

# ***Fiscal Year 2020-2021***

## ***Budget***



***Adopted June 16, 2020***

***Board of Directors:***

*Jim Lieberman, President*

*Gary Graves, Vice President*

*Claude Brown*

*Jim Freeman*

*Carolyn Graham*

***General Manager:***

*Vacant*

## Table of Contents

Introduction	4-5
Operating Budgets	6-11
Capital Projects	12
Debt Service	13
Summary Descriptions	14-16

## **Introduction**

The Hidden Valley Lake Community Services District (District) is an independent special district serving the Hidden Valley Lake Community in southern Lake County, California. The District, which consists of 12 full-time employees that provide municipal water to approximately 2,475 homes and 35 businesses, and sewer services to approximately 1,485 within its three-square mile service area.

### **Mission Statement**

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

### **History**

The Stonehouse Mutual Water Company was established in 1968 and supplied water to the Hidden Valley Lake subdivision. The Hidden Valley Lake Community Service District was established in 1984. A sewer system controversy led to a lawsuit between the two agencies in 1988; the suit was dismissed in the spring of 1989.

Stonehouse Mutual Water Company's problems led to discussions of a merge with Hidden Valley Lake Community Services District. It was evident that combining the two stand alone providers into one utility company would result in a tremendous cost savings for the agencies and rate payers. The merge also provided additional protection to the community via State oversight as well as access to grants and low cost loans. With the passage of AB 1504, the merger of the two utilities was accomplished on January 1, 1993 at 12:01 am.

### **Board of Directors**

The Board of Directors of the Hidden Valley Lake CSD consists of five elected officials who are tasked with representing the general interest of those in the Hidden Valley Lake community. Directors must live within the boundaries of the water, sewer and recycled water district, ensuring that they fully understand the intricacies of the community and are enlisted in services provided. Each member serves a four year term. Elections are held in November of even numbered years, and Director terms are staggered to mitigate disruption.

The Board of Directors sets goals and creates policies that guide District operations. The Board appoints a General Manager to handle the day to day operations of the District and to carry out the policies established by the Board. It is the General Manager's responsibility to ensure that District procedures are in line with the District's mission and Board policies. Beyond the General Manager, the Board also appoints legal counsel and financial auditors.

The HVLCSD Board of Directors is committed to transparency. Board meetings are held in accordance to the Brown Act and are noticed as such. Regular board meetings are held on the third Tuesday of the month at 7:00 p.m. at the District's business office, 19400 Hartmann Rd., Hidden Valley Lake. The board also assigns standing and ad hoc committees that meet throughout the year to assist in the development of policy. Committee meetings are also held at the District's business office; times and dates vary by committee and can be found on the district website, [www.hvllcsd.org](http://www.hvllcsd.org). Each meeting ends with a call for public comment, and community members are encouraged to attend and voice concerns.

2020-2021 BUDGET

**SEWER ENTERPRISE FUND**

<b>REVENUE</b>	
120- A/R Retiree Health	7,500
120-4020 PERMIT & INSPECTION FEES	500
120-4036 DEVELOPER SEWER FEES	-
120-4040 LIEN RECORDING FEES	-
120-4045 AVAILABILITY FEES	5,500
120-4050 SALES OF RECLAIMED WATER	110,000
130-4060 CC TRANSACTION FEE	-
120-4111 COMMERCIAL SEWER USE	43,113
120-4112 GOVERNMENT SEWER USE	900
120-4116 SEWER USE CHARGES	1,217,940
120-4210 LATE FEE 10%	20,000
120 4300 MISC INCOME	2,500
120-4310 OTHER INCOME	-
120-4320 FEMA/CalOES Grants	396,000
120-4550 INTEREST INCOME	1,700
120-4580 TRANSFER IN	-
<b>TOTAL REVENUE</b>	<b>1,805,653</b>

<b>EXPENSES – SEWER ENTERPIRSE</b>	
120-5-10-5010 ADMIN SALARY & WAGES	252,875
120-5-30-5010 FIELD SALARY & WAGES	255,455
120-5-40-5010 DIRECTORS SALARY & WAGES	3,000
120-5-10-5020 ADMIN EMPLOYEE BENEFITS	91,844
120-5-30-5020 FIELD EMPLOYEE BENEFITS	106,340
120-5-40-5020 DIRECTOR BENEFITS	230
120-5-10-5021 ADMIN RETIREMENT BENEFITS	47,189
120-5-30-5021 FIELD RETIREMENT BENEFITS	46,661
120-5-30-5022 FIELD CLOTHING ALLOWANCE	1,800
120-5-00-5024 WORKERS' COMP INSURANCE	15,000
120-5-00-5025 RETIREE HEALTH BENEFITS	14,000
120-5-00-5026 COBRA	-
120-5-40-5030 DIRECTOR HEALTH BENEFITS	36,000
120-5-00-5040 ELECTION EXPENSE	12,000
120-5-00-5060 GASOLINE, OIL & FUEL	20,000
120-5-00-5061 VEHICLE MAINT	18,000
120-5-00-5062 TAXES & LICENSE	800
120-5-10-5063 ADMIN CERTIFICATIONS	500
120-5-30-5063 FIELD CERTIFICATIONS	1,500
120-5-00-5074 PROPERTY/LIABILITY INSURANCE	54,066
120-5-00-5075 BANK FEES	21,000
120-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	7,500
120-5-10-5090 ADMIN OFFICE SUPPLIES	4,000
120-5-30-5090 FIELD OFFICE SUPPLIES	1,000
120-5-00-5092 POSTAGE & SHIPPING	7,000
120-5-00-5121 LEGAL SERVICES	20,000
120-5-00-5122 ENGINEERING SERVICES	50,000
120-5-00-5123 OTHER PROFESSIONAL SERVICE	50,000
120-5-00-5126 AUDIT SERVICES	7,500
120-5-00-5130 PRINTING & PUBLICATION	5,000
120-5-00-5135 NEWSLETTER	500
120-5-00-5145 EQUIPMENT RENTAL	5,000
120-5-00-5148 OPERATING SUPPLIES	48,000
120-5-00-5150 REPAIR & REPLACE	145,000
120-5-00-5155 MAINT BLDG & GROUNDS	8,000
120-5-00-5156 CUSTODIAL SERVICES	16,500
120-5-00-5157 SECURITY	500
120-5-00-5160 SLUDGE DISPOSAL	45,000

120-5-10-5170 ADMIN TRAVEL MILEAGE	1,500
120-5-30-5170 FIELD TRAVEL MILEAGE	500
120-5-40-5170 DIRECTORS TRAVEL MILEAGE	200
120-5-10-5175 ADMIN EDUCATION/SEMINARS	4,000
120-5-30-5175 FIELD EDUCATION/SEMINARS	4,000
120-5-40-5175 DIRECTORS EDUCATION/SEMINARS	1,500
120-5-40-5176 DIRECTOR TRAINING	3,600
120-5-10-5179 ADM MISC EXPENSE	350
120-5-00-5165 TERTIARY POND MAINTENANCE	50,000
120-5-00-5191 TELEPHONE	11,000
120-5-00-5192 ELECTRICITY	65,000
120-5-00-5193 OTHER UTILITIES	2,600
120-5-00-5194 IT SERVICES	36,500
120-5-00-5195 ENV/MONITORING	35,000
120-5-00-5198 ANNUAL OPERATING FEES	2,000
120-5-00-5310 EQUIPMENT - FIELD	1,000
120-5-00-5311 EQUIPMENT - OFFICE	1,000
120-5-00-5312 TOOLS - FIELD	1,500
120-5-00-5315 SAFETY EQUIPMENT	1,500
120-5-00-5545 RECORDING FEES	250
120-5-00-5580 TRANSFER OUT	-
120-5-00-5600 CONTINGENCY	-
120-5-60-6009 ACCESS ROAD	178,782
219-USDA SOLAR PRINCIPAL	17,000
219-USDA SOLAR INTEREST	15,255
<b>TOTAL SEWER EXPENDITURES</b>	<b>1,822,797</b>



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**

2020-2021 BUDGET

**WATER ENTERPRISE FUND**

<b>REVENUE –</b>	
130-1051 A/R RETIREE HEALTH	7,500
130-4035 RECONNECT FEES	12,000
130-4038 COMM WATER CONNECTIONS	-
130-4039 WATER METER INSTALLATION	-
130-4040 RECORDING FEE INCOME	1,200
130-4045 AVAILABILITY FEES	22,000
130-4110 COMMERCIAL WATER USE	95,295
130-4112 GOVERNMENT WATER USE	6,000
130-4115 WATER USE CHARGES	1,968,074
130-4210 LATE FEE 10%	32,000
130 4215 RETURNED CHECK FEE	1,000
130-4320 FEMA/CalOES	30,000
130-4300 MISC INCOME	3,000
130-4310 OTHER INCOME	1,500
130-4550 INTEREST INCOME	3,500
130-4580 TRANSFER IN	-
<b>TOTAL WATER REVENUE</b>	<b>2,182,069</b>

<b>EXPENSES - WATER ENTERPIRSE</b>	
130-5-10-5010 ADMIN SALARY & WAGES	282,875
130-5-30-5010 FIELD SALARY & WAGES	225,455
130-5-40-5010 DIRECTORS SALARY & WAGES	3,000
130-5-10-5020 ADMIN EMPLOYEE BENEFITS	91,844
130-5-30-5020 FIELD EMPLOYEE BENEFITS	106,340
130-5-40-5020 DIRECTOR BENEFITS	120
130-5-10-5021 ADMIN RETIREMENT BENEFITS	47,189
130-5-30-5021 FIELD RETIREMENT BENEFITS	46,661
130-5-30-5022 FIELD CLOTHING ALLOWANCE	1,800
130-5-00-5024 WORKERS' COMP INSURANCE	15,000
130-5-00-5025 RETIREE HEALTH BENEFITS	14,000
130-5-40-5030 DIRECTOR HEALTH BENEFITS	42,000
130-5-00-5040 ELECTION EXPENSE	12,000
130-5-00-5060 GASOLINE, OIL & FUEL	20,000
130-5-00-5061 VEHICLE MAINT	12,500
130-5-00-5062 TAXES & LICENSE	1,200
130-5-10-5063 ADMIN CERTIFICATIONS	-
130-5-30-5063 FIELD CERTIFICATIONS	600
130-5-00-5074 PROPERTY/LIABILITY INSURANCE	54,055
130-5-00-5075 BANK FEES	21,000
130-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	24,600
130-5-10-5090 ADMIN OFFICE SUPPLIES	4,000
130-5-30-5090 FIELD OFFICE SUPPLIES	1,000
130-5-00-5092 POSTAGE & SHIPPING	6,500
130-5-00-5121 LEGAL SERVICES	20,000
130-5-00-5122 ENGINEERING SERVICES	60,000
130-5-00-5123 OTHER PROFESSIONAL SRV	50,000
130-5-00-5124 WATER RIGHTS	50,000
130-5-00-5126 AUDIT SERVICES	7,500
130-5-00-5130 PRINTING & PUBLICATION	7,500
130-5-00-5135 NEWSLETTER	500
130-5-00-5140 RENT & LEASES	-
130-5-00-5145 EQUIPMENT RENTAL	45,000
130-5-00-5148 OPERATING SUPPLIES	5,000
130-5-00-5150 REPAIR & REPLACE	125,000
130-5-00-5155 MAINT BLDG & GROUNDS	12,000
130-5-00-5156 CUSTODIAL SERVICES	4,200

130-5-00-5157 SECURITY	5,000
130-5-10-5170 ADMIN TRAVEL MILEAGE	2,000
130-5-30-5170 FIELD TRAVEL MILEAGE	2,000
130-5-40-5170 DIRECTORS TRAVEL MILEAGE	200
130-5-10-5175 ADMIN ED/SEMINARS	4,000
130-5-30-5175 FIELD EDUCATION/SEMINARS	4,000
130-5-40-5175 DIRECTORS ED/SEMINARS	1,500
130-5-40-5176 DIRECTOR TRAINING	5,000
130-5-10-5179 ADM MISC EXPENSE	350
130-5-00-5191 TELEPHONE	11,000
130-5-00-5192 ELECTRICITY	150,000
130-5-00-5193 OTHER UTILITIES	2,500
130-5-00-5194 IT SERVICES	36,500
130-5-00-5195 ENV/MONITORING	17,000
130-5-00-5196 RISK MANAGEMENT	-
130-5-00-5198 ANNUAL OPERATING FEES	32,000
130-5-00-5310 EQUIPMENT - FIELD	1,000
130-5-00-5311 EQUIPMENT - OFFICE	1,000
130-5-00-5312 TOOLS - FIELD	1,500
130-5-00-5315 SAFETY EQUIPMENT	1,500
130-5-00-5505 WATER CONSERVATION	9,000
130-5-00-5545 RECORDING FEES	250
130-5-00-5580 TRANSFER OUT	338,084
130-5-00-5600 CONTINGENCY	-
218-5522 INTEREST LONG TERM DEBT	55,865
218-5595 CIEDB LOAN ANNUAL FEE	4,816
218-5599 PRINCIPAL PMT	110,065
<b>TOTAL WATER EXPENDITURES</b>	<b>2,182,069</b>

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT  
2020 - 2021 CAPITAL IMPROVEMENT PLAN  
BUDGET**

<b>WASTEWATER FUNDS</b>	<b>DESCRIPTION</b>	<b>Beginning Fund Balance</b>	<b>Revenue</b>	<b>Expense</b>	<b>Ending Fund Balance</b>	
<b>314</b>	<b>Beginning Fund Balance 07/01/2020</b>	<b>\$ 127,212</b>				
<b>WASTEWATER CAPITOL IMPROVEMENT</b>	Regulatory Compliance/I&I Mitigation			\$ 100,000	\$ 27,212	
	Disaster Mitigation/SCADA Upgrade			\$ 30,000	\$ (2,788)	
	Disaster Recovery/WWTP Access Road Repair			\$ 50,000	\$ (52,788)	
	Reliable Water Supply/Leak Repair/Mini-Excavator			\$ 50,000	\$ (102,788)	
	Risk Management Plan/Chlorine Tank Auto Shut-Off			\$ -	\$ (102,788)	
	Regulatory Compliance/Dump Truck			\$ 75,000	\$ (177,788)	
	Stormwater Master Planning/Mitigation			\$ 10,000	\$ (187,788)	
	Transfer In from Fund 120		\$ -			
	<b>Ending Fund Balance FYE 06/30/2021</b>				<b>\$ (187,788)</b>	
<b>313</b>	<b>Beginning Fund Balance 07/01/2020</b>	<b>\$ 101,631</b>				
<b>WASTEWATER OPERATING RESERVE</b>	Transfer In from Fund 120		\$ -			
	<b>Ending Fund Balance FYE 06/30/2021</b>				<b>\$ 101,631</b>	
<b>WATER FUNDS</b>	<b>DESCRIPTION</b>	<b>Beginning Fund Balance</b>	<b>Revenue</b>	<b>Expense</b>	<b>Ending Fund Balance</b>	
<b>320</b>	<b>Beginning Fund Balance 07/01/2020</b>	<b>\$ 148,567</b>			<b>\$ 148,567</b>	
<b>WATER CAPITOL IMPROVEMENT</b>	Wildfire Resilience/Reliable Water Supply/Replace Wooden Tanks			\$ 360,000	\$ (211,433)	
	Disaster Mitigation/SCADA Upgrade			\$ 30,000	\$ (241,433)	
	Reliable Water Supply/Automatic Metering Infrastructure			\$ 200,000	\$ (441,433)	
	Wildfire Resilience/Reliable Water Supply/PSPS Backup Power Supply			\$ 50,000	\$ (491,433)	
	Reliable Water Supply/Leak Repair Mini-Excavator			\$ 50,000	\$ (541,433)	
	Regulatory Compliance/Dump Truck			\$ 75,000	\$ (616,433)	
	Transfer In from Fund 130 (\$48,750 per Qtr)			\$ 169,042		\$ (447,391)
	<b>Ending Fund Balance 06/30/2021</b>					<b>\$ (447,391)</b>
<b>325</b>	<b>Beginning Fund Balance 07/01/2020</b>	<b>\$ 150,261</b>				
<b>WATER OPERATING RESERVE</b>	Transfer In from Fund 130 (\$48,750 per Qtr)		\$ 169,042			
	<b>Ending Fund Balance FYE 06/30/2021</b>				<b>\$ 319,303</b>	

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT**  
**2020 - 2021 DEBT SERVICE**  
**BUDGET**

	<b>DEBT SERVICE REVENUE</b>	<b>FUND</b>	<b>AMOUNT</b>
1)	1995-2 BOND - TAX ASSESSMENT	215	\$ 300,224
2)	CIEDB LOAN - WATER INFRASTRUCTURE	130	170,746
3)	USDA LOAN - SOLAR PROJECT WWTP	120	32,255
	<b>TOTAL DEBT SERVICE REVENUE</b>		<u>\$ 503,225</u>

	<b>DEBT SERVICE EXPENSE</b>	<b>FUND</b>	<b>AMOUNT</b>
1)	1995-2 BOND REDEMPTION (PRINCIPAL)	215	\$ 185,000
	1995-2 BOND REDEMPTION (INTEREST)	215	99,994
	BOND ADMINISTRATION (ANNUAL FEE)	215	7,460
	COUNTY COLLECTION FEES	215	3,500
	CSD ADMIN COSTS	215	4,270
			<u>\$ 300,224</u>
2)	CIEDB (PRINCIPAL)	218	\$ 110,065
	CIEDB (INTEREST)	218	55,865
	CIEDB (ANNUAL FEE)	218	4,816
			<u>\$ 170,746</u>
3)	USDA RUS LOAN (PRINCIPAL)	219	\$ 17,000
	USDA RUS LOAN (INTEREST)	219	15,255
			<u>\$ 32,255</u>
	<b>TOTAL DEBT SERVICE EXPENSE</b>		<u>\$ 503,225</u>

## Summary Descriptions

### Revenue

**Permits and Inspections:** New connections

**Charges for Services:** Water and sewer services, water overage, reclaimed water sales.

**Miscellaneous:** Availability (providing access to water and wastewater), lease income, interest, miscellaneous.

### Expenditures

**Salaries and Benefits:** Salaries, wages, payroll taxes, retirement, employee medical and dental, director medical.

**Insurance:** Liability insurance.

**Office Expenses:** Office supplies, printing and publication, newsletter, administrative miscellaneous, recording fees.

**Contractual Services:** Software, cleaning service, internet, postage meter, web hosting.

**Dues and Subscriptions:** Membership fees and subscriptions.

**Postage:** Postage.

**Repairs and Maintenance:** Vehicle maintenance, repair and replace, maintenance building and grounds.

**Gas, Fuel, and Oil:** Gasoline, fuel & oil.

**Supplies:** General supplies.

**Professional Services:** Water rights consultants, aquatic ecologist, auditor, website design.

**Travel:** Mileage reimbursements, lodging (not related to education or seminars).

**Telephone:** Landline and mobile telephone service.

**Power:** Electricity.

**Other Operating:** Debt service payments, operating revenue set aside for capital improvements.

**Office and Safety Equipment:** Telephones, computers, printers, AED, medical supplies and hazmat equipment.

**Environmental Monitoring:** Lab samples.

**Water Conservation:** District education program, low flow toilet rebates, high efficiency washing machine rebates.

**Annual Operating Fees:** Permits, water rights, United States Geological Services fees.

## **Debt**

### **Sewer Expansion and Wastewater Treatment Plant**

In 1994, the District expanded the sewer system and relocated wastewater treatment to the new Grange Road plant. Prior to the expansion, there were many vacant lots remaining in the Hidden Valley Lake subdivision that were not considered buildable. The composition of the soil would not allow proper drainage that would make septic systems a feasible option to potential builders. The expansion of the system allowed 1460 properties within the Hidden Valley Lake Association to be viable for construction.

The project was funded by four bonds and a low interest loan. Of the four bonds, three were paid off early in order to minimize interest payments. The remaining bond, the 1995-2 series bond was issued by the USDA on August 16, 1995 for \$5,500,000. The bond carried a 5.5% interest rate. This Bond was refinanced in March of 2016. At that time, the balance was 3,650,000 and currently has an interest rate of 3.25%. The principal balance of the loan on June 30, 2019 was \$3,161,000. The principal and interest related to the 1995-2 bond is collected annually on the property tax roll.

### **Water Infrastructure Project**

In 2002 the District upgraded the existing water infrastructure to meet increasing demands and ensure continuity of services. The Water Infrastructure Project included the addition of two 500,000 gallon storage tanks and the replacement of two pump stations. Additionally, pressure reducing valves were replaced throughout the District to ensure adequate water pressure was provided to all customers. The District's supervisory control and data acquisition (SCADA) system was also upgraded to allow for remote control of the water and wastewater systems.

The Water Infrastructure project was funded by the California Infrastructure and Economic Development Bank (CIEDB) via a low interest loan. The District borrowed \$3,000,000 on June 24, 2002 at 3.48%. The loan is set to mature in 2032, the principal is \$1,711,693. Loan payments were intended to be funded by new connections to the water system, but with the economic downturn, meter moratorium, and subsequent decline in new construction, annual loan payments are now made from the operating budget.

### **Solar Project**

In an effort to mitigate anticipated increases in the cost of energy, the District installed a photovoltaic (PV) project at the Wastewater Treatment Plant. The PV went online in December 2011. The array was designed to meet the full demands of the Treatment facility, and the savings to the District have exceeded original estimates. The District has also extended this cost savings to the domestic well field on Grange Rd. as it is on contiguous properties with the PV.

The project was funded by the United States Department of Agriculture (USDA) via an \$885,000 grant and a \$640,000 low interest loan. Additionally, the District received \$200,000 in PG&E rebates for the project (to be paid over a five-year period). The USDA loan was signed on October 1, 2011 in the amount of \$640,000 at 3% interest. The outstanding balance of the loan is \$517,000 and the loan will mature in 2041. Annual loan payments were said to be made from the operating budget from surplus funds remaining after electricity is paid.