authority.

“There’s growing momentum from positive referrals,” she said.

You can reach Staff Writer Clark Mason at 521-5214 or [clark.mason@pressdemocrat.com](mailto:clark.mason@pressdemocrat.com).

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## Additional county funds approved for addressing Lakeside Heights landslide

WEDNESDAY, 10 APRIL 2013 02:49 | ELIZABETH LARSON



**A home in the Lakeside Heights subdivision in north Lakeport, Calif., has been made uninhabitable due to a landslide. Photo by John Jensen.**

LAKEPORT, Calif. – Several red-tagged homes and continued hillside movement at a north Lakeport subdivision remain a focus of concern for county officials, with the Board of Supervisors approving additional expenditures to deal with what was termed a “catastrophic event” at the board’s Tuesday meeting.

The 29-home Lakeside Heights subdivision continues to show earth movement in areas along Lancaster Road, which runs around the edge of the hilltop cluster of mostly Tudor-style homes.

Last month, the subdivision began to show signs of a saturated, slipping hillside, which in turn damaged several homes.

While a leak report completed last week suggests that the source of the water in the saturated hillside could be coming from a homeowners association-owned 2-inch irrigation pipe, Special Districts Administrator Mark Dellinger told Lake County News on Tuesday, “We don’t know absolutely the source of the ground water that is influencing the landslide.”

Study of the site is continuing. The goal now, said Dellinger, is to remove the water in an effort to slow or stop the earth movement.

In order to do that, Special Districts – at the suggestion of its geotechnical firm – plans to have five horizontal bores drilled on the slope above Downing Drive, “And to get that done as soon as possible with the goal of dewatering that hillside,” Dellinger said.

The bores could be 50, 75 or 100 feet long, and would include pipes that will run into a nearby drain, he said.

Dellinger said he wasn’t sure of a timeline for completion of the bore drilling, but the goal was to complete the work as quickly as possible.

On Tuesday morning, Dellinger went to the Board of Supervisors to give an update on the situation and to request approval for covering additional costs in addressing the hillside slippage.

As of Tuesday, Dellinger said Special Districts had spent \$18,330 on geotechnical work related to Lakeside Heights, out of \$25,000 the board had approved late last month.

Altogether he asked for an additional \$55,030 to cover the cost for drilling additional borings as well as the horizontal bores to drain the hillside.

While the board gave its unanimous approval, the supervisors also wanted the Lakeside Heights Homeowners Association to be brought into the discussion and for county staff to look at state and federal funding sources.

Board members voiced their concerns about people losing their homes to a landslide – the last thing many would expect, Supervisor Jim Comstock said – as well as safety, financial responsibility and potential construction defect issues at the subdivision, where building began in the early 1980s.

Supervisor Anthony Farrington said the ground saturation – along with the area's soils and "interesting construction" in terms of the homes' slab foundations – led to a "perfect storm."

Referring to a large chunk of concrete and rebar that has popped out of the earth at the landslide area, Farrington wondered if it was placed in those lots to stabilize the hill.

"I know there's a lot of finger pointing and there should be," said Farrington. "The residents have a right to be concerned."

Dellinger said that a monitoring bore drilled into the hillside snapped off at a depth of about 24 feet, and another also showed continued movement in the ground.

He said the geotechnical engineers have identified two slide areas, an older one down the hill from the subdivision under some oak trees, and another slide near 5396 and 5406 Lancaster Road, where two of the five red-tagged homes are located.

Most of the slide problems are on what Dellinger said are the "fill side," which he said is in the area of Lancaster Road facing Hill Road.

There also is the matter of the red-tagged homes. Dellinger suggested that removing the damaged homes as quickly as possible – and thereby lessening the weight on the hillside – could help with stability.

However, Community Development Director Rick Coel said Tuesday that he's not prepared to rush into summary abatements for a variety of reasons, including potential cost to the homeowners who already are faced with the hardship of losing the houses.

"It's much better if they do it," he said of removing the homes.

Otherwise, the county must hike a contractor at prevailing wage rates, which can significantly increase cost, Coel said.

"At the same time we want to get the weight of those structures off if we can," he said.

Coel said Special Districts wants to get the hillside dewatered before equipment is brought in, and in the meantime he plans to meet with County Counsel Anita Grant, Dellinger and the geotechnical engineer to pin down a strategy.

He said it hasn't yet been determined which of the structures are salvageable, but pointing to the separating foundations and most badly damaged of the homes, Coel said, "Those structures need to be demolished."

**Email Elizabeth Larson at [el Larson@lakeconews.com](mailto:el Larson@lakeconews.com) . Follow her on Twitter, @ERLarson, or Lake County News, @LakeCoNews.**

[Lakeside Heights Sewer and Water Overview](#)

## Conditions getting worse for Lake County homes hit by landslide

By [MELODY KARPINSKI](#)

THE PRESS DEMOCRAT

Published: Monday, April 22, 2013 at 5:29 p.m.

Conditions at a Lake County subdivision suffering a landslide last month worsened Sunday when several red-tagged homes sustained additional damage.

Five homes had been red-tagged in the Lakeside Heights subdivision over the past several weeks, with several of the homes pulling off of their foundations. One home has been steadily sinking into the ground, and another is now scheduled for demolition.

"Summary abatement for one of the homes was approved Monday," said Lake County Supervisor Anthony Farrington. Farrington's district includes Lakeside Heights.

The Lake County Board of Supervisors unanimously declared a local emergency April 16. The board issued a proclamation asking Gov. Jerry Brown to declare a state of local emergency and also request a similar declaration from President Obama.

"The proclamation was issued so we could tap into both state and federal funding for this subdivision," said Farrington.

A leak in a homeowner's association irrigation line was determined to have caused water saturation leading to the hill's instability, according to a report released by Lake County Special Districts on April 4. The line was shut off to prevent further damage.

"There's two separate slides that are going on," said Kevin Ingram, an official with Special Districts. "In one area, the houses are buckling in and coming down on themselves."

Special Districts first discovered the issue when hillside movement caused damage to a public sewer line within the subdivision March 21. An emergency bypass was installed to pump sewage from the neighborhood, but a permanent repair cannot be completed until the landslide is stopped.

The county allocated \$50,000 to hire a leak detection firm and a geotechnical firm to conduct testing of the area, and a potential source of water saturation was traced to a leak in a homeowner's association irrigation line.

Farrington said he believed the landslide stemmed from a cumulative effect of water saturation, unstable soil, and foundational problems.

"It definitely raises questions in terms of how some of the homes were built," said Farrington.

Over 25 homes remain in danger within the subdivision, and the neighborhood's water, sewage and storm drain systems are also threatened, said county deputy administrator Janet Coppinger.

The county's Public Works Department put barricades up on nearby Hill Road, to prevent landslide conditions from affecting primary access to Sutter Lakeside Hospital, said Farrington.

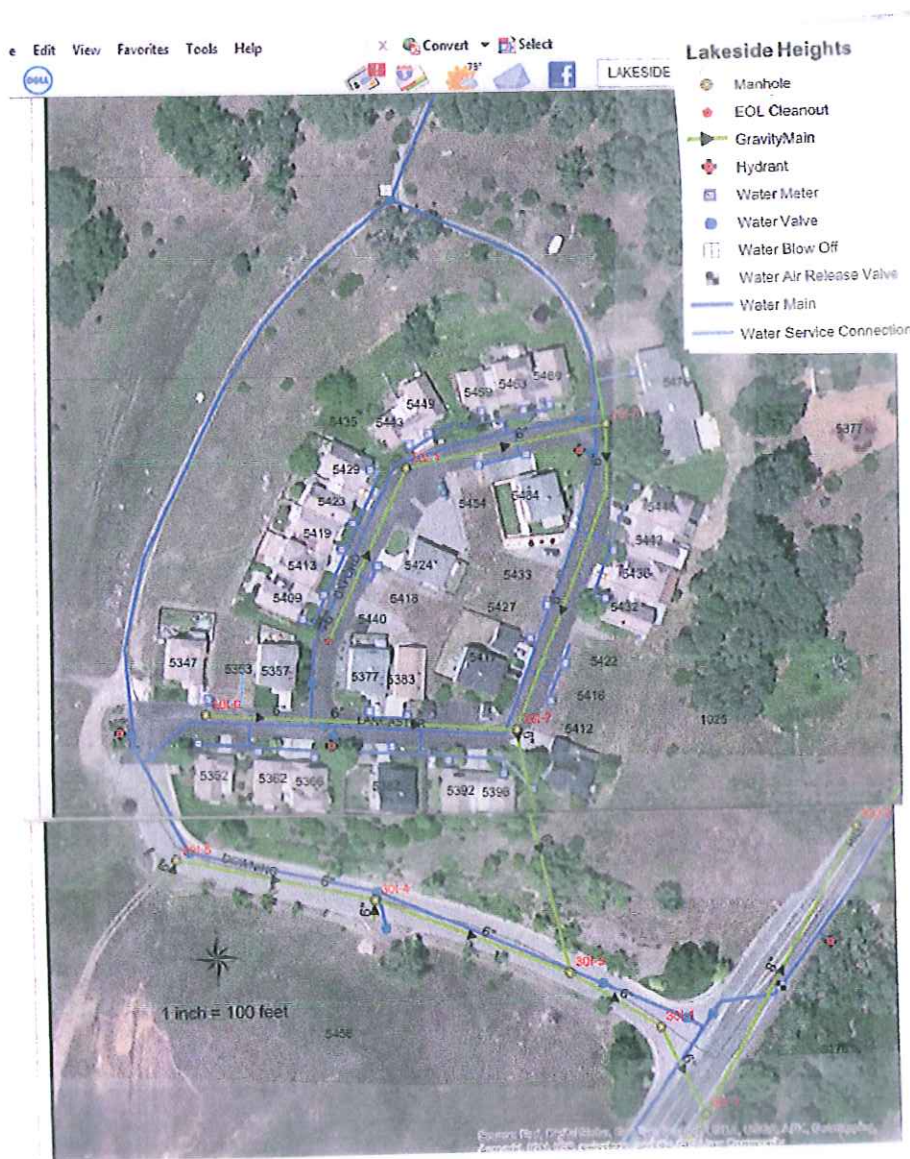
Several other roads are at risk of being shut down if the landslide worsens, including Lancaster Road and Downing Road, said Farrington.

Santa Rosa geotechnical firm RGH Consultants will present a report to the board Tuesday, outlining a recommendation to relocate existing county water and sewer infrastructure, said Ingram.

"Right now it's really about how do we preserve the integrity of our water and sewer infrastructure — we've also requested state assistance," said Farrington. "We need to protect these folks and prevent further sliding."

Staff Writer Melody Karpinski can be reached at 521-5205 or Melody.Karpinski@pressdemocrat.com

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## Lucerne residents turn out to protest water rates

By Rich Mellott -- staff reporter Record Bee

Updated:

record-bee.com

LUCERNE -- Residents of this lakeside community squared off against their water provider Friday evening in what turned into an impassioned and occasionally heated argument against the proposed rate hike of California Water Service Co. (Cal Water).

A crowd of about 250 people packed the Lucerne Alpine Senior Center's Barnes Hall for the California Public Utilities Commission (CPUC) hearing - one of 15 held throughout the state in communities that are facing rate increases by privately-owned Cal Water.

"I see the hostility in the faces here," Lake County District 3 Supervisor Denise Rushing told Administrative Judge Linda Rochester. "I see the anger. But the single most emotion I see is fear - fear of having to move from their homes and communities because they can't afford the water.

"They're afraid they can't sell their homes because they're paying two to four times" more than in most other districts, she said.

"In Cal Water's 34 districts, Lucerne's rates are the second highest," she said.

And that's in a community that's bordering on impoverished.

In a hearing that lasted two hours, about 30 Lucerne residents took their two-minute turns railing against Cal Water, corporate greed, and the PUC, the regulating body in which many of the speakers have lost faith.

"We're almost a ghost town," one woman said. "Businesses are closing every week. But the PUC can at least say they held a meeting."

One by one, residents described a community already reeling by the steep rates of Cal Water, which is trying to implement a 77-percent rate increase over three years starting in 2014.

Many of the speakers, seniors and other residents on fixed income, said it was nearly impossible to pay the current rates. Some said they had to cut back on showering to once or twice a week. Others talked of having to decide which to go without - their water or their food or medication.

The San Jose-based company is arguing to the PUC that the rate hike is necessary to fund needed improvements and compensate for lagging sales in a community whose population has fallen in recent years.

Lucerne dentist Doug Reams, head of the Roaring Mouse Alliance, which he started to protest Cal Water's high rates, said that the corporate water giant can charge whatever it wants in a community like Lucerne, because there's no city government to keep it in line, "and the County of Lake, though sympathetic, has been either unwilling or unable to jump in

and help."

Plus, Cal Water is a corporation listed on the New Stock Exchange whose primary objective is to make money for its stockholders.

"We're adamantly opposed to the privatization of water (companies)," Reams said. "It doesn't work. It's all about profit - and where does that leave the people of Lucerne?"

Reams, who said it's not uncommon for residents to get \$600 and \$700 water bills every two months, said some of the cost burden comes from surcharges and fees that, in his years as a customer, he still hasn't been able to make sense of.