



Hidden Valley Lake Community Services District

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Strategic Plan

2013-2018
(UPDATE 3-8-17)



www.HiddenValleyLakeCSD.com

Our Mission

The mission of the Hidden Valley Lake Community services District is to provide, maintain and protect our community's water.

Core Values

- ***Public Health***
- ***Customer Service***
- ***Cost-Effectiveness***
- ***Integrity***
- ***Organizational Excellence***
- ***Reliability***
- ***Stewardship***
- ***Innovation***

Goals

- ***Deliver High Quality Water and Wastewater Services***
- ***Maintain Financial Stability***
- ***Expand Education and Outreach***
- ***Offer Innovative Services***
- ***Refine Governance and Administrative Processes***

Situational Analysis

No change in financial reserves as they are still nearly depleted. There is an ever-growing list of deferred-maintenance activities, no formal capital improvement plan to sustain our infrastructure, and a portion of the District's water rights remain unsecured. Like nearly all water utilities, we are working within an increasingly complex and sophisticated regulatory framework, additional operating protocols & constraints and increasingly stringent water quality standards.

We are still at a crossroads and must make smart choices that will define the character of our organization for years to come.

Challenges

Our top challenges:

- A. Financial health of the District-The District continues to covered water and to a lesser extent, sewer service operating costs by deferring maintenance. The repercussions of deferring maintenance are now being recognized through predictable infrastructure failures such as water mainline breaks and Sewer I & I; along with the increased costs associated with repairing or replacing equipment, pipelines and facilities.
- B. Of equal concern, is the debilitating effect funding shortfalls have on our ability to pursue new opportunities. It takes money to prepare grant requests, to retain personnel who can research and assess the feasibility of implementing new opportunities, to obtain matching funds and loans and to advocate on behalf of the District. The District is currently not well positioned, financially, to pursue new opportunities or solve existing issues.
- C. In addition to replacing aging infrastructure and strengthening our financial position, we must secure and protect the District's water supply. In 2012 we submitted a "Petition for Change" to the State Water Resources Control Board's Division of Water Rights – a process through which we intend to solidify the District's water rights to current and future water supplies. The Petition for Change, although largely a "paper study" as opposed to the traditional "brick and mortar" project, could easily take five years to complete and cost in excess of \$300,000.
- D. The California Department of Public Health has adopted stringent drinking water standards for hexavalent chromium (Cr6) of 10ppb. The District's annual average for Cr6 is 11.1ppb. We now know the cost required to comply with the forthcoming (Dec. 31, 2019) drinking water standard for hexavalent chromium. (Treatment \$2.5M Well \$1.2M)
- E. The District must find and secure a "new & approved" water source to address the meter moratorium. This is only a small fraction of the solution as the District then needs to drill a new well, install the treatment system, SCADA system, meet new security standards and build the infrastructure to deliver this new water source to the system to include a chlorine contact structure and booster pump facility.

(It is expected that this can be done in conjunction with meeting all State requirements for item D, the Chrome 6 requirements, if the new water source is below 10.0ppb.)

- F. The Putah Creek underflow replenishment requirement by the State Water Board creates many issue for the community, environment and water basin. Several are the proliferation of non-native species that disadvantages the native species of frogs and the exportation of our valuable water resource from a water basin that is self-sufficient, self-reliant and sustainable; all within our own closed loop system. This water exportation is magnified during times of drought and sends a poor message to the public as the District pumps thousands of gallons into Putah Creek, simply to be sucked up by local farmers and never making the intended destination. Additional water must then be wasted down the creek to make up for this diversion of water further exasperation the issue.

Five-Year Vision

The five-year vision as portrayed in the 2013-2018 Strategic Plan has not played out as described. The economy continued to pause...giving us this chance to reevaluate the direction our district is going and the opportunities that are before us today. We now have an opportunity to move in a new direction to meet our Mission Statement, Core Values and Goals.

Goals

Goal: Deliver High Quality Water and Wastewater Services

1A. Secure and protect the water supply

As a part of this strategic plan, we will take the following actions:

- Amend and expand water rights
 - Water Rights Petition for Change
 - Update analysis of future water demands
- Increase knowledge of watershed and factors impacting quantity and quality of water supply
 - Expand water quality monitoring program
 - Expand groundwater elevation monitoring program
 - Compile library of technical studies and associated documents
 - Evaluate risk of “emerging contaminates”
 - Hexavalent chromium
 - Endocrine disrupters

- o And now 1,2,3-Trichloropropane at 5 parts per trillion (ppt)
- Increase understanding of surface water – groundwater interactions within the Coyote Valley groundwater basin
- Promote stewardship of Coyote Valley Groundwater Basin
 - Monitor and participate in County land use planning activities
 - Support local watershed protection groups

1B. Maintain and enhance sewer infrastructure

As a part of this strategic plan, we will take the following actions to upgrade the District's sewer infrastructure:

- Complete inventory/catalog of sewer infrastructure
- Implement updated Sewer System Management Plan (SSMP)
 - Expand systematic sewer maintenance cleaning program
 - Implement systematic service line replacement program
- Implement Sewer Capital Improvement Plan

1C. Maintain and enhance water infrastructure

As a part of this strategic plan, we will take the following actions to upgrade the District's water infrastructure:

- Complete inventory/catalog of water infrastructure
- Implement Water Capital Improvement Plan
- Implement leak detection program
- Implement systematic water meter replacement program
 It is now a viable option to replace traditional water meters with smart meters due to lost revenue capture. Industry standard conservatively estimates that you can see an average revenue increase of \$2 to \$3 per connection with the installation of smart meters. That would be an additional income of \$5K to \$7.5K per month that would be used to pay on a loan coupled with an associated 50/50 matching grant. To add an additional margin for error, the potential Verizon cell tower rental site is expected to generate \$1.7K per month toward a matching loan payment as well.

1D. Enhance site security for all facilities and infrastructure

As a part of this strategic plan we will construct enclosures/housing for water supply wells.

1E. Evaluate flood control

As a part of this strategic plan we will:

- Identify current level of flood protection provided by existing facilities
- Implement facilities maintenance program
- Develop dedicated source of funding

The District has identified a potential opportunity to move the community forward through a public, private partnership to address flooding issues, storm culverts and ditch maintenance. Ultimately, it is staff's recommendation that Lake County Water Resources be the final responsible agency if a funding source can be agreed upon. This would save the sewer enterprise account thousands of dollars annually and bring the District into compliance with funding regulations.

1. Lake County Water Resources has the expertise, finances and ability to place a property tax on the ballot to cover the expenses of maintaining the Putah Creek levee, storm basin & pump, culverts and ditches throughout Hidden Valley Lake. If passed, the Association and CSD would deed specific properties to Lake County Water Resources as they would have the revenue stream to maintain the facilities.
2. Prior to a land transfer to Lake County Water Resources, and through the generous donation of a private land owner, the District would merge the existing storm basin and this new property (Portions of this land may be retained by the District which would require the land to be subdivided first) allowing Lake County Water Resources to remove the eastern basin wall/levee so storm water could naturally flow by gravity to Putah Creek. This would reduce the need for the pump station and likely the flooding we have seen in recent months.

Goal: Maintain Financial Stability

We will maintain financial stability and equitable rates.

Water and sewer reserves fall short of the District's needs and requirements for grants and loans.

2A. Update fiscal policies to promote financial stability

In order to maintain and enhance the District's credit rating we will:

- Develop reserve fund policies
- Fund depreciation

2B. Adopt fixed asset management plan

We will develop a fixed asset management plan which will form the basis for determining appropriate funding levels for infrastructure and other fixed asset depreciation.

2C. Expand our ability to track and manage financial data

To enhance our ability to track and analyze financial data, we will:

- Upgrade administrative computer system
- Monitor trends and develop long-term fiscal projections
- Improve cost tracking by activity/project

2D. Ensure rates are equitable and promote financial stability

We will commission a third-party water, sewer and miscellaneous fee study to determine the financially prudent revenue stream required to execute this strategic plan.

2E. Identify sustainable funding mechanism for flood control facilities

(This is a repeat of item 1E. The two could be combined)

There is currently no dedicated revenue stream for funding operation and maintenance of our existing flood control facilities, nor expansion of flood control facilities or responsibilities should the District be required to obtain a National Pollutant Discharge Elimination System (NPDES) storm water discharge permit in the future. As part of this strategic plan we will conduct an analysis of current and future flood control funding requirements, and identify potential funding sources.

Goal: Expand Education and Outreach

We will expand education and outreach programs to enhance customer awareness of District services and promote government transparency.

3A. Expand customer education about the District and our services

Nationwide, the cost of providing safe, reliable municipal drinking water has risen steadily and often, -from the customer's perspective, for unknown or unsubstantiated reasons. A frequently heard complaint is that customers are being told to conserve water, which they do, and are subsequently "rewarded" with increased water rates. In general, water utility customers are unaware of the true cost of producing and delivering municipal drinking water *or of the financial impact that new and increasingly stringent regulations have on the cost of these services*. Similarly, they are often not fully aware of the water utility's services, or its responsibilities to maintain its sewer and drinking water infrastructure.

Coupled with the need to better educate customers is the related task of expanding the modes of communication. Among some demographics, electronic social media has become the preferred mode of communication. Disseminating information via social media is less expensive and often more effective than newsletters and other traditional means. As a part of this strategic plan, we will:

- Familiarize customers with the scope and breath of District services and the true cost of providing those services
- Utilize electronic social media, [starting with a new and improved Website](#), to disseminate information

3B. Educate customers about resource conservation and pollution prevention

To promote resource stewardship, we will continue to educate customers and increase public awareness of water conservation, [the cost of doing business](#), and will also designate funding to expand programs to educate the public about:

- Sewer lateral maintenance
- Stormwater management
- Safe disposal of grease, cleaning agents, pharmaceuticals and other household wastes

3C. Expand customer service training for employees

The District will expand and formalize its employee customer service training program to reflect the evolving functions of the District and the expanding role of electronic media. Specifically, the District will:

- Provide formal training (webinar, video, lectures)
- Initiate an annual customer satisfaction survey

Goal: Offer Innovative Services

4A. Leverage District resources to generate revenue

The District possesses expertise, equipment, and infrastructure that could be used to generate revenue and/or provide additional services to the community. As a part of this strategic plan we will:

- Expand solar power generation capacity
- Investigate the feasibility of wind power generation
- Investigate feasibility of providing facilities for the provision of internet services
- Investigate feasibility of converting sludge to marketable products
- Investigate feasibility of rainwater capture financing and installation
- Investigate feasibility of providing water/wastewater quality laboratory analysis

services

- Provide expertise and intellectual capital to other organizations
 - Billing services
 - Consulting/contractor services
- Rent/lease heavy equipment
- It is now a viable option to install a hydro turbine at the base of the dam (Per Schneider Electric's evaluation & their grant knowledge) to offset operational costs of a well in that location. Grants are currently available which may provide 50 to 100% of the funding.

4B. Pursue partnerships and strategic alliances to develop revenue-generating activities

We will cultivate partnerships and alliances through participation in integrated regional water management planning efforts and water industry organizations such as the Association of California Water Agencies, and where appropriate, through political advocacy. Specifically, we will:

- Actively participate in the Westside Sacramento Integrated Regional Water Management Plan group
- Promote and facilitate communication between water purveyors and wastewater service providers in the Upper Putah Creek drainage
- Cultivate relations with local, State and Federal elected officials

Goal: Refine Governance and Administration

5A. Update governance procedures to promote efficiency and transparency

To improve Board governance we will adopt Board of Director Rules and Procedures to guide the conduct of Board meetings, communication among individual Board members, communication between the Board and District staff, and communication between individual Board members and District staff:

5B. Update administrative processes to enhance customer service

- Implement a paperless service order program and promote electronic billing to improve customer service and reduce administrative costs

- Automate meter reading to improve customer service, reduce administrative costs, and improve records retention and retrieval
- Utilize network system/cloud services to improve records retention and retrieval, and enhance preservation of District records in the event of disaster
- Implement an automated call system to improve customer service and enhance emergency response capabilities

5C. Conduct customer satisfaction surveys

We have never conducted a customer satisfaction survey and have historically received comparatively little feedback from our customers regarding services provided, or potential interest in new or expanded services. To assess the appropriateness and quality of our services, we will conduct annual web-based customer satisfaction surveys to assess the District's ability to provide services, and the need or interest in providing additional services.

5D. Continuously update human resources policies and practices to recruit and retain skilled employees

- Maintain up-to-date job descriptions to reflect current and future staffing needs
- Provide competitive compensation to attract and retain staff
- Develop staff skills and capabilities that will enhance District's ability to provide services
- Provide training/cross-training and offer education reimbursements to facilitate development of staff skills and capabilities

5E. Review organizational structure and staffing needs

As a part of this strategic plan, we will review our organizational structure and staff composition to ensure that the District's organizational and staffing capabilities are aligned with current and future needs.

Strategic Plan Updates

To ensure this Strategic Plan remains functional, practical, and continues to address the current needs of the District we will review and update the plan annually, prior to adoption of the District's budget for the following fiscal year. As a part of this annual review we will:

- Identify specific elements of the Strategic Plan to be initiated and/or completed in the next fiscal year
- Measure our performance toward achieving the Strategic Plan's goals
- Publish a report summarizing the progress made and any changes with respect to the Strategic Plan goals, strategies or initiatives