



# Hidden Valley Lake Community Services District

## Regular Board Meeting

DATE: February 17, 2015  
TIME: 7:00 p.m.  
PLACE: Hidden Valley Lake CSD  
Administration Office, Boardroom  
19400 Hartmann Road  
Hidden Valley Lake, CA

- 1) CALL TO ORDER
- 2) PLEDGE OF ALLEGIANCE
- 3) ROLL CALL
- 4) APPROVAL OF AGENDA
  
- 5) CONSENT CALENDAR
  - (A) MINUTES: Approval of the Minutes of the Board of Directors meeting January 20, 2015; Minutes of the Board of Directors Special Meeting January 27, 2015
  
  - (B) DISBURSEMENTS: Check #032483 - #032574 for a total of \$215,541.10.
  
  - (C) ADOPTION OF RESOLUTION 2015-03 fixing and approving revised Capital Improvements budget for FY 2014-2015
  
  - (D) APPROVAL OF PARTIAL SPONSORSHIP - "Spring Has Sprung" 5K/10K Run Sponsorship: Authorize District's partial sponsorship of Spring Has Sprung event and approve purchase of t-shirts and other water conservation promotional materials – total cost not to exceed \$2,500
  
  - (E) ATHORIZATION OF BOARD MEMBER ATTENDANCE at March 4, 2015 ACWA legislative Symposium in Sacramento, California
  
  - (F) ADOPTION OF RESOLUTION 2015-04 requesting change of Board member election dates from odd-numbered years to even-numbered years
  
- 6) BOARD COMMITTEE REPORTS (for information only, no action anticipated)
  - Personnel Committee
  - Finance Committee
  - Emergency Preparedness Committee
  
- 7) BOARD MEMBER ATTENDANCE AT OTHER MEETINGS (for information only, no action anticipated)
  - ACWA Region 1
  - ACWA State Legislative Committee
  - County OES
  - Other meetings attended
  
- 8) STAFF REPORTS (for information only, no action anticipated)
  - General Manager's Report

- 9) PUBLIC HEARING to consider placement of default balance liens on real property pursuant to Government Code Section 61115
- 10) DISCUSSION AND POSSIBLE ACTION: Adoption of Resolution 2015-05 confirming default balances and directing staff to file liens on real property
- 11) DISCUSSION AND POSSIBLE ACTION: Issuance of Proposition 218 Notice in advance of proposed water/sewer rate increase hearing on April 21, 2015
- 12) PUBLIC COMMENT
- 13) BOARD MEMBER COMMENT
- 14) ADJOURNMENT

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

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

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



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
MEETING DATE: JANUARY 20, 2015**

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

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

**CALL TO ORDER**

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

**APPROVAL OF AGENDA**

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

**CONSENT CALENDAR**

General Manager Roland Sanford requested the minutes of the December 15, 2014 Board of Directors meeting (Consent Calendar Item A) be pulled from the Consent Calendar for correction. On a motion made by Director Freeman and second by Director Herndon the Board unanimously approved the following Consent Calendar items:

- (B) DISBURSEMENTS: Check #032408 - #032482 for a total of \$155,821.91.
- (C) ADOPTION OF RESOLUTION 2015-1 authorizing General Manager to submit "Reduce the Use" grant proposal to, and to execute Grant Agreement with (if grant is awarded), the Department of Water Resources
- (D) ADOPTION OF RESOLUTION 2015-2 authorizing General Manager to submit "Reduce the Use" grant proposal to, and to execute Grant Agreement with (if grant is awarded), the United States Bureau of Reclamation

General Manager Roland Sanford requested two typographic errors be corrected in the minutes of the December 16, 2014 Board Meeting – in the description of agenda item 5E, change "Resolution 204-17" to "2014-17, and replace "resending" with "rescinding".

On a motion made by Director Graham and second by Director Lieberman the Board unanimously approved Consent Calendar Item A - minutes of the December 15, 2014 Board of Directors meeting, with the corrections proposed by General Manager Roland Sanford.



## **BOARD COMMITTEE REPORTS**

Personnel Committee: No report (no recent committee meetings occurred).

Finance Committee: Discussion of January 15, 2015 meeting deferred to Agenda Item 10).

Emergency Preparedness Program Committee: No report (no recent committee meetings occurred).

## **BOARD MEMBER ATTENDANCE AT OTHER MEETINGS**

ACWA Region 1 Board: Director Mirbegian reported the District hosted an ACWA Region 1 Board strategic planning meeting on January 12, 2015 and noted during the meeting other ACWA Region 1 members expressed frustration over the "one size fits all" approach to the water use restrictions recently imposed by the State Water Resources Control Board.

ACWA State Legislative Committee: Director Herndon reported the Legislative Committee has been discussing proposed groundwater management legislation.

County OES: No report (no recent meetings occurred).

## **STAFF REPORTS**

General Manager's Report: In addition to his written report, General Manager Roland Sanford referenced an article in the Santa Rosa Press Democrat summarizing recent "per capita" water usage rates by various communities in the North Bay region. He noted the District's recent per capita water usage rate of approximately 65 gallons per person per day was well within the range of the per capita water usage rates reported for other communities – 89 gallons per person per day for Petaluma versus 49 gallons per person per day for Santa Rosa.

### **DISCUSSION AND POSSIBLE ACTION: Status report on water hook up moratorium/SWRCB Division of Drinking Water Compliance Order No. 02\_03\_14R\_004**

General Manager Roland Sanford reported the State Water Resources Control Board's Division of Drinking Water (Division) staff has acknowledged that those portions of the District – Units 4 and 5 - served water diverted pursuant to riparian rights are excluded from the water hook up moratorium. Mr. Sanford explained the District's water right consultants are providing additional information to the Division to substantiate the District's riparian water right claim, and that the Division will in turn issue written confirmation regarding the exclusion of District Units 4 and 5 from the water hookup moratorium.

Mr. Sanford also reported staff had met with state senator Mike McGuire and his aide, Ms. Kelly Lindecker, to discuss the District's concerns regarding the water hook up moratorium, and that senator McGuire proposed hosting a meeting with his office, state Assemblyman Bill Dodd, the District, and SWRCB to further discuss the District's concerns.

### **DISCUSSION AND POSSIBLE ACTION: Status report on NBS water/sewer rate study**

General Manager Roland Sanford reported the Finance Committee met on January 15, 2015 to discuss the most recent rate study work products produced by NBS consultants. He noted the Finance Committee, pending a third-party review by NHA Advisors, is prepared to recommend the District adopt a "4-tiered" water rate structure and the accumulation of 90-day operating reserve funds for the District's respective water and sewer operations. Mr. Sanford also discussed the tentative schedule for the District's water and sewer Proposition 218 hearing.









**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**JANUARY 2015**

DISBURSEMENT SUMMARY REPORT

1/1/2015-1/31/2015

<b>Disbursement Summary</b>		
<b>Fund</b>		
120 - Sewer	\$	92,629.69
130 - Water	\$	79,477.61
215 - USDA Sewer Bond	\$	-
217 - State Loan	\$	-
218 - CIEDB	\$	-
219 - USDA Solar Project	\$	-
375 - Sewer Reserve Improvement	\$	-
711 - Bond Administration	\$	-
	<b>SUB TOTAL</b>	<b>\$ 172,107.30</b>
<b>*Payroll</b>	<b>\$</b>	<b>43,433.80</b>
<b>Total Warrants</b>	<b>\$</b>	<b>215,541.10</b>

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





**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**JANUARY 2015**

DISBURSEMENT SUMMARY REPORT

1/1/2015-1/31/2015

DRAFT DATE	TYPE	NUMBER	NAME	CHECK AMOUNT	STATUS
01/09/2015	D	BANK-DRAFT	US DEPARTMENT OF THE TREASURY	4,934.53	P
01/09/2015	D	BANK-DRAFT	NATIONWIDE RETIREMENT SOLUTION	1,180.00	P
01/23/2015	D	BANK-DRAFT	US DEPARTMENT OF THE TREASURY	4,805.99	P
01/23/2015	D	BANK-DRAFT	NATIONWIDE RETIREMENT SOLUTION	1,180.00	P
<b>TOTAL</b>				<b>12,100.52</b>	

CHECK DATE	TYPE	CHECK NUMBER	NAME	CHECK AMOUNT	STATUS
01/02/2015	R	32483	DEVELOPMENT GROUP	440.00	P
01/02/2015	R	32484	GHD	1,611.50	P
01/02/2015	R	32485	KAREN JENSEN	44.80	P
01/02/2015	R	32486	NBS GOVERNMENT FINANCE GROUP	1,161.65	P
01/02/2015	R	32487	OFFICE DEPOT	247.81	P
01/02/2015	R	32488	SHERALYN VAUGHAN	100.00	P
01/02/2015	R	32489	SPECIAL DISTRICT RISK MANAGEME	204.12	P
01/02/2015	R	32490	TAMI IPSEN	216.20	P
01/02/2015	R	32491	ACTION SANITARY, INC.	33,675.00	P
01/02/2015	R	32492	ADAM KNERNSCHIELD	100.00	P
01/02/2015	R	32493	ALPHA ANALYTICAL LABORATORIES	744.00	P
01/02/2015	R	32494	EEL RIVER FUELS, INC.	576.39	P
01/02/2015	R	32495	TELSTAR INSTRUMENTS, INC	2,928.30	P
01/02/2015	R	32496	CHASE, ROBIN	52.67	P
01/02/2015	R	32497	FENTON, ANNA	85.87	P
01/02/2015	R	32498	HOLAHAN, PATRICIA	53.22	P
01/02/2015	R	32499	ALEXANDER, K SCOTT	184.72	P
01/09/2015	R	32500	FISHER, MISHELLE	11.63	P
01/09/2015	R	32501	CALIFORNIA PUBLIC EMPLOYEES RE	7,701.90	P
01/09/2015	R	32502	STATE OF CALIFORNIA EDD	1,453.10	P
01/09/2015	R	32503	VARIABLE ANNUITY LIFE INSURANC	100.00	P
01/09/2015	R	32504	GARDENS BY JILLIAN	200.00	P
01/09/2015	R	32505	ITRON	2,480.32	P
01/09/2015	R	32506	MEDIACOM	356.65	P
01/09/2015	R	32507	MICHELLE HAMILTON	625.00	P
01/09/2015	R	32508	PATRICIA WILKINSON	67.20	P
01/09/2015	R	32509	REDFORD SERVICES	950.00	P
01/09/2015	R	32510	SOUTH LAKE REFUSE COMPANY	171.12	P
01/09/2015	R	32511	SPECIAL DISTRICT RISK MANAGEME	24,905.34	P
01/09/2015	R	32512	STATE OF CALIFORNIA EDD	1.59	P
<b>TOTAL</b>				<b>81,450.10</b>	

CHECK DATE	TYPE	CHECK NUMBER	NAME	CHECK AMOUNT	STATUS
01/09/2015	R	32513	TYLER TECHNOLOGY	415.10	P
01/09/2015	R	32514	ALPHA ANALYTICAL LABORATORIES	532.00	P
01/09/2015	R	32515	ARMED FORCE PEST CONTROL, INC.	180.00	P
01/09/2015	R	32516	DENNIS WHITE	148.00	P
01/09/2015	R	32517	HACH COMPANY	211.49	P
01/09/2015	R	32518	HARDESTER'S MARKETS & HARDWARE	177.76	P
01/09/2015	R	32519	MENDO MILL CLEARLAKE	87.05	P
01/09/2015	R	32520	NORMAN RODGERS	148.00	P
01/09/2015	R	32521	PACIFIC GAS & ELECTRIC COMPANY	5,351.71	P
01/09/2015	R	32522	PAUL SILVA	148.00	P
01/09/2015	R	32523	POWER INDUSTRIES	250.40	P
01/09/2015	R	32524	SAM GARCIA	281.92	P
01/09/2015	R	32525	USA BLUE BOOK	399.39	P
01/16/2015	R	32526	ALPHA ANALYTICAL LABORATORIES	542.00	P
01/16/2015	R	32527	EEL RIVER FUELS, INC.	606.35	P
01/16/2015	R	32528	NAPA AUTO PARTS	54.98	P
01/16/2015	R	32529	PACE SUPPLY CORP	169.36	P
01/16/2015	R	32530	ROTO-ROOTER OF LAKE COUNTY	430.00	P
01/16/2015	R	32531	SIERRA CHEMICAL CO.	804.24	P
01/16/2015	R	32532	ACWA/JPIA	997.19	P
01/16/2015	R	32533	AT&T	632.41	P
01/16/2015	R	32534	CALPERS FISCAL SERVICES DIVISI	60.00	P
01/16/2015	R	32535	LAKE COUNTY RECORD BEE	131.41	P
01/16/2015	R	32536	MERRILL, ARNONE & JONES, LLP	1,650.00	P
01/16/2015	R	32537	NBS GOVERNMENT FINANCE GROUP	1,085.00	P
01/16/2015	R	32538	OFFICE DEPOT	127.71	P
01/16/2015	R	32539	RICOH AMERICAS CORPORATION	823.86	P
01/16/2015	R	32540	SPECIALIZED UTILITY SERVICES	3,100.00	P
01/16/2015	R	32541	STATE BOARD OF EQUALIZATION	187.18	P
01/16/2015	R	32542	STATE BOARD OF EQUALIZATION	245.06	P
01/23/2015	R	32543	ALPHA ANALYTICAL LABORATORIES	1,018.00	P
01/23/2015	R	32544	ANALYTICAL SCIENCES	2,953.00	P
01/23/2015	R	32545	Douglas Pike	100.00	P
01/23/2015	R	32546	VERIZON WIRELESS	648.21	P
01/23/2015	R	32547	CARDMEMBER SERVICE	252.72	P
01/23/2015	R	32548	DATAPROSE	375.13	P
01/23/2015	R	32549	DELL MARKETING	45.00	P
01/23/2015	R	32550	ITRON	596.24	P
01/23/2015	R	32551	OFFICE DEPOT	110.70	P
01/23/2015	R	32552	CALIFORNIA PUBLIC EMPLOYEES RE	7,710.20	P
01/23/2015	R	32553	STATE OF CALIFORNIA EDD	1,880.73	P
01/23/2015	R	32554	VARIABLE ANNUITY LIFE INSURANC	100.00	P
01/23/2015	R	32555	WURTZEL, SUSAN	78.16	P
01/30/2015	R	32556	COASTLAND CIVIL ENGINEERING, I	4,195.00	P
01/30/2015	R	32557	ELLISON, SCHNEIDER & HARRIS L.	10,895.90	P
<b>TOTAL</b>				<b>50,936.56</b>	



CHECK DATE	TYPE	CHECK NUMBER	NAME	CHECK AMOUNT	STATUS
01/30/2015	R	32558	KAREN JENSEN	56.00	P
01/30/2015	R	32559	KAREN STEVENS	100.00	P
01/30/2015	R	32560	MEDIACOM	358.63	P
01/30/2015	R	32561	MICHELLE HAMILTON	625.00	P
01/30/2015	R	32562	OFFICE DEPOT	223.42	P
01/30/2015	R	32563	REDFORD SERVICES	950.00	P
01/30/2015	R	32564	ROLAND SANFORD	94.88	P
01/30/2015	R	32565	SPECIAL DISTRICT RISK MANAGEME	196.78	P
01/30/2015	R	32566	TAMI IPSEN	218.92	P
01/30/2015	R	32567	TYLER TECHNOLOGY	2,448.78	P
01/30/2015	R	32568	WAGNER & BONSIGNORE	5,458.75	P
01/30/2015	R	32569	ALPHA ANALYTICAL LABORATORIES	744.00	P
01/30/2015	R	32570	D C FROST ASSOCIATES, INC.	4,792.06	P
01/30/2015	R	32571	EEL RIVER FUELS, INC.	352.75	P
01/30/2015	R	32572	NAPA AUTO PARTS	284.77	P
01/30/2015	R	32573	PACE SUPPLY CORP	2,096.12	P
01/30/2015	R	32574	PACIFIC GAS & ELECTRIC COMPANY	8,619.26	P

PAYROLL:					
DATE	TYPE	NUMBER	DESCRIPTION	AMOUNT	STATUS
01/09/2015	MISC.		PAYROLL DIRECT DEPOSIT	21,992.38	P
01/23/2015	MISC.		PAYROLL DIRECT DEPOSIT	21,441.42	P
<b>TOTAL</b>				<b>43,433.80</b>	

<b>CHECK TOTAL:</b>	<b>160,006.78</b>
<b>BANK-DRAFT TOTAL:</b>	<b>12,100.52</b>
<b>PAYROLL TOTAL:</b>	<b>43,433.80</b>
	<b>215,541.10</b>



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

**DATE:** February 17, 2015

**AGENDA ITEM:** Adoption of Resolution 2015-03 fixing and approving revised Capital Improvements budget for FY 2014-2015

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**RECOMMENDATIONS:**

Adopt revised budget and Resolution 2015-03 fixing and approving revised Capital Improvements budget for FY 2014-2015.

**FINANCIAL IMPACT:**

Increase FY 2014-2015 sewer capital improvement budget by \$217,964. Sufficient funds are available in Fund 313 and Fund 314 (sewer capital reserve funds)

**BACKGROUND:**

On January 27, 2015 the Board reviewed the status of the District's FY 2014-2015 budget and discussed staff's proposal to allocate additional sewer and water capital improvement reserves for use in FY 2014-2015 (see attached memo dated January 23, 2015). The Board accepted the proposal and directed staff to place the proposed revisions on the Consent Calendar portion of the February 17, 2015 Board meeting agenda.

Since the January 27, 2015 workshop staff has determined that one of the proposed sewer capital improvements, "SCADA Hardware for Lift Stations", will cost more than originally anticipated. At the January 27, 2015 workshop staff proposed a \$10,000 allocation for the SCADA Hardware for Lift Stations line item. Staff is now proposing to increase that allocation by \$15,000, from \$10,000 to a total of \$25,000. Sufficient sewer capital reserves are available. Other than the increased allocation for the SCADA Hardware for Lift Stations line item, the sewer capital improvement budget proposed here remains unchanged from what was presented by staff at the January 27, 2015 Board Workshop.

At the January 27, 2015 workshop staff proposed adding \$7,964 to the FY 2014-2015 water capital improvement budget to cover the cost of two unanticipated expenses, a field laptop computer and a new SCADA computer. Initially, it was anticipated that sufficient funding was available from a previously unspent FEMA reimbursement the District received several years ago. Questions remain regarding the amount of the remaining FEMA reimbursement, and since sufficient funds are available within the "Repair and Replace" line item of the Water Fund's operating budget, and in the interest of time, staff has opted to assign the \$7,964 charge to the Repair and Replace line item of the Water Fund and not propose any changes to the FY 2014-2015 water capital improvement budget.

Copies of the proposed ("Revised 2-17-15") and existing ("Approved 6-17-14") FY 2014-2015 Capital Improvements budget are attached.

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

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Modification to recommendation and/or other actions:

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I, \_\_\_\_\_, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a special board meeting thereof held on January 29, 2013 by the following vote:

Ayes:

Noes:

Abstain:

Absent:

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Secretary to the Board

RESOLUTION NO 2015-03

A RESOLUTION FIXING AND APPROVING REVISED CAPITAL IMPROVEMENTS BUDGET FOR FISCAL YEAR 2014-2015

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

WHEREAS, on June 17, 2014 the Hidden Valley Lake Community Services District (District) Board of Directors adopted the District's fiscal year 2014-2015 Capital Improvements budget, and

WHEREAS, the Board of Directors wishes to allocate additional Capital Improvement Funds for use in fiscal year 2014-2015

NOW THEREFORE, BE IT RESOLVED that the revised Capital Improvements budget for fiscal year 2014-2015 presented to the Board on February 17, 2015, a copy of which is hereto attached, is hereby approved.

\* \* \* \* \*

I hereby certify that the foregoing resolution was duly and regularly adopted by the Board of Directors of the Hidden Valley Lake Community Services District, Lake County, California, at a special meeting thereof held on the 17 day of February 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Jim Freeman  
President of the Board

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





**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**CAPITAL EXPENDITURES  
2014-2015 BUDGET  
(Revised 2-17-15)**

<b>Sewer</b>	<b>Budget</b>
Video Inspections of Sewer Laterals	35,000
Repair Sewer Lateral Leaks	35,000
Prepare Sewer Capital Improvement Plan-Prepare Sewer System Management Plan	20,000
Install Security Fencing at Lift Station 1 & 4	10,000
Field Laptop	1,522
SCADA Computer	6,442
New Pickup Truck	35,000
SCADA Hardware for Lift Stations	25,000
Prelim Design - Chlorine Disinfection Facility	50,000
Crazy Creek Land Purchase	100,000
<b>Total</b>	<b>317,964</b>

<b>Water</b>	<b>Budget</b>
	-
<b>Total</b>	-



## Hidden Valley Lake Community Services District

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

### MEMO

To: Board of Directors  
From: Roland Sanford  
Date: January 23, 2014  
RE: Mid-year FY 2014-2015 budget review workshop

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At Tuesday's workshop we will review the status of the FY 2014-2015 budget and discuss potential revisions to the respective sewer and water capital funds. Any actual changes to the budget – adoption of a revised FY 2014-2015 budget – would take place at the regularly scheduled Board of Directors meeting on February 17, 2015.

#### Operating Budgets

Overall, we are doing reasonably well, both the sewer and water operating budgets remain on course, though there are some areas, most notably the "Engineering Services", "Contractual Services" and "Other Professional Services" line items in the sewer operating budget, and the "Contractual Services" line item in the water operating budget, that have incurred greater than anticipated charges. We will review those charges at the workshop.

Barring any additional unforeseen events, I anticipate ending FY 2014-2015 with both the sewer and water operating funds "on budget". However, with regard to the water operating budget – "on budget" means we will end the fiscal year with expenses exceeding revenue by approximately \$200,000.

#### Capital Budgets

Coming into FY 2014-2015, there were no funds available for water infrastructure capital improvements and accordingly, the adopted water capital budget was set to zero. Knowing that the water operating budget would be in the "red" in FY 2014-2015, the Board adopted a modest sewer capital budget (\$98,000), with the thought that if necessary – and it most likely will be – a portion of the monies reserved for sewer capital improvements (Fund 313 and Fund 314) could be loaned to the water fund to cover any operating deficit.

Since adoption of the FY 2014-2015 budget the District has received an unanticipated reimbursement from FEMA (\$35,259), which has been set aside in Fund 320 (Water Capital) and is available of allocation. Staff is proposing to allocate approximately \$8,000 of the \$35,259 total to cover the cost of two



## Hidden Valley Lake Community Services District

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unanticipated expenditures; a new SCADA computer, and a field laptop computer.

With the exception of two unanticipated expenditures – the cost of the new SCADA computer and field laptop computer, which was split equally between the water capital and sewer capital budgets – there has been no activity with respect to the FY 2014-2015 sewer capital budget. Three of the four budgeted sewer capital improvements; Video Inspections of Sewer laterals (\$35,000), Repair Sewer Lateral Leaks (\$35,000), and Install Security Fencing at Lift Stations 1 & 4 (\$10,000) remain on track and are scheduled to occur this spring (maybe sooner, depending on the weather). Staff is proposing to reallocate the capital improvement funds (\$20,000) currently set aside for the fourth item – Prepare Sewer Capital Improvement Plan – to a slightly different project, revision of Sewer System Management Plan (SSMP).

In addition to the reallocation of funds for revision of the SSMP, staff is also proposing to add three additional sewer capital improvement projects to the FY 2014-2015 budget; purchase of a new truck (\$ 35,000), additional SCDA hardware (\$ 10,000), and funds for the planning/engineering design of the new wastewater disinfection facility (\$50,000). The money for these additions would come from Fund 314 (Wastewater Capital Facilities Unrestricted - \$175,570.67 available) and Fund 313 (Wastewater Capital Facilities Restricted - \$ 465,120.77 available in May).





**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

**CAPITAL EXPENDITURES  
2014-2015 BUDGET  
(Revised 2-17-15)**

<b>Sewer</b>	<b>Budget</b>
Video Inspections of Sewer Laterals	35,000
Repair Sewer Lateral Leaks	35,000
Prepare Sewer Capital Improvement Plan-Prepare Sewer System Management Plan	20,000
Install Security Fencing at Lift Station 1 & 4	10,000
Field Laptop	1,522
SCADA Computer	6,442
New Pickup Truck	35,000
SCADA Hardware for Lift Stations	25,000
Prelim Design - Chlorine Disinfection Facility	50,000
Crazy Creek Land Purchase	100,000
<b>Total</b>	<b>317,964</b>

<b>Water</b>	<b>Budget</b>
	-
<b>Total</b>	<b>-</b>



*HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT*

**CAPITAL EXPENDITURES  
2014-2015 BUDGET  
(Approved 6-17-14)**

<b>Sewer</b>	<b>Budget</b>
Video Inspections of Sewer Laterals	35,000
Repair Sewer Lateral Leaks	35,000
Prepare Sewer Capital Improvement Plan	20,000
Install Security Fencing at Lift Station 1 & 4	10,000
<b>Total</b>	<b>100,000</b>

<b>Water</b>	<b>Budget</b>
<b>Total</b>	<b>-</b>

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

**DATE:** February 17, 2015

**AGENDA ITEM:** "Spring Has Sprung" 5K/10K Run Sponsorship: Authorize District's partial sponsorship of Spring Has Sprung event and approve purchase of t-shirts and other water conservation promotional materials – total cost not to exceed \$2,500

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**RECOMMENDATIONS:**

Authorize District's partial sponsorship of Spring Has Sprung 5K/10K Run and authorize purchase of t-shirts and other water conservation promotional materials – total cost of t-shirts and other water conservation promotional materials not to exceed \$2,500.

**FINANCIAL IMPACT:**

Sufficient funding is available within the Water Conservation budget (130-5505)

**BACKGROUND:**

The Lake County Milers' Spring Has Sprung event provides a forum for the District to promote water conservation in the community. The District has served as one of the primary sponsors of the Lake County Milers' "Spring Has Sprung" 5K/10K Run event for many years. This year's Spring Has Sprung event is scheduled for Sunday, May 10. Lake County Milers is requesting District support in the form of t-shirts and miscellaneous water conservation promotional materials, which will be given to participants. Proceeds from the event will benefit Middletown High School Track and Field (see attached letter from Jeanine Burnett dated January 26, 2015).

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

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I, Roland Sanford, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular board meeting thereof held on (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board





Lake County Milers  
P.O. Box 490  
Middletown, Ca.  
95461  
707-987-3229  
[www.lakecountymilers.com](http://www.lakecountymilers.com)  
EIN 43-1996596

January 26, 2015

Dear CSD General Manager, Directors and Staff,

Spring is just around the corner and the Lake County Milers, 13th Annual "Spring Has Sprung" race plans are in full swing. This year's event will be held on Mother's Day, Sunday May 10, 2015. The HVL Community Services District has been a key player in the success of our event for many years and the Lake County Milers would really appreciate your "Star" sponsorship again this year. We really enjoy being able to merge your water awareness campaign in with our race, and the result has been excellent event shirts, and increased race-day interest.

This year participants will again start at Coyote Valley Elementary School and run/walk through beautiful Hidden Valley Lake before returning to the school for a fast finish. Post-race festivities will include an "expo" like feel with participating sponsors, a Mother's Day-worthy refreshment bar and awards/presentations to the participants.

Proceeds from the event benefit High School Athletics. This year our focus will be on Middletown High School Track and Field.

Thank you for all the support you have given our event in the past. We look forward to the possibility of working with you again this year and hope to hear from you soon regarding sponsorship.

Sincerely,

Jeanine Burnett  
Event Director, Lake County Milers  
[Lakecountymilers@gmail.com](mailto:Lakecountymilers@gmail.com)  
707-987-3229



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

**DATE:** February 17, 2015

**AGENDA ITEM:** Authorization for Board Member Attendance at March 4, 2015 ACWA Legislative Symposium in Sacramento, California

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**RECOMMENDATIONS:**

Authorize Director Herndon to attend the March 4, 2015 ACWA Legislative Symposium on behalf of the District.

**FINANCIAL IMPACT:**

Approximately \$350. Sufficient funding is available in the Director Training accounts (120-5176 and 130-5176).

**BACKGROUND:**

The Association of California Water Agencies (ACWA) annual Legislative Symposium will be held on March 4 in Sacramento. Director Herndon is requesting Board authorization to attend the symposium on behalf of the District.

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, Roland Sanford, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular board meeting thereof held on (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board

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

**DATE:** February 17, 2015

**AGENDA ITEM:** Adoption of Resolution 2015-04 requesting change of Board member election dates from odd-numbered years to even-numbered years

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**RECOMMENDATIONS:**

Adopt Resolution 2015-04 Requesting County of Lake to change HVLCSD Board member elections from odd-numbered years to even-numbered years.

**FINANCIAL IMPACT:**

Possible modest reduction in election expense charged to District by County.

**BACKGROUND:**

*On February 18, 2014 the Board adopted Resolution 2014-3 requesting the County of Lake to move the HVLCSD Board member elections from odd-numbered years to even-numbered years. The adopted Resolution and supporting information were submitted to the County in February of 2014. The County did not act on the District's February 2014 request, evidently because the request to move the election was too far in advance. The County has asked the District to resubmit its request to move Board member elections from odd-numbered years to even-numbered years. A new Resolution requesting the change, Resolution 2015-04, has been prepared. Additional background information from the February 18, 2014 Board Meeting Packet is presented below.*

At the January 21, 2014 Board meeting, the Board directed staff to further investigate the feasibility of shifting Board member elections from odd-numbered years to even-numbered years. Shifting Board member elections to even-numbered years has been proposed as means of increasing voter participation in District elections. As a general rule, voter turnout tends to be greater in even numbered years, when there are typically more issues and candidates – particularly presidential and gubernatorial candidates – on the ballot (see attached research brief by the Public Policy Institute of California).

The County Registrar of Voters has been contacted and confirmed that the shift to even-numbered years is “doable”, could even result in a modest reduction in election expenses charged to the District by the County, but does involve a fairly lengthy bureaucratic process that includes approvals by the Lake County Board of Supervisors (see attached memo from Director Mirbegan to the HVLCSD Board of Directors). The bureaucratic process would begin with the adoption of the attached resolution, in which the District formally requests the County to shift the election cycle to even-numbered years. Shifting the District's Board member election cycle from odd-numbered to even-numbered years would require a one year extension of the incumbent's current four-year term.

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APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, Roland Sanford, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular board meeting thereof held on (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board

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

**JANUARY 2015**

**FINANCIAL REPORT**





HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

JANUARY 2015  
Financial Report

REVENUE & EXPENSE SEWER REPORT  
1/1/2015-1/31/2015

120-SEWER ENTERPRISE FUND FINANCIAL SUMMARY	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<b>TOTAL REVENUE</b>	1,006,300.00	7,408.59	535,276.93	471,023.07	53.19

EXPENDITURE SUMMARY					
NON-DEPARTMENTAL	350,606.00	63,870.26	285,722.00	64,884.00	81.49
ADMINISTRATION	312,539.00	26,689.34	204,645.98	107,893.02	65.48
FIELD	299,954.00	22,485.08	147,645.74	152,308.26	49.22
DIRECTORS	43,201.00	3,118.64	20,889.81	22,311.19	48.35
<b>TOTAL</b>	<b>1,006,300.00</b>	<b>116,163.32</b>	<b>658,903.53</b>	<b>347,396.47</b>	<b>65.48</b>

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-4020 PERMIT & INSPECTION FEES	300	-	100.00	200.00	33.33
120-4045 AVAILABILITY FEES	10,200.00	3,882.21	3,882.21	6,317.79	38.06
120-4050 SALES OF RECLAIMED WATER	95,000.00	1,150.97	60,306.91	34,693.09	63.48
120-4111 COMM SEWER USE	18,400.00	1,677.02	11,739.14	6,660.86	63.80
120-4112 GOV'T SEWER USE	600	50.18	351.26	248.74	58.54
120-4116 SEWER USE CHARGES	862,000.00	441.76	439,400.68	422,599.32	50.97
120-4210 LATE FEE	15,500.00	42.20	9,333.30	6,166.70	60.21
120-4300 MISC INCOME	100	1.50	611.25	(511.25)	611.25
120-4505 LEASE INCOME	4,200.00	161.54	1,508.63	2,691.37	35.92
120-4550 INTEREST INCOME	0	1.21	79.07	(79.07)	-
120-4580 TRANSFERS IN	0	-	7,964.48	(7,964.48)	-
<b>TOTAL</b>	<b>1,006,300.00</b>	<b>7,408.59</b>	<b>535,276.93</b>	<b>471,023.07</b>	<b>53.19</b>



NON-DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-00-5024 WORKERS' COMP INSURANCE	4,815.00	-	9,629.00	(4,814.00)	199.98
120-5-00-5025 RETIREE HEALTH BENEFITS	5,027.00	503.37	3,810.83	1,216.17	75.81
120-5-00-5060 GASOLINE, OIL & FUEL	14,200.00	767.76	5,516.04	8,683.96	38.85
120-5-00-5061 VEHICLE MAINT	10,357.00	169.89	8,383.20	1,973.80	80.94
120-5-00-5062 TAXES & LIC	1,100.00	-	235.47	864.53	21.41
120-5-00-5074 INSURANCE	16,285.00	-	-	16,285.00	-
120-5-00-5075 BANK FEES	7,000.00	552.87	5,202.16	1,797.84	74.32
120-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	6,000.00	972.50	3,779.63	2,220.37	62.99
120-5-00-5092 POSTAGE & SHIPPING	1,500.00	(0.25)	760.46	739.54	50.70
120-5-00-5110 CONTRACTUAL SERVICES	36,210.00	2,162.00	39,096.92	(2,886.92)	107.97
120-5-00-5121 LEGAL SERVICES	12,500.00	825.00	3,676.48	8,823.52	29.41
120-5-00-5122 ENGINEERING SERVICES	15,000.00	5,806.50	26,588.14	(11,588.14)	177.25
120-5-00-5123 OTHER PROFESSIONAL SERVICE	27,750.00	3,915.32	45,539.10	(17,789.10)	164.10
120-5-00-5130 PRINTING & PUBLICATION	500.00	65.70	390.46	109.54	78.09
120-5-00-5135 NEWSLETTER	1,000.00	-	-	1,000.00	-
120-5-00-5145 EQUIPMENT RENTAL	-	-	827.86	(827.86)	-
120-5-00-5148 OPERATING SUPPLIES	12,000.00	1,058.31	7,744.42	4,255.58	64.54
120-5-00-5150 REPAIR & REPLACE	50,452.00	5,468.10	28,493.08	21,958.92	56.48
120-5-00-5155 MAINT BLDG & GROUNDS	5,300.00	247.10	4,134.05	1,165.95	78.00
120-5-00-5156 CUSTODIAL SERVICES	9,450.00	1,575.00	6,018.75	3,431.25	63.69
120-5-00-5157 SECURITY	2,000.00	-	132.00	1,868.00	6.60
120-5-00-5160 SLUDGE DISPOSAL	23,000.00	-	11,423.45	11,576.55	49.67
120-5-00-5191 TELEPHONE	9,000.00	640.31	3,742.35	5,257.65	41.58
120-5-00-5192 ELECTRICITY	18,400.00	1,843.63	10,193.16	8,206.84	55.40
120-5-00-5193 OTHER UTILITIES	1,800.00	443.20	1,584.01	215.99	88.00
120-5-00-5195 ENV/MONITORING	25,000.00	2,940.00	20,758.16	4,241.84	83.03
120-5-00-5196 RISK MANAGEMENT	17,800.00	-	250.00	17,550.00	1.40
120-5-00-5198 ANNUAL OPERATING FEES	3,000.00	-	872.00	2,128.00	29.07
120-5-00-5310 EQUIPMENT - FIELD	1,000.00	126.82	961.13	38.87	96.11
120-5-00-5311 EQUIPMENT - OFFICE	2,800.00	-	1,063.28	1,736.72	37.97
120-5-00-5312 TOOLS - FIELD	1,100.00	25.37	412.09	687.91	37.46
120-5-00-5315 SAFETY EQUIPMENT	4,100.00	86.76	775.32	3,324.68	18.91
120-5-00-5510 SEWER OUTREACH	5,000.00	-	-	5,000.00	-
120-5-00-5545 RECORDING FEES	160.00	-	54.00	106.00	33.75
120-5-00-5590 NON-OPERATING OTHER	-	33,675.00	33,675.00	(33,675.00)	-
<b>TOTAL</b>	<b>350,606.00</b>	<b>63,870.26</b>	<b>285,722.00</b>	<b>64,884.00</b>	<b>81.49</b>

ADMINISTRATION EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-10-5010 SALARIES & WAGES	205,456.00	18,447.44	139,717.95	65,738.05	68.00
120-5-10-5020 EMPLOYEE BENEFITS	55,100.00	4,722.17	33,644.27	21,455.73	61.06
120-5-10-5021 RETIREMENT BENEFITS	41,013.00	3,049.53	22,487.48	18,525.52	54.83
120-5-10-5063 CERTIFICATIONS	20.00	-	-	20.00	-
120-5-10-5090 OFFICE SUPPLIES	6,200.00	209.31	3,642.38	2,557.62	58.75
120-5-10-5170 TRAVEL MILEAGE	350.00	260.89	1,023.42	(673.42)	292.41
120-5-10-5175 EDUCATION / SEMINARS	3,900.00	-	3,974.56	(74.56)	101.91
120-5-10-5179 ADM MISC EXPENSES	500.00	-	155.92	344.08	31.18
<b>TOTAL</b>	<b>312,539.00</b>	<b>26,689.34</b>	<b>204,645.98</b>	<b>107,893.02</b>	<b>65.48</b>

FIELD EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-30-5010 SALARIES & WAGES	213,757.00	14,203.89	98,239.73	115,517.27	45.96
120-5-30-5020 EMPLOYEE BENEFITS	44,068.00	4,576.59	31,097.84	12,970.16	70.57
120-5-30-5021 RETIREMENT BENEFITS	36,249.00	2,397.90	15,874.61	20,374.39	43.79
120-5-30-5022 CLOTHING ALLOWANCE	2,000.00	-	671.33	1,328.67	33.57
120-5-30-5063 CERTIFICATIONS	780.00	-	-	780.00	-
120-5-30-5090 OFFICE SUPPLIES	400.00	580.78	924.84	(524.84)	231.21
120-5-30-5170 TRAVEL MILEAGE	600.00	-	31.97	568.03	5.33
120-5-30-5175 EDUCATION / SEMINARS	2,100.00	725.92	805.42	1,294.58	38.35
<b>TOTAL</b>	<b>299,954.00</b>	<b>22,485.08</b>	<b>147,645.74</b>	<b>152,308.26</b>	<b>49.22</b>

DIRECTORS EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-40-5010 DIRECTORS COMPENSATION	1,170.00	96.88	678.16	491.84	57.96
120-5-40-5020 DIRECTOR BENEFITS	230.00	1.54	6.16	223.84	2.68
120-5-40-5030 DIRECTOR HEALTH BENEFITS	40,851.00	3,020.22	20,191.78	20,659.22	49.43
120-5-40-5170 TRAVEL MILEAGE	150.00	-	13.71	136.29	9.14
120-5-40-5175 EDUCATION / SEMINARS	600.00	-	-	600.00	-
120-5-40-5176 DIRECTOR TRAINING	200.00	-	-	200.00	-
<b>TOTAL</b>	<b>43,201.00</b>	<b>3,118.64</b>	<b>20,889.81</b>	<b>22,311.19</b>	<b>48.35</b>





HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

JANUARY 2015

Financial Report

REVENUE & EXPENSE WATER REPORT

1/1/2015-1/31/2015

130-WATER ENTERPRISE FUND FINANCIAL SUMMARY	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
ALL REVENUE	1,134,100.00	19,976.31	579,003.07	555,096.93	51.05

EXPENDITURE SUMMARY					
NON-DEPARTMENTAL	641,637.00	51,428.70	342,271.54	299,365.46	53.34
ADMINISTRATION	335,979.00	26,765.54	203,435.52	132,543.48	60.55
FIELD	302,954.00	20,009.29	155,892.47	147,061.53	51.46
DIRECTORS	46,201.00	3,140.50	21,148.81	25,052.19	45.78
<b>TOTAL</b>	<b>1,326,771.00</b>	<b>101,344.03</b>	<b>722,748.34</b>	<b>604,022.66</b>	<b>54.47</b>

REVENUES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-4035 RECONNECT FEE	10,000.00	220.00	7,470.00	2,530.00	74.70
130-4039 WATER METER INST	300	-	200.00	100.00	66.67
130-4040 RECORDING FEE	100	-	70.00	30.00	70.00
130-4045 AVAILABILITY FEES	40,000.00	15,941.79	15,941.79	24,058.21	39.85
130-4110 COMM WATER USE	14,000.00	1,151.03	8,057.21	5,942.79	57.55
130-4112 GOV'T WATER USE	800	74.26	519.82	280.18	64.98
130-4115 WATER USE	863,000.00	446.55	422,508.43	440,491.57	48.96
130-4117 WATER OVERAGE FEE	167,000.00	-	85,381.68	81,618.32	51.13
130-4118 WATER OVERAGE COMM	11,000.00	1,473.15	13,098.82	(2,098.82)	119.08
130-4210 LATE FEE	22,000.00	2.14	12,931.97	9,068.03	58.78
130-4215 RETURNED CHECK FEE	800	75.00	425.00	375.00	53.13
130-4300 MISC INCOME	100	102.76	930.44	(830.44)	930.44
130-4505 LEASE INCOME	4,200.00	484.62	3,337.57	862.43	79.47
130-4550 INTEREST INCOME	800	5.01	165.86	634.14	20.73
130-4580 TRANSFER IN	0	-	7,964.48	(7,964.48)	-
<b>TOTAL</b>	<b>1,134,100.00</b>	<b>19,976.31</b>	<b>579,003.07</b>	<b>555,096.93</b>	<b>51.05</b>



NON-DEPARTMENTAL EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-00-5024 WORKERS' COMP INSURANCE	4,815.00	0	9,629.00	-4,814.00	199.98
130-5-00-5025 RETIREE HEALTH BENEFITS	5,027.00	503.37	3,005.71	2,021.29	59.79
130-5-00-5060 GASOLINE, OIL & FUEL	12,500.00	767.73	5,515.92	6,984.08	44.13
130-5-00-5061 VEHICLE MAINT	12,500.00	169.86	2,538.36	9,961.64	20.31
130-5-00-5062 TAXES & LIC	1,600.00	0	759.95	840.05	47.5
130-5-00-5074 INSURANCE	16,285.00	0	0	16,285.00	0
130-5-00-5075 BANK FEES	7,000.00	552.89	5,202.04	1,797.96	74.31
130-5-00-5080 MEMBERSHIP & SUBSCRIPTION	S 17,200.00	972.5	13,494.62	3,705.38	78.46
130-5-00-5092 POSTAGE & SHIPPING	1,500.00	-0.25	760.44	739.56	50.7
130-5-00-5110 CONTRACTUAL SERVICES	49,650.00	5,238.57	43,365.95	6,284.05	87.34
130-5-00-5121 LEGAL SERVICES	12,500.00	825	3,865.48	8,634.52	30.92
130-5-00-5122 ENGINEERING SERVICES	15,000.00	3,876.25	17,342.79	-2,342.79	115.62
130-5-00-5123 OTHER PROFESSIONAL SERVIC	E 144,750.00	13,057.73	68,551.58	76,198.42	47.36
130-5-00-5124 WATER RIGHTS	10,000.00	3,189.00	3,073.46	6,926.54	30.73
130-5-00-5130 PRINTING & PUBLICATION	500	65.71	832.67	-332.67	166.53
130-5-00-5135 NEWSLETTER	1,000.00	0	0	1,000.00	0
130-5-00-5148 OPERATING SUPPLIES	10,000.00	1.87	35.43	9,964.57	0.35
130-5-00-5150 REPAIR & REPLACE	52,000.00	2,536.05	22,864.12	29,135.88	43.97
130-5-00-5155 MAINT BLDG & GROUNDS	5,300.00	3,175.39	5,707.04	-407.04	107.68
130-5-00-5156 CUSTODIAL SERVICES	9,450.00	1,575.00	6,581.25	2,868.75	69.64
130-5-00-5157 SECURITY	2,000.00	0	132	1,868.00	6.6
130-5-00-5191 TELEPHONE	9,000.00	640.31	3,742.32	5,257.68	41.58
130-5-00-5192 ELECTRICITY	165,000.00	12,127.34	94,301.19	70,698.81	57.15
130-5-00-5193 OTHER UTILITIES	1,800.00	443.2	1,583.99	216.01	88
130-5-00-5195 ENV/MONITORING	25,000.00	640	4,050.81	20,949.19	16.2
130-5-00-5196 RISK MANAGEMENT	0	0	250	-250	0
130-5-00-5198 ANNUAL OPERATING FEES	27,000.00	432.24	17,164.96	9,835.04	63.57
130-5-00-5310 EQUIPMENT - FIELD	1,000.00	126.82	961.13	38.87	96.11
130-5-00-5311 EQUIPMENT - OFFICE	2,200.00	0	1,063.28	1,136.72	48.33
130-5-00-5312 TOOLS - FIELD	800	25.37	335.98	464.02	42
130-5-00-5315 SAFETY EQUIPMENT	4,100.00	86.75	683.98	3,416.02	16.68
130-5-00-5505 WATER CONSERVATION	15,000.00	400	4,822.09	10,177.91	32.15
130-5-00-5545 RECORDING FEES	160	0	54	106	33.75
<b>TOTAL</b>	<b>479,687.00</b>	<b>51,428.70</b>	<b>342,271.54</b>	<b>299,365.46</b>	<b>53.34</b>

ADMINISTRATION EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-10-5010 SALARIES & WAGES	227,796.00	18,409.01	138,279.96	89,516.04	60.7
130-5-10-5020 EMPLOYEE BENEFITS	55,100.00	4,722.13	33,612.81	21,487.19	61
130-5-10-5021 RETIREMENT BENEFITS	41,013.00	3,049.48	21,577.26	19,435.74	52.61
130-5-10-5063 CERTIFICATIONS	20	0	0	20	0
130-5-10-5090 OFFICE SUPPLIES	6,200.00	209.15	3,642.09	2,557.91	58.74
130-5-10-5170 TRAVEL MILEAGE	550	355.77	1,270.08	-720.08	230.92
130-5-10-5175 EDUCATION / SEMINARS	4,800.00	20	4,897.43	-97.43	102.03
130-5-10-5179 ADM MISC EXPENSES	500	0	155.89	344.11	31.18
<b>TOTAL</b>	<b>335,979.00</b>	<b>26,765.54</b>	<b>203,435.52</b>	<b>132,543.48</b>	<b>60.55</b>

FIELD EXPENDITURES	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-30-5010 SALARIES & WAGES	216,757.00	12,928.42	105,649.28	111,107.72	48.74
130-5-30-5020 EMPLOYEE BENEFITS	44,068.00	4,544.35	30,753.06	13,314.94	69.79
130-5-30-5021 RETIREMENT BENEFITS	36,249.00	1,955.74	17,577.55	18,671.45	48.49
130-5-30-5022 CLOTHING ALLOWANCE	2,000.00	0	671.3	1,328.70	33.57
130-5-30-5063 CERTIFICATIONS	780	0	180	600	23.08
130-5-30-5090 OFFICE SUPPLIES	400	580.78	924.82	-524.82	231.21
130-5-30-5170 TRAVEL MILEAGE	600	0	31.96	568.04	5.33
130-5-30-5175 EDUCATION / SEMINARS	2,100.00	0	104.5	1,995.50	4.98
<b>TOTAL</b>	<b>302,954.00</b>	<b>20,009.29</b>	<b>155,892.47</b>	<b>147,061.53</b>	<b>51.46</b>

<b>DIRECTORS EXPENDITURES</b>	<b>CURRENT BUDGET</b>	<b>CURRENT PERIOD</b>	<b>YEAR TO DATE ACTUAL</b>	<b>BUDGET BALANCE</b>	<b>% OF BUDGET</b>
130-5-40-5010 DIRECTORS COMPENSATION	3,000.00	118.42	828.94	2,171.06	27.63
130-5-40-5020 DIRECTOR BENEFITS	230	1.86	7.44	222.56	3.23
130-5-40-5030 DIRECTOR HEALTH BENEFITS	42,021.00	3,020.22	20,163.50	21,857.50	47.98
130-5-40-5170 TRAVEL MILEAGE	150	0	148.93	1.07	99.29
130-5-40-5175 EDUCATION / SEMINARS	600	0	0	600	0
130-5-40-5176 DIRECTOR TRAINING	200	0	0	200	0
<b>TOTAL</b>	<b>46,201.00</b>	<b>3,140.50</b>	<b>21,148.81</b>	<b>25,052.19</b>	<b>45.78</b>



HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

**JANUARY 2015  
FINANCIAL REPORT**

CAPITAL EXPENDITURES  
2014-2015 BUDGET

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

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





HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

January 2015  
FINANCIAL REPORT

POOLED CASH  
AS OF JANUARY 31, 2015

<b>Beginning Balance</b>	<b>140,863.30</b>
<b>Cash Receipts</b>	
Deposit	267,798.87
Transfers	0.00
<b>Total Receipts</b>	<b>267,798.87</b>
<b>Cash Disbursements</b>	
Accounts Payable	172,107.30
Payroll	43,433.80
Bank Fees	1,105.76
<b>Total Disbursements</b>	<b>216,646.86</b>
<b>Ending Balance</b>	<b>192,015.31</b>

TEMPORARY INVESTMENTS

AS OF JANUARY 31, 20145

Fund		LAIF	Money Mkt	Total	G/L Bal
120	Sewer Operating Fund	66,945.81	56,943.03	123,888.83	123,888.83
130	Water Operating Fund	222,905.98	35,099.93	258,005.91	258,005.91
215	1995-2 Redemption	238,291.12	203,840.46	442,131.58	442,131.58
217	State Revolving Loan Sewer	158,721.29	522,902.60	681,623.88	681,623.88
218	CIEDB Redemption	11,454.01	(132,768.41)	(121,314.39)	(121,314.39)
219	USDARUS Solar Loan (Sewer)	815.18	59,192.25	50,162.17	50,162.17
313	Wastewater Cap Fac Reserved	431,878.98	33,521.11	465,400.08	465,400.08
314	Wastewater Cap Fac Unrestricted	53,686.85	121,928.26	175,615.11	175,615.11
320	Water Capital Fund	-	-	-	-
350	CIEDB Loan Reserve	170,324.37	-	170,324.37	170,324.37
711	Bond Administration	27,014.85	14,406.17	41,421.02	41,421.02
<b>TOTAL</b>		<b>1,382,038.44</b>	<b>950,328.20</b>	<b>2,332,366.62</b>	<b>2,332,366.62</b>



## Hidden Valley Lake Community Services District

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

### MEMO

To: Board of Directors  
From: Roland Sanford  
Date: February 12, 2015  
RE: General Manager's Monthly Report

---

#### **Drought update**

Despite the near absence of rain in January, groundwater elevations in the District's wells remain within a few feet of long term averages for the month of February (see attached groundwater elevation chart). Putah Creek stream flows, the primary determinant of groundwater elevations in the vicinity of the District's municipal wells, continue to trend below historic averages. However, the total volume of runoff to date is already more than twice the amount of runoff observed in the prior water year (see attached cumulative runoff chart). The good news: we are doing better than last year. The bad news: the drought is not over. The ugly news: it is hard to convince state regulators that the District's water supply is in reasonably good shape – certainly much better than most – despite the ongoing drought. Stay tuned.

#### **Water Hookup Moratorium**

No significant progress since the January 20, 2015 Board meeting. The District has yet receive written confirmation from the State that those portions of the District served water diverted pursuant to riparian water rights (District Units 4 and 5) are exempt from the water hookup moratorium.

#### **Project Status Reports**

The ongoing water/sewer rate study and the resolution of the water hookup moratorium have consumed considerable staff time and energy, and as a result I have not reported on some of the other important projects staff and the District's water right consultants are working on:

Water Rights Petition for Change. Last summer the District's biological consultants conducted a number of baseline habitat surveys to characterize the probable impact of discontinuing the summertime supplemental release requirement specified in the District's appropriative water right license and permit. Staff and the District's consultants will be meeting with the California Department of Fish and Wildlife (Department) to discuss the survey results as part of an early "CEQA consultation". The Department's position on this matter could significantly impact the scope of the forthcoming environmental impact analysis.





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Preparation of the actual environmental impact document is scheduled to begin in earnest next fiscal year, and will take approximately one year to complete. Once the environmental impact document is completed, the State Water Resources Control Board (State Board) will formally act on the District's Petition for Change. Theoretically the State Board could act on the Petition shortly after the environmental impact document is completed – but that's unlikely, due their other workload commitments, which are substantial. Realistically, I expect the Petition for Change project to continue through FY 2016-2017.

LAFCO Municipal Service Review (MSR). LAFCO is tentatively scheduled to update the District's MSR this year. As a part of this update, LAFCO will consider amendments to the District's "Sphere of Influence" (SOI). Revisions to the District's current SOI are necessary and a prerequisite for anticipated annexations – most notably the Valley Oaks development project (the District cannot annex lands that are not within its SOI).

Changes to the District's SOI are subject to CEQA and therefore some form of environmental review and preparation of environmental documents – in this case by LAFCO - will be necessary. In order to expedite the project, staff is exploring the possibility of folding LAFCO's environmental review into the CEQA analysis for the water rights Petition for Change project – or at least coordinating the two to minimize costs to the District. Staff has not met with LAFCO since last fall and therefore the scope, schedule, and ultimately the cost of this project remains unclear. I do not expect there will be any significant activity on this project until FY 2015-2016.

### Hexavalent Chromium

The December 2014 sampling results officially confirmed the presence of hexavalent chromium in the District's drinking water supply at concentrations that occasionally exceed the State's new 10 parts per billion standard. The "regulatory clock is now ticking", in that we officially have five years to come into compliance. The District, with the State Water Resources Control Board Division of Drinking Water's assistance, is seeking grant money to explore the feasibility of implementing various water treatment technologies and/or some form of dilution to ensure compliance with the new drinking water standard.

Staff continues to collect additional water quality data to further characterize the spatial and temporal occurrence of hexavalent chromium in the District's raw water supply and surrounding aquifer. I anticipate that the aforementioned feasibility studies will begin in FY 2015-2016.

### Wastewater disinfection facility upgrade

Coastland Civil Engineering, the District's engineers, is preparing a scope of work for the preliminary design of the new wastewater disinfection facility. The



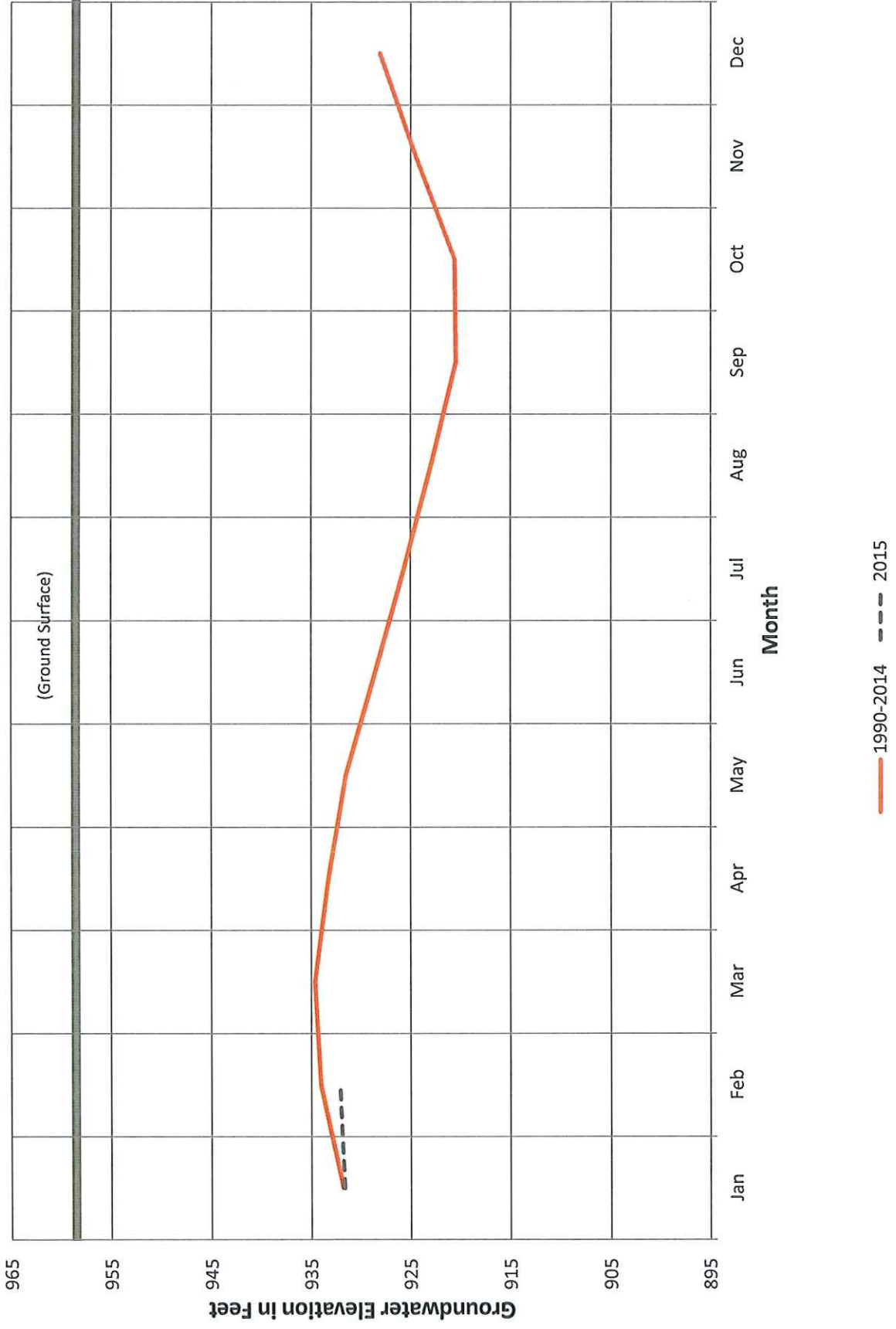


## Hidden Valley Lake Community Services District

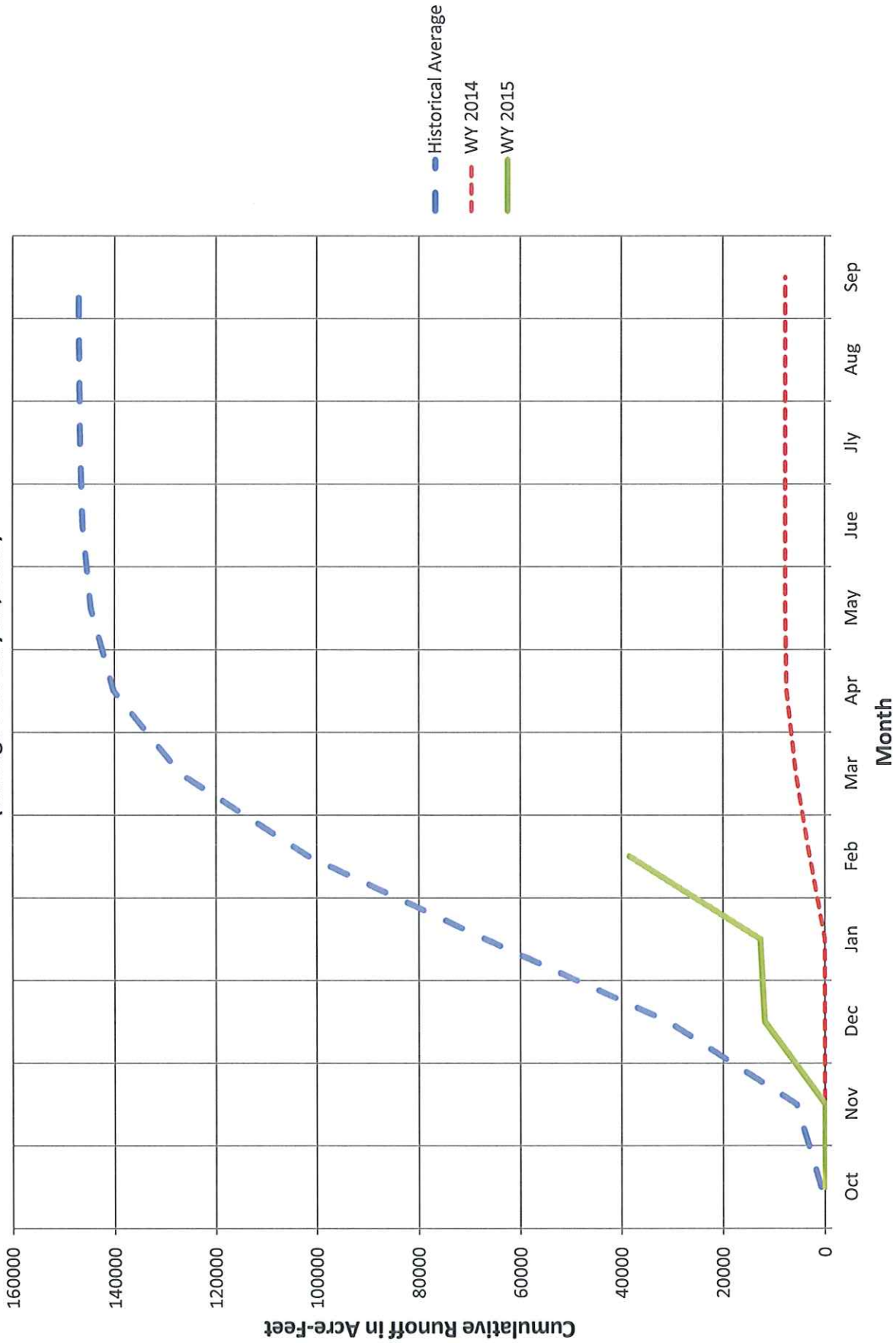
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new facility will rely on “onsite” generation of chlorine gas from liquid chlorine stored onsite, as opposed to the current practice – onsite storage of chlorine gas. As a general rule, the delivery and storage of liquid chlorine, as opposed to the delivery and storage of gaseous chlorine, is easier and involves less risk. Preliminary design should be completed by the end of this fiscal year. Final design and construction is scheduled for FY 2015-2016.

# Average Groundwater Elevations at HVLCS D Wells



# Cumulative Runoff at USGS Putah Creek near Guenoc Gauge (through February 11, 2015)







## Hidden Valley Lake Community Services District

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www.hiddenvalleylakecsd.com

### MEMO

To: Roland Sanford  
From: Tami Ipsen  
Date: January 12, 2015  
RE: Director Benefit update

---

After poling other CSDs through CSDA networking group the attached results were accumulated.

Comparable Lake County agencies poled was Clearlake Oaks Water District and Callayomi County Water District. Clearlake Oaks Water District provides no benefits to their Directors and Callayomi County Water District offers health coverage for their Board of Directors at the full expense of the Director.

Special Districts in Lake County are under the County of Lake Board of Supervisors and they receive \$800 monthly towards health, vision and dental benefits. The remainder balance owed is out of pocket of the Director. Dependents may be added at the Director's expense.

The State Controller's Compensation Report reflects up to 2013 and was not comparable to current data received.

**Directors**

Agency	Benefits			Benefits coverage			PEHMCA	Employer Pays	Director Pays	Stipen/Compensation
	Medical	Dental	Vision	Director	Dependents	HMO or PPO				
Hidden Valley Lake CSD	yes	no	no	yes	yes	SDRMA GOLD		100%	0%	\$25 per meeting, max \$50 a month, plus \$904 annual
Westwood CSD	no	no	no	no	no	none		0%	0%	none
Eastlake CSD	no	no	no	no	no	none		0%	0%	none
Helensdale CSD	no	no	no	no	no	none		0%	0%	\$100 per mtg up to \$600 a month
Lake Shastina CSD	no	no	no	no	no	no		0%	0%	none
Templeton CSD	no	no	no	no	no	no		0%	0%	\$150 per mtg up to \$600 a month
Marinwood CSD	no	no	no	no	no	no		0%	0%	none
Bodega Bay Public Utility District	no	no	no	no	no	no		0%	0%	\$75/mtg up to \$225/mo.
McCloud CSD	no	no	no	no	no	no		0%	0%	\$100 for Brd Mtgs. & \$50 other mtgs.
Los Osos CSD	no	no	no	no	no	none		0%	0%	\$100 per meeting up to \$600 a month
California Valley CSD	no	no	no	no	no	none		0%	0%	\$100 per mtg. up to \$600 a month
Tuolumne Utilities District	yes	no	yes	yes	yes	CalPERS	\$115	100% D/V ONLY	difference	\$100 per meeting up to \$400 a month
Menlo Fire	no	no	no	no	no	none		\$750	0%	\$100 per meeting up to \$400 a month
North County Fire of San Diego County	no	no	no	no	no	none		0%	0%	\$50 per mtg.
Monterey Regional Waste	no	no	no	no	no	none		0%	0%	\$100 per mtg up to \$500 a month
Fallbrook Health Care District	no	no	no	no	no	none		0%	0%	\$100 per meeting
LA Vector Control	no	no	no	no	no	none		0%	0%	\$100 per meeting (none have asked for it)
Mineral County Water District	no	no	no	no	no	none		0%	0%	none
Tamales CSD	no	no	no	no	no	none		0%	0%	none
Orange County Cemetery District	no	no	no	no	no	none		0%	0%	\$100 per meeting
Coastside Water District	no	no	no	no	no	none		0%	0%	\$150 per meeting up to \$600 a month
Rio Linda/Elivetva CWD	no	no	no	no	no	none		0%	0%	\$100 per meeting
Greater Vallejo Recreation District	no	no	no	no	no	none		0%	0%	\$100 per mtg up to \$500 a month
Central Contra Costa Sanitary	yes	no	no	yes	yes	Kaiser, HMO and PPO		0%	pays the difference of highest cost	\$185 per meeting up to \$600 a month
El Dorado Hills	no	no	no	no	no	none		0%	0%	\$100 per meeting up to \$600 a month
Desert Recreation District	yes	yes	yes	yes	yes	HMO and PPO		\$1,380 per month	Anything over \$1,380 per month	\$100 per meeting up to \$400 a month
Costa Mesa Sanitary District	yes	no	no	yes	no	CalPERS HMO and PPO	\$115	100%	0%	\$225 per meeting up to \$1,350
RCD of Greater San Diego County	no	no	no	no	no	none		0%	0%	none
Truckee Tahoe Airport	yes	no	no	yes	yes	their choice		100%	0%	\$100 per mtg up to \$400 a month
Tehama County Resource Conservation District	no	no	no	no	no	no		0%	0%	none
Monterey Peninsula Regional Park District Hesperia Recreation and Park District	yes	no	no	yes	yes	CalPERS		0%	100%	\$100 per mtg
Rincon del Diablo MWD	yes	yes	yes	yes	yes	CalPers, HMO, PPO and Kaiser		100%	0%	\$100 per mtg up to \$500 a month
South Santa Clara Valley Memorial District	no	no	no	no	no	no		0	0	\$160 per meeting up to 10 meetings per month
North County Recreation and Park District	no	no	no	no	no	none		0%	0	\$25/hour for up to 20 hours per week. No pay for attending meetings
Spalding CSD	no	no	no	no	no	no		0%	0%	\$100 per meeting
Mission Springs Water District	yes	yes	yes	yes	yes	HMO, PPO and Kaiser		100% of least cost plan for employee, and/or pays 95% of premiums for EE and dependents	5% unless enrolled in least cost plan, then pays 0 for self and 5% for dependents	\$100 per meeting up to 10 meetings per month
Santa Clara County Open Space Authority	no	no	no	no	no	none		0	0	\$75 per meeting max 2 meetings per month
Inland Valley Development Agency & San Bernardino International Airport Authority	no	no	no	no	no	no		0%	0%	\$100 per Board, Commission and Committee Meetings
Eastern Sierra CSD	Yes	yes	yes	yes	no	PPO	\$115.00	\$115/mo	the difference after	\$100 per Day of Service/up to \$600 a month

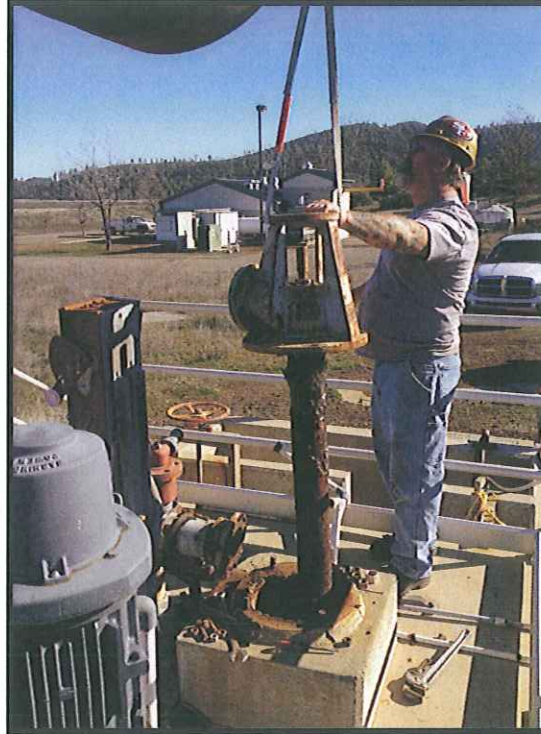




# Hidden Valley Lake Community Services District

## January 2015 Report

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Pulling pump 400 because of leak.



Well head after pump was pulled



### Water Connections:

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

### Sewer Connections:

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



Barry working on motor from pump 400.



Motor repaired.

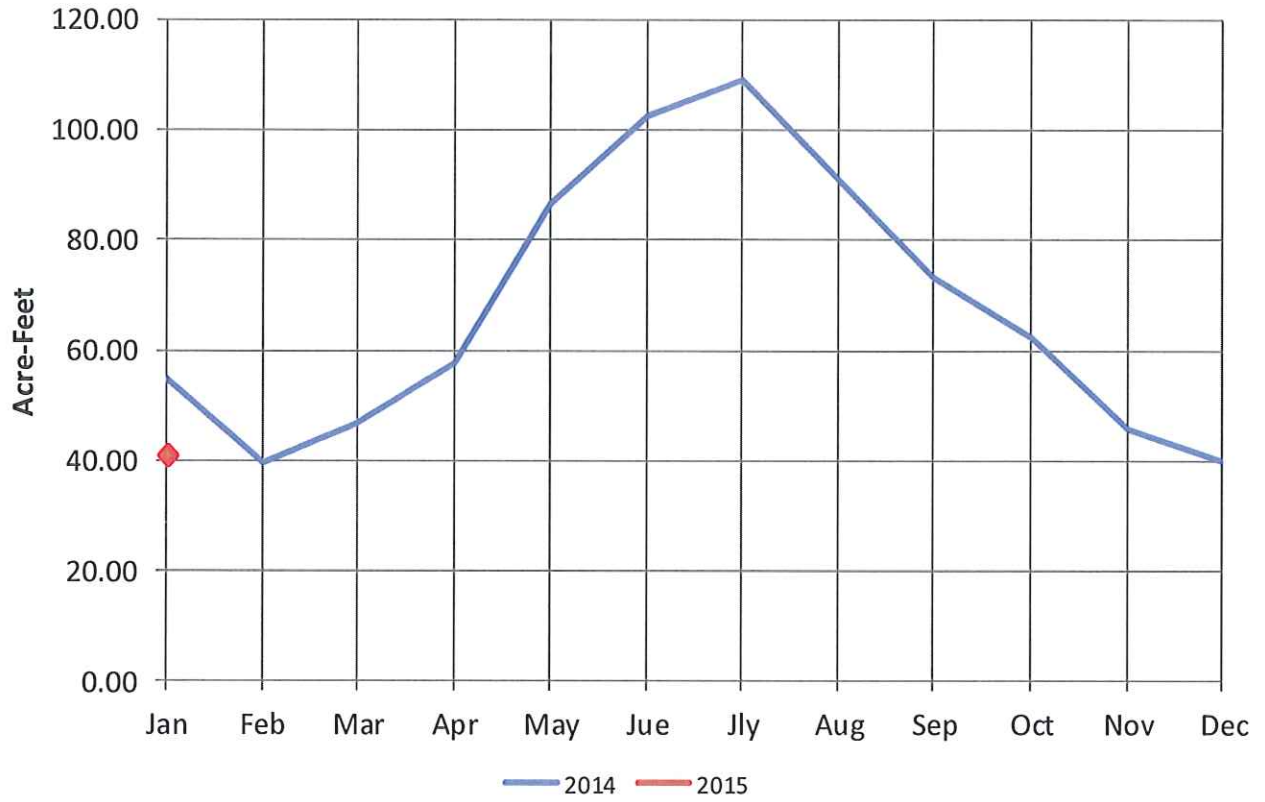
### Rainfall at HVLCSD Field Office

<i>Month</i>	<i>Inches</i>
Jan	0.01
Feb	
Mar	
Apr	
May	
Jun	
July	
Aug	
Sep	
Oct	
Nov	
Dec	
<b>Total:</b>	<b>0.01</b>

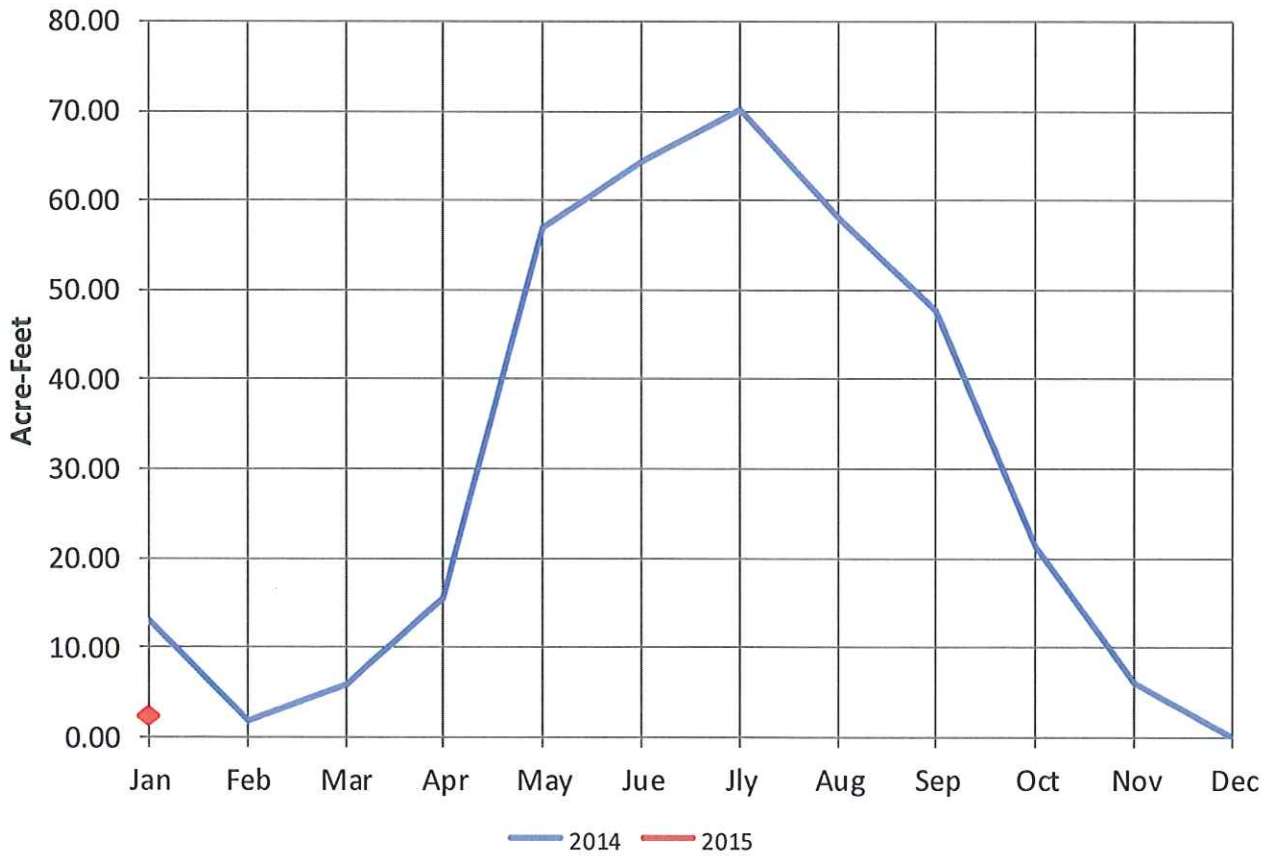
**Overtime Hours: 46.50:**

**Overtime Expense: \$1,666.71**

### HVLCSD Municipal Well Production



### Reclaimed Water Use



## **Water Operations and Maintenance**

### **Well Field**

- Performed monthly drawdown tests
- Collected hexavalent chromium samples

### **Water Distribution System**

- Staff completed 68 service orders in January.

### **General Repairs and Maintenance**

- Staff performed daily rounds/general maintenance.
- 

## **Wastewater Operations and Maintenance**

### **Wastewater Collection System**

- Routine maintenance.
- Trouble shooting second 800 pump, other 800 pump to be reinstalled shortly.
- Repaired 400 pump.

### **Wastewater Treatment Plant**

- Disassembled and cleaned sprayers on clarifier.
- Routine maintenance and lab testing.

### **Wastewater Data:**

EFF Pond level elevation = 11.92 feet

December Plant Influent = 7.4 million gallons



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

**DATE:** February 17, 2015

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

---

**RECOMMENDATIONS:**

Conduct public hearing in accordance with Government Code Section 61115 to provide the landowners associated with the properties identified in Exhibit A, and/or the public, the opportunity to protest or otherwise dispute the default balances calculated by staff for each of the properties identified in Exhibit A. At the conclusion of the public hearing and in the absence of good cause, staff recommends that the Board uphold the charges and associated penalty fees as proposed in Exhibit A.

**FINANCIAL IMPACT:**

Potential recovery of \$1,774.89 past due charges and associated penalty fees.

**BACKGROUND:**

Default balance liens are typically placed on properties with District water and/or sewer accounts that are at least 45 days past due. A list of properties with past due accounts of 45 days or longer, and for which the District has not already placed a lien against, is presented in Exhibit A. Pursuant to Government Code Section 61115, the Board must hold a public hearing to allow landowners the opportunity to protest or otherwise dispute the charges and associated penalty fees being levied against their property by the District. At the conclusion of the public hearing the Board can uphold or modify the charges and associated penalty fees for any or all subject properties.

---



APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, Roland Sanford, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular board meeting thereof held on (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent:

---

Secretary to the Board

**PROPERTY LIENS - FEBRUARY 2015**

**EXHIBIT A**

A \$10 FILING FEE HAS BEEN ADDED

<b>NAME</b>	<b>ADDRESS</b>	<b>APN</b>	<b>AMOUNT</b>
LESTER & LARA FLYNN	16789 HAWKS HILL ROAD	142-053-04	383.44
NIKKI BURRELL	18133 DEER HILL ROAD	142-035-02	285.87
	17480 MEADOW VIEW		
LAUREN FAUMUINA	DRIVE	141-081-26	400.62
	18906 HIDDEN VALLEY		
ANA MARIA FOOTMAN	ROAD	141-322-11	383.44
ALLEADA MCKELL	18834 DEER HILL ROAD	141-131-04	107.02
REGINALD & LAURA			
MEIRLAEN	19044 SPYGLASS ROAD	141-303-09	163.50
ROY COHEN	17468 DEER HILL ROAD	142-332-26	50.00
			<hr/>
			<b>1,773.89</b>

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

**DATE:** February 17, 2015

**AGENDA ITEM:** Discussion and Possible Action: Adoption of Resolution 2015-05 confirming default balances and directing staff to file liens on real property

---

**RECOMMENDATIONS:**

Adopt Resolution 2015-05 of the Board of Directors of the Hidden Valley Lake Community Services District confirming the Default Balance associated with the Defaulting Bill Identified in Exhibit A and directing staff to file a lien on said properties.

**FINANCIAL IMPACT:**

Potential recovery of \$1,774.89 past due charges and associated penalty fees.

**BACKGROUND:**

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

APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, Roland Sanford, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular board meeting thereof held on (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent

---

Secretary to the Board



RESOLUTION NO. 2015-05

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

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

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

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

WHEREAS, in accordance with Resolution No. 2008-02, said public hearing was conducted on February 17, 2015, at 7:00 p.m. at 19400 Hartmann Road, Boardroom, Hidden Valley Lake, California; and

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

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

NOW, THEREFORE, BE IT RESOLVED, the District Board of Directors hereby adopts Resolution No. 2015-05 confirming the Default Balance in the amount of \$1,773.89; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, the District does direct the staff to file a lien for the unpaid Default Balances listed in exhibit A in the amount of \$1,773.89.

I HEREBY CERTIFY that the foregoing resolution was duly and regularly introduced and adopted by the Board of Directors of the Hidden Valley Lake Community Services District, County of Lake, State of California, on the 17th of February, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said District this 17th of January, 2015.

---

Roland Sanford  
General Manager/Secretary to the Board of Directors

---

Jim Freeman  
President of the Board of Directors

**PROPERTY LIENS - FEBRUARY 2015**

**EXHIBIT A**

A \$10 FILING FEE HAS BEEN ADDED

<b>NAME</b>	<b>ADDRESS</b>	<b>APN</b>	<b>AMOUNT</b>
LESTER & LARA FLYNN	16789 HAWKS HILL ROAD	142-053-04	383.44
NIKKI BURRELL	18133 DEER HILL ROAD	142-035-02	285.87
	17480 MEADOW VIEW		
LAUREN FAUMUINA	DRIVE	141-081-26	400.62
	18906 HIDDEN VALLEY		
ANA MARIA FOOTMAN	ROAD	141-322-11	383.44
ALLEADA MCKELL	18834 DEER HILL ROAD	141-131-04	107.02
REGINALD & LAURA			
MEIRLAEN	19044 SPYGLASS ROAD	141-303-09	163.50
ROY COHEN	17468 DEER HILL ROAD	142-332-26	50.00
			<hr/>
			<b>1,773.89</b>

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

**DATE:** February 17, 2015

**AGENDA ITEM:** Discussion and Possible Action: Issuance of Proposition 218 Notice in advance of proposed water/sewer rate increase hearing on April 21, 2015

---

**RECOMMENDATIONS:**

Authorize staff to issue Proposition 218 Notice in advance of proposed water/sewer rate increase hearing on April 21, 2015.

**FINANCIAL IMPACT:**

Approximately \$2,000 for printing and mailing

**BACKGROUND:**

NHA Advisors have reviewed the water/sewer rate models, financial plans and proposed rates developed by NBS consultants. Other than a comment regarding operating reserves – NHA Advisors typically recommends 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 – had 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 rate increase hearing on April 21, 2015. Pursuant to state law, the 218 Notice must be issued 45 days in advance of the rate increase hearing. In this case, the absolute deadline for issuing the 218 notice is March 6, 2015. Staff recommends the Board review the attached draft 218 Notice and authorize staff to issue the notice as presented, or revised by the Board.

---



APPROVED  
AS RECOMMENDED

OTHER  
(SEE BELOW)

---

Modification to recommendation and/or other actions:

---

I, Roland Sanford, Secretary to the Board, do hereby certify that the foregoing action was regularly introduced, passed, and adopted by said Board of Directors at a regular board meeting thereof held on (DATE) by the following vote:

Ayes:

Noes:

Abstain:

Absent:

---

Secretary to the Board



# Hidden Valley Lake Community Services District

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



## Proposition 218 Notification NOTICE OF PUBLIC HEARING ON PROPOSED SEWER AND WATER RATES

HEARING DATE: April 21, 2015

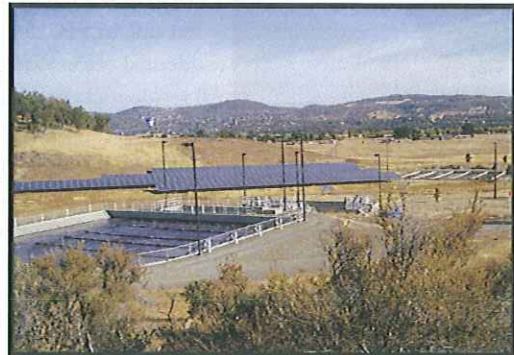
TIME: 7:00 p.m.

LOCATION: Hidden Valley Lake CSD  
Administration Office  
19400 Hartmann Road  
Hidden Valley Lake, CA

**DRAFT**

The Hidden Valley Lake Community Services District (District) is proposing to establish new sewer and water rate structures to more equitably distribute the cost of providing sewer and water services among the various residential and commercial user classes, and to increase sewer and water rate charges to finance the maintenance and repair of aging sewer and water infrastructure, upgrade existing facilities to comply with new unfunded state and federal mandates, and restore reserve funds that have been drawn down and in some cases depleted during the recent economic recession. If adopted, the proposed rate changes will become effective on or after July 1, 2015.

**Why are you receiving this notice?** You are receiving this notice because you are either a District sewer and/or water customer or you own property that is receiving District sewer and/or water service. The purpose of the public hearing is to consider all written protests against the proposed rate changes. As the owner or customer of record of a parcel subject to the imposition of the proposed rate changes, you may submit a written protest against the proposed rate changes.



**What do sewer and water rates fund?** The District provides sewer and water utility services to residential and commercial customers. The operation and maintenance of these two utilities are financially independent of each other. All revenue generated from customer sewer and water bills is used to pay for the ongoing operation, maintenance, repair and replacement of the existing sewer and water systems. The cost of system expansions, to serve new development, is recovered through connection or demand fees imposed on the developer requesting District service. By State law, the District may not collect more revenue than is necessary to recover the costs of providing services.

### Billing Changes

**The District is switching from a bimonthly to monthly sewer and water billing cycle.** The District is proposing to switch from the current bimonthly billing cycle (one bill every two months) to a monthly residential sewer and water billing cycle. Shortening the billing cycle will provide more timely information for the customer, with regard to water usage and the detection of costly water leaks, and enhance the District's ability to comply with state mandated water conservation measures.

An informational Meeting will be held on March 27, 2015 in the Coyote Valley Elementary School Multi Use Room from 6:30 p.m. to 8:00 p.m. All residents are encouraged to attend and learn more about proposed sewer and water rates.

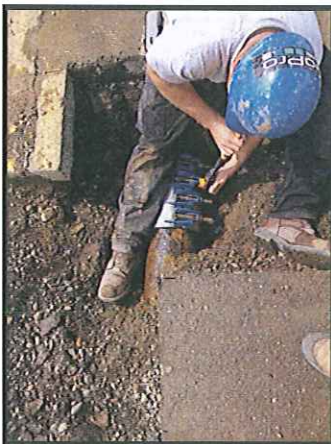


## New Sewer and Water Rates

**Capital projects a major reason for raising water and sewer rates.** Portions of the District’s wastewater collection system are over 50 years old. Many sewer lines are partially blocked with tree roots and/or have cracks and holes that allow excessive amounts of groundwater and storm water runoff to seep into the collection system, occasionally at rates that exceed the maximum design capacity of the District’s sewer collection system and wastewater treatment plant. The District has been able to avoid sewage spills and the discharge of partially or even untreated sewage, but at considerable cost. If not corrected, the leaky collection system will result in sewage spills and expensive regulatory fines.

The District’s water distribution system is also aging, as demonstrated by the number of “mainline” breaks experienced in recent years. Furthermore, there are long-standing deficiencies within the water distribution system that need correction. More recently, the State of California passed the nation’s first drinking water standard for hexavalent chromium. The District’s raw water supply has naturally occurring hexavalent chromium at concentrations that occasionally exceed the new 10 parts per billion drinking water standard and therefore, the District must construct new facilities within the next five years to remain in compliance. In addition to water treatment improvements, the District has initiated a multi-year project to secure water rights to the District’s existing water supply – an expensive and time consuming project that involves a number of technical studies.

To minimize the fiscal impact to ratepayers, the District anticipates completing most capital improvements by securing low interest loans that would be paid off over time. In order to reduce the cost of borrowing money, the District must demonstrate it possesses good credit. The District’s credit rating is determined in part by the ability to maintain fiscal reserves. The District’s reserve funds have been drawn down and in some cases were depleted during the recent economic recession. In conjunction with the anticipated capital improvements, the District is seeking to restore reserve funds.



**Proposed sewer rate charges:** Residential sewer customers currently pay a bimonthly flat rate of \$100.36, regardless of the volume of wastewater generated. The proposed residential sewer rate consists of two components, a “fixed charge”, and a “variable charge”. All residential customers pay the same fixed charge, regardless of household size, while the variable charge is determined by the average monthly water usage for the months of December through April. As a general rule, a household’s average monthly water use for the months of December through April provides a reasonable estimate of the wastewater produced by the household each month of the year. Households generating less wastewater will pay less for sewer service than households producing larger volumes of wastewater. Sewer charges will be adjusted on July 1 of each year. The variable charge will be based on actual average monthly water usage for the preceding months of December through April.

Commercial, multi-family, and government customers currently pay a monthly flat rate of \$50.18 per “household equivalent unit” (HEU). The proposed sewer rate consists of two components, a “fixed charge”, and a “variable charge”. All commercial, multi-family, and government customers pay the same fixed charge per HEU, while the variable charge is determined by actual monthly water use.

The proposed sewer rate charges for the next five years are presented in detail in the charts below. In the first year, the average monthly residential sewer bill is estimated to be \$50.95. Annually, the average cost of sewer service for a single family residential customer will increase by \$9.20, from \$602.16 to \$611.36 in the first year.

### PROPOSED MONTHLY SEWER RATES

	Current Monthly Rate	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
<b>"Fixed" Service Charge by Meter Size</b>						
Single Family Residential	\$50.18	\$38.92	\$42.03	\$45.39	\$49.02	\$51.96
Multi-Family, Commercial & Government	\$50.18	\$19.46	\$21.01	\$22.70	\$24.51	\$25.98
<b>"Variable" Service Charge per 100 cubic feet of water used during winter months</b>						
Single Family Residential	-	\$2.07	\$2.23	\$2.41	\$2.60	\$2.76
Multi-Family, Commercial & Government	-	\$2.25	\$2.43	\$2.62	\$2.83	\$3.00



**Proposed water rate changes:** The current residential water rate schedule consists of a bimonthly base rate of \$74.26 for the first 3,000 cubic feet of water used, and a flat rate of \$2.48 for every 100 cubic feet of water used in excess of 3,000 cubic feet. The proposed water rate consists of two components, a “fixed charge” and a “variable charge”. All residential customers pay the same fixed charge, regardless of household size, while the variable charge is determined by the amount of water used each month.

Increasing water use will result in a higher variable charge, not only because more water is used, but also because the unit cost (cost per 100 cubic feet of water) increases with increasing usage. Under the proposed water rate structure, the first 700 cubic feet of water used each month will cost the least (\$1.50 per 100 cubic feet, in the first year). Additional water usage in excess of 700 cubic feet but less than 1,100 cubic feet will be charged at a higher unit cost rate (\$1.88 per 100 cubic feet, in the first year), usage in excess of 1,100 but less than 2,400 cubic feet will be charged at a still higher unit cost rate (\$2.35 per 100 cubic feet, in the first year), while usage in excess of 2,400 cubic feet per month will be charged the highest unit cost rate (\$2.93 per 100 cubic feet, in the first year). This approach to water billing is commonly referred to as a “tiered water rate structure” because the unit cost of water increases in a series of steps or “tiers”. The District is proposing a tiered water rate structure to incentivize water conservation and enhance the District’s ability to comply with state mandated water conservation measures.



The current commercial water rate schedule consists of a monthly base rate of \$37.13 for the first 1,500 cubic feet of water used, and a flat rate of \$2.48 for every 100 cubic feet of water used in excess of 1,500 cubic feet. The proposed water rate consists of two components, a “fixed charge” and a “variable charge”. All commercial customers pay the same fixed charge, while the variable charge is determined by the amount of water used each month.

The proposed water rate charges over the next five years are presented in detail in the charts below. The total amount of your water bill will depend on the amount of water used. In the first year, the average monthly water bill for a single family residential customer is estimated to be \$41.59. Water bills will typically be noticeably higher in the summer months, when water usage rates are highest. Annually, the average cost of water service for a single family residential customer will increase by \$53.56, from \$445.56 to \$499.12 in the first year.

**PROPOSED MONTHLY WATER RATES**

<i>"Fixed" Service Charge by Meter Size</i>	Current Monthly Rate	FY 2015/2016	FY 2016/2017	FY 2017/2018	FY 2018/2019	FY 2019/2020
5/8-inch (*)	\$37.13	\$27.54	\$30.57	\$33.93	\$36.65	\$39.58
3/4-inch	\$37.13	\$40.37	\$44.81	\$49.74	\$53.72	\$58.02
1-inch	\$37.13	\$66.04	\$73.30	\$81.37	\$87.88	\$94.91
1 1/2-inch	\$37.13	\$130.20	\$144.52	\$160.42	\$173.25	\$187.11
2-inch	\$37.13	\$207.19	\$229.99	\$255.28	\$275.71	\$297.76
<b><i>"Variable" Service Charge per 100 cubic feet of water used</i></b>						
<b>Residential Accounts:</b>						
Tier 1: (0 - 7 hcf)	\$2.48 (**)	\$1.50	\$1.67	\$1.85	\$2.00	\$2.16
Tier 2: (7.01 - 11 hcf)		\$1.88	\$2.08	\$2.31	\$2.50	\$2.70
Tier 3: (11.01 - 24 hcf)		\$2.35	\$2.60	\$2.89	\$3.12	\$3.37
Tier 4: (above 24 hcf)		\$2.93	\$3.26	\$3.61	\$3.90	\$4.21
<b>Commercial Accounts</b>						
		\$1.86	\$2.07	\$2.30	\$2.48	\$2.68

Notes:

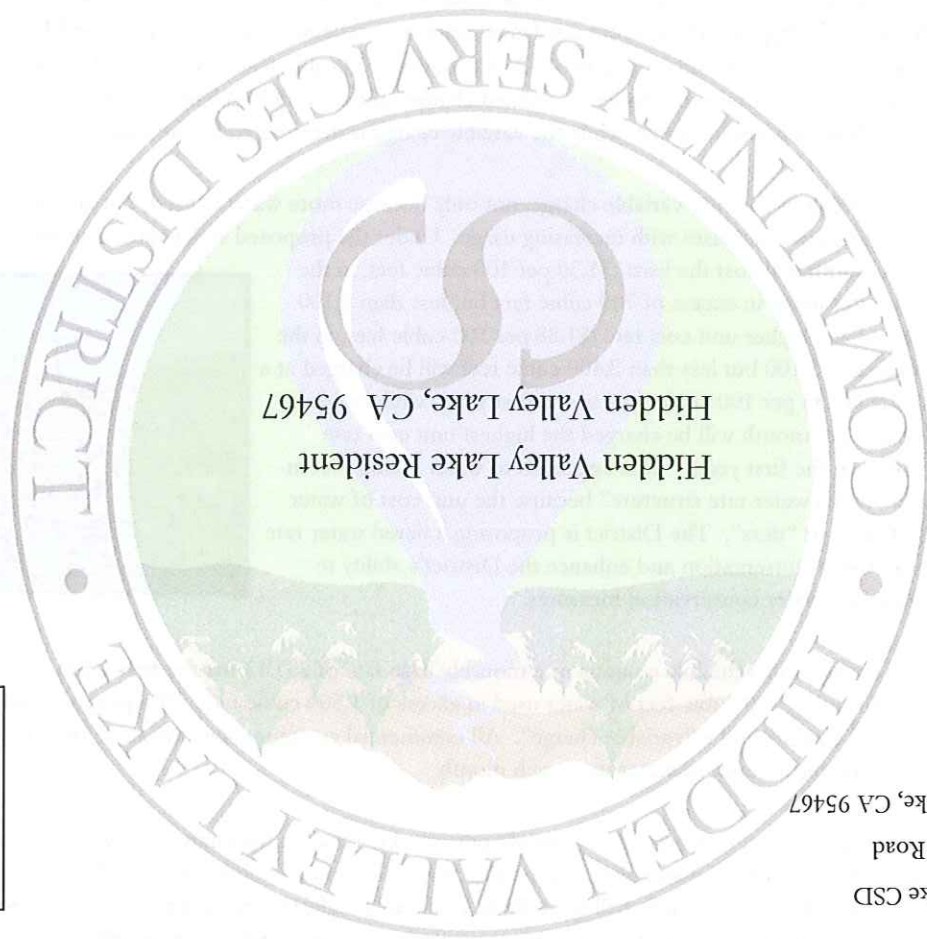
\*Most common single family residential meter size

\*\*\$2.48 per every 100 cubic feet used in excess of 1,500 cf/month



Sign up for e-statements and automated notifications at [www.hiddenvalleylakecsd.com](http://www.hiddenvalleylakecsd.com) or contact our District Office at (707) 987-9201.





Hidden Valley Lake CSD  
19400 Hartmann Road  
Hidden Valley Lake, CA 95467

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Permit NO. 12

## How to Protest the Proposed Changes

**How to protest the proposed rate changes:** As the owner or customer of record of a parcel subject to the imposition of the proposed rate changes, you may submit a written protest against the proposed rate changes. Provided, however, if the identified parcel has more than one owner and/or customer of record, only one written protest will be counted.

Each protest must (1) be in writing; (2) state the specific rate changes for which the protest is being submitted; (3) provide the location of the identified parcel (by assessor's parcel number or street address); and (4) include the original signature of the owner or customer of record submitting the protest. Protests submitted by e-mail, facsimile or other electronic means will *not* be accepted. Written protests may be submitted by mail to **General Manager Roland Sanford, Hidden Valley Lake CSD, 19400 Hartmann Road, Hidden Valley Lake, CA 95467**, or in person at the public hearing, so long as they are received prior to the conclusion of the public hearing. Please identify on the front of the envelope for any protest, whether mailed or submitted in person to the General Manager, that the enclosed letter is in regards to the December 16, 2014 Public Hearing on the proposed sewer and water rate changes.

If you would like more information about the proposed water/wastewater rate increases visit [www.hiddenvalleylakecsd.com](http://www.hiddenvalleylakecsd.com) and click on "Rate Study", or call 707-987-9201.



Mark your calendar! Monthly bill payments will be ***due on the 20th*** of each month unless the 20th falls on a weekend payments will be due on the following Monday.

# HIDDEN VALLEY LAKE CSD

**DRAFT**

## Informational Meeting “Proposed Sewer and Water Rates”

Hidden Valley Lake residents and property owners are encouraged to attend an informational meeting on the District’s proposed sewer and water rates, to be held at the Coyote Valley Elementary School Multi Purpose Room on from 6:30 p.m. - 8:00 p.m. on March 27, 2015. The District is proposing to establish new sewer and water rate structures to more equitably distribute the cost of providing sewer and water services among the various residential and commercial user classes, and to increase sewer and water rate charges to finance the maintenance and repair of aging sewer and water infrastructure, upgrade existing facilities to comply with new unfunded state and federal mandates, and restore reserve funds that have been drawn down and in some cases depleted during the recent economic recession. If adopted, the proposed rate changes will become effective on or after July 1, 2015.

Additional information is posted on our website at [www.hiddenvalleylakecsd.com](http://www.hiddenvalleylakecsd.com) under “Rate Study” or you may pick up a hard copy at the District Office at 19400 Hartmann Road, Monday - Friday 8:00 a.m. to 5:00 p.m.

### Informational Meeting

- ◆ Welcome
- ◆ Why do we need a rate increase?
- ◆ How will the proposed new rate structure will work?
- ◆ How will this effect your bill?



# California Water Service Co. gets grant to help maintain Lucerne water supply



TUESDAY, 10 FEBRUARY 2015 00:21 LAKE COUNTY NEWS REPORTS

LUCERNE, Calif. – California Water Service Co. announced that it has received a \$136,000 grant from the State Water Resources Control Board's Division of Drinking Water to perform a two-phase improvement project on its intake pump in Clear Lake, the sole water source for Cal Water's Lucerne area customers.

The grant, which will allow Cal Water to draw water from lower water levels and maintain an uninterrupted water supply for customers, also will enable the company to complete the project without impacting Lucerne customers' water rates.

"We have been closely monitoring the water level in Clear Lake, and given the severity and duration of the drought, our customers' water supply would be affected in another dry year," said Martin A. Kropelnicki, Cal Water president and chief executive officer. "We are also very sensitive to rate increases and understand the potential rate impact improvements like this could have on our small customer base."

Due to the drought, the lake's water levels were threatening to drop too low to be pumped by existing equipment.

As a short-term solution, Cal Water crews extended the depth of the pump by 2 feet. The extension enables the company to continue drawing water as the lake level declines further.

For the second phase, Cal Water is designing a long-term solution that includes a floating intake pump structure that is responsive to rising and falling lake levels to draw water from the lake.

The floating structure can also allow water to be drawn from different levels in the lake, which could require less treatment in the water treatment plant and be more cost-effective in the long run.

"I am very pleased that our team consisting of local employees, engineers, and water quality professionals were able to secure grant funding to enable us to make the necessary improvements to help ensure a reliable supply of water to our customers without a financial impact to them," Kropelnicki said.

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## California pledges changes in protecting underground water

**BY ELLEN KNICKMEYER ASSOCIATED PRESS on February 9, 2015, 1:02PM02/09/2015**  
**Updated 2 hours ago.**

SAN FRANCISCO — California is proposing broad changes in the way it protects underground water sources from oil and gas operations, after finding 2,500 instances in which the state authorized oil and gas operations in protected water aquifers.

State oil and gas regulators on Monday released a plan they sent the U.S. Environmental Protection Agency last week for bringing the state back into compliance with federal safe-drinking water requirements.

An ongoing state and federal review has determined the state has repeatedly authorized oil-industry injection into aquifers that were supposed to be protected as current or potential sources of water for drinking and watering crops and livestock.

An Associated Press analysis found hundreds of the now-challenged state permits for oilfield injection into protected aquifers have been granted since 2011, despite growing EPA warnings about oilfield threats to the state's underground water reserves.

"It's a problem that needs our very close attention and an urgent path forward," Steve Bohlen, head of the state Department of Conservation's oil and gas division, told reporters Monday.

Bohlen said 140 of those 2,553 injection wells were of primary concern to the state now, because they were actively injecting oil-field fluids into aquifers with especially designated good water quality.

State water officials currently are reviewing those 140 oil-field wells to see which are near water wells and to assess any contamination of water aquifers from the oil and gas operations, Bohlen said.

The U.S. EPA had given the state until Friday to detail how it would deal with current injection into protected water aquifers and stop future permitting of risky injection.

The plan submitted by the state outlines plans and timelines for dealing with current risks. The proposal also recommends regulatory changes for oversight of oil and gas operations and water aquifers.

An AP analysis of state records showed 46 percent of those 2,553 oil-field injection wells were approved or began injection after 2011, despite the state's drought and what were then increasing federal warnings that California was not doing enough to protect potential underground water sources from contamination by oil fields.

California regulators said they believe that the actual percentage is lower than state records show, but they added they do not know how much lower.

California is the country's third-largest oil-producing state.



## Federal government to boost drought funding by \$50 million (w/video)

**BY FENIT NIRAPPIL ASSOCIATED PRESS on February 6, 2015, 11:29AM02/06/2015**  
**Updated 5 minutes ago.**

SACRAMENTO — The federal government is offering up to \$50 million for drought relief in western states as California enters its fourth dry year, U.S. Secretary of the Interior Sally Jewell and Gov. Jerry Brown announced Friday.

The additional funding includes about \$20 million for the Central Valley Water Project for efforts such as water transfers, drought monitoring for endangered species and diversifying water supplies.

"California is ground zero for the drought. There is no state that is worse off," Jewell said.

Farmers and local water departments can also compete for another \$14 million for projects to help reduce water use and develop response plans to continuing drought conditions.

The funding announcement comes as storms hit Northern California after an unusually dry January. A survey of the Sierra Nevada snowpack, California's primary water source, found a quarter of its normal water level.

The Department of Interior funding is a sliver of previous drought relief commitments. Last February, President Barack Obama pledged \$183 million, mostly for farmers who lost livestock and food banks to help unemployed agriculture workers. Brown in March signed a \$687 million drought-relief package, including for emergency drinking water and accelerating infrastructure supplies.

The State Water Resources Control Board announced this week that Californians cut monthly water use by 22 percent in December, meeting Brown's call to slash residential water use by 20 percent for the first time. The board may impose further limits on outdoor water use as the state tries to protect supplies, but Brown said he's not ready for mandatory restrictions statewide.

"I'm reluctant to expand the coercive power of state authority," Brown said. "In a democracy, it is fundamental that citizens be the driving force. It's my job to encourage and inspire and monitor, but before we have, you know, full-scale rationing we have to have a few more problems than we currently have."

Brown also is proposing spending \$115 million for emergency drinking water and money for firefighting this year as part of his budget.

California is only delivering 15 percent of the water requested from the state's vast reservoir system to farmers and local agencies this year. The Interior Department will announce how much water it will send to Central Valley farmers under a separate reservoir system later this month.

Follow Fenit Nirappil at <http://www.twitter.com/FenitN>



# Save Our Water updates State Water Resources Control Board on upcoming conservation education efforts



FRIDAY, 06 FEBRUARY 2015 01:20 LAKE COUNTY NEWS REPORTS

As California faces a fourth year of serious drought, Save Our Water – the state’s water conservation program – updated the State Water Resources Control Board this week on its plans to help Californians make lasting and permanent reductions in the amount of water they use every day.

This update came as the board released a report on urban water use showing Californians saved 29.9 billion gallons of water in December 2014, representing a 22.2-percent reduction in water use from December 2013.

This is the first time the state has met the 20 percent water-reduction target called for by Gov. Jerry Brown.

Building on the program’s successes in 2014, Save Our Water is expanding its message of conservation with a focus on changing long-term water-use behavior.

The program aims to give Californians the tools and information they need to permanently reduce water use, regardless of whether the state is in a drought.

Conservation – the wise, sparing use of water – remains California’s most reliable drought management tool, officials reported.

Each individual act of conservation – such as letting lawn go brown or replacing a washer in a faucet to stop a leak – makes a difference.

“We learned from our efforts last year, especially in how Save Our Water needs to deliver information to a state as vast as California,” said Jennifer Persike, Association of California Water Agencies deputy executive director of external affairs and operations. “We want to get the right information and tools to the right audiences to ensure our efforts make a difference.”

In January Save Our Water launched an all-new Web site, <http://www.saveourwater.com/>, with new tips and tools, as well as a helpful design that allows Californians to access the program’s wealth of information from mobile devices.

The program is busy developing additional content, including a new Spanish-language website and an easy-to-use household water calculator that will offer tailored conservation information to users.

“We want Save Our Water to inspire all Californians to conserve water not just in the depth of drought, but all the time, every year,” said Nancy Vogel, director of the California Department of Water Resources’ public affairs office.

Throughout the drought, Save Our Water has aimed to give Californians tools and tips on saving water at home and at work, every day.

In addition to the new Web site, Save Our Water connects with Californians on its Facebook page, Twitter and Instagram accounts.

Save Our Water is a partnership between the Association of California Water Agencies and the California Department of Water Resources.

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## California allowed oilfield dumping into drinking water (w/video)

**BY ELLEN KNICKMEYER ASSOCIATED PRESS on February 5, 2015, 4:13PM02/05/2015**

BAKERSFIELD — Regulators in California, the country's third-largest oil-producing state, have authorized oil companies to inject production fluids and waste into what are now federally protected aquifers more than 2,500 times, risking contamination of underground water supplies that could be used for drinking water or irrigation, state records show.

While some of the permits go back decades, an Associated Press analysis found that nearly half of those injection wells — 46 percent — were permitted or began injection in the last four years under Gov. Jerry Brown, who has pushed state oil and gas regulators to speed up the permitting process. And it happened despite warnings from the U.S. Environmental Protection Agency since 2011 that state regulators were failing to do enough to shield groundwater reserves from the threat of oilfield pollution.

In California, "we need a big course correction. We need to get the system back in compliance," said Jared Blumenfeld, regional administrator for the EPA. "Californians expect their water is not being polluted by oil producers ... This poses that very real danger."

The injections are convenient to oil companies because drilling brings up 13 gallons of wastewater for every gallon of petroleum. And one of the easiest disposal methods is simply to send that waste back underground.

The federal government is now demanding that state officials take immediate steps to find and deal with any contamination and end oil-industry operations in all aquifers set aside for families and farms.

Those water supplies are especially vital because California, the nation's most populous state and its agricultural leader, is now entering the fourth year of a historic drought.

State officials acknowledge that regulators erred, citing confusion about the boundaries of aquifers and oil fields or long-standing state misinterpretations of federal water-safety requirements. The vast majority of the permits were granted after the federal Safe Drinking Water Act in 1974.

For some of the permits, "we don't know how this got approved," said Jason Marshall, deputy director of the California Department of Conservation, which directly regulates the state's oil and gas industry.

In one case, regulators signed off on an application to inject wastewater into a federally protected aquifer, then realized their error and raced to the site.

"He had done injection for about 20 minutes," Marshall recalled. "We just said, 'Stop! You can't do that. Stop.'"

So far, state officials say they have no evidence of water contamination. But worries persist.

"The problem with just monitoring (for contaminants) is once you see it in the well, it's too late," said Timothy Parker, an independent Sacramento-based groundwater expert who has worked for the state Department of Water Resources and in the oil industry. "It's very difficult to clean up an aquifer once it's contaminated."

Over the summer, state oil and gas regulators sent the EPA lists of permits that allow oil companies to inject waste or production fluid into aquifers that were protected by the federal government. In December, the EPA gave the state until Friday to draft a plan for halting the practice and bringing the state into compliance with the 1974 Safe Drinking Water Act. The state has until 2017 to stop injections into any aquifer that has not been specifically designated for oil-industry waste disposal or drilling.

Officials are determined to both "manage the transition" back into compliance with federal law and to "maintain a robust oil industry," said Steve Bohlen, head of oil, gas and geothermal resources for the California Department of Conservation.

Of the 2,553 injection wells that the state has identified as risking contamination of protected aquifers, 1,172 were approved by the state or began injection in the last four years since Brown took office, according to state records. Marshall said Thursday that he believes the number in those years is actually lower than the records show, but the state does not know how much lower.

"We know our data has problems," he added.

Brown is a leading supporter of solar, wind and other renewable energy. But the Democratic governor has also supported tapping California's oil reserves.

In late 2011, Brown fired the state's top two oil-and-gas regulators after oil companies complained that their environmental reviews were slowing drilling permits. By early 2012, he was boasting of a double-digit jump in drilling-permit approvals as a result of those firings.

"The oil rigs are moving in Kern County. We want to use our resources ... our sun and all the other sources of power," Brown told a crowd in 2012 at the opening of a solar plant near Sacramento. "It's not going to be easy. There's going to be screw-ups. There's going to be bankruptcies. There'll be indictments, and there'll be deaths. But we're going to keep going."

Richard Stapler, spokesman for California's Natural Resources Agency, said neither the firings nor Brown's statements played a role in the hundreds of drilling permits granted for protected aquifers in his most recent term.

State officials said high oil prices earlier in the decade and a U.S. push for domestic oil production led to a surge in mistakenly granted permits.

"What we really want to do right now is make sure we're not currently impacting public health and to put safeguards in place to make sure this does not happen again, and then we can determine precisely how it occurred in the past," Stapler said.

Most of the permits were granted for drilling sites in central California's Kern County, one of the country's main oil-producing counties. Many of the injection wells are in oilfields thick with rigs, tanks and disposal wells. But others sit among citrus groves, row crops and homes.



The AP found more than 170 permits involved aquifers met both federal and state standards for potential drinking water. That included at least 27 permits that authorized injections into aquifers with water state documents rated clean enough to tap for drinking without treatment.

At issue are so-called Class II injection wells, used to inject high-pressure steam or other material underground to force up oil and gas or to dispose of water — often briny — and other waste that comes up with the oil.

California oil-and-gas industry wells bring up 13 barrels of water for every barrel of oil, and oil companies say having a way to dispose of the waste is essential to the industry.

The injected wastewater is often cleaner than the water already underground. Other times, the injections can include high concentrations of salt or other chemicals.

Industry representatives say any threat to underground water sources is minimal.

"It's not a crisis, not a wide-scale problem. I think the fact the (state) identified the issue, took action and is now seeking to remedy, suggests the system works pretty well," said Tupper Hull of the Western States Petroleum Association.

In an orchard within sight of a disposal wells shut down by the state, fourth-generation farmer Mike Hopkins ran a hand over his face and turned to compose himself when asked about the threat of oil-field wastewater to aquifers farmers use.

Hopkins said damage from injections forced him to pull up his cherry trees in 2013, and he has filed a lawsuit blaming the oil companies with fracking wells and other installations that ring his orchards. The companies deny responsibility.

"We're farmers," Hopkins said. Pulling up the withered fruit trees "broke our hearts."

Associated Press Writer Serdar Tumgoren in San Francisco contributed to this report.

BAKERSFIELD — Regulators in California, the country's third-largest oil-producing state, have authorized oil companies to inject production fluids and waste into what are now federally protected aquifers more than 2,500 times, risking contamination of underground water supplies that could be used for drinking water or irrigation, state records show.

While some of the permits go back decades, an Associated Press analysis found that nearly half of those injection wells — 46 percent — were permitted or began injection in the last four years under Gov. Jerry Brown, who has pushed state oil and gas regulators to speed up the permitting process. And it happened despite warnings from the U.S. Environmental Protection Agency since 2011 that state regulators were failing to do enough to shield groundwater reserves from the threat of oilfield pollution.

In California, "we need a big course correction. We need to get the system back in compliance," said Jared Blumenfeld, regional administrator for the EPA. "Californians expect their water is not being polluted by oil producers ... This poses that very real danger."

The injections are convenient to oil companies because drilling brings up 13 gallons of wastewater for every gallon of petroleum. And one of the easiest disposal methods is simply to send that waste back underground.



The federal government is now demanding that state officials take immediate steps to find and deal with any contamination and end oil-industry operations in all aquifers set aside for families and farms.

Those water supplies are especially vital because California, the nation's most populous state and its agricultural leader, is now entering the fourth year of a historic drought.

State officials acknowledge that regulators erred, citing confusion about the boundaries of aquifers and oil fields or long-standing state misinterpretations of federal water-safety requirements. The vast majority of the permits were granted after the federal Safe Drinking Water Act in 1974.

For some of the permits, "we don't know how this got approved," said Jason Marshall, deputy director of the California Department of Conservation, which directly regulates the state's oil and gas industry.

In one case, regulators signed off on an application to inject wastewater into a federally protected aquifer, then realized their error and raced to the site.

"He had done injection for about 20 minutes," Marshall recalled. "We just said, 'Stop! You can't do that. Stop.'"

So far, state officials say they have no evidence of water contamination. But worries persist.

"The problem with just monitoring (for contaminants) is once you see it in the well, it's too late," said Timothy Parker, an independent Sacramento-based groundwater expert who has worked for the state Department of Water Resources and in the oil industry. "It's very difficult to clean up an aquifer once it's contaminated."

Over the summer, state oil and gas regulators sent the EPA lists of permits that allow oil companies to inject waste or production fluid into aquifers that were protected by the federal government. In December, the EPA gave the state until Friday to draft a plan for halting the practice and bringing the state into compliance with the 1974 Safe Drinking Water Act. The state has until 2017 to stop injections into any aquifer that has not been specifically designated for oil-industry waste disposal or drilling.

Officials are determined to both "manage the transition" back into compliance with federal law and to "maintain a robust oil industry," said Steve Bohlen, head of oil, gas and geothermal resources for the California Department of Conservation.

Of the 2,553 injection wells that the state has identified as risking contamination of protected aquifers, 1,172 were approved by the state or began injection in the last four years since Brown took office, according to state records. Marshall said Thursday that he believes the number in those years is actually lower than the records show, but the state does not know how much lower.

"We know our data has problems," he added.

Brown is a leading supporter of solar, wind and other renewable energy. But the Democratic governor has also supported tapping California's oil reserves.

In late 2011, Brown fired the state's top two oil-and-gas regulators after oil companies complained that their environmental reviews were slowing drilling permits. By early 2012, he was boasting of a double-digit jump in drilling-permit approvals as a result of those firings.

"The oil rigs are moving in Kern County. We want to use our resources ... our sun and all the other sources of power," Brown told a crowd in 2012 at the opening of a solar plant near Sacramento. "It's not going to be easy. There's going to be screw-ups. There's going to be bankruptcies. There'll be indictments, and there'll be deaths. But we're going to keep going."

Richard Stapler, spokesman for California's Natural Resources Agency, said neither the firings nor Brown's statements played a role in the hundreds of drilling permits granted for protected aquifers in his most recent term.

State officials said high oil prices earlier in the decade and a U.S. push for domestic oil production led to a surge in mistakenly granted permits.

"What we really want to do right now is make sure we're not currently impacting public health and to put safeguards in place to make sure this does not happen again, and then we can determine precisely how it occurred in the past," Stapler said.

Most of the permits were granted for drilling sites in central California's Kern County, one of the country's main oil-producing counties. Many of the injection wells are in oilfields thick with rigs, tanks and disposal wells. But others sit among citrus groves, row crops and homes.

The AP found more than 170 permits involved aquifers met both federal and state standards for potential drinking water. That included at least 27 permits that authorized injections into aquifers with water state documents rated clean enough to tap for drinking without treatment.

At issue are so-called Class II injection wells, used to inject high-pressure steam or other material underground to force up oil and gas or to dispose of water — often briny — and other waste that comes up with the oil.

California oil-and-gas industry wells bring up 13 barrels of water for every barrel of oil, and oil companies say having a way to dispose of the waste is essential to the industry.

The injected wastewater is often cleaner than the water already underground. Other times, the injections can include high concentrations of salt or other chemicals.

Industry representatives say any threat to underground water sources is minimal.

"It's not a crisis, not a wide-scale problem. I think the fact the (state) identified the issue, took action and is now seeking to remedy, suggests the system works pretty well," said Tupper Hull of the Western States Petroleum Association.

In an orchard within sight of a disposal wells shut down by the state, fourth-generation farmer Mike Hopkins ran a hand over his face and turned to compose himself when asked about the threat of oil-field wastewater to aquifers farmers use.

Hopkins said damage from injections forced him to pull up his cherry trees in 2013, and he has filed a lawsuit blaming the oil companies with fracking wells and other installations that ring his orchards. The companies deny responsibility.

"We're farmers," Hopkins said. Pulling up the withered fruit trees "broke our hearts."

Associated Press Writer Serdar Tumgoren in San Francisco contributed to this report.





## Water Agency unveils flood-protection options for Sonoma

**BY ELOÍSA RUANO GONZÁLEZ THE PRESS DEMOCRAT on February 4, 2015, 9:49PM02/04/2015**

Bobcats, foxes and deer often are spotted drinking at a small channel that runs along First Street West in Sonoma, just up the block from its historic Plaza.

Several residents urged local officials at a meeting Wednesday to protect the small waterway as they look for solutions to downtown flooding. The Sonoma County Water Agency held the meeting to discuss options on dealing with the street flooding, south of Depot Park.

Possibilities ranged from installing a 54-inch pipe, building a sidewalk over the channel and doing street improvements, costing up to \$1.5 million, to simply adding a trash rack and improving the existing channel, which narrows in some areas because of overgrown eucalyptus trees.

The agency received a \$1.9 million state grant for the project, money that previously was earmarked to build a detention basin on a section of the Montini Preserve to relieve pressure on storm drains and control downstream flooding. The agency abandoned the idea and turned its attention to First Street West after the basin proposal drew major opposition from residents. The agency also determined it would not yield the storm-water recharge levels they hoped for, spokeswoman Ann DuBay said.

The project is geared toward promoting groundwater recharge and reducing flooding along Fryer Creek.

It also includes replacing a culvert on West MacArthur Street, which contributes to downstream flooding and blocks fish passage upstream. The agency also plans to put in native plants and a shady riparian canopy along the creek, DuBay said.

“You know, and we know, we have a history of flooding here in Sonoma Valley,” said Susan Gorin, chairwoman of the Sonoma County Board of Supervisors who also heads the water agency board. She said some of the pipes in the area needed to be replaced and expanded.

City officials said the open channel along First Street West often overflows during heavy storms, spilling onto sidewalks and down the roadway to the Plaza.

“Whenever there is a major storm event, we have street flooding that nearly reaches structures. In some cases, it has,” Sonoma’s Public Works Director Dan Takasugi said before the meeting, where officials were taking down residents’ comments to later submit to the Sonoma City Council, along with a recommendation.

The recommendation is expected to go before council members for a vote Feb. 18. If approved, work in the area could start as soon as 2017, according to an engineer.



## California drought: Wet December drives Californians to cut water use 22 percent from prior year

By Paul Rogers [progers@mercurynews.com](mailto:progers@mercurynews.com)

Updated: 02/03/2015 03:23:29 PM PST

record-  
bee.com

Driven by drenching rainstorms that dramatically reduced the need to water lawns, Californians cut water use 22.2 percent in December compared with the same month a year before, according to new data released Tuesday.

For the first time since last June, when the State Water Resources Control Board required the 411 largest cities and water districts in California to issue monthly water use reports, residents of the Los Angeles and San Diego areas conserved more water than residents of the Bay Area: 23.2 percent vs. 21.6 percent.

But leaders at the board said Tuesday that the impressive gains aren't expected to last.

January was bone dry and hot, and officials hope water use doesn't shoot right back up again when the tally is done for January.

"I'm choosing to be optimistic," said Felicia Marcus, chairwoman of the state water board. "Obviously it was a wet December, so people had to turn off their sprinklers. But they did make a decision to turn them off. I'm hoping people keep that up."

Marcus was frank about what the record-dry January, which saw no rainfall in some major California cities for the first time in recorded history, will do to the conservation numbers next month.

"I think it's slim we'll see 22 percent savings in January," she said. "But I hope we don't see 10 percent or lower."

If past months are an indicator, however, 10 percent or lower is quite possible.

Despite Gov. Jerry Brown's request for 20 percent savings statewide, Californians reduced water use only 9.9 percent in November, compared with the prior November; 6.9 percent in October; 10.2 percent in September; 11.5 percent in August; 7.5 percent in July and 4.4 percent in June.

As the state heads toward what could be a fourth year of drought, the state water board will begin considering options on Feb. 17 for tougher rules to reduce urban water use. Among them: requiring all water districts and cities to perform a systemwide audit of leaks, and setting specific days and times when people can water lawns, with violators facing fines.

Various water leaders from around the state said the December numbers were heartening and reinforced how important it is to reduce lawn watering -- which accounts for roughly half of all urban water use in California.

"It's encouraging. Rain helps," said Dave Boland, with the Association of California Water Agencies. "We were pleased about December, but obviously, January was pretty worrisome. It's obvious at this point that the drought emergency is still with us."

Penny Falcon, water conservation manager at the Los Angeles Department of Water and Power, said that Los Angeles spent \$50 million last year in conservation programs such as rebates to people who purchase water-efficient appliances or remove lawns. That's up from \$35 million the year before.

She acknowledged that Los Angeles in recent months has only reduced water use by 3 to 9 percent -- something that has raised criticisms because many Bay Area cities have saved 20 percent or more over the same time. But she noted that Los Angeles uses less residential water per capita than the state average -- 62 gallons per person per day in December, for example, compared with a statewide average of 67.

By comparison, in December San Francisco residents used 40 gallons per person per day, San Jose Water Company customers used 53, San Diego used 46, East Bay Municipal Utility District used 55, Bakersfield used 81, Sacramento 78 and Contra Costa Water District used 72 gallons per person per day.

Last summer, the board passed statewide rules that ban the wasteful use of water, including requiring that anyone washing a car have a nozzle on the hose they use, that ornamental fountains can only be used if they recycle their water, and that lawn watering not be excessive enough to run off into the sidewalk or neighboring properties. Violators could face fines of up to \$500, although enforcement is left up to local cities and water districts and nearly all of them have decided to issue warnings rather than issue fines.

Paul Rogers covers resources and environmental issues. Contact him at 408-920-5045. Follow him at [Twitter.com/PaulRogersSJMN](https://twitter.com/PaulRogersSJMN)





## Californians meet call to slash water use by 20 percent

**BY FENIT NIRAPPIL ASSOCIATED PRESS on February 3, 2015, 11:06AM02/03/2015**

SACRAMENTO — State officials reported Tuesday that residents in drought-stricken California met Gov. Jerry Brown's call to slash water use by 20 percent for the first time in December, when water use fell by 22 percent compared to the same month in 2013.

A survey of local water departments shows water use fell by 22 percent in December compared to the same month in 2013.

But officials at the State Water Resources Control Board cautioned that state residents may have been aided by a rainy month in December, which minimized the need to water lawns.

"It reinforces what we thought all along that the extent of outdoor water use is a huge driver of water conservation and water use," board Chairwoman Felicia Marcus said.

Brown called on residents to cut water use by 20 percent when he declared a drought emergency last year. The closest Californians previously came to reaching that goal was in August, when water use dropped 11.6 percent compared with the previous year, according to the monthly surveys of water suppliers.

The state is urging continued conservation as California enters the fourth year of a drought. The Sierra Nevada snowpack, which provides nearly a third of the state water, is 88 percent below normal.

An unseasonably dry January brought no measured rainfall in downtown San Francisco for the first time in recorded history.

More than 400 local water departments must report their residential per-capita water monthly water use compared with the year before.

The water board began collecting and publicizing the water-use numbers as part of its ongoing conservation campaign. The board imposed restrictions on watering lawns and washing cars last summer.

The water board's mandatory water restrictions are set to expire in April. The board is also considering extending and expanding those rules later this month.



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## Amid California's drought, water chief preaches conservation – and balance

BY JEREMY B. WHITE - [JWHITE@SACBEE.COM](mailto:JWHITE@SACBEE.COM)

01/30/2015 7:19 PM | Updated: 01/30/2015 10:07 PM



Felicia Marcus, chairwoman of the State Water Resources Control Board, has a central role in guiding the state's response to its historic drought.

[RANDY PENCH / RPENCH@SACBEE.COM](mailto:RPENCH@SACBEE.COM)

Felicia Marcus gets in the shower when it's still cold.

As full-time chair of California's State Water Resources Control Board, Marcus has a key role in how California stewards its finite resources during a devastating drought. So Marcus can hardly let precious water wash down the drain while she waits for the shower to heat up.

"Just using less and using it more wisely is No. 1," Marcus said of her agency's goals.

"We've had the luxury of it just coming out of the tap – if you step back, it's a miracle of civilization that we can have water as freely and inexpensively available to people that they can take it for granted."

Drought consumes Marcus' life. When she flies to San Diego, she peers out the window to see which lawns are green and which ones have been allowed to fade into yellow and brown. She bristles at restaurants that bring water to diners who haven't requested it.

"Folks in large urban communities are hundreds of miles away from where the water comes from, so they don't see what's happening," Marcus said. "There are people who are bathing out of buckets. There are people who are having to go to a community center to take a shower. There are farmers who are losing everything. There are farmworkers out of work."

The prospect of significant relief gleamed briefly in December. Storms swept over the state, swelling rivers and forcing the Department of Water Resources to activate its flood-response center in what director Mark Cowin called "a hopeful moment."

Then it barely rained in January. Record-low precipitation offered the latest indication that the drought will persist, further straining water supplies that have already dwindled sharply over the last few years.

A fourth year of drought means another year of crisis management for the constellation of agencies that manage California's water. Marcus' agency will have a pivotal role in much of it.

Gov. Jerry Brown appointed Marcus to her position in 2012, punctuating a career that has spanned public administration overseeing the Los Angeles Board of Public Works, environmental activism for groups like the Natural Resources Defense Council, and air quality and water regulation for the Environmental Protection Agency in the Clinton administration. As a young environmentalist, she co-founded Heal the Bay, which fought ongoing pollution in Santa Monica Bay.

More recently, she has played the intermediary's role she describes as "environmental therapist."

"I've been lucky to have this experience of sitting in multiple chairs, having been a litigator, an environmental activist – community organizer, really – and running a public works department where you're dealing with a river of human waste coming at you 24 hours a day and the garbage needs to be picked up," Marcus said.



Her board sets water-quality rules that help determine how much water can be delivered through the massive State Water Project, influence how much comes out of the tap in small, parched communities and shape whether technologies are cost-effective. It works to streamline permits and allocate money for drinking water and new infrastructure. It manages water rights, which lately has meant immense cutbacks. In 2013, the board issued zero “water rights curtailment” notices. In 2014, the number was 9,463.

It must consider the needs of urban users, of farmers, of disadvantaged small towns, of fish reliant on flows of fresh water – what Marcus describes as “a terrible, Solomonic set of choices.”

“People need fish, they need agriculture, they need to eat,” Marcus said. “Our task, unenviable though it may be, is to strike the balance that honors all users.”

Inevitably, that balancing act generates conflict. People petitioning the water board to relax standards and thereby free up more water for themselves had been a rarity, Marcus said. Now it is commonplace.

“Individual water users or agencies that have had very reliable water supplies are shocked when they realize they aren’t going to receive water or very limited water, or that the state board is going to curtail their water rights,” Cowin said. “There’s a period of unacceptance.”

Last year, acting on Brown’s executive order to craft new drought regulations, the board declared wasting water a criminal infraction potentially carrying a \$500 fine. The water board also ordered urban suppliers to restrict outdoor watering and to report on how much water they use, a requirement that Marcus said motivated agencies hoping to avoid being publicly outed for wastefulness.

Despite the unprecedented scope of restrictions that Association of California Water Agencies executive director Tim Quinn said “would normally have been ferociously opposed,” water importers followed the board’s lead. Quinn credited the government’s work – including that of Marcus, whom he first met when she was “a fire-breathing young dragon of an attorney” with Heal the Bay.



“I have worked with every administration going back to (Gov. George) Deukmejian,” Quinn said. “I’ve never had a better administration to work with until this now, and Felicia Marcus would be high up on my list of people who make this administration as good as it is.”

Marcus understands viscerally the dire consequences of a sustained drought. She has traveled the state and seen fallowed fields. She has heard from representatives of communities bereft of drinking water.

And yet she projects optimism that the severity of the drought will prod people into longer-term plans that will make the state’s water management smarter and more resilient. She calls it “hopefulness in the long term, frustration in the short term,” and added, “This year is going to kind of be an amazing time for both progress and horror, really.”

There is a phrase Marcus repeats often: “Belts, suspenders, flying monkeys.” It encapsulates the all-of-the-above approach she deems crucial to California’s ability to provide enough water, not just in 2015 but in future decades when the state will teem with millions more residents and the challenges of climate change will likely have intensified.

“We built our infrastructure around a model that over the decades, I think, we can change,” Marcus said.

On a recent morning, Marcus and her colleagues met to discuss the potential of “direct potable reuse” – in more direct terms, finding a way to provide more water by making larger quantities of sewage water drinkable. The State Water Resources Control Board regulates the standards dictating when treated wastewater is fit for human consumption. That affects the cost of treatment, which guides how likely agencies are to invest in the technology.

“A lot of utility people want to get to” more widespread use of recycled wastewater, Marcus said, but that entails a “multi-decade” process. It will require more innovation and shifts in what people can stomach, both literally and figuratively.

“Astronauts drink their own pee and have been for some time, but here you’re drinking someone else’s pee,” she noted, which required a higher level of vigilance. “With public health,” she said, “you want to be conservative.”

Discussing ideas like recycling wastewater, or doing a better job capturing and reusing stormwater, or engineering water systems to better recharge groundwater aquifers, animates Marcus. Everywhere she looks, she sees opportunities for California to better manage water. And this drought, painful though it has been, provides an incentive to improve.

“There’s just so much waste in the system now,” Marcus said. “People are willing to talk about it because they’re talking about the reality of more frequent water shortages.”

*Call Jeremy B. White, Bee Capitol Bureau, (916) 326-5543.*

## **Felicia Marcus**

**Age:** 59, born in Los Angeles.

**Education:** Harvard College 1977, East Asian Studies; New York University School of Law, JD 1983.

**Experience:** California Water Resources Control Board, chairwoman, 2012-present; Natural Resources Defense Council, western director, 2008-2012; Trust for Public Land, chief operating officer, 2001-2008; U.S. Environmental Protection Agency, regional administrator, 1993-2001; City of Los Angeles Board of Public Works, 1989-93.

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## Water curtailments likely as drought persists

By Leah DeAnda Ideanda@record-bee.com @RecordBee on Twitter

Updated: 01/28/2015 09:18:27 AM PST

record-bee.com

**LAKE COUNTY &GT;&GT;** With an early spring season peaking through generally sparse clouds, it appears the mid-December downpour is nearly all Lake County's rainy season could muster this season.

Compared with December's 13.21 inches of rainfall as measured near Lakeport, January has seen just .15 inches, according to National Weather Service Meteorologist Craig Shoemaker.

The average water year for the area, as recorded from 1981 and measured between Oct. 1 and Sept. 30, brings about 31 inches. Since Oct. 1, Lake County has only received 18.53 inches.

No significant rainfall is on the horizon either, although some very light showers are expected this afternoon. The next major system won't be approaching until sometime in February, Shoemaker said.

Looking forward to another dry year, the State Water Resources Control Board has already sent a notice to water right holders explaining curtailments could be more wide-sweeping this year.

Previously, notices to curtail water usage were issued to all post-1914 water right holders in the Sacramento-San Joaquin, Russian and Eel River watersheds on May 27. Most recently, curtailments in the Sacramento-San Joaquin watershed, in which Lake County sits, were temporarily lifted on Nov. 19.

While December's weather system, nicknamed the "Pineapple Express" for its Hawaiian origins, brought a much-needed dousing to Northern California, it wasn't nearly enough to make much more than a small dent in long-term drought conditions. Now January has brought less than an inch of rain to the region and February's forecasts aren't promising either.

"If hydrologic conditions do not significantly improve in the next several months, the State Water Board will once again begin notifying water right holders of the requirement to limit or stop diversions of water under their water right," the board's notice reads.

It also warns some more senior riparian and pre-1914 water right holders aren't immune from the board's regulations either and "can also receive a notice to stop diverting water based on their priority or limitation of natural flow."

The notice urges water right holders to look into additional conservation measures and alternative water supplies. Planting and planning decisions should be made in light of possible curtailment of junior rights, it advises.



# Less water puts a dent in regional economy

By Heather Hacking  
Chico Enterprise-Record

**OROVILLE** » California is in the middle of a growth spurt and a corresponding crunch for water resources.

Right now, California has 38 million people (roughly the equivalent of the entire country of Canada) and can expect to reach 51 million by 2050, speaker Todd Manly said during the North State Economic Forecast Conference in Oroville Thursday.

Manly, director of government relations for Northern California Water Association, added that there are 43 million acres of agricultural land (including grazing). Of that land, about 9 million acres are irrigated. Statewide there are 14 million housing units, and 40,000 acres of ag land are converted each year, he continued.

After three years of drought, California really felt the pinch last winter. Storage helped for the first two years, but stored water was gone.

The impact on agriculture was enormous, with many water ag districts receiving no water and others 50-65 percent.

Urban areas were also cut back and some conserved dramatically.

The water situation doesn't look particularly rosy after the first few weeks of 2015. Northern California's main reservoirs, Shasta and Oroville, are still at 68 and 62 percent of average storage, and nobody knows if big rainstorms will appear, Manly continued.

The passage of Proposition 1, the state water bond, may help, but it will take time for projects funded



BILL HUSA — CHICO ENTERPRISE-RECORD

Several hundred people listen to speakers on various topics during the North State Economic Forecast Conference held at Gold Country Casino in Oroville.

by the bond to help, Manly pointed out.

Meanwhile, a lack of water impacts the economy more in this region than in other parts of the state.

Eric Houk, professor of agriculture at Chico State University, shared some numbers he had crunched.

Northeastern California, which includes 13 counties, accounts for \$4 billion in agricultural production, Houk, said. That's just raw production and does not count all of the services that accompany ag, including equipment sales and service. Nor does it count things that farmers buy like cars or kitchen appliances, he noted.

Agriculture needs water, so the connection of water supply and the economy is a natural one.

In a report from 2012, "The Contribution of Agriculture to Northeastern California's Economy," agriculture is responsible for 20 percent of the job base in the northeastern region,

vs. an average of 6.7 percent for the state overall, Houk explained.

## Groundwater in the future

While Manly said the push and pull for surface water supplies will continue to be important in the new year, the statewide focus on groundwater has reached a new starting point.

Paul Gosselin has been tackling how the county will respond to new state groundwater management rules, passed last year.

As the executive director of Butte County Water and Resource Conservation, Gosselin has overseen groundwater monitoring for years.

The county uses about 1.5 million acre-feet of water a year, he said. One acre-foot of water is 325,851 gallons, or enough water for one or two households for a year.

Of the water used, two-thirds is surface water, and

one-third is groundwater, he explained.

City of Chico residents, for example, use groundwater supplied by California Water Service.

Fifteen years ago, Butte County's groundwater basin was generally considered to be full, or would at least refill after a period of drought.

However, the past two decades groundwater levels have started to decline.

In groundwater-dependent areas in the northern part of the county, a drop of one foot a year has been noted over the past 5-10 years, Gosselin said.

The county plans to update its water budget, which will "help us to do planning."

The groundwater management laws recently passed by the state will mean all regions of the state must achieve groundwater sustainability by 2042, a task that will require many steps along the way, Gosselin explained in some detail.



# Lake County Record-Bee

Friday, January 23, 2015

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## ENVIRONMENTAL

# Caltrans ignored water rules

### Statewide legacy of abandoned boreholes

By Linda Williams

*The Willits News*

**WILLITS »** CalTrans has drilled thousands of undocumented wells during the past 20 years which could be contributing to groundwater contamination throughout California.

CalTrans now admits its oper-

ations failed to follow key provisions of the California Water Code aimed at protecting groundwater. This leaves a legacy of more than 10,000 wells scattered across the state each with the potential to introduce contagions or contamination into drinking water sources.

In July 2014, CalTrans Director

Malcom Dougherty admitted, in a letter to all county environmental health directors, his agency had failed to follow water code rules aimed at preventing groundwater contamination in the past; and announcing plans to do better in the future.

The California Water Code sets the minimum standards for operations which can contaminate the groundwater within the state.

CALTRANS » PAGE 3



A CalTrans drilling rig working on the Willits bypass project in 2013. More than 100 boreholes were drilled in Little Lake Valley for this project.

PHOTO BY STEVE EBERHARD — THE WILLITS NEWS.



holes were actually back filled after completion is available to CalTrans.

In contrast, when wells, complying with state requirements of the same diameter and depth of a typical borehole are abandoned, drillers are required to calculate the volume of the hole and to document the nature and quantity of fill material. In holes as deep as most borings, the driller will inject a thick cement slurry through a tube at the bottom of the hole and fill the hole from the bottom up. County environmental health inspectors verify this is done for each abandoned well.

CalTrans has no evidence, documentation or field inspection reports confirming this type of closure was done for any borehole prior to the new policy. Failing to properly seal a well can provide an easy conduit for surface runoff contaminated with fuel, oil, chemicals or other pollutants to reach the groundwater. In some areas an improperly abandoned well could provide a direct channel for water from one underground aquifer to cross over into another.

CalTrans Deputy Division Chief Phil Stalarski says by the end of 2015 his agency is planning to map all the past boreholes the agency drilled throughout the state. Counties can also request, through the public records act, data on all geotechnical borings conducted by CalTrans.

Even with GPS coordination

hows, actually locating abandoned boreholes in the field and verifying the holes were closed properly will be extremely difficult if not impossible, according to California Groundwater Association Executive Director John Hofer. The Association is a nonprofit group of well drillers and other groundwater professionals.

Sacramento County appears to be ground-zero for the remediation efforts. Sacramento County Supervisor Environmental Specialist Cheryl Hawkins said her agency filed public records act requests with CalTrans over this issue. When asked specifically about whether she could confirm whether CalTrans boreholes were sealed properly in Sacramento County, she was unable to comment because of her agency's ongoing enforcement case with CalTrans.

Hawkins did note that following Dougherty's announcement of the new policy, she has seen a very positive level of cooperation with CalTrans.

What led to the change The State Water Code sets minimum standards for work impacting groundwater in the state but requires counties, cities and other local agencies to enforce these standards. While the state set global standards it encouraged local agencies to expand on the state code as needed to protect local groundwater. The standards issued in 1990 listed water and monitoring wells but did not specify

cifically name geotechnical wells in its regulation.

Of the 58 California counties, 40 now specifically include geotechnical borings within water well ordinances. Some experts consider borings which impact or could impact groundwater are automatically governed by the original state water code. CalTrans has now adopted that interpretation.

Early in 2014, Dougherty directed Stalarski's group to do a top to bottom review of their drilling operations. Dougherty stated the agency was "committed to protecting groundwater resources" and recognized county authority to regulate operations affecting groundwater.

In the policy document issued in May 2014, Stalarski cites that some projects were "being shut down by local enforcement agencies," due to claims that CalTrans was not in compliance with applicable laws.

The new policy requires the agency contact local agencies to determine whether the planned activities will require permits and to work with them to meet state and local requirements.

Stalarski could not comment on why CalTrans had a substantially different policy in the past. He says his group was fully committed to making the new policy work going forward, including a substantial amount of training for CalTrans workers implementing the new policy.



## Garamendi backs water bill

Staff reports

Updated: 01/14/2015 09:16:06 AM PST

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**WASHINGTON, D.C. &&** On Tuesday, members of Congress Grace Napolitano (D — Norwalk), John Garamendi (D — Walnut Grove), Lois Capps (D — Santa Barbara) and Jared Huffman (D — San Rafael) joined 22 of their Democratic colleagues to reintroduce House Resolution (H.R.) 291, "W21: Water in the 21st Century," which provides new incentives and investments to help local water agencies, residents and businesses to conserve, recycle and manage limited water supplies.

U.S. Senator Barbara Boxer (D — California) Tuesday also reintroduced the Senate companion to this bill.

"I am proud to cosponsor the Water in the 21st Century Act, a bill that helps guide our nation toward a more sustainable water future. California's historic drought has demonstrated the need for expanded science-driven water conservation, recycling and storage initiatives found in this bill and in the overwhelmingly passed Proposition 1. Both provide solutions that work for all 58 counties in California. By investing in smart water policies, the Water in the 21st Century Act would help create millions of acre feet of new water, ensure a reliable water supply and create good jobs," Garamendi said.

The legislation would expand rebates and grants for water conservation and efficiency; support local investments in water recycling and improved groundwater management and storage; invest in research into water-saving technologies and desalination; and establish an open water data system. The measure would also help local communities take steps to become better prepared for drought.

H.R. 291 is supported by the Metropolitan Water District of Southern California, the Western Recycled Water Coalition, WaterNow, the Clean Water Construction Coalition, the Northern California Water Association, the North Bay Water Reuse Authority and the WateReuse Association.