



# Hidden Valley Lake Community Services District

## Regular Board Meeting

DATE: December 16, 2014  
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 Minutes of the Board of Directors meeting November 18, 2014
  
  - (B) DISBURSEMENTS: Check #032314 - #032407 for a total of \$285,209.40
  
  - (C) ADOPTION OF RESOLUTION 2014-15 appointing Mrs. Coleen Blakey as District Treasurer
  
  - (D) ADOPTION OF RESOLUTION 2014-16 adding Mrs. Coleen Blakey to list of individuals authorized to enter into deposit account, funds transfer, investment, cash management and deposit service agreements with Westamerica Bank
  
  - (E) ADOPTION OF RESOLUTION 2014-17 Clarifying terms of two previous interfund transfer from Sewer Enterprise Fund to Water Enterprise Fund and rescinding Hidden Valley Lake Community Services District Board of Directors Resolution 2010-12
  
- 6) BOARD COMMITTEE REPORTS (for information only, no action anticipated)
  - Personnel Committee
  - Finance Committee
  - Emergency Preparedness 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)
  - 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 2014-18 confirming default balances and directing staff to file liens on real property
- 11) DISCUSSION AND POSSIBLE ACTION: Status report on new service connections moratorium (SWRCB Division of Drinking Water Compliance Order No. 02\_03\_14R\_004)
- 12) PUBLIC COMMENT
- 13) BOARD MEMBER COMMENT
- 14) ADJOURNMENT

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  
BOARD OF DIRECTORS MEETING MINUTES  
MEETING DATE: NOVEMBER 18, 2014**

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

Director Judy Mirbegian, President  
Director Jim Freeman, Vice President  
Director Jim Lieberman  
Director Linda Herndon  
Tami Ipsen, Administrative Services Officer  
Roland Sanford, General Manager

Absent: Director Graham.

**CALL TO ORDER**

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

**APPROVAL OF AGENDA**

On a motion made by Director Herndon and second by Director Lieberman the Board unanimously approved the agenda.

**CONSENT CALENDAR**

On a motion made by Director Freeman and second by Director Herndon the Board unanimously approved the following Consent Calendar items:

- (A) MINUTES: Approval of:
- i) Minutes of the Board of Directors regular board meeting October 21, 2014
  - ii) Minutes of the Board of Directors special meeting workshop November 4, 2014
- (B) DISBURSEMENTS: Check #032220 - #032253 for a total of \$267,692.08

**BOARD COMMITTEE REPORTS**

Personnel Committee: No report  
Finance Committee: Will report under agenda item 9  
Emergency Preparedness Program Committee: No report

**BOARD MEMBER ATTENDANCE AT OTHER MEETINGS**

ACWA Region 1 Board: Director Mirbegian reported there have been no ACWA Region 1 Board meetings since the last HVLCSD Board meeting and that the next ACWA Region 1 Board meeting is scheduled for November 19, 2014

ACWA State Legislative Committee: Director Herndon reported there have been no committee meetings since the last HVLCSD Board meeting and that the next ACWA State Legislative Committee meeting is scheduled for January, 2015.

County OES: Director Lieberman reported there have been no County OES meetings since the last HVLCSD Board meeting and that the next County OES meeting is scheduled for January or February of 2015.

**STAFF REPORTS**

General Manager’s Report: The General Manager had nothing to add to his written report.

**DISCUSSION AND POSSIBLE ACTION: Water/Sewer Rate study status report**

General Manager Roland Sanford gave a brief PowerPoint presentation on the status of the ongoing rate study by NBS consultants, and the Finance Committee’s review of the work products produced to date by NBS consultants.

**PUBLIC COMMENT**

There were no public comments.

**BOARD MEMBER COMMENT**

There were no board member comments.

**CLOSED SESSION: Real Property Negotiations Pursuant to Government Code Section 54956.8**

The Board entered closed session at 8:52 p.m. and returned to open session at 9:05. Director Mirbegian reported that while in closed session the Board authorized staff to negotiate with the owners of Assessor Parcel Number 014-280-18-00, located adjacent to the District’s existing water reclamation plant, for the purchase of a portion of Assessor Parcel Number 014-280-18-00.

**ADJOURNMENT**

On a motion made by Director Freeman and second by Director Herndon the Board voted unanimously to adjourn the meeting. The meeting was adjourned at 9:06 p.m.

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

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



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**NOVEMBER 2014**

DISBURSEMENT SUMMARY REPORT

11/1/2014-11/30/2014

**Disbursement Summary**

| <b>Fund</b>                            |    |                   |
|--|----|-------------------|
| <b>120 - Sewer</b>                     | \$ | 100,085.63        |
| <b>130 - Water</b>                     | \$ | 139,491.90        |
| <b>215 - USDA Sewer Bond</b>           | \$ | -                 |
| <b>217 - State Loan</b>                | \$ | -                 |
| <b>218 - CIEDB</b>                     | \$ | -                 |
| <b>219 - USDA Solar Project</b>        | \$ | -                 |
| <b>375 - Sewer Reserve Improvement</b> | \$ | -                 |
| <b>711 - Bond Administration</b>       | \$ | 101.22            |
| <b>SUB TOTAL</b>                       | \$ | <b>239,678.75</b> |
| <b>*Payroll</b>                        | \$ | <b>45,530.65</b>  |
| <b>Total Warrants</b>                  | \$ | <b>285,209.40</b> |

*\*Funds disbursed directly to employees and Directors. Pass-thru funds (collected from the employee and paid on their behalf by the District) are included in totals for funds 120 and 130.*



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**NOVEMBER 2014**

DISBURSEMENT SUMMARY REPORT

11/1/2014-11/30/2014

| <b>DRAFT DATE</b> | <b>TYPE</b> | <b>NUMBER</b> | <b>NAME</b>                    | <b>CHECK AMOUNT</b> | <b>STATUS</b> |
|-------------------|-------------|---------------|--------------------------------|---------------------|---------------|
| 11/14/2014        | D           | BANK-DRAFT    | US DEPARTMENT OF THE TREASURY  | 5,839.05            | P             |
| 11/14/2014        | D           | BANK-DRAFT    | NATIONWIDE RETIREMENT SOLUTION | 1,180.00            | P             |
| 11/26/2014        | D           | BANK-DRAFT    | US DEPARTMENT OF THE TREASURY  | 5,208.76            | P             |
| 11/26/2014        | D           | BANK-DRAFT    | NATIONWIDE RETIREMENT SOLUTION | 1,180.00            | P             |
| <b>TOTAL</b>      |             |               |                                | <b>13,407.81</b>    |               |

| <b>CHECK DATE</b> | <b>TYPE</b> | <b>CHECK NUMBER</b> | <b>NAME</b>                     | <b>CHECK AMOUNT</b> | <b>STATUS</b> |
|-------------------|-------------|---------------------|---------------------------------|---------------------|---------------|
| 11/07/2014        | R           | 32314               | ALPHA ANALYTICAL LABORATORIES   | 918.00              | P             |
| 11/07/2014        | R           | 32315               | VOID CHECK                      | -                   | P             |
| 11/07/2014        | R           | 32316               | CLEARLAKE LAVA, INC.            | 618.39              | P             |
| 11/07/2014        | R           | 32317               | EEL RIVER FUELS, INC.           | 2,351.54            | P             |
| 11/07/2014        | R           | 32318               | MENZIO TIRE SERVICE             | 16.12               | P             |
| 11/07/2014        | R           | 32319               | POLYDYNE INC.                   | 107.46              | P             |
| 11/07/2014        | R           | 32320               | Reginald & Laura Meirlaen       | 100.00              | P             |
| 11/07/2014        | R           | 32321               | TELSTAR INSTRUMENTS, INC        | 11,965.08           | P             |
| 11/07/2014        | R           | 32322               | TIRE PROS                       | 2,323.58            | P             |
| 11/07/2014        | R           | 32323               | USA BLUE BOOK                   | 847.93              | P             |
| 11/07/2014        | R           | 32324               | ACWA/JPIA                       | 1,110.54            | P             |
| 11/07/2014        | R           | 32325               | ELLISON, SCHNEIDER & HARRIS L.  | 13,532.36           | P             |
| 11/07/2014        | R           | 32326               | GHD                             | 3,601.25            | P             |
| 11/07/2014        | R           | 32327               | KAREN JENSEN                    | 106.40              | P             |
| 11/07/2014        | R           | 32328               | MEDIACOM                        | 356.65              | P             |
| 11/07/2014        | R           | 32329               | MICHELLE HAMILTON               | 625.00              | P             |
| 11/07/2014        | R           | 32330               | OFFICE DEPOT                    | 420.22              | P             |
| 11/07/2014        | R           | 32331               | PATRICIA WILKINSON              | 74.19               | P             |
| 11/07/2014        | R           | 32332               | REDFORD SERVICES                | 950.00              | P             |
| 11/07/2014        | R           | 32333               | SWRCB - DWOCP                   | 60.00               | P             |
| 11/14/2014        | R           | 32335               | ASSOCIATION OF CALIFORNIA WATER | 8,685.00            | P             |
| 11/14/2014        | R           | 32336               | AT&T                            | 604.56              | P             |
| 11/14/2014        | R           | 32337               | BARRY SILVA                     | 200.00              | P             |
| 11/14/2014        | R           | 32338               | DATAPROSE                       | 302.06              | P             |
| 11/14/2014        | R           | 32339               | GARDENS BY JILLIAN              | 200.00              | P             |
| 11/14/2014        | R           | 32340               | LAKE COUNTY RECORD BEE          | 137.81              | P             |
| 11/14/2014        | R           | 32341               | NBS GOVERNMENT FINANCE GROUP    | 13,235.00           | P             |
| 11/14/2014        | R           | 32342               | NORMAN RODGERS                  | 200.00              | P             |
| 11/14/2014        | R           | 32343               | SOUTH LAKE REFUSE COMPANY       | 171.12              | P             |
| 11/14/2014        | R           | 32344               | SPECIAL DISTRICT RISK MANAGEME  | 23,830.26           | P             |
| <b>TOTAL</b>      |             |                     |                                 | <b>87,650.52</b>    |               |

| CHECK DATE   | TYPE | CHECK NUMBER | NAME                           | CHECK AMOUNT     | STATUS |
|--------------|------|--------------|--------------------------------|------------------|--------|
| 11/14/2014   | R    | 32345        | SPECIALIZED UTILITY SERVICES   | 3,100.00         | P      |
| 11/14/2014   | R    | 32346        | WAGNER & BONSIGNORE            | 2,210.59         | P      |
| 11/14/2014   | R    | 32347        | ALPHA ANALYTICAL LABORATORIES  | 408.00           | P      |
| 11/14/2014   | R    | 32348        | WATERSOLVE, LLC                | 4,031.25         | P      |
| 11/14/2014   | R    | 32349        | WIPF CONSTRUCTION              | 3,916.25         | P      |
| 11/14/2014   | R    | 32350        | CALIFORNIA PUBLIC EMPLOYEES RE | 7,694.80         | P      |
| 11/14/2014   | R    | 32351        | STATE OF CALIFORNIA EDD        | 1,755.13         | P      |
| 11/14/2014   | R    | 32352        | VARIABLE ANNUITY LIFE INSURANC | 100.00           | P      |
| 11/21/2014   | R    | 32353        | CROWHURST, JAMES               | 8.72             | P      |
| 11/21/2014   | R    | 32354        | ALPHA ANALYTICAL LABORATORIES  | 851.60           | P      |
| 11/21/2014   | R    | 32355        | ARMED FORCE PEST CONTROL, INC. | 180.00           | P      |
| 11/21/2014   | R    | 32356        | BARTLEY PUMP, INC.             | 5,291.16         | P      |
| 11/21/2014   | R    | 32357        | BILL FRANKLIN                  | 200.00           | P      |
| 11/21/2014   | R    | 32358        | EEL RIVER FUELS, INC.          | 414.11           | P      |
| 11/21/2014   | R    | 32359        | HACH COMPANY                   | 351.24           | P      |
| 11/21/2014   | R    | 32360        | HARDESTER'S MARKETS & HARDWARE | 127.52           | P      |
| 11/21/2014   | R    | 32361        | NAPA AUTO PARTS                | 404.87           | P      |
| 11/21/2014   | R    | 32362        | NORMAN RODGERS                 | 222.83           | P      |
| 11/21/2014   | R    | 32363        | PACE SUPPLY CORP               | 1,018.44         | P      |
| 11/21/2014   | R    | 32364        | SHAPE INCORPORATED             | 4,558.51         | P      |
| 11/21/2014   | R    | 32365        | USA BLUE BOOK                  | 38.95            | P      |
| 11/21/2014   | R    | 32366        | VERIZON WIRELESS               | 646.33           | P      |
| 11/21/2014   | R    | 32367        | ALYSSA GORDON                  | 523.72           | P      |
| 11/21/2014   | R    | 32368        | CARDMEMBER SERVICE             | 18,754.22        | P      |
| 11/21/2014   | R    | 32369        | LAKE COUNTY HEALTH SERVICES    | 594.00           | P      |
| 11/21/2014   | R    | 32370        | LAKE COUNTY HEALTH SERVICES    | 1,150.00         | P      |
| 11/21/2014   | R    | 32371        | LAKE COUNTY TAX COLLECTOR      | 37.50            | P      |
| 11/21/2014   | R    | 32372        | LAKE COUNTY TAX COLLECTOR      | 37.50            | P      |
| 11/21/2014   | R    | 32373        | LAKE COUNTY TAX COLLECTOR      | 37.50            | P      |
| 11/21/2014   | R    | 32374        | LAKE COUNTY TAX COLLECTOR      | 35.00            | P      |
| 11/21/2014   | R    | 32375        | LAKE COUNTY TAX COLLECTOR      | 435.94           | P      |
| 11/21/2014   | R    | 32376        | LAKE COUNTY TAX COLLECTOR      | 35.00            | P      |
| 11/21/2014   | R    | 32377        | LAKE COUNTY TAX COLLECTOR      | 37.50            | P      |
| 11/21/2014   | R    | 32378        | LAKE COUNTY TAX COLLECTOR      | 37.50            | P      |
| 11/21/2014   | R    | 32379        | LAKE COUNTY TAX COLLECTOR      | 35.00            | P      |
| 11/21/2014   | R    | 32380        | LAKE COUNTY TAX COLLECTOR      | 37.50            | P      |
| 11/21/2014   | R    | 32381        | LAKE COUNTY TAX COLLECTOR      | 41.98            | P      |
| 11/21/2014   | R    | 32382        | LAKE COUNTY TAX COLLECTOR      | 37.50            | P      |
| 11/21/2014   | R    | 32383        | LAKE COUNTY TAX COLLECTOR      | 37.50            | P      |
| 11/21/2014   | R    | 32384        | LAKE COUNTY TAX COLLECTOR      | 37.50            | P      |
| 11/21/2014   | R    | 32385        | LAKE COUNTY TAX COLLECTOR      | 37.50            | P      |
| 11/21/2014   | R    | 32386        | LAKE COUNTY TAX COLLECTOR      | 37.50            | P      |
| 11/21/2014   | R    | 32387        | LINDA HERNDON                  | 135.22           | P      |
| 11/21/2014   | R    | 32388        | MERRILL, ARNONE & JONES, LLP   | 2,550.00         | P      |
| 11/21/2014   | R    | 32389        | OFFICE DEPOT                   | 208.47           | P      |
| 11/21/2014   | R    | 32390        | PETTY CASH REIMBURSEMENT       | 381.95           | P      |
| 11/21/2014   | R    | 32391        | STATE BOARD OF EQUALIZATION    | 294.42           | P      |
| 11/21/2014   | R    | 32392        | STATE OF CALIFORNIA EDD        | 2,203.40         | P      |
| <b>TOTAL</b> |      |              |                                | <b>65,321.12</b> |        |

| CHECK DATE   | TYPE  | CHECK NUMBER | NAME                           | CHECK AMOUNT     | STATUS |
|--------------|-------|--------------|--------------------------------|------------------|--------|
| 11/21/2014   | R     | 32393        | SWRCB                          | 11,195.00        | P      |
| 11/21/2014   | R     | 32394        | TYLER TECHNOLOGY               | 30,098.00        | P      |
| 11/26/2014   | R     | 32395        | ALPHA ANALYTICAL LABORATORIES  | 342.00           | P      |
| 11/26/2014   | R     | 32396        | PACIFIC GAS & ELECTRIC COMPANY | 10,727.61        | P      |
| 11/26/2014   | R     | 32397        | USA BLUE BOOK                  | 199.77           | P      |
| 11/26/2014   | R     | 32398        | COASTLAND CIVIL ENGINEERING, I | 3,416.51         | P      |
| 11/26/2014   | R     | 32399        | ELLISON, SCHNEIDER & HARRIS L. | 5,333.00         | P      |
| 11/26/2014   | R     | 32400        | PATRICIA WILKINSON             | 61.60            | P      |
| 11/26/2014   | R     | 32401        | ROLAND SANFORD                 | 114.86           | P      |
| 11/26/2014   | R     | 32402        | SWRCB                          | 2,088.00         | P      |
| 11/26/2014   | R     | 32403        | WATER EDUCATION FOUNDATION     | 115.00           | P      |
| 11/26/2014   | R     | 32404        | CALIFORNIA PUBLIC EMPLOYEES RE | 7,702.88         | P      |
| 11/26/2014   | R     | 32405        | STATE OF CALIFORNIA EDD        | 1,528.15         | P      |
| 11/26/2014   | R     | 32406        | VARIABLE ANNUITY LIFE INSURANC | 100.00           | P      |
| 11/26/2014   | MISC. | 32407        | AFFORDABLE HOUSING A           | 276.92           | P      |
| <b>TOTAL</b> |       |              |                                | <b>73,299.30</b> |        |

| <b>PAYROLL:</b> |       |        |                        |                  |        |
|-----------------|-------|--------|------------------------|------------------|--------|
| DATE            | TYPE  | NUMBER | DESCRIPTION            | AMOUNT           | STATUS |
| 11/14/2014      | MISC. |        | PAYROLL DIRECT DEPOSIT | 21,963.43        | P      |
| 11/26/2014      | MISC. |        | PAYROLL DIRECT DEPOSIT | 22,072.10        | P      |
| 11/14/2014      | R     | 32334  | PAYROLL CHECK          | 1,495.12         | P      |
| <b>TOTAL</b>    |       |        |                        | <b>45,530.65</b> |        |

**CHECK TOTAL: 226,270.94**  
**BANK-DRAFT TOTAL: 13,407.81**  
**PAYROLL TOTAL: 45,530.65**  
**285,209.40**



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

**DATE:** December 16, 2014

**AGENDA ITEM:** Adoption of Resolution 2014-15 appointing Coleen Blakey as District Treasurer

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**RECOMMENDATIONS:** Adopt Resolution 2014-15 appointing Coleen Blakey as District Treasurer

**FINANCIAL IMPACT:** None

**BACKGROUND:** Coleen Blakey has been serving as the District's Interim Accountant/Controller since September 12, 2014 but has not yet been formally appointed as the Board's Treasurer.

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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

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Secretary to the Board

**RESOLUTION 2014-15**

**RESOLUTION OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS APPOINTING COLEEN BLAKEY AS TREASURER TO  
THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY  
SERVICES DISTRICT**

WHEREAS, Coleen Blakey serves as the Hidden Valley Community Services District Interim Accountant/Controller; and

WHEREAS, the District currently lacks a Treasurer to the Hidden Valley Lake Community Services District Board of Directors.

NOW, THEREFORE, BE IT RESOLVED that the Hidden Valley Lake Community Services District Board of Directors hereby appoint Coleen Blakey as Treasurer to the Board of Directors of the Hidden Valley Lake Community Services District, effective December 17, 2014.

**PASSED AND ADOPTED** on December 16, 2014 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

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Judy Mirbegan  
President of the Board of Directors

**ATTEST:**

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Roland Sanford  
Secretary to the Board of Directors

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

**DATE:** December 16, 2014

**AGENDA ITEM:** Adoption of Resolution 2014-16 adding Coleen Blakey to list of individuals authorized to enter into deposit account, funds transfer, investment, cash management and deposit service agreements with Westamerica Bank

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**RECOMMENDATIONS:** Adopt Resolution 2014-16 adding Coleen Blakey, the District's Interim Accountant/Controller, to the list of individuals authorized to enter into deposit account, funds transfer, investment, cash management and deposit service agreements with Westamerica Bank.

**FINANCIAL IMPACT:** None

**BACKGROUND:** Coleen Blakey has been serving as the District's Interim Accountant/Controller since September 12, 2014, but is not currently authorized to make various financial transactions, on behalf of the District, with Westamerica Bank.

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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

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Secretary to the Board

**RESOLUTION 2014-16**

**RESOLUTION OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS ADDING COLEEN BLAKEY TO THE LIST OF INDIVIDUALS AUTHORIZED TO ENTER INTO DEPOSIT ACCOUNT, FUNDS TRANSFER, INVESTMENT, CASH MANAGEMENT AND DEPOSIT SERVICE AGREEMENTS WITH WESTAMERICA BANK, AND TO WITHDRAW FUNDS, INITIATE PAYMENT ORDERS AND OTHERWISE GIVE INSTRUCTIONS TO WESTAMERICA BANK WITH RESPECT TO THE DISTRICT'S DEPOSIT ACCOUNTS**

WHEREAS, Coleen Blakey serves as the Hidden Valley Community Services District (District) Interim Accountant/Controller; and

WHEREAS, as Interim Accountant/Controller, Coleen Blakey must occasionally deposit and withdraw funds from the District's accounts held by Westamerica Bank; and

WHEREAS, Westamerica Bank will not perform said transactions unless the individual requesting said transactions has been duly authorized, by the District, to act on behalf of the District.

NOW, THEREFORE, BE IT RESOLVED that the Hidden Valley Lake Community Services District Board of Directors hereby add Coleen Blakey to the list of individuals authorized to enter into deposit account, funds transfer, investment, cash management and deposit service agreements with Westamerica Bank, and to withdraw funds, initiate payment orders and otherwise give instructions to Westamerica Bank with respect to the District's deposit accounts.

BE IT FURTHER RESOLVED that this authorization is in addition to any authorization in effect and shall remain in force until Westamerica Bank receives written notice of its revocation at the address(es) and in the manner designated by Westamerica Bank.

**PASSED AND ADOPTED** on December 16, 2014 by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**ATTEST:**

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

\_\_\_\_\_  
Roland Sanford  
Secretary to the Board of Directors

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

**DATE:** December 16, 2014

**AGENDA ITEM:** Adoption of Resolution 2014-17 clarifying terms of two previous interfund transfers from Sewer Enterprise Fund to Water Enterprise Fund and rescinding Resolution 2010-12

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**RECOMMENDATIONS:** Adopt Resolution 2014-17, which clarifies the terms of two previous interfund transfers from Sewer Enterprise Fund to Water Enterprise Fund, and rescinds Resolution 2010-12.

**FINANCIAL IMPACT:** None

**BACKGROUND:** On June 24, 2002 the Board of Directors of the Hidden Valley Lake Community Services District entered into an agreement with the California Infrastructure and Economic Development Bank (CIEDB) to borrow \$3,000,000 for completion of the Hidden Valley Lake Water System Improvement Project. Section 3.03 of the CIEDB agreement stipulates the District make annual loan payments, while Section 5.06 (a) of the CIEDB agreement stipulates the District set aside reserves equivalent to or greater than 110 percent of the annual debt service.

On April 30, 2010 staff transferred \$140,000 from "Fund 712", a subaccount within the Sewer Enterprise Fund, to "Fund 218" (CIEDB Redemption Fund), a fund within the Water Enterprise Fund, for the purposes of making an annual CIEDB loan payment.

On July 20, 2010 the Board of Directors of the Hidden Valley Lake Community Services District adopted Resolution 2010-12 (copy attached) authorizing the creation of a Water Rate Stabilization Account within the Water Enterprise Fund, for the purposes of creating a loan reserve pursuant to Section 5.06 (a) of the CIEDB agreement, and authorizing the "transfer" of \$201,000 from "Fund 712", a fund within the Sewer Enterprise Fund, to the newly created Water Rate Stabilization Account within the Water Enterprise Fund.

The Sewer Enterprise Fund and the Water Enterprise Fund are separate funds, fiscally independent of each other. Proposition 218, the "Right to Vote on Taxes Act", passed by the California voters in November 1996, places restrictions on the transfer of monies between enterprise funds – a permanent transfer of funds from the District's Sewer Enterprise Fund to the Water Enterprise Fund, as opposed to a loan between the two enterprise funds, would be in violation of Proposition 218.

Resolution 2010-12 authorizes the transfer of \$201,000 from the Sewer Enterprise Fund to the Water Enterprise Fund, but does not clearly state that the transfer is in fact a loan (see attached letter from Norman Newell dated June 23, 2014). Resolution 2010-12 is silent with respect to the aforementioned \$140,000 transfer of funds and to date staff has been unable to find any record of the Board authorizing said transfer.

District Counsel recommends the District clarify the nature of any transfers between the Sewer Enterprise Fund and the Water Enterprise Fund (see attached letter from Michael Merrill dated September 29, 2014 regarding the \$201,000 transfer to Water Rate Stabilization Account). The proposed Resolution 2010-15 clarifies the terms of the two transfers – \$201,000 from Fund 712 of the Sewer Enterprise Fund to the Water Rate Stabilization Account within the Water Enterprise Fund, and \$140,000 from Fund 712 of the Sewer Enterprise Fund, to the CIEDB Redemption Fund (Fund 218) within the Water Enterprise Fund – and rescinds Resolution 2010-12.

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APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

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

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Secretary to the Board

## RESOLUTION 2014-17

### **RESOLUTION OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS CLARIFYING TERMS OF TWO PREVIOUS INTERFUND TRANSFERS FROM SEWER ENTERPRISE FUND TO WATER ENTERPRISE FUND AND RESCINDING HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS RESOLUTION 2010-12**

WHEREAS, On June 24, 2002 the Board of Directors of the Hidden Valley Lake Community Services District (District) entered into an agreement with the California Infrastructure and Economic Development Bank (CIEDB) to borrow \$3,000,000 for completion of the Hidden Valley Lake Water System Improvement Project; and

WHEREAS, Section 3.03 of the CIEDB agreement stipulates the District make annual loan payments; and

WHEREAS, Section 5.06 (a) of the CIEDB agreement stipulates the District set aside reserves equivalent to or greater than 110 percent of the annual debt service; and

WHEREAS, on April 30, 2010 staff transferred \$140,000 from "Fund 712", a subaccount within the District's Sewer Enterprise Fund, to "Fund 218" (also known as the CIEDB Redemption Fund), a subaccount within the Water Enterprise Fund, for the purpose of making an annual CIEDB loan payment; and

WHEREAS, on July 20, 2010 the Board of Directors of the Hidden Valley Lake Community Services District adopted Resolution 2010-12 authorizing the creation of a Water Rate Stabilization Account within the Water Enterprise Fund, for the purposes of supplementing loan reserves pursuant to Section 5.06 (a) of the CIEDB agreement, and authorizing the transfer of \$201,000 from Fund 712 within the Sewer Enterprise Fund to the newly created Water Rate Stabilization Account within the Water Enterprise Fund; and

WHEREAS, the Sewer Enterprise Fund and the Water Enterprise Fund are separate funds, fiscally independent of each other; and

WHEREAS, Proposition 218, the "Right to Vote on Taxes Act", passed by the California voters in November 1996, restricts the use of benefit assessments and transfer of monies between enterprise funds; and

WHEREAS, a permanent transfer of funds from the District's Sewer Enterprise Fund to the Water Enterprise Fund, as opposed to a loan between the two enterprise funds, would be in violation of Proposition 218; and

WHEREAS, the transfer of \$140,000 from Fund 712 within the District's Sewer Enterprise Fund to Fund 218 within the Water Enterprise Fund was made on April 30, 2010 without clarifying said transfer is a loan between enterprise funds; and

RESOLUTION #2010-12

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT ESTABLISHING A WATER RATE STABILIZATION ACCOUNT WITHIN THE WATER ENTERPRISE FUND TO COMPLY WITH THE REQUIREMENTS OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK INSTALLMENT SALE AGREEMENT**

**WHEREAS**, On June 24, 2002, the Board of Directors of the Hidden Valley Lake Community Services District entered into an agreement to borrow \$3,000,000 from the California Infrastructure and Economic Development Bank for the Hidden Valley Lake Water System Improvement Project.

**WHEREAS**, Section 5.06 (a) of the installment agreement stipulates that the *Water Fund Revenues must be at least 110% of the Annual Debt Service.*

**WHEREAS**, Section 5.06 (b) stipulates that the District must increase the Net System Revenues (Revenues) no later than 180 days following the date the Revenues fail to meet the requirement so that Revenues are in an amount sufficient to be at least equal to 110% of the Annual Debt Service.

**WHEREAS**, the District needs to create a Water Rate Stabilization Account within the Water Enterprise Fund in the amount of \$201,000 to be used as complementary revenues to comply with the Debt Service requirements under section 5.06(b).

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Hidden Valley Lake Community Services District hereby approve the creation of a Water Rate Stabilization Account within the Water Enterprise Fund in the amount of \$201,000 to comply with the requirements of section 5.06 (b). Funds from Fund 712 will be transferred to establish the Water Rate Stabilization Account.

**PASSED, APPROVED, and ADOPTED** this 20<sup>th</sup> day of July, 2010 by the following vote:

**AYES:** Directors Barton, Bunce, LaFaver, Mirbegian and Herndon

**NOES:** None

**ABSTAIN:** None

**ABSENT:** None

  
Linda Herndon  
President of the Board  
Hidden Valley Lake  
Community Services District

  
Tami Ipsen  
Secretary to the Board  
Hidden Valley Lake  
Community Services District



June 23, 2014

Hidden Valley Lake Community Services District  
Roland Sanford  
19400 Hartmann Road  
Hidden Valley Lake, Ca. 95467

Re: Transfer of Funds during 2009-10

Roland

In regard to the question of how to handle the interfund transaction moving \$201,000 from the Sewer Bond Revolving Fund 712 to the Water Fund 130, I have gone back and researched how this was originally handled and the reason for this transaction.

The first item that needs to be addressed is to identify what type of interfund transaction was intended. Interfund transactions are classified into various types with different accounting requirements. A transfer is when the District moves money from one fund to another with no plan for repayment. A due to/due from is when the District moves money to another fund with the plan that it will be repaid in the future. Transfers are recorded on the statement of revenues and expenses whereas due to/due from amounts are recorded on the balance sheet as an asset and liability.

The District approved resolution 2010-12 in an attempt create revenue to satisfy the requirement that the Water Fund revenues must be 110% of the Annual Debt Service. However the interfund transaction was approved and recorded as a due from other funds (an asset) on the balance sheet of the Sewer Bond Revolving fund and a due to other funds (a liability) on the balance sheet of the Water fund. Since this transaction was intended to be a loan between funds it did not impact the income statement of either fund and did not satisfy the debt compliance requirement. Consequently, we made a comment and recommendation in our 2009-10 audit report.

After reviewing this transaction, I feel that since a loan (due to/due from) was approved by the Board and in fact is still on the books of both funds, my recommendation would be to have the Water fund repay the loan rather than "forgive" it.

Sorry it took me so long to get back to you with an answer. Please feel free to call or email if you have any questions.

Sincerely



Norman Newell CPA  
Partner



September 29, 2014

Hidden Valley Lake Community Services District  
*Attn: Roland Sanford, General Manager*  
19400 Hartmann Road  
Hidden Valley Lake, CA 95467

*Re: Resolution No. 2010-12 /  
Validity of Transfer of Funds from Fund 712 to Create a Water Rate Stabilization  
Account within a Water Enterprise Fund*

Dear Roland:

Under the enabling statutes for the formation of community service districts, they can be empowered to do a number of specific tasks and provide different services, particularly, as in the case of the Hidden Valley Lake Community Services District, the provision of both sewer service and water service.

Although the services, both water and sewer, are not provided to all of the residents served by the District, there is sufficient enough overlap that these would be considered overall services and supports the loaning of funds between accounts. This would apply to Resolution 2010-12, where the \$201,000 of the Water Enterprise Fund was used to secure the repayment of bonds for the sewer service customers of the District by establishing a Water Rate Stabilization Account as an intra-agency account transaction.

Unfortunately, the resolution is not termed a loan but only refers to setting up a fund with those monies. In my opinion, the District should rescind and amend that resolution to reflect the transaction as being a transfer of funds as a loan to establish such an account pending District funding of such an account by whatever appropriate measures are needed.

Assuming there is no need to utilize those funds in the future, there would be no need for any further action to be taken by the District. If those monies are dissipated as a result of a default or the need to be spent as security for the obligation; or if those funds are needed to support the payment of bond holders in compliance with debt service requirements as required under the sewer district bonds - - then the District will be required to initiate action to collect from the ratepayers and customers those monies.

That action would fall within the definition of a property-related fee and trigger the approval requirements set forth under Proposition 218 as a charge imposed as an incident property ownership.

LAW OFFICES

3554 ROUND BARN BLVD., STE. 303  
SANTA ROSA, CA 95403  
(707) 528-2882 • FAX (707) 528-6015

E-mail: [firm@majlaw.com](mailto:firm@majlaw.com) • Website: [majlaw.com](http://majlaw.com)

Roland Sanford, General Manager  
Hidden Valley Lake Community Services District  
Page 2 of 2

Should you have any questions with regard to this correspondence, please do not hesitate to contact me.

Very truly yours,

MERRILL, ARNONE & JONES, LLP

A handwritten signature in blue ink, appearing to read "Michael P. Merrill". The signature is fluid and cursive, with a large loop at the end.

Michael P. Merrill

MPM/ldr

*HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT*

**NOVEMBER 2014**

**FINANCIAL REPORT**





HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

NOVEMBER 2014

Financial Report

REVENUE & EXPENSE SEWER REPORT

11/1/2014-11/30/2014

| 120-SEWER ENTERPRISE FUND<br>FINANCIAL SUMMARY | CURRENT<br>BUDGET | CURRENT<br>PERIOD | YEAR TO DATE<br>ACTUAL | BUDGET<br>BALANCE | % OF<br>BUDGET |
|--|-------------------|-------------------|------------------------|-------------------|----------------|
| <b>TOTAL REVENUE</b>                           | 1,006,300.00      | 4,045.67          | 368,659.60             | 637,640.40        | 36.64          |

| EXPENDITURE SUMMARY |              |            |            |            |       |
|---------------------|--------------|------------|------------|------------|-------|
| NON-DEPARTMENTAL    | 350,606.00   | 63,451.02  | 191,557.90 | 159,048.10 | 54.64 |
| ADMINISTRATION      | 312,539.00   | 31,559.75  | 150,895.84 | 161,643.16 | 48.28 |
| FIELD               | 299,954.00   | 16,707.35  | 105,992.58 | 193,961.42 | 35.34 |
| DIRECTORS           | 43,201.00    | 3,021.20   | 14,654.07  | 28,546.93  | 33.92 |
| <b>TOTAL</b>        | 1,006,300.00 | 114,739.32 | 463,100.39 | 543,199.61 | 46.02 |

| REVENUES                          | CURRENT<br>BUDGET | CURRENT<br>PERIOD | YEAR TO DATE<br>ACTUAL | BUDGET<br>BALANCE | % OF<br>BUDGET |
|-----------------------------------|-------------------|-------------------|------------------------|-------------------|----------------|
| 120-4020 PERMIT & INSPECTION FEES | 300.00            | -                 | 100.00                 | 200.00            | 33.33          |
| 120-4045 AVAILABILITY FEES        | 10,200.00         | -                 | -                      | 10,200.00         | -              |
| 120-4050 SALES OF RECLAIMED WATER | 95,000.00         | 1,728.25          | 59,155.94              | 35,844.06         | 62.27          |
| 120-4111 COMM SEWER USE           | 18,400.00         | 1,677.02          | 8,385.10               | 10,014.90         | 45.57          |
| 120-4112 GOV'T SEWER USE          | 600.00            | 50.18             | 250.90                 | 349.10            | 41.82          |
| 120-4116 SEWER USE CHARGES        | 862,000.00        | 383.98            | 293,373.20             | 568,626.80        | 34.03          |
| 120-4210 LATE FEE                 | 15,500.00         | 42.20             | 5,577.14               | 9,922.86          | 35.98          |
| 120-4300 MISC INCOME              | 100.00            | 2.50              | 608.75                 | (508.75)          | 608.75         |
| 120-4505 LEASE INCOME             | 4,200.00          | 161.54            | 1,139.34               | 3,060.66          | 27.13          |
| 120-4550 INTEREST INCOME          | -                 | -                 | 69.23                  | (69.23)           | -              |
| <b>TOTAL REVENUES</b>             | 1,006,300.00      | 4,045.67          | 368,659.60             | 637,640.40        | 36.64          |

| NON-DEPARTMENTAL EXPENDITURES            | CURRENT BUDGET    | CURRENT PERIOD   | YEAR TO DATE ACTUAL | BUDGET BALANCE    | % OF BUDGET  |
|--|-------------------|------------------|---------------------|-------------------|--------------|
| 120-5-00-5024 WORKERS' COMP INSURANCE    | 4,815.00          | -                | 4,814.50            | 0.50              | 99.99        |
| 120-5-00-5025 RETIREE HEALTH BENEFITS    | 5,027.00          | 555.64           | 2,698.01            | 2,328.99          | 53.67        |
| 120-5-00-5060 GASOLINE, OIL & FUEL       | 14,200.00         | 1,382.84         | 3,471.47            | 10,728.53         | 24.45        |
| 120-5-00-5061 VEHICLE MAINT              | 10,357.00         | 1,399.89         | 7,852.11            | 2,504.89          | 75.81        |
| 120-5-00-5062 TAXES & LIC                | 1,100.00          | 235.47           | 235.47              | 864.53            | 21.41        |
| 120-5-00-5074 INSURANCE                  | 16,285.00         | -                | -                   | 16,285.00         | -            |
| 120-5-00-5075 BANK FEES                  | 7,000.00          | 686.78           | 3,828.81            | 3,171.19          | 54.70        |
| 120-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS | 6,000.00          | -                | 2,807.13            | 3,192.87          | 46.79        |
| 120-5-00-5092 POSTAGE & SHIPPING         | 1,500.00          | 2.98             | 663.20              | 836.80            | 44.21        |
| 120-5-00-5110 CONTRACTUAL SERVICES       | 36,210.00         | 15,200.03        | 35,514.18           | 695.82            | 98.08        |
| 120-5-00-5121 LEGAL SERVICES             | 12,500.00         | 1,275.00         | 2,388.98            | 10,111.02         | 19.11        |
| 120-5-00-5122 ENGINEERING SERVICES       | 15,000.00         | 5,876.76         | 15,145.14           | (145.14)          | 100.97       |
| 120-5-00-5123 OTHER PROFESSIONAL SERVICE | 27,750.00         | 15,714.54        | 35,411.59           | (7,661.59)        | 127.61       |
| 120-5-00-5130 PRINTING & PUBLICATION     | 500.00            | 68.91            | 324.76              | 175.24            | 64.95        |
| 120-5-00-5135 NEWSLETTER                 | 1,000.00          | -                | -                   | 1,000.00          | -            |
| 120-5-00-5148 OPERATING SUPPLIES         | 12,000.00         | 696.72           | 5,522.72            | 6,477.28          | 46.02        |
| 120-5-00-5150 REPAIR & REPLACE           | 50,452.00         | 5,834.34         | 22,807.69           | 27,644.31         | 45.21        |
| 120-5-00-5155 MAINT BLDG & GROUNDS       | 5,300.00          | 243.70           | 3,632.85            | 1,667.15          | 68.54        |
| 120-5-00-5156 CUSTODIAL SERVICES         | 9,450.00          | 787.50           | 3,656.25            | 5,793.75          | 38.69        |
| 120-5-00-5157 SECURITY                   | 2,000.00          | -                | -                   | 2,000.00          | -            |
| 120-5-00-5160 SLUDGE DISPOSAL            | 23,000.00         | 7,947.50         | 11,423.45           | 11,576.55         | 49.67        |
| 120-5-00-5191 TELEPHONE                  | 9,000.00          | 625.45           | 2,467.20            | 6,532.80          | 27.41        |
| 120-5-00-5192 ELECTRICITY                | 18,400.00         | 1,472.25         | 8,349.53            | 10,050.47         | 45.38        |
| 120-5-00-5193 OTHER UTILITIES            | 1,800.00          | 263.89           | 876.92              | 923.08            | 48.72        |
| 120-5-00-5195 ENV/MONITORING             | 25,000.00         | 2,103.60         | 14,205.66           | 10,794.34         | 56.82        |
| 120-5-00-5196 RISK MANAGEMENT            | 17,800.00         | -                | -                   | 17,800.00         | -            |
| 120-5-00-5198 ANNUAL OPERATING FEES      | 3,000.00          | 872.00           | 872.00              | 2,128.00          | 29.07        |
| 120-5-00-5310 EQUIPMENT - FIELD          | 1,000.00          | -                | 834.31              | 165.69            | 83.43        |
| 120-5-00-5311 EQUIPMENT - OFFICE         | 2,800.00          | -                | 1,063.28            | 1,736.72          | 37.97        |
| 120-5-00-5312 TOOLS - FIELD              | 1,100.00          | 105.33           | 259.54              | 840.46            | 23.59        |
| 120-5-00-5315 SAFETY EQUIPMENT           | 4,100.00          | 99.89            | 377.15              | 3,722.85          | 9.20         |
| 120-5-00-5510 SEWER OUTREACH             | 5,000.00          | -                | -                   | 5,000.00          | -            |
| 120-5-00-5545 RECORDING FEES             | 160.00            | -                | 54.00               | 106.00            | 33.75        |
| <b>TOTAL</b>                             | <b>350,606.00</b> | <b>63,451.01</b> | <b>191,557.90</b>   | <b>159,048.10</b> | <b>54.64</b> |

| ADMINISTRATION EXPENDITURES        | CURRENT BUDGET    | CURRENT PERIOD   | YEAR TO DATE ACTUAL | BUDGET BALANCE    | % OF BUDGET  |
|------------------------------------|-------------------|------------------|---------------------|-------------------|--------------|
| 120-5-10-5010 SALARIES & WAGES     | 205,456.00        | 21,053.76        | 102,215.99          | 103,240.01        | 49.75        |
| 120-5-10-5020 EMPLOYEE BENEFITS    | 55,100.00         | 4,433.54         | 24,395.19           | 30,704.81         | 44.27        |
| 120-5-10-5021 RETIREMENT BENEFITS  | 41,013.00         | 3,045.07         | 16,387.38           | 24,625.62         | 39.96        |
| 120-5-10-5063 CERTIFICATIONS       | 20.00             | -                | -                   | 20.00             | -            |
| 120-5-10-5090 OFFICE SUPPLIES      | 6,200.00          | 303.61           | 3,301.34            | 2,898.66          | 53.25        |
| 120-5-10-5170 TRAVEL MILEAGE       | 350.00            | 163.45           | 742.93              | (392.93)          | 212.27       |
| 120-5-10-5175 EDUCATION / SEMINARS | 3,900.00          | 2,560.32         | 3,697.09            | 202.91            | 94.80        |
| 120-5-10-5179 ADM MISC EXPENSES    | 500.00            | -                | 155.92              | 344.08            | 31.18        |
| <b>TOTAL</b>                       | <b>312,539.00</b> | <b>31,559.75</b> | <b>150,895.84</b>   | <b>161,643.16</b> | <b>48.28</b> |

| FIELD EXPENDITURES                 | CURRENT BUDGET    | CURRENT PERIOD   | YEAR TO DATE ACTUAL | BUDGET BALANCE    | % OF BUDGET  |
|------------------------------------|-------------------|------------------|---------------------|-------------------|--------------|
| 120-5-30-5010 SALARIES & WAGES     | 213,757.00        | 10,568.92        | 71,392.42           | 142,364.58        | 33.40        |
| 120-5-30-5020 EMPLOYEE BENEFITS    | 44,068.00         | 4,160.28         | 22,070.81           | 21,997.19         | 50.08        |
| 120-5-30-5021 RETIREMENT BENEFITS  | 36,249.00         | 1,559.46         | 11,541.39           | 24,707.61         | 31.84        |
| 120-5-30-5022 CLOTHING ALLOWANCE   | 2,000.00          | 311.42           | 627.28              | 1,372.72          | 31.36        |
| 120-5-30-5063 CERTIFICATIONS       | 780.00            | -                | -                   | 780.00            | -            |
| 120-5-30-5090 OFFICE SUPPLIES      | 400.00            | 107.27           | 249.21              | 150.79            | 62.30        |
| 120-5-30-5170 TRAVEL MILEAGE       | 600.00            | -                | 31.97               | 568.03            | 5.33         |
| 120-5-30-5175 EDUCATION / SEMINARS | 2,100.00          | -                | 79.50               | 2,020.50          | 3.79         |
| <b>TOTAL</b>                       | <b>299,954.00</b> | <b>16,707.35</b> | <b>105,992.58</b>   | <b>193,961.42</b> | <b>35.34</b> |

| <b>DIRECTORS<br/>EXPENDITURES</b>      | <b>CURRENT<br/>BUDGET</b> | <b>CURRENT<br/>PERIOD</b> | <b>YEAR TO DATE<br/>ACTUAL</b> | <b>BUDGET<br/>BALANCE</b> | <b>% OF<br/>BUDGET</b> |
|--|---------------------------|---------------------------|--------------------------------|---------------------------|------------------------|
| 120-5-40-5010 DIRECTORS COMPENSATION   | 1,170.00                  | 193.76                    | 484.40                         | 685.60                    | 41.40                  |
| 120-5-40-5020 DIRECTOR BENEFITS        | 230.00                    | -                         | 4.62                           | 225.38                    | 2.01                   |
| 120-5-40-5030 DIRECTOR HEALTH BENEFITS | 40,851.00                 | 2,827.44                  | 14,151.34                      | 26,699.66                 | 34.64                  |
| 120-5-40-5170 TRAVEL MILEAGE           | 150.00                    | -                         | 13.71                          | 136.29                    | 9.14                   |
| 120-5-40-5175 EDUCATION / SEMINARS     | 600.00                    | -                         | -                              | 600.00                    | -                      |
| 120-5-40-5176 DIRECTOR TRAINING        | 200.00                    | -                         | -                              | 200.00                    | -                      |
| <b>TOTAL</b>                           | <b>43,201.00</b>          | <b>3,021.20</b>           | <b>14,654.07</b>               | <b>28,546.93</b>          | <b>33.92</b>           |



HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

NOVEMBER 2014

Financial Report

REVENUE & EXPENSE WATER REPORT

11/1/2014-11/30/2014

| 130-WATER ENTERPRISE FUND<br>FINANCIAL SUMMARY | CURRENT<br>BUDGET   | CURRENT<br>PERIOD | YEAR TO DATE<br>ACTUAL | BUDGET<br>BALANCE | % OF<br>BUDGET |
|--|---------------------|-------------------|------------------------|-------------------|----------------|
| <b>ALL REVENUE</b>                             | <b>1,134,100.00</b> | <b>3,172.06</b>   | <b>395,860.07</b>      | <b>738,239.93</b> | <b>34.91</b>   |

| EXPENDITURE SUMMARY |                     |                   |                   |                   |              |
|---------------------|---------------------|-------------------|-------------------|-------------------|--------------|
| NON-DEPARTMENTAL    | 641,637.00          | 98,782.99         | 266,385.47        | 375,251.53        | 41.52        |
| ADMINISTRATION      | 335,979.00          | 30,519.11         | 149,609.26        | 186,369.74        | 44.53        |
| FIELD               | 302,954.00          | 25,417.89         | 113,946.84        | 189,007.16        | 37.61        |
| DIRECTORS           | 46,201.00           | 3,199.50          | 14,869.67         | 31,331.33         | 32.18        |
| <b>TOTAL</b>        | <b>1,326,771.00</b> | <b>157,919.49</b> | <b>544,811.24</b> | <b>781,959.76</b> | <b>41.06</b> |

| REVENUES                    | CURRENT<br>BUDGET   | CURRENT<br>PERIOD | YEAR TO DATE<br>ACTUAL | BUDGET<br>BALANCE | % OF<br>BUDGET |
|-----------------------------|---------------------|-------------------|------------------------|-------------------|----------------|
| 130-4035 RECONNECT FEE      | 10,000.00           | 120.00            | 5,090.00               | 4,910.00          | 50.90          |
| 130-4039 WATER METER INST   | 300.00              | 100.00            | 200.00                 | 100.00            | 66.67          |
| 130-4040 RECORDING FEE      | 100.00              | 10.00             | 70.00                  | 30.00             | 70.00          |
| 130-4045 AVAILABILITY FEES  | 40,000.00           | -                 | -                      | 40,000.00         | -              |
| 130-4110 COMM WATER USE     | 14,000.00           | 1,151.03          | 5,755.15               | 8,244.85          | 41.11          |
| 130-4112 GOV'T WATER USE    | 800.00              | 74.26             | 371.30                 | 428.70            | 46.41          |
| 130-4115 WATER USE          | 863,000.00          | 365.05            | 281,688.18             | 581,311.82        | 32.64          |
| 130-4117 WATER OVERAGE FEE  | 167,000.00          | (272.32)          | 80,466.24              | 86,533.76         | 48.18          |
| 130-4118 WATER OVERAGE COMM | 11,000.00           | 992.13            | 10,588.64              | 411.36            | 96.26          |
| 130-4210 LATE FEE           | 22,000.00           | 45.53             | 7,858.29               | 14,141.71         | 35.72          |
| 130-4215 RETURNED CHECK FEE | 800.00              | 25.00             | 300.00                 | 500.00            | 37.50          |
| 130-4300 MISC INCOME        | 100.00              | 76.76             | 900.94                 | (800.94)          | 900.94         |
| 130-4505 LEASE INCOME       | 4,200.00            | 484.62            | 2,414.54               | 1,785.46          | 57.49          |
| 130-4550 INTEREST INCOME    | 800.00              | -                 | 156.79                 | 643.21            | 19.60          |
| <b>TOTAL</b>                | <b>1,134,100.00</b> | <b>3,172.06</b>   | <b>395,860.07</b>      | <b>738,239.93</b> | <b>34.91</b>   |



| NON-DEPARTMENTAL EXPENDITURES            | CURRENT BUDGET    | CURRENT PERIOD   | YEAR TO DATE ACTUAL | BUDGET BALANCE    | % OF BUDGET  |
|--|-------------------|------------------|---------------------|-------------------|--------------|
| 130-5-00-5024 WORKERS' COMP INSURANCE    | 4,815.00          | -                | 4,814.50            | 0.50              | 99.99        |
| 130-5-00-5025 RETIREE HEALTH BENEFITS    | 5,027.00          | 555.64           | 1,892.89            | 3,134.11          | 37.65        |
| 130-5-00-5060 GASOLINE, OIL & FUEL       | 12,500.00         | 1,382.81         | 3,471.39            | 9,028.61          | 27.77        |
| 130-5-00-5061 VEHICLE MAINT              | 12,500.00         | 1,349.53         | 2,007.34            | 10,492.66         | 16.06        |
| 130-5-00-5062 TAXES & LIC                | 1,600.00          | 759.95           | 759.95              | 840.05            | 47.50        |
| 130-5-00-5074 INSURANCE                  | 16,285.00         | -                | -                   | 16,285.00         | -            |
| 130-5-00-5075 BANK FEES                  | 7,000.00          | 686.74           | 3,828.69            | 3,171.31          | 54.70        |
| 130-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS | 17,200.00         | 8,800.00         | 12,522.12           | 4,677.88          | 72.80        |
| 130-5-00-5092 POSTAGE & SHIPPING         | 1,500.00          | 2.97             | 663.18              | 836.82            | 44.21        |
| 130-5-00-5110 CONTRACTUAL SERVICES       | 49,650.00         | 15,200.03        | 36,706.63           | 12,943.37         | 73.93        |
| 130-5-00-5121 LEGAL SERVICES             | 12,500.00         | 1,275.00         | 2,577.98            | 9,922.02          | 20.62        |
| 130-5-00-5122 ENGINEERING SERVICES       | 15,000.00         | 3,351.59         | 5,322.39            | 9,677.61          | 35.48        |
| 130-5-00-5123 OTHER PROFESSIONAL SERVICE | 144,750.00        | 29,873.40        | 49,448.36           | 95,301.64         | 34.16        |
| 130-5-00-5124 WATER RIGHTS               | 10,000.00         | 1,606.50         | 2,817.76            | 7,182.24          | 28.18        |
| 130-5-00-5130 PRINTING & PUBLICATION     | 500.00            | 68.90            | 766.96              | (266.96)          | 153.39       |
| 130-5-00-5135 NEWSLETTER                 | 1,000.00          | -                | -                   | 1,000.00          | -            |
| 130-5-00-5148 OPERATING SUPPLIES         | 10,000.00         | -                | 17.45               | 9,982.55          | 0.17         |
| 130-5-00-5150 REPAIR & REPLACE           | 52,000.00         | 6,321.15         | 20,043.87           | 31,956.13         | 38.55        |
| 130-5-00-5155 MAINT BLDG & GROUNDS       | 5,300.00          | 443.69           | 2,323.20            | 2,976.80          | 43.83        |
| 130-5-00-5156 CUSTODIAL SERVICES         | 9,450.00          | 787.50           | 4,218.75            | 5,231.25          | 44.64        |
| 130-5-00-5157 SECURITY                   | 2,000.00          | -                | -                   | 2,000.00          | -            |
| 130-5-00-5191 TELEPHONE                  | 9,000.00          | 625.44           | 2,467.18            | 6,532.82          | 27.41        |
| 130-5-00-5192 ELECTRICITY                | 165,000.00        | 9,255.36         | 82,173.85           | 82,826.15         | 49.80        |
| 130-5-00-5193 OTHER UTILITIES            | 1,800.00          | 263.88           | 876.91              | 923.09            | 48.72        |
| 130-5-00-5195 ENV/MONITORING             | 25,000.00         | 416.00           | 3,218.81            | 21,781.19         | 12.88        |
| 130-5-00-5198 ANNUAL OPERATING FEES      | 27,000.00         | 14,449.42        | 16,732.72           | 10,267.28         | 61.97        |
| 130-5-00-5310 EQUIPMENT - FIELD          | 1,000.00          | -                | 834.31              | 165.69            | 83.43        |
| 130-5-00-5311 EQUIPMENT - OFFICE         | 2,200.00          | -                | 1,063.28            | 1,136.72          | 48.33        |
| 130-5-00-5312 TOOLS - FIELD              | 800.00            | 105.32           | 303.09              | 496.91            | 37.89        |
| 130-5-00-5315 SAFETY EQUIPMENT           | 4,100.00          | 99.88            | 285.82              | 3,814.18          | 6.97         |
| 130-5-00-5505 WATER CONSERVATION         | 15,000.00         | 1,102.29         | 4,172.09            | 10,827.91         | 27.81        |
| 130-5-00-5545 RECORDING FEES             | 160.00            | -                | 54.00               | 106.00            | 33.75        |
| <b>TOTAL</b>                             | <b>641,637.00</b> | <b>98,782.99</b> | <b>266,385.47</b>   | <b>375,251.53</b> | <b>41.52</b> |

| ADMINISTRATION EXPENDITURES        | CURRENT BUDGET    | CURRENT PERIOD   | YEAR TO DATE ACTUAL | BUDGET BALANCE    | % OF BUDGET  |
|------------------------------------|-------------------|------------------|---------------------|-------------------|--------------|
| 130-5-10-5010 SALARIES & WAGES     | 227,796.00        | 19,898.36        | 100,816.49          | 126,979.51        | 44.26        |
| 130-5-10-5020 EMPLOYEE BENEFITS    | 55,100.00         | 4,433.54         | 24,363.77           | 30,736.23         | 44.22        |
| 130-5-10-5021 RETIREMENT BENEFITS  | 41,013.00         | 3,045.03         | 15,477.26           | 25,535.74         | 37.74        |
| 130-5-10-5063 CERTIFICATIONS       | 20.00             | -                | -                   | 20.00             | -            |
| 130-5-10-5090 OFFICE SUPPLIES      | 6,200.00          | 303.57           | 3,301.19            | 2,898.81          | 53.25        |
| 130-5-10-5170 TRAVEL MILEAGE       | 550.00            | 278.30           | 894.71              | (344.71)          | 162.67       |
| 130-5-10-5175 EDUCATION / SEMINARS | 4,800.00          | 2,560.31         | 4,599.95            | 200.05            | 95.83        |
| 130-5-10-5179 ADM MISC EXPENSES    | 500.00            | -                | 155.89              | 344.11            | 31.18        |
| <b>TOTAL</b>                       | <b>335,979.00</b> | <b>30,519.11</b> | <b>149,609.26</b>   | <b>186,369.74</b> | <b>44.53</b> |

| FIELD EXPENDITURES                 | CURRENT BUDGET    | CURRENT PERIOD   | YEAR TO DATE ACTUAL | BUDGET BALANCE    | % OF BUDGET  |
|------------------------------------|-------------------|------------------|---------------------|-------------------|--------------|
| 130-5-30-5010 SALARIES & WAGES     | 216,757.00        | 17,984.76        | 77,792.15           | 138,964.85        | 35.89        |
| 130-5-30-5020 EMPLOYEE BENEFITS    | 44,068.00         | 4,160.28         | 21,758.30           | 22,309.70         | 49.37        |
| 130-5-30-5021 RETIREMENT BENEFITS  | 36,249.00         | 2,794.18         | 13,203.49           | 23,045.51         | 36.42        |
| 130-5-30-5022 CLOTHING ALLOWANCE   | 2,000.00          | 311.41           | 627.25              | 1,372.75          | 31.36        |
| 130-5-30-5063 CERTIFICATIONS       | 780.00            | 60.00            | 180.00              | 600.00            | 23.08        |
| 130-5-30-5090 OFFICE SUPPLIES      | 400.00            | 107.26           | 249.19              | 150.81            | 62.30        |
| 130-5-30-5170 TRAVEL MILEAGE       | 600.00            | -                | 31.96               | 568.04            | 5.33         |
| 130-5-30-5175 EDUCATION / SEMINARS | 2,100.00          | -                | 104.50              | 1,995.50          | 4.98         |
| <b>TOTAL</b>                       | <b>302,954.00</b> | <b>25,417.89</b> | <b>113,946.84</b>   | <b>189,007.16</b> | <b>37.61</b> |

| <b>DIRECTORS<br/>EXPENDITURES</b>      | <b>CURRENT<br/>BUDGET</b> | <b>CURRENT<br/>PERIOD</b> | <b>YEAR TO DATE<br/>ACTUAL</b> | <b>BUDGET<br/>BALANCE</b> | <b>% OF<br/>BUDGET</b> |
|--|---------------------------|---------------------------|--------------------------------|---------------------------|------------------------|
| 130-5-40-5010 DIRECTORS COMPENSATION   | 3,000.00                  | 236.84                    | 592.10                         | 2,407.90                  | 19.74                  |
| 130-5-40-5020 DIRECTOR BENEFITS        | 230.00                    | -                         | 5.58                           | 224.42                    | 2.43                   |
| 130-5-40-5030 DIRECTOR HEALTH BENEFITS | 42,021.00                 | 2,827.44                  | 14,123.06                      | 27,897.94                 | 33.61                  |
| 130-5-40-5170 TRAVEL MILEAGE           | 150.00                    | 135.22                    | 148.93                         | 1.07                      | 99.29                  |
| 130-5-40-5175 EDUCATION / SEMINARS     | 600.00                    | -                         | -                              | 600.00                    | -                      |
| 130-5-40-5176 DIRECTOR TRAINING        | 200.00                    | -                         | -                              | 200.00                    | -                      |
| <b>TOTAL</b>                           | <b>46,201.00</b>          | <b>3,199.50</b>           | <b>14,869.67</b>               | <b>31,331.33</b>          | <b>32.18</b>           |



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**NOVEMBER 2014  
FINANCIAL REPORT**

**CAPITAL EXPENDITURES  
2014-2015 BUDGET**

| <b>Sewer</b>                                   | <b>Budget</b> | <b>Yr to Date Actual</b> |
|--|---------------|--------------------------|
| Video Inspections of Sewer Laterals            | 35,000        | -                        |
| Repair Sewer Lateral Leaks                     | 35,000        | -                        |
| Prepare Sewer Capital Improvement Plan         | 20,000        | -                        |
| Install Security Fencing at Lift Station 1 & 4 | 10,000        | -                        |
| Field Laptop (non-budget)                      | (1,522)       | 1,522.23                 |
| SCADA Computer (non-budget)                    | (6,442)       | 6,442.25                 |
| <b>Total</b>                                   | <b>98,478</b> | <b>7,964.48</b>          |

| <b>Water</b>                | <b>Budget</b>  | <b>Yr to Date Actuals</b> |
|-----------------------------|----------------|---------------------------|
| Field Laptop (non-budget)   | (1,522)        | 1,522.23                  |
| SCADA Computer (non-budget) | (6,442)        | 6,442.25                  |
| <b>Total</b>                | <b>(7,964)</b> | <b>7,964.48</b>           |



HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

NOVEMBER 2014  
FINANCIAL REPORT

POOLED CASH  
AS OF NOVEMBER 30, 2014

|                            |                   |
|----------------------------|-------------------|
| <b>Beginning Balance</b>   | <b>204,733.53</b> |
| <b>Cash Receipts</b>       |                   |
| Deposit                    | 256,508.02        |
| Transfers                  | 0.00              |
| <b>Total Receipts</b>      | <b>256,508.02</b> |
| <b>Cash Disbursements</b>  |                   |
| Accounts Payable           | 239,678.75        |
| Payroll                    | 45,530.65         |
| Bank Fees                  | 1,373.52          |
| <b>Total Disbursements</b> | <b>286,582.92</b> |
| <b>Ending Balance</b>      | <b>174,658.63</b> |

TEMORARY INVESTMENTS

AS OF NOVEMBER 30, 2014

| Fund         |                                 | LAIF                | Money Mkt         | Total               | G/L Bal             |
|--------------|---------------------------------|---------------------|-------------------|---------------------|---------------------|
| 120          | Sewer Operating Fund            | 66,902.94           | 64,022.74         | 130,925.68          | 130,925.68          |
| 130          | Water Operating Fund            | 222,763.25          | 30,120.45         | 252,883.70          | 252,883.70          |
| 215          | 1995-2 Redemption               | 238,138.53          | 29,640.26         | 267,778.79          | 267,778.79          |
| 217          | State Revolving Loan Sewer      | 158,619.65          | 290,781.76        | 449,401.41          | 449,401.41          |
| 218          | CIEDB Redemption                | 11,446.68           | (132,747.75)      | (121,301.07)        | (121,301.07)        |
| 219          | USDARUS Solar Loan (Sewer)      | 814.66              | 54,065.77         | 50,162.17           | 50,162.17           |
| 313          | Wastewater Cap Fac Reserved     | 431,602.43          | 33,515.89         | 465,118.32          | 465,118.32          |
| 314          | Wastewater Cap Fac Unrestricted | 53,652.47           | 121,909.29        | 175,561.76          | 175,561.76          |
| 320          | Water Capital Fund              | -                   | 35,257.31         | 35,257.31           | 35,257.31           |
| 350          | CIEDB Loan Reserve              | 170,215.31          | -                 | 170,215.31          | 170,215.31          |
| 711          | Bond Administration             | 26,997.55           | 14,403.93         | 41,401.48           | 41,401.48           |
| <b>TOTAL</b> |                                 | <b>1,381,153.52</b> | <b>547,007.13</b> | <b>1,928,160.65</b> | <b>1,928,160.65</b> |



# Hidden Valley Lake Community Services District

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

## MEMO

To: Board of Directors  
From: Roland Sanford  
Date: December 10, 2014  
RE: General Manager's Monthly Report

---

### **Drought update**

As of this writing we are poised to receive significant rainfall and local creeks are beginning to exhibit near normal stream flow rates. Groundwater elevations in the District's municipal water supply wells continue to rise, as they generally do with the onset of the rainy season, but are still approximately seven feet below historic seasonal averages (see attached groundwater elevation chart).

Statewide, the drought is far from over. As one researcher noted, the last three years have been so dry that in essence, we have lost an entire rainy season. In other words, we would need twice the normal annual rainfall this winter to make up for the rainfall deficit California has incurred over the last three years.

### **Sewer/Water Rate Study**

Staff and the Finance Committee met on November 20 to discuss the pros and cons of implementing a 4-tiered water rate structure, as opposed to the 3-tiered water rate structure previously developed by NBS consultants, and to consider alternative funding levels for selected reserve funds. NBS is formulating a 4-tiered water rate structure based on staff's input, and conducting additional analyses with respect to the funding levels of selected reserve funds. The results of these analyses should be available later this week and I am hopeful that staff and the Finance Committee will be able make final sewer/rate recommendations to the Board, at the January, 2015 Board meeting.

### **New Water Connections Moratorium**

While the recent rains have resulted in the lifting of the "Curtailment Notice" issued to the District by the State Water Resources last May, neither the rain nor the lifting of the Curtailment Notice change anything with respect to the moratorium on new water connections. In order to lift the moratorium we must either successfully argue the District's water supply is more robust than most – a reliable and sufficient supply during extended droughts - or develop an alternative, "drought resistant" supply. Not surprisingly, given the holidays, we have received very little official feedback from the State agencies on

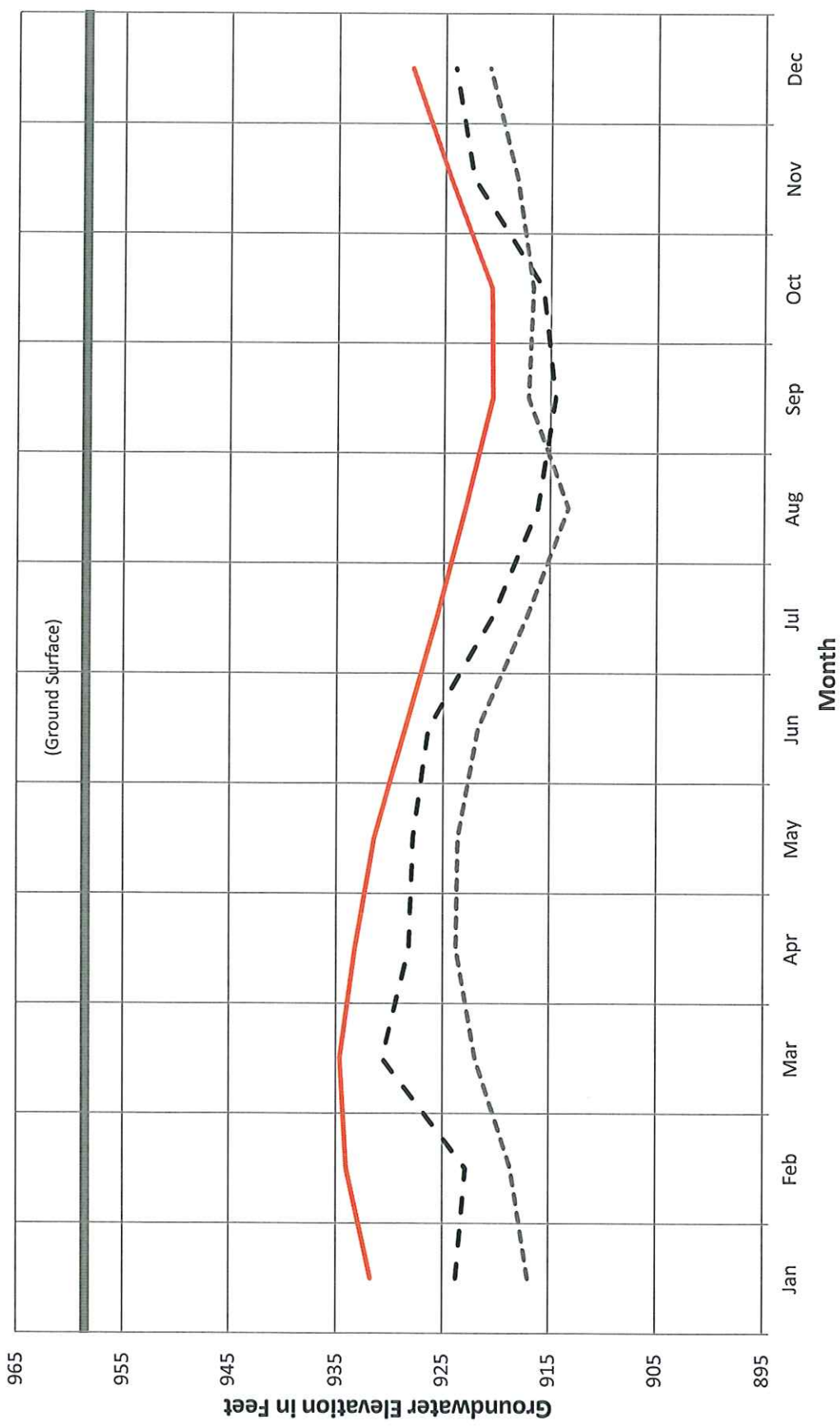


## Hidden Valley Lake Community Services District

19400 Hartmann Road  
Hidden Valley Lake, CA 95467  
707.987.9201  
707.987.3237 fax  
[www.hiddenvallaylakecsd.com](http://www.hiddenvallaylakecsd.com)

this matter. Staff will be meeting with the District's water right consultant and water right attorney on December 15 and will update the Board on the status of the moratorium at the December 16, 2014 Board meeting.

# Average Groundwater Elevations at HVLCS D Wells



— 1990-2014    - - - 2009    - · - · 2014



# Hidden Valley Lake Community Services District

## November 2014 Report

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Emergency response to mainline break after hours.





**Water Connections:**

|                   |      |
|-------------------|------|
| Residential       | 2416 |
| Commercial & Govt | 34   |
| <b>Total:</b>     | 2450 |

**Sewer Connections:**

|                   |        |
|-------------------|--------|
| Residential       | 1457   |
| Commercial & Govt | 35.2   |
| <b>Total:</b>     | 1492.2 |



Mainline break .



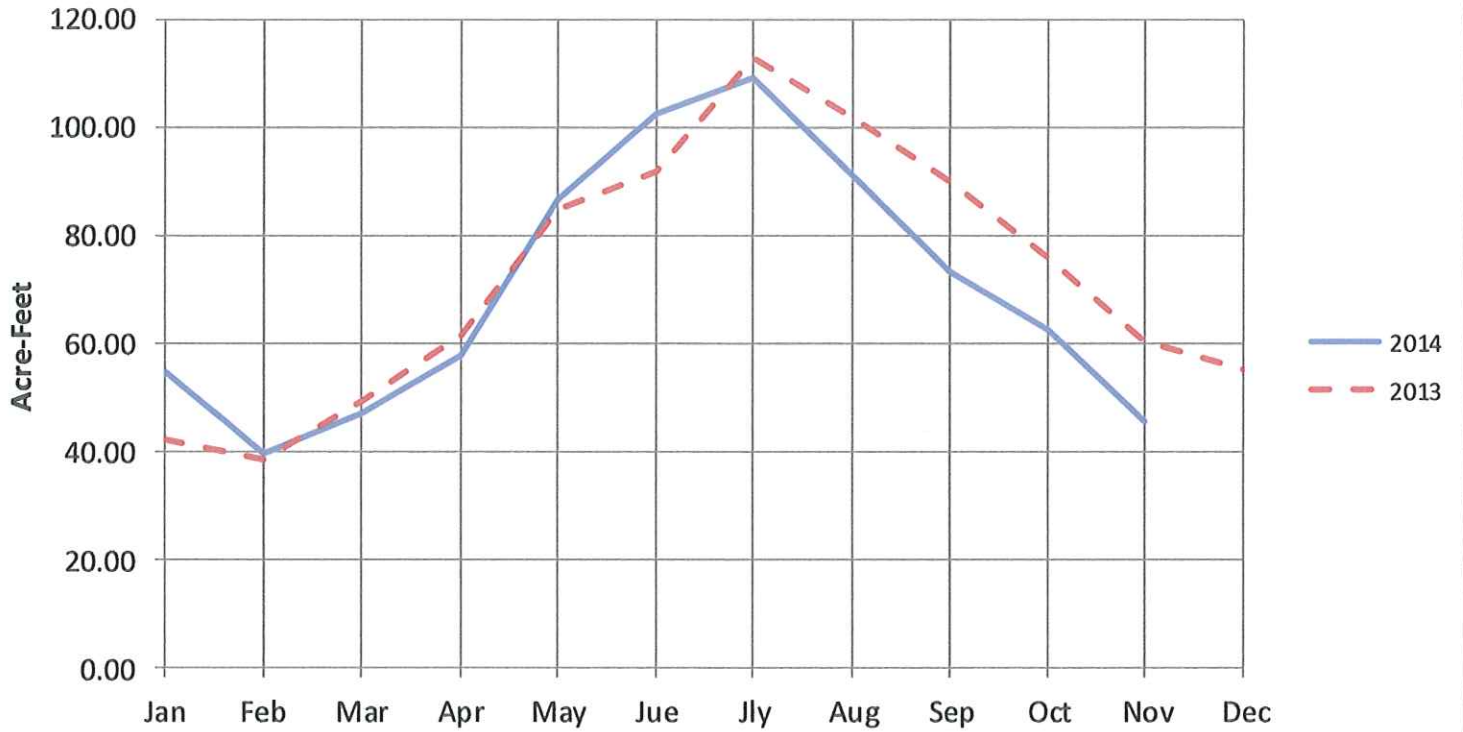
Burnt electrical panel at Well #4.

**Rainfall at HVLCSO Field Office**

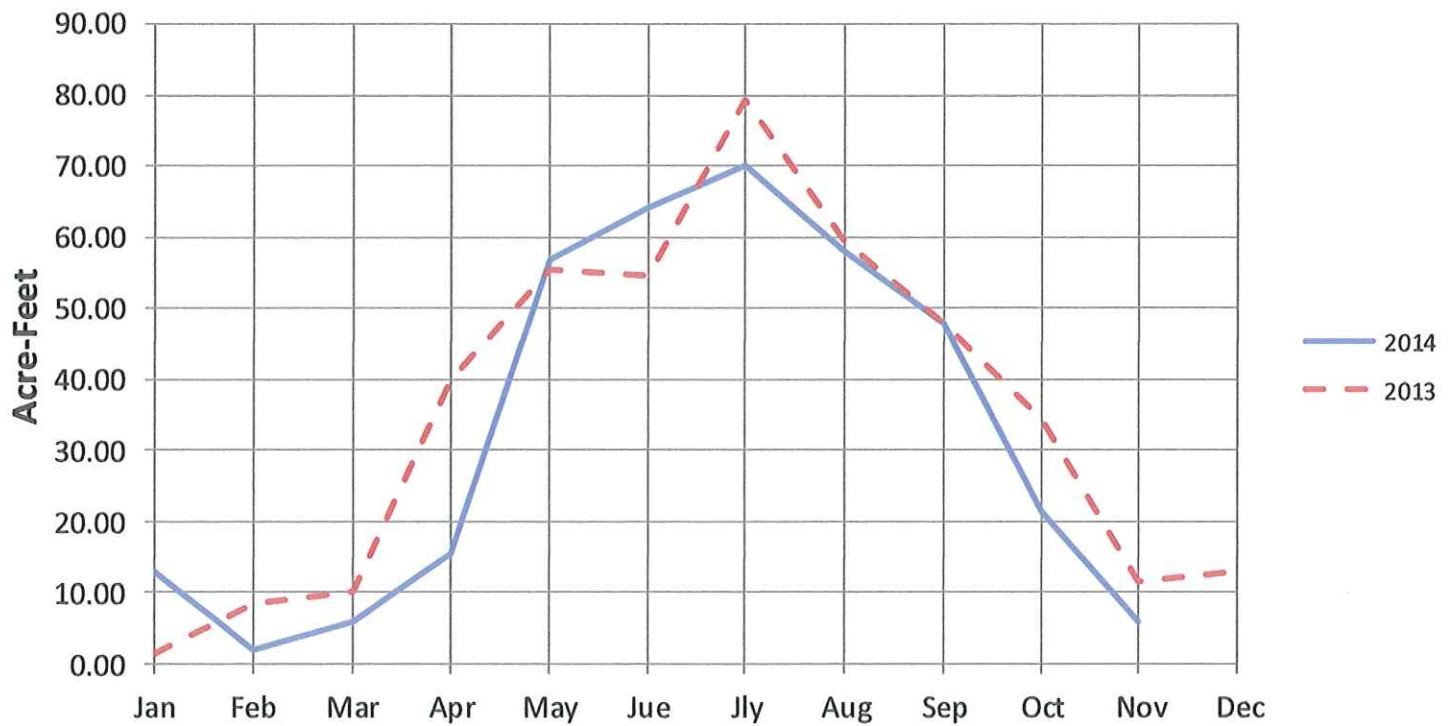
| <i>Month</i>  | <i>Inches</i> |
|---------------|---------------|
| Jan           | 0.40          |
| Feb           | 13.95         |
| Mar           | 3.34          |
| Apr           | 2.17          |
| May           | 0.00          |
| Jun           | 0.00          |
| July          | 0.00          |
| Aug           | 0.00          |
| Sep           | 1.11          |
| Oct           | 0.80          |
| Nov           | 4.19          |
| Dec           |               |
| <b>Total:</b> | 25.96         |

**Overtime Hours: 89.5 hours**  
**Overtime Expense: \$3,089.20**

### HVLCSD Municipal Well Production



### Reclaimed Water Use



## **Water Operations and Maintenance**

### **Well Field**

- Performed monthly drawdown tests
- Electrical Panel at Well # 4 was damaged by fire (electrical fire) and was replaced.

### **Water Distribution System**

- Staff completed 54 work orders in November.
- Staff repaired a mainline failure on Donkey hill.
- Installed new flow meter at Zone 4

### **General Repairs and Maintenance**

- Staff replaced engine and transmission in Truck 7.
- Staff replaced bearings on the 402 pump.
- Performed annual maintenance of flood control facilities at District retention pond.
- Staff performed daily rounds/general maintenance.

## **Wastewater Operations and Maintenance**

### **Wastewater Collection System**

- Routine maintenance.

### **Wastewater Treatment Plant**

- Installed new Go-tube.
- Repaired broken chain in aeration basin
- Routine maintenance and lab testing
- Led Middletown High School AP science class tour of reclamation plant

### **Wastewater Data:**

EFF Pond level elevation = 9.01 feet

November Plant Influent = 5.76 million gallons

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

**DATE:** December 16, 2014

**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 61115 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 recommends that the Board uphold the charges and associated penalty fees as proposed in Exhibit A

**FINANCIAL IMPACT:**

Potential recovery of \$508.77 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 61115, 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

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

**DATE:** December 16, 2014

**AGENDA ITEM:** Discussion and Possible Action: Adoption of Resolution 2014-18 confirming default balances and directing staff to file liens on real property

---

**RECOMMENDATIONS:**

Adopt Resolution 2014-18 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 properties.

**FINANCIAL IMPACT:**

Potential recovery of \$508.77 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. 2014-18

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 December 16, 2014, 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. 2014-16 confirming the Default Balance in the amount of \$508.77; 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 \$508.77.

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 16th of December, 2014, 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 16th of December, 2014.

---

Roland Sanford  
General Manager/Secretary to the Board of Directors

---

Judy Mirbegian  
President of the Board of Directors



**PROPERTY LIENS - DECEMBER 2014**

**EXHIBIT A**

A \$10 FILING FEE HAS BEEN ADDED

| <b>NAME</b>      | <b>ADDRESS</b>        | <b>APN</b> | <b>AMOUNT</b> |
|------------------|-----------------------|------------|---------------|
| Al Morgan        | 18635 Oak Grove Court | 142-113-04 | 386.22        |
| Douglas Kirchner | 19195 Meadow Court    | 141-621-09 | 122.55        |
|                  |                       |            | <b>508.77</b> |

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

**DATE:** December 16, 2014

**AGENDA ITEM:** Discussion and Possible Action: Status report on water connections moratorium (SWRCB Division of Drinking Water Compliance Order No. 02\_03\_14R\_004)

---

**RECOMMENDATIONS:**

Hear presentation by General Manager and provide direction to staff.

**FINANCIAL IMPACT:**

None

**BACKGROUND:**

On October 17, 2014 the State Water Resources Control Board’s (SWRCB) Division of Drinking Water (DDW) issued Compliance Order No. 02\_03\_14R\_004, prohibiting the District from adding new water service connections until sufficient reliable water supplies are obtained – a reliable water supply during periods of drought. The DDW made its decision to issue the compliance order on the basis of a water right “Curtailment Notice” that was issued by the SWRCB’s Division of Water Rights to the District and to hundreds if not thousands of other entities within the Sacramento – San Joaquin drainage, on May 27, 2014. The Curtailment Notice directed “junior” Appropriative water right holders to cease water diversions until further notice.

District staff and the District’s water rights consultants assert that the District should never have received a Curtailment Notice, and therefore, should not be subject to the aforementioned compliance order. Staff has been meeting with the District’s water rights consultants and water rights attorney, and there has been some, albeit limited, communication with the SWRCB on this matter. Staff will brief the Board on the status of the District’s ongoing efforts to get Compliance Order No. 02\_03\_14R\_004 rescinded.

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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

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Secretary to the Board

## Lake County BOS approved Soda Bay water system design agreement

By J.W. Burch IV

[jburch@record-bee.com](mailto:jburch@record-bee.com) (mailto:jburch@record-bee.com) @JWBurchIV on Twitter

UPDATED: 12/09/2014 09:40:37 AM PST

0 COMMENTS

**LAKEPORT** >> An agreement between Lake County Special Districts and Water Works Engineers for engineering design services at County Service Area 20 was unanimously approved by the Lake County Board of Supervisors this week.

\*\*\* A request for proposals was sent to eight engineering firms in September and October, Lake County Special District Administrator Mark Dellinger said. However, Water Works Engineers were the only firm to submit a completed proposal within the 45-day time limit.

The agreement includes a geotechnical investigation, hydrogeologic report, surveying and permit procurement assistance for the water system, which serves the Soda Bay, Lakewood Park, and Riviera Heights areas.

The system was formed with the dissolution of its predecessors, Riviera Mutual Water Company and over 14 additional small independent water systems, in March of 1989. The facility was completed and went into service in 1992.

According to the agreement, the general objectives of the project are to determine whether sufficient, high quality groundwater exists within reasonable proximity to service area 20 (CSA 20) in order to provide a new groundwater wellfield, treatment plant, if necessary, and distribution system."

"If sufficient groundwater of appropriate quality cannot be located within close enough proximity to CSA 20" to make the alternative economically feasible, Water Works Engineers will "provide necessary upgrade designs to the existing surface Water Treatment Plant," which will enable the facility to treat water from the lake, the agreement states.

The facility is a surface water treatment plant that uses Clear Lake as the water source and includes a raw water intake structure and pumping station, as well as pretreatment and clarification/granular media filtration, granular activated carbon.

A 135,000 gallon Clearwell and one 330,000 gallon, four 60,000 gallon, and one 30,000 gallon tanks for finished water pumping are also located at the facility.

Since 2011, the system has been under a connection moratorium, issued by the State Water Resources Control Board – Division of Drinking Water, according to Dellinger.

In June, the supervisors approved a funding agreement for the project, which totals \$500,000. Of the total cost, \$400,000 will be funding through a grant from the drinking water resources board. The remaining \$100,000 will be funding with a zero-percent interest loan with a five-year repayment term.

The loan will be repaid with funds accrued through fee for system improvement, which was approved by customers of the system in late 2011, Dellinger said.

The Soda Bay water system has 640 Connections serving a population of nearly 1,330 residents, according to the Special Districts documents associated with the system.

No members of the public offered comment on the subject.

The board unanimously approved the agreement with a 5-0 vote.

# WATER: Initial State Water Project allocation set at 10 percent; may be reduced to meet critical health and safety needs



SUNDAY, 07 DECEMBER 2014 23:49 LAKE COUNTY NEWS REPORTS

The California Department of Water Resources has announced an initial allocation of 10 percent for the customers of the State Water Project.

Depending upon the volume of rain and snow that reaches California this winter that initial allocation may be increased.

Should dry conditions return, DWR may reallocate State Water Project supplies to meet critical human health and safety needs.

Improved precipitation forecasts this week allow DWR to set the initial allocation for 2015 at 10 percent, up from the five percent allocation SWP customers got this year.

The level of Lake Oroville – the keystone reservoir of the SWP system and a source of water for 25 million Californians – is rising due to recent storms, after approaching its lowest level ever last month.

But the state's major reservoirs, including Oroville, are too depleted to be filled by a typical winter storm. DWR experts estimate that it will take roughly 150 percent of average precipitation for California to recover from drought.

"Storms in the extended forecast give us hope that we will return this winter to normal or above-normal precipitation levels after three years of drought," said DWR Director Mark Cowin. "But we must be cautious and preserve adequate storage in reservoirs should conditions turn dry again."

The 29 public water agencies that receive SWP water – State Water Project contractors – requested 4,172,686 acre-feet of water for 2015.

Under the initial allocation, they will receive 418,520 acre-feet. For most agencies, that amounts to 10 percent of the supplies for which they contract with DWR.

It is important to note that nearly all areas served by the SWP also have other sources of water, among them streams, groundwater and local reservoirs.

Also, the State Water Project contractors will have access to any water they have left in storage from previous allocations. DWR approved requests for delivery in 2015 167,465 acre-feet of carryover water from previous years.

DWR is hopeful that the SWP allocation, made before the wettest months, will increase as storms bring rain and snow to the state. *If severely dry conditions develop, the allocation may be reduced. Under extreme drought conditions, the department may reallocate supplies based on human health and safety requirements.*

On average, half of California's precipitation occurs December through February, and three quarters from November through March.

"We will still need to conserve even when we see storms develop," said Cowin. "It will take more than a normal winter to make up for three consecutive dry years, and using less water in our homes will keep more in our critically low reservoirs."

As the drought pushed into its third year, DWR on Jan. 31 dropped its initial water allocation (percentage of water requested) for calendar year 2014 from five percent to its first ever zero allocation for all SWP contractors.

Storms in February and March boosted the allocation back up to 5 percent, making a little more than 200,000 acre-feet available to the 29 contractors, who collectively had requested slightly more than four million acre-feet.

An acre-foot generally is described as enough water to supply a family of four for a year, or to cover one acre of land with one foot of water.

The only previous zero allocation in the 54-year history of the SWP was for agriculture in 1991, but cities and others that year received 30 percent of requested amounts.

This year's five percent allocation was the lowest final calendar year allocation in SWP history as a sparse mountain snowpack melted early and rainfall was near record lows in most parts of the state.

The final SWP allocation for calendar year 2013 was 35 percent of requested water amounts. In 2012, the final allocation was 65 percent. It was 80 percent in 2011, up dramatically from an initial allocation of 25 percent.

The final allocation was 50 percent in 2010, 40 percent in 2009, 35 percent in 2008 and 60 percent in 2007.

The last 100 percent allocation – difficult to achieve even in wet years because of Delta pumping restrictions to protect threatened and endangered fish species – was in 2006.

California's water year 2014 – overlapping with California's driest calendar year of 2013 – ended on Sept. 30 as the third driest in 119 years of record, based on statewide precipitation.

As the water year (Oct. 1-Sept. 30) ended, the state's reservoirs tracked by DWR collectively held only 60 percent of average storage for the date, or 41 percent of capacity. Cumulative reservoir storage on the same date in the deep drought year of 1977 was five million acre-feet less, but California had 16 million fewer people in 1977.

Lake Oroville in Butte County, the SWP's principal reservoir, is at 26 percent of its 3.5 million acre-foot capacity (43 percent of its historical average for the date).

Shasta Lake north of Redding, California's and the federal Central Valley Project's (CVP) largest reservoir, is at 23 percent of its 4.5 million acre-foot capacity (39 percent of its historical average for this time of year).

San Luis Reservoir, a critical south-of-Delta pool for both the SWP and CVP, is at 24 percent of its 2 million acre-foot capacity (40 percent of average for the date).

In January, normally California's wettest month, Governor Edmund G. Brown Jr. declared a drought state of emergency and followed up with statewide water conservation goals.

Since then, the state has been swept by drought-fueled forest fires, vast tracts of farmland have been fallowed and some communities have been left scrambling for drinking water.

Long-range weather forecasts being uncertain, there is no way to tell if this winter will alleviate or deepen the drought, leaving conservation – the wise, sparing use of water – as our most reliable drought management tool.

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# WATER: State officials say groundwater resources depleted by drought

THURSDAY, 04 DECEMBER 2014 02:40 LAKE COUNTY NEWS REPORTS



Following one of the driest years on record when groundwater resources have provided an increasing percentage of California's water supply, the Department of Water Resources has released an updated report on groundwater basins that details groundwater level changes, potential water shortages, land subsidence, farmland fallowing and gaps in groundwater monitoring.

Drought conditions typically result in an increase in groundwater well activity and pumping to compensate for surface water supply shortages.

Collectively, groundwater basins are the state's largest reservoir, 10 times the size of all its surface reservoirs combined.

More than 80 percent of Californians rely, in part, on groundwater for their drinking water.

Directed by Gov. Edmund G. Brown Jr.'s Proclamation of a State of Emergency in April and following a previous DWR report on groundwater in April, the report shows groundwater basins in most areas of the state at historically low levels.

In September, Gov. Brown signed a package of three bills which together create a framework for sustainable, local groundwater management for the first time in state history.

The legislation, known as the Sustainable Groundwater Management Act, allows local agencies to tailor groundwater sustainability plans to their regional economic and environmental needs.

For more information about the legislation, visit [www.groundwater.ca.gov](http://www.groundwater.ca.gov).

"If we fail to manage our groundwater basins sustainably, we risk losing the water supply savings account that can help cities, farms, and businesses survive drought with minimal disruption," said DWR Director Mark Cowin. "The Sustainable Groundwater Management Act will help us head off problems such as subsidence and overdraft, which may damage aquifers permanently, and allow local agencies to establish groundwater pumping levels that yield reliable supplies for generations to come."

State and local agencies will be working together over the next several years to craft local sustainability plans in regions where groundwater basins are vulnerable to overdraft.

Groundwater accounts for approximately 40 percent of the state's total annual water supply, and in some regions of the state, as much as 60 percent of the supply during dry or drought years.

In the meantime, as documented in the report released today, California's three-year-long drought is taking a heavy toll on many groundwater basins.

Basins with notable decreases in groundwater levels are in the Sacramento River, San Joaquin River, Tulare Lake, San Francisco Bay, Central Coast and South Coast hydrologic regions.

Key findings of the report include:

- Based on data received this year through September, more than 350 new water supply wells are reported in Fresno and Tulare counties, the most in the state. More than 200 new water supply wells were reported in Merced County and more than 100 were reported in Butte, Kern, Kings, Shasta, and Stanislaus counties.
- As of Oct. 7, 2014, 34 of California's 127 high- and medium-priority basins and sub basins are either partially or fully unmonitored under the California Statewide Groundwater Elevation Monitoring Program.
- While the collection and evaluation of both seasonal and long-term groundwater level data are critical to assess conditions of alluvial groundwater basins, significant data monitoring gaps exist in the San Joaquin River, Tulare Lake and Central Coast hydrologic regions.
- Subsidence is occurring in many groundwater basins of the state, especially in the southern San Joaquin River and Tulare Lake hydrologic regions.
- Due to ongoing decline of groundwater levels, areas with a higher potential for future subsidence are in the southern San Joaquin, Antelope, Coachella and western Sacramento valleys.
- A multi-agency research project led by National Atmospheric and Space Administration estimated that peak summer acreage of farmland idled in California in 2014 was 1.7 million acres, almost 700,000 acres more than in 2011, a recent wet year.

To review the report, visit <http://www.water.ca.gov/waterconditions/index.cfm>.

# WATER: State Water Board stream pollution report shows trends in chemical contamination, toxicity



THURSDAY, 20 NOVEMBER 2014 00:34 LAKE COUNTY NEWS REPORTS

Detections and concentrations of pyrethroid pesticides are increasing in California stream sediments, according to a new report by the Stream Pollution Trends Monitoring Program of the State Water Resources Control Board.

The program is a statewide effort to measure trends in pollution levels and toxicity in major California watersheds.

The latest report, "Trends in Chemical Contamination, Toxicity and Land Use in California Watersheds," summarizes results from the first five years of annual surveys assessing stream pollution concentrations and how they are affected by land use.

According to the report, which summarized data from 2008 to 2012, pyrethroid pesticides showed an increasing trend in all watersheds, but most significantly in urban watersheds.

Pyrethroids are the active ingredients in many currently used pesticides available to urban consumers in the United States, and are also widely used in agriculture.

Pyrethroid-based pesticides replaced organophosphate pesticides when the use of organophosphates was dramatically reduced.

They are widely used by professional residential pest control firms as well as by consumers. Many are extremely toxic to aquatic organisms, and are a known endocrine disruptor. Many may be carcinogenic, according to the U.S. EPA.

Chlorinated compounds such as DDT and PCBs declined over the five years, according to the report, as did detections and concentrations of organophosphate pesticides in sediment.

However, DDT and PCBs continue to be of concern in California because of their potential to bioaccumulate.

While concentrations in fish do not often exceed thresholds of concern, fish consumption advisories have been issued due to these contaminants for lakes, rivers, bays, and coastal areas.

Concentrations of hydrocarbons, flame retardants and selected metals remained relatively constant.

The Stream Pollution Trends Monitoring Program (SPoT) is aimed at understanding long term trends of watershed contamination and associated toxicity.

The program investigates the impacts of land use on water quality, helps prioritize water bodies in need of water quality management, and evaluates the effectiveness of management programs designed to improve stream health.

The data provides a statewide perspective on the impact of pollution on stream health and allows local and regional water quality managers to evaluate how conditions in their streams compare to those in other California watersheds.

The SPoT program measures contaminant concentrations and toxicity in sediments that accumulate in the lower reaches of large watersheds.

In 2012, samples were collected from 100 of the nearly 200 major hydrologic units in California. Sediment samples are collected once per year when streams return to base flow conditions after the high flows that carry pollutants washed from watershed surfaces during storms.

Sediments are monitored because the majority of contaminants entering streams accumulate in sediments.

Each sample is analyzed for industrial compounds, pesticides and metals, and is tested for toxicity to a resident aquatic crustacean, the amphipod *Hyaella azteca*.

Additional toxicity test species and contaminant classes are being addressed in future surveys as SPoT monitoring proceeds.

Results are compared across watersheds throughout the state, and pollutant concentrations are compared to land use and other human activities.

The pesticides and some of the other pollutants identified in the report are considered non-point pollution sources, meaning that they are not generated at a single source, such as a manufacturing plant or sewer outfall.



## Lake County BOS approve amendments to special districts construction charges and fees

By J.W. Burch IV

[jburch@record-bee.com](mailto:jburch@record-bee.com) (mailto:jburch@record-bee.com) @JWBurchIV on Twitter

UPDATED: 11/19/2014 09:07:04 AM PST

0 COMMENTS

**LAKEPORT >>** The Lake County Board of Supervisors (BOS) held four second readings Tuesday of ordinances that would change construction charges and fees for multiple jurisdictions of Lake County Special Districts.

At its Nov. 5 meeting, the BOS held a public hearing for each ordinance. Neither during the public hearings nor the second readings were any comments offered by the public.

The first ordinance regarded construction charges and fees for County Service Area No. 21, which is the water system for North Lakeport.

"This ordinance separates the bi-monthly water rate charges from the construction charges and fees," Special Districts Administrator Mark Dellinger said during the Nov. 5 meeting. "Historically, both the bi-monthly billing water rate charges and the construction charges and fees were contained in the same ordinance."

The ordinance does not increase water rate charges.

The North Lakeport Water System serves approximately 2,700 residents through a total of 1,272 connections.

Reduced new apartment construction charges for the North Lakeport Water System was the topic of the second ordinance, which expands the definition of "granny units" based on parcel size.

The reduced charges will be applied if apartments have a secondary source of water for landscaping, low flow plumbing fixtures and a dedicated laundry room for tenant use only. Additionally, apartments must be 800 square feet or smaller.

Capacity fee evaluations and adjustments for connections to the Northwest and Southeast Regional Wastewater Facilities for new apartment construction were the topics of the final two ordinances, during which the BOS sat as the Lake County Sanitation District Board of Directors. The expanded definition of "granny units" is included in the ordinance as well.

Expansion of the definition of "granny units" was needed to be consistent with the Lake County Community Development Department's definition.

Reduced charges would apply if the same conditions as those for the North Lakeport Water System are met.

The Northwest Regional Wastewater Collection and Treatment System serves North Lakeport, Upper Lake, Nice, Lucerne, Kono Tayee and Paradise Valley with a little more than 4,000 connections. Whereas, the Southeast Regional Wastewater Collection and Treatment System serves the a little more than 19,000 residents in the Clearlake area with a little less than 8,600 connections.

A second reading of each ordinance will be held during the Nov. 19 BOS meeting.

# State water board allows partial lift of water right curtailments

County braces itself for another year of diversion regulations

By Leah DeAnda

ldeanda@record-bee.com (mailto:ldeanda@record-bee.com) @RecordBee on Twitter

UPDATED: 11/19/2014 09:11:08 AM PST

[COMMENTS](#)

**LAKE COUNTY >>** With fall rains beginning to assuage the short-term effects of California's drought, the State Water Resources Control Board is starting to lift curtailment regulations placed on junior water right holders in May.

Reports from various water right holders in Lake County, including county districts, businesses and a community service district, paint a rough picture of how the curtailments have affected the county. Water users have managed to get through the summer on reserves, but another round of regulations through the winter may have water right holders thirsty come summertime.

The state water board had issued the curtailment notices to all post-1914 water right holders of the Sacramento, San Joaquin River and Russian River watersheds, broadly calling on thousands to discontinue diversions through the summer.

Since then, the board has temporarily lifted the curtailments once during a weekend of consistent rain. Most recently, it fully lifted curtailments for water rights within the Russian River Watershed and partially lifted those for pre-1954 rights within the Sacramento and San Joaquin River watersheds.

From the board's database of water rights, it appears as though the major water right holders in Lake County are the Yolo County water district, the Lake County Watershed Protection District, PG&E and Langtry Farms. All of their rights appear to have been adjudicated after 1914.

"Generally, Lake County has ended up with more junior water rights because its development is newer than those down south," Community Development Principal Planner Kevin Ingram explained.

Most substantially, the curtailments have affected Hidden Valley Lake's water district, which has ~~also been sent a compliance order to not make any new service connections to its system and search for alternative water sources in preparation for future droughts.~~

The district's general manager, Roland Sanford, plans to argue the district shouldn't have been subject to curtailment, as he doesn't believe the district's water usage is affecting senior water right holders and the district's three wells fed by Putah Creek are its only source of safe water. Sanford expects to have updates on the district's plans to meet with the state board within the next week, he said.

Otherwise, the state's regulations appear to have had little effect on other water right holders in the county, although that may not be the case in 2015.

The Lake County Watershed Protection District (WPD), which falls under the county's Department of Water Resources, has two post-1954 water rights. The first being the district's ability to store water at the Highland Springs Reservoir and the second is the use of the Kelsey Creek Detention Structure, or groundwater recharge facility.

In February, the WPD was able to fill up the Highland Springs Reservoir well before the curtailment notices were sent out, according to Tom Smythe, the water resources engineer for the WPD.

"If the diversion regulations are not lifted, we'll have to address that issue this coming winter," Smythe said.

One option could be purchasing water from the Yolo County's water district, which does hold pre-1914 water rights and is therefore unaffected by the curtailment regulations, Smythe said.

The Kelsey Creek Detention Structure allows groundwater to be recharged when control gates are closed to form a 10-foot dam. Although it's typically closed for two to three weeks a year, the gates were closed for just a few days in March as the creek was so dry.

Under Special Districts, Spring Valley's water system is the only district that has been affected by the curtailments, according to Special Districts Director Mark Dellinger.

Usually, the district diverts water from Wolf Creek between October and March and purchases water during the hotter six months of the year from Yolo County's storage at the Indian Valley Reservoir. Since the state applied the curtailment regulations, it's directed Spring Valley to purchase water from Yolo year round, which will cost the district about \$6,500 extra a year, Dellinger said.

"Until the drought subsidizes, we're going to be buying water from Yolo," Dellinger said.

As for Wolf Creek, its surface flow is dry but if not for the curtailments, the district could likely tap the subsurface flow, Dellinger said.

Langtry Farms, which maintains vineyards in Middletown, holds a substantial amount of post-1914 water rights totaling more than 13,000 acre-feet per year.

The company's Amanda Jordan declined to comment except to say the curtailments have had "no effect" on the Langtry business for the year. The water board's records for 2013 show Langtry Farms filled its reservoirs prior to January 2013 while the drought in the fall prevented further diversions.

Finally, for the smaller business of the Middletown Farm and Cattle Company, the curtailments have not had an impact as the creeks where water would typically be diverted from have run completely dry this year, according to owner Mike Browning.

"The curtailments haven't affected us but the drought has effected everybody," Browning added.

As for the remaining curtailment regulations, the "board will be monitoring weather forecasts and stream gages (sic) to determine if curtailments should be re-imposed in the future, or if lifting of remaining curtailments is appropriate," a letter to water right holders states.

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