



# Hidden Valley Lake Community Services District

## Regular Board Meeting

DATE: February 19, 2019  
TIME: 7:00 p.m.  
PLACE: Hidden Valley Lake CSD  
Administration Office, Boardroom  
19400 Hartmann Road  
Hidden Valley Lake, CA

- 1) CALL TO ORDER
- 2) PLEDGE OF ALLEGIANCE
- 3) ROLL CALL
- 4) APPROVAL OF AGENDA
- 5) EMPLOYEE RECOGNITION  
Trish Wilkinson, Full Charge Bookkeeper
- 6) PRESENTATIONS  
Smith & Newell 2017-18 Audit Report  
ESRI GIS Conference
- 7) CONSENT CALENDAR
  - A. MINUTES: Approval of the January 3, 2019 Personnel Committee Meeting minutes
  - B. MINUTES: Approval of the January 15, 2019 Board of Directors Regular Board Meeting minutes
  - C. MINUTES: Approval of the January 19, 2019 Board Workshop minutes
  - D. DISBURSEMENTS: Check # 036065 - # 036144 including drafts and payroll for a total of \$382,404.59
- 8) BOARD COMMITTEE REPORTS  
(for information only, no action anticipated)

Finance Committee  
Personnel Committee

Emergency Preparedness Committee  
Lake Water Use Agreement-Ad Hoc Committee  
A. 2019 Lake Water Use Agreement  
Valley Oaks Project Committee

9) STAFF REPORTS

(for information only, no action anticipated)

Financial Report  
Administration/Customer Service Report  
ACWA State Legislative Committee  
Field Operations Report  
I.T Monthly Report and Website Update  
General Manager's Report

- 10) DISCUSSION AND POSSIBLE ACTION: Accept NBS Rate Study
- 11) DISCUSSION AND POSSIBLE ACTION: Authorize staff to send out 218 Public Hearing Notice 45 days in advance of the water/sewer/recycled water rate increase hearing
- 12) DISCUSSION AND POSSIBLE ACTION: Review and Discuss Committee Charter's and Calendar (Hand Carry)
- 13) DISCUSSION AND POSSIBLE ACTION: Approve RGS Contract for Financial Services
- 14) DISCUSSION AND POSSIBLE ACTION: Accept 2017-18 Audit Report as presented by Smith & Newell
- 15) PUBLIC COMMENT
- 16) BOARD MEMBER COMMENT
- 17) ADJOURNMENT

Public records are available upon request. Board Packets are posted on our website at [www.hvlcsd.org/meetings](http://www.hvlcsd.org/meetings)

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

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



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

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

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

**CALL TO ORDER**

The meeting was called to order at 9:04 AM by Director Herndon.

**APPROVAL OF AGENDA**

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

**DISCUSS AND REVIEW**

**Discuss CPS HR Consulting's Draft Base Report for the Water Resources Specialist Position**

Motion by Committee to make recommendation to full Board for acceptance of the CPS HR Consulting's Base Report for the Water Resources Specialist Position. Members of the Committee agree the title of the position must reflect duties and job description.

**DISCUSS AND REVIEW**

**Discuss Employee Handbook**

Motion by Committee to bring the revised Employee Handbook to the January Regular Board Meeting for full review by the Board.

Revisions to reflect the following;

6:4 Pay Performance Program: Strike ~~Under Construction~~, Insert *Pending*

8:8 Family Care and Medical Leave: Strike all information in this section, Insert Reference to FMLA

**PUBLIC COMMENT:** No Public Present

**COMMITTEE MEMBER COMMENT**

Unfunded Positions/Succession Planning, Committee recommend to place on the agenda for the January Regular Board meeting

**ITEMS FOR NEXT AGENDA**

1. Committee Charter format
2. District of Distinction (Board member completion)

**ADJOURNMENT**

On a motion made by Director Lieberman and second by Director Herndon the Board voted unanimously to adjourn the meeting. The meeting was adjourned at 9:55 a.m.



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
MEETING DATE: January 15, 2019**

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

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

**CALL TO ORDER**

The meeting was called to order at 7:01 p.m. by President Graham.

**APPROVAL OF AGENDA**

On a motion made by Director Herndon and seconded by Director Mirbegan the Board unanimously approved the agenda.

**BOARD OF DIRECTORS NOMINATION AND ELECTION OF OFFICERS**

Director Mirbegan nominated Director Herndon as President of the Board for the 2019 calendar year. Director Freeman seconded the nomination, Director Herndon accepted the nomination and was unanimously approved by the Board.

Director Herndon nominated Director Mirbegan as Vice President of the Board for the 2019 calendar year. Director Freeman seconded the nomination, Director Mirbegan accepted the nomination and was unanimously approved by the Board.

**APPOINTMENT OF BOARD MEMBERS TO STANDING AND/OR AD-HOC  
COMMITTEES**

Director Herndon made the following Board member Committee assignments for the 2019 calendar year.

Finance Committee: Director Mirbegan, Director Freeman  
Personnel Committee: Director Lieberman, Director Herndon  
Emergency Preparedness Committee: Director Graham  
Lake Water Use Ad-HOC Committee: Director Mirbegan  
Valley Oaks Project Sub-Committee: Director Herndon

Director Freeman moved to accept the Committee assignments for the 2019 calendar year as presented, seconded by Director Mirbegan and was unanimously approved by the Board.

## CONSENT CALENDAR

On a motion made by Director Mirbegian and second by Director Graham the Board unanimously approved the following Consent Calendar items.

- A. MINUTES: Approval of the December 6, 2018 Personnel Committee Meeting minutes.
- B. MINUTES: Approval of the December 10, 2018 Board Workshop minutes.
- C. MINUTES: Approval of the December 11, 2018 Finance Committee Meeting minutes.
- D. MINUTES: Approval of the December 18, 2018 Board of Directors Regular Board Meeting minutes.
- E. MINUTES: Approval of the December 18, 2018 Board of Directors Workshop minutes.
- F. DISBURSEMENTS: Check # 36001 - # 36064 including drafts and payroll for a total of \$347,557.70.

## BOARD COMMITTEE REPORTS

**Finance Committee:** Have not met. Meeting to be scheduled to begin pre-budget and mid-year budget review.

**Personnel Committee:** Met to review the Employee Handbook, will discuss later in agenda.

**Emergency Preparedness Program Committee:** Did not meet.

**Lake Water Use Agreement-Ad Hoc Committee:** Agreement has not been signed staff will provide the current agreement to the interim HVLA GM for approval.

**Valley Oaks Sub-Committee:** Valley Oaks began the LAFCO process to annex into the District.

Director Herndon proposed a review of all Committee Charters at the February Board meeting.

## STAFF REPORTS

**Financial Report:** Staff provided an update regarding retainment of an Accountant Consultant through RGS. Request for approval will be brought before the Board once a quote for services have been provided by RGS.

Director Mirbegian requests clarification of revenue variances from Norm Newall regarding placement of FEMA reimbursement funds.

**Administration/Customer Services Report:**

**ACWA State Legislative Committee:** Next Meeting 2/1/2019 to discuss State Water Tax.

**Field Operation Report:** No comment.

**I.T. Monthly Report (December 2018) – New Item:** ESRI Water Conference and out of State travel discussed. Staff to provide total cost of conference, travel and lodging.

President Herndon requests, as policy states, all out of state travel to go before the Board for review and approval. Confirm liability concerns with CivicSpark.

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

Correction: Information Technology: Item 1 Advanced Applied Technology.  
Staff recommend adding the purchase of 4 Generators to HVLCSD Strategic Plan.

**DISCUSSION AND POSSIBLE ACTION:**  
**Assets and Replacement Cost. (12-12-18 Finance Comm Request)**

Staff provided an overview and estimated cost of \$13,977,915.00 to replace 10,4571 linear feet of sewer lines throughout the District.  
Coastland Engineering estimated cost does not include the sewer lift stations or the Sewer Treatment Plant.

**DISCUSSION AND POSSIBLE ACTION:**  
**Discuss and approve the General Manager to enter into an agreement with Coastland Engineering to assist in the completion of two HMGP Sub applications (Unit 9 Tank – 112 Tide flex Valve – 120)**

Moved by Director Mirbegian and seconded by Director Freeman the Board unanimously approved the General Manager to enter into an agreement with Coastland Engineering to assist in the completion of two HMGP Sub applications for Unit 9 Tank –112 and Tide flex Valve –120

Roll Call Vote:

AYES: (5) Directors Graham, Herndon, Mirbegian, Freeman and Lieberman

NAYS: (0)

ABSTAIN: (0)

ABSENT: (0)

The Board unanimously approved the General Manager to enter into an agreement with Coastland Engineering to assist in the completion of two HMGP Sub applications for Unit 9 Tank –112 and Tide flex Valve –120 by Roll Call Vote.

**DISCUSSION AND POSSIBLE ACTION:**  
**Discuss and approve the Hidden Valley Lake CSD Employee Handbook**

Moved by Director Mirbegian and seconded by Director Graham to discuss and approve the Hidden Valley Lake CSD Employee Handbook.

Director Lieberman retracted his previous statement regarding legal review of the employee handbook, Director Lieberman suggests a legal review would be in the best interest of the District. Cost for the legal review is estimated at \$7500.

Director Mirbegian moved and seconded by Director Graham to change the motion to Approve the Hidden Valley Lake CSD Employee Handbook pending legal review and approval. Pay for Performance left as a place holder, policy to be added at a later date. The Board unanimously approved the Hidden Valley Lake CSD Employee Handbook pending legal review and approval.

Motion Carries Unanimous.

**DISCUSSION AND POSSIBLE ACTION:**  
**Discuss and accept the report from CPS HR Consulting for the Water Resources Specialist position**

Moved by Director Graham and seconded by Director Lieberman to accept the report from CPS HR Consulting for the Water Resources Specialist position.

By majority (4-1) vote, the Board accept the report from CPS HR Consulting for the Water Resources Specialist position.

**DISCUSSION AND POSSIBLE ACTION:**  
**Discuss succession planning and approve two unfunded positions;**  
**Customer Services Representative (Entry Level) and an Operator II**

Moved by Director Freeman and seconded by Director Mirbegian the Board unanimously approved two unfunded positions; Customer Services Representative (Entry Level) and an Operator II.

Motion Carries Unanimous.

**DISCUSSION AND POSSIBLE ACTION:**  
**Discuss setting an annual Board Calendar to include specific committee dates**  
**that can be amended by each committee if desired. (monthly, quarterly, annually,**  
**etc.)**

Director Herndon requests all Committee's provide an annual calendar with prescheduled meetings set. Calendar will be posted on the HVLCS D Website. Members of the Board agree to bring a Committee calendar before the full Board for review.

**DISCUSSION AND POSSIBLE ACTION:**  
**Board review and discussion of late fee policy**

Director Graham provided concerns from a community member regarding late fees on the constituent's bill. The customer was invited to attend a Board Meeting to lodge an appeal.

The Board at large determined that the current Late Fee Policy is fair and to remain in effect with no changes.

**PUBLIC COMMENT**

Member of the public thank staff for continued hard work and commitment to the District and its customers.

Member of the Public encourage staff and members of the Board to continue to work together for the better of the District, and agrees Legal review of the Employee Handbook is a wise decision.

**BOARD MEMBER COMMENT**

Director Graham thanked her peers for the Certificate of Appreciation.

Director Graham stated PG&E has not filed Chapter 11 but it is likely. PG&E assures its customers there will be no impact on services provided.

**ADJOURNMENT**

On a motion made by Director Mirbegian and seconded by Director Lieberman the Board voted unanimously to adjourn the meeting. The meeting was adjourned at 9:23 p.m.

\_\_\_\_\_  
Linda Herndon Date  
President of the Board

\_\_\_\_\_  
Kirk Cloyd Date  
General Manager/Secretary to the Board



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS WORKSHOP MINUTES  
MEETING DATE: January 19, 2019**

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

Present:

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

**CALL TO ORDER**

The meeting was called to order at 10:09 a.m. by President Herndon.

**APPROVAL OF AGENDA**

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

**DISCUSSION:**  
**Strategic Plan Update**

- **The short, medium and long-term goals of the District;**
- **The seven goals identified by the Board:**
  - **Lifting of the water meter moratorium;**
  - **Replacement of the wooden water tanks with steel tanks;**
  - **Address the sanitary sewer I&I issue;**
  - **Replace the old water meters with AMI water meters;**
  - **Replace the outdated SCADA system;**
  - **Fund and install generators for all water infrastructure;**
  - **Generate additional revenue.**
- **Financial opportunities and options to obtain said goals**

Michael Wright, The Results Group, facilitated the review and update of the Strategic Plan.

**PUBLIC COMMENT**

There was no Public present.

**BOARD MEMBER COMMENT**

Members of the Board expressed their gratitude and appreciation to Mr. Wright for his support.

**ADJOURNMENT**

On a motion by Director Mirbегian and second by Director Lieberman the board voted unanimously to adjourn the meeting. The meeting was adjourned at 2:49 p.m.

\_\_\_\_\_  
Linda Herndon                      Date  
President of the Board

\_\_\_\_\_  
Kirk Cloyd                      Date  
General Manager



## WATER USE AGREEMENT

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

### RECITALS

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

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

1. Association Use of Lake

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

2. Compensation

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

3. Compliance with Law

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

work which could impact any state and federal regulations.

- c. District hereby appoints Association to be the agent of the District for application of aquatic pesticides to the Lake, provided that such application is consistent with and complies with all state and federal regulations
- d. Association shall provide District with copies of all documentation it submits to governmental agencies regulating the Lake and its use, and provide District an opportunity to review and comment thereon in advance of its submission, to the extent maximally practicable
- e. Failure to comply with any aspect of this agreement shall constitute a violation of this agreement. The violator may be subject to a fine not to exceed \$300.00 per occurrence and a maximum of \$300.00 may be charged per given month for a maximum annual fine of \$3,600.00 per calendar year. The violating party is to be given 15 calendar days to correct the violation. If no corrective action is taken by the end of the 15-day period, the \$300.00 fine is to be billed to the violating party and is collectable immediately. Fines may be implemented for failure to meet the annual and/or quarterly meeting requirements, failure to pay the annual use fee within the first quarter, any and all failure to notify the District of any and all treatments and applications to the lake water for aquatic weed abatement or dredging. Any and all fines, fees or costs associated with local, state and/or federal non-compliance due to a violation of this agreement shall be the sole responsibility of the violating party to pay.

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

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

#### 5. Meetings

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

#### 6. Indemnification

Association shall indemnify and hold harmless, and when requested by the District to do so, defend the District, its directors and employees from any and all claims,

demands or charges and from any loss or liability including attorney's fees and expenses of litigation arising out of the Association's negligent or intentional acts including negligent errors or omissions, violations of laws, willful misconduct or fraudulent representations or concealment by the Association, its officers, employees, agents or licensees arising out of this Agreement, excepting and excluding liability damages or charges caused by reason of the sole negligence of the District or the willful misconduct or fraudulent representation or concealment by the District, its directors, volunteers, employees or independent contractors.

#### 7. Insurance

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

#### 8. Litigation Costs

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

9. Effective Date

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

10. Termination

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

Executed on this 9 day of Feb 2019

Hidden Valley Lake Community Services District

Kirk Cloyd, General Manager  
Printed Name & Title

  
Signature

Hidden Valley Lake Association

Bruce Brashears BOB Pres.  
Printed Name & Title

  
Signature

VENDOR SET: 01 Hidden Valley Lake

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

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 120 SEWER ENTERPRISE FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-11	STATE OF CALIFORNIA	EDD		N		FUND TOTAL FOR VENDOR	2,577.42
01-1392	MEDIACOM			N		FUND TOTAL FOR VENDOR	257.20
01-1579	SOUTH LAKE REFUSE COMPANY			N		FUND TOTAL FOR VENDOR	214.46
01-1705	SPECIAL DISTRICT RISK MAN			N		FUND TOTAL FOR VENDOR	15,904.72
01-1722	US DEPARTMENT OF THE TREA			N		FUND TOTAL FOR VENDOR	3,703.43
01-1751	USA BLUE BOOK			N		FUND TOTAL FOR VENDOR	4,696.52
01-1926	KELLER CANYON LANDFILL			N		FUND TOTAL FOR VENDOR	6,109.33
01-1961	ACWA/JPIA			N		FUND TOTAL FOR VENDOR	549.82
01-21	CALIFORNIA PUBLIC EMPLOYE			N		FUND TOTAL FOR VENDOR	5,192.18
01-2111	DATAPROSE			N		FUND TOTAL FOR VENDOR	780.13
01-2283	ARMED FORCE PEST CONTROL,			N		FUND TOTAL FOR VENDOR	102.50
01-2431	CNH PRODUCTIVITY PLUS ACC			N		FUND TOTAL FOR VENDOR	656.86
01-2532	WIPF CONSTRUCTION			N		FUND TOTAL FOR VENDOR	6,995.00
01-2538	HARDESTER'S MARKETS & HAR			N		FUND TOTAL FOR VENDOR	190.37
01-2541	MENDO MILL CLEARLAKE			N		FUND TOTAL FOR VENDOR	86.57
01-2585	TYLER TECHNOLOGY			N		FUND TOTAL FOR VENDOR	1,831.20
01-2598	VERIZON WIRELESS			N		FUND TOTAL FOR VENDOR	985.91
01-2636	ACTION SANITARY, INC.			N		FUND TOTAL FOR VENDOR	861.67
01-2638	RICOH USA, INC.			N		FUND TOTAL FOR VENDOR	193.14
01-2684	OFFICE DEPOT			N		FUND TOTAL FOR VENDOR	864.64
01-2699	MICHELLE HAMILTON			N		FUND TOTAL FOR VENDOR	1,097.50
01-2700	REDFORD SERVICES			N		FUND TOTAL FOR VENDOR	950.00
01-2702	PACE SUPPLY CORP			N		FUND TOTAL FOR VENDOR	236.57
01-2749	NAPA AUTO PARTS			N		FUND TOTAL FOR VENDOR	71.89
01-2751	GRAPHIC FX, INC.			N		FUND TOTAL FOR VENDOR	229.90
01-2788	GHD			N		FUND TOTAL FOR VENDOR	2,340.50
01-2816	CARDMEMBER SERVICE			N		FUND TOTAL FOR VENDOR	3,635.70

VENDOR SET: 01 Hidden Valley Lake

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

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 120 SEWER ENTERPRISE FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2817	MIKSIS SERVICES, INC.			N		FUND TOTAL FOR VENDOR	11,425.00
01-2820	ALPHA ANALYTICAL LABORATO			N		FUND TOTAL FOR VENDOR	3,220.75
01-2823	GARDENS BY JILLIAN			N		FUND TOTAL FOR VENDOR	100.00
01-2825	NATIONWIDE RETIREMENT SOL			N		FUND TOTAL FOR VENDOR	900.00
01-2842	COASTLAND CIVIL ENGINEERI			N		FUND TOTAL FOR VENDOR	631.32
01-2847	ALYSSA GORDON			N		FUND TOTAL FOR VENDOR	87.65
01-2850	STATE WATER RESOURCES CON			N		FUND TOTAL FOR VENDOR	125.00
01-2860	WESTGATE PETROLEUM CO., I			N		FUND TOTAL FOR VENDOR	742.94
01-2909	STREAMLINE			N		FUND TOTAL FOR VENDOR	100.00
01-2914	RAY MORGAN COMPANY			N		FUND TOTAL FOR VENDOR	27.61
01-2917	AT&T MOBILITY			N		FUND TOTAL FOR VENDOR	33.55
01-2926	THATCHER COMPANY, INC.			N		FUND TOTAL FOR VENDOR	2,723.61
01-2945	APPLIED TECHNOLOGY SOLUTI			N		FUND TOTAL FOR VENDOR	286.50
01-2950	AFLAC			N		FUND TOTAL FOR VENDOR	210.04
01-2951	JENFITCH, LLC			N		FUND TOTAL FOR VENDOR	3,042.64
01-2960	AMERICAN PLUMBING			N		FUND TOTAL FOR VENDOR	837.00
01-2963	G3 ENGINEERING, INC.			N		FUND TOTAL FOR VENDOR	14,478.75
01-8	AT&T			N		FUND TOTAL FOR VENDOR	121.10
*** FUND TOTALS ***							100,408.59

VENDOR SET: 01 Hidden Valley Lake

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

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 130 WATER ENTERPRISE FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-1	MISCELLANEOUS VENDOR			N		FUND TOTAL FOR VENDOR	362.25
01-11	STATE OF CALIFORNIA EDD			N		FUND TOTAL FOR VENDOR	2,988.97
01-1392	MEDIACOM			N		FUND TOTAL FOR VENDOR	257.21
01-1579	SOUTH LAKE REFUSE COMPANY			N		FUND TOTAL FOR VENDOR	214.46
01-1621	POWER INDUSTRIES, INC			N		FUND TOTAL FOR VENDOR	140.73
01-1659	WAGNER & BONSIGNORE			N		FUND TOTAL FOR VENDOR	1,840.00
01-1705	SPECIAL DISTRICT RISK MAN			N		FUND TOTAL FOR VENDOR	15,904.72
01-1722	US DEPARTMENT OF THE TREA			N		FUND TOTAL FOR VENDOR	4,358.11
01-1751	USA BLUE BOOK			N		FUND TOTAL FOR VENDOR	2,353.94
01-1961	ACWA/JPIA			N		FUND TOTAL FOR VENDOR	549.82
01-21	CALIFORNIA PUBLIC EMPLOYE			N		FUND TOTAL FOR VENDOR	5,862.68
01-2111	DATAPROSE			N		FUND TOTAL FOR VENDOR	780.15
01-2283	ARMED FORCE PEST CONTROL,			N		FUND TOTAL FOR VENDOR	102.50
01-2431	CNH PRODUCTIVITY PLUS ACC			N		FUND TOTAL FOR VENDOR	656.86
01-2532	WIPF CONSTRUCTION			N		FUND TOTAL FOR VENDOR	780.00
01-2538	HARDESTER'S MARKETS & HAR			N		FUND TOTAL FOR VENDOR	181.86
01-2582	SWRCB ACCOUNTING OFFICE			N		FUND TOTAL FOR VENDOR	11,176.50
01-2585	TYLER TECHNOLOGY			N		FUND TOTAL FOR VENDOR	1,831.19
01-2598	VERIZON WIRELESS			N		FUND TOTAL FOR VENDOR	452.02
01-2636	ACTION SANITARY, INC.			N		FUND TOTAL FOR VENDOR	61.67
01-2638	RICOH USA, INC.			N		FUND TOTAL FOR VENDOR	193.15
01-2684	OFFICE DEPOT			N		FUND TOTAL FOR VENDOR	864.67
01-2699	MICHELLE HAMILTON			N		FUND TOTAL FOR VENDOR	862.50
01-2700	REDFORD SERVICES			N		FUND TOTAL FOR VENDOR	950.00
01-2702	PACE SUPPLY CORP			N		FUND TOTAL FOR VENDOR	9,424.95
01-2749	NAPA AUTO PARTS			N		FUND TOTAL FOR VENDOR	71.89
01-2751	GRAPHIC FX, INC.			N		FUND TOTAL FOR VENDOR	229.90

VENDOR SET: 01 Hidden Valley Lake

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

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 130 WATER ENTERPRISE FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2816	CARDMEMBER SERVICE			N		FUND TOTAL FOR VENDOR	1,724.60
01-2819	SWRCB - DWCP			N		FUND TOTAL FOR VENDOR	150.00
01-2820	ALPHA ANALYTICAL LABORATO			N		FUND TOTAL FOR VENDOR	2,777.00
01-2823	GARDENS BY JILLIAN			N		FUND TOTAL FOR VENDOR	100.00
01-2825	NATIONWIDE RETIREMENT SOL			N		FUND TOTAL FOR VENDOR	900.00
01-2842	COASTLAND CIVIL ENGINEERI			N		FUND TOTAL FOR VENDOR	4,908.75
01-2847	ALYSSA GORDON			N		FUND TOTAL FOR VENDOR	87.65
01-2860	WESTGATE PETROLEUM CO., I			N		FUND TOTAL FOR VENDOR	742.94
01-2878	BADGER METER			N		FUND TOTAL FOR VENDOR	270.00
01-2909	STREAMLINE			N		FUND TOTAL FOR VENDOR	100.00
01-2914	RAY MORGAN COMPANY			N		FUND TOTAL FOR VENDOR	27.60
01-2917	AT&T MOBILITY			N		FUND TOTAL FOR VENDOR	33.55
01-2945	APPLIED TECHNOLOGY SOLUTI			N		FUND TOTAL FOR VENDOR	286.50
01-2950	AFLAC			N		FUND TOTAL FOR VENDOR	238.58
01-2960	AMERICAN PLUMBING			N		FUND TOTAL FOR VENDOR	837.00
01-8	AT&T			N		FUND TOTAL FOR VENDOR	121.11

\*\*\* FUND TOTALS \*\*\*

76,757.98



VENDOR SET: 01 Hidden Valley Lake

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

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 218 CIEDB REDEMPTION FUN

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
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01-1636	US BANK - GLOBAL CORP TRU			N		FUND TOTAL FOR VENDOR	139,801.89
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\*\*\* FUND TOTALS \*\*\* 139,801.89

VENDOR SET: 01 Hidden Valley Lake

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

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 711 BOND ADMINISTRATION

SORTED BY FUND

VENDOR	NAME	NO# INVOICES	TOTAL AMOUNT	1099 ACCT NO#	G/L NAME	G/L AMOUNT
01-19	NBS GOVERNMENT FINANCE GR			N	FUND TOTAL FOR VENDOR	1,981.13
*** FUND TOTALS ***						1,981.13
*** REPORT TOTALS ***			318,949.59			318,949.59

\*G / L EXPENSE DISTRIBUTION\*

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
120 2075	AFLAC	210.04
120 2088	SURVIVOR BENEFITS - PERS	10.61
120 2090	PERS PAYABLE	2,296.60
120 2091	FIT PAYABLE	2,762.63
120 2092	CIT PAYABLE	945.88
120 2094	MEDICARE PAYABLE	470.38
120 2095	S D I PAYABLE	324.40
120 2099	DEFERRED COMP - 457 PLAN	900.00
120 5-00-5025	RETIREE HEALTH BENEFITS	1,798.77
120 5-00-5060	GASOLINE, OIL & FUEL	758.26
120 5-00-5061	VEHICLE MAINT	728.75
120 5-00-5080	MEMBERSHIP & SUBSCRIPTIONS	100.00
120 5-00-5092	POSTAGE & SHIPPING	518.58
120 5-00-5122	ENGINEERING SERVICES	2,340.50
120 5-00-5130	PRINTING & PUBLICATION	261.55
120 5-00-5145	EQUIPMENT RENTAL	3,071.03
120 5-00-5148	OPERATING SUPPLIES	8,738.47
120 5-00-5150	REPAIR & REPLACE	17,772.29
120 5-00-5155	MAINT BLDG & GROUNDS	202.50
120 5-00-5156	CUSTODIAL SERVICES	2,047.50
120 5-00-5160	SLUDGE DISPOSAL	13,104.33
120 5-00-5191	TELEPHONE	863.88
120 5-00-5193	OTHER UTILITIES	214.46
120 5-00-5194	IT SERVICES	2,152.20
120 5-00-5195	ENV/MONITORING	3,220.75
120 5-00-5315	SAFETY EQUIPMENT	518.02
120 5-10-5010	SALARIES & WAGES	272.37
120 5-10-5020	EMPLOYEE BENEFITS	6,608.61
120 5-10-5021	RETIREMENT BENEFITS	1,674.05

VENDOR SET: 01 Hidden Valley Lake

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

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 711 BOND ADMINISTRATION

SORTED BY FUND

## \*G/L EXPENSE DISTRIBUTION\*

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
120 5-10-5090	OFFICE SUPPLIES	831.86
120 5-10-5170	TRAVEL MILEAGE	128.49
120 5-10-5175	EDUCATION / SEMINARS	425.00
120 5-30-5010	SALARIES & WAGES	198.05
120 5-30-5020	EMPLOYEE BENEFITS	6,223.30
120 5-30-5021	RETIREMENT BENEFITS	1,210.92
120 5-30-5022	CLOTHING ALLOWANCE	175.90
120 5-30-5063	CERTIFICATIONS	125.00
120 5-30-5090	OFFICE SUPPLIES	116.45
120 5-30-5175	EDUCATION / SEMINARS	93.97
120 5-40-5030	DIRECTOR HEALTH BENEFITS	3,360.90
120 5-60-6006	PW LKHVF83	631.32
120 5-70-7201	I & I	12,000.02
	** FUND TOTAL **	100,408.59
130 1052	ACCTS REC WATER USE	312.25
130 2075	AFLAC	238.58
130 2088	SURVIVOR BENEFITS - PERS	11.71
130 2090	PERS PAYABLE	2,584.43
130 2091	FIT PAYABLE	3,312.97
130 2092	CIT PAYABLE	1,148.02
130 2094	MEDICARE PAYABLE	522.59
130 2095	S D I PAYABLE	360.45
130 2099	DEFERRED COMP - PLAN 457 PAYAB	900.00
130 5-00-5025	RETIREE HEALTH BENEFITS	1,798.77
130 5-00-5060	GASOLINE, OIL & FUEL	758.26
130 5-00-5061	VEHICLE MAINT	728.75
130 5-00-5080	MEMBERSHIP & SUBSCRIPTIONS	100.00
130 5-00-5092	POSTAGE & SHIPPING	518.59
130 5-00-5122	ENGINEERING SERVICES	4,908.75
130 5-00-5124	WATER RIGHTS	1,840.00
130 5-00-5130	PRINTING & PUBLICATION	261.56
130 5-00-5145	EQUIPMENT RENTAL	1,062.42
130 5-00-5150	REPAIR & REPLACE	12,297.81
130 5-00-5155	MAINT BLDG & GROUNDS	202.50
130 5-00-5156	CUSTODIAL SERVICES	1,812.50
130 5-00-5191	TELEPHONE	863.89
130 5-00-5193	OTHER UTILITIES	214.46
130 5-00-5194	IT SERVICES	2,422.19
130 5-00-5195	ENV/MONITORING	2,777.00
130 5-00-5198	ANNUAL OPERATING FEES	11,176.50
130 5-00-5315	SAFETY EQUIPMENT	1,673.69
130 5-00-5505	WATER CONSERVATION	50.00
130 5-10-5010	SALARIES & WAGES	272.37
130 5-10-5020	EMPLOYEE BENEFITS	6,608.55
130 5-10-5021	RETIREMENT BENEFITS	1,674.05
130 5-10-5090	OFFICE SUPPLIES	831.89

VENDOR SET: 01 Hidden Valley Lake

D I S B U R S E M E N T   R E P O R T

BANK: ALL

VENDOR CLASS(ES): ALL CLASSES

REPORTING FUND NO#: 711 BOND ADMINISTRATION

SORTED BY FUND

## \*G/L EXPENSE DISTRIBUTION\*

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
130 5-10-5170	TRAVEL MILEAGE	128.50
130 5-10-5175	EDUCATION / SEMINARS	425.00
130 5-30-5010	SALARIES & WAGES	250.18
130 5-30-5020	EMPLOYEE BENEFITS	6,396.72
130 5-30-5021	RETIREMENT BENEFITS	1,592.49
130 5-30-5022	CLOTHING ALLOWANCE	175.91
130 5-30-5063	CERTIFICATIONS	150.00
130 5-30-5090	OFFICE SUPPLIES	32.78
130 5-40-5020	DIRECTOR BENEFITS	3,360.90
	** FUND TOTAL **	76,757.98
218 5-00-5522	INTEREST ON LONG-TERM DEBT	31,571.94
218 5-00-5595	CIEDB LOAN ANNUAL FEE	5,443.44
218 5-00-5599	PRINCIPAL PMT	102,786.51
	** FUND TOTAL **	139,801.89
711 5-00-5123	OTHER PROF SERVICES	1,981.13
	** FUND TOTAL **	1,981.13

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** TOTAL **	318,949.59
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NO ERRORS

SELECTION CRITERIA

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

REPORTING: PAID ITEMS ,G/L DIST

	=====PAYMENT DATES=====	=====ITEM DATES=====	=====POSTING DATES=====
PAID ITEMS DATES	: 1/01/2019 THRU 1/31/2019	0/00/0000 THRU 99/99/9999	0/00/0000 THRU 99/99/9999

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PRINT OPTIONS

REPORT SEQUENCE: FUND  
G/L EXPENSE DISTRIBUTION: YES  
CHECK RANGE: 000000 THRU 999999  
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HIDDEN VALLEY LAKE CSD  
 REVENUE & EXPENSE REPORT (UNAUDITED)  
 AS OF: JANUARY 31ST, 2019

120-SEWER ENTERPRISE FUND  
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>1,613,149.00</u>	<u>103,715.00</u>	<u>1,585,519.99</u>	<u>27,629.01</u>	<u>98.29</u>
TOTAL REVENUES	<u>1,613,149.00</u>	<u>103,715.00</u>	<u>1,585,519.99</u>	<u>27,629.01</u>	<u>98.29</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	562,872.00	58,270.97	748,805.67 (	185,933.67)	133.03
ADMINISTRATION	383,766.00	31,129.12	221,714.36	162,051.64	57.77
OFFICE	0.00	0.00	0.00	0.00	0.00
FIELD	308,888.00	24,206.05	169,641.21	139,246.79	54.92
DIRECTORS	44,916.00	3,505.90	24,137.62	20,778.38	53.74
SPECIAL PROJECTS	0.00	631.32	281,842.06 (	281,842.06)	0.00
CAPITAL PROJECTS & EQUIP	<u>55,000.00</u>	<u>12,000.02</u>	<u>37,001.96</u>	<u>17,998.04</u>	<u>67.28</u>
TOTAL EXPENDITURES	<u>1,355,442.00</u>	<u>129,743.38</u>	<u>1,483,142.88 (</u>	<u>127,700.88)</u>	<u>109.42</u>
REVENUES OVER/(UNDER) EXPENDITURES	257,707.00 (	26,028.38)	102,377.11	155,329.89	39.73

HIDDEN VALLEY LAKE CSD  
 REVENUE & EXPENSE REPORT (UNAUDITED)  
 AS OF: JANUARY 31ST, 2019

120-SEWER ENTERPRISE FUND

REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-4020 INSPECTION FEES	700.00	0.00	300.00	400.00	42.86
120-4036 DEVELOPER SEWER FEES	0.00	0.00	21,606.04 (	21,606.04)	0.00
120-4040 LIEN RECORDING FEES	0.00	0.00	0.00	0.00	0.00
120-4045 AVAILABILITY FEES	5,000.00	3,489.00	4,364.84	635.16	87.30
120-4050 SALES OF RECLAIMED WATER	125,000.00	544.16	70,007.82	54,992.18	56.01
120-4111 COMM SEWER USE	22,000.00	2,572.62	18,008.34	3,991.66	81.86
120-4112 GOV'T SEWER USE	700.00	60.93	426.51	273.49	60.93
120-4116 SEWER USE CHARGES	1,137,649.00	94,793.57	663,015.41	474,633.59	58.28
120-4210 LATE FEE	25,000.00	1,660.20	11,432.97	13,567.03	45.73
120-4300 MISC INCOME	1,500.00	3.25	626.40	873.60	41.76
120-4310 OTHER INCOME	0.00	121.35	121.35 (	121.35)	0.00
120-4320 FEMA/CalOES Grants	295,000.00	0.00	401,454.00 (	106,454.00)	136.09
120-4505 LEASE INCOME	0.00	0.00	0.00	0.00	0.00
120-4550 INTEREST INCOME	600.00	469.92	1,188.91 (	588.91)	198.15
120-4580 TRANSFERS IN	0.00	0.00	392,967.40 (	392,967.40)	0.00
120-4591 INCOME APPLICABLE TO PRIOR YRS	0.00	0.00	0.00	0.00	0.00
120-4955 Gain/Loss	0.00	0.00	0.00	0.00	0.00
<b>TOTAL REVENUES</b>	<b>1,613,149.00</b>	<b>103,715.00</b>	<b>1,585,519.99</b>	<b>27,629.01</b>	<b>98.29</b>
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HIDDEN VALLEY LAKE CSD  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: JANUARY 31ST, 2019

120-SEWER ENTERPRISE FUND  
NON-DEPARTMENTAL  
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-00-5010 SALARY & WAGES	0.00	0.00	0.00	0.00	0.00
120-5-00-5020 EMPLOYEE BENEFITS	0.00	0.00	0.00	0.00	0.00
120-5-00-5021 RETIREMENT BENEFITS	0.00	0.00	0.00	0.00	0.00
120-5-00-5024 WORKERS' COMP INSURANCE	0.00	0.00	350.70 (	350.70)	0.00
120-5-00-5025 RETIREE HEALTH BENEFITS	21,472.00	703.79	6,144.68	15,327.32	28.62
120-5-00-5026 COBRA Health & Dental	0.00	0.00	0.00	0.00	0.00
120-5-00-5040 ELECTION EXPENSE	4,500.00	0.00	0.00	4,500.00	0.00
120-5-00-5050 DEPRECIATION	0.00	0.00	0.00	0.00	0.00
120-5-00-5060 GASOLINE, OIL & FUEL	8,000.00	758.26	6,043.47	1,956.53	75.54
120-5-00-5061 VEHICLE MAINT	12,500.00	728.75	18,231.06 (	5,731.06)	145.85
120-5-00-5062 TAXES & LIC	800.00	0.00	311.01	488.99	38.88
120-5-00-5074 INSURANCE	22,000.00	0.00	25,770.89 (	3,770.89)	117.14
120-5-00-5075 BANK FEES	13,400.00	1,464.11	10,253.58	3,146.42	76.52
120-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	6,400.00	100.00	5,342.00	1,058.00	83.47
120-5-00-5092 POSTAGE & SHIPPING	5,000.00	518.58	2,933.73	2,066.27	58.67
120-5-00-5110 CONTRACTUAL SERVICES	0.00	0.00	0.00	0.00	0.00
120-5-00-5121 LEGAL SERVICES	5,000.00	0.00	1,372.50	3,627.50	27.45
120-5-00-5122 ENGINEERING SERVICES	27,000.00	2,340.50	20,735.36	6,264.64	76.80
120-5-00-5123 OTHER PROFESSIONAL SERVICE	50,000.00	0.00	23,953.99	26,046.01	47.91
120-5-00-5126 AUDIT SERVICES	7,500.00	0.00	0.00	7,500.00	0.00
120-5-00-5130 PRINTING & PUBLICATION	5,000.00	261.55	1,353.41	3,646.59	27.07
120-5-00-5135 NEWSLETTER	500.00	0.00	0.00	500.00	0.00
120-5-00-5140 RENTS & LEASES	0.00	0.00	0.00	0.00	0.00
120-5-00-5145 EQUIPMENT RENTAL	14,000.00	3,071.03	19,458.68 (	5,458.68)	138.99
120-5-00-5148 OPERATING SUPPLIES	22,000.00	8,738.47	28,733.30 (	6,733.30)	130.61
120-5-00-5150 REPAIR & REPLACE	145,000.00	17,772.29	60,680.84	84,319.16	41.85
120-5-00-5155 MAINT BLDG & GROUNDS	5,500.00	202.50	3,269.78	2,230.22	59.45
120-5-00-5156 CUSTODIAL SERVICES	15,150.00	1,537.50	7,850.00	7,300.00	51.82
120-5-00-5157 SECURITY	5,000.00	0.00	264.00	4,736.00	5.28
120-5-00-5160 SLUDGE DISPOSAL	28,500.00	13,104.33	29,191.83 (	691.83)	102.43
120-5-00-5180 UNCOLLECTABLE ACCOUNTS	0.00	0.00	0.00	0.00	0.00
120-5-00-5191 TELEPHONE	9,500.00	863.88	5,903.51	3,596.49	62.14
120-5-00-5192 ELECTRICITY	45,000.00	0.00	16,012.16	28,987.84	35.58
120-5-00-5193 OTHER UTILITIES	2,600.00	214.46	1,286.76	1,313.24	49.49
120-5-00-5194 IT SERVICES	35,000.00	2,152.20	26,680.00	8,320.00	76.23
120-5-00-5195 ENV/MONITORING	32,000.00	3,220.75	19,649.50	12,350.50	61.40
120-5-00-5196 RISK MANAGEMENT	0.00	0.00	0.00	0.00	0.00
120-5-00-5198 ANNUAL OPERATING FEES	2,000.00	0.00	1,800.75	199.25	90.04
120-5-00-5310 EQUIPMENT - FIELD	1,500.00	0.00	0.00	1,500.00	0.00
120-5-00-5311 EQUIPMENT - OFFICE	1,300.00	0.00	0.00	1,300.00	0.00
120-5-00-5312 TOOLS - FIELD	1,000.00	0.00	1,337.62 (	337.62)	133.76
120-5-00-5315 SAFETY EQUIPMENT	3,500.00	518.02	2,402.56	1,097.44	68.64
120-5-00-5510 SEWER OUTREACH	0.00	0.00	0.00	0.00	0.00
120-5-00-5545 RECORDING FEES	250.00	0.00	34.00	216.00	13.60
120-5-00-5580 TRANSFERS OUT	0.00	0.00	401,454.00 (	401,454.00)	0.00
120-5-00-5590 NON-OPERATING OTHER	0.00	0.00	0.00	0.00	0.00
120-5-00-5591 EXPENSES APPLICABLE TO PRI	0.00	0.00	0.00	0.00	0.00
120-5-00-5600 CONTINGENCY	5,000.00	0.00	0.00	5,000.00	0.00
120-5-00-5650 OPERATING RESERVES	0.00	0.00	0.00	0.00	0.00



HIDDEN VALLEY LAKE CSD  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: JANUARY 31ST, 2019

120-SEWER ENTERPRISE FUND  
NON-DEPARTMENTAL  
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-00-5700 OVER / SHORT	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	562,872.00	58,270.97	748,805.67 (	185,933.67)	133.03

AS OF: JANUARY 31ST, 2019

## 120-SEWER ENTERPRISE FUND

## ADMINISTRATION

## EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-10-5010 SALARIES & WAGES	244,904.00	18,895.18	145,467.74	99,436.26	59.40
120-5-10-5020 EMPLOYEE BENEFITS	82,142.00	6,770.15	41,850.25	40,291.75	50.95
120-5-10-5021 RETIREMENT BENEFITS	47,170.00	4,078.44	29,385.74	17,784.26	62.30
120-5-10-5063 CERTIFICATIONS	0.00	0.00	211.50 (	211.50)	0.00
120-5-10-5090 OFFICE SUPPLIES	4,000.00	831.86	2,724.15	1,275.85	68.10
120-5-10-5170 TRAVEL MILEAGE	1,200.00	128.49	869.22	330.78	72.44
120-5-10-5175 EDUCATION / SEMINARS	4,000.00	425.00	1,034.03	2,965.97	25.85
120-5-10-5179 ADM MISC EXPENSES	350.00	0.00	171.73	178.27	49.07
<b>TOTAL ADMINISTRATION</b>	<b>383,766.00</b>	<b>31,129.12</b>	<b>221,714.36</b>	<b>162,051.64</b>	<b>57.77</b>

HIDDEN VALLEY LAKE CSD  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: JANUARY 31ST, 2019

120-SEWER ENTERPRISE FUND  
OFFICE  
EXPENDITURES

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

HIDDEN VALLEY LAKE CSD  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: JANUARY 31ST, 2019120-SEWER ENTERPRISE FUND  
FIELD  
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-30-5010 SALARIES & WAGES	212,658.00	13,856.13	105,686.22	106,971.78	49.70
120-5-30-5020 EMPLOYEE BENEFITS	44,600.00	6,223.30	35,363.93	9,236.07	79.29
120-5-30-5021 RETIREMENT BENEFITS	41,830.00	3,615.30	25,806.82	16,023.18	61.69
120-5-30-5022 CLOTHING ALLOWANCE	1,800.00	175.90	1,278.37	521.63	71.02
120-5-30-5063 CERTIFICATIONS	1,500.00	125.00	295.00	1,205.00	19.67
120-5-30-5090 OFFICE SUPPLIES	2,000.00	116.45	259.89	1,740.11	12.99
120-5-30-5170 TRAVEL MILEAGE	500.00	0.00	143.06	356.94	28.61
120-5-30-5175 EDUCATION / SEMINARS	4,000.00	93.97	807.92	3,192.08	20.20
TOTAL FIELD	308,888.00	24,206.05	169,641.21	139,246.79	54.92

HIDDEN VALLEY LAKE CSD  
 REVENUE & EXPENSE REPORT (UNAUDITED)  
 AS OF: JANUARY 31ST, 2019

## 120-SEWER ENTERPRISE FUND

## DIRECTORS

## EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-40-5010 DIRECTORS COMPENSATION	3,000.00	145.00	1,081.60	1,918.40	36.05
120-5-40-5020 DIRECTOR BENEFITS	100.00	0.00	26.97	73.03	26.97
120-5-40-5030 DIRECTOR HEALTH BENEFITS	40,116.00	3,360.90	23,029.05	17,086.95	57.41
120-5-40-5170 TRAVEL MILEAGE	200.00	0.00	0.00	200.00	0.00
120-5-40-5175 EDUCATION / SEMINARS	0.00	0.00	0.00	0.00	0.00
120-5-40-5176 DIRECTOR TRAINING	1,500.00	0.00	0.00	1,500.00	0.00
<b>TOTAL DIRECTORS</b>	<b>44,916.00</b>	<b>3,505.90</b>	<b>24,137.62</b>	<b>20,778.38</b>	<b>53.74</b>

HIDDEN VALLEY LAKE CSD  
 REVENUE & EXPENSE REPORT (UNAUDITED)  
 AS OF: JANUARY 31ST, 2019

120-SEWER ENTERPRISE FUND  
 SPECIAL PROJECTS  
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-60-6001 PW LKHVA01	0.00	0.00	0.00	0.00	0.00
120-5-60-6002 PW LKHVB02	0.00	0.00	0.00	0.00	0.00
120-5-60-6003 PW LKHVA81	0.00	0.00	0.00	0.00	0.00
120-5-60-6004 PW LKHVB82	0.00	0.00	0.00	0.00	0.00
120-5-60-6005 PW LKHVF84	0.00	0.00	0.00	0.00	0.00
120-5-60-6006 PW LKHVF83	0.00	631.32	281,842.06 (	281,842.06)	0.00
<b>TOTAL SPECIAL PROJECTS</b>	0.00	631.32	281,842.06 (	281,842.06)	0.00

HIDDEN VALLEY LAKE CSD  
 REVENUE & EXPENSE REPORT (UNAUDITED)  
 AS OF: JANUARY 31ST, 2019

120-SEWER ENTERPRISE FUND  
 CAPITAL PROJECTS & EQUIP  
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-70-7201 I & I	55,000.00	12,000.02	37,001.96	17,998.04	67.28
TOTAL CAPITAL PROJECTS & EQUIP	55,000.00	12,000.02	37,001.96	17,998.04	67.28
TOTAL EXPENDITURES	1,355,442.00	129,743.38	1,483,142.88 (	127,700.88)	109.42
REVENUES OVER/(UNDER) EXPENDITURES	257,707.00	( 26,028.38)	102,377.11	155,329.89	39.73

\*\*\* END OF REPORT \*\*\*

HIDDEN VALLEY LAKE CSD  
 REVENUE & EXPENSE REPORT (UNAUDITED)  
 AS OF: JANUARY 31ST, 2019

130-WATER ENTERPRISE FUND  
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>1,909,200.00</u>	<u>118,473.99</u>	<u>969,408.73</u>	<u>939,791.27</u>	<u>50.78</u>
TOTAL REVENUES	<u>1,909,200.00</u>	<u>118,473.99</u>	<u>969,408.73</u>	<u>939,791.27</u>	<u>50.78</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	817,905.00	45,981.55	380,586.64	437,318.36	46.53
ADMINISTRATION	389,713.00	31,129.23	221,629.64	168,083.36	56.87
OFFICE	0.00	0.00	0.00	0.00	0.00
FIELD	309,288.00	28,257.42	200,465.29	108,822.71	64.82
DIRECTORS	<u>44,916.00</u>	<u>3,515.90</u>	<u>24,213.98</u>	<u>20,702.02</u>	<u>53.91</u>
TOTAL EXPENDITURES	<u>1,561,822.00</u>	<u>108,884.10</u>	<u>826,895.55</u>	<u>734,926.45</u>	<u>52.94</u>
REVENUES OVER/(UNDER) EXPENDITURES	347,378.00	9,589.89	142,513.18	204,864.82	41.03



HIDDEN VALLEY LAKE CSD  
 REVENUE & EXPENSE REPORT (UNAUDITED)  
 AS OF: JANUARY 31ST, 2019

130-WATER ENTERPRISE FUND  
 REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-4035 RECONNECT FEE	13,000.00	90.00	5,855.00	7,145.00	45.04
130-4038 COMM WATER METER INSTALL	0.00	0.00	0.00	0.00	0.00
130-4039 WATER METER INST	1,000.00	170.00	510.00	490.00	51.00
130-4040 LIEN RECORDING FEES	500.00	0.00	180.46	319.54	36.09
130-4045 AVAILABILITY FEES	25,000.00	13,956.00	17,631.16	7,368.84	70.52
130-4110 COMM WATER USE	85,000.00	5,335.11	55,871.92	29,128.08	65.73
130-4112 GOV'T WATER USE	6,000.00	410.49	2,917.87	3,082.13	48.63
130-4115 WATER USE	1,750,000.00	95,140.99	787,595.81	962,404.19	45.01
130-4117 WATER OVERAGE FEE	0.00	0.00	0.00	0.00	0.00
130-4118 WATER OVERAGE COMM	0.00	0.00	0.00	0.00	0.00
130-4119 WATER OVERAGE GOV	0.00	0.00	0.00	0.00	0.00
130-4210 LATE FEE	25,000.00	2,162.28	20,405.52	4,594.48	81.62
130-4215 RETURNED CHECK FEE	1,000.00	( 100.00)	450.00	550.00	45.00
130-4300 MISC INCOME	2,000.00	133.25	6,276.36	( 4,276.36)	313.82
130-4310 OTHER INCOME	0.00	121.35	121.35	( 121.35)	0.00
130-4505 LEASE INCOME	0.00	0.00	0.00	0.00	0.00
130-4550 INTEREST INCOME	700.00	1,054.52	2,144.50	( 1,444.50)	306.36
130-4580 TRANSFER IN	0.00	0.00	69,448.78	( 69,448.78)	0.00
130-4591 INCOME APPLICABLE TO PRIOR YRS	0.00	0.00	0.00	0.00	0.00
130-4955 Gain/Loss	0.00	0.00	0.00	0.00	0.00
<b>TOTAL REVENUES</b>	<b>1,909,200.00</b>	<b>118,473.99</b>	<b>969,408.73</b>	<b>939,791.27</b>	<b>50.78</b>
	=====	=====	=====	=====	=====

HIDDEN VALLEY LAKE CSD  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: JANUARY 31ST, 2019

130-WATER ENTERPRISE FUND  
NON-DEPARTMENTAL  
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-00-5010 SALARY & WAGES	0.00	0.00	0.00	0.00	0.00
130-5-00-5020 EMPLOYEE BENEFITS	0.00	0.00	0.00	0.00	0.00
130-5-00-5021 RETIREMENT BENEFITS	0.00	0.00	0.00	0.00	0.00
130-5-00-5024 WORKERS' COMP INSURANCE	0.00	0.00	350.70 (	350.70)	0.00
130-5-00-5025 RETIREE HEALTH BENEFITS	21,472.00	1,123.54	6,157.03	15,314.97	28.67
130-5-00-5026 COBRA Health & Dental	0.00	0.00	0.00	0.00	0.00
130-5-00-5040 ELECTION EXPENSE	4,500.00	0.00	0.00	4,500.00	0.00
130-5-00-5050 DEPRECIATION	0.00	0.00	0.00	0.00	0.00
130-5-00-5060 GASOLINE, OIL & FUEL	6,500.00	758.26	6,043.43	456.57	92.98
130-5-00-5061 VEHICLE MAINT	12,500.00	728.75	5,032.87	7,467.13	40.26
130-5-00-5062 TAXES & LIC	1,200.00	0.00	311.00	889.00	25.92
130-5-00-5074 INSURANCE	25,000.00	0.00	25,770.88 (	770.88)	103.08
130-5-00-5075 BANK FEES	13,500.00	1,464.14	10,453.60	3,046.40	77.43
130-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	24,000.00	100.00	18,749.00	5,251.00	78.12
130-5-00-5092 POSTAGE & SHIPPING	6,000.00	518.59	2,933.76	3,066.24	48.90
130-5-00-5110 CONTRACTUAL SERVICES	0.00	0.00	0.00	0.00	0.00
130-5-00-5121 LEGAL SERVICES	1,000.00	0.00	1,372.50 (	372.50)	137.25
130-5-00-5122 ENGINEERING SERVICES	60,000.00	4,908.75	7,524.35	52,475.65	12.54
130-5-00-5123 OTHER PROFESSIONAL SERVICE	35,000.00	0.00	15,183.57	19,816.43	43.38
130-5-00-5124 WATER RIGHTS	70,000.00	1,840.00	15,960.87	54,039.13	22.80
130-5-00-5126 AUDIT SERVICES	7,500.00	0.00	0.00	7,500.00	0.00
130-5-00-5130 PRINTING & PUBLICATION	7,500.00	261.56	1,353.42	6,146.58	18.05
130-5-00-5135 NEWSLETTER	500.00	0.00	0.00	500.00	0.00
130-5-00-5140 RENT & LEASES	0.00	0.00	0.00	0.00	0.00
130-5-00-5145 EQUIPMENT RENTAL	50,533.00	1,062.42	37,332.35	13,200.65	73.88
130-5-00-5148 OPERATING SUPPLIES	1,500.00	0.00	5,248.20 (	3,748.20)	349.88
130-5-00-5150 REPAIR & REPLACE	185,000.00	12,297.81	54,247.95	130,752.05	29.32
130-5-00-5155 MAINT BLDG & GROUNDS	12,000.00	202.50	1,462.44	10,537.56	12.19
130-5-00-5156 CUSTODIAL SERVICES	3,750.00	1,537.50	3,100.00	650.00	82.67
130-5-00-5157 SECURITY	5,000.00	0.00	264.00	4,736.00	5.28
130-5-00-5180 UNCOLLECTABLE ACCOUNTS	0.00	0.00	2,128.17 (	2,128.17)	0.00
130-5-00-5191 TELEPHONE	10,000.00	863.89	5,903.51	4,096.49	59.04
130-5-00-5192 ELECTRICITY	115,000.00	0.00	78,558.49	36,441.51	68.31
130-5-00-5193 OTHER UTILITIES	2,200.00	214.46	1,286.76	913.24	58.49
130-5-00-5194 IT SERVICES	35,000.00	2,422.19	28,129.01	6,870.99	80.37
130-5-00-5195 ENV/MONITORING	15,000.00	2,777.00	13,150.00	1,850.00	87.67
130-5-00-5196 RISK MANAGEMENT	0.00	0.00	0.00	0.00	0.00
130-5-00-5198 ANNUAL OPERATING FEES	30,000.00	11,176.50	26,805.50	3,194.50	89.35
130-5-00-5310 EQUIPMENT - FIELD	2,000.00	0.00	808.04	1,191.96	40.40
130-5-00-5311 EQUIPMENT - OFFICE	1,000.00	0.00	808.03	191.97	80.80
130-5-00-5312 TOOLS - FIELD	2,000.00	0.00	0.00	2,000.00	0.00
130-5-00-5315 SAFETY EQUIPMENT	2,500.00	1,673.69	1,973.21	526.79	78.93
130-5-00-5505 WATER CONSERVATION	9,000.00	50.00	2,150.00	6,850.00	23.89
130-5-00-5545 RECORDING FEES	250.00	0.00	34.00	216.00	13.60
130-5-00-5580 TRANSFERS OUT	0.00	0.00	0.00	0.00	0.00
130-5-00-5590 NON-OPERATING OTHER	0.00	0.00	0.00	0.00	0.00
130-5-00-5591 EXPENSES APPLICABLE TO PRI	0.00	0.00	0.00	0.00	0.00
130-5-00-5600 CONTINGENCY	40,000.00	0.00	0.00	40,000.00	0.00
130-5-00-5650 OPERATING RESERVES	0.00	0.00	0.00	0.00	0.00

HIDDEN VALLEY LAKE CSD  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: JANUARY 31ST, 2019

130-WATER ENTERPRISE FUND  
NON-DEPARTMENTAL  
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
TOTAL NON-DEPARTMENTAL	817,905.00	45,981.55	380,586.64	437,318.36	46.53

AS OF: JANUARY 31ST, 2019

130-WATER ENTERPRISE FUND  
ADMINISTRATION  
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-10-5010 SALARIES & WAGES	244,904.00	18,895.34	145,330.60	99,573.40	59.34
130-5-10-5020 EMPLOYEE BENEFITS	88,289.00	6,770.07	41,846.79	46,442.21	47.40
130-5-10-5021 RETIREMENT BENEFITS	47,170.00	4,078.43	29,376.06	17,793.94	62.28
130-5-10-5063 CERTIFICATIONS	0.00	0.00	32.50 (	32.50)	0.00
130-5-10-5090 OFFICE SUPPLIES	3,000.00	831.89	2,724.22	275.78	90.81
130-5-10-5170 TRAVEL MILEAGE	2,000.00	128.50	898.73	1,101.27	44.94
130-5-10-5175 EDUCATION / SEMINARS	4,000.00	425.00	1,249.01	2,750.99	31.23
130-5-10-5179 ADM MISC EXPENSES	350.00	0.00	171.73	178.27	49.07
130-5-10-5505 WATER CONSERVATION	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ADMINISTRATION</b>	<b>389,713.00</b>	<b>31,129.23</b>	<b>221,629.64</b>	<b>168,083.36</b>	<b>56.87</b>

HIDDEN VALLEY LAKE CSD  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: JANUARY 31ST, 2019

130-WATER ENTERPRISE FUND  
OFFICE  
EXPENDITURES

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

HIDDEN VALLEY LAKE CSD  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: JANUARY 31ST, 2019130-WATER ENTERPRISE FUND  
FIELD  
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-30-5010 SALARIES & WAGES	212,658.00	17,505.14	133,045.00	79,613.00	62.56
130-5-30-5020 EMPLOYEE BENEFITS	44,600.00	6,396.72	35,537.36	9,062.64	79.68
130-5-30-5021 RETIREMENT BENEFITS	41,830.00	3,996.87	28,633.19	13,196.81	68.45
130-5-30-5022 CLOTHING ALLOWANCE	1,800.00	175.91	1,278.37	521.63	71.02
130-5-30-5063 CERTIFICATIONS	600.00	150.00	210.00	390.00	35.00
130-5-30-5090 OFFICE SUPPLIES	2,000.00	32.78	176.24	1,823.76	8.81
130-5-30-5170 TRAVEL MILEAGE	1,800.00	0.00	171.18	1,628.82	9.51
130-5-30-5175 EDUCATION / SEMINARS	4,000.00	0.00	1,413.95	2,586.05	35.35
TOTAL FIELD	309,288.00	28,257.42	200,465.29	108,822.71	64.82

HIDDEN VALLEY LAKE CSD  
 REVENUE & EXPENSE REPORT (UNAUDITED)  
 AS OF: JANUARY 31ST, 2019

130-WATER ENTERPRISE FUND

DIRECTORS

EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-40-5010 DIRECTORS COMPENSATION	3,000.00	155.00	1,156.10	1,843.90	38.54
130-5-40-5020 DIRECTOR BENEFITS	100.00	0.00	28.83	71.17	28.83
130-5-40-5030 DIRECTOR HEALTH BENEFITS	40,116.00	3,360.90	23,029.05	17,086.95	57.41
130-5-40-5080 MEMBERSHIP & SUBSCRIPTION	0.00	0.00	0.00	0.00	0.00
130-5-40-5170 TRAVEL MILEAGE	200.00	0.00	0.00	200.00	0.00
130-5-40-5175 EDUCATION / SEMINARS	0.00	0.00	0.00	0.00	0.00
130-5-40-5176 DIRECTOR TRAINING	1,500.00	0.00	0.00	1,500.00	0.00
<b>TOTAL DIRECTORS</b>	<b>44,916.00</b>	<b>3,515.90</b>	<b>24,213.98</b>	<b>20,702.02</b>	<b>53.91</b>
<b>TOTAL EXPENDITURES</b>	<b>1,561,822.00</b>	<b>108,884.10</b>	<b>826,895.55</b>	<b>734,926.45</b>	<b>52.94</b>
<b>REVENUES OVER/(UNDER) EXPENDITURES</b>	<b>347,378.00</b>	<b>9,589.89</b>	<b>142,513.18</b>	<b>204,864.82</b>	<b>41.03</b>

\*\*\* END OF REPORT \*\*\*



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

	<b>Operating Checking</b>	<b>Money Market</b>	<b>LAIF</b>	<b>Bond Trustee</b>	<b>Total All Cash/Investment Accounts</b>
	<b>West America Bank</b>	<b>West America Bank</b>	<b>State Treasurer</b>	<b>US Bank</b>	
	<b>1010</b>	<b>1130</b>	<b>1133</b>	<b>1200</b>	
<b>Financial Activity of Cash/Investment Accounts in General Ledger [1]</b>					
<b>Beginning Balances</b>	<b>\$ 568,862.84</b>	<b>\$ 804,867.30</b>	<b>\$ 986,035.90</b>	<b>\$ 177,387.85</b>	<b>\$ 2,537,153.89</b>
<b>Cash Receipts</b>					
Utility Billing Deposits	252,172.34	-	-	-	
Electronic Fund Deposits	-	-	-	-	
Other Deposits	-	148,596.19	5,958.41	262.20	
<b>Total Cash Receipts</b>	<b>\$ 252,172.34</b>	<b>\$ 148,596.19</b>	<b>\$ 5,958.41</b>	<b>\$ 262.20</b>	
<b>Cash Disbursements</b>					
Accounts Payable Checks issued	293,192.87	-	-	-	
Electronic Fund Disbursements	34,558.13	-	-	-	
Payroll Checks issued - net	51,725.34	-	-	-	
Bank Fees	2,928.25	-	-	-	
Other Disbursements	-	-	-	-	
<b>Total Disbursements</b>	<b>\$ 382,404.59</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Transfers Between Accounts</b>					
Transfers In	-	-	-	-	
Transfers Out	-	-	-	-	
<b>Total Transfers Between Accounts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
<b>Ending Balances in General Ledger</b>	<b>\$ 438,630.59</b>	<b>\$ 953,463.49</b>	<b>\$ 991,994.31</b>	<b>\$ 177,650.05</b>	<b>\$ 2,561,738.44</b>
<b>Reconciling Adjustments to Financial Institutions [2]</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Institution Ending Balances</b>	<b>\$ 438,244.60</b>	<b>\$ 953,463.49</b>	<b>\$ 991,994.31</b>	<b>\$ 177,650.05</b>	<b>\$ 2,561,352.45</b>

**Ending Balances General Ledger Distribution by District Funds**

<b>100</b> Operating	-	-	-	-	-
<b>120</b> Wastewater Operating	108,273.17	58,539.15	69,593.02	-	<b>236,405.34</b>
<b>130</b> Water Operating	142,630.42	163,875.57	103,713.35	-	<b>410,219.34</b>
<b>140</b> Flood Enterprise	2,355.12	-	-	-	<b>2,355.12</b>
<b>215</b> 2016 Sewer Refinancing Bond	-	255,170.62	62,932.66	177,650.05	<b>495,753.33</b>
<b>218</b> 2002 CIEDB Loan	66,713.24	-	11,906.88	-	<b>78,620.12</b>
<b>219</b> 2012 USDA Solar COP	0.23	54,975.26	847.37	-	<b>55,822.86</b>
<b>313</b> Wastewater Capital Facilities Reserved	(10,601.00)	60,499.21	267,553.90	-	<b>317,452.11</b>
<b>314</b> Wastewater Capital Facilities UnRestricted	6,000.00	51,681.67	270,305.62	-	<b>327,987.29</b>
<b>319</b> 2012 USDA Solar COP Reserve	-	31,272.81	-	-	<b>31,272.81</b>
<b>320</b> Water Capital UnRestricted	53,931.03	66,592.63	-	-	<b>120,523.66</b>
<b>325</b> Water Operating Reserve	14,767.04	-	-	-	<b>14,767.04</b>
<b>350</b> 2002 CIEDB Loan Reserve	-	-	177,058.60	-	<b>177,058.60</b>
<b>711</b> 2016 Bond Administration	(5,571.22)	1,085.61	28,082.92	-	<b>23,597.31</b>
<b>712</b> Bond Revolving	60,132.56	209,770.96	-	-	<b>269,903.52</b>
<b>Total Ending Balances in General Ledger</b>	<b>\$ 438,630.59</b>	<b>\$ 953,463.49</b>	<b>\$ 991,994.31</b>	<b>\$ 177,650.05</b>	<b>\$ 2,561,738.44</b>

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

[2] See Reconciliation Detail Summary for details



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

CHECK DATE: 1/01/2019 THRU 1/31/2019  
 CLEAR DATE: 0/00/0000 THRU 99/99/9999  
 STATEMENT: 0/00/0000 THRU 99/99/9999  
 VOIDED DATE: 0/00/0000 THRU 99/99/9999  
 AMOUNT: 0.00 THRU 999,999,999.99  
 CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
BANK DRAFT:								
1010	1/04/2019	BANK-DRAFT	000267	AFLAC	224.31CR	CLEARED	A	1/08/2019
1010	1/04/2019	BANK-DRAFT	000268	CALIFORNIA PUBLIC EMPLOYEES RE	5,529.05CR	CLEARED	A	1/07/2019
1010	1/04/2019	BANK-DRAFT	000269	NATIONWIDE RETIREMENT SOLUTION	900.00CR	CLEARED	A	1/04/2019
1010	1/04/2019	BANK-DRAFT	000270	STATE OF CALIFORNIA EDD	2,822.50CR	CLEARED	A	1/04/2019
1010	1/04/2019	BANK-DRAFT	000271	US DEPARTMENT OF THE TREASURY	4,370.10CR	CLEARED	A	1/04/2019
1010	1/18/2019	BANK-DRAFT	000272	AFLAC	224.31CR	OUTSTND	A	0/00/0000
1010	1/18/2019	BANK-DRAFT	000273	CALIFORNIA PUBLIC EMPLOYEES RE	5,525.81CR	CLEARED	A	1/22/2019
1010	1/18/2019	BANK-DRAFT	000274	NATIONWIDE RETIREMENT SOLUTION	900.00CR	CLEARED	A	1/18/2019
1010	1/18/2019	BANK-DRAFT	000275	STATE OF CALIFORNIA EDD	2,743.89CR	CLEARED	A	1/18/2019
1010	1/18/2019	BANK-DRAFT	000276	US DEPARTMENT OF THE TREASURY	3,691.44CR	CLEARED	A	1/18/2019
1010	1/22/2019	BANK-DRAFT	012219	UAL 26384 January	19.45CR	CLEARED	G	1/24/2019
1010	1/22/2019	BANK-DRAFT	012220	UAL 1739 January	9,598.08CR	CLEARED	G	1/24/2019
CHECK:								
1010	1/04/2019	CHECK	036065	ALAN CITRIN	77.04CR	CLEARED	A	1/11/2019
1010	1/04/2019	CHECK	036066	ALPHA ANALYTICAL LABORATORIES	2,573.00CR	CLEARED	A	1/23/2019
1010	1/04/2019	CHECK	036067	AMAZON CAPITAL SERVICES,VOIDED	133.36CR	VOIDED	A	1/04/2019
1010	1/04/2019	CHECK	036068	AT&T MOBILITY	67.10CR	CLEARED	A	1/10/2019
1010	1/04/2019	CHECK	036069	GHD	2,340.50CR	CLEARED	A	1/08/2019
1010	1/04/2019	CHECK	036070	GRAPHIC FX, INC.	459.80CR	CLEARED	A	1/10/2019
1010	1/04/2019	CHECK	036071	MEDIACOM	514.41CR	CLEARED	A	1/10/2019
1010	1/04/2019	CHECK	036072	MICHELLE HAMILTON	1,410.00CR	CLEARED	A	1/10/2019
1010	1/04/2019	CHECK	036073	MIKSIS SERVICES, INC.	10,440.00CR	CLEARED	A	1/11/2019
1010	1/04/2019	CHECK	036074	NBS GOVERNMENT FINANCE GROUP	1,981.13CR	CLEARED	A	1/08/2019
1010	1/04/2019	CHECK	036075	OFFICE DEPOT	324.72CR	CLEARED	A	1/15/2019
1010	1/04/2019	CHECK	036076	PACE SUPPLY CORP	3,877.05CR	CLEARED	A	1/08/2019
1010	1/04/2019	CHECK	036077	POWER INDUSTRIES, INC	140.73CR	CLEARED	A	1/10/2019
1010	1/04/2019	CHECK	036078	REDFORD SERVICES	950.00CR	CLEARED	A	1/23/2019
1010	1/04/2019	CHECK	036079	SPECIAL DISTRICT RISK MANAGEME	419.08CR	CLEARED	A	1/09/2019
1010	1/04/2019	CHECK	036080	STREAMLINE	200.00CR	CLEARED	A	1/09/2019
1010	1/04/2019	CHECK	036081	SWRCB ACCOUNTING OFFICE	11,176.50CR	CLEARED	A	1/10/2019
1010	1/04/2019	CHECK	036082	THATCHER COMPANY, INC.	1,484.68CR	CLEARED	A	1/10/2019
1010	1/04/2019	CHECK	036083	TYLER TECHNOLOGY	121.00CR	CLEARED	A	1/08/2019
1010	1/04/2019	CHECK	036084	USA BLUE BOOK	1,725.90CR	CLEARED	A	1/09/2019
1010	1/04/2019	CHECK	036085	WIPF CONSTRUCTION	780.00CR	CLEARED	A	1/09/2019
1010	1/04/2019	CHECK	036086	BOWERS, BRUCE E	4.75CR	CLEARED	A	1/09/2019
1010	1/04/2019	CHECK	036087	CABREROS, ROBERT J	58.12CR	CLEARED	A	1/24/2019
1010	1/04/2019	CHECK	036088	FINCH, JON & ANNETTE	102.86CR	CLEARED	A	1/09/2019
1010	1/04/2019	CHECK	036089	SALGADO, JOANNA	24.69CR	CLEARED	A	1/28/2019
1010	1/11/2019	CHECK	036090	ALPHA ANALYTICAL LABORATORIES	1,064.75CR	CLEARED	A	1/16/2019
1010	1/11/2019	CHECK	036091	APPLIED TECHNOLOGY SOLUTIONS	573.00CR	CLEARED	A	1/22/2019
1010	1/11/2019	CHECK	036092	ARMED FORCE PEST CONTROL, INC.	205.00CR	CLEARED	A	1/17/2019
1010	1/11/2019	CHECK	036093	BADGER METER	270.00CR	CLEARED	A	1/17/2019
1010	1/11/2019	CHECK	036094	CNH PRODUCTIVITY PLUS ACCT	1,313.72CR	CLEARED	A	1/16/2019

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 CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
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1010	1/11/2019	CHECK	036096	PACE SUPPLY CORP	2,763.90CR	CLEARED	A	1/15/2019
1010	1/11/2019	CHECK	036097	RAY MORGAN COMPANY	29.33CR	CLEARED	A	1/17/2019
1010	1/11/2019	CHECK	036098	SOUTH LAKE REFUSE COMPANY	428.92CR	CLEARED	A	1/16/2019
1010	1/11/2019	CHECK	036099	SPECIAL DISTRICT RISK MANAGEME	30,971.28CR	CLEARED	A	1/16/2019
1010	1/11/2019	CHECK	036100	TYLER TECHNOLOGY	2,208.40CR	CLEARED	A	1/15/2019
1010	1/11/2019	CHECK	036101	USA BLUE BOOK	1,575.66CR	CLEARED	A	1/16/2019
1010	1/11/2019	CHECK	036102	WESTGATE PETROLEUM CO., INC.	852.08CR	CLEARED	A	1/16/2019
1010	1/11/2019	CHECK	036103	WIPF CONSTRUCTION	6,035.00CR	CLEARED	A	1/18/2019
1010	1/18/2019	CHECK	036104	ACWA/JPIA	1,099.64CR	CLEARED	A	1/23/2019
1010	1/18/2019	CHECK	036105	ALPHA ANALYTICAL LABORATORIES	868.00CR	CLEARED	A	1/24/2019
1010	1/18/2019	CHECK	036106	ALYSSA GORDON	175.30CR	CLEARED	A	1/23/2019
1010	1/18/2019	CHECK	036107	AMERICAN PLUMBING	1,674.00CR	CLEARED	A	1/24/2019
1010	1/18/2019	CHECK	036108	AT&T	242.21CR	CLEARED	A	1/24/2019
1010	1/18/2019	CHECK	036109	BODEAN COMPANY	1,041.33CR	VOIDED	A	1/18/2019
1010	1/18/2019	CHECK	036110	CARDMEMBER SERVICE	5,360.30CR	CLEARED	A	1/24/2019
1010	1/18/2019	CHECK	036111	DATAPROSE	1,560.28CR	CLEARED	A	1/24/2019
1010	1/18/2019	CHECK	036112	G3 ENGINEERING, INC.	14,478.75CR	CLEARED	A	1/25/2019
1010	1/18/2019	CHECK	036113	GARDENS BY JILLIAN	200.00CR	CLEARED	A	1/25/2019
1010	1/18/2019	CHECK	036114	JENFITCH, LLC	3,042.64CR	CLEARED	A	1/23/2019
1010	1/18/2019	CHECK	036115	KELLER CANYON LANDFILL	6,109.33CR	CLEARED	A	1/23/2019
1010	1/18/2019	CHECK	036116	MENDO MILL CLEARLAKE	86.57CR	CLEARED	A	1/24/2019
1010	1/18/2019	CHECK	036117	MIKSIS SERVICES, INC.	985.00CR	CLEARED	A	1/22/2019
1010	1/18/2019	CHECK	036118	NAPA AUTO PARTS	143.78CR	CLEARED	A	1/25/2019
1010	1/18/2019	CHECK	036119	OFFICE DEPOT	266.26CR	CLEARED	A	1/29/2019
1010	1/18/2019	CHECK	036120	RAY MORGAN COMPANY	25.88CR	CLEARED	A	1/24/2019
1010	1/18/2019	CHECK	036121	US BANK - GLOBAL CORP TRUST SV	139,801.89CR	CLEARED	A	1/23/2019
1010	1/18/2019	CHECK	036122	USA BLUE BOOK	3,748.90CR	CLEARED	A	1/28/2019
1010	1/18/2019	CHECK	036123	VERIZON WIRELESS	1,437.93CR	CLEARED	A	1/23/2019
1010	1/18/2019	CHECK	036124	WAGNER & BONSIGNORE	1,840.00CR	CLEARED	A	1/28/2019
1010	1/18/2019	CHECK	036125	WESTGATE PETROLEUM CO., INC.	633.80CR	CLEARED	A	1/23/2019
1010	1/18/2019	CHECK	036126	WIPF CONSTRUCTION	960.00CR	CLEARED	A	1/24/2019
1010	1/18/2019	CHECK	036127	HARTNETT, SHAWN/JENN	41.30CR	OUTSTND	A	0/00/0000
1010	1/18/2019	CHECK	036128	SUTTON, DIANE	3.49CR	OUTSTND	A	0/00/0000
1010	1/25/2019	CHECK	036129	ACTION SANITARY, INC.	923.34CR	CLEARED	A	2/01/2019
1010	1/25/2019	CHECK	036130	ALPHA ANALYTICAL LABORATORIES	1,492.00CR	CLEARED	A	1/30/2019
1010	1/25/2019	CHECK	036131	VOID CHECK	0.00	CLEARED	A	1/25/2019
1010	1/25/2019	CHECK	036132	COASTLAND CIVIL ENGINEERING, I	5,540.07CR	CLEARED	A	1/30/2019
1010	1/25/2019	CHECK	036133	JORDAN ERICKSON	50.00CR	CLEARED	A	1/31/2019
1010	1/25/2019	CHECK	036134	MICHELLE HAMILTON	550.00CR	CLEARED	A	2/06/2019
1010	1/25/2019	CHECK	036135	OFFICE DEPOT	1,138.33CR	CLEARED	A	2/01/2019
1010	1/25/2019	CHECK	036136	PACE SUPPLY CORP	3,020.57CR	CLEARED	A	1/29/2019
1010	1/25/2019	CHECK	036137	REDFORD SERVICES	950.00CR	CLEARED	A	2/01/2019
1010	1/25/2019	CHECK	036138	RICOH USA, INC.	386.29CR	CLEARED	A	1/30/2019

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 STATEMENT: 0/00/0000 THRU 99/99/9999  
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 AMOUNT: 0.00 THRU 999,999,999.99  
 CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	-----AMOUNT---	STATUS	FOLIO	CLEAR DATE
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1010	1/25/2019	CHECK	036139	SPECIAL DISTRICT RISK MANAGEME	419.08CR	CLEARED	A	1/30/2019
1010	1/25/2019	CHECK	036140	STATE WATER RESOURCES CONTROL	125.00CR	CLEARED	A	2/07/2019
1010	1/25/2019	CHECK	036141	SWRCB - DWOCP	60.00CR	CLEARED	A	2/07/2019
1010	1/25/2019	CHECK	036142	SWRCB - DWOCP	90.00CR	CLEARED	A	2/07/2019
1010	1/25/2019	CHECK	036143	THATCHER COMPANY, INC.	1,238.93CR	CLEARED	A	1/31/2019
1010	1/25/2019	CHECK	036144	TYLER TECHNOLOGY	1,332.99CR	CLEARED	A	1/29/2019
DEPOSIT:								
1010	1/02/2019	DEPOSIT		CREDIT CARD 1/02/2019	1,841.68	CLEARED	C	1/03/2019
1010	1/02/2019	DEPOSIT	000001	REGULAR DAILY POST 1/02/2019	7,910.77	CLEARED	C	1/02/2019
1010	1/02/2019	DEPOSIT	000002	CREDIT CARD 1/02/2019	1,230.05	CLEARED	C	1/03/2019
1010	1/02/2019	DEPOSIT	000003	CREDIT CARD 1/02/2019	4,404.86	CLEARED	C	1/04/2019
1010	1/02/2019	DEPOSIT	000004	CREDIT CARD 1/02/2019	2,289.49	CLEARED	C	1/07/2019
1010	1/02/2019	DEPOSIT	000005	REGULAR DAILY POST 1/02/2019	1,496.13	CLEARED	C	1/03/2019
1010	1/03/2019	DEPOSIT		CREDIT CARD 1/03/2019	2,723.54	CLEARED	C	1/07/2019
1010	1/03/2019	DEPOSIT	000001	CREDIT CARD 1/03/2019	2,087.09	CLEARED	C	1/07/2019
1010	1/03/2019	DEPOSIT	000002	REGULAR DAILY POST 1/03/2019	804.05	CLEARED	C	1/04/2019
1010	1/04/2019	DEPOSIT		CREDIT CARD 1/04/2019	2,761.29	CLEARED	C	1/07/2019
1010	1/04/2019	DEPOSIT	000001	CREDIT CARD 1/04/2019	2,002.17	CLEARED	C	1/07/2019
1010	1/04/2019	DEPOSIT	000002	REGULAR DAILY POST 1/04/2019	2,808.64	CLEARED	C	1/07/2019
1010	1/07/2019	DEPOSIT		CREDIT CARD 1/07/2019	2,141.39	CLEARED	C	1/07/2019
1010	1/07/2019	DEPOSIT	000001	CREDIT CARD 1/07/2019	2,059.93	CLEARED	C	1/08/2019
1010	1/07/2019	DEPOSIT	000002	CREDIT CARD 1/07/2019	1,102.27	CLEARED	C	1/09/2019
1010	1/07/2019	DEPOSIT	000003	CREDIT CARD 1/07/2019	2,196.63	CLEARED	C	1/10/2019
1010	1/07/2019	DEPOSIT	000004	REGULAR DAILY POST 1/07/2019	4,726.63	CLEARED	C	1/08/2019
1010	1/08/2019	DEPOSIT		CREDIT CARD 1/08/2019	1,658.80	CLEARED	C	1/10/2019
1010	1/08/2019	DEPOSIT	000001	CREDIT CARD 1/08/2019	678.32	CLEARED	C	1/11/2019
1010	1/08/2019	DEPOSIT	000002	CREDIT CARD 1/08/2019	6,915.98	CLEARED	C	1/11/2019
1010	1/08/2019	DEPOSIT	000003	REGULAR DAILY POST 1/08/2019	4,580.85	CLEARED	C	1/09/2019
1010	1/09/2019	DEPOSIT		CREDIT CARD 1/09/2019	3,400.76	CLEARED	C	1/11/2019
1010	1/09/2019	DEPOSIT	000001	CREDIT CARD 1/09/2019	2,041.86	CLEARED	C	1/14/2019
1010	1/09/2019	DEPOSIT	000002	CREDIT CARD 1/09/2019	9,290.57	CLEARED	C	1/14/2019
1010	1/09/2019	DEPOSIT	000003	REGULAR DAILY POST 1/09/2019	10,776.54	CLEARED	C	1/10/2019
1010	1/09/2019	DEPOSIT	000004	CREDIT CARD 1/09/2019	194.00	CLEARED	C	1/14/2019
1010	1/10/2019	DEPOSIT		CREDIT CARD 1/10/2019	618.75	CLEARED	C	1/14/2019
1010	1/10/2019	DEPOSIT	000001	CREDIT CARD 1/10/2019	1,314.27	CLEARED	C	1/14/2019
1010	1/10/2019	DEPOSIT	000002	CREDIT CARD 1/10/2019	3,543.84	CLEARED	C	1/14/2019
1010	1/10/2019	DEPOSIT	000003	REGULAR DAILY POST 1/10/2019	7,363.35	CLEARED	C	1/11/2019
1010	1/11/2019	DEPOSIT		CREDIT CARD 1/11/2019	609.11	CLEARED	C	1/14/2019
1010	1/11/2019	DEPOSIT	000001	CREDIT CARD 1/11/2019	1,466.32	CLEARED	C	1/14/2019
1010	1/11/2019	DEPOSIT	000002	REGULAR DAILY POST 1/11/2019	7,373.31	CLEARED	C	1/14/2019
1010	1/14/2019	DEPOSIT		CREDIT CARD 1/14/2019	1,041.33	CLEARED	C	1/14/2019
1010	1/14/2019	DEPOSIT	000001	CREDIT CARD 1/14/2019	820.53	CLEARED	C	1/15/2019
1010	1/14/2019	DEPOSIT	000002	CREDIT CARD 1/14/2019	586.50	CLEARED	C	1/16/2019

COMPANY: 999 - POOLED CASH FUND  
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ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
DEPOSIT:								
1010	1/14/2019	DEPOSIT	000003	CREDIT CARD 1/14/2019	645.31	CLEARED	C	1/17/2019
1010	1/14/2019	DEPOSIT	000004	REGULAR DAILY POST 1/14/2019	16,581.42	CLEARED	C	1/15/2019
1010	1/15/2019	DEPOSIT		CREDIT CARD 1/15/2019	1,004.61	CLEARED	C	1/17/2019
1010	1/15/2019	DEPOSIT	000001	CREDIT CARD 1/15/2019	1,126.22	CLEARED	C	1/18/2019
1010	1/15/2019	DEPOSIT	000002	REGULAR DAILY POST 1/15/2019	2,237.02	CLEARED	C	1/16/2019
1010	1/15/2019	DEPOSIT	000003	DRAFT POSTING	10,320.43	CLEARED	U	1/17/2019
1010	1/15/2019	DEPOSIT	000004	CC DRAFT POSTING	15,583.06	CLEARED	U	1/18/2019
1010	1/16/2019	DEPOSIT		CREDIT CARD 1/16/2019	4,471.00	CLEARED	C	1/18/2019
1010	1/16/2019	DEPOSIT	000001	CREDIT CARD 1/16/2019	727.19	CLEARED	C	1/22/2019
1010	1/16/2019	DEPOSIT	000002	REGULAR DAILY POST 1/16/2019	4,926.70	CLEARED	C	1/17/2019
1010	1/17/2019	DEPOSIT		CREDIT CARD 1/17/2019	1,612.98	CLEARED	C	1/22/2019
1010	1/17/2019	DEPOSIT	000001	CREDIT CARD 1/17/2019	2,492.07	CLEARED	C	1/22/2019
1010	1/17/2019	DEPOSIT	000002	REGULAR DAILY POST 1/17/2019	4,416.78	CLEARED	C	1/18/2019
1010	1/18/2019	DEPOSIT		CREDIT CARD 1/18/2019	1,915.17	CLEARED	C	1/22/2019
1010	1/18/2019	DEPOSIT	000001	CREDIT CARD 1/18/2019	2,991.45	CLEARED	C	1/22/2019
1010	1/18/2019	DEPOSIT	000002	REGULAR DAILY POST 1/18/2019	7,946.28	CLEARED	C	1/22/2019
1010	1/22/2019	DEPOSIT		CREDIT CARD 1/22/2019	3,004.11	CLEARED	C	1/22/2019
1010	1/22/2019	DEPOSIT	000001	CREDIT CARD 1/22/2019	2,429.55	CLEARED	C	1/22/2019
1010	1/22/2019	DEPOSIT	000002	CREDIT CARD 1/22/2019	2,315.27	CLEARED	C	1/23/2019
1010	1/22/2019	DEPOSIT	000003	CREDIT CARD 1/22/2019	3,209.81	CLEARED	C	1/24/2019
1010	1/22/2019	DEPOSIT	000004	DAILY PAYMENT POSTING - ADJ	117.32CR	CLEARED	U	1/22/2019
1010	1/22/2019	DEPOSIT	000005	CREDIT CARD 1/22/2019	5,429.59	CLEARED	C	1/25/2019
1010	1/22/2019	DEPOSIT	000006	REGULAR DAILY POST 1/22/2019	18,603.29	CLEARED	C	1/23/2019
1010	1/22/2019	DEPOSIT	000007	CREDIT CARD 1/22/2019	1,727.94	CLEARED	C	1/25/2019
1010	1/22/2019	DEPOSIT	012219	CORR STATE MISC DEP	242.70	CLEARED	G	1/31/2019
1010	1/23/2019	DEPOSIT		CREDIT CARD 1/23/2019	538.83	CLEARED	C	1/25/2019
1010	1/23/2019	DEPOSIT	000001	CREDIT CARD 1/23/2019	1,036.86	CLEARED	C	1/25/2019
1010	1/23/2019	DEPOSIT	000002	REGULAR DAILY POST 1/23/2019	1,184.62	CLEARED	C	1/24/2019
1010	1/24/2019	DEPOSIT		CREDIT CARD 1/24/2019	1,680.29	CLEARED	C	1/28/2019
1010	1/24/2019	DEPOSIT	000001	CREDIT CARD 1/24/2019	601.71	CLEARED	C	1/28/2019
1010	1/24/2019	DEPOSIT	000002	REGULAR DAILY POST 1/24/2019	783.62	CLEARED	C	1/31/2019
1010	1/25/2019	DEPOSIT		CREDIT CARD 1/25/2019	693.98	CLEARED	C	1/28/2019
1010	1/25/2019	DEPOSIT	000001	CREDIT CARD 1/25/2019	740.65	CLEARED	C	1/28/2019
1010	1/25/2019	DEPOSIT	000002	REGULAR DAILY POST 1/25/2019	6,722.73	CLEARED	C	1/28/2019
1010	1/28/2019	DEPOSIT		CREDIT CARD 1/28/2019	454.19	CLEARED	C	1/28/2019
1010	1/28/2019	DEPOSIT	000001	CREDIT CARD 1/28/2019	557.91	CLEARED	C	1/29/2019
1010	1/28/2019	DEPOSIT	000002	CREDIT CARD 1/28/2019	506.15	CLEARED	C	1/30/2019
1010	1/28/2019	DEPOSIT	000003	CREDIT CARD 1/28/2019	791.93	CLEARED	C	1/30/2019
1010	1/28/2019	DEPOSIT	000004	REGULAR DAILY POST 1/28/2019	2,493.42	CLEARED	C	1/29/2019
1010	1/29/2019	DEPOSIT		CREDIT CARD 1/29/2019	473.62	CLEARED	C	1/31/2019
1010	1/29/2019	DEPOSIT	000001	CREDIT CARD 1/29/2019	1,299.21	CLEARED	C	2/01/2019
1010	1/29/2019	DEPOSIT	000002	REGULAR DAILY POST 1/29/2019	1,299.72	CLEARED	C	1/30/2019
1010	1/30/2019	DEPOSIT		CREDIT CARD 1/30/2019	210.89	CLEARED	C	2/01/2019
1010	1/30/2019	DEPOSIT	000001	CREDIT CARD 1/30/2019	200.70	CLEARED	C	2/04/2019

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

CHECK DATE: 1/01/2019 THRU 1/31/2019  
 CLEAR DATE: 0/00/0000 THRU 99/99/9999  
 STATEMENT: 0/00/0000 THRU 99/99/9999  
 VOIDED DATE: 0/00/0000 THRU 99/99/9999  
 AMOUNT: 0.00 THRU 999,999,999.99  
 CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----	AMOUNT----	STATUS	FOLIO	CLEAR DATE
<b>DEPOSIT:</b>									
1010	1/30/2019	DEPOSIT	000002	REGULAR DAILY POST 1/30/2019		1,519.97	CLEARED	C	1/31/2019
1010	1/30/2019	DEPOSIT	000003	DRAFT POSTING		87.16	CLEARED	U	1/31/2019
1010	1/31/2019	DEPOSIT		CREDIT CARD 1/31/2019		1,562.04	CLEARED	C	2/04/2019
1010	1/31/2019	DEPOSIT	000001	CREDIT CARD 1/31/2019		465.15	CLEARED	C	2/04/2019
1010	1/31/2019	DEPOSIT	000002	REGULAR DAILY POST 1/31/2019		1,562.76	CLEARED	C	2/01/2019
<b>MISCELLANEOUS:</b>									
1010	1/02/2019	MISC.	035460	CITRIN, ALAN UNPOST		77.04	CLEARED	A	1/03/2019
1010	1/02/2019	MISC.	035560	MICHELLE HAMILTON UNPOST		785.00	CLEARED	A	1/03/2019
1010	1/04/2019	MISC.		PAYROLL DIRECT DEPOSIT		25,255.22CR	CLEARED	P	1/04/2019
1010	1/04/2019	MISC.	036067	AMAZON CAPITAL SERVICES,VOIDED		133.36	VOIDED	A	1/04/2019
1010	1/18/2019	MISC.		PAYROLL DIRECT DEPOSIT		26,193.07CR	CLEARED	P	1/18/2019
1010	1/18/2019	MISC.	036109	BODEAN COMPANY VOIDED		1,041.33	VOIDED	A	1/18/2019
1010	1/31/2019	MISC.		PAYROLL DIRECT DEPOSIT		277.05CR	CLEARED	P	1/31/2019
1010	1/31/2019	MISC.	020120	CORRECT DRAFT DATE		45.90CR	CLEARED	G	1/31/2019
<b>SERVICE CHARGE:</b>									
1010	1/02/2019	SERV-CHG		December 2018 ETS-5		951.93CR	CLEARED	G	1/02/2019
1010	1/02/2019	SERV-CHG	000001	December 2018 ETS-7		1,220.30CR	CLEARED	G	1/02/2019
1010	1/02/2019	SERV-CHG	000002	December 2018 ETS-9		431.97CR	CLEARED	G	1/02/2019
1010	1/15/2019	SERV-CHG		December Account Analysis Fees		324.05CR	CLEARED	G	1/15/2019
<b>TOTALS FOR ACCOUNT 1010</b>				CHECK	TOTAL:	293,192.87CR			
				DEPOSIT	TOTAL:	252,172.34			
				INTEREST	TOTAL:	0.00			
				MISCELLANEOUS	TOTAL:	49,734.51CR			
				SERVICE CHARGE	TOTAL:	2,928.25CR			
				EFT	TOTAL:	0.00			
				BANK-DRAFT	TOTAL:	36,548.94CR			
<b>TOTALS FOR POOLED CASH FUND</b>				CHECK	TOTAL:	293,192.87CR			
				DEPOSIT	TOTAL:	252,172.34			
				INTEREST	TOTAL:	0.00			
				MISCELLANEOUS	TOTAL:	49,734.51CR			
				SERVICE CHARGE	TOTAL:	2,928.25CR			
				EFT	TOTAL:	0.00			
				BANK-DRAFT	TOTAL:	36,548.94CR			



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**CAPITAL EXPENDITURES  
2018 - 2019 BUDGET**

<b>SEWER CIP EXPENSES</b>	<b>FUND</b>	<b>Budget</b>	<b>Yr to Date Actual</b>
Construction Truck (60%)	314	78,000	58,374
Headworks Rake	314	62,000	
I & I Repair	314	55,000	37,002
I & I Study (Intern/Fellowship)	313	46,000	16,727
<b>Total</b>		<b>241,000</b>	<b>112,103</b>

<b>SEWER CIP REVENUE</b>	<b>FUND</b>	<b>Revenue</b>	<b>Yr to Date Actual</b>
Sewer Op Reserve (1.5%)	313	20,000	
FEMA/CalOES	313	102,000	18,000
Sewer CIP (1.5%)	314	20,000	
FEMA/CalOES	314	193,000	383,454
<b>Total</b>		<b>335,000</b>	<b>401,454</b>

<b>WATER CIP EXPENSES</b>	<b>FUND</b>	<b>Budget</b>	<b>Yr to Date Actual</b>
Unit 9 Tank Replacement	*1	1,279,000	
Repair Water Main Line	*2	150,000	
Construction Truck (40%)	320	52,000	38,916
<b>Total</b>		<b>1,481,000</b>	<b>38,916</b>

<b>WATER CIP/OP RESERVE</b>	<b>FUND</b>	<b>Revenue</b>	<b>Yr to Date Actual</b>
Water Capital Fund (6%)	320	115,000	62,379
Water OP Reserve Fund -NEW- (3.75%)	325	72,000	38,981
<b>Total</b>		<b>187,000</b>	<b>101,360</b>

\*1 Financial Options Undetermined

\*2 Financial Options Undetermined



## MEMO

To: Board of Directors

From: Trish Wilkinson, Full Charge Bookkeeper

Date: 02/13/2019

RE: Office & Administrative Staff Overtime Monthly Report

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### January 2019

#### Overtime:

Administrative Assistant: 13.50 hours

Water Resources Specialist: 4.50 hours

Full Charge Bookkeeper: - hours

Senior Accounts Representative: 1.00 hour

Senior Accounts Representative: 1.00 hour

**Total Overtime: 20.00 hours**

# MEMO

To: Board of Directors

From: Marty Rodriguez

Date: 02/14/2019

RE: Senior Account Representative's Monthly Report

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## **Monthly Billing 01/31/2019**

Mailed statements: 2,143

Electronic statements: 458

The statement "SPECIAL MESSAGE"

New rates are in effect July 1, 2018. For more details please refer to the back of this bill under FY 2018/2019. The District office will be closed from 12pm – 1pm on the 3<sup>rd</sup> Wednesday of each month.

## **Delinquent Billing 01/22/2019**

Delinquent statements for January bills:

Mailed statements: 405

Electronic statements: 62

## **Courtesy Notification 02/12/2019**

Courtesy notices delivered to the customer's property for delinquent November's bill:  
141

Electronic notices: 19

## **Phone Notification 02/13/2019**

Phone notifications: 88

The phone notification was sent out around 10:30 am resulting in 57 payments received by the office staff during business hours.

## **Lock Offs 02/14/2019**

31 Customers were in the Lock Off Process at 5:00 pm on 02/13/2019.

16 payments were made before service orders went out in the field at 9:00 am on 02/14/2019.

A total of 15 customers were Locked Off for non-payment.

Throughout Lock off day 10 payments were collected and meters unlocked.

At the time of this report only 5 meters remain locked.



Comments submitted via: [commentletters@waterboards.ca.gov](mailto:commentletters@waterboards.ca.gov)

February 1, 2019

Ms. Jeanine Townsend  
Clerk to the Board  
State Water Resources Control Board  
1001 I Street, 24th floor  
Sacramento, CA 95814

Re: **Comment Letter – Options for Implementation of a Statewide Low-Income Water Rate Assistance Program**

Dear Ms. Townsend:

The Association of California Water Agencies (ACWA) appreciates the opportunity to provide comments regarding the State Water Resources Control Board (State Water Board) **draft AB 401 (Dodd, 2015) implementation report** entitled *Options for Implementation of a Statewide Low-Income Water Rate Assistance Program* (Draft Report). ACWA represents more than 450 public water agencies that collectively supply approximately 90 percent of the water delivered in California for domestic, agricultural, and industrial uses.

## **I. Stakeholder Engagement**

**Comment 1 – ACWA appreciates the State Water Board’s engagement with stakeholders in development of the Draft Report.**

In addition to conducting a series of public meetings in 2017 and a very substantive Water Affordability Symposium on April 5, 2018, State Water Board staff held stakeholder meetings in August of 2017 and May of 2018. One or two State Water Board Members also attended the stakeholder meetings. ACWA appreciates this engagement with stakeholders by Board Members and staff which allowed for a real and in-depth dialogue about the pros and cons for different options on issues such as revenue collection and benefit distribution.

## **II. Program Benefit**

**Comment 2 – The “basis” for program benefit should be consistent with the Human Right to Water Policy by being calculated for efficient indoor water use**

**(e.g., 8.8 hundred cubic feet (CCF) per month until 2025) instead of being calculated for indoor and outdoor use (at 12 CCF per month).**

Staff is proposing that the benefit be based on 12 hundred cubic feet (CCF) per month for water (e.g., at Pages 4, 6 and 9). At Page 19, staff indicates that the 12 CCF number is based on 55 gallons per person per day for a family of four plus 75 gallons per day of outdoor use. California Water Code Section 106 sets forth the Human Right to Water policy as follows:

“(a) It is hereby declared to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for **human consumption, cooking and sanitary purposes**. (...)” [Emphasis added.]

This state policy for human right to affordable water relates to indoor uses – human consumption, cooking and sanitary purposes. The basis for the benefit should also be calculated for indoor uses. Recent state water use efficiency laws enacted in 2018 set standards for indoor residential water use of 55 gallons per capita per day (GPCD) until 2025, 52.5 GPCD from 2025 to 2030, and 50 GPCD beginning in 2030. These state per-capita-indoor-water-use-efficiency standards are to be used by local water suppliers to develop water use objectives on a service-area basis.

ACWA suggests that the basis for the program be based on the new water use efficiency standards. For example, for 55 GPCD, the basis for a monthly benefit for a family of four would be 8.8 CCF instead of the currently proposed 12 CCF. This would tie the basis to indoor use – consistent with the Human Right to Water policy.

### **III. Revenue Source**

**Comment 3 – ACWA concurs with staff’s statements in the Draft Report regarding the “drawbacks” to using local water bills to generate the revenue for the program.**

At Page 32 of the Appendices, staff indicates that the two collection approaches evaluated for community water systems would have resulted in a “surcharges between \$7 and 10 per month on single-family account holders.” Staff concludes that the State Water Board should **not** propose using local water bills to generate the revenue for this program. ACWA concurs with that conclusion. **Such “surcharges” would work against keeping water affordable for all Californians.**

Additionally, we urge the State Water Board to be mindful of the local administrative costs for approximately 3,000 community water systems to collect the benefit. The staff recognizes in the report that there is a cost of changing the billing software but does not go into the magnitude of those costs for one system (e.g., \$100,000) or the magnitude

of the combined costs for software modification for approximately 3,000 systems. Similarly we did not see references to the per system cost of a community water system hiring staff to implement a program that involves verifying customer income levels and dealing with fraud – or the combined costs for approximately 3,000 community water systems.

Finally, as was discussed in the stakeholder meeting forum, when **one** state agency (e.g., Franchise Tax Board) collects the revenue (e.g., via personal income tax), the revenue collection is implemented much more efficiently. ACWA appreciates the discussion of other revenue sources besides local water bills in the Draft Report.

#### **IV. Benefit Distribution**

**Comment 4 – ACWA agrees that it makes sense to use an existing benefit distribution system. ACWA recommends the CalFresh Program option.**

At Page 6 of the Executive Summary, State Water Board staff proposes that the State Board envision a statewide program, with benefits distributed through other existing assistance programs. **ACWA agrees with State Water Board staff that it makes sense to use an existing benefit distribution program. That approach is much more efficient.**

CalFresh is a longstanding program in California that helps low-income households afford food by administering electronic benefit transfer (EBT) cards to subsidize essential food costs. CalFresh uses the criterion of 200 percent of the federal poverty level (FPL) which aligns with the “low-income” definition in the AB 401 statute. Further, the delivery of the benefit through CalFresh would not be limited to households that directly pay water bills. So this approach would benefit those renting homes and residents of multi-unit apartment complexes.

Since California counties are already administering the CalFresh program, a water subsidy could be added to the EBT cards with the existing food subsidy for households that meet the parameters of the low-income water rate assistance program. There are already existing administrative processes for verifying customer eligibility and auditing for fraud. ACWA recognizes that the enrollment process takes some time, but the enrollment process helps to reduce fraud regarding income levels. (There was a significant discussion on the issue of fraud at the May 18, 2018 stakeholder meeting.)

State Water Board staff note at Page 25 that participants in CalFresh must demonstrate their legal permanent residency status. That is true, but the State could augment the California Food Assistance Program (CFAP) which the State maintains for applicants who cannot receive the CalFresh food subsidy due to their immigration status.

**Comment 5 – Benefit distribution via the monthly bills for approximately 3,000 community water systems has many drawbacks, including that it would be very inefficient and would work against water affordability.**

ACWA appreciates that Appendix K goes into detail about the broad disadvantages of using water community water systems to distribute the benefit. For example, staff explains how many California households, and in particular low-income households, do not pay a water bill directly to the community water system. Staff notes at Page 47 that “they are inadvertently made ineligible for the program even though they are indirectly paying the cost of water.”

As noted in Comment 3, having approximately 3,000 community water systems change their billing systems and hire the staff needed to implement the program results in implementation costs that work against water affordability. As noted in Comment 4, **ACWA agrees that it makes sense to use an existing benefit distribution system.**

## **V. Proposed Program Scenario Factors**

**Comment 6 – A single-“tier” approach with a set benefit amount (a flat rate) is a better approach than the proposed three-tier structure to distributing the benefit.**

The Draft Report proposes three tiers as potential program benefit levels. (Please see Text Box 1 on page 6 for the complete details.) ACWA suggests instead that a single-“tier” approach be used. The Draft Report states at Page 6 that “...because the average monthly water bill is around \$60 per month, most low-income households would be in Tier 1.” Indeed, from Table 7 on Page 21, the estimated percentage is 93 percent of the households would fall in Tier 1. Using three tiers would unnecessarily complicate the program.

Similarly, ACWA’s suggests having a set benefit amount (a flat rate) as opposed to setting the benefit amount on the “consumption level of 12 CCF each month for each of the 3,000 community water systems” as proposed on Page 6. This aspect of the proposal would also unnecessarily complicate administration.

## **VI. Public Water System Rate Structures**

**Comment 7 – The State Water Board should NOT recommend to the Legislature that there be additional state oversight and direction on how public water systems set rates. This draft proposal should be deleted.**

ACWA and our members were surprised to see in Appendix L a draft proposal that is quoted here:

“(…) one of the Board’s proposals is for the Legislature to evaluate (or direct the Board to evaluate) options for additional state oversight and direction on how public water systems set rates.”

The proposal in the draft Appendix L appears to be premised on a notion that there is one correct way for a public water system to establish a rate structure. That just is not the case. It is critical to having a reliable water supply in California that public water systems have self-determination of fiscally-sound rate structures given their individual circumstances (e.g., service characteristics, infrastructure needs, and operational requirements). The circumstances for each system are different.

The text in Appendix L, regarding an example that is intended to support the draft proposal, helps make this point by stating that “this analysis does not attempt to fully explain the complexity of rate structure design and the constraints which different types of CWS face in rate design and revenue recovery.”

AB 401 requires the State Water Board to develop the AB 401 plan “in collaboration” with relevant stakeholders. There were robust discussions in the stakeholder meetings regarding many issues such as revenue collection and benefit distribution. ACWA greatly appreciates those discussions. However, we do not recall discussions in the stakeholder meetings, let alone collaboration on, the idea of additional state oversight on how public water systems set their rates.

ACWA suggests that the State Water Board stay focused on the very complex task at hand - developing a workable plan for a low-income water rate assistance program. We urge the State Water Board to **delete this draft proposal regarding rate structures.**

Thank you for the opportunity to provide comments on the Draft Report. I am available to discuss ACWA’s comments at (916) 441-4545 or at [cindy@acwa.com](mailto:cindy@acwa.com).

Sincerely,

A handwritten signature in black ink that reads "Cindy Tuck". The signature is written in a cursive, flowing style.

Cindy Tuck  
Deputy Executive Director for Government Relations

cc: The Honorable Felicia Marcus, Chair, State Water Board  
The Honorable Members, State Water Board  
Ms. Eileen Sobek, Executive Director, State Water Board  
Mr. Eric Oppenheimer, Chief Deputy Director, State Water Board  
Mr. Max Gomberg, Climate and Conservation Manager, State Water Board  
Ms. Melissa Sparks-Kranz, Regulatory Advocate, ACWA

## Alyssa Gordon

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**From:** Cindy Tuck <CindyT@acwa.com>  
**Sent:** Sunday, February 3, 2019 3:13 PM  
**To:** Cindy Tuck  
**Cc:** Dave Eggerton; Wendy Ridderbusch; Adam Quinonez; Soren Nelson; Richard Filgas; Heather Engel; Tiffany Giammona; Brent Hastey; Steve Lamar  
**Subject:** Proposed Water Tax - Posted Budget Trailer Bill Language

Dear ACWA State Legislative Committee,

At your meeting this past Friday, we reported that the Newsom Administration planned on posting a statewide water tax budget trailer bill on that day. This note confirms that the February 1 language is posted at the following link:

[http://www.dof.ca.gov/budget/Trailer\\_Bill\\_Language/documents/SafeandAffordableDrinkingWaterandExideCleanup.pdf](http://www.dof.ca.gov/budget/Trailer_Bill_Language/documents/SafeandAffordableDrinkingWaterandExideCleanup.pdf)

Based on a 9:00 a.m. meeting on Friday with State Water Board staff regarding drinking water issues, we understand that this language will be very close to the proposal from last year, with some technical adjustments. Based on a quick scan, it includes the proposed agricultural assessments, enforcement relief and statewide water tax.

In addition to the posting of the budget trailer bill language, there are now three regular bills that have been introduced – AB 134 (Bloom), AB 217 (E. Garcia), and SB 200 (Monning). We have now taken a look at SB 200 (which Senator Monning introduced on January 31). It would create a Safe and Affordable Drinking Water Fund at the State Treasury, and it includes legislative intent language. It does not reference a trust.

The ACWA/CMUA-sponsored bill that will propose the Safe Drinking Water Trust will be introduced this month.

Regards, Cindy

### Cindy Tuck, P.E.

Deputy Executive Director for Government Relations  
Association of California Water Agencies  
916.441.4545 | [cindy@acwa.com](mailto:cindy@acwa.com) | [www.acwa.com](http://www.acwa.com)





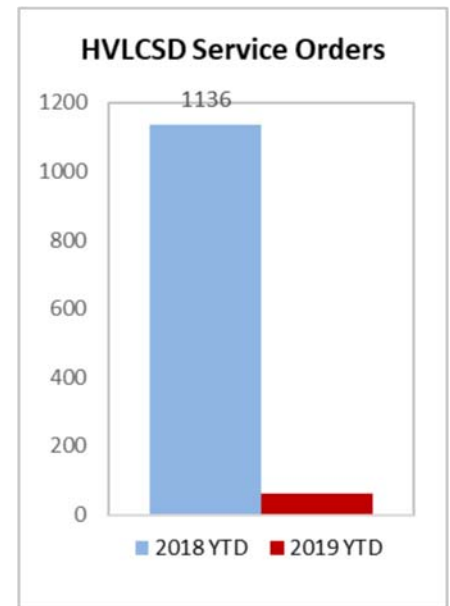
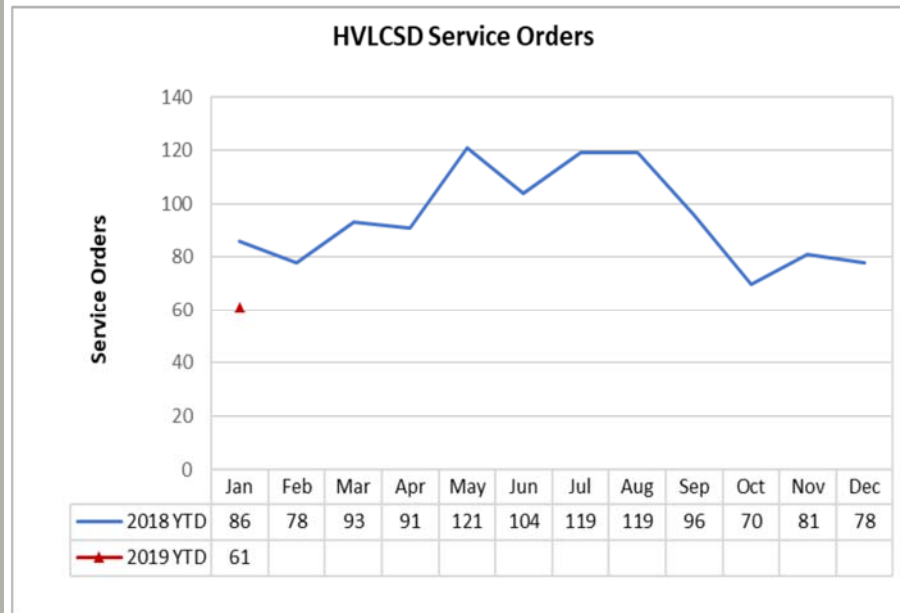
# Hidden Valley Lake Community Services District

## January 2019 Report

FIELD OPERATIONS

Water Connections:		Sewer Connections:	
New (January)	0	New (January)	0
Residential (December)	2441	Residential (December)	1471
Commercial & Govt (December)	39	Commercial & Govt (December)	16
<b>Total (January) :</b>	<b>2481</b>		<b>1487</b>

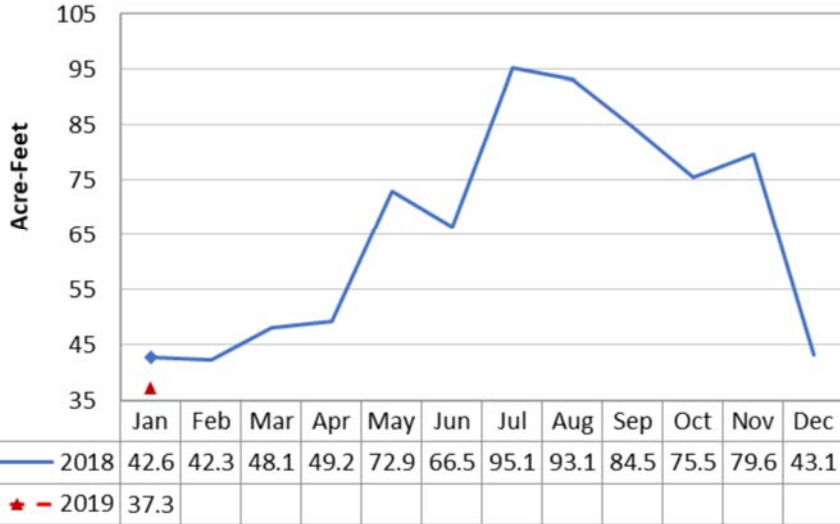
Rainfall		
<i>This month</i>	<i>Last year</i>	<i>Historical</i>
11.76	6.01	8.21



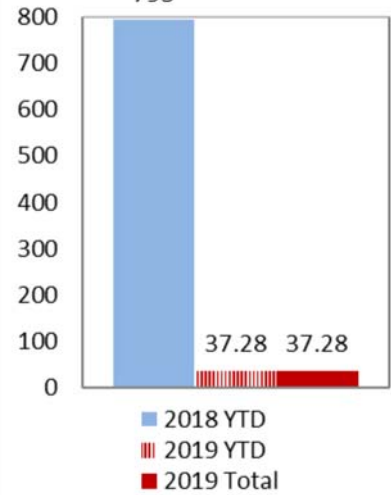
Hours		
<b>Overtime Hours</b>	<b>37</b>	<b>\$1,519.72</b>

# January 2019 Field Report

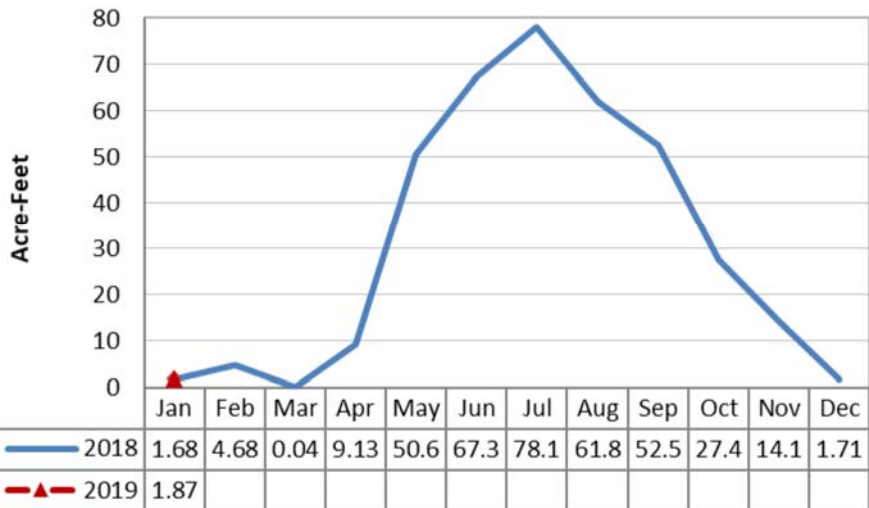
### HVLCSD Municipal Well Production



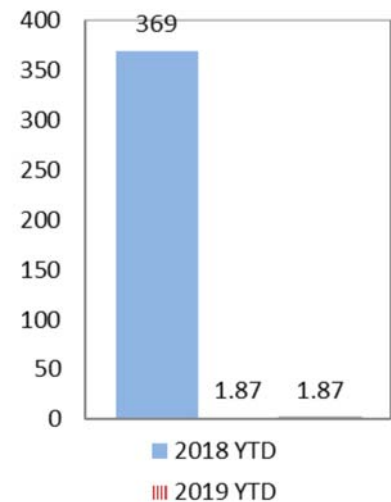
### HVLCSD Municipal Well Production (AF)



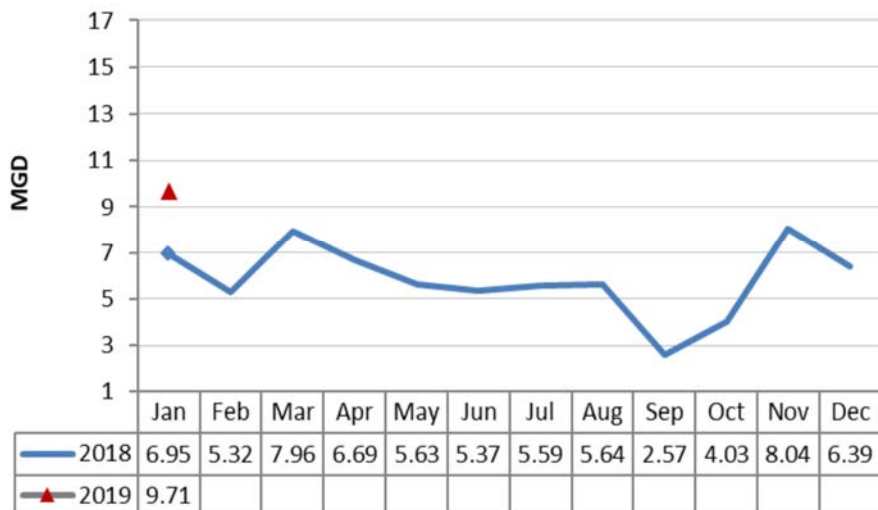
### HVLCSD Municipal Reclaimed Water Use



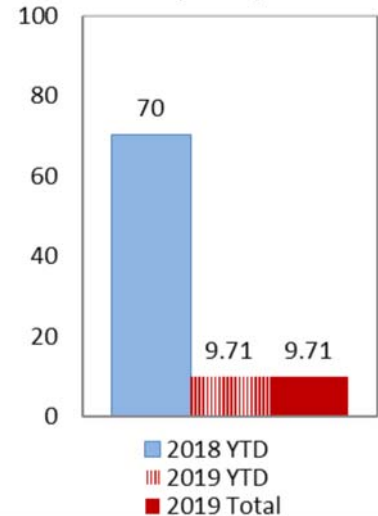
### HVLCSD Municipal Reclaimed Water (AF)



### HVLCSD Municipal Wastewater Influent



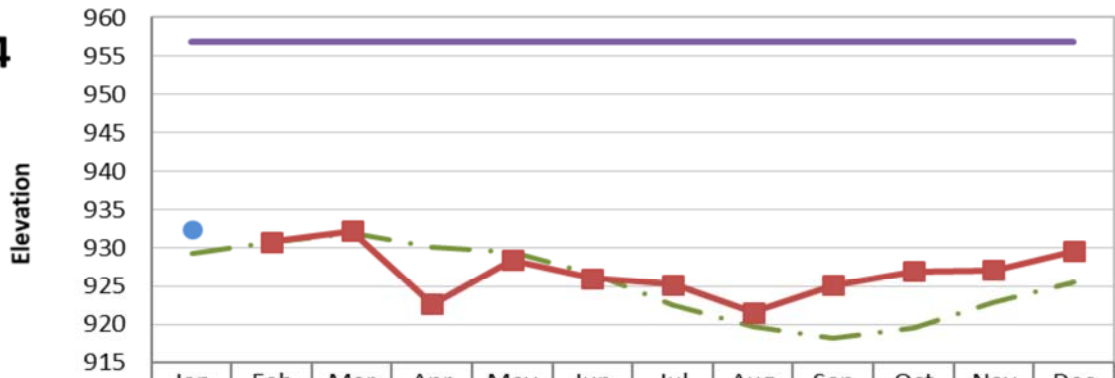
### HVLCSD Municipal Wastewater Influent (MGD)





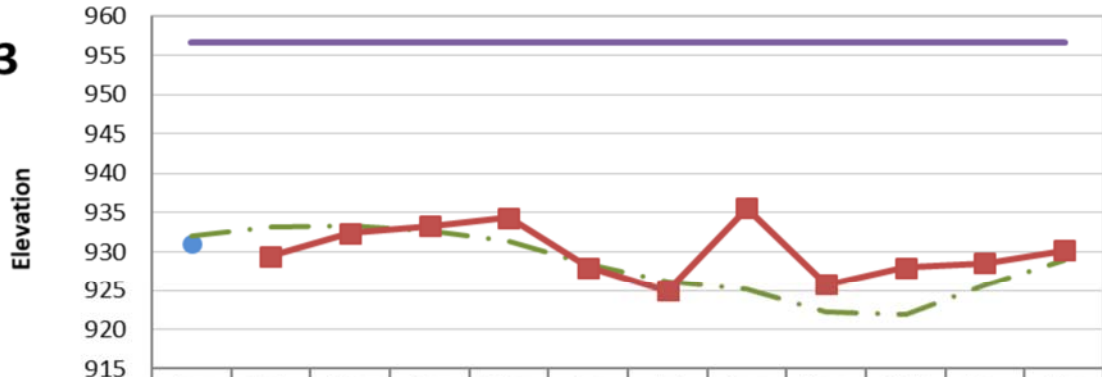
# January 2019 Field Report

## Well 4



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Well 4 2019	932.44											
Well 4 Historical	929.27	930.90	931.93	930.15	929.55	926.65	922.55	919.60	918.27	919.53	922.92	925.44
Top of Casing	956.89	956.89	956.89	956.89	956.89	956.89	956.89	956.89	956.89	956.89	956.89	956.89
Well 4 2018		930.89	932.31	922.63	928.41	926.08	925.25	921.58	925.14	926.97	927.14	929.64

## Well 3



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Well 3 2019	931.14											
Well 3 Historical	932.08	933.18	933.28	932.75	931.45	928.42	926.10	925.21	922.24	921.93	925.69	928.93
Top of Casing	956.69	956.69	956.69	956.69	956.69	956.69	956.69	956.69	956.69	956.69	956.69	956.69
Well 3 2018		929.52	932.44	933.35	934.40	928.04	924.98	935.62	925.77	928.02	928.61	930.19

## Well 2



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Well 2 2019	931.11											
Well 2 Historical	931.71	935.21	935.32	934.98	932.93	930.50	927.51	923.93	922.40	921.87	924.85	928.23
Top of Casing	959.36	959.36	959.36	959.36	959.36	959.36	959.36	959.36	959.36	959.36	959.36	959.36
Well 2 2018		932.78	933.78	935.36	931.46	937.88	930.19	930.43	926.36	928.44	930.86	933.36

## Projects Update

### FEMA projects

#### HMGP DR-4344 Project-0512 (LHMP)

Reached out to review team for update

#### HMGP DR-4382 Project-0112 (Tank 9)

Attended CalOES HMGP & BCA workshop with Coastland

Began full design and subapplication

1/25 Conference call—Benefit Cost ratio will only support one project. Will cancel Tideflex project, and move forward with Tank 9 project

Tank survey complete

#### HMGP DR-4382 Project-0120 (Tideflex)

1/25 Conference call—Benefit Cost ratio will only support one project. Will cancel Tideflex project, and move forward with Tank 9 project

#### HMGP DR-4407 NOI

2/1 Received new funding opportunity notification based on funds available from the Camp fire disaster (DR-4407)

Generator construction estimates under review

Developing plan to meet NOI deadline of 3/15

### Non\_FEMA projects

#### Groundwater Monitoring Report

1/29 Completed report, mailed to stakeholders

#### CivicSpark

1/17 Gathered new videos of manhole flows, post-rainstorm

1/24 Miksis repaired new groundwater infiltration locations

1/31 Submitted quarterly report to Regional Water Boards (See attached)

## Projects Update

### CivicSpark (continued)

2/5 Received 6" mounting rind to begin phased approach to LS6 basin

2/11 Application opened for new service year

### Water Distribution System

1/24 Met with Coastland to begin design for 300' water main replacement

### CWSRF – PIN 39393 AMI

1/24 Received preliminary scoring sheet—Score of 8

1/31 Finalized scoring sheet—Score of 10

### CWSRF – PIN 43618 I & I

1/24 Received preliminary scoring sheet—Score of 10

1/31 Finalized scoring sheet—Score of 12

### IRWM Meeting

2/12 Discussed viability of District projects in current round of funding

### ESRI Water User Conference (2/4 – 2/6)

Developed presentation of Conference to Board of Directors

Developing plan to use new ESRI technology, and transition to field operations staff

### EAR Subcommittee

New format for 2018 Report finalized, and posted

EAR due date 7/1/2019

### ACWA SLC

2/1 Meeting, reviewed 15 bill proposals as well as AB401 framework (See attached)

2/22 Next meeting scheduled, and retirement luncheon for Wendy Ridderbush

# January 2019 Field Report

## Water Operations and Maintenance Highlights

- 1/8,1 /10 Courtesy notices, lockoffs
- 1/14 Installed new jack on dump truck trailer
- 1/17 Ran flood control pump for most of the day
- 1/17 Changed Unit 9 Tank probes
- 1/18 Ran flood control for half the day
- 1/21 Finished fixing sprinklers, started cleaning leaves at the water plant
- 1/22 Bacteria samples at Deer Hollow, Coyle Springs, Eagle Rock, and Well Field
- Regular maintenance and operations
- 1/28-1/31 Meter reads
- 1/30 Bacteria samples at MMS, Knollview, and Little Peak
- 1/31 Cleared brush at Unit 9 tank, troubleshot leak on MMN

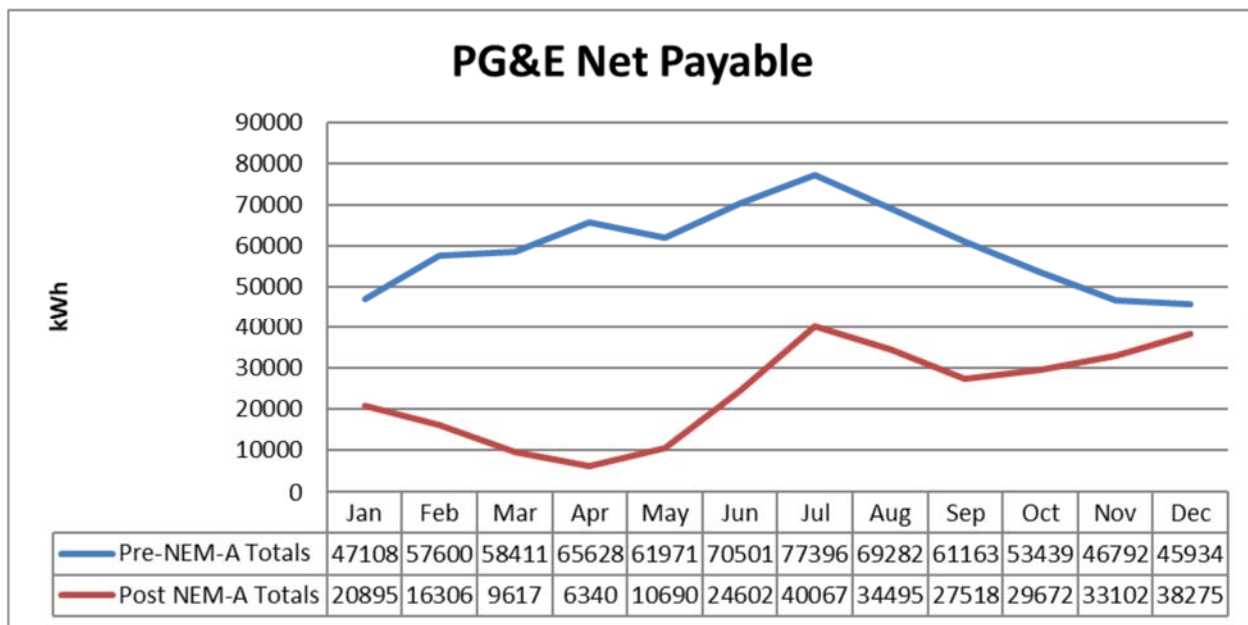
## Wastewater Operations and Maintenance Highlights

- 1/3 Turned all 3 sand filters on in preparation for weekend storm
- 1/4 Helped Miksis camera the sewer main on Granite & Deer Hill
- 1/7 Replaced all sprinkler heads at the lab
- 1/8, 1/10 Courtesy notices, lockoffs
- 1/16 Multiple pumps tripped due to power outage in Middletown grid, reset all pumps to get plant back-up and running
- Regular maintenance and operations
- 1/28-1/31 Meter reads

# January 2019 Field Report

Vehicle Mileage	
Vehicle	Mileage
Truck 1	524
Truck 3	2011
Truck 4	413
Truck 6	733
Truck 7	2376
Truck 8	71
Dump Truck	24
Backhoe	8.91hrs
New Holland Tractor	2.5hrs

Fuel Tank Use		
	Gasoline	Diesel
Tank Meter	331.3	73.4
Fuel Log	330.2	73.3
January Tank Level	347.83	385.87
December Tank Level	358.7	440.22





## Hidden Valley Lake Community Services District

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

February 1, 2019

Mr. Guy Childs  
California Regional Water Quality Control Board  
Central Valley Region  
11020 Sun Center Drive, #200  
Rancho Cordova, CA 95670-6114

Re: Quarterly Progress Report

Dear Mr. Childs,

In response to your request from August 2018 for quarterly progress reports, we have compiled a list of completed and ongoing activities with respect to our Infiltration and Inflow (I&I) Work Plan Assessment. Attached in the Appendix are the associated Figures.

### COMPLETED:

#### **November**

1. 11/9/18 – The Hidden Valley Lake sewer line map was completed. This map is the first of its kind at HVLCSD. It was developed through extensive GIS research, and will serve as a reference document for maintenance and operations as well as future and ongoing projects for the District.

#### **Figure 1**

2. 11/14/18 - HVLCSD attended the bimonthly Westside Sacramento IRWM Meeting.

HVLCSD's multi-year I&I project was accepted into the IRWM project list, and therefore eligible for current and future funding opportunities.

3. 11/16/18 - Two Teledyne ISCO 2150 series flow monitors were installed in the previously identified problem areas in the collection system directly upstream of lift stations 2 and 6.

#### **December**

4. 12/7/18 - Miksis services made repairs to points upstream of manhole C8 and a full circle break upstream of manhole C11 as discovered from previous CCTV analysis. These manholes are located in the lift station 6 sub-basin area in sewer line 13. **Figure 2**

5. 12/14/18 - Miksis services captured CCTV footage of the identified problem areas within lift station 2 sub-basin, sewer line 4.0. **Figure 3**

6. 12/31/18 - Submitted a grant application to the Clean Water State Revolving Fund to fund I&I repairs.

### **January**

7. 1/3/19 – Geo-locating efforts to add manholes and their characteristics to the sewer line map were completed for lift station 6 sub-basin. During these activities, a blockage was identified in C12, sewer line 13. It was determined that a root ball near C11 was the cause of this blockage.

8. 1/4/19 - Miksis services removed the root-ball near manhole C11.

9. 1/8/19 – Geo-locating efforts to add manholes and their characteristics to the sewer line map were completed for lift station 2 sub-basin.

10. 1/17/19 - After a heavy rainfall event, physical manhole inspections and video recording were conducted in multiple lift station sub-basins. A video capture of C11 (lift station 6 sub-basin, sewer line 13) revealed high-pressure groundwater spouting through the walls of this manhole. An electronic data-sharing link was established with Miksis to improve efficiency in communications for this type of time-sensitive information.

11. 1/21/19 – 1/24/19 - Miksis services conducted additional flushing from C12 to C11, and completed repairs to C11 wall-leakage and point repairs upstream of C11.

12. 1/24/2019 - Administrative staff (CivicSpark Fellows, Water Resources Specialist) attended FlowLink 5.1 training.

13. 1/28/2019 - Based on discussions with the Utility Supervisor, key pump run times before and after repairs were used to create an initial I&I chart. This report identifies a 36% reduction of I&I into the WWTP between two similar rain events. **Figure 4**

### FOR NEXT QUARTER:

14. Replace manhole lids based on prioritization list. A tentative schedule would incorporate availability of field staff, as well as the scalability of multiple lids per day.

15. Finalize SOP for manhole lid replacements.

16. Move forward with I&I reduction in lift station 6 sub-basin, in a phased approach. **Figure 5**

Thank you for the opportunity to provide this report and data to you. We remain available to respond to any inquiries.

**Dennis White**

Field Operations Lead, Cert#40478

Cell 707-533-3498

**Michael Burley**

CivicSpark Water Fellow

707-987-9201

**Alyssa Gordon**

Water Resources Specialist

707-987-9201

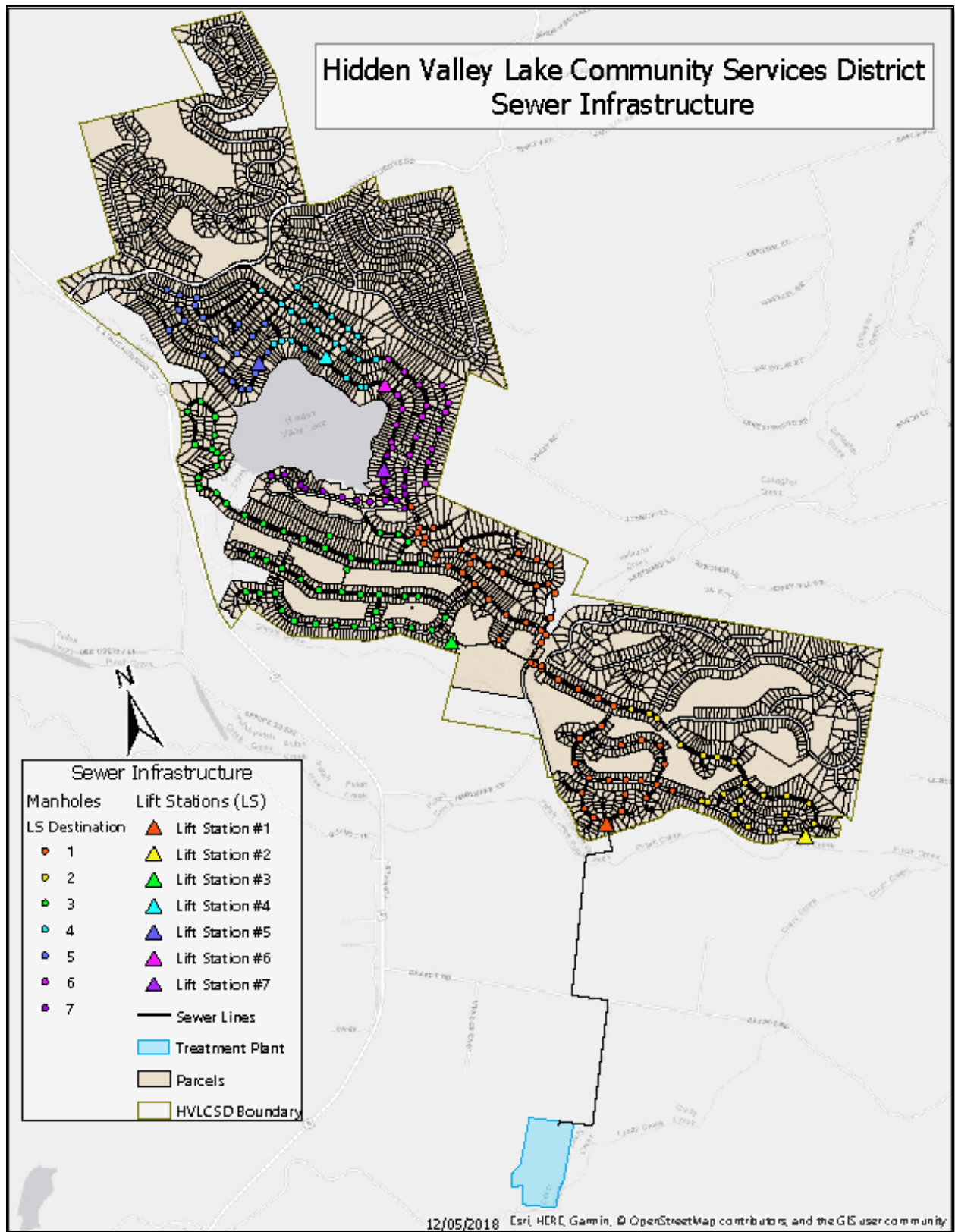
**Ernesto Ruvalcaba**

CivicSpark Water Fellow

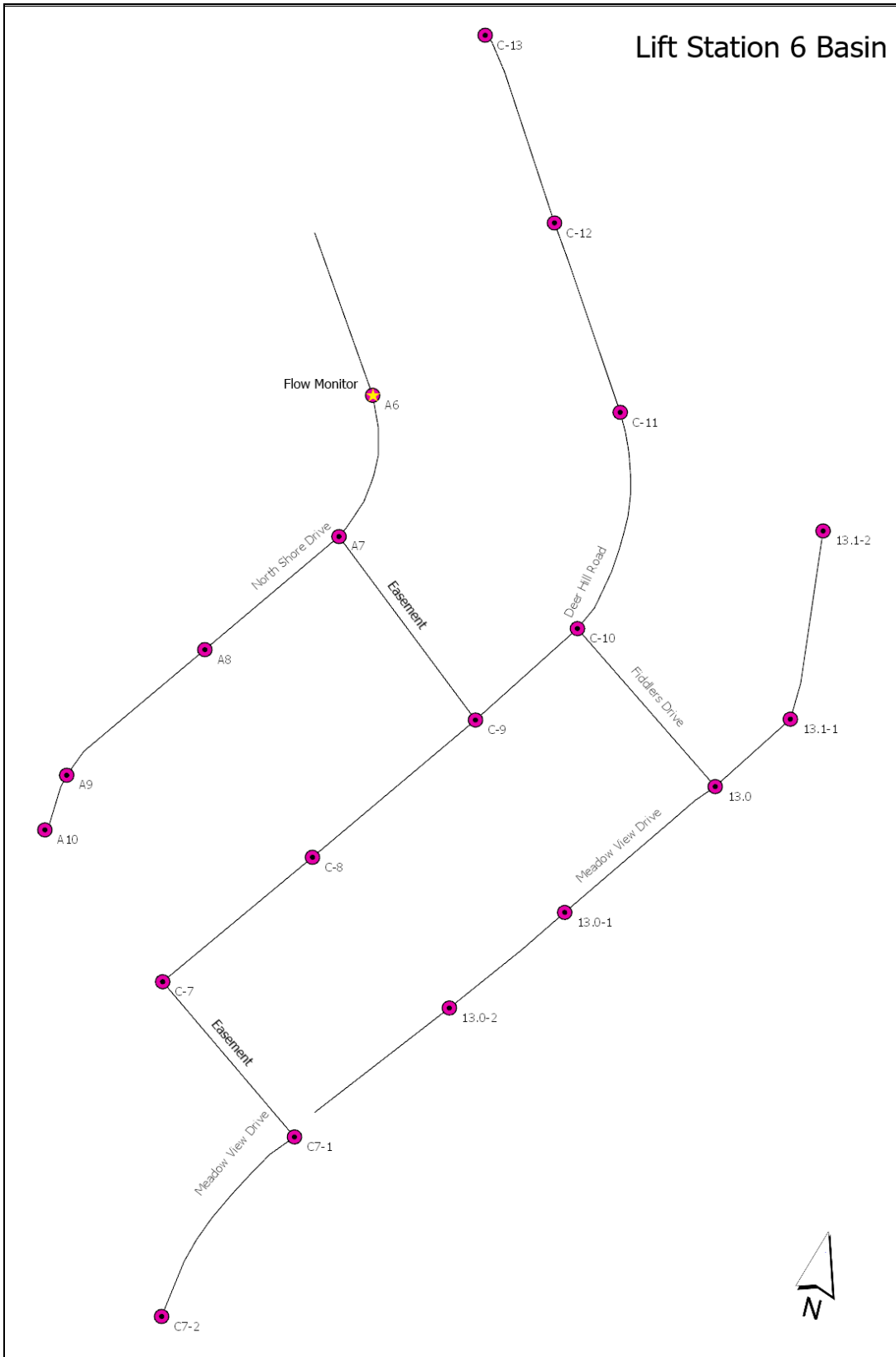
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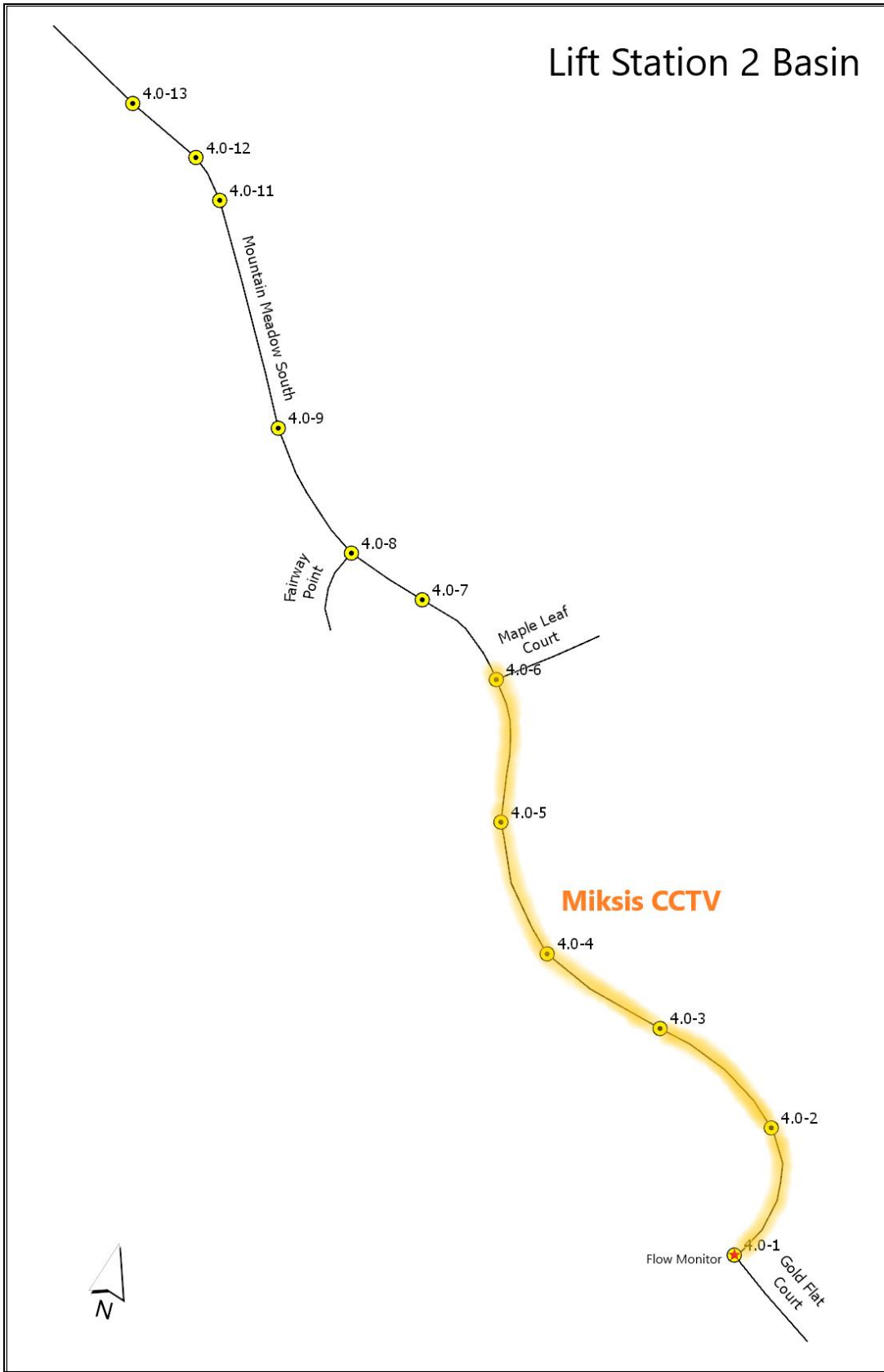
APPENDIX of FIGURES



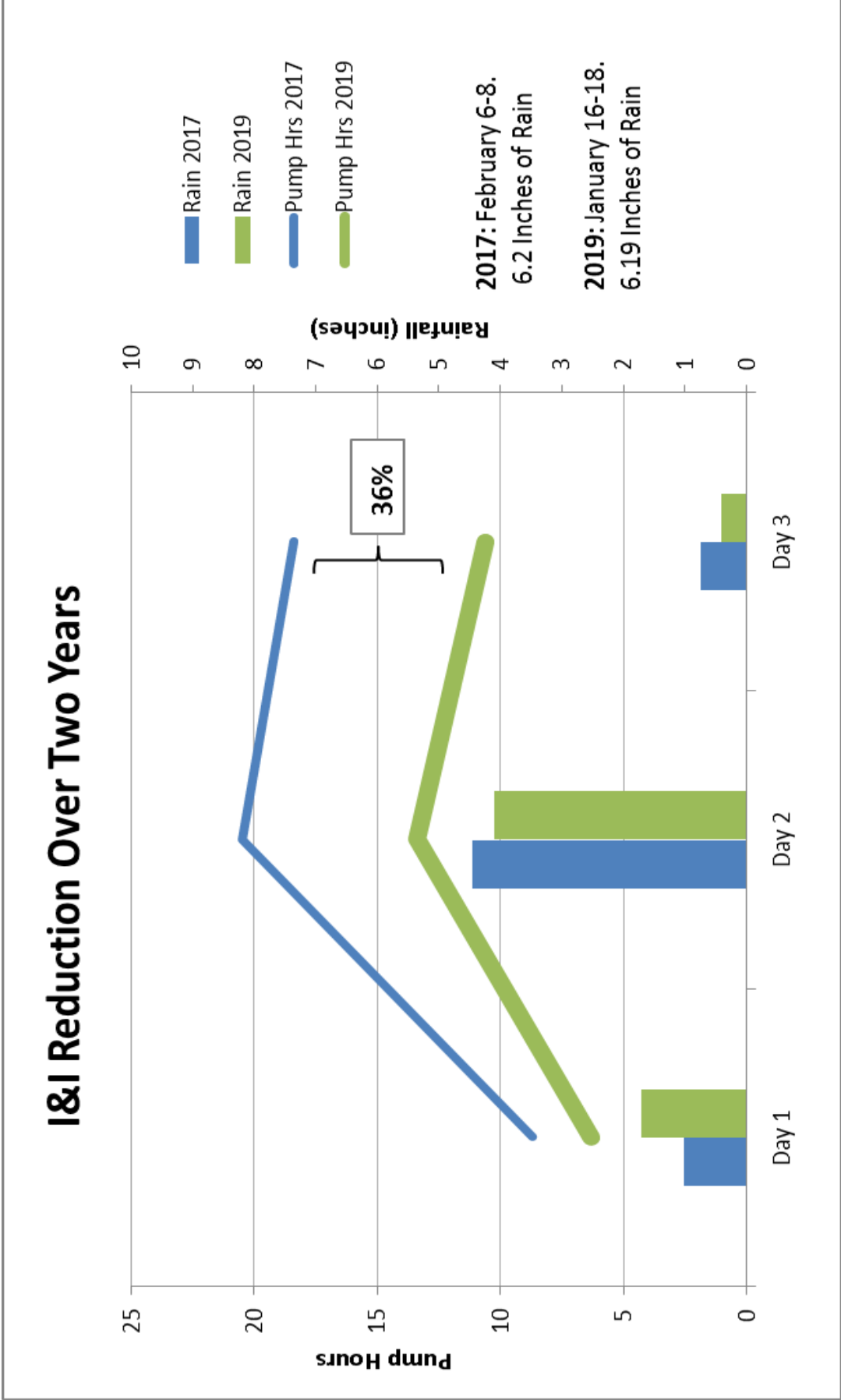
**Figure 1:** HVLCS D Sewer Infrastructure, including manholes by lift station location, lift stations, sewer lines, WWTP, and parcels within the District’s serving boundary.



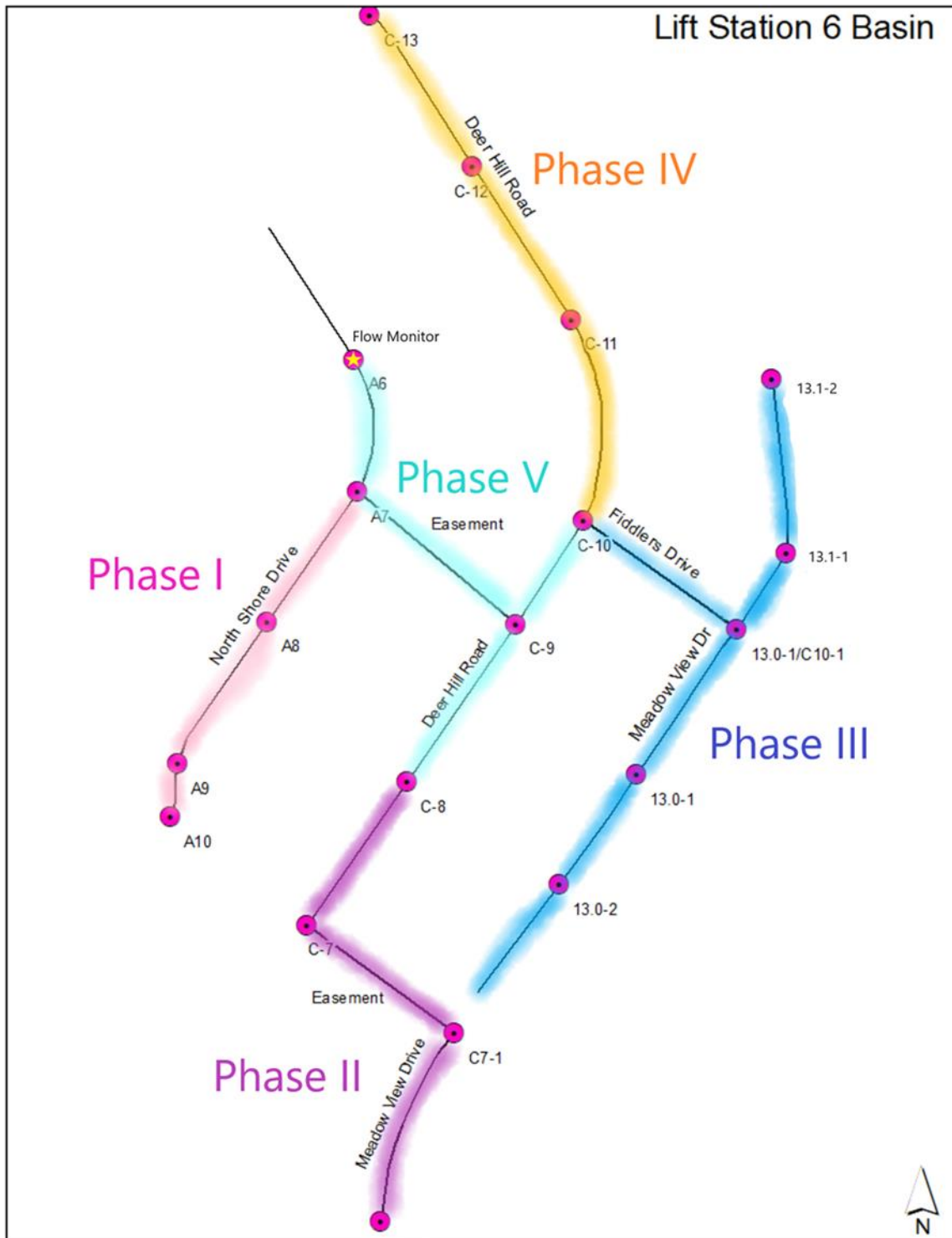
**Figure 2:** Lift station six sub-basin, including manhole labels, street names, and flow monitor location.



**Figure 3:** Lift Station 2 sub basin, including manhole labels, street names, and flow monitor location.



**Figure 4:** Comparing two 6.2 inch rain events, one in 2017 and one in 2019, and the resulting sewer pump run times. Pump run times in 2019 were 36% lower after a similar rain event, suggesting a similar decrease in I&I



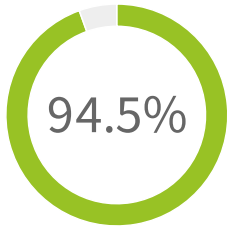
**Figure 5:** The phases indicate an upstream to downstream approach of analyzing flow data and find primary sources of I&I.

# Executive Summary Report

Generated for HVLCS D for January 2019



## Health Score



### Breakdown

Proactive Monitoring	100%	Server Availability	99.5%	Failed Login Attempts	0%
Antivirus	90.2%	Patch Management	77.5%	Backup	100%
Coverage	81.3%	Coverage	100%		
Protection	99.1%	Protection	54.9%		

## Managed Devices

### Devices

16

- 1 Server
- 14 Desktop
- 1 Laptop

### Checks Passing

Application	99%
Disk/File	100%
Event	100%
Network	100%
Script	100%
Service	97%
System	95%
Task	100%

### Alerts Resolved

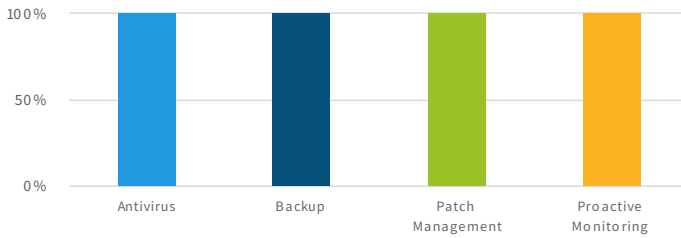
762

## Protection Effectiveness

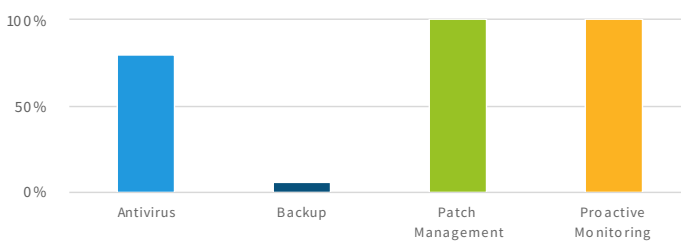
<h3>Antivirus</h3> <ul style="list-style-type: none"> <li>Devices with Antivirus: 13</li> <li>Frequency of up-to-date Devices: 99.1%</li> <li>Threats Quarantined/Resolved: 0</li> </ul>	<h3>Remote Access</h3> <ul style="list-style-type: none"> <li>Take Control Sessions: 1</li> </ul>
<h3>Backup</h3> <ul style="list-style-type: none"> <li>Devices with Backup: 2</li> <li>Data Backed Up (GB): 359</li> <li>Successful Backups: 12</li> </ul>	<h3>Patch Management</h3> <ul style="list-style-type: none"> <li>Devices with Patch Management: 16</li> <li>Patches Detected: 102</li> <li>Patches Installed: 56</li> </ul>

## Coverage

### Servers



### Workstations



## Operating Systems



## Top 5

### Devices with Failing Checks

WATERLEADOPERAT  
 HVLCSD2016-06  
 HVLCSD2017-01  
 HVLCSD-02  
 HVLCSD2016-02

### Devices at Risk

HVLCSD2016-05

## Terminology Explained

---

### Health Score

A weighted aggregation of the systems health across various components. If a feature is not enabled, the health score will not be negatively impacted.

### Alerts Resolution

The number of outages that occurred over the course of the month which were closed or cleared.

### Checks Passing

The percentage of checks that have passed throughout the month. Checks are grouped into categories. For example, System category comprises of Failed login, Server performance monitoring, OSX update, Package management, and Physical memory checks.

### Frequency of Up-to-Date Devices

How often AntiVirus checks have been up-to-date across Servers and Workstations throughout the entire month.

### Top 5 Devices at Risk

Devices which have the most common failures of Antivirus, Vulnerability, Risk Intelligence and Web Protection checks throughout the entire month.





# Hidden Valley Lake Community Services District

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## MEMO

To: Board of Directors  
From: Kirk Cloyd  
Date: February 19, 2019  
RE: General Manager's Monthly Report

---

Good evening. The following report discusses items Hidden Valley Lake CSD completed over the past month and is intended to provide the Board and public with an update on the progression of projects.

Many items that would normally be discussed in this report are agendaized for the Board Meeting and therefore not discussed in this report resulting in a shorter than usual G.M. Report.

### Water

1. Water meter moratorium: David Peterson of Wagner & Bonsignore, Consulting Civil Engineers stated, "I have finished reviewing well logs and prepared cross sections as part of the subterranean stream study. I think there is a reasonable argument to be made that the valley (at least a portion) does not meet the physical criteria of a subterranean stream."
2. Inspected & photo 2 trees at Unit 9 that need to be removed before they fall on the tank & trees in the power lines for the fire siren. Marked them for removal and obtained quotes for removal. Update-Both trees in question, two additional small trees and a very large poison oak bush were removed at this site.
3. The Interim G.M. for HVLA was given a copy of the revised Water Use Agreement which he has agreed to present to HVLA's Board for review and approval.
4. Met with several constituents and interested parties in person and on the phone to answer and update them on the water meter moratorium issue.

### Sanitary Sewer

Dennis and I met with Lewis Titus of Titus Industries to discuss ozone & aeration using the Titus Twister. Test unit to be installed at Lift Station 1. If it works, it would replace the need for odor blocks, chem treatment, reduce grease to 0 and ragging to next to nothing. Based on my past experience with these units, it is a strong investment to reduce costly overhead and maintenance. The test will indicate the true ROI which will



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be reported to the Finance Committee and Board with a recommendation to install or remove.

## **Stormwater**

1. District personnel continue to monitor stormwater and the potential for flooding within District boundaries. One of the best indicators is the Guenoc Gauging Station which can be monitored real time at the link below:  
[https://waterdata.usgs.gov/usa/nwis/uv?site\\_no=11453500](https://waterdata.usgs.gov/usa/nwis/uv?site_no=11453500)
2. After review and hydraulic modeling, it was determined by Coastland Engineering that the proposed Tideflex valve would not provide enough relief to reduce localized flooding enough to warrant the expense. District staff suggested contacting and working with the Army Corps. that built the levee and requesting they evaluate the problem created by their design and construction. Coastland Engineering stated they believe that is a good path to follow to obtain resolution for this issue.
3. Staff worked through the night to address hydraulic overload in the sanitary sewer system the night of Feb. 13<sup>th</sup> and morning of Feb. 14<sup>th</sup>. The only way staff was able to avoid a category 1 SSO was to use six pumper trucks to haul the waste/rainwater to a local agency in Clearlake that accepted the additional flow. Due to these efforts, no SSO's were noted. One of the two "800 Pumps" at the EQ basin located at the RWRP experienced bearing failure during this event. This extended the time of usage for the contracted pumper trucks while Bartley Pump pulled the pump. The District did not have a spare pump on hand and will purchase a spare when funds are available. The damaged pump was sent in for repair. The District is currently running on one pump out of the EQ Basin which is extremely during such rain events.

## **Recycled Water**

Nothing to report.

## **Finance**

The District is working with RGS to locate a replacement for David Spillman, the District's financial consultant who has retired. An interview was conducted and the contract for services is in the Feb. Board packet for consideration. If approved, the it is expected that the consultant will aid the District in its endeavor toward perpetual improvement and transparency for all District financial processes.



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## **Information Technology**

1. The I.T. Monthly Report for January 2019 was included in the agenda for the monthly Board meeting.
2. All staff attended a lunch & learn presented by Applied Technology who gave a class on cyber security, our risks & the fact that we will be hacked, and what we are doing to mitigate the issues that it will cause.

## **Human Resources**

1. The General Manager attended the following:
  - A. CSDA Webinar: Is the Brown Act Making You Blue?
  - B. RCAC Webinar: Creating Operation and Maintenance Plans
  - C. CSDA Webinar: Ask the Experts-Financing for Capital Improvements
2. The revised Employee Handbook was sent to the attorney for review and comment at the direction of the Board. It is expected to be returned by mid-March.

## **Facilities**

Nothing to report.

## **Vehicles & Equipment**

Unit 4 continues to decline. It is recommended that this truck be replaced with a car that gets good mileage so it can be used to attend out of county meetings and trainings by staff in the 2019/20 budget.

## **General Information**

1. The District continues to work with the representative for the Valley Oaks Development. Progress has been made and good faith efforts by both parties are expected to continue. The Valley Oaks Development exhumed the sunken trench line in Coyote Valley Road and found that substandard material was used to backfill the trench line over the sewer line when it was installed. Valley Oaks paid their contractor to remove the substandard base and install the proper material before compacting and paving the roadway. If no noticeable subsidence is noted, it will be recommended to the Board to accept the water and sewer lines in Coyote Valley Road into the Districts system with an 18-month warranty against subsidence or defects of the water or sewer system. Additionally, Kimco is expected to pay the remaining Hardester's sewer lift station construction fees which is a pass-through for the District.



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2. The District continues to work with the representative from Poppy Bank. The District's most recent offer is being taken to Poppy Banks Board of Trustees. If accepted, Poppy Bank will pay the remaining connection fees for the Coyote Valley Plaza. If not, it would be in the District's best interest to place a lien on the properties to ensure the District is paid the required connection fees.
3. All Board members and the G.M. participated in a successful Strategic Plan Workshop facilitated by Michael Wright of the Results Group.
4. Staff is working with NBS to finalize the Rate Study so it can be presented to the Finance Committee and ultimately the Board.
5. One staff member was called for Jury Duty during this reporting period.

### **Emergency Preparedness**

1. Staff attended the monthly SLFSC Committee Meeting.
2. Staff attended the monthly Lake County Water Emergency Group meeting where a new firefighting apparatus was discussed. Lake County's manifold system to draw water from a lake and make it available for fire engines to battle wildland fires.
3. Obtained a burn permit for District property near Dallas Ct. The Konocti Conservation Crew removed ladder fuels, dropped damaged trees from the Valley Fire and conducted a live burn to remove hazardous debris. Thursday and Friday Jan. 17<sup>th</sup> and 18<sup>th</sup>.
4. CalFire denied HVLCSO & the South Lake Fire Safe Council's request to sponsor the HVLA for weed abatement siting logistical issues with having Department of Corrections inmates inside the gated community.
5. Penny Cuadras and I conducted a FEMA ICS Interest Meeting for all of Lake County outside of work. This would enable other water agencies and interested public members to obtain their FEMA Student Identification Numbers (SIN) and take the classes and tests offered on-line to become certified. This will aid other water agencies in Lake County to pursue FEMA and CalOES funding and allow citizen volunteer groups to better aid the County and water districts during emergency operations through proper integration with the county and water district personnel.
6. Marty Rodriguez and I attended a Wilderness First Aid course to provide additional medical support to the District in times of emergencies. All District employees are required to have basic medical first aid knowledge which is paid for by the District. The additional training for this course was paid for by each employee.



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7. District staff consulted with Steven Hancock, Senior Advisor with Regional Government Services (RGS) about HVLCSD's Emergency Management Program & the need for a BOD Guide to Disaster Operations & possible Board workshop in April.

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

**DATE:** February 19, 2019

**AGENDA ITEM:** Discussion and Possible Action: Accept NBS Rate Study

---

**RECOMMENDATIONS:** Accept NBS Rate Study as presented

---

**FINANCIAL IMPACT:** None

---

**BACKGROUND:** NBS conducted a rate study for HVLCS D recommending a rate increase for five (5) consecutive years starting Jan 1, 2020. Acceptance of the study alone does not allow staff to proceed to the Prop 2018 process.

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, Kirk Cloyd, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular board meeting thereof held on February 19, 2019 by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board



# Hidden Valley Lake Community Services District

19400 Hartmann Road  
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707.987.9201  
707.987.3237 fax  
www.hiddenvalleylakecsd.com

## Staff Report

Date: February 19, 2019  
To: Board of Directors  
From: Kirk Cloyd  
Subject: Status of NBS Water/Sewer/Recycled Water Rate Study  
Prepared by: Greg Clumpner, NBS  
[gclumpner@nbsgov.com](mailto:gclumpner@nbsgov.com)  
32605 Temecula Parkway, Suite 100  
Temecula, CA 92592  
Toll free: (800) 676-7516

---

In November 2017, the Board, Finance Committee and staff recognized that the District's current rates were not on track to support repair and replacement of the District's infrastructure and that a rate study was needed to explore the costs to support current and future needs of the water, sewer and recycled water systems.

### Report in Brief

Based on the analyses reviewed to date by NBS, the recommendation is to increase the annual rates as follows (Please note that all rate increases would be effective Jan. 1<sup>st</sup> of the calendar year and remain in place through Dec. 31<sup>st</sup> of that year.)

	<u>Water</u>	<u>Wastewater</u>	<u>Recycled Water</u>
2020	8%	7%	0.19% per acre foot (\$0.56)
2021	8%	7%	No increase
2022	10%	7%	No increase
2023	12%	7%	No increase
2024	12%	7%	No increase

Accordingly, the Finance Committee is prepared to recommend the Board accepts this rate study and the District proceed with public outreach through a third-party vendor. The final goal is to approve the updated rates through the Prop. 218 voting process.



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## **Recommended Action**

*February:* Board accepts the NBS rate study report to include the proposed water/sewer/recycled water rates. Board authorize staff to send out 218 Public Hearing notices.

*March:* Have the District's Attorney review the Rate Study so they may provide support through the 218 process.

*April and May:* Public notification and outreach.

*June:* 218 Public Hearing on proposed sewer/water rates.

*June/July:* Based on Prop. 218 results; Board approve rate increase.

*January 1, 2020:* New sewer/water rates take effect; with each rate increase in January of the specified year.

## **Background**

Short falls in the water system are noted as the need to replace five (5) wooden water tanks with welded steel tanks, replacement of the aging water meters, installation of four (4) new emergency generators and replacement of several main lines starting with the one on Mountain Meadow N. from Hartmann Rd. to Donkey Hill Rd.

The sewer system requires lining or replacement of sanitary sewer lines that are susceptible to I&I and replacement of manhole lids with water tight covers.

All systems and the Admin. facility are in need of security upgrades to meet the minimum recommendations of Homeland Security and the Districts aging SCADA system is in need of replacement.

In the 2017/18 fiscal budget, the District established the first Water CIP (Fund 320). The following fiscal year, the District established three additional funds: Water Operational Reserve (Fund 325), Wastewater Operational Reserves (Fund 313) and the Wastewater CIP (Fund 314).

These four funds net approx. 2% per fund of the annual revenue each year. In order to continue operational integrity of the District while ensuring the District maintenance, security and operational shortfalls are addressed, revenue must be increased rather than simply increasing the percentage assigned to each of these funds. A combination of increasing revenue and the percentage assigned each of these funds may be required in future budgets.





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**Financial Impact:** Based on water sales for the 2017/18 fiscal year, the financial impact of such a rate increases would be a positive net income for the District as follows:

	<u>Water</u>	<u>Wastewater</u>	<u>Recycled Water</u>
2020	\$64,438	\$82,839	\$70,304.08 (One-time increase)
2021	\$268,730	\$171,906	No increase
2022	\$458,243	\$267,654	No increase
2023	\$709,281	\$370,568	No increase
2024	\$991,634	\$481,170	No increase

**Attachment:** HVLCSD Water, Sewer & Recycled Water Rate Study Report-NBS

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

**DATE:** February 19, 2019

**AGENDA ITEM:** Discussion and Possible Action: Authorize staff to send out 218 Public Hearing Notice in advance of proposed water/sewer/recycled water rate increase hearing

---

**RECOMMENDATIONS:**

Authorize staff to issue Proposition 218 Notice in advance of proposed water/sewer/recycled water rate increase hearing

**FINANCIAL IMPACT:**

Approximately \$2,500 for printing and mailing

**BACKGROUND:**

Industry standards and financial advisors recommend utilities develop a 180-day operating reserve and therefore, do not recommend the District adopt anything less than the currently proposed 90-day operating reserves for the respective water and sewer funds. Staff has no significant comments or concerns regarding the work products developed by NBS consultants.

Staff is now prepared to issue the 218 Notice in advance of the proposed water/sewer/recycled water rate increase hearing: Date to be determined. Pursuant to state law, the 218 Notice must be issued 45 days in advance of the rate increase hearing.

---

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

---

Modification to recommendation and/or other actions:

---

I, Kirk Cloyd, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular board meeting thereof held on February 19, 2019 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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



## HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT FINANCE COMMITTEE CHARTER

Name of Committee	Hidden Valley Lake CSD Finance Committee
Date of last revision	02/13/2019
Purpose (Summary)	The finance committee provides ongoing review of the financial status of the District for the purpose of ensuring continued economic stability in accordance with the laws governing California, public agencies and with the District's Strategic Plan
Specific responsibilities	<ul style="list-style-type: none"> <li>-Review monthly financial reports and compare monthly figures to projected budget</li> <li>-Initiate an annual Financial Audit or review and recommend auditor</li> <li>-Review investments and make investment recommendation to the Board</li> <li>-Review and recommend an annual Budget</li> <li>-Review and recommend budget adjustments</li> <li>-Review Insurance coverage on an annual basis to ensure adequate coverage</li> <li>-Discuss, deliberate and make recommendation on all Financial issues impacting the District as brought to the committee by the General Manger and or Board of Directors</li> </ul>
Meeting schedule (regular date, time, place)	Second Wednesday of the month, 12:30-1:30 PM and as needed At the Admin Office
Composition (number and type-board members, or others?)	2 Board Members, General Manager, Full Charge Bookkeeper
Other important details	Directors assigned to the Finance Committee are responsible for the signing of the Accounts Payable on a weekly basis

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

**DATE:** February 19, 2019

**AGENDA ITEM:** Discussion and Possible Approval: Discuss and approve the General Manager to enter into an agreement with Regional Government Services (RGS) for Financial Consulting Services.

---

**RECOMMENDATIONS:** Approve RGS Service Agreement

---

**FINANCIAL IMPACT:** \$120.00 hourly rate.

*The Hourly Rate does not include direct external costs which will be invoiced to Agency with no markup*

---

**BACKGROUND:** As recommended by the Hidden Valley Lake Community Services District Finance Committee and the approved direction of the Hidden Valley Lake Community Services District Board of Directors, Staff have located a Financial Consultant as support to the Full Charge Bookkeeper.

Regional Government Services (RGS) is a governmental, joint powers authority that serves exclusively public-sector agencies with its team of public-sector experts.

The Finance Committee and Staff conducted an interview, via teleconference, with RGS staff and Financial Advisor, Tracy Fuller.

Scope of Work; provide on-going services related to financial policies, procedures and reporting on an as needed basis.

(For a full Scope of Services see Exhibit B page 14 of RGS Agreement)

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, Kirk Cloyd, Secretary to the Board, do hereby certify that the foregoing action was February 19, 2019 by the following vote:

Ayes:

Noes:

Abstain:

Absent

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

Preamble: The agreement for services described below is also an agreement to engage in a relationship between organizations – Agency partners. In order to establish a mutually respectful relationship as well as a productive one, RGS has adopted the following values and business methods.

### **Our Values**

- **Expert Services:** RGS serves exclusively public sector agencies with its team of public-sector experts.
- **Innovation:** RGS encourages and develops innovative and sustainable services to help each Agency meet its challenges through new modes of service provision.
- **Customer Driven:** RGS customizes solutions to achieve the right level and right kind of service at the right time for each Agency's unique organizational needs.
- **Perseverance:** Sometimes the best solutions are not immediately apparent. RGS listens, works with you, and sticks with it until a good fit with your needs is found.
- **Open Source Sharing:** RGS tracks emerging best practices and shares them, learning openly from each other's hard won experience.
- **Commitment:** Government agencies are the public's only choice for many services. Public trust is earned and must be used wisely. And RGS will do its part. Each Agency should and will know how RGS sets its rates. RGS' pledge to you is that we will act with honesty, openness, and full transparency.

### **How RGS Does Business**

When you work with RGS you can expect:

- RGS will strive to be explicit up front and put our understandings in writing. Before making assumptions, we hope to talk directly to prevent any misunderstandings.
- Ongoing interaction throughout our relationship to ensure that your needs are being met, and that projects progress appropriately and agreed-upon timelines are met.
- RGS is committed to honest interaction.
- When RGS employees are on your site, we expect them to treat people respectfully and be treated respectfully. If problems arise, we want to communicate early, accurately, and thoroughly to ensure that we find mutually acceptable solutions.
- As a public Agency, partnering is valued. We look out for each Agency's interests consistent with maintaining the public trust.
- To keep expectations realistic, it is important to understand that RGS is a governmental, joint powers authority evolving to meet changing local government needs. RGS has carefully constructed policies and procedures to allow maximum flexibility to meet your needs.

## **Agreement for Management and Administrative Services**

**This Agreement** for Management Services (“Agreement”) is made and entered into as of the 18<sup>th</sup> day of February 2019, by and between the **HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**, a municipal Agency (“Agency”), and **Regional Government Services Authority** (RGS), a joint powers authority, (each individually a “Party” and, collectively, the “Parties”).

### **RECITALS**

**THIS AGREEMENT** is entered into with reference to the following facts and circumstances:

- A. That Agency desires to engage RGS to render certain services to it;
- B. That RGS is a management and administrative services provider and is qualified to provide such services to the Agency; and
- C. That Agency has elected to engage the services of RGS upon the terms and conditions as hereinafter set forth.

### **TERMS AND CONDITIONS**

**Section 1. Services.** The services to be performed by RGS under this Agreement shall include those services set forth in the attached **Exhibits**, which are incorporated by this reference herein and made a part hereof as though it were fully set forth herein.

Where in conflict, the terms of this Agreement supersede and prevail over any terms set forth in the **Exhibits**.

- 1.1 Standard of Performance.** RGS shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the types of services that RGS agrees to provide in the geographical area in which RGS operates.
- 1.2 Lead Advisor.** To ensure quality and consistency for the services provided, RGS also assigns a lead advisor to Agency. The lead advisor is available to assigned RGS staff and to Agency management and will check in regularly with both to address program/project directives. Typically lead advisor time is not billed to Agency, with some exceptions where significant programmatic direction is provided.
- 1.3 Reassignment of Personnel.** Assignment of personnel to provide the services described in the **Exhibits** is at the sole discretion of RGS. In the event that Agency or RGS, at any time during the term of this Agreement, desires the reassignment of personnel, Agency and RGS shall meet and discuss in good faith to address the issue of concern, including but not limited to reassigning such person or persons.
- 1.4 Time.** RGS shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance described above and to provide the services described in the **Exhibits**.

**Section 2. Term of Agreement and Termination.** Services shall commence on or about March 1, 2019, and this Agreement is anticipated to remain in force to December 31, 2020, at which time services may continue on a month-to-month basis until one party terminates the Agreement, or if Exhibit A contains a “not to exceed” amount, until that amount of charges has been reached, at which point the Parties shall either amend or terminate this Agreement. This Agreement may be terminated by either Party, with or without cause, upon 30 days’ written notice. Agency has the sole discretion to determine if the services performed by RGS are satisfactory to the Agency which determination shall be made in good faith. If Agency determines that the services performed by RGS are not satisfactory, Agency may terminate this Agreement by giving written notice to RGS. Upon receipt of notice of termination by either Party, RGS shall cease performing duties on behalf of Agency on the termination date specified and the compensation payable to RGS shall include only the period for which services have been performed by RGS.

**Section 3. Compensation.** Payment under this Agreement shall be as provided in the **Exhibits**.

**Section 4. Effective Date.** This Agreement shall become effective on the date first herein above written.

**Section 5. Relationship of Parties.**

**5.1** It is understood that the relationship of RGS to the Agency is that of an independent contractor and all persons working for or under the direction of RGS are its agents or employees and not agents or employees of Agency. The Agency and RGS shall, at all times, treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of the Agency. Agency shall have the right to control RGS employees only insofar as the results of RGS’ services rendered pursuant to this Agreement. In furtherance of this Section 5.1, the Parties agree as follows:

**5.1.1** Agency shall not request from RGS or from an RGS employee providing services pursuant to this Agreement an RGS employee’s Social Security Number or other similar personally identifying information.

**5.1.2** Agency shall not report an RGS employee to a third party as an employee of Agency. For the purposes of this Section 5.1, “third party” means another government agency, private company, or individual.

**5.1.3** In the event that a third-party requests information about an RGS employee—including but not limited to personally identifying information, hours or locations worked, tasks performed, or compensation—Agency shall inform RGS of the request prior to responding. If Agency possesses such information about an RGS employee, the Parties shall confer in good faith about an appropriate and legally compliant response to the request.

- 5.2** RGS shall provide services under this Agreement through one or more employees of RGS qualified to perform services contracted for by Agency. The positions of RGS staff that will coordinate services to the Agency are indicated in the **Exhibits**. The Executive Director or assigned supervising RGS staff will consult with Agency on an as-needed basis to assure that the services to be performed are meeting Agency's objectives. At any time the RGS employee may be providing services to one or more RGS clients concurrent with the services being provided under this Agreement.
- 5.3** Agency shall not have the ability to direct how services are to be performed, specify the location where services are to be performed, or establish set hours or days for performance of services, except as set forth in the **Exhibits**.
- 5.4** RGS employees may require access to Agency's computer systems and networks to complete the assigned services. RGS requires its employees to agree to appropriate system usage policies, which include a pledge not to use partner agency electronic equipment for anything other than partner agency work. (These policies can be provided to Agency upon request.)
- 5.5** Agency shall not have any right to discharge any employee of RGS from RGS employment.
- 5.6** RGS shall, at its sole expense, supply for its employees providing services to Agency pursuant to this Agreement any and all benefits, such as worker's compensation, disability insurance, vacation pay, sick pay, or retirement benefits; obtain and maintain all licenses and permits usual or necessary for performing the services; pay any and all taxes incurred as a result of the employee(s) compensation, including employment or other taxes; and provide Agency with proof of payment of taxes on demand.

**Section 6. Loss Occurrence Coverage.** RGS is self-insured and maintains loss occurrence coverage through its membership in the Municipal Insurance Cooperative ("MIC"), a California Joint Powers Authority, which is a risk purchasing joint powers authority. Consistent with sections 990.4 and 990.8 of the Government Code, the MIC provides coverage to RGS, in excess of its member retained limit, against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by RGS and its agents, representatives, employees, and subcontractors.

**6.1 Workers' Compensation Coverage.**

**6.1.1 General requirements.** RGS shall, at its sole cost and expense, maintain Workers' Compensation coverage and Employer's Liability coverage with limits of not less than \$1,000,000.00 per occurrence.

**6.1.2 Waiver of subrogation.** The Workers' Compensation coverage shall be endorsed with or include a waiver of subrogation in favor of Agency for all work performed by RGS, its employees, agents, and subcontractors.



## **6.2 Commercial General, Automobile, and Professional Liability Coverages.**

**6.2.1 General requirements.** RGS, at its own cost and expense, shall maintain commercial general and automobile liability coverage for the term of this Agreement in an amount not less than \$2,000,000 per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. RGS shall additionally maintain commercial general liability coverage in an amount not less than \$2,000,000 aggregated for bodily injury, personal injury, and property damage.

**6.2.2 Minimum scope of coverage.** The MIC Memorandum of Coverage (MOC) is not written on ISO forms but provides coverage at least as broad as the latest version of the following: (A) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); and (B) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 001, code 1 (any auto).

**6.3 Professional Liability Insurance.** RGS, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability coverage for licensed professionals performing work pursuant to this Agreement in an amount not less than \$2,000,000 covering the licensed professionals' errors and omissions.

## **6.4 All Policies Requirements.**

**6.4.1 Coverage requirements.** Each of the following shall be included in the coverage or added as an endorsement:

- a. Agency and its officers, employees, agents, and volunteers shall be covered as additional covered parties with respect to RGS' general commercial, and automobile coverage for claims, demands, and causes of action arising out of or relating to RGS' performance of this Agreement and to the extent caused by RGS' negligent act, error, or omission.
- b. An endorsement to RGS' general commercial and automobile coverages must state that coverage is primary with respect to Agency and its officers, officials, employees and volunteers.
- c. All coverages shall be on an occurrence or an accident basis, and not on a claims-made basis.

**6.4.2 Acceptability of coverage providers.** All coverages required by this section shall be acquired through providers with a Bests' rating of no less than A: VII or through sources that provide an equivalent level of reliability.

- 6.4.3 Verification of coverage.** Prior to beginning any work under this Agreement, RGS shall furnish Agency with notifications of coverage and with original endorsements effecting coverage required herein. The notifications and endorsements are to be signed by a person authorized by the MIC to bind coverage on its behalf. Agency reserves the right to require complete, certified copies of all MOC at any time.
- 6.4.4 Subcontractors.** RGS shall include all subcontractors as insureds under its coverage or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
- 6.4.5 Variation.** During the term of this Agreement, RGS may change the insurance program in which it participates. RGS will provide reasonable notice of any such change to Agency and replacement copies of Certificates of Coverage and endorsements.
- 6.4.6 Deductibles and Self-Insured Retentions.** RGS shall disclose any self-insured retention if Agency so requests prior to performing services under this Agreement or within a reasonable period of time of a request by Agency during the term of this Agreement.
- 6.4.7 Maintenance of Coverages.** The coverages stated herein shall be maintained throughout the term of this Agreement and proof of coverage shall be available for inspection by Agency upon request.
- 6.4.8 Notice of Cancellation or Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, RGS shall provide written notice to Agency at RGS earliest possible opportunity and in no case later than five business days after RGS is notified of the change in coverage.

## **Section 7. Legal Requirements.**

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** RGS and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Reporting Requirements.** If there is a statutory or other legal requirement for RGS to report information to another government entity, RGS shall be responsible for complying with such requirements.
- 7.4 Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, RGS and any subcontractors shall comply with all applicable rules and regulations to which Agency is bound by the terms of such fiscal assistance program.

- 7.5 **Licenses and Permits.** RGS represents and warrants to Agency that RGS and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to provide the services contemplated by this Agreement. RGS represents and warrants to Agency that RGS and its employees, agents, and subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.
- 7.6 **Nondiscrimination and Equal Opportunity.** RGS shall not discriminate on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided under this Agreement. RGS shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

## **Section 8. Keeping and Status of Records.**

- 8.1 **Records Created as Part of RGS' Performance.** All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that RGS prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of Agency. RGS hereby agrees to deliver those documents to Agency upon termination of the Agreement, if requested. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for Agency and are not necessarily suitable for any future or other use.
- 8.2 **Confidential Information.** RGS shall hold any confidential information received from Agency in the course of performing this Agreement in trust and confidence and will not reveal such confidential information to any person or entity, either during the term of the Agreement or at any time thereafter. Upon expiration of this Agreement, or termination as provided herein, RGS shall return materials which contain any confidential information to Agency. For purposes of this paragraph, confidential information is defined as all information disclosed to RGS which relates to Agency past, present, and future activities, as well as activities under this Agreement, which information is not otherwise of public record under California law. Agency shall notify RGS what information and documents are confidential and thus subject to this section 8.2.

**8.3 RGS Books and Records.** RGS shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Agency under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment under this Agreement.

**8.4 Inspection and Audit of Records.** Any records or documents that Section 8.3 of this Agreement requires RGS to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds \$10,000.00, the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of Agency, for a period of three years after final payment under the Agreement.

**Section 9. Non-assignment.** This Agreement is not assignable either in whole or in part without the written consent of the other party.

**Section 10. Amendments.** This Agreement may be amended or modified only by written Agreement signed by both Parties.

**Section 11. Validity.** The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

**Section 12. Disputes.** Should any dispute arise out of this Agreement, Agency agrees that it shall only file a legal action against RGS, and shall not file any legal action against any of the public entities that are members of RGS.

**Section 13. Venue/Attorneys' Fees.** Any suit or action initiated by either party shall be brought in Alameda County, California. In the event of litigation between the Parties hereto to enforce any provision of the Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs of litigation.

**Section 14. Mediation.** Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing party for purposes of the settlement and each Party shall bear its own legal costs.

**Section 15. Employment Offers to RGS Staff.** Should Agency desire to offer permanent or temporary employment to an RGS employee who is either currently providing RGS services to Agency or has provided RGS services to Agency within the previous six months, said Agency will be charged a fee equal to the full-time cost of the RGS employee for one month, using the most recent RGS bill rate for the RGS employee's services to Agency. This fee is to recover RGS' expenses in recruiting the former and replacement RGS staff.

**Section 16. Entire Agreement.** This Agreement, including the **Exhibits**, comprises the entire Agreement.

**Section 17. Indemnification.**

**17.1 RGS' indemnity obligations.**

RGS shall indemnify, defend, and hold harmless Agency and its legislative body, boards and commissions, officers, and employees (“Indemnitees”) from and against all claims, demands, and causes of action by third parties, including but not limited to attorneys’ fees, arising out of RGS’ performance of this Agreement, to the extent caused by RGS’ negligent act, error, or omission. Nothing herein shall be interpreted as obligating RGS to indemnify Agency against its own negligence or willful misconduct.

**17.2 Agency's indemnity obligations.** Agency shall indemnify, defend and hold harmless RGS and its officers, directors, employees and agents from any and all claims and lawsuits where such persons are named in the lawsuit solely because of a duty any of them performs in accordance with the services outlined in Exhibit B.

It is the intent of the parties here to define indemnity obligations that are related to or arise out of Agency’s actions as a governmental entity. Thus, Agency shall be required to indemnify and defend only under circumstances where a cause of action is stated against RGS, its employees or agents:

- a. which is unrelated to the skill they have used in the performance of the duties delegated to them under this Agreement;
- b. when the allegations in such cause of action do not suggest the active fraud or other misconduct of RGS, its employees, or agents; or
- c. where an Agency employee, if he had been acting in a like capacity, otherwise would be acting within the scope of that employment.

Whenever Agency owes a duty hereunder to indemnify RGS, its employees or agents, Agency further agrees to pay RGS a reasonable fee for all time spent by any RGS employee, or spent by any person who has performed work pursuant to this Agreement, for the purpose of preparing for or testifying in any suit, action, or legal proceeding in connection with the services the assigned employee has provided under this Agreement.

**17.3 Obligations and indemnity related to defined benefit retirement plan participation.**

- a. RGS and Agency acknowledge and agree that, if Agency participates in a defined benefit plan (such as CalPERS, a defined benefit pension Plan, or Social Security) or (“Retirement Program”), it is possible that the Retirement Plan may find that RGS employees providing services pursuant to this Agreement are employees of Agency and should be registered with the Retirement Program as employees of Agency, which possibility is the same as if Agency were contracting with a private consulting firm. Pursuant to Section 5.1 of this Agreement, Agency has an

obligation to treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of Agency. Agency agrees not to ask RGS employees for personally identifying information.

- b. In the event that the Retirement Program initiates an inquiry that includes examination of whether individuals providing services to Agency are Agency's employees, Agency shall inform RGS within five days and share all communications and documents from the Retirement Program that it may legally share. Agency and RGS shall cooperate to determine the manner of responding to the inquiry and what, if any, documents to provide.
- c. In the event that the Retirement Program makes a finding that one or more RGS employees are employees of Agency, Agency shall promptly inform RGS and share all communications and documents from the Retirement Program that it may legally share. RGS and Agency shall cooperate in determining how to respond to the Retirement Program, including but not limited to whether and how to make any corrections described by the Retirement Program.
- d. RGS and Agency each reserves the right to file an appeal of the Retirement Program's finding that an RGS employee is an employee of Agency and should be registered with the Retirement Program as an employee of Agency and to challenge such a decision in court. Agency assigns its right to file an appeal of such a finding, if Agency does not itself file an appeal. In the event that either RGS or Agency files an appeal or court challenge, RGS and Agency each agree to cooperate with each other in pursuit of the action.
- e. Notwithstanding Section 17.1 of this Agreement, RGS and Agency shall each bear their own costs in responding to an inquiry by a Retirement Program, including but not limited to costs of an appeal or court challenge. In the event that (1) Retirement Program finds that an RGS employee is an employee of Agency and should be registered in the Retirement Program as an employee of the Agency; (2) Retirement Program finds that a payment is required to register the employee as an employee of Agency; and (3) neither RGS nor Agency challenges those findings or the payment is upheld in a final appeal or court decision, RGS' obligation for any payments to Agency for Retirement Program benefits shall be limited to 50% of the employer's share of those payments that Agency may be required to pay.

**Section 18. Notices.** All notices required by this Agreement shall be given to Agency and RGS in writing, by first class mail, postage prepaid, or by email transmission addressed as follows:

**Agency:** Hidden Valley Lake Community Services District  
19400 Hartmann Road  
Hidden Valley Lake, CA 95467  
Email: pcuadras@hvlcsd.org

**RGS:** Regional Government Services Authority  
P. O. Box 1350  
Carmel Valley, CA 93924  
Email: contracts@rgs.ca.gov

Notice by email transmission shall be deemed given upon verification of receipt if received before 5:00p.m. on a regular business day or else on the next business day.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized on their behalf.

DATED: \_\_\_\_\_, 2019 **Agency**

By: \_\_\_\_\_  
Kirk Cloyd, General Manager

APPROVED AS TO FORM:

DATED: \_\_\_\_\_, 2019 By: \_\_\_\_\_  
Linda Herndon, President

DATED: \_\_\_\_\_, 2019 **Regional Government Services Authority**

By: \_\_\_\_\_  
Richard H. Averett, Executive Director

## Exhibit A

### **Compensation.**

1. **Fees.** Agency agrees to pay to RGS the hourly rates set forth in the tables below for each RGS employee providing services to Agency, which are based in part on RGS' full cost of compensation and support for the RGS employee(s) providing the services herein described.

RGS and Agency acknowledge and agree that compensation paid by Agency to RGS under this Agreement is based upon RGS' costs of providing the services required hereunder, including salaries and benefits of employees. The Parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities for which RGS may be obligated for its employees or may otherwise be contractually obligated.

Consequently, the Parties agree that adjustments to the hourly rate shown below for "RGS Staff" will be made for changes to the salary and/or benefits costs provided by RGS to such employee. On July 1 of each year, RGS' hourly bill rates will be adjusted by the percentage change in the Consumer Price Index (Bureau of Labor Statistics, CPI for urban wage earners and clerical workers in the San Francisco-Oakland-San Jose area) ("CPI") for the twelve months through the end of December of the prior year. Irrespective of the movement of the CPI, RGS will not adjust its hourly rates downward; nor will RGS adjust its hourly rates upward in excess of a five percentage (5%) change, excepting instances where there was no increase in the prior year's hourly rates. In that event, RGS will adjust its hourly rates by the full percentage change in the CPI for the twelve months through the end of December of the prior year.

2. **Reimbursement of RGS' Administrative Cost.** Agency shall reimburse RGS for overhead as part of the hourly rate specified below, and direct external costs. Support overhead costs are those expenses necessary to administering this Agreement, and are included in the hourly rate. Direct external costs, including such expenses as travel or other costs incurred for the exclusive benefit of the Agency, will be invoiced to Agency when received and without mark-up. These external costs will be due upon receipt.
3. **Terms of Payment.** RGS shall submit invoices monthly for the prior month's services. Invoices shall be sent approximately 10 days after the end of the month for which services were performed and are due and shall be delinquent if not paid within 30 days of receipt. Delinquent payments will be subject to a late payment carrying charge computed at a periodic rate of one-half of one percent per month, which is an annual percentage rate of six percent, which will be applied to any unpaid balance owed commencing 7 days after the payment due date. Additionally, in the event the Agency fails to pay any undisputed amounts due to RGS within 15 days after payment due date, then Agency agrees that RGS shall have the right to consider said default a total breach of this Agreement and the duties of RGS under this Agreement may be terminated by RGS upon 5 working days' advance written notice.

**Payment Address.** All payments due RGS shall be paid to:  
Regional Government Services Authority  
PO Box 1350  
Carmel Valley, CA 93924

***[EXHIBIT A CONTINUES ON FOLLOWING PAGE]***



**AGENCY CONTACTS**

**Agency Billing Contact.** Invoices are sent electronically only. Please provide the contact person to whom invoices should be sent:

NAME	EMAIL
Trish Wilkinson, Full-Charge Bookkeeper	twilkinson@hvlcsd.org

**Agency Insurance Contact.** Please provide the contact person to whom the certificate of coverage should be sent:

NAME	EMAIL
Penny Cuadras, Administrative Assistant	pcuadras@hvlcsd.org

**RGS STAFF**

CLASSIFICATION	HOURLY RATE*
Chief Operating Officer	\$125 to \$215
Deputy Chief Operating Officer	\$120 to \$195
Senior/Lead Advisor	\$115 to \$190
Advisor	\$105 to \$160
Project Advisor	\$95 to \$125
Project Coordinator	\$75 to \$120
Technical Specialist	\$65 to \$115

\*The Hourly Rate does not include direct external costs which will be invoiced to Agency with no markup.

**RGS has assigned the following staff for these services noted in Exhibit B.**

TITLE	HOURLY RATE*
Sr. Finance Advisor	\$120

Projects and activities may be modified on request of the Agency. Additional services will be billed at rates noted in the Staff Rate Table above.

## **Exhibit B**

**Scope of Services.** Subject to the terms and conditions of this Agreement, Regional Government Services Authority (RGS) shall assign RGS employee(s) to serve as the Finance Advisor(s) to the Hidden Valley Lake Community Services District (Agency) to perform financial advisement services as described below:

1. Upon request of the Agency, provide on-going services related to financial policies, procedures and reporting. These services may include any of the following:
  - 1.1. Review existing financial policies, procedures, reports and documentation and make recommendations for improvements to align with best practices and legal requirements in public sector financial management;
  - 1.2. Provide technical advice with year-end close and audit preparation;
  - 1.3. Provide technical advice with budget policy implementation and preparation of the annual budget;
  - 1.4. Provide technical training and support to Agency staff in the preparation of periodic financial reports and other financial information;
  - 1.5. Be reasonably available to perform services during the normal workweek;
  - 1.6. Meet as often as necessary for the purpose of consulting about the Agency's financial management needs and issues, and the scope of work performed.
2. RGS may provide additional Advisors (at the hourly rates shown in Exhibit A) for consultation with Agency staff on an as-needed basis for specialized issues or more complex projects.
3. Projects and activities may be modified upon the request of the AGENCY. AGENCY will only be billed for the actual hours worked.

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

**DATE:** February 19, 2019

**AGENDA ITEM:** Discussion and Possible Approval: 2017-2018 Audit Report

---

**RECOMMENDATIONS:**

Hear presentation by representatives of Smith & Newell Certified Public Accountants and the recommendations of the Board’s Finance Committee, and accept 2017-2018 HVLCSD Audit Report prepared by Smith & Newell Certified Public Accountants as drafted or with any amendments deemed appropriate by the Board

**FINANCIAL IMPACT:**

None

**BACKGROUND:**

Smith & Newell Certified Public Accountants have completed the annual independent audit of the District’s financial records and prepared a draft 2017-2018 HVLCSD Audit Report. Staff and the Board’s Finance Committee have reviewed the draft report. Representatives of Smith & Newell and the Board’s Finance Committee will brief the Board on their respective findings and recommendations. Key excerpts of the draft report are attached.

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, Kirk Cloyd, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular board meeting thereof held on February 19, 2019 by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board

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

**FINANCIAL STATEMENTS  
TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2018**

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Annual Financial Report  
For the Year Ended June 30, 2018**

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## **INTRODUCTORY SECTION**

- **List of Officials**



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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**List of Officials**

**For the Year Ended June 30, 2018**

**Board of Directors**

Jim Lieberman. .... President  
Carolyn Graham. .... Vice President  
Linda Herndon. .... Director  
Jim Freeman. .... Director  
Judy Mirbegian..... Director

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## **FINANCIAL SECTION**

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

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and each major fund of the Hidden Valley Lake Community Services District, California (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the District as of June 30, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Note 1P to the financial statements, in 2017-18 the District adopted new accounting guidance, GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



Smith & Newell CPAs  
Yuba City, California  
February 7, 2019



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

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018**

**Introduction**

This section of the Annual Financial Report contains a narrative overview and analysis of the Hidden Valley Lake Community Services District (District) financial activities for the year ended June 30, 2018.

The Management's Discussion and Analysis (MD&A) is a required section of the District's Annual Financial Report, as shown in the overview below. The purpose of the MD&A is to present a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2018. This report will (1) focus on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity. Readers are encouraged to consider the information presented here in conjunction with the Annual Financial Statements.

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

**Financial Highlights**

Key financial highlights for the fiscal year ended June 30, 2018 were as follows:

- The Statement of Net Position indicates that total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$1,529,314. Unrestricted net position represents (\$629,173), and net investment in capital assets was at \$853,972. The remaining restricted amounts were \$860,060 for debt service and \$444,455 for capital facilities.
- Total net position decreased \$486,528 (24%) in fiscal year 2017/18 compared to a decrease of \$408,094 (17%) in fiscal year 2016/17.
- Total assets decreased 4% from \$10,236,745 in fiscal year 2016/17 to \$9,851,860 in fiscal year 2017/18.
- Total liabilities increased 1% from \$8,508,004 in fiscal year 2016/17 to \$8,585,310 in fiscal year 2017/18.
- The District recorded deferred outflows of resources of \$424,591, a decrease of \$10,289, and deferred inflows of resources of \$161,827, an increase of \$14,048, in order to record the different components required by GASB 68 and GASB 75 for pension and OPEB accounting and reporting. Deferred outflows of resources are technically not assets but increase net position similar to an asset and deferred inflows of resources are technically not liabilities but decrease net position similar to liabilities. See Note 1N in the notes to financial statements for a definition of deferred inflows and outflows of resources.
- Total program and general revenues decreased by \$199,343 (5%) mainly due to 2017 Storm Emergency funding received in FY 2016/17.
- Total expenses decreased \$607,512 (14%) from prior year. The decrease was due to \$106,789 in Sewer and Water operating and maintenance expenses, and a decrease of \$714,301 in response expenses related to the 2017 Storm Emergency.

## Overview of the Financial Statements

The financial section of this report consists of five parts.

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

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

The Basic Financial Statements for the District are presented as "Government-Wide" and Proprietary or Enterprise fund financial statements. The chart below provides an overview of the major features of the financial statements.

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

### Financial Statements and Notes

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

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

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

**Table 1**  
**Summary of Net Position**  
**June 30, 2018 and 2017**

	<b>Business Type Activities</b>			
	<b>2018</b>	<b>2017</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Assets</b>				
Current and other assets	\$ 3,268,219	\$ 3,242,806	\$ 25,413	1%
Non current assets	6,583,641	6,993,939	(410,298)	-6%
Total Assets	<u>9,851,860</u>	<u>10,236,745</u>	<u>(384,885)</u>	<u>-4%</u>
<b>Deferred outflows of resources</b>				
Deferred Pension adjustments	390,998	434,880	(43,882)	-10%
Deferred OPEB adjustments	33,593	-	33,593	100%
Total Deferred Outflows of Resources	<u>424,591</u>	<u>434,880</u>	<u>(10,289)</u>	<u>-2%</u>
<b>Liabilities</b>				
Current liabilities	498,705	915,283	(416,578)	-46%
Non current liabilities	8,086,605	7,592,721	493,884	7%
Total Liabilities	<u>8,585,310</u>	<u>8,508,004</u>	<u>77,306</u>	<u>1%</u>
<b>Deferred inflows of resources</b>				
Deferred Pension adjustments	78,587	147,779	69,192	47%
Deferred OPEB adjustments	83,240	-	(83,240)	-100%
Total Deferred Inflows of Resources	<u>161,827</u>	<u>147,779</u>	<u>(14,048)</u>	<u>-10%</u>
<b>Net Position</b>				
Net Investment in capital assets	853,972	981,176	(127,204)	-13%
Restricted				
Debt Service	860,060	810,391	49,669	6%
Capital Facilities	444,455	303,083	141,372	47%
Unrestricted	<u>(629,173)</u>	<u>(78,808)</u>	<u>(550,365)</u>	<u>698%</u>
Total Net Position	<u>\$ 1,529,314</u>	<u>\$ 2,015,842</u>	<u>\$ (486,528)</u>	<u>-24%</u>

Net position decreased by \$486,528 to \$1,529,314 from FY 2016/17 to FY 2017/18 as described below:

Total assets and deferred outflows decreased by \$395,174. Current assets increased by \$25,413. Capital assets decreased by \$410,298 due to depreciation.

Current liabilities (obligations due within 12 months) decreased by \$416,578. The net decrease was due primarily to a decrease in accounts payable of \$430,740 for related storm emergency costs owed to the County in FY 2016/17.

Non-current (long-term) liabilities increased by \$493,884 as a result of an FY 2017/18 increase in net pension liability of \$183,688 and OPEB liability of \$594,990 and decrease in debt principal of \$283,095. Long-term liabilities are reduced each year as each series on the outstanding debt principal amounts are paid back to the bondholders. Additional information on the District's non-current liabilities can be found in Note 6 Long-Term Liabilities.

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

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

## Revenues, Expenses, and Change in Net Position Statement Analysis

**Table 2**  
**Summary of Changes in Net Position**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2018 and 2017**

	<b>Business Type Activities</b>			
	<b>2018</b>	<b>2017</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Operating Revenues</b>				
Charges for Services	\$ 2,945,567	\$ 2,779,431	\$ 166,136	6%
Assessments	283,863	247,437	36,426	15%
Permits and Inspections	54,548	39,023	15,525	40%
Miscellaneous	121,598	154,065	(32,467)	-21%
Total Operating Revenues	<u>3,405,576</u>	<u>3,219,956</u>	<u>185,620</u>	<u>6%</u>
<b>Operating Expenses</b>				
Sewer	1,885,637	2,013,504	(127,867)	-6%
Water	1,644,685	1,404,399	240,286	17%
Flood	1,109	-	1,109	-
Total Operating Expenses	<u>3,531,431</u>	<u>3,417,903</u>	<u>113,528</u>	<u>3%</u>
Operating Income (Loss)	(125,855)	(197,947)	72,092	-36%
<b>Non-Operating Revenues (Expenses)</b>				
Use of Money	17,910	11,411	6,499	57%
Debt Interest	(196,387)	(203,125)	6,738	-3%
Total Non-Operating Revenues (Expenses)	<u>(178,477)</u>	<u>(191,714)</u>	<u>13,237</u>	<u>-7%</u>
<b>Change in Net Position before Special Items &amp; Transfers</b>	(304,332)	(389,661)	85,329	-22%
Proceeds for 2017 Storms Emergency Response & Repairs	304,407	695,868	(391,461)	-56%
Expenses for 2017 Storms Emergency Response & Repairs	-	(714,301)	714,301	-100%
Cummulative effect of change in accounting principle	<u>(486,603)</u>	<u>-</u>	<u>(486,603)</u>	<u>0%</u>
<b>Change in Net Position</b>	(486,528)	(408,094)	(78,434)	19%
<b>Net Position - Beginning of Year</b>	2,015,842	2,423,936	(408,094)	-17%
<b>Net Position - End of Year</b>	<u>\$ 1,529,314</u>	<u>\$ 2,015,842</u>	<u>\$ (486,528)</u>	<u>-24%</u>

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

The District's (\$486,528) change in net position during FY 2017/18 was as follows:

- Total operating revenues increased by \$185,620. Total service charges and sewer assessments increased by a net of \$202,562 as a result of a scheduled increase in the sewer and water service charges. Total non-operating revenues and special items decreased by \$150,527 mainly due to a change in accounting principle.
- Operating expenses increased by \$113,528. The most significant changes in expenses from FY 2016/17 to FY 2017/18 were increases in operating and maintenance expenses from salaries and benefits, professional services and depreciation.

- The Special Items relate to the 2017 Storms emergency response costs of \$714,301. An estimated 97% of the costs will be reimbursed by the Federal and State FEMA/OES programs.

### Capital Asset Administration

**Table 3**  
**Capital Assets (Net of Depreciation)**  
**June 30, 2018 and 2017**

	Business Type Activities			
	2018	2017	Dollar Change	Percent Change
Land (not depreciated)	\$ 607,918	\$ 607,918	\$ -	0%
Structures and improvements	2,281,668	2,402,757	(121,089)	-5%
Equipment, vehicles and machinery	221,810	293,811	(72,001)	-25%
Infrastructure	3,472,244	3,689,453	(217,209)	-6%
<b>Total</b>	<b>\$ 6,583,640</b>	<b>\$ 6,993,939</b>	<b>\$ (410,299)</b>	<b>-6%</b>

The District's net capital assets decreased from \$6,993,939 to \$6,583,640 for the year ended June 30, 2018. The total decrease was \$410,299 with no additions to capital assets. Details of the capital asset transactions can be found on page 28, Note 4.

### Debt Administration

**Table 4**  
**Outstanding Long-Term Liabilities and Debt (net of debt discounts/premiums)**  
**June 30, 2018 and 2017**

	Business Type Activities			
	2018	2017	Dollar Change	Percent Change
<b>Liabilities</b>				
Compensated Absences	\$ 54,712	\$ 40,436	\$ 14,276	35%
<b>Total Liabilities</b>	<b>54,712</b>	<b>40,436</b>	<b>14,276</b>	<b>35%</b>
<b>Debt</b>				
Bonds	3,365,688	3,533,953	(168,265)	-5%
Loans	1,814,480	1,913,810	(99,330)	-5%
Certificates of Participation	549,500	565,000	(15,500)	-3%
<b>Total Debt</b>	<b>5,729,668</b>	<b>6,012,763</b>	<b>(283,095)</b>	<b>-5%</b>
<b>Total Long-Term Liabilities and Debt</b>	<b>\$ 5,784,380</b>	<b>\$ 6,053,199</b>	<b>\$ (268,819)</b>	<b>-4%</b>

The District's long-term debt was for the infrastructure of water lines, sewer lines, pump stations and processing plant. At year end June 30, 2018, the long-term debt decreased from \$6,053,199 to \$5,784,380 due to payments and changes in compensated absences. The increase in compensated absences is due to adjustments made in calculation of the liability and current and long-term allocation. Details of the debt outstanding can be found on pages 29 through 31, Note 6.

### Economic Factors and Next Year's Budget

For fiscal year 2017/2018, Hidden Valley Lake Community Services District had two (2) new residential water connection and three (3) new residential sewer connection. This is consistent with numbers throughout the economic downturn. Although the housing market appears to have stabilized, new construction is nonexistent due to the meter moratorium imposed by the State of California. The



prior fiscal year was marred by several rain and flooding events which greatly increased operational costs in the sewer fund due to (Infiltration and Intrusion). The cost to haul and treat the sewer and rain water that hydraulically overloaded the system is anticipated to be offset by the remaining receipt of \$294,982 in FEMA/OES assistance.

As we move into the 2018/19 fiscal year, the effects of a slow economic recovery are being addressed through a comprehensive rate study beginning November 2017. The plan is to increase water, sewer and recycled water use charges to provide for increased operational costs, replacement of aging infrastructure and build up the Capital Improvement and Reserve Funds in both the water and sewer enterprise funds. Additionally, the District replaced water meters with AMI enabled meters during the 2017/18 fiscal year to reduce costs of meter reading, improve monitoring of water use and recover lost revenue due to misreads and leaks.

### **Requests for Information**

This financial report is designed to provide citizens, customers, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Kirk Cloyd, General Manager, Hidden Valley Lake Community Services District, 19400 Hartmann Road, Hidden Valley Lake, CA 95467, 707-987-9201, [kcloyd@hvlcsd.org](mailto:kcloyd@hvlcsd.org) [www.hvlcsd.org](http://www.hvlcsd.org)

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## **Basic Financial Statements**

- **Government-Wide Financial Statements**

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# HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

## Statement of Net Position

June 30, 2018

	<b>Business-Type Activities</b>
<b>ASSETS</b>	
Cash and investments	\$ 2,330,569
Investments with fiscal agent	175,948
Receivables:	
Accounts (net of allowance)	299,185
Assessments	21,281
Delinquent assessments	100,475
Intergovernmental	294,982
Interest	4,628
Prepaid costs	41,152
Capital assets:	
Non-depreciable assets	607,918
Depreciable assets, net of depreciation	5,975,722
Total capital assets	<u>6,583,640</u>
<b>Total Assets</b>	<u>9,851,860</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension adjustments	390,998
Deferred OPEB adjustments	<u>33,593</u>
<b>Total Deferred Outflows of Resources</b>	<u>424,591</u>
<b>LIABILITIES</b>	
Accounts payable	68,426
Salaries and benefits payable	35,687
Interest payable	71,113
Long-term liabilities:	
Due within one year	323,479
Due in more than one year	5,460,901
Net pension liability	1,466,045
Net OPEB liability	<u>1,159,659</u>
<b>Total Liabilities</b>	<u>8,585,310</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred pension adjustments	78,587
Deferred OPEB adjustments	<u>83,240</u>
<b>Total Deferred Inflows of Resources</b>	<u>161,827</u>
<b>NET POSITION</b>	
Net investment in capital assets	853,972
Restricted for debt service	860,060
Restricted for capital facilities	444,455
Unrestricted	<u>(629,173)</u>
<b>Total Net Position</b>	<u>\$ 1,529,314</u>

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Statement of Activities**

**For the Year Ended June 30, 2018**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position Total Business-Type Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
<b><u>Functions/Programs:</u></b>					
Business-type activities:					
Sewer	\$ 2,016,864	\$ 1,242,727	\$ 283,863	\$ -	\$ (490,274)
Water	1,709,845	1,757,388	-	-	47,543
Flood control	1,109	-	-	-	(1,109)
<b>Total Business-Type Activities</b>	<u>3,727,818</u>	<u>3,000,115</u>	<u>283,863</u>	<u>-</u>	<u>(443,840)</u>
<b>Total</b>	<u>\$ 3,727,818</u>	<u>\$ 3,000,115</u>	<u>\$ 283,863</u>	<u>\$ -</u>	<u>(443,840)</u>
<b>General revenues:</b>					
Interest and investment earnings					17,910
Miscellaneous					121,598
Special items:					
2017 storms emergency response and repair proceeds					304,407
<b>Total General Revenues and Special Items</b>					<u>443,915</u>
<b>Change in Net Position</b>					<u>75</u>
<b>Net Position - Beginning</b>					2,015,842
Cumulative effect of a change in accounting principle					<u>(486,603)</u>
<b>Net Position - Beginning, restated</b>					<u>1,529,239</u>
<b>Net Position - Ending</b>					<u>\$ 1,529,314</u>

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

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## **Basic Financial Statements**

- **Fund Financial Statements**

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2018**

	<b>Sewer Operations</b>	<b>Water Operations</b>	<b>Flood Control</b>	<b>Totals</b>
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 1,664,188	\$ 663,490	\$ 2,891	\$ 2,330,569
Investments with fiscal agent	175,948	-	-	175,948
Receivables:				
Accounts (net of allowance)	105,112	194,073	-	299,185
Assessments	21,281	-	-	21,281
Intergovernmental	294,982	-	-	294,982
Interest	3,261	1,367	-	4,628
Prepaid costs	20,489	20,663	-	41,152
<b>Total Current Assets</b>	<b>2,285,261</b>	<b>879,593</b>	<b>2,891</b>	<b>3,167,745</b>
Noncurrent Assets:				
Advances to other funds	90,000	-	-	90,000
Delinquent assessments receivable	100,475	-	-	100,475
Capital assets, net	3,153,530	3,430,110	-	6,583,640
<b>Total Noncurrent Assets</b>	<b>3,344,005</b>	<b>3,430,110</b>	<b>-</b>	<b>6,774,115</b>
<b>Total Assets</b>	<b>5,629,266</b>	<b>4,309,703</b>	<b>2,891</b>	<b>9,941,860</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension adjustments	191,743	199,255	-	390,998
Deferred OPEB adjustments	15,638	17,955	-	33,593
<b>Total Deferred Outflows of Resources</b>	<b>207,381</b>	<b>217,210</b>	<b>-</b>	<b>424,591</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	41,282	27,144	-	68,426
Salaries and benefits payable	16,970	18,717	-	35,687
Interest payable	44,803	26,310	-	71,113
Compensated absences	16,857	12,572	-	29,429
Bonds	175,263	-	-	175,263
Loans	-	102,787	-	102,787
Certificates of participation	16,000	-	-	16,000
<b>Total Current Liabilities</b>	<b>311,175</b>	<b>187,530</b>	<b>-</b>	<b>498,705</b>

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

Continued (Page 1 of 2)



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2018**

	<u>Sewer Operations</u>	<u>Water Operations</u>	<u>Flood Control</u>	<u>Totals</u>
<b>LIABILITIES (CONTINUED)</b>				
Noncurrent Liabilities:				
Advances from other funds	-	90,000	-	90,000
Compensated absences	14,482	10,801	-	25,283
Bonds	3,190,425	-	-	3,190,425
Loans	-	1,711,693	-	1,711,693
Certificates of participation	533,500	-	-	533,500
Net pension liability	716,814	749,231	-	1,466,045
Net OPEB liability	518,717	640,942	-	1,159,659
<b>Total Noncurrent Liabilities</b>	<u>4,973,938</u>	<u>3,202,667</u>	<u>-</u>	<u>8,176,605</u>
<b>Total Liabilities</b>	<u>5,285,113</u>	<u>3,390,197</u>	<u>-</u>	<u>8,675,310</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension adjustments	39,399	39,188	-	78,587
Deferred OPEB adjustments	41,911	41,329	-	83,240
<b>Total Deferred Inflows of Resources</b>	<u>81,310</u>	<u>80,517</u>	<u>-</u>	<u>161,827</u>
<b>NET POSITION</b>				
Net investment in capital assets	(761,658)	1,615,630	-	853,972
Restricted for debt service	685,016	175,044	-	860,060
Restricted for capital facilities	327,178	117,277	-	444,455
Unrestricted	219,688	(851,752)	2,891	(629,173)
<b>Total Net Position</b>	<u>\$ 470,224</u>	<u>\$ 1,056,199</u>	<u>\$ 2,891</u>	<u>\$ 1,529,314</u>

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

Continued (Page 2 of 2)

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Statement of Revenues, Expenses**  
**And Changes in Net Position**  
**Enterprise Funds**  
**For the Year Ended June 30, 2018**

	<b>Sewer Operations</b>	<b>Water Operations</b>	<b>Flood Control</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>				
Assessments	\$ 283,863	\$ -	\$ -	\$ 283,863
Permits and inspections	54,548	-	-	54,548
Charges for services	1,188,179	1,757,388	-	2,945,567
Miscellaneous	69,231	52,367	-	121,598
<b>Total Operating Revenues</b>	<b>1,595,821</b>	<b>1,809,755</b>	<b>-</b>	<b>3,405,576</b>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	779,541	853,545	-	1,633,086
Insurance	72,888	23,794	-	96,682
Office expenses	24,660	24,647	-	49,307
Continuing education	7,170	5,239	-	12,409
Dues and subscriptions	7,448	27,125	-	34,573
Postage	7,206	7,206	-	14,412
Repairs and maintenance	152,666	163,089	-	315,755
Gas, fuel and oil	9,155	7,769	-	16,924
Supplies	35,285	7,482	-	42,767
Professional services	133,090	98,450	-	231,540
Rents and leases	22,242	-	-	22,242
Travel	1,660	1,605	-	3,265
Telephone	10,809	10,809	-	21,618
Power	82,631	140,256	1,109	223,996
Other utilities	2,245	2,244	-	4,489
Depreciation	227,334	182,965	-	410,299
Other operating	249,922	479	-	250,401
Office and safety equipment	7,066	4,320	-	11,386
Director's compensation	-	2,002	-	2,002
Environmental monitoring	32,250	16,052	-	48,302
Risk management	18,647	18,647	-	37,294
Water conservation	-	7,221	-	7,221
Water rights	-	8,509	-	8,509
Annual operating fees	1,722	31,230	-	32,952
<b>Total Operating Expenses</b>	<b>1,885,637</b>	<b>1,644,685</b>	<b>1,109</b>	<b>3,531,431</b>
<b>Operating Income (Loss)</b>	<b>(289,816)</b>	<b>165,070</b>	<b>(1,109)</b>	<b>(125,855)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest income	13,794	4,116	-	17,910
Interest expense	(131,227)	(65,160)	-	(196,387)
<b>Total Non-Operating Revenue (Expenses)</b>	<b>(117,433)</b>	<b>(61,044)</b>	<b>-</b>	<b>(178,477)</b>
<b>Income (Loss) Before Special Items and Transfers</b>	<b>(407,249)</b>	<b>104,026</b>	<b>(1,109)</b>	<b>(304,332)</b>

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

Continued (Page 1 of 2)

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Statement of Revenues, Expenses**  
**And Changes in Net Position**  
**Enterprise Funds**  
**For the Year Ended June 30, 2018**

	<u>Sewer Operations</u>	<u>Water Operations</u>	<u>Flood Control</u>	<u>Totals</u>
<b>NON-OPERATING REVENUES (EXPENSES) (CONTINUED)</b>				
Proceeds for the 2017 storms emergency response and repair	304,407	-	-	304,407
Transfers in	221,097	-	4,000	225,097
Transfers out	<u>(216,371)</u>	<u>(8,726)</u>	<u>-</u>	<u>(225,097)</u>
<b>Change in Net Position</b>	<u>(98,116)</u>	<u>95,300</u>	<u>2,891</u>	<u>75</u>
<b>Total Net Position - Beginning</b>	783,769	1,232,073	-	2,015,842
Cumulative effect of a change in accounting principle	<u>(215,429)</u>	<u>(271,174)</u>	<u>-</u>	<u>(486,603)</u>
<b>Total Net Position - Beginning, Restated</b>	<u>568,340</u>	<u>960,899</u>	<u>-</u>	<u>1,529,239</u>
<b>Total Net Position - Ending</b>	<u>\$ 470,224</u>	<u>\$ 1,056,199</u>	<u>\$ 2,891</u>	<u>\$ 1,529,314</u>

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

Continued (Page 2 of 2)

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Statement of Cash Flows**

**Enterprise Funds**

**For the Year Ended June 30, 2018**

	<b>Sewer Operations</b>	<b>Water Operations</b>	<b>Flood Control</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 1,576,368	\$ 1,779,284	\$ -	\$ 3,355,652
Cash paid to suppliers	(1,319,483)	(619,647)	(1,109)	(1,940,239)
Cash paid to employees	(611,144)	(688,321)	-	(1,299,465)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(354,259)</b>	<b>471,316</b>	<b>(1,109)</b>	<b>115,948</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Special project amounts paid	705,293	-	-	705,293
Interfund loan repayments received	366,085	(341,000)	-	25,085
Interfund loan repayments made	(126,085)	191,000	-	64,915
Interfund loans made	(90,000)	-	-	(90,000)
Transfer in from other funds	221,097	(8,726)	4,000	216,371
Transfer out to other funds	(216,371)	-	-	(216,371)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>860,019</b>	<b>(158,726)</b>	<b>4,000</b>	<b>705,293</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal paid on debt	(183,763)	(99,330)	-	(283,093)
Interest paid on debt	(133,218)	(66,600)	-	(199,818)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(316,981)</b>	<b>(165,930)</b>	<b>-</b>	<b>(482,911)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	12,095	3,405	-	15,500
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>12,095</b>	<b>3,405</b>	<b>-</b>	<b>15,500</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>200,874</b>	<b>150,065</b>	<b>2,891</b>	<b>353,830</b>
<b>Balances - Beginning</b>	<b>1,639,262</b>	<b>513,425</b>	<b>-</b>	<b>2,152,687</b>
<b>Balances - Ending</b>	<b>\$ 1,840,136</b>	<b>\$ 663,490</b>	<b>\$ 2,891</b>	<b>\$ 2,506,517</b>

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

Continued (Page 1 of 2)

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Statement of Cash Flows**  
**Enterprise Funds**  
**For the Year Ended June 30, 2018**

	<u>Sewer Operations</u>	<u>Water Operations</u>	<u>Flood Control</u>	<u>Totals</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (289,816)	\$ 165,070	\$ (1,109)	\$ (125,855)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	227,334	182,965	-	410,299
Decrease (increase) in:				
Accounts receivable	(27,405)	(35,332)	-	(62,737)
Assessments receivable	6,738	-	-	6,738
Taxes receivable	1,214	4,861	-	6,075
Prepaid costs	(9,982)	(10,156)	-	(20,138)
Pension adjustment - deferred outflows	21,941	21,941	-	43,882
OPEB adjustment - deferred outflows	(15,638)	(17,955)	-	(33,593)
Increase (decrease) in:				
Accounts payable	(430,739)	(1,316)	-	(432,055)
Salaries and benefits payable	(1,383)	4,516	-	3,133
Compensated absences payable	11,021	3,055	-	14,076
Net pension liability	91,844	91,844	-	183,688
Net OPEB liability	53,297	55,090	-	108,387
Pension adjustment - deferred inflows	(34,596)	(34,596)	-	(69,192)
OPEB adjustment - deferred inflows	41,911	41,329	-	83,240
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (354,259)</u>	<u>\$ 471,316</u>	<u>\$ (1,109)</u>	<u>\$ 115,948</u>

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

Continued (Page 2 of 2)

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## **Basic Financial Statements**

- **Notes to Basic Financial Statements**

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# **HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

## **Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Reporting Entity**

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

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

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

#### **Component Units**

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

#### **Joint Agencies**

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



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2018**

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

**B. Basis of Presentation**

**Government-Wide Financial Statements**

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

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

**Fund Financial Statements**

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

The District reports the following major proprietary funds:

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

**C. Basis of Accounting and Measurement Focus**

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

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

# HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

## Notes to Basic Financial Statements

For the Year Ended June 30, 2018

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

#### D. Cash and Cash Equivalents

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

#### E. Investments

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

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

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

#### F. Receivables

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

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

#### G. Other Assets

##### Inventory

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

##### Prepaid Costs

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

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

**H. Capital Assets**

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

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

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

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

**I. Assessment Revenue**

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

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

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

**J. Interfund Transactions**

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

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

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

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

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

**J. Interfund Transactions (Continued)**

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

**K. Compensated Absences**

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

**L. Pensions**

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

**M. Other Postemployment Benefits (OPEB)**

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

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

Valuation Date	June 30, 2018
Measurement Date	June 30, 2017
Measurement Period	June 30, 2016 to June 30, 2017

**N. Deferred Outflows/Inflows of Resources**

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

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

**N. Deferred Outflows/Inflows of Resources (Continued)**

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

**O. Estimates**

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

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

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

**Statement No. 75**, Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. This statement improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). This statement also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.

**Statement No. 81**, Irrevocable Split-Interest Agreements. This statement improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

**Statement No. 85**, Omnibus 2017. This statement addresses practice issues that have been identified during implementation and application of certain GASB Statements including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits.

**Statement No. 86**, Certain Debt Extinguishment Issues. This statement improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Restatement of Net Position**

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the District reports these changes as restatements of beginning net position. During the current year, a prior period adjustment was made to reflect the prior period costs related to implementing the net OPEB liability as required by GASB Statement No. 75.

The impact of the restatement on the net position of the government-wide financial statements as previously reported is presented below:

	<u>Business-Type Activities</u>
Net Position, June 30, 2017, as previously reported	\$ 2,015,842
Adjustment associated with:	
Net OPEB Liability Adjustment	( 486,603)
Total Adjustments	( 486,603)
Net Position, July 1, 2017, as restated	<u>\$ 1,529,239</u>

The impact of the restatement on the net position of the fund financial statements as previously reported is presented below:

	<u>Sewer Operations</u>	<u>Water Operations</u>
Net Position, June 30, 2017, as previously reported	\$ 783,771	\$ 1,232,072
Adjustment associated with:		
Net OPEB Liability Adjustment	( 215,429)	( 271,174)
Total Adjustments	( 215,429)	( 271,174)
Net Position, July 1, 2017, as restated	<u>\$ 568,342</u>	<u>\$ 960,898</u>

**B. Deficit Net Position**

The sub-funds within the following enterprise funds had deficit net position at June 30, 2018:

Sewer Operations:	
1995-2 Bond Redemption	\$ 2,711,932
USDA Solar Loan	476,341
Water Operations:	
CIEDB Loan Redemption	\$ 1,825,788

These deficits will be eliminated in future years through loan and bond repayment.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 3: CASH AND INVESTMENTS**

**A. Financial Statement Presentation**

As of June 30, 2018, the District's cash and investments consisted of the following:

Cash:	
Cash on hand	\$        600
Deposits (less outstanding checks)	<u>1,353,893</u>
Total Cash	<u>1,354,493</u>
Investments:	
Investments with fiscal agent	175,948
Local Agency Investment Fund (LAIF)	<u>976,076</u>
Total Investments	<u>1,152,024</u>
Total Cash and Investments	<u>\$ 2,506,517</u>

**B. Cash**

At year end, the carrying amount of the District's cash deposits (including amounts in checking accounts) was \$1,353,893, and the bank balance was \$1,384,622. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the District had cash on hand of \$600.

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

**C. Investments**

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

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

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

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

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

At June 30, 2018, the District had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Investments by Fair Value Level</b>				
Money Market Mutual Funds	\$ 175,948	\$ 175,948	\$ -	\$ -
Total Investments Measured at Fair Value	175,948	<u>\$ 175,948</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Investments in External Investment Pool</b>				
LAIF	976,076			
Total Investments	<u>\$ 1,152,024</u>			

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

As of June 30, 2018, the District had the following investments, all of which had a maturity of 5 years or less:

<u>Investment Type</u>	<u>Interest Rates</u>	<u>Maturities</u>		<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
		<u>0-1 year</u>	<u>1-5 years</u>		
<b>Pooled Investments</b>					
LAIF	Variable	\$ 976,076	\$ -	\$ 976,076	-
Total Pooled Investments		<u>976,076</u>	<u>-</u>	<u>976,076</u>	<u>-</u>
<b>Investments Held by Fiscal Agents</b>					
Money Market Mutual Funds	Variable	175,948	-	175,948	-
Total Investments Held by Fiscal Agents		<u>175,948</u>	<u>-</u>	<u>175,948</u>	<u>-</u>
Total Investments		<u>\$ 1,152,024</u>	<u>\$ -</u>	<u>\$ 1,152,024</u>	<u>-</u>



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

**C. Investments (Continued)**

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

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard &amp; Poor's Rating</u>	<u>Moody's Rating</u>	<u>% of Portfolio</u>
Money Market Mutual Funds	A	AAAm	Aaa-mf	15.27%
LAIF	N/A	Unrated	Unrated	<u>84.73%</u>
Total				<u>100.00%</u>

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

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

**D. Investment in External Investment Pool**

The District maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2018, the District's investment in LAIF valued at amortized cost was \$976,076 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$88.8 billion. Of that amount, 97.33 percent is invested in non-derivative financial products and 2.67 percent in structured notes and asset-backed securities.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 4: CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2018, was as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 607,918	\$ -	\$ -	\$ 607,918
Total Capital Assets, Not Being Depreciated	<u>607,918</u>	<u>-</u>	<u>-</u>	<u>607,918</u>
Capital Assets, Being Depreciated:				
Structures and improvements	3,811,950	-	-	3,811,950
Equipment	1,745,985	-	-	1,745,985
Infrastructure	<u>25,967,744</u>	<u>-</u>	<u>-</u>	<u>25,967,744</u>
Total Capital Assets, Being Depreciated	<u>31,525,679</u>	<u>-</u>	<u>-</u>	<u>31,525,679</u>
Less Accumulated Depreciation for:				
Structures and improvements	( 1,409,193)	( 121,089)	-	( 1,530,282)
Equipment	( 1,452,174)	( 72,001)	-	( 1,524,175)
Infrastructure	<u>( 22,278,291)</u>	<u>( 217,209)</u>	<u>-</u>	<u>( 22,495,500)</u>
Total Accumulated Depreciation	<u>( 25,139,658)</u>	<u>( 410,299)</u>	<u>-</u>	<u>( 25,549,957)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,386,021</u>	<u>( 410,299)</u>	<u>-</u>	<u>5,975,722</u>
Total Capital Assets, Net	<u>\$ 6,993,939</u>	<u>(\$ 410,299)</u>	<u>\$ -</u>	<u>\$ 6,583,640</u>

**Depreciation**

Depreciation expense was charged to the business-type functions as follows:

Sewer Operations	\$ 227,334
Water Operations	<u>182,965</u>
Total Depreciation Expense - Business-Type Functions	<u>\$ 410,299</u>

**NOTE 5: INTERFUND TRANSACTIONS**

**Advances To/From Other Funds**

Advances to/from other funds are non-current interfund loans. The following are advances to/from other funds as of June 30, 2018:

	<u>Advances To</u> <u>Other funds</u>	<u>Advances From</u> <u>Other funds</u>
Sewer Operations	\$ 90,000	\$ -
Water Operations	<u>-</u>	<u>90,000</u>
Total	<u>\$ 90,000</u>	<u>\$ 90,000</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 5: INTERFUND TRANSACTIONS (CONTINUED)**

**Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various District operations and re-allocations of special revenues. The following are interfund transfers for the fiscal year ended June 30, 2018:

	<u>Transfers In</u>	<u>Transfers Out</u>
Sewer Operations	\$ 221,097	\$ 216,371
Water Operations	-	8,726
Flood Control	<u>4,000</u>	<u>-</u>
Total	<u>\$ 225,097</u>	<u>\$ 225,097</u>

**NOTE 6: LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance June 30, 2018</u>	<u>Amounts Due Within One Year</u>
Bonds	\$ 3,500,000	\$	(\$ 166,000)	\$ 3,334,000	\$ 173,000
Unamortized Premium	<u>33,953</u>	<u>-</u>	<u>( 2,265)</u>	<u>31,688</u>	<u>2,263</u>
Bonds, net	3,533,953	-	( 168,265)	3,365,688	175,263
Loans	1,913,810	-	( 99,330)	1,814,480	102,787
Certificates of Participation	565,000	-	( 15,500)	549,500	16,000
Compensated Absences	<u>40,436</u>	<u>41,559</u>	<u>( 27,283)</u>	<u>54,712</u>	<u>29,429</u>
Total Business-Type Activities	<u>\$ 6,053,199</u>	<u>\$ 41,559</u>	<u>(\$ 310,378)</u>	<u>\$ 5,784,380</u>	<u>\$ 323,479</u>

Individual issues of debt payable outstanding at June 30, 2018, are as follows:

**Bonds:**

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

\$ 3,334,000

Total Bonds

3,334,000

**Loans:**

California Infrastructure and Economic Development Bank Loan, issued June 24, 2002 in the amount of \$3,000,000, payable in annual installments of \$61,530-\$160,350 with an interest rate of 3.48% and maturity on February 1, 2032. The loan was used to finance the expansion and upgrade of the water system.

1,814,480

Total Loans

1,814,480

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 6: LONG-TERM LIABILITIES (CONTINUED)**

Certificates of Participation:

2012 Series Certificate of Participation Water Reclamation Plant Energy Sustainability Project issued October 1, 2012, in the amount of \$640,000, payable in annual installments of \$14,000 to \$31,500 with an interest rate of 3.00% and maturity on August 1, 2041. The certificates of participation were used to finance the sewer system solar project.

	<u>549,500</u>
Total Certificates of Participation	<u>549,500</u>
Total	<u>\$ 5,697,980</u>

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

Year Ended June 30	Bonds		
	Principal	Interest	Total
2019	\$ 173,000	\$ 110,992	\$ 283,992
2020	179,000	105,272	284,272
2021	185,000	99,357	284,357
2022	192,000	93,231	285,231
2023	199,000	86,728	285,728
2024-2028	1,100,000	325,555	1,425,555
2029-2033	<u>1,306,000</u>	<u>117,495</u>	<u>1,423,495</u>
Total	<u>\$ 3,334,000</u>	<u>\$ 938,630</u>	<u>\$ 4,272,630</u>

Year Ended June 30	Loans		
	Principal	Interest	Total
2019	\$ 102,787	\$ 63,143	\$ 165,930
2020	106,363	59,567	165,930
2021	110,065	55,865	165,930
2022	113,895	52,035	165,930
2023	117,859	48,071	165,930
2024-2028	653,746	175,906	829,652
2029-2032	<u>609,765</u>	<u>53,958</u>	<u>663,723</u>
Total	<u>\$ 1,814,480</u>	<u>\$ 508,545</u>	<u>\$ 2,323,025</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 6: LONG-TERM LIABILITIES (CONTINUED)**

Year Ended June 30	Certificates of Participation		
	Principal	Interest	Total
2019	\$ 16,000	\$ 16,245	\$ 32,245
2020	16,500	15,757	32,257
2021	17,000	15,255	32,255
2022	17,500	14,738	32,238
2023	18,000	14,205	32,205
2024-2028	98,000	62,505	160,505
2029-2033	114,000	46,620	160,620
2034-2038	132,000	28,200	160,200
2039-2042	120,500	7,358	127,858
Total	\$ 549,500	\$ 220,883	\$ 770,383

**NOTE 7: NET POSITION**

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

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

**Net Position Flow Assumption**

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 8: PENSION PLAN**

**A. General Information about the Pension Plan**

**Plan Description**

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (Plan), cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Effective January 1, 2013, the District added a retirement tier for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the District's retirement costs. As of the valuation date there were no Miscellaneous PEPRA employees.

**Summary of Rate Tiers and Eligible Participants**

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

**Benefits Provided**

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

Each Rate Tier's specific provisions and benefits in effect at June 30, 2018, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.5% @ 55	50-55	1.426% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	50-62	1.000% to 2.500%

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 8: PENSION PLAN (CONTINUED)**

**A. General Information about the Pension Plan (Continued)**

**Contributions**

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

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	10.110%	8.000%	0.000%
Miscellaneous PEPRA	6.533%	6.250%	0.000%

For the year ended June 30, 2018, the contributions recognized as part of pension expense for the Plan was as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 139,688	\$ -

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

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

	<u>Proportion June 30, 2016</u>	<u>Proportion June 30, 2017</u>	<u>Change - Increase (Decrease)</u>
Miscellaneous	.01482%	.01478%	(0.0004%)

As of June 30, 2018, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 1,466,045
Total Net Pension Liability	<u>\$ 1,466,045</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 8: PENSION PLAN (CONTINUED)**

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

For the year ended June 30, 2018 the District recognized pension expense of \$325,690. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 167,312	\$ -
Changes of assumptions	166,402	( 23,394)
Difference between expected and actual experience	2,472	( 26,239)
Differences between projected and actual earnings on pension plan investments	51,074	-
Difference between District contributions and proportionate share of contributions	3,738	-
Adjustment due to differences in proportions	<u>-</u>	<u>( 28,954)</u>
Total	<u>\$ 390,998</u>	<u>(\$ 78,587)</u>

\$167,312 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2019	\$ 1,428
2020	114,553
2021	69,419
2022	( 40,301)
Thereafter	<u>-</u>
Total	<u>\$ 145,099</u>



# HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

## Notes to Basic Financial Statements

For the Year Ended June 30, 2018

### NOTE 8: PENSION PLAN (CONTINUED)

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

##### Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increase	Varies by entry age and service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period 1997 to 2011 including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website.

##### Change of Assumptions

In fiscal year 2017-18, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

##### Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The test revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at the CalPERS website under the GASB 68 section.

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

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<sup>1</sup>The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB, for more details on this table, please refer to the 2014 experience study report.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 8: PENSION PLAN (CONTINUED)**

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

**Discount Rate (Continued)**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted effective on July 1, 2014.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.0%	4.90%	5.38%
Fixed Income	19.0%	0.80%	2.27%
Inflation Assets	6.0%	0.60%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-.90%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

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

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

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Miscellaneous	\$ 2,210,447	\$ 1,466,045	\$ 849,517

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 8: PENSION PLAN (CONTINUED)**

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

**Pension Plan Fiduciary Net Position**

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

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

**A. General Information about the OPEB Plan**

**Plan Description**

The District provides a defined benefit healthcare plan (the "Retiree Health Plan") for eligible employees. The Retiree Health Plan provides lifetime healthcare insurance for eligible retirees through Special District Risk Management Authority (SDRMA) the District's group health insurance plan. The Board of Directors reserves the authority to review and amend the funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the District.

The coverage requires the employee to meet the following requirements:

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

**Benefits Provided**

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

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

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

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

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

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

**A. General Information about the OPEB Plan (Continued)**

**Benefits Provided (Continued)**

The 2018 monthly healthcare premium rates are shown below:

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

**Employees Covered by Benefit Terms**

At June 30, 2018, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Active employees	<u>12</u>
	<u><u>16</u></u>

**B. Net OPEB Liability**

The District's net OPEB liability of \$1,159,659, was measured as of June 30, 2018, and was determined by the actuarial valuation as of that date.

**Actuarial Assumptions and Other Inputs**

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

Funding method	Entry-Age Normal Cost, level percent of pay
Inflation	2.75 percent
Salary increases	3.25 percent per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years
Discount rate	2.92 percent as of June 30, 2016 3.56 percent as of June 30, 2017
Healthcare cost trend rates	7.5 percent for 2019, decreasing .5 percent per year to an ultimate rate of 5.0 percent for 2024 and later years
General inflation rate	2.75 percent per year

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

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

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

**B. Net OPEB Liability (Continued)**

**Actuarial Assumptions and Other Inputs (Continued)**

All actuarial assumptions used in the June 30, 2018 valuation were based on the results of the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements.

**C. Changes in the Net OPEB Liability**

	<u>Net OPEB Liability</u>
Balance at June 30, 2017	\$ <u>1,072,269</u>
Changes for the year:	
Service cost	168,137
Interest	35,914
Changes of assumptions	( 95,664)
Benefit payments	<u>( 20,997)</u>
Net changes	<u>87,390</u>
Balance at June 30, 2018	\$ <u>1,159,659</u>

Changes of assumptions reflects a change in the discount rate from 2.92 percent as of June 30, 2016 to 3.56 percent as of June 30, 2017.

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

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

	<u>1% Decrease 2.56%</u>	<u>Current Rate 3.56%</u>	<u>1% Increase 4.56%</u>
Net OPEB Liability	\$ 1,358,578	\$ 1,159,659	\$ 1,001,246

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

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

	<u>Current Trend -1%</u>	<u>Current Trend</u>	<u>Current Trend +1%</u>
Net OPEB Liability	\$ 978,913	\$ 1,159,659	\$ 1,622,395

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

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

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

For the year ended June 30, 2018, the District recognized OPEB expense of \$191,626. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to the measurement date	\$ 33,593	\$ -
Changes of assumptions	<u>-</u>	<u>( 83,240)</u>
Total	<u>\$ 33,593</u>	<u>(\$ 83,240)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended <u>June 30</u>	Recognized Net Deferred Outflows (Inflows) of Resources
2019	(\$ 12,424)
2020	( 12,424)
2021	( 12,424)
2022	( 12,424)
2023	( 12,424)
Thereafter	( 21,120)

**NOTE 10: RISK MANAGEMENT**

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

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

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**Notes to Basic Financial Statements**

**For the Year Ended June 30, 2018**

**NOTE 11: OTHER INFORMATION**

**A. Subsequent Event**

Management has evaluated events subsequent to June 30, 2018 through February 7, 2019, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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

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

FEMA/OES reviewed and approved the requests for reimbursement in October 2018, and the District recorded a receivable of \$294,982 as of June 30, 2018.

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**Required Supplementary Information  
(Unaudited)**



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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**For the Year Ended June 30, 2018**  
**Last 10 Years\***

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

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Schedule of Contributions**  
**For the Year Ended June 30, 2018**  
**Last 10 Years\***

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

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Required Supplementary Information**  
**District Pension Plan**  
**Notes to District Pension Plan**  
**For the Year Ended June 30, 2018**

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

Change of assumptions: In 2017-18, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016-17, there were no changes. In 2015-16, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense).

**NOTE 2: SCHEDULE OF CONTRIBUTIONS**

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

Valuation date	June 30, 2015
Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2015 Funding Valuation Report
Asset valuation method	Market value of assets
Inflation	2.75%
Salary increases	Varies by entry age and service
Investment rate of return	7.50%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period 1997 to 2007
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Required Supplementary Information**  
**District OPEB Plan**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**For the Year Ended June 30, 2018**  
**Last 10 Years\***

<b>Fiscal Year</b>	<b>2017/18</b>
<b>Net OPEB Liability</b>	
Service Cost	\$ 168,137
Interest	35,914
Changes of assumptions	(95,664)
Benefit payments	<u>(20,997)</u>
<b>Net Change in Net OPEB Liability</b>	87,390
<b>Net OPEB Liability - Beginning</b>	<u>1,072,269</u>
<b>Net OPEB Liability - Ending</b>	<u><u>\$ 1,159,659</u></u>
Covered payroll	\$ 770,191
Net OPEB liability as a percentage of covered payroll	150.57%

\* The District implemented GASB 75 for fiscal year June 30, 2018, therefore only one year is shown.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Required Supplementary Information**  
**District OPEB Plan**  
**Note to District OPEB Plan**  
**For the Year Ended June 30, 2018**

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

The Discount rate was changed to 2.92 percent as of June 30, 2016, to 3.56 percent as of June 30, 2017.

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## **Combining Fund Statements**



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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Net Position**  
**Sewer Operations**  
**June 30, 2018**

	Sewer	1995-2 Bond Redemption	State Revolving Fund	USDA Solar Loan
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 247,577	393,693	\$ -	\$ 80,027
Investments with fiscal agent	-	175,948	-	-
Receivables:				
Accounts (net of allowance)	105,112	-	-	-
Assessments	-	21,281	-	-
Intergovernmental	294,982	-	-	-
Interest	325	294	-	-
Prepaid costs	20,489	-	-	-
<b>Total Current Assets</b>	<b>668,485</b>	<b>591,216</b>	<b>-</b>	<b>80,027</b>
Noncurrent Assets:				
Advances to other funds	-	-	-	-
Delinquent assessments receivable	-	100,475	-	-
Capital assets, net	3,153,530	-	-	-
<b>Total Noncurrent Assets</b>	<b>3,153,530</b>	<b>100,475</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>3,822,015</b>	<b>691,691</b>	<b>-</b>	<b>80,027</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension adjustments	191,743	-	-	-
Deferred OPEB adjustments	15,638	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>207,381</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	41,282	-	-	-
Salaries and benefits payable	16,970	-	-	-
Interest payable	-	37,935	-	6,868
Compensated absences	16,857	-	-	-
Bonds	-	175,263	-	-
Certificates of participation	-	-	-	16,000
<b>Total Current Liabilities</b>	<b>75,109</b>	<b>213,198</b>	<b>-</b>	<b>22,868</b>
Noncurrent Liabilities:				
Compensated absences	14,482	-	-	-
Bonds	-	3,190,425	-	-
Certificates of participation	-	-	-	533,500
Net pension liability	716,814	-	-	-
Net OPEB liability	518,717	-	-	-
<b>Total Noncurrent Liabilities</b>	<b>1,250,013</b>	<b>3,190,425</b>	<b>-</b>	<b>533,500</b>
<b>Total Liabilities</b>	<b>1,325,122</b>	<b>3,403,623</b>	<b>-</b>	<b>556,368</b>

<b>Wastewater Capital Facilities Reserved</b>	<b>Wastewater Capital Facilities Unreserved</b>	<b>USDA Reserve Fund</b>	<b>All Bonds Administration</b>	<b>All Bonds Assessment Revolving Fund</b>	<b>Total Sewer Operations</b>
\$ 325,929	\$ 287,126	\$ 31,260	\$ 28,717	\$ 269,859	\$ 1,664,188
-	-	-	-	-	175,948
-	-	-	-	-	105,112
-	-	-	-	-	21,281
-	-	-	-	-	294,982
1,249	1,262	-	131	-	3,261
-	-	-	-	-	20,489
<u>327,178</u>	<u>288,388</u>	<u>31,260</u>	<u>28,848</u>	<u>269,859</u>	<u>2,285,261</u>
-	-	-	-	90,000	90,000
-	-	-	-	-	100,475
-	-	-	-	-	3,153,530
-	-	-	-	90,000	3,344,005
<u>327,178</u>	<u>288,388</u>	<u>31,260</u>	<u>28,848</u>	<u>359,859</u>	<u>5,629,266</u>
-	-	-	-	-	191,743
-	-	-	-	-	15,638
-	-	-	-	-	207,381
-	-	-	-	-	41,282
-	-	-	-	-	16,970
-	-	-	-	-	44,803
-	-	-	-	-	16,857
-	-	-	-	-	175,263
-	-	-	-	-	16,000
-	-	-	-	-	311,175
-	-	-	-	-	14,482
-	-	-	-	-	3,190,425
-	-	-	-	-	533,500
-	-	-	-	-	716,814
-	-	-	-	-	518,717
-	-	-	-	-	4,973,938
-	-	-	-	-	5,285,113

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Net Position**  
**Sewer Operations**  
**June 30, 2018**

	<b>Sewer</b>	<b>1995-2 Bond Redemption</b>	<b>State Revolving Fund</b>	<b>USDA Solar Loan</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension adjustments	39,399	-	-	-
Deferred OPEB adjustments	41,911	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>81,310</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	3,153,530	(3,365,688)	-	(549,500)
Restricted for debt service	-	653,756	-	-
Restricted for capital facilities	-	-	-	-
Unrestricted	(530,566)	-	-	73,159
<b>Total Net Position</b>	<b>\$ 2,622,964</b>	<b>\$ (2,711,932)</b>	<b>\$ -</b>	<b>\$ (476,341)</b>

<b>Wastewater Capital Facilities Reserved</b>	<b>Wastewater Capital Facilities Unreserved</b>	<b>USDA Reserve Fund</b>	<b>All Bonds Administration</b>	<b>All Bonds Assessment Revolving Fund</b>	<b>Total Sewer Operations</b>
-	-	-	-	-	39,399
-	-	-	-	-	41,911
-	-	-	-	-	81,310
-	-	-	-	-	(761,658)
-	-	31,260	-	-	685,016
327,178	-	-	-	-	327,178
-	288,388	-	28,848	359,859	219,688
<u>\$ 327,178</u>	<u>\$ 288,388</u>	<u>\$ 31,260</u>	<u>\$ 28,848</u>	<u>\$ 359,859</u>	<u>\$ 470,224</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Revenues, Expenses**  
**And Changes in Net Position**  
**Sewer Operations**  
**For the Year Ended June 30, 2018**

	Sewer	1995-2 Bond Redemption	State Revolving Fund	USDA Solar Loan
<b>OPERATING REVENUES</b>				
Assessments	\$ -	\$ 283,863	\$ -	\$ -
Permits and inspections	8,948	-	-	-
Charges for services	1,188,179	-	-	-
Miscellaneous	19,409	35,121	8,499	6,202
<b>Total Operating Revenues</b>	<b>1,216,536</b>	<b>318,984</b>	<b>8,499</b>	<b>6,202</b>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	779,541	-	-	-
Insurance	72,888	-	-	-
Office expenses	24,660	-	-	-
Continuing education	7,170	-	-	-
Dues and subscriptions	7,448	-	-	-
Postage	7,206	-	-	-
Repairs and maintenance	152,666	-	-	-
Gas, fuel and oil	9,155	-	-	-
Supplies	35,285	-	-	-
Professional services	123,881	1,983	-	-
Rents and leases	22,242	-	-	-
Travel	1,660	-	-	-
Telephone	10,809	-	-	-
Power	82,631	-	-	-
Other utilities	2,245	-	-	-
Depreciation	227,334	-	-	-
Other operating	249,922	-	-	-
Office and safety equipment	7,066	-	-	-
Environmental monitoring	32,250	-	-	-
Risk management	18,647	-	-	-
Annual operating fees	1,722	-	-	-
<b>Total Operating Expenses</b>	<b>1,876,428</b>	<b>1,983</b>	<b>-</b>	<b>-</b>
<b>Operating Income (Loss)</b>	<b>(659,892)</b>	<b>317,001</b>	<b>8,499</b>	<b>6,202</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest income	1,011	4,649	-	73
Interest expense	-	(114,703)	-	(16,524)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>1,011</b>	<b>(110,054)</b>	<b>-</b>	<b>(16,451)</b>
<b>Income (Loss) Before Special Items and Transfers</b>	<b>(658,881)</b>	<b>206,947</b>	<b>8,499</b>	<b>(10,249)</b>
Proceeds for the 2017 storms emergency response and repair	304,407	-	-	-
Transfers in	159,629	-	-	-
Transfers out	(56,742)	-	-	-
<b>Change in Net Position</b>	<b>(251,587)</b>	<b>206,947</b>	<b>8,499</b>	<b>(10,249)</b>

<b>Wastewater Capital Facilities Reserved</b>	<b>Wastewater Capital Facilities Unreserved</b>	<b>USDA Reserve Fund</b>	<b>All Bonds Administration</b>	<b>All Bonds Assessment Revolving Fund</b>	<b>Total Sewer Operations</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,863
45,600	-	-	-	-	54,548
-	-	-	-	-	1,188,179
-	-	-	-	-	69,231
<hr/> 45,600	<hr/> -	<hr/> -	<hr/> -	<hr/> -	<hr/> 1,595,821
-	-	-	-	-	779,541
-	-	-	-	-	72,888
-	-	-	-	-	24,660
-	-	-	-	-	7,170
-	-	-	-	-	7,448
-	-	-	-	-	7,206
-	-	-	-	-	152,666
-	-	-	-	-	9,155
-	-	-	-	-	35,285
-	-	-	7,226	-	133,090
-	-	-	-	-	22,242
-	-	-	-	-	1,660
-	-	-	-	-	10,809
-	-	-	-	-	82,631
-	-	-	-	-	2,245
-	-	-	-	-	227,334
-	-	-	-	-	249,922
-	-	-	-	-	7,066
-	-	-	-	-	32,250
-	-	-	-	-	18,647
-	-	-	-	-	1,722
<hr/> -	<hr/> -	<hr/> -	<hr/> 7,226	<hr/> -	<hr/> 1,885,637
<hr/> 45,600	<hr/> -	<hr/> -	<hr/> (7,226)	<hr/> -	<hr/> (289,816)
3,769	3,870	24	398	-	13,794
-	-	-	-	-	(131,227)
<hr/> 3,769	<hr/> 3,870	<hr/> 24	<hr/> 398	<hr/> -	<hr/> (117,433)
49,369	3,870	24	(6,828)	-	(407,249)
-	-	-	-	-	304,407
-	52,742	-	-	8,726	221,097
<hr/> (19,235)	<hr/> (140,394)	<hr/> -	<hr/> -	<hr/> -	<hr/> (216,371)
<hr/> 30,134	<hr/> (83,782)	<hr/> 24	<hr/> (6,828)	<hr/> 8,726	<hr/> (98,116)



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Revenues, Expenses**  
**And Changes in Net Position**  
**Sewer Operations**  
**For the Year Ended June 30, 2018**

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>State Revolving Fund</u>	<u>USDA Solar Loan</u>
<b>Total Net Position - Beginning</b>	3,089,980	(2,918,879)	(8,499)	(466,092)
Cumulative effect of a change in accounting principle	<u>(215,429)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Net Position - Beginning, restated</b>	<u>2,874,551</u>	<u>(2,918,879)</u>	<u>(8,499)</u>	<u>(466,092)</u>
<b>Total Net Position - Ending</b>	<u>\$ 2,622,964</u>	<u>\$ (2,711,932)</u>	<u>\$ -</u>	<u>\$ (476,341)</u>

<b>Wastewater Capital Facilities Reserved</b>	<b>Wastewater Capital Facilities Unreserved</b>	<b>USDA Reserve Fund</b>	<b>All Bonds Administration</b>	<b>All Bonds Assessment Revolving Fund</b>	<b>Total Sewer Operations</b>
297,044	372,170	31,236	35,676	351,133	783,769
-	-	-	-	-	(215,429)
297,044	372,170	31,236	35,676	351,133	568,340
<u>\$ 327,178</u>	<u>\$ 288,388</u>	<u>\$ 31,260</u>	<u>\$ 28,848</u>	<u>\$ 359,859</u>	<u>\$ 470,224</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Cash Flows**  
**Sewer Operations**  
**For the Year Ended June 30, 2018**

	<b>Sewer</b>	<b>1995-2 Bond Redemption</b>	<b>State Revolving Fund</b>	<b>USDA Solar Loan</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 1,190,345	\$ 325,722	\$ 8,499	\$ 6,202
Cash paid to suppliers	(1,310,274)	(1,983)	-	-
Cash paid to employees	(611,144)	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(731,073)</b>	<b>323,739</b>	<b>8,499</b>	<b>6,202</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Special project amounts paid	705,293	-	-	-
Interfund loan repayments received	19,085	-	-	-
Interfund loan repayments made	-	-	(8,499)	-
Interfund loans made	-	-	-	-
Transfers in from other funds	159,629	-	-	-
Transfers out to other funds	(56,742)	-	-	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>827,265</b>	<b>-</b>	<b>(8,499)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Principal paid on debt	-	(168,263)	-	(15,500)
Interest paid on debt	-	(116,500)	-	(16,718)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>-</b>	<b>(284,763)</b>	<b>-</b>	<b>(32,218)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	842	4,494	-	73
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>842</b>	<b>4,494</b>	<b>-</b>	<b>73</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>97,034</b>	<b>43,470</b>	<b>-</b>	<b>(25,943)</b>
<b>Balances - Beginning</b>	<b>150,543</b>	<b>526,171</b>	<b>-</b>	<b>105,970</b>
<b>Balances - Ending</b>	<b>\$ 247,577</b>	<b>\$ 569,641</b>	<b>\$ -</b>	<b>\$ 80,027</b>

<b>Wastewater Capital Facilities Reserved</b>	<b>Wastewater Capital Facilities Unreserved</b>	<b>USDA Reserve Fund</b>	<b>All Bonds Administration</b>	<b>All Bonds Assessment Revolving Fund</b>	<b>Total Sewer Operations</b>
\$ 45,600	\$ -	\$ -	\$ -	\$ -	\$ 1,576,368
-	-	-	(7,226)	-	(1,319,483)
-	-	-	-	-	(611,144)
<u>45,600</u>	<u>-</u>	<u>-</u>	<u>(7,226)</u>	<u>-</u>	<u>(354,259)</u>
-	-	-	-	-	705,293
-	6,000	-	-	341,000	366,085
(16,586)	(101,000)	-	-	-	(126,085)
-	-	-	-	(90,000)	(90,000)
-	52,742	-	-	8,726	221,097
<u>(19,235)</u>	<u>(140,394)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(216,371)</u>
<u>(35,821)</u>	<u>(182,652)</u>	<u>-</u>	<u>-</u>	<u>259,726</u>	<u>860,019</u>
-	-	-	-	-	(183,763)
-	-	-	-	-	(133,218)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(316,981)</u>
<u>3,119</u>	<u>3,213</u>	<u>24</u>	<u>330</u>	<u>-</u>	<u>12,095</u>
<u>3,119</u>	<u>3,213</u>	<u>24</u>	<u>330</u>	<u>-</u>	<u>12,095</u>
12,898	(179,439)	24	(6,896)	259,726	200,874
<u>313,031</u>	<u>466,565</u>	<u>31,236</u>	<u>35,613</u>	<u>10,133</u>	<u>1,639,262</u>
<u>\$ 325,929</u>	<u>\$ 287,126</u>	<u>\$ 31,260</u>	<u>\$ 28,717</u>	<u>\$ 269,859</u>	<u>\$ 1,840,136</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Cash Flows**  
**Sewer Operations**  
**For the Year Ended June 30, 2018**

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>State Revolving Fund</u>	<u>USDA Solar Loan</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (659,892)	\$ 317,001	\$ 8,499	\$ 6,202
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	227,334	-	-	-
Decrease (increase) in:				
Accounts receivable	(27,405)	-	-	-
Assessments receivable	-	6,738	-	-
Taxes receivable	1,214	-	-	-
Prepaid costs	(9,982)	-	-	-
Pension adjustment - deferred outflows	21,941	-	-	-
OPEB adjustment - deferred outflows	(15,638)	-	-	-
Increase (decrease) in:				
Accounts payable	(430,739)	-	-	-
Salaries and benefits payable	(1,383)	-	-	-
Compensated absences payable	11,021	-	-	-
Net pension liability	91,844	-	-	-
Net OPEB liability	53,297	-	-	-
Pension adjustment - deferred inflows	(34,596)	-	-	-
OPEB adjustment - deferred inflows	41,911	-	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (731,073)</u>	<u>\$ 323,739</u>	<u>\$ 8,499</u>	<u>\$ 6,202</u>

<u>Wastewater Capital Facilities Reserved</u>	<u>Wastewater Capital Facilities Unreserved</u>	<u>USDA Reserve Fund</u>	<u>All Bonds Administration</u>	<u>All Bonds Assessment Revolving Fund</u>	<u>Total Sewer Operations</u>
\$ 45,600	\$ -	\$ -	\$ (7,226)	\$ -	\$ (289,816)
-	-	-	-	-	227,334
-	-	-	-	-	(27,405)
-	-	-	-	-	6,738
-	-	-	-	-	1,214
-	-	-	-	-	(9,982)
-	-	-	-	-	21,941
-	-	-	-	-	(15,638)
-	-	-	-	-	(430,739)
-	-	-	-	-	(1,383)
-	-	-	-	-	11,021
-	-	-	-	-	91,844
-	-	-	-	-	53,297
-	-	-	-	-	(34,596)
-	-	-	-	-	41,911
<u>\$ 45,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,226)</u>	<u>\$ -</u>	<u>\$ (354,259)</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Net Position**  
**Water Operations**  
**June 30, 2018**

	<b>Water</b>	<b>CIEDB Loan Redemption</b>	<b>CIEDB Loan Reserve</b>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 304,926	\$ 78,853	\$ 174,217
Receivables:			
Accounts (net of allowance)	156,197	26,093	-
Interest	484	56	827
Prepaid costs	20,663	-	-
<b>Total Current Assets</b>	<b>482,270</b>	<b>105,002</b>	<b>175,044</b>
Noncurrent Assets:			
Capital assets, net	3,430,110	-	-
<b>Total Noncurrent Assets</b>	<b>3,430,110</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>3,912,380</b>	<b>105,002</b>	<b>175,044</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pension adjustments	199,255	-	-
Deferred OPEB adjustments	17,955	-	-
<b>Total Deferred Outflows of Resources</b>	<b>217,210</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	27,144	-	-
Salaries and benefits payable	18,717	-	-
Interest payable	-	26,310	-
Compensated absences	12,572	-	-
Loans	-	102,787	-
<b>Total Current Liabilities</b>	<b>58,433</b>	<b>129,097</b>	<b>-</b>
Noncurrent Liabilities:			
Advances from other funds	-	90,000	-
Compensated absences	10,801	-	-
Loans	-	1,711,693	-
Net pension liability	749,231	-	-
Net OPEB obligation	640,942	-	-
<b>Total Noncurrent Liabilities</b>	<b>1,400,974</b>	<b>1,801,693</b>	<b>-</b>
<b>Total Liabilities</b>	<b>1,459,407</b>	<b>1,930,790</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension adjustments	39,188	-	-
Deferred OPEB adjustments	41,329	-	-
<b>Total Deferred Inflows of Resources</b>	<b>80,517</b>	<b>-</b>	<b>-</b>

<u>Water Capital Fund</u>	<u>Total Water Operations</u>
\$ 105,494	\$ 663,490
11,783	194,073
-	1,367
-	20,663
<u>117,277</u>	<u>879,593</u>
<u>-</u>	<u>3,430,110</u>
<u>-</u>	<u>3,430,110</u>
<u>117,277</u>	<u>4,309,703</u>
-	199,255
-	17,955
<u>-</u>	<u>217,210</u>
-	27,144
-	18,717
-	26,310
-	12,572
-	102,787
<u>-</u>	<u>187,530</u>
-	90,000
-	10,801
-	1,711,693
-	749,231
-	640,942
<u>-</u>	<u>3,202,667</u>
<u>-</u>	<u>3,390,197</u>
-	39,188
-	41,329
<u>-</u>	<u>80,517</u>



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Net Position**  
**Water Operations**  
**June 30, 2018**

	<u>Water</u>	<u>CIEDB Loan Redemption</u>	<u>CIEDB Loan Reserve</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,430,110	(1,814,480)	-
Restricted for debt service	-	-	175,044
Restricted for capital facilities	-	-	-
Unrestricted	<u>(840,444)</u>	<u>(11,308)</u>	<u>-</u>
<b>Total Net Position</b>	<u>\$ 2,589,666</u>	<u>\$ (1,825,788)</u>	<u>\$ 175,044</u>

<b>Water Capital Fund</b>	<b>Total Water Operations</b>
-	1,615,630
-	175,044
117,277	117,277
-	(851,752)
<u>\$ 117,277</u>	<u>\$ 1,056,199</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Revenues, Expenses**  
**And Changes in Net Position**  
**Water Operations**  
**For the Year Ended June 30, 2018**

	<u>Water</u>	<u>CIEDB Loan Redemption</u>	<u>CIEDB Loan Reserve</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,395,893	\$ 250,257	\$ -
Miscellaneous	52,367	-	-
<b>Total Operating Revenues</b>	<u>1,448,260</u>	<u>250,257</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	853,545	-	-
Insurance	23,794	-	-
Office expenses	24,647	-	-
Continuing education	5,239	-	-
Dues and subscriptions	27,125	-	-
Postage	7,206	-	-
Repairs and maintenance	163,089	-	-
Gas, fuel and oil	7,769	-	-
Supplies	7,482	-	-
Professional services	98,450	-	-
Travel	1,605	-	-
Telephone	10,809	-	-
Power	140,256	-	-
Other utilities	2,244	-	-
Depreciation	182,965	-	-
Other operating	479	-	-
Office and safety equipment	4,320	-	-
Director's compensation	2,002	-	-
Environmental monitoring	16,052	-	-
Risk management	18,647	-	-
Water conservation	7,221	-	-
Water rights	8,509	-	-
Annual operating fees	25,489	5,741	-
<b>Total Operating Expenses</b>	<u>1,638,944</u>	<u>5,741</u>	<u>-</u>
<b>Operating Income (Loss)</b>	<u>(190,684)</u>	<u>244,516</u>	<u>-</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income	1,486	166	2,464
Interest expense	-	(65,160)	-
<b>Total Non-Operating Revenues (Expenses)</b>	<u>1,486</u>	<u>(64,994)</u>	<u>2,464</u>
<b>Income (Loss) Before Transfers</b>	<u>(189,198)</u>	<u>179,522</u>	<u>2,464</u>
Transfers out	(8,726)	-	-
<b>Change in Net Position</b>	<u>(197,924)</u>	<u>179,522</u>	<u>2,464</u>
<b>Total Net Position - Beginning</b>	3,058,764	(2,005,310)	172,580
Cumulative effect of a change in accounting principle	(271,174)	-	-
<b>Total Net Position - Beginning, restated</b>	<u>2,787,590</u>	<u>(2,005,310)</u>	<u>172,580</u>
<b>Total Net Position - Ending</b>	<u>\$ 2,589,666</u>	<u>\$ (1,825,788)</u>	<u>\$ 175,044</u>

<b>Water Capital Fund</b>	<b>Total Water Operations</b>
\$ 111,238	\$ 1,757,388
-	52,367
<u>111,238</u>	<u>1,809,755</u>
-	853,545
-	23,794
-	24,647
-	5,239
-	27,125
-	7,206
-	163,089
-	7,769
-	7,482
-	98,450
-	1,605
-	10,809
-	140,256
-	2,244
-	182,965
-	479
-	4,320
-	2,002
-	16,052
-	18,647
-	7,221
-	8,509
-	31,230
<u>-</u>	<u>1,644,685</u>
<u>111,238</u>	<u>165,070</u>
-	4,116
<u>-</u>	<u>(65,160)</u>
<u>-</u>	<u>(61,044)</u>
111,238	104,026
<u>-</u>	<u>(8,726)</u>
<u>111,238</u>	<u>95,300</u>
6,039	1,232,073
<u>-</u>	<u>(271,174)</u>
<u>6,039</u>	<u>960,899</u>
<u>\$ 117,277</u>	<u>\$ 1,056,199</u>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Combining Statement of Cash Flows**  
**Water Operations**  
**For the Year Ended June 30, 2018**

	<u>Water</u>	<u>CIEDB Loan Redemption</u>	<u>CIEDB Loan Reserve</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 1,433,064	\$ 246,765	\$ -
Cash paid to suppliers	(613,906)	(5,741)	-
Cash paid to employees	(688,321)	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>130,837</u>	<u>241,024</u>	<u>-</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Interfund loan repayments paid	(201,000)	(140,000)	-
Interfund loan repayments received	94,961	90,000	-
Transfers out other funds	(8,726)	-	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>(114,765)</u>	<u>(50,000)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal paid on debt	-	(99,330)	-
Interest paid on debt	-	(66,600)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>-</u>	<u>(165,930)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	1,234	137	2,034
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>1,234</u>	<u>137</u>	<u>2,034</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	17,306	25,231	2,034
<b>Balances - Beginning</b>	<u>287,620</u>	<u>53,622</u>	<u>172,183</u>
<b>Balances - Ending</b>	<u>\$ 304,926</u>	<u>\$ 78,853</u>	<u>\$ 174,217</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (190,684)	\$ 244,516	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation/amortization	182,965	-	-
Decrease (increase) in:			
Accounts receivable	(20,057)	(3,492)	-
Taxes receivable	4,861	-	-
Prepaid costs	(10,156)	-	-
Pension adjustment - deferred outflows	21,941	-	-
OPEB adjustment - deferred outflows	(17,955)	-	-
Increase (decrease) in:			
Accounts payable	(1,316)	-	-
Salaries and benefits payable	4,516	-	-
Compensated absences payable	3,055	-	-
Net pension liability	91,844	-	-
Net OPEB liability	55,090	-	-
Pension adjustment - deferred inflows	(34,596)	-	-
OPEB adjustment - deferred inflows	41,329	-	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 130,837</u>	<u>\$ 241,024</u>	<u>\$ -</u>

<b>Water Capital Fund</b>	<b>Total Water Operations</b>
\$ 99,455	\$ 1,779,284
-	(619,647)
-	(688,321)
99,455	471,316
-	(341,000)
6,039	191,000
-	(8,726)
6,039	(158,726)
-	(99,330)
-	(66,600)
-	(165,930)
-	3,405
-	3,405
105,494	150,065
-	513,425
\$ 105,494	\$ 663,490
\$ 111,238	\$ 165,070
-	182,965
(11,783)	(35,332)
-	4,861
-	(10,156)
-	21,941
-	(17,955)
-	(1,316)
-	4,516
-	3,055
-	91,844
-	55,090
-	(34,596)
-	41,329
\$ 99,455	\$ 471,316

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## **OTHER REPORT AND SCHEDULE**

- **Other Report**
- **Schedule of Prior Year Findings and Recommendations**



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of Hidden Valley Lake Community Services District, California (District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 7, 2019.

**Internal Control Over Financial Reporting**

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

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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



Smith & Newell CPAs  
Yuba City, California  
February 7, 2019

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Schedule of Prior Year Findings and Recommendations**  
**For the Year Ended June 30, 2018**

<u><b>Audit Reference</b></u>	<u><b>Status of Prior Year Audit Recommendation</b></u>
<b>2017-001</b>	<p><b>Account Balances</b></p> <p><b>Recommendation</b></p> <p>We recommend that the District reconcile and adjust account balances in a timely manner.</p> <p><b>Status</b></p> <p>Implemented</p>

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**INDEPENDENT AUDITOR'S MANAGEMENT LETTER**

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

In planning and performing our audit of the financial statements of the Hidden Valley Lake Community Services District, (District) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

During our audit we noted certain matters involving internal control and other operational matters that are presented for your consideration. These comments and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve internal control or result in other operating efficiencies and are described in the attached appendix.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore may not bring to light all weaknesses in policies or procedures that may exist. It is our intention to use our knowledge of the District gained during our work to make comments and suggestions that will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

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



Smith & Newell CPAs  
Yuba City, California  
February 7, 2019

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**Appendix A: Status of Prior Year Recommendations**  
**For the Year Ended June 30, 2018**

**STATUS OF PRIOR YEAR RECOMMENDATION**

**Payroll Withholding**

**Prior Year Recommendation**

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

**Status**

Implemented



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