



Hidden Valley Lake Community Services District

Finance Committee

AGENDA

Tuesday, November 9, 2021

This Meeting Will Be Conducted With In Person Attendance Permitted In Accordance With County And State Covid Guidelines, Including Mask Requirements For All Those Attending In Person.

Public participation is welcome and encouraged.

DATE: Tuesday, November 9, 2021

TIME: 12:30 PM

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

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. APPROVAL OF AGENDA
5. REVIEW AND DISCUSS: Audit FY Ending June 31, 202, Presented by Smith and Newell
6. REVIEW AND DISCUSS: OPEB – Retirement Liability, Presented by MacLeod Watts
7. REVIEW AND DISCUSS: Monthly Financial Reports & Disbursements
8. REVIEW AND DISCUSS: Recommend Purchase Approval of a Mini-excavator for a Price not to Exceed \$75,000
9. REVIEW AND DISCUSS: Recommend GM Authorization to Contract with Local Government Commission (LGC) for a CivicSpark Fellowship
10. REVIEW AND DISCUSS: Recommend Ordinance 59.1 Enforcement
11. REVIEW AND DISCUSS: Projects Update
12. PUBLIC COMMENT
13. COMMITTEE MEMBER COMMENT
14. ADJOURN

Public records are available upon request. Board Packets are posted on our website at www.hvllcsd.org/Meetings.

In compliance to the Americans with Disabilities Act, if you need special accommodations to participate in or attend the meeting, please contact the District Office at (707)987-9201 at least 48 hours prior to the scheduled meeting. Members of the 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,
CALIFORNIA**

**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2021**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Annual Financial Report
For the Year Ended June 30, 2021

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INTRODUCTORY SECTION

- **List of Officials**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

List of Officials

For the Year Ended June 30, 2021

Board of Directors

Jim Freeman	President
Gary Graves	Vice President
Claude Brown	Director
Jim Lieberman	Director
Sean Millerick	Director

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FINANCIAL SECTION

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

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of Hidden Valley Lake Community Services District, California (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the District as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

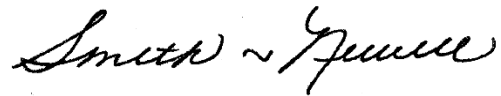
The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



Smith & Newell CPAs
Yuba City, California
October 21, 2021

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

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**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Introduction

This section of the Annual Financial Report contains a narrative overview and analysis of the Hidden Valley Lake Community Services District (District) financial activities for the year ended June 30, 2021.

The Management's Discussion and Analysis (MD&A) is a required section of the District's Annual Financial Report, as shown in the overview below. The purpose of the MD&A is to present a discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. This report will (1) focus on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity. Readers are encouraged to consider the information presented here in conjunction with the Annual Financial Statements.

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

Financial Highlights

Key financial highlights for the fiscal year ended June 30, 2021 were as follows:

- The Statement of Net Position indicates that total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$1,780,142. Unrestricted net position represents (\$956,140) and net investment in capital assets was at \$1,332,564. The remaining restricted amounts were \$946,545 for debt service and \$457,173 for capital facilities.
- Total net position increased \$189,346 (12%) in fiscal year 2020/21 compared to a 30% increase (365,362) in fiscal year 2019/20.
- Total assets increased (1%) from \$9,699,451 in fiscal year 2019/20 to \$9,779,638 in fiscal year 2020/21, mainly due the effects of depreciation and a small amount of capital improvement projects.
- Total liabilities decreased (7%) from \$8,523,750 in fiscal year 2019/20 to \$7,885,048 in fiscal year 2020/21.
- The District recorded deferred outflows of resources at \$442,596, a decrease of \$121,962 (22%) and deferred inflows of resources of \$557,044, an increase of \$407,581 (273%), in order to record the different components required by GASB 68 and 75 for pension and OPEB accounting and reporting. Deferred outflows of resources are technically not assets but increase net position similar to an asset and deferred inflows of resources are technically not liabilities but decrease net position similar to liabilities. See Note 1N on page 23 in the notes to basic financial statements for a definition of deferred inflows and outflows of resources.
- Total operating revenues increased by \$583,254 (15%) from fiscal year 2019/20.
- Total operating expenses increased \$269,132 (7%) from fiscal year 2019/20.

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Overview of the Financial Statements

The financial section of this report consists of six parts.

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

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

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

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

Financial Statements and Notes

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

A "fund" is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has two proprietary funds: Sewer Operations and Water Operations. Proprietary funds distinguish operating revenues and expenses from non-operating items.

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

Net Position

**Table 1
Summary of Net Position
June 30, 2021 and 2020**

	Enterprise Funds			
	2021	2020	Dollar Change	Percent Change
Assets				
Current and other assets	\$ 3,508,836	\$ 3,137,526	\$ 371,310	12%
Non current assets	6,270,802	6,561,925	(291,123)	-4%
Total Assets	9,779,638	9,699,451	80,187	1%
Deferred Outflows of Resources				
Deferred pension adjustments	324,754	428,664	(103,910)	-24%
Deferred OPEB adjustments	117,842	135,894	(18,052)	-13%
Total Deferred Outflows of Resources	442,596	564,558	(121,962)	-22%
Liabilities				
Current liabilities	513,692	578,234	(64,542)	-11%
Noncurrent liabilities	7,371,356	7,945,516	(574,160)	-7%
Total Liabilities	7,885,048	8,523,750	(638,702)	-7%
Deferred Inflows of Resources				
Deferred pension adjustments	43,158	82,076	(38,918)	-47%
Deferred OPEB adjustments	513,886	67,387	446,499	663%
Total Deferred Inflows of Resources	557,044	149,463	407,581	273%
Net Position				
Net investment in capital assets	1,332,564	1,309,712	22,852	2%
Restricted				
Debt Service	946,545	940,599	5,946	1%
Capital Facilities	457,173	250,984	206,189	82%
Unrestricted	(956,140)	(910,499)	(45,641)	5%
Total Net Position	\$ 1,780,142	\$ 1,590,796	\$ 189,346	12%

Net position increased by \$189,345 to \$1,780,141 in FY 2020/21 as described below:

- Total assets increased by \$80,186 mainly due to water mainline infrastructure and access road repairs. Deferred outflows of resources decreased by \$121,962 mainly due to the OPEB obligation.
- Current liabilities (obligations due within 12 months) decreased by \$64,542.
- Non-current (long-term) liabilities decreased by \$574,160. Long-term liabilities are reduced each year as each series on the outstanding debt principal amounts are paid back to the bondholders. Additional information on the District's non-current liabilities can be found starting on page 29, Note 6 Long-Term Liabilities, page 32-36 Note 8 Pension Plan and Note 9 Other Postemployment

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

Benefits (OPEB) page 37 -39.

- The largest portion of the District's net position reflects its investment in capital assets (e.g., land, sewer & water lines and improvements, buildings, machinery, equipment, and vehicles) net of outstanding debt. The District uses these capital assets to provide services for the residents and businesses in its service area.
- Although the District's investment in its capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used or sold to liquidate District liabilities. The remaining balance of the unrestricted net position may be used to meet the District's ongoing obligations to its customers and creditors. The net position also included restricted assets required by various debt agreements restricting revenues pledged to repay debt and restricted assets for capital facilities.

Revenues, Expenses, and Change in Net Position Statement Analysis

**Table 2
Summary of Changes in Net Position
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2020**

	Enterprise Funds			
	2021	2020	Dollar	Percent
Operating Revenues				
Charges for Services	\$ 3,971,911	\$ 3,409,773	\$ 562,138	16%
Assessments	280,997	282,110	(1,113)	0%
Permits and Inspections	66,980	38,541	28,439	74%
Miscellaneous	102,992	109,202	(6,210)	-6%
Total Operating Revenues	<u>4,422,880</u>	<u>3,839,626</u>	<u>583,254</u>	<u>15%</u>
Operating Expenses				
Sewer	2,220,812	1,911,579	309,233	16%
Water	1,896,471	1,936,595	(40,124)	-2%
Flood	1,362	1,339	23	2%
Total Operating Expenses	<u>4,118,645</u>	<u>3,849,513</u>	<u>269,132</u>	<u>7%</u>
Operating Income (Loss)	<u>304,235</u>	<u>(9,887)</u>	<u>314,122</u>	<u>-3177%</u>
Non-Operating Revenues (Expenses)				
Interest Income	4,671	15,855	(11,184)	-71%
Intergovernmental	121,170	-	121,170	100%
Debt Interest	(166,666)	(176,909)	10,243	-6%
Total Non-Operating Revenues (Expenses)	<u>(40,825)</u>	<u>(161,054)</u>	<u>120,229</u>	<u>-75%</u>
Change in Net Position Before Special Items & Transfers	263,410	(170,941)	434,351	-254%
Proceeds for LNU Fire/Storms Emergency Response & Repairs	245,099	536,303	(291,204)	-54%
Expenses for LNU Fire/Storms Emergency Response & Repairs	(258,516)	-	(258,516)	100%
Change in Net Position	<u>249,993</u>	<u>365,362</u>	<u>(115,369)</u>	<u>-32%</u>
Net Position - Beginning of Year	1,590,796	1,225,434	365,362	30%
Prior Period Adjustment	(60,647)	-	(60,647)	-
Net Position - Beginning of Year, Restated	<u>1,530,149</u>	<u>1,225,434</u>	<u>304,715</u>	<u>25%</u>
Net Position - End of Year	<u>\$ 1,780,142</u>	<u>\$ 1,590,796</u>	<u>\$ 189,346</u>	<u>12%</u>

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

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

The District's \$189,346 (12%) change in net position during FY 2020/21 was characterized as follows:

- Total operating revenues increased by \$583,254 (15%) mainly due to increases in the sewer and water service and permit charges. Assessments collected from the County of Lake remain consistent while the permits and inspection revenues increased by \$28,439. This permit increase can mainly be attributed to the water moratorium rescission on July 28, 2020.
- Total operating expenses increased by \$269,132 from the prior fiscal year primarily due to continued disaster expenses from the LNU Complex Fire and rising costs of operations. The District submitted FEMA/CalOES funding requests to cover the unanticipated disaster expenses and has had much success recovering 95% of the expenses.

Capital Asset Administration

**Table 3
Capital Assets (Net of Depreciation)
June 30, 2021 and 2020**

	Business-Type Activities			
	2021	2020	Dollar Change	Percent Change
Land (not depreciated)	\$ 607,918	\$ 607,918	\$ -	0%
Structures and improvements	1,923,396	2,042,109	(118,713)	-6%
Equipment, vehicles and machinery	409,396	499,989	(90,593)	-18%
Infrastructure	3,209,017	3,291,187	(82,170)	-2%
Total	\$ 6,149,727	\$ 6,441,203	\$ (291,476)	-5%

The District's net capital assets decreased from \$6,441,203 to \$6,149,727 for the year ended June 30, 2021. The total decrease of \$291,476 is mainly due to depreciation and no major improvements or purchases. Details of the capital asset transactions can be found on page 28, Note 4.

Debt Administration

**Table 4
Outstanding Long-Term Liabilities and Debt (net of debt discounts/premiums)
June 30, 2021 and 2020**

	Business-Type Activities			
	2021	2020	Dollar Change	Percent Change
Liabilities				
Compensated Absences	\$ 39,065	\$ 29,118	\$ 9,947	34%
Total Liabilities	39,065	29,118	9,947	34%
Debt				
Bonds	2,821,898	3,009,161	(187,263)	-6%
Loans	1,495,265	1,605,330	(110,065)	-7%
Certificates of Participation	500,000	517,000	(17,000)	-3%
Total Debt	4,817,163	5,131,491	(314,328)	-6%
Total Long-Term Liabilities and Debt	\$ 4,856,228	\$ 5,160,609	\$ (304,381)	-6%

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021**

The District's long-term debt was for the infrastructure of water lines, sewer lines, pump stations and processing plant. At year end June 30, 2021, the long-term debt decreased 6% from \$5,160,609 to \$4,856,228. Details of the debt outstanding can be found on page 29, Note 6.

Economic Factors and Budget

For fiscal year 2020/21, Hidden Valley Lake Community Services District has 13 new residential water connections and 12 new residential sewer connections, a 300% increase from last year. This is a testimony to the positive effects of the water meter moratorium rescission of early 2020.

In the beginning of the fiscal year, an OSHA visit helped the District identify opportunities for safety improvements. After a six-month engagement, the safety budget was exceeded by \$26,502.

The ongoing epidemiological disaster event of COVID-19 and the natural disaster of extreme drought has negatively impacted the District, as it has for many industries. The moratorium of water shutoffs for non-payment has placed a financial burden on the District. The emergency proclamation by the State Governor’s office urging conservation has also imposed a financial challenge to the District.

The rate study was finalized and enacted on 1/1/2021. This is a five-year schedule of rate increases to cover the newly calculated cost of service. A portion of revenues will be allocated to capital improvements that will improve the District’s net capital asset position. An apportionment of new revenues is also allocated to repair/replace activities that will help offset the damaging effects of natural disasters and aging infrastructure. Also effective on 5/19/2020 were new capacity charges for residential and commercial connections. The capacity charges incorporate the cost of service for capital improvements to aging infrastructure.

Requests for Information

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

Basic Financial Statements

- **Government-Wide Financial Statements**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Net Position
June 30, 2021

	Business-Type Activities
ASSETS	
Cash and investments	\$ 2,509,800
Investments with fiscal agent	176,404
Receivables:	
Accounts (net of allowance)	533,442
Assessments	9,119
Delinquent assessments	121,075
Interest	523
Intergovernmental	252,604
Prepaid costs	26,944
Capital assets:	
Non-depreciable	607,918
Depreciable, net	5,541,809
Total capital assets	<u>6,149,727</u>
Total Assets	<u>9,779,638</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension adjustments	324,754
Deferred OPEB adjustments	117,842
Total Deferred Outflows of Resources	<u>442,596</u>
LIABILITIES	
Accounts payable	44,684
Salaries and benefits payable	57,478
Interest payable	59,770
Long-term liabilities:	
Due within one year	351,760
Due in more than one year	4,504,468
Net pension liability	1,582,280
Net OPEB liability	1,284,608
Total Liabilities	<u>7,885,048</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension adjustments	43,158
Deferred OPEB adjustments	513,886
Total Deferred Inflows of Resources	<u>557,044</u>
NET POSITION	
Net investment in capital assets	1,332,564
Restricted for debt service	946,545
Restricted for capital facilities	457,173
Unrestricted	(956,140)
Total Net Position	<u>\$ 1,780,142</u>

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

**Statement of Activities
For the Year Ended June 30, 2021**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>			Total Business-Type Activities
<u>Functions/Programs:</u>					
Business-type activities:					
Sewer	\$ 2,333,208	\$ 1,618,696	\$ 402,167	\$ -	\$ (312,345)
Water	1,950,741	2,420,195	-	-	469,454
Flood control	1,362	-	-	-	(1,362)
Total Business-Type Activities	<u>4,285,311</u>	<u>4,038,891</u>	<u>402,167</u>	<u>-</u>	<u>155,747</u>
Total	<u>\$ 4,285,311</u>	<u>\$ 4,038,891</u>	<u>\$ 402,167</u>	<u>\$ -</u>	<u>155,747</u>
General revenues:					
Interest and investment earnings					4,671
Miscellaneous					102,992
Special items:					
LNU fire proceeds					245,099
LNU fire expenses					(258,516)
Total General Revenues and Special Items					<u>94,246</u>
Change in Net Position					<u>249,993</u>
Net Position - Beginning					1,590,796
Prior period adjustment					<u>(60,647)</u>
Net Position - Beginning, Restated					<u>1,530,149</u>
Net Position - Ending					<u>\$ 1,780,142</u>

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

Basic Financial Statements

- **Fund Financial Statements**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Net Position
Enterprise Funds
June 30, 2021

	Major Funds		Nonmajor	Totals
	Sewer Operations	Water Operations	Flood Control	
ASSETS				
Current Assets:				
Cash and investments	\$ 1,240,018	\$ 1,269,782	\$ -	\$ 2,509,800
Investments with fiscal agent	176,404	-	-	176,404
Receivables:				
Accounts (net of allowance)	187,617	345,825	-	533,442
Assessments	9,119	-	-	9,119
Intergovernmental	121,143	131,461	-	252,604
Interest	264	259	-	523
Prepaid costs	13,472	13,472	-	26,944
Total Current Assets	1,748,037	1,760,799	-	3,508,836
Noncurrent Assets:				
Delinquent assessments receivable	121,075	-	-	121,075
Capital assets, net	2,966,024	3,183,703	-	6,149,727
Total Noncurrent Assets	3,087,099	3,183,703	-	6,270,802
Total Assets	4,835,136	4,944,502	-	9,779,638
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension adjustments	162,377	162,377	-	324,754
Deferred OPEB adjustments	56,410	61,432	-	117,842
Total Deferred Outflows of Resources	218,787	223,809	-	442,596
LIABILITIES				
Current Liabilities:				
Accounts payable	17,540	27,144	-	44,684
Salaries and benefits payable	28,979	28,499	-	57,478
Interest payable	38,088	21,682	-	59,770
Compensated absences	14,951	11,151	-	26,102
Bonds payable	194,263	-	-	194,263
Loans payable	-	113,895	-	113,895
Certificates of participation	17,500	-	-	17,500
Total Current Liabilities	311,321	202,371	-	513,692

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

Continued (Page 1 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Net Position
Enterprise Funds
June 30, 2021

	Major Funds		Nonmajor	Totals
	Sewer Operations	Water Operations	Flood Control	
LIABILITIES (CONTINUED)				
Noncurrent Liabilities:				
Compensated absences	4,581	8,382	-	12,963
Bonds payable	2,627,635	-	-	2,627,635
Loans payable	-	1,381,370	-	1,381,370
Certificates of participation	482,500	-	-	482,500
Net pension liability	791,140	791,140	-	1,582,280
Net OPEB liability	642,304	642,304	-	1,284,608
Total Noncurrent Liabilities	4,548,160	2,823,196	-	7,371,356
Total Liabilities	4,859,481	3,025,567	-	7,885,048
DEFERRED INFLOWS OF RESOURCES				
Deferred pension adjustments	21,579	21,579	-	43,158
Deferred OPEB adjustments	255,923	257,963	-	513,886
Total Deferred Inflows of Resources	277,502	279,542	-	557,044
NET POSITION				
Net investment in capital assets	(355,874)	1,688,438	-	1,332,564
Restricted for debt service	762,030	184,515	-	946,545
Restricted for capital facilities	145,365	311,808	-	457,173
Unrestricted	(634,581)	(321,559)	-	(956,140)
Total Net Position	\$ (83,060)	\$ 1,863,202	\$ -	\$ 1,780,142

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

Continued (Page 2 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenses
and Changes in Net Position
Enterprise Funds
For the Year Ended June 30, 2021

	Major Funds		Nonmajor	Totals
	Sewer Operations	Water Operations	Flood Control	
OPERATING REVENUES				
Assessments	\$ 280,997	\$ -	\$ -	\$ 280,997
Permits and inspections	66,980	-	-	66,980
Charges for services	1,551,716	2,420,195	-	3,971,911
Miscellaneous	47,090	55,902	-	102,992
Total Operating Revenues	1,946,783	2,476,097	-	4,422,880
OPERATING EXPENSES				
Salaries and benefits	944,029	824,945	-	1,768,974
Insurance	72,144	72,144	-	144,288
Office expenses	33,427	33,604	-	67,031
Continuing education	3,116	3,258	-	6,374
Dues and subscriptions	11,786	29,105	-	40,891
Postage	8,043	8,042	-	16,085
Repairs and maintenance	407,166	176,556	-	583,722
Gas, fuel and oil	13,668	13,776	-	27,444
Supplies	56,724	43,317	-	100,041
Professional services	238,954	166,954	-	405,908
Rents and leases	7,874	-	-	7,874
Travel	1,648	1,648	-	3,296
Telephone	11,610	11,410	-	23,020
Power	87,885	202,753	1,362	292,000
Other utilities	3,062	3,074	-	6,136
Depreciation	253,083	225,715	-	478,798
Other operating	907	3,901	-	4,808
Office and safety equipment	22,829	19,354	-	42,183
Director's compensation	3,230	3,229	-	6,459
Environmental monitoring	34,884	13,402	-	48,286
Water conservation	-	2,800	-	2,800
Water rights	-	3,910	-	3,910
Annual operating fees	4,743	33,574	-	38,317
Total Operating Expenses	2,220,812	1,896,471	1,362	4,118,645
Operating Income (Loss)	(274,029)	579,626	(1,362)	304,235
NON-OPERATING REVENUES (EXPENSES)				
Interest income	2,414	2,257	-	4,671
Intergovernmental revenues	121,170	-	-	121,170
Interest expense	(112,396)	(54,270)	-	(166,666)
Total Non-Operating Revenues (Expenses)	11,188	(52,013)	-	(40,825)
Income (Loss) Before Special Items and Transfers	(262,841)	527,613	(1,362)	263,410

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

Continued (Page 1 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenses
and Changes in Net Position
Enterprise Funds
For the Year Ended June 30, 2021

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Totals</u>
	<u>Sewer Operations</u>	<u>Water Operations</u>	<u>Flood Control</u>	
Proceeds for the LNU fire	112,176	132,923	-	245,099
Expenses for the LNU fire	(112,215)	(146,301)	-	(258,516)
Transfers in	-	-	1,452	1,452
Transfers out	(1,452)	-	-	(1,452)
Change in Net Position	<u>(264,332)</u>	<u>514,235</u>	<u>90</u>	<u>249,993</u>
Total Net Position - Beginning	241,919	1,348,967	(90)	1,590,796
Prior period adjustment	(60,647)	-	-	(60,647)
Total Net Position - Beginning, Restated	<u>181,272</u>	<u>1,348,967</u>	<u>(90)</u>	<u>1,530,149</u>
Total Net Position - Ending	<u>\$ (83,060)</u>	<u>\$ 1,863,202</u>	<u>\$ -</u>	<u>\$ 1,780,142</u>

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

Continued (Page 2 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Statement of Cash Flows

Enterprise Funds

For the Year Ended June 30, 2021

	Major Funds		Nonmajor	Totals
	Sewer Operations	Water Operations	Flood Control	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,911,060	\$ 2,392,123	\$ -	\$ 4,303,183
Cash paid to suppliers	(1,063,853)	(911,832)	(1,362)	(1,977,047)
Cash paid to employees	(723,629)	(736,616)	-	(1,460,245)
Net Cash Provided (Used) by Operating Activities	123,578	743,675	(1,362)	865,891
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Special project amounts received (net)	(112,215)	(146,301)	-	(258,516)
Grants received	201,880	1,462	-	203,342
Transfer in from other funds	-	-	1,452	1,452
Transfer out to other funds	(1,452)	-	-	(1,452)
Net Cash Provided (Used) by Noncapital Financing Activities	88,213	(144,839)	1,452	(55,174)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(232,902)	(15,068)	-	(247,970)
Principal paid on debt	(204,263)	(110,065)	-	(314,328)
Interest paid on debt	(114,612)	(55,865)	-	(170,477)
Net Cash Provided (Used) by Capital and Related Financing Activities	(551,777)	(180,998)	-	(732,775)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	3,325	3,151	-	6,476
Net Cash Provided (Used) by Investing Activities	3,325	3,151	-	6,476
Net Increase (Decrease) in Cash and Cash Equivalents	(336,661)	420,989	90	84,418
Balances - Beginning	1,753,083	848,793	(90)	2,601,786
Balances - Ending	\$ 1,416,422	\$ 1,269,782	\$ -	\$ 2,686,204

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

Continued (Page 1 of 2)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Statement of Cash Flows

Enterprise Funds

For the Year Ended June 30, 2021

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Totals</u>
	<u>Sewer Operations</u>	<u>Water Operations</u>	<u>Flood Control</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (274,029)	\$ 579,626	\$ (1,362)	\$ 304,235
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	253,083	225,715	-	478,798
Decrease (increase) in:				
Accounts receivable	(36,186)	(83,974)	-	(120,160)
Assessments receivable	463	-	-	463
Prepaid costs	(3,257)	(3,257)	-	(6,514)
Pension adjustment - deferred outflows	51,955	51,955	-	103,910
OPEB adjustment - deferred outflows	8,963	9,088	-	18,051
Increase (decrease) in:				
Accounts payable	(36,896)	(62,764)	-	(99,660)
Salaries and benefits payable	15,714	12,427	-	28,141
Compensated absences	2,853	7,094	-	9,947
Net pension liability	28,415	28,415	-	56,830
Net OPEB liability	(89,750)	(225,981)	-	(315,731)
Pension adjustment - deferred inflows	(19,459)	(19,459)	-	(38,918)
OPEB adjustment - deferred inflows	221,709	224,790	-	446,499
Net Cash Provided (Used) by Operating Activities	<u>\$ 123,578</u>	<u>\$ 743,675</u>	<u>\$ (1,362)</u>	<u>\$ 865,891</u>

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

Continued (Page 2 of 2)

Basic Financial Statements

- **Notes to Basic Financial Statements**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

Component Units

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

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

Joint Agencies

The District is a member of the Special District Risk Management Authority (SDRMA). SDRMA is a joint powers authority organized for the purpose of providing coverage protection, risk management services, claims management as well as safety and loss prevention programs for its members. SDRMA is composed of member agencies and is governed by a board of directors appointed by the members. Complete audited financial statements can be obtained from SDRMA's office at 1112 I Street, Suite 300, Sacramento, CA 95814. The District is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

The District reports the following major proprietary funds:

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

C. Basis of Accounting and Measurement Focus

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

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

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

E. Investments

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

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

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

F. Receivables

Receivables consist mainly of user fees, interest, intergovernmental, assessments, and delinquent assessments. Although Management believes all assessments are ultimately collectible because they are collected with property taxes, management has established an allowance for doubtful accounts of (\$22) for the Sewer Operations fund and (\$795) for the Water Operations fund. Accounts receivables are stated net of these amounts.

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

G. Other Assets

Inventory

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

Prepaid Costs

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

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

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

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

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

I. Assessment Revenue

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

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

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

J. Interfund Transactions

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

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

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

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Interfund Transactions (Continued)

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

K. Compensated Absences

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

L. Pension

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

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

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	June 30, 2019 to June 30, 2020

M. Other Postemployment Benefits (OPEB)

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

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	June 30, 2019 to June 30, 2020

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows/Inflows of Resources

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

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

O. Estimates

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

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

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

Statement No. 84, Fiduciary Activities. This statement enhances consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhance the value provided by the information reported in financial statements for assessing government accountability and stewardship.

Statement No. 90, Majority Equity Interests. This statement improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations that previously was reported inconsistently. In addition, requiring reporting of information about component units if the government acquires a 100 percent equity interest provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit.

Q. Future Accounting Pronouncements

The following GASB Statements will be implemented in future financial statements:

Statement No. 87 “Leases”

The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Future Accounting Pronouncements (Continued)

Statement No. 89 “Accounting for Interest Cost Incurred Before the End of a Construction Period”	The requirements of this statement are effective for periods beginning after December 15, 2020. (FY 21/22)
Statement No. 91 “Conduit Debt Obligations”	The requirements of this statement are effective for periods beginning after December 15, 2021. (FY 22/23)
Statement No. 92 “Omnibus 2020”	The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)
Statement No. 93 “Replacement of Interbank Offered Rates”	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 21/22)
Statement No. 94 “Public-Private and Public-Public Partnership and Availability Payment Arrangements”	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
Statement No. 96 “Subscription-Based Information Technology Arrangements”	The requirements of this statement are effective for periods beginning after June 15, 2022. (FY 22/23)
Statement No. 97 “Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”	The requirements of this statement are effective for periods beginning after June 15, 2021. (FY 21/22)

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the District reports these changes as restatements of beginning net position. During the current year the District reported a prior period adjustment to correct capital assets.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Restatement of Net Position (Continued)

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

	Business-Type Activities
Net Position, June 30, 2020 as previously reported	\$ 1,590,796
Adjustment associated with:	
Correction to capital assets	(60,647)
Total Adjustments	(60,647)
Net Position, July 1, 2020 as restated	\$ 1,530,149

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

	Sewer Operations
Net Position, June 30, 2020 as previous reported	\$ 241,919
Adjustment associated with:	
Correction of capital assets	(60,647)
Total Adjustments	(60,647)
Net Position, July 1, 2020 as restated	\$ 181,272

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2021, the District's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 600
Deposits (less outstanding checks)	1,881,855
Total Cash	1,882,455
Investments:	
Investments with fiscal agent	176,404
Local Agency Investment Fund (LAIF)	627,345
Total Investments	803,749
Total Cash and Investments	\$ 2,686,204

B. Cash

At year end, the carrying amount of the District's cash deposits (including amounts in checking and money market accounts) was \$1,881,855, and the bank balance was \$1,931,824. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the District had cash on hand of \$600.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Cash (Continued)

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

C. Investments

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

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

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

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

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

At June 30, 2021, the District had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
Money market mutual funds	\$ 176,404	\$ 176,404	\$ -	\$ -
Total Investments Measured at Fair Value	176,404	<u>\$ 176,404</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pool				
LAIF		<u>627,345</u>		
Total Investments		<u>\$ 803,749</u>		

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

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

As of June 30, 2021, the District had the following investments, all of which had a maturity of 5 years or less:

<u>Investment Type</u>	<u>Interest Rates</u>	<u>Maturities</u>		<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
		<u>0-1 year</u>	<u>1-5 years</u>		
Investments Held by Fiscal Agents					
Money market mutual funds	Variable	\$ 176,404	\$ -	\$ 176,404	-
Total Investments Held by Fiscal Agents		<u>176,404</u>	<u>-</u>	<u>176,404</u>	<u>-</u>
Pooled Investments					
LAIF	Variable	<u>627,345</u>	<u>-</u>	<u>627,345</u>	<u>-</u>
Total Pooled Investments		<u>627,345</u>	<u>-</u>	<u>627,345</u>	<u>-</u>
Total Investments		<u>\$ 803,749</u>	<u>\$ -</u>	<u>\$ 803,749</u>	<u>-</u>

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

<u>Investment Type</u>	<u>Minimum Legal Rating</u>	<u>Standard & Poor's Rating</u>	<u>Moody's Rating</u>	<u>% of Portfolio</u>
Money Market Mutual Funds	A	AAAm	Aaa-mf	21.95%
LAIF	N/A	Unrated	Unrated	<u>78.05%</u>
Total				<u>100.00%</u>

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

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

D. Investment in External Investment Pool

The District maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2021, the District's investment in LAIF valued at amortized cost was \$627,345 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$193.3 billion. Of that amount, 97.69 percent is invested in non-derivative financial products and 2.31 percent in structured notes and asset-backed securities.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Retirements/ Adjustments	Balance June 30, 2021
Capital Assets, Not Being Depreciated				
Land	\$ 607,918	\$ -	\$ -	\$ 607,918
Total Capital Assets, Not Being Depreciated	<u>607,918</u>	<u>-</u>	<u>-</u>	<u>607,918</u>
Capital Assets, Being Depreciated				
Structures and improvements	3,813,225	2,704	(637)	3,815,292
Equipment	2,212,562	104,972	(60,009)	2,257,525
Infrastructure	26,175,522	140,292	-	26,315,814
Total Capital Assets, Being Depreciated	<u>32,201,309</u>	<u>247,968</u>	<u>(60,646)</u>	<u>32,388,631</u>
Less Accumulated Depreciation For:				
Structures and improvements	(1,771,116)	(120,865)	85	(1,891,896)
Equipment	(1,712,573)	(135,471)	(85)	(1,848,129)
Infrastructure	(22,884,335)	(222,462)	-	(23,106,797)
Total Accumulated Depreciation	<u>(26,368,024)</u>	<u>(478,798)</u>	<u>-</u>	<u>(26,846,822)</u>
Total Capital Assets, Being Depreciated, Net	<u>5,833,285</u>	<u>(230,830)</u>	<u>(60,646)</u>	<u>5,541,809</u>
Total Capital Assets, Net	<u>\$ 6,441,203</u>	<u>(\$ 230,830)</u>	<u>(\$ 60,646)</u>	<u>\$ 6,149,727</u>

Depreciation

Depreciation expense was charged to operations as follows:

Sewer Operations	\$ 253,083
Water Operations	<u>225,715</u>
Total Depreciation Expense	<u>\$ 478,798</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 5: INTERFUND TRANSACTIONS

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, and subsidies of various District operations. The following are interfund transfers for the fiscal year ended June 30, 2021:

	Transfers In	Transfers Out
Sewer Operations	\$ -	\$ 1,452
Flood Control	1,452	-
Total	\$ 1,452	\$ 1,452

NOTE 6: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

Type of Indebtedness	Balance July 1, 2020	Additions	Adjustments/ Retirements	Balance June 30, 2021	Amounts Due Within One Year
Bonds	\$ 2,982,000	\$ -	(\$ 185,000)	\$ 2,797,000	\$ 192,000
Unamortized premium	27,161	-	(2,263)	24,898	2,263
Bonds, net	3,009,161	-	(187,263)	2,821,898	194,263
Direct borrowing loans	1,605,330	-	(110,065)	1,495,265	113,895
Direct borrowing certificates of participation	517,000	-	(17,000)	500,000	17,500
Compensated absences	29,118	43,999	(34,052)	39,065	26,102
Total Business-Type Activities	\$ 5,160,609	\$ 43,999	(\$ 348,380)	\$ 4,856,228	\$ 351,760

Individual issues of debt payable outstanding at June 30, 2021, are as follows:

Business-Type Activities

Bonds:

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

\$ 2,797,000

Total Bonds

2,797,000

Loans from Direct Borrowings:

California Infrastructure and Economic Development Bank direct borrowing Loan, issued June 24, 2002 in the amount of \$3,000,000, payable in annual installments of \$61,530 to \$160,350 with an interest rate of 3.48% and maturity on February 1, 2032. The loan was used to finance the expansion and upgrade of the water system. Net system revenues and all amounts in the enterprise fund are pledged as collateral for the debt. In the event of default, the District agrees to pay accrued interest plus the principal of all unpaid installments under the related agreement.

1,495,265

Total Loans from Direct Borrowings

1,495,265

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Certificates of Participation from Direct Borrowings:

2012 Series direct borrowing Certificates of Participation Water Reclamation Plant Energy Sustainability Project issued October 1, 2012, in the amount of \$640,000, payable in annual installments of \$14,000 to \$31,500 with an interest rate of 3.00% and maturity on August 1, 2041. The certificates of participation were used to finance the sewer system solar project. Net revenues are pledged as collateral for debt. In the event of default, the District agrees to pay accrued interest plus the principal of all unpaid installments under the related agreement.

	<u>500,000</u>
Total Certificates of Participation from Direct Borrowings	<u>500,000</u>
Total Business-Type Activities	<u>\$ 4,792,265</u>

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

<u>Year Ended June 30</u>	Bonds		
	Principal	Interest	Total
2022	\$ 192,000	\$ 93,231	\$ 285,231
2023	199,000	86,728	285,728
2024	206,000	79,843	285,843
2025	213,000	72,720	285,720
2026	219,000	65,376	284,376
2027-2031	1,218,000	205,687	1,423,687
2032-2033	550,000	19,425	569,425
Total	<u>\$ 2,797,000</u>	<u>\$ 623,010</u>	<u>\$ 3,420,010</u>

<u>Year Ended June 30</u>	Loans from Direct Borrowings		
	Principal	Interest	Total
2022	\$ 113,895	\$ 52,035	\$ 165,930
2023	117,859	48,072	165,931
2024	121,960	43,970	165,930
2025	126,204	39,726	165,930
2026	130,596	35,334	165,930
2027-2031	724,400	105,252	829,652
2032	160,351	5,581	165,932
Total	<u>\$ 1,495,265</u>	<u>\$ 329,970</u>	<u>\$ 1,825,235</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

Year Ended <u>June 30</u>	Certificates of Participation from Direct Borrowings		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 17,500	\$ 14,738	\$ 32,238
2023	18,000	14,205	32,205
2024	18,500	13,658	32,158
2025	19,000	13,095	32,095
2026	19,500	12,517	32,017
2027-2031	107,500	53,273	160,773
2032-2036	124,500	35,887	160,387
2037-2041	144,000	15,780	159,780
2042	<u>31,500</u>	<u>472</u>	<u>31,972</u>
Total	<u>\$ 500,000</u>	<u>\$ 173,625</u>	<u>\$ 673,625</u>

NOTE 7: NET POSITION

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

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

Net Position Flow Assumption

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 8: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (Plan), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Effective January 1, 2013, the District added a retirement tier for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the District's retirement costs.

Summary of Rate of Tiers and Eligible Participants

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous plan members if the membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2021, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.5% @ 55	50-55	1.420% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	50-62	1.000% to 2.500%

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 8: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions

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

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	12.361%	8.000%	0.000%
Miscellaneous PEPRA	7.732%	6.750%	0.000%

For the year ended June 30, 2021, the contributions recognized as part of pension expense for the Plan was as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 209,325	\$ -

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

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021 was as follows:

	<u>Proportion June 30, 2020</u>	<u>Proportion June 30, 2021</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	.03809%	.03751%	(.00058%)

As of June 30, 2021, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 1,582,280
Total Net Pension Liability	<u>\$ 1,582,280</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 8: PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2021 the District recognized pension expense of \$300,530. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 178,707	\$ -
Changes of assumptions	-	(11,285)
Difference between expected and actual experience	81,540	-
Difference between projected and actual earnings on pension plan investments	47,004	-
Difference between District contributions and proportionate share of contributions	4,392	(7,571)
Change in employer's proportion	13,111	(24,302)
Total	\$ 324,754	(\$ 43,158)

\$178,707 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30		
2022		\$ 11,598
2023		41,429
2024		27,317
2025		22,545
Thereafter		-
Total		\$ 102,889

Actuarial Assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Investment Rate of Return	7.15%
Inflation	2.50%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 8: PENSION PLAN (CONTINUED)

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

Actuarial Assumptions (Continued)

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 Experience Study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

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

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 8: PENSION PLAN (CONTINUED)

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

Long-Term Expected Rate of Return (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 – 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	<u>1.0%</u>	0.00%	-0.92%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.00% used for this period

(b) An expected inflation of 2.92% used for this period

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

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

	1% Decrease	Discount Rate	1% Increase
	<u>6.15%</u>	<u>7.15%</u>	<u>8.15%</u>
Miscellaneous	\$ 2,446,908	\$ 1,582,280	\$ 867,863

Pension Plan Fiduciary Net Position

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

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

The District provides a single-employer defined benefit healthcare plan (the “Retiree Health Plan”) for eligible employees. The Retiree Health Plan provides lifetime retiree medical coverage for eligible retirees through Special District Risk Management Authority (SDRMA) the District’s group health insurance plan. The Board of Directors reserves the authority to review and amend the funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the District. No assets were accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75.

The coverage requires the employee to meet the following requirements:

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

Benefits Provided

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

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

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

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

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

The 2021 monthly healthcare premium rates are shown below:

SDRMA 2021 Rates Northern California			
Plan	Employee Only	Employee + 1	Employee +2
Blue Shield PPO Gold	\$ 958.93	\$ 1,918.89	\$ 2,492.60
Gold PPO Medicare	615.94	1,231.88	1,847.82

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

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

A. General Information about the OPEB Plan (Continued)

Employees Covered By Benefit Terms

At June 30, 2021 the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Active employees	<u>10</u>
Total	<u><u>13</u></u>

B. Net OPEB Liability

The District's net OPEB liability of \$1,284,608, was measured as of June 30, 2020, and was determined by the actuarial valuation as of June 30, 2020.

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Funding method	Entry-Age Normal Cost, level percent of pay
Asset valuation method	Not applicable (\$0; no OPEB trust has been established)
Salary increases	3.00% per year; since benefits do not depend on salary, this is used only to allocate the cost of benefits between services years
Discount rate	3.13% as of June 30, 2019 and 2.45% as of June 30, 2020
Healthcare cost trend rates	5.8% for 2021, decreasing .1% per year to an ultimate rate of 4.0% for 2076 and later years
General inflation rate	2.50% per year

Demographic actuarial assumptions used in the valuation are based on the 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvement. The representative mortality rates were those published by CalPERS adjusted to back out 15 years of Scale MP 2016 to central year 2015.

C. Changes in the Net OPEB Liability

	<u>Net OPEB Liability</u>
Balance at June 30, 2020	\$ <u>1,600,339</u>
Changes for the year:	
Service cost	176,637
Interest	55,105
Differences between expected and actual experience	(521,254)
Changes of assumptions	6,626
Benefit payments	<u>(32,845)</u>
Net changes	<u>(315,731)</u>
Balance at June 30, 2021	<u><u>\$ 1,284,608</u></u>

Changes of assumptions reflects a change in the discount rate from 3.13 percent to 2.45 percent.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

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

C. Changes in the Net OPEB Liability (Continued)

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

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

	1% Decrease (2.13%)	Current Rate (3.13%)	1% Increase (4.13%)
Net OPEB liability	\$ 1,526,937	\$ 1,284,608	\$ 1,092,647

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

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

	Current Trend -1%	Current Trend	Current Trend +1%
Net OPEB Liability	\$ 1,064,799	\$ 1,284,608	\$ 1,568,945

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$173,141. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made subsequent to the measurement date	\$ 24,321	\$ -
Changes of assumptions	93,521	(53,385)
Differences between expected and actual experience	-	(460,501)
Total	\$ 117,842	(\$ 513,886)

\$24,321 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30				
2022			(\$	58,601)
2023			(	58,601)
2024			(	58,601)
2025			(	54,873)
2026			(	45,704)
Thereafter			(	143,985)
			(\$	420,365)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2021

NOTE 10: RISK MANAGEMENT

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

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

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

NOTE 11: OTHER INFORMATION

A. Subsequent Events

Management has evaluated events subsequent to June 30, 2021 through October 21, 2021, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information
(Unaudited)**

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2021
Last 10 Years*

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

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

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>
0.03725%	0.03809%	0.03751%
\$ 1,403,810	\$ 1,525,450	\$ 1,582,280
773,598	858,574	784,205
181.47%	177.67%	201.77%
74.97%	74.75%	75.65%

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2021
Last 10 Years*

Fiscal Year	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
Miscellaneous Plan				
Contractually required contributions (actuarially determined)	\$ 68,280	\$ 65,481	\$ 65,481	\$ 67,062
Contributions in relation to the actuarially determined contributions	<u>(146,425)</u>	<u>(154,320)</u>	<u>(154,320)</u>	<u>(166,721)</u>
Contribution deficiency (excess)	<u>\$ (78,145)</u>	<u>\$ (88,839)</u>	<u>\$ (88,839)</u>	<u>\$ (99,659)</u>
Covered payroll	\$ 758,445	\$ 794,520	\$ 746,828	\$ 773,598
Contributions as a percentage of covered payroll	18.37%	19.42%	20.66%	21.55%

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

<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
\$ 80,229	\$ 74,931	\$ 75,213
<u>(195,406)</u>	<u>(209,325)</u>	<u>(208,890)</u>
<u>\$ (115,177)</u>	<u>\$ (134,394)</u>	<u>\$ (133,677)</u>
\$ 858,574 22.76%	\$ 784,205 26.69%	\$ 851,369 24.54%

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District Pension Plan
Notes to District Pension Plan
For the Year Ended June 30, 2021

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

Summary of Changes of Benefits or Assumptions

Benefit Changes: None

Changes of Assumptions: None

NOTE 2: SCHEDULE OF CONTRIBUTIONS

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

Valuation Date	June 30, 2018
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount rate	7.00%
Payroll Growth	2.75%
Inflation	2.50%
Salary increases	Varies based on entry age and service
Investment rate of return	7.00%

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District OPEB Plan
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2021
Last 10 Years*

Fiscal Year	<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>
Net OPEB Liability				
Service Cost	\$ 168,137	\$ 150,829	\$ 153,728	\$ 176,637
Interest	35,914	46,055	52,382	55,105
Differences between expected and actual experience	-	-	-	(521,254)
Changes of assumptions	(95,664)	(12,151)	118,430	6,626
Benefit payments	<u>(20,997)</u>	<u>(33,593)</u>	<u>(35,000)</u>	<u>(32,845)</u>
Net Change in Net OPEB Liability	87,390	151,140	289,540	(315,731)
Net OPEB Liability - Beginning	<u>1,072,269</u>	<u>1,159,659</u>	<u>1,310,799</u>	<u>1,600,339</u>
Net OPEB Liability - Ending	<u>\$ 1,159,659</u>	<u>\$ 1,310,799</u>	<u>\$ 1,600,339</u>	<u>\$ 1,284,608</u>
Covered-employee payroll	\$ 770,191	\$ 804,618	\$ 915,742	\$ 839,034
Net OPEB liability as a percentage of covered-employee payroll	150.57%	162.91%	174.76%	153.11%

* The District implemented GASB 75 for the fiscal year June 30, 2018, therefore only four years are shown.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Required Supplementary Information
District OPEB Plan
Note to District OPEB Plan
For the Year Ended June 30, 2021

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

The Discount rate was changed to 2.45 percent as of June 30, 2020, from 3.13 percent as of June 30, 2019.

Combining Fund Financial Statements

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Net Position
Sewer Operations
June 30, 2021

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
ASSETS				
Current Assets:				
Cash and investments	\$ 240,230	\$ 456,227	\$ 9,251	\$ 145,317
Investments with fiscal agent	-	176,404	-	-
Receivables:				
Accounts (net of allowance)	187,617	-	-	-
Assessments	-	9,119	-	-
Intergovernmental	121,143	-	-	-
Interest	60	77	1	48
Prepaid costs	13,472	-	-	-
Total Current Assets	<u>562,522</u>	<u>641,827</u>	<u>9,252</u>	<u>145,365</u>
Noncurrent Assets:				
Delinquent assessments receivable	-	121,075	-	-
Capital assets, net	2,966,024	-	-	-
Total Noncurrent Assets	<u>2,966,024</u>	<u>121,075</u>	<u>-</u>	<u>-</u>
Total Assets	<u>3,528,546</u>	<u>762,902</u>	<u>9,252</u>	<u>145,365</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension adjustments	162,377	-	-	-
Deferred OPEB adjustments	56,410	-	-	-
Total Deferred Outflows of Resources	<u>218,787</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	17,459	81	-	-
Salaries and benefits payable	28,979	-	-	-
Interest payable	-	32,117	5,971	-
Compensated absences	14,951	-	-	-
Bonds payable	-	194,263	-	-
Certificates of participation	-	-	17,500	-
Total Current Liabilities	<u>61,389</u>	<u>226,461</u>	<u>23,471</u>	<u>-</u>
Noncurrent Liabilities:				
Compensated absences	4,581	-	-	-
Bonds payable	-	2,627,635	-	-
Certificates of participation	-	-	482,500	-
Net pension liability	791,140	-	-	-
Net OPEB liability	642,304	-	-	-
Total Noncurrent Liabilities	<u>1,438,025</u>	<u>2,627,635</u>	<u>482,500</u>	<u>-</u>
Total Liabilities	<u>1,499,414</u>	<u>2,854,096</u>	<u>505,971</u>	<u>-</u>

Wastewater Capital Facilities Unreserved	USDA Reserve Fund	All Bonds Assessment Revolving Fund	Total Sewer Operations
\$ 357,667	\$ 31,326	\$ -	\$ 1,240,018
-	-	-	176,404
-	-	-	187,617
-	-	-	9,119
-	-	-	121,143
78	-	-	264
-	-	-	13,472
<u>357,745</u>	<u>31,326</u>	<u>-</u>	<u>1,748,037</u>
-	-	-	121,075
-	-	-	2,966,024
-	-	-	3,087,099
<u>357,745</u>	<u>31,326</u>	<u>-</u>	<u>4,835,136</u>
-	-	-	162,377
-	-	-	56,410
-	-	-	218,787
-	-	-	17,540
-	-	-	28,979
-	-	-	38,088
-	-	-	14,951
-	-	-	194,263
-	-	-	17,500
-	-	-	311,321
-	-	-	4,581
-	-	-	2,627,635
-	-	-	482,500
-	-	-	791,140
-	-	-	642,304
-	-	-	4,548,160
-	-	-	4,859,481

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Net Position
Sewer Operations
June 30, 2021

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension adjustments	21,579	-	-	-
Deferred OPEB adjustments	255,923	-	-	-
Total Deferred Inflows of Resources	<u>277,502</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	2,966,024	(2,821,898)	(500,000)	-
Restricted for debt service	-	730,704	-	-
Restricted for capital facilities	-	-	-	145,365
Unrestricted	(995,607)	-	3,281	-
Total Net Position	<u>\$ 1,970,417</u>	<u>\$ (2,091,194)</u>	<u>\$ (496,719)</u>	<u>\$ 145,365</u>

Wastewater Capital Facilities Unreserved	USDA Reserve Fund	All Bonds Assessment Revolving Fund	Total Sewer Operations
-	-	-	21,579
-	-	-	255,923
-	-	-	277,502
-	-	-	(355,874)
-	31,326	-	762,030
-	-	-	145,365
357,745	-	-	(634,581)
<u>\$ 357,745</u>	<u>\$ 31,326</u>	<u>\$ -</u>	<u>\$ (83,060)</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Revenues, Expenses
and Changes in Net Position
Sewer Operations
For the Year Ended June 30, 2021

	Sewer	1995-2 Bond Redemption	USDA Solar Loan	Wastewater Capital Facilities Reserved
OPERATING REVENUES				
Assessments	\$ -	\$ 280,997	\$ -	\$ -
Permits and inspections	9,758	-	-	57,222
Charges for services	1,551,716	-	-	-
Miscellaneous	28,087	19,003	-	-
Total Operating Revenues	1,589,561	300,000	-	57,222
OPERATING EXPENSES				
Salaries and benefits	944,029	-	-	-
Insurance	72,144	-	-	-
Office expenses	33,427	-	-	-
Continuing education	3,116	-	-	-
Dues and subscriptions	11,786	-	-	-
Postage	8,043	-	-	-
Repairs and maintenance	407,166	-	-	-
Gas, fuel and oil	13,668	-	-	-
Supplies	56,724	-	-	-
Professional services	227,778	11,176	-	-
Rents and leases	7,874	-	-	-
Travel	1,648	-	-	-
Telephone	11,610	-	-	-
Power	87,885	-	-	-
Other utilities	3,062	-	-	-
Depreciation	253,083	-	-	-
Other operating	907	-	-	-
Office and safety equipment	22,829	-	-	-
Directors compensation	3,230	-	-	-
Environmental monitoring	34,884	-	-	-
Annual operating fees	4,743	-	-	-
Total Operating Expenses	2,209,636	11,176	-	-
Operating Income (Loss)	(620,075)	288,824	-	57,222
NON-OPERATING REVENUES (EXPENSES)				
Interest income	483	684	16	371
Intergovernmental revenues	121,170	-	-	-
Interest expense	-	(97,353)	(15,043)	-
Total Non-Operating Revenues (Expenses)	121,653	(96,669)	(15,027)	371
Income (Loss) Before Special Items and Transfers	(498,422)	192,155	(15,027)	57,593

Wastewater Capital Facilities Unreserved	USDA Reserve Fund	All Bonds Assessment Revolving Fund	Total Sewer Operations
\$ -	\$ -	\$ -	\$ 280,997
-	-	-	66,980
-	-	-	1,551,716
-	-	-	47,090
-	-	-	1,946,783
-	-	-	944,029
-	-	-	72,144
-	-	-	33,427
-	-	-	3,116
-	-	-	11,786
-	-	-	8,043
-	-	-	407,166
-	-	-	13,668
-	-	-	56,724
-	-	-	238,954
-	-	-	7,874
-	-	-	1,648
-	-	-	11,610
-	-	-	87,885
-	-	-	3,062
-	-	-	253,083
-	-	-	907
-	-	-	22,829
-	-	-	3,230
-	-	-	34,884
-	-	-	4,743
-	-	-	2,220,812
-	-	-	(274,029)
788	22	50	2,414
-	-	-	121,170
-	-	-	(112,396)
788	22	50	11,188
788	22	50	(262,841)

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Revenues, Expenses
and Changes in Net Position
Sewer Operations
For the Year Ended June 30, 2021

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
Proceeds for the LNU Fire	112,176	-	-	-
Expenses for the LNU Fire	(112,215)	-	-	-
Transfers in (out)	206,323	-	8,100	(14,075)
Change in Net Position	<u>(292,138)</u>	<u>192,155</u>	<u>(6,927)</u>	<u>43,518</u>
Total Net Position - Beginning	2,323,202	(2,283,349)	(489,792)	101,847
Prior period adjustment	(60,647)	-	-	-
Total Net Position - Beginning, Restated	<u>2,262,555</u>	<u>(2,283,349)</u>	<u>(489,792)</u>	<u>101,847</u>
Total Net Position - Ending	<u>\$ 1,970,417</u>	<u>\$ (2,091,194)</u>	<u>\$ (496,719)</u>	<u>\$ 145,365</u>

Wastewater Capital Facilities Unreserved	USDA Reserve Fund	All Bonds Assessment Revolving Fund	Total Sewer Operations
-	-	-	112,176
-	-	-	(112,215)
(96,668)	-	(105,132)	(1,452)
(95,880)	22	(105,082)	(264,332)
453,625	31,304	105,082	241,919
-	-	-	(60,647)
453,625	31,304	105,082	181,272
<u>\$ 357,745</u>	<u>\$ 31,326</u>	<u>\$ -</u>	<u>\$ (83,060)</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Cash Flows
Sewer Operations
For the Year Ended June 30, 2021

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 1,553,375	\$ 300,463	\$ -	\$ 57,222
Cash paid to suppliers	(1,052,758)	(11,095)	-	-
Cash paid to employees	(723,629)	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>(223,012)</u>	<u>289,368</u>	<u>-</u>	<u>57,222</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Special project amounts paid	(112,215)	-	-	-
Grants received	201,880	-	-	-
Transfer in (out) from/to other funds	206,323	-	8,100	(14,075)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>295,988</u>	<u>-</u>	<u>8,100</u>	<u>(14,075)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(232,902)	-	-	-
Principal paid on debt	-	(187,263)	(17,000)	-
Interest paid on debt	-	(99,357)	(15,255)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(232,902)</u>	<u>(286,620)</u>	<u>(32,255)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	693	950	18	537
Net Cash Provided (Used) by Investing Activities	<u>693</u>	<u>950</u>	<u>18</u>	<u>537</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(159,233)	3,698	(24,137)	43,684
Balances - Beginning	<u>399,463</u>	<u>628,933</u>	<u>33,388</u>	<u>101,633</u>
Balances - Ending	<u>\$ 240,230</u>	<u>\$ 632,631</u>	<u>\$ 9,251</u>	<u>\$ 145,317</u>

Wastewater Capital Facilities Unreserved	USDA Reserve Fund	All Bonds Assessment Revolving Fund	Total Sewer Operations
\$ -	\$ -	\$ -	\$ 1,911,060
-	-	-	(1,063,853)
-	-	-	(723,629)
-	-	-	123,578
-	-	-	(112,215)
-	-	-	201,880
(96,668)	-	(105,132)	(1,452)
(96,668)	-	(105,132)	88,213
-	-	-	(232,902)
-	-	-	(204,263)
-	-	-	(114,612)
-	-	-	(551,777)
1,055	22	50	3,325
1,055	22	50	3,325
(95,613)	22	(105,082)	(336,661)
453,280	31,304	105,082	1,753,083
<u>\$ 357,667</u>	<u>\$ 31,326</u>	<u>\$ -</u>	<u>\$ 1,416,422</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Cash Flows
Sewer Operations
For the Year Ended June 30, 2021

	<u>Sewer</u>	<u>1995-2 Bond Redemption</u>	<u>USDA Solar Loan</u>	<u>Wastewater Capital Facilities Reserved</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (620,075)	\$ 288,824	\$ -	\$ 57,222
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization	253,083	-	-	-
Decrease (increase) in:				
Accounts receivable	(36,186)	-	-	-
Assessments receivable	-	463	-	-
Prepaid costs	(3,257)	-	-	-
Pension adjustment - deferred outflows	51,955	-	-	-
OPEB adjustment - deferred outflows	8,963	-	-	-
Increase (decrease) in:				
Accounts payable	(36,977)	81	-	-
Salaries and benefits payable	15,714	-	-	-
Compensated absences	2,853	-	-	-
Net pension liability	28,415	-	-	-
Net OPEB liability	(89,750)	-	-	-
Pension adjustment - deferred inflows	(19,459)	-	-	-
OPEB adjustment - deferred inflows	221,709	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (223,012)</u>	<u>\$ 289,368</u>	<u>\$ -</u>	<u>\$ 57,222</u>

Wastewater Capital Facilities Unreserved	USDA Reserve Fund	All Bonds Assessment Revolving Fund	Total Sewer Operations
\$ -	\$ -	\$ -	\$ (274,029)
-	-	-	253,083
-	-	-	(36,186)
-	-	-	463
-	-	-	(3,257)
-	-	-	51,955
-	-	-	8,963
-	-	-	(36,896)
-	-	-	15,714
-	-	-	2,853
-	-	-	28,415
-	-	-	(89,750)
-	-	-	(19,459)
-	-	-	221,709
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,578</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Net Position
Water Operations
June 30, 2021

	Water	CIEDB Loan Redemption	CIEDB Loan Reserve
ASSETS			
Current Assets:			
Cash and investments	\$ 512,024	\$ 106,776	\$ 184,364
Receivables:			
Accounts (net of allowance)	341,186	3,882	-
Intergovernmental	131,461	-	-
Interest	98	10	151
Prepaid costs	13,472	-	-
Total Current Assets	998,241	110,668	184,515
Noncurrent Assets:			
Capital assets, net	3,183,703	-	-
Total Noncurrent Assets	3,183,703	-	-
Total Assets	4,181,944	110,668	184,515
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	162,377	-	-
Deferred OPEB adjustments	61,432	-	-
Total Deferred Outflows of Resources	223,809	-	-
LIABILITIES			
Current Liabilities:			
Accounts payable	27,144	-	-
Salaries and benefits payable	28,499	-	-
Interest payable	-	21,682	-
Compensated absences	11,151	-	-
Loans payable	-	113,895	-
Total Current Liabilities	66,794	135,577	-
Noncurrent Liabilities:			
Compensated absences	8,382	-	-
Loans payable	-	1,381,370	-
Net pension liability	791,140	-	-
Net OPEB liability	642,304	-	-
Total Noncurrent Liabilities	1,441,826	1,381,370	-
Total Liabilities	1,508,620	1,516,947	-
DEFERRED INFLOWS OF RESOURCES			
Deferred pension adjustments	21,579	-	-
Deferred OPEB adjustments	257,963	-	-
Total Deferred Inflows of Resources	279,542	-	-

Water Operations Reserve	Water Capital Fund	Total Water Operations
\$ 155,369	\$ 311,249	\$ 1,269,782
198	559	345,825
-	-	131,461
-	-	259
-	-	13,472
<u>155,567</u>	<u>311,808</u>	<u>1,760,799</u>
-	-	3,183,703
-	-	3,183,703
<u>155,567</u>	<u>311,808</u>	<u>4,944,502</u>
-	-	162,377
-	-	61,432
-	-	223,809
-	-	27,144
-	-	28,499
-	-	21,682
-	-	11,151
-	-	113,895
-	-	202,371
-	-	8,382
-	-	1,381,370
-	-	791,140
-	-	642,304
-	-	2,823,196
-	-	3,025,567
-	-	21,579
-	-	257,963
-	-	279,542

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Net Position
Water Operations
June 30, 2021

	Water	CIEDB Loan Redemption	CIEDB Loan Reserve
NET POSITION			
Net investment in capital assets	3,183,703	(1,495,265)	-
Restricted for debt service	-	-	184,515
Restricted for capital facilities	-	-	-
Unrestricted	(566,112)	88,986	-
Total Net Position	\$ 2,617,591	\$ (1,406,279)	\$ 184,515

<u>Water Operations Reserve</u>	<u>Water Capital Fund</u>	<u>Total Water Operations</u>
-	-	1,688,438
-	-	184,515
-	311,808	311,808
155,567	-	(321,559)
<u>\$ 155,567</u>	<u>\$ 311,808</u>	<u>\$ 1,863,202</u>

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Revenues, Expenses
and Changes in Net Position
Water Operations
For the Year Ended June 30, 2021

	Water	CIEDB Loan Redemption	CIEDB Loan Reserve
OPERATING REVENUES			
Charges for services	\$ 2,311,688	\$ 108,507	\$ -
Miscellaneous	55,902	-	-
Total Operating Revenues	<u>2,367,590</u>	<u>108,507</u>	<u>-</u>
OPERATING EXPENSES			
Salaries and benefits	824,945	-	-
Insurance	72,144	-	-
Office expenses	33,604	-	-
Continuing education	3,258	-	-
Dues and subscriptions	29,105	-	-
Postage	8,042	-	-
Repairs and maintenance	176,556	-	-
Gas, fuel and oil	13,776	-	-
Supplies	43,317	-	-
Professional services	166,954	-	-
Travel	1,648	-	-
Telephone	11,410	-	-
Power	202,753	-	-
Other utilities	3,074	-	-
Depreciation	225,715	-	-
Other operating	3,901	-	-
Office and safety equipment	19,354	-	-
Director's compensation	3,229	-	-
Environmental monitoring	13,402	-	-
Water conservation	2,800	-	-
Water rights	3,910	-	-
Annual operating fees	28,758	4,816	-
Total Operating Expenses	<u>1,891,655</u>	<u>4,816</u>	<u>-</u>
Operating Income (Loss)	<u>475,935</u>	<u>103,691</u>	<u>-</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest income	852	93	1,032
Interest expense	-	(54,270)	-
Total Non-Operating Revenues (Expenses)	<u>852</u>	<u>(54,177)</u>	<u>1,032</u>
Income (Loss) Before Transfers	476,787	49,514	1,032
Proceeds for the LNU Fire	132,923	-	-
Expenses for the LNU Fire	(146,301)	-	-
Transfers in (out)	(326,083)	158,593	-
Change in Net Position	137,326	208,107	1,032
Total Net Position - Beginning	<u>2,480,265</u>	<u>(1,614,386)</u>	<u>183,483</u>
Total Net Position - Ending	<u>\$ 2,617,591</u>	<u>\$ (1,406,279)</u>	<u>\$ 184,515</u>

Water Operating Reserve	Water Capital Fund	Total Water Operations
\$ -	\$ -	\$ 2,420,195
-	-	55,902
-	-	2,476,097
-	-	824,945
-	-	72,144
-	-	33,604
-	-	3,258
-	-	29,105
-	-	8,042
-	-	176,556
-	-	13,776
-	-	43,317
-	-	166,954
-	-	1,648
-	-	11,410
-	-	202,753
-	-	3,074
-	-	225,715
-	-	3,901
-	-	19,354
-	-	3,229
-	-	13,402
-	-	2,800
-	-	3,910
-	-	33,574
-	-	1,896,471
-	-	579,626
130	150	2,257
-	-	(54,270)
130	150	(52,013)
130	150	527,613
-	-	132,923
-	-	(146,301)
4,969	162,521	-
5,099	162,671	514,235
150,468	149,137	1,348,967
\$ 155,567	\$ 311,808	\$ 1,863,202

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Combining Statement of Cash Flows
Water Operations
For the Year Ended June 30, 2021

	Water	CIEDB Loan Redemption	CIEDB Loan Reserve
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,285,616	\$ 106,507	\$ -
Cash paid to suppliers	(907,016)	(4,816)	-
Cash paid to employees	(736,616)	-	-
Net Cash Provided (Used) by Operating Activities	641,984	101,691	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Special project amounts paid	(146,301)	-	-
Grants received	1,462	-	-
Transfers in (out) from/to other funds	(326,083)	158,593	-
Net Cash Provided (Used) by Noncapital Financing Activities	(470,922)	158,593	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(15,068)	-	-
Principal paid on debt	-	(110,065)	-
Interest paid on debt	-	(55,865)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(15,068)	(165,930)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1,195	128	1,548
Net Cash Provided (Used) by Investing Activities	1,195	128	1,548
Net Increase (Decrease) in Cash and Cash Equivalents	157,189	94,482	1,548
Balances - Beginning	354,835	12,294	182,816
Balances - Ending	\$ 512,024	\$ 106,776	\$ 184,364
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 475,935	\$ 103,691	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation/amortization	225,715	-	-
Decrease (increase) in:			
Accounts receivable	(81,974)	(2,000)	-
Prepaid costs	(3,257)	-	-
Pension adjustment - deferred outflows	51,955	-	-
OPEB adjustment - deferred outflows	9,088	-	-
Increase (decrease) in:			
Accounts payable	(62,764)	-	-
Salaries and benefits payable	12,427	-	-
Compensated absences	7,094	-	-
Net pension liability	28,415	-	-
Net OPEB liability	(225,981)	-	-
Pension adjustment - deferred inflows	(19,459)	-	-
OPEB adjustment - deferred inflows	224,790	-	-
Net Cash Provided (Used) by Operating Activities	\$ 641,984	\$ 101,691	\$ -

Water Operating Reserve	Water Capital Fund	Total Water Operations
\$ -	\$ -	\$ 2,392,123
-	-	(911,832)
-	-	(736,616)
-	-	743,675
-	-	(146,301)
-	-	1,462
4,969	162,521	-
4,969	162,521	(144,839)
-	-	(15,068)
-	-	(110,065)
-	-	(55,865)
-	-	(180,998)
130	150	3,151
130	150	3,151
5,099	162,671	420,989
150,270	148,578	848,793
<u>\$ 155,369</u>	<u>\$ 311,249</u>	<u>\$ 1,269,782</u>
\$ -	\$ -	\$ 579,626
-	-	225,715
-	-	(83,974)
-	-	(3,257)
-	-	51,955
-	-	9,088
-	-	(62,764)
-	-	12,427
-	-	7,094
-	-	28,415
-	-	(225,981)
-	-	(19,459)
-	-	224,790
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 743,675</u>

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OTHER REPORT

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of Hidden Valley Lake Community Services District, California (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 21, 2021.

Internal Control Over Financial Reporting

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

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

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

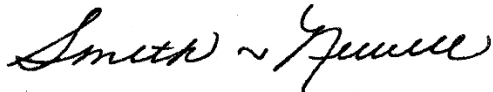
To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script, appearing to read "Smith & Newell", written in black ink.

Smith & Newell CPAs
Yuba City, California
October 21, 2021

INDEPENDENT AUDITOR'S MANAGEMENT LETTER

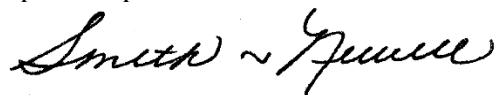
To the Board of Directors
Hidden Valley Lake Community Services District
Hidden Valley Lake, California

In planning and performing our audit of the financial statements of Hidden Valley Lake Community Services District, (District) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, we considered the District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiencies. The appendix that accompanies this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated October 21, 2021, on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with District management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the District and is not intended to be, and should not be, used by anyone other than these specified parties.



Smith & Newell CPAs
Yuba City, California
October 21, 2021

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HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
Appendix A: Management Letter Comments
For the Year Ended June 30, 2021

CURRENT YEAR FINDING AND RECOMMENDATION

Prior Period Adjustment

Criteria

Generally Accepted Accounting Principles require that errors in the prior year ending balances be corrected by a prior period adjustment to the beginning net position.

Condition

During our audit, errors were noted on the District's depreciation schedule.

Cause

The District's depreciation schedule included one capital asset that had been listed twice.

Effect

Beginning net position was misstated and required adjustment.

Questioned Cost

No questioned costs were identified as a result of our audit procedures.

Context

Not applicable.

Repeat Finding

This is not a repeat finding.

Recommendation

We recommend that the District maintain and annually review the depreciation schedule, including accumulated depreciation and current year depreciation expense, for accuracy.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

Appendix B: Management's Corrective Action Plan

For the Year Ended June 30, 2021

Prior Period Adjustment

We recommend that the District maintain and annually review the depreciation schedule, including accumulated depreciation and current year depreciation expense, for accuracy.

Management's Response: The District concurs with the finding.

Responsible Individual: Trish Wilkinson, Accounting Supervisor

Corrective Action Plan: The Accounting Supervisor will annually review the depreciation schedule, including accumulated depreciation and current year depreciation expenses, for accuracy.

Anticipated Completion Date: 6/30/2022

MacLeod Watts

Hidden Valley Lake Community Services District Other Post-Employment Benefit Prefunding Illustrations

On these two pages, we've prepared three charts showing the OPEB Actuarial Accrued Liability. This is also referred to as the Total OPEB Liability for GASB accounting purposes. These charts also show normal costs (a.k.a. service cost) and development of the Actuarially Determined Contribution levels ("ADCs") for fiscal years ending June 30, 2022 and June 30, 2023. **The results in the three charts differ only by the assumed long-term return on trust assets**, which in turn, depends on the specific investment/allocation strategy selected by the District if a trust is established. We have illustrated assumed returns of 4%, 5% and 6%.

Each chart ends with the *estimated* District contribution that would need to be made to the OPEB trust in these years to satisfy the ADC level of funding for that year. The reason these trust contributions are estimates is because the retiree benefit payments for the year are also estimates. If total benefit payments for the year are lower, then the amount to pay to the trust would be slightly higher. If total retiree benefits are higher, then the trust contribution would be slightly less.

We can briefly summarize the results as follows, based on the three assumed annual trust returns:

- At 4% per year, the trust contributions would be close to \$120,000 per year.
- At 5% per year, the trust contributions would be close to \$100,000 per year.
- At 6% per year, the trust contributions would be roughly \$80,000 per year.

Fiscal Year End <i>Valuation Date</i>	6/30/2022 6/30/2020	6/30/2023 6/30/2020
Discount Rate	4.00%	4.00%
Actuarial Accrued Liability	1,116,653	1,232,844
Market Value of Assets	-	116,463
Unfunded Actuarial Accrued Liability	1,116,653	1,116,381
Amortization Method	Level % of Pay	Level % of Pay
Amortization Period	30	29
Amortization Factor	26.1695	25.4138
Actuarially Determined Contribution (ADC)		
Normal Cost	96,298	99,187
Amortization of Unfunded Liability	42,670	43,928
Interest to end of year	5,559	5,725
Total ADC	144,527	148,840
Contributing the ADC		
<i>Credits:</i>		
Implicit subsidy payment	(11,344)	(14,241)
Retiree benefits paid by the District	(16,720)	(19,254)
Estimated contribution to (refund from) trust	\$ 116,463	\$ 115,345

MacLeod Watts

Fiscal Year End <i>Valuation Date</i>	6/30/2022 6/30/2020	6/30/2023 6/30/2020
Discount Rate	5.00%	5.00%
Actuarial Accrued Liability	964,625	1,064,926
Market Value of Assets	-	96,779
Unfunded Actuarial Accrued Liability	964,625	968,147
Amortization Method	Level % of Pay	Level % of Pay
Amortization Period	30	29
Amortization Factor	23.0153	22.4428
Actuarially Determined Contribution (ADC)		
Normal Cost	76,986	79,296
Amortization of Unfunded Liability	41,912	43,138
Interest to end of year	5,945	6,122
Total ADC	124,843	128,556
Contributing the ADC		
<i>Credits:</i>		
Implicit subsidy payment	(11,344)	(14,241)
Retiree benefits paid by the District	(16,720)	(19,254)
Estimated contribution to (refund from) trust	\$ 96,779	\$ 95,061

Fiscal Year End <i>Valuation Date</i>	6/30/2022 6/30/2020	6/30/2023 6/30/2020
Discount Rate	6.00%	6.00%
Actuarial Accrued Liability	841,193	928,535
Market Value of Assets	-	80,577
Unfunded Actuarial Accrued Liability	841,193	847,958
Amortization Method	Level % of Pay	Level % of Pay
Amortization Period	30	29
Amortization Factor	20.4011	19.9662
Actuarially Determined Contribution (ADC)		
Normal Cost	62,053	63,915
Amortization of Unfunded Liability	41,233	42,470
Interest to end of year	6,197	6,383
Total ADC	109,483	112,768
Contributing the ADC		
<i>Credits:</i>		
Implicit subsidy payment	(11,344)	(14,241)
Retiree benefits paid by the District	(16,720)	(19,254)
Estimated contribution to (refund from) trust	\$ 81,419	\$ 79,273

MacLeod Watts

July 21, 2021

Trish Wilkinson
Accounting Supervisor
Hidden Valley Lake Community Services District
19400 Hartmann Rd
Hidden Valley Lake, CA 95467

Re: Hidden Valley Lake Community Services District Other Post-Employment Benefits
Actuarial Valuation and GASB 75 Report for Fiscal Year Ending June 30, 2021

Dear Ms. Wilkinson:

We are pleased to enclose our actuarial report providing financial information about the other post-employment benefit (OPEB) liabilities of the Hidden Valley Lake Community Services District. The report's text describes our analysis and assumptions in detail.

The primary purposes of this report are to:

1. Recalculate plan liabilities as of June 30, 2020, in accordance with GASB 75's biennial valuation requirement.
2. Provide information required by GASB 75 ("Accounting and Financial Reporting for Postemployment Benefits Other Than Pension") to be reported in the District's financial statements for the fiscal year ending June 30, 2021.

The valuation results are based on the employee data and details on plan benefits provided to us by the District. As with any analysis, the soundness of the report is dependent on the inputs. Please review the information shown in the report to be comfortable that it matches your records.

The exhibits presented in this report reflect the assumption that the District will continue financing its OPEB liability on a pay-as-you-go basis. Please let us know if we can be of assistance in preparing illustrations about how prefunding impacts the OPEB liability required to be reported under GASB 75.

We appreciate the opportunity to work on this analysis and acknowledge the efforts of the District employees who provided valuable time and information to enable us to prepare this report. Please let us know if we can be of further assistance.

Sincerely,

Catherine L. MacLeod, FSA, FCA, EA, MAAA
Principal & Consulting Actuary

Enclosure



Hidden Valley Lake Community Services District

Actuarial Valuation of Other
Post-Employment Benefit Programs
As of June 30, 2020

& GASB 75 Report for the Fiscal Year Ending
June 30, 2021

Submitted July 2021

MacLeod Watts

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A. Executive Summary

This report presents the results of the June 30, 2020, actuarial valuation and accounting information regarding the other post-employment benefit (OPEB) program of the Hidden Valley Lake Community Services District (the District). The purpose of this valuation is to assess the OPEB liabilities and provide disclosure information as required by Statement No. 75 of the Governmental Accounting Standards Board (GASB 75) for the fiscal year ending June 30, 2021.

Important background information regarding the valuation process can be found in Addendum 1. We recommend users of the report read this information to familiarize themselves with the process and context of actuarial valuations, including the requirements of GASB 75. The pages following this executive summary present exhibits and other information relevant for disclosures under GASB 75.

Absent material changes to this program, the results of the June 30, 2020, valuation will also be applied to prepare the District's GASB 75 report for the fiscal year ending June 30, 2022. If there are any significant changes in the employee population, plan benefits or eligibility, or to the District's funding policy, an earlier valuation might be required or appropriate.

OPEB Obligations of the District

The District provides continuation of medical coverage to qualifying retiring employees. This benefit creates one or more of the following types of OPEB liabilities:

- **Explicit subsidy liabilities:** An "explicit subsidy" exists when the employer contributes directly toward the cost of retiree healthcare¹. In this program, the District pays a portion of medical premiums for qualifying retirees. Details are provided in Supporting Information Section 2A.
- **Implicit subsidy liabilities:** An "implicit subsidy" exists when the premiums charged for retiree coverage are lower than the expected retiree claims for that coverage. In the SDRMA medical program, the same monthly premiums are charged for active employees and for pre-Medicare retirees. SDRMA underwriters have confirmed to us that the claims experience of these members is considered together in setting premium rates.

As is the nature of group premium rate structures, however, at some ages, retirees may be expected to experience higher claims than the premiums they pay; at other ages, the reverse may be true. We determine the implicit rate subsidy for pre-Medicare retirees as the projected difference between (a) retiree medical claim costs by age and (b) premiums charged for retiree coverage. For more information on this process see Section 3 and Addendum 2: MacLeod Watts Age Rating Methodology.

Different monthly premiums are charged for Medicare-eligible members. SDRMA underwriters have confirmed that the premium rates for Medicare eligible members are set at a level intended to cover the expected claims for these members, with no intended subsidy from active plan members. Based on the portion of premiums paid by the employer, we expect any potential implicit subsidy between Medicare-covered retirees within the pool to be paid fully by these retirees and not by the District.

¹ A liability for potential future excise tax liability for "high cost" retiree coverage was included in the prior valuation. However, this provision of the Affordable Care Act was repealed in December 2019, so this liability was eliminated.



Executive Summary

(Continued)

OPEB Funding Policy

The District's OPEB funding policy affects the calculation of liabilities by impacting the discount rate that is used to develop the plan liability and expense. "Prefunding" is the term used when an agency consistently contributes an amount based on an actuarially determined contribution (ADC) each year. GASB 75 allows prefunded plans to use a discount rate that reflects the expected earnings on trust assets. Pay-as-you-go, or "PAYGO", is the term used when an agency only contributes the required retiree benefits when due. When an agency finances retiree benefits on a pay-as-you-go basis, GASB 75 requires the use of a discount rate equal to a 20-year high grade municipal bond rate.

The District has not established an irrevocable OPEB trust and continues to finance its OPEB liability on a pay-as-you-go basis. With the District's approval, the discount rate used in this valuation is based on the Fidelity High Grade 20 Year General Obligation Municipal Index. At the beginning and end of the Measurement Period, this index results in discount rates of 3.13% on June 30, 2019, and 2.45% on June 30, 2020.

Actuarial Assumptions

The mortality assumptions used in this report were chosen, for the most part, from studies released by the Society of Actuaries. Other assumptions, such as timing and rates of retirement, other employment termination (separation) prior to retirement, age-related healthcare claims, healthcare trend, retiree participation rates and spouse coverage, were selected based on demonstrated plan experience and/or our best estimate of expected future experience. All these assumptions, and more, impact expected future benefits. Please note that this valuation has been prepared on a closed group basis. This means that only employees and retirees present as of the valuation date are considered. We do not consider replacement employees for those we project to leave the current population of plan participants until the valuation date following their employment.

We emphasize that this actuarial valuation provides a projection of future results based on many assumptions. Actual results are likely to vary to some extent and we will continue to monitor these assumptions in future valuations. See Section 3 for a description of assumptions used in this valuation.

Important Dates for GASB 75 in this Report

GASB 75 allows reporting liabilities as of any fiscal year end based on: (1) a *valuation date* no more than 30 months plus 1 day prior to the close of the fiscal year end; and (2) a *measurement date* up to one year prior to the close of the fiscal year. The following dates were used for this report:

Fiscal Year End	June 30, 2021
Measurement Date	June 30, 2020
Measurement Period	June 30, 2019, to June 30, 2020
Valuation Date	June 30, 2020



Executive Summary
(Concluded)

Significant Results and Differences from the Prior Valuation

No benefit changes were reported to MacLeod Watts relative to those in place at the time the June 2018 valuation was prepared. We reviewed and updated certain assumptions used to project the OPEB liability. Differences between actual and expected results based on updated census and premium data since June 2018 were also reflected (referred to as “plan experience”). Overall, the Total OPEB Liability on the current measurement date is lower than that reported one year ago.

See *Recognition Period for Deferred Resources* on page 11 for details on how these changes are recognized. Section C. presents the new valuation results and provides additional information on the impact of the new assumptions and plan experience.

Impact on Statement of Net Position and OPEB Expense for Fiscal Year Ending 2021

The plan’s impact to Net Position will be the sum of difference between assets and liabilities as of the measurement date plus the unrecognized net outflows and inflows of resources. Different recognition periods apply to deferred resources depending on their origin. The plan’s impact on Net Position on the measurement date can be summarized as follows:

Items	For Reporting At Fiscal Year Ending June 30, 2021
Total OPEB Liability	\$ 1,284,609
Fiduciary Net Position	-
Net OPEB Liability (Asset)	1,284,609
Deferred (Outflows) of Resources	(117,843)
Deferred Inflows of Resources	513,886
Impact on Statement of Net Position	<u>\$ 1,680,652</u>
 OPEB Expense, FYE 6/30/2021	 <u>\$ 173,141</u>

Important Notices

This report is intended to be used only to present the actuarial information relating to other postemployment benefits for the District’s financial statements. The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable. We note that various issues in this report may involve legal analysis of applicable law or regulations. The District should consult counsel on these matters; MacLeod Watts does not practice law and does not intend anything in this report to constitute legal advice. In addition, we recommend the District consult with their internal accounting staff or external auditor or accounting firm about the accounting treatment of OPEB liabilities.



B. Valuation Process

This valuation is based on employee census data and benefits initially submitted to us by the District and clarified in various related communications. A summary of the employee data is provided in Section 1 and a summary of the benefits provided under the Plan is provided in Section 2A. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the District as to its accuracy. The valuation has been performed in accordance with the process described below using the actuarial methods and assumptions described in Section 3 and is consistent with our understanding of Actuarial Standards of Practice.

In projecting benefit values and liabilities, we first determine an expected premium or benefit stream over each current retiree's or active employee's future retirement. Benefits may include both direct employer payments (explicit subsidies) and any implicit subsidies arising when retiree premiums are expected to be partially subsidized by premiums paid for active employees. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected dates when benefits will end. Assumptions regarding the probability that each employee will remain in service to receive benefits and the likelihood the employee will elect coverage for themselves and their dependents are also applied.

We then calculate a present value of these future benefit streams by discounting the value of each future expected employer payment back to the valuation date using the valuation discount rate. This present value is called the **Present Value of Projected Benefits (PVPB)** and represents the current value of all expected future plan payments to current retirees and current active employees. Note that this long-term projection does not anticipate entry of future employees.

		Valuation Date	
		Benefits earned by prior service	Benefits earned by future service
Present Value of Projected Benefit (PVPB) <i>Present value as of the valuation date of all future benefits expected to be paid to current and former employees</i>			
Retiree benefits due next year	Actuarial Accrued Liability (AAL) <i>Present value as of the valuation date of all benefits deemed earned by prior service of current employees and retirees</i>	*	Future Earned Benefits <i>Present value of benefits expected to be earned by future service of current employees</i>
	Pay-As-You-Go --plan sponsor makes contributions each year only to pay for the retiree benefits due that year.		* Normal Cost -- value of benefits earned by active employees in the year following the valuation date.

The next step in the valuation process splits the Present Value of Projected Benefits into 1) the value of benefits already earned by prior service of current employees and retirees and 2) the value of benefits expected to be earned by future service of current employees. Actuaries employ an "attribution method" to divide the PVPB into prior service liabilities and future service liabilities. For this valuation we used the **Entry Age Normal** attribution method. This method is the most common used for government funding purposes and the only attribution method allowed for financial reporting under GASB 75.

We call the value of benefits deemed earned by prior service the **Actuarial Accrued Liability (AAL)**. Benefits deemed earned by service of active employees in a single year is called the **Normal Cost** of benefits. The present value of all future normal costs (PVFNC) plus the Actuarial Accrued Liability will equal the Present Value of Projected Benefits (i.e. $PVPB = AAL + PVFNC$).



Valuation Process

(Concluded)

The District is financing the plan on a pay-as-you-go basis. This policy does not establish a trust to prefund benefits and pays retirees benefits each year as required. Therefore, the **Unfunded Actuarial Accrued Liability (UAAL)** is equal to the Actuarial Accrued Liability. The UAAL represents, as of the valuation date, the present value of benefits already earned by past service that remain unfunded. Future contributions by the District will equal each year’s retiree benefit payments.

Please note that projections of future benefits over such long periods (frequently 40 or more years) which are dependent on numerous assumptions regarding future economic and demographic variables are subject to substantial revision as future events unfold. While we believe that the assumptions and methods used in this valuation are reasonable for the purposes of this report, the costs to the District reflected in this report are subject to future revision, perhaps materially. Demonstrating the range of potential future plan costs was beyond the scope of our assignment except to the limited extent of providing liability information at various discount rates and healthcare trend rates.

Finally, certain actuarial terms and GASB 75 terms may be used interchangeably. We note a few in the table below.

Actuarial Terminology	GASB 75 Terminology
Present Value of Projected Benefits (PVPB)	<i>No equivalent term</i>
Actuarial Accrued Liability (AAL)	Total OPEB Liability (TOL)
Market Value of Assets (MVA)	Fiduciary Net Position
Actuarial Value of Assets (AVA)	<i>No equivalent term</i>
Unfunded Actuarial Accrued Liability (UAAL)	Net OPEB Liability
Normal Cost	Service Cost

Specific results from this valuation are provided in the following Section C.

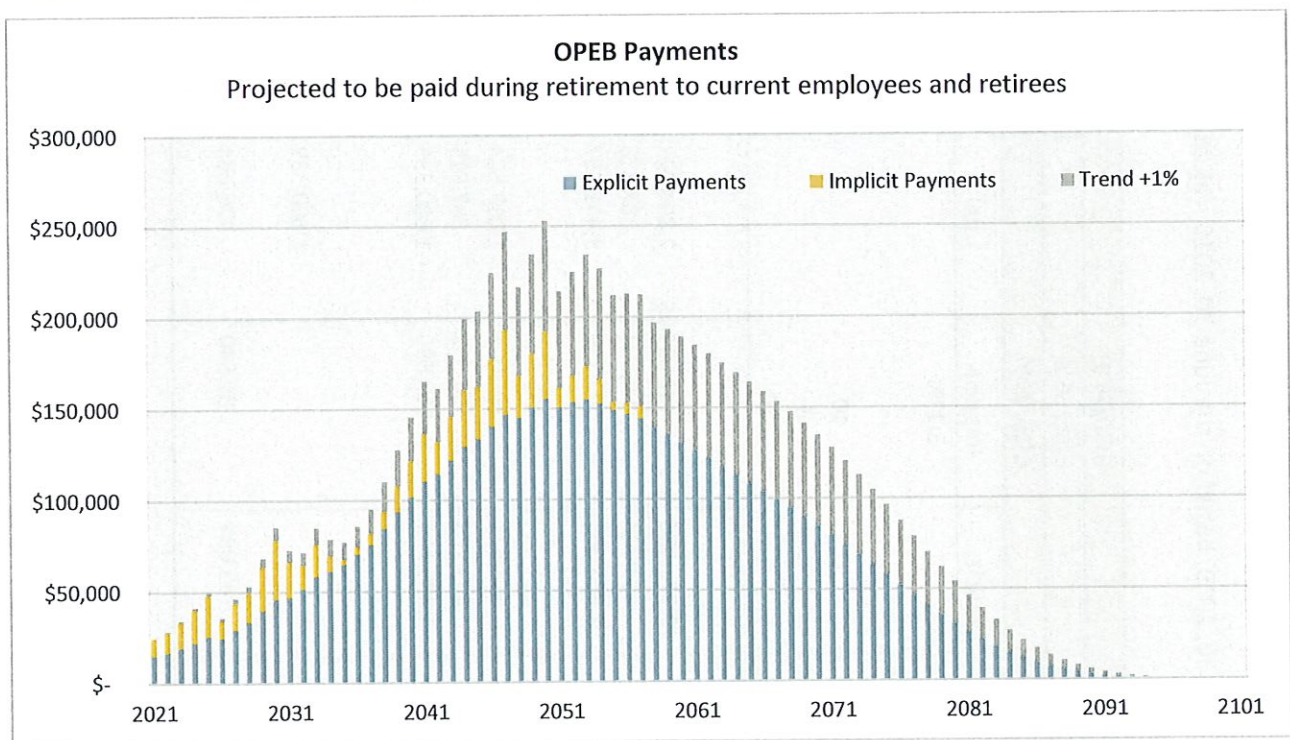


C. June 30, 2020, Valuation Results

This section presents the basic results of our recalculation of the OPEB liability using the updated employee data, plan provisions and asset information provided to us for the June 30, 2020, valuation. We described the general process for projecting all future benefits to be paid to retirees and current employees in the preceding Section. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Supporting Information, Section 3.

Temporary healthcare benefits are paid for qualifying District retirees. Please see Supporting Information, Section 2 for details.

The following graph illustrates the annual other post-employment benefits projected to be paid on behalf of current retirees and current employees expected to retire from the District.



The amounts shown in green reflect the expected payment by the District toward retiree medical while those in yellow reflect the implicit subsidy benefits (i.e., the excess of retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees' coverage). The projections (in gray) reflect increases in benefit levels if healthcare trend were 1% higher.

The first 15 years of benefit payments from the graph above are shown in tabular form on page 18.

Liabilities relating to these projected benefits are shown beginning on the following page.



June 30, 2020, Valuation Results
 (Continued)

This chart compares the results measured as of June 30, 2019, based on the June 30, 2018, valuation, with the results measured as of June 30, 2020, based on the June 30, 2020, actuarial valuation.

	6/30/2018			6/30/2020		
	6/30/2019		Total	6/30/2020		Total
	Explicit	Implicit		Explicit	Implicit	
Valuation date						
Measurement date						
Fiscal Year End						
Subsidy						
Discount rate	3.13%			2.45%		
Number of Covered Employees						
Actives	10	10		10	10	
Retirees	3	3		3	3	
Total Participants	13	13		13	13	
Actuarial Present Value of Projected Benefits						
Actives	\$ 2,371,386	\$ 482,637	\$ 2,854,023	\$ 2,232,646	\$ 368,015	\$ 2,600,661
Retirees	493,223	94,592	587,815	384,960	60,191	445,151
Total APVPB	2,864,608	577,229	3,441,837	2,617,606	428,206	3,045,812
Total OPEB Liability (TOL)						
Actives	846,521	166,003	1,012,524	722,803	116,655	839,458
Retirees	493,223	94,592	587,815	384,960	60,191	445,151
TOL	1,339,744	260,595	1,600,339	1,107,763	176,846	1,284,609
Fiduciary Net Position			-			-
Net OPEB Liability			1,600,339			1,284,609
Service Cost						
For the period following the measurement date	145,094	31,540	176,634	115,490	19,027	134,517

The Total OPEB Liability has decreased by \$315,730 from that reported one year ago. Part of the change was expected and some of this change was unexpected. Reasons for the change in the Total OPEB Liability (TOL) are discussed on the following page.



June 30, 2020, Valuation Results
(Concluded)

Expected changes: The TOL was expected to increase by \$198,897 from additional service and interest costs accruing for the period reduced by benefits paid to retirees.

Unexpected changes decreased the TOL by \$514,627. Unexpected changes generally fall into one of the three following categories:

- *Plan experience* recognizes results which are *different than expected* based on the prior valuation data and assumptions. Plan experience was favorable over the past two years, decreasing the TOL by \$521,253 from what was previously projected. See below for details.
- *Assumption changes* collectively increased the TOL by \$6,626. The largest change related to a decrease in the discount rate. Details of these changes in Supporting Information, Section 3.
- *Benefit changes:* There were no changes reported since the prior valuation was completed.

This chart reconciles the TOL reported for fiscal year end June 30, 2020, to the TOL to be reported as of June 30, 2021.

Reported Total OPEB Liability at June 30, 2020 Measurement Date June 30, 2019	\$ 1,600,339
Expected Changes:	
Service Cost	176,637
Benefit Payments	(32,845)
Interest Cost	55,105
Total Expected Change	198,897
Expected Total OPEB Liability at June 30, 2021 Measurement Date June 30, 2020	\$ 1,799,236
Unexpected Changes:	
<i>Plan experience different than assumed</i>	
Gain from two retirees waiving coverage	(212,505)
Gain from higher than expected employee separations prior to retirement	(164,885)
Projected claims/premiums greater than actual	(75,735)
Other plan experience	(68,128)
<i>Assumption Changes</i>	
Change to discount rate	135,213
Decrease in spouse coverage assumption	(62,163)
Change in demographic and economic assumptions and mortality improvement scale	(55,003)
Elimination of excise tax liability	(61,106)
Change in healthcare trend model	40,104
Change in assumed salary increase rate	9,581
Total Unexpected Change	(514,627)
Actual Total OPEB Liability at June 30, 2021 Measurement Date June 30, 2020	\$ 1,284,609



D. Accounting Information (GASB 75)

The following exhibits are designed to satisfy the reporting and disclosure requirements of GASB 75 for the fiscal year end June 30, 2021. The District is classified for GASB 75 purposes as a single employer.

Components of Net Position and Expense

The exhibit below shows the development of Net Position and Expense as of the Measurement Date.

Plan Summary Information for FYE June 30, 2021 <i>Measurement Date is June 30, 2020</i>	Hidden Valley Lake CSD
Items Impacting Net Position:	
Total OPEB Liability	\$ 1,284,609
Fiduciary Net Position	-
Net OPEB Liability (Asset)	1,284,609
<i>Deferred (Outflows) Inflows of Resources Due to:</i>	
Assumption Changes	(40,137)
Plan Experience	460,501
Investment Experience	-
Deferred Contributions	(24,321)
Net Deferred (Outflows) Inflows of Resources	396,043
Impact on Statement of Net Position, FYE 6/30/2021	\$ 1,680,652
 Items Impacting OPEB Expense:	
Service Cost	\$ 176,637
Cost of Plan Changes	-
Interest Cost	55,105
Expected Earnings on Assets	-
<i>Recognized Deferred Resource items:</i>	
Assumption Changes	2,151
Plan Experience	(60,752)
Investment Experience	-
OPEB Expense, FYE 6/30/2021	\$ 173,141



Accounting Information
(Continued)

Change in Net Position During the Fiscal Year

The exhibit below shows the year-to-year changes in the components of Net Position.

For Reporting at Fiscal Year End <i>Measurement Date</i>	6/30/2020 <i>6/30/2019</i>	6/30/2021 <i>6/30/2020</i>	Change During Period
Total OPEB Liability	\$ 1,600,339	\$ 1,284,609	\$ (315,730)
Fiduciary Net Position	-	-	-
Net OPEB Liability (Asset)	1,600,339	1,284,609	(315,730)
<i>Deferred Resource (Outflows) Inflows Due to:</i>			
Assumption Changes	(35,662)	(40,137)	(4,475)
Plan Experience	-	460,501	460,501
Investment Experience	-	-	-
Deferred Contributions	(32,845)	(24,321)	8,524
Net Deferred (Outflows) Inflows	(68,507)	396,043	464,550
Impact on Statement of Net Position	<u>\$ 1,531,832</u>	<u>\$ 1,680,652</u>	<u>\$ 148,820</u>

Change in Net Position During the Fiscal Year

Impact on Statement of Net Position, FYE 6/30/2020	\$ 1,531,832
OPEB Expense (Income)	173,141
Employer Contributions During Fiscal Year	(24,321)
Impact on Statement of Net Position, FYE 6/30/2021	<u>\$ 1,680,652</u>

OPEB Expense

Employer Contributions During Fiscal Year	\$ 24,321
Deterioration (Improvement) in Net Position	148,820
OPEB Expense (Income), FYE 6/30/2021	<u>\$ 173,141</u>



Accounting Information

(Continued)

Recognition Period for Deferred Resources

Liability changes due to plan experience which differs from what was assumed in the prior measurement period and/or from assumption changes during the period are recognized over the plan's Expected Average Remaining Service Life ("EARSL"). The EARSL of 8.58 years is the period used to recognize such changes in the OPEB Liability arising during the current measurement period.

When applicable, changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years.

Liability changes attributable to benefit changes occurring during the period, if any, are recognized immediately.

Deferred Resources as of Fiscal Year End and Expected Future Recognition

The exhibit below shows deferred resources as of the fiscal year end June 30, 2021.

Hidden Valley Lake CSD	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 93,522	\$ 53,385
Differences Between Expected and Actual Experience	-	460,501
Net Difference Between Projected and Actual Earnings on Investments	-	-
Deferred Contributions	24,321	-
Total	\$ 117,843	\$ 513,886

In addition, future recognition of these deferred resources is shown below.

For the Fiscal Year Ending June 30	Recognized Net Deferred Outflows (Inflows) of Resources
2022	\$ (58,601)
2023	(58,601)
2024	(58,601)
2025	(54,873)
2026	(45,704)
Thereafter	(143,984)



Accounting Information
 (Continued)

Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate

The discount rate used for accounting purposes for the fiscal year end 2021 is 2.45%. Healthcare Cost Trend Rate was assumed to start at 5.8% (increase effective January 1, 2021) and grade down to 4% for years 2076 and later. The impact of a 1% increase or decrease in these assumptions is shown in the chart below.

Sensitivity to:			
Change in Discount Rate	Current - 1% 1.45%	Current 2.45%	Current + 1% 3.45%
Net OPEB Liability (Asset)	1,526,937	1,284,609	1,092,647
Increase (Decrease)	242,328		(191,962)
% Increase (Decrease)	18.9%		-14.9%
Change in Healthcare Cost Trend Rate	Current Trend - 1%	Current Trend	Current Trend + 1%
Net OPEB Liability (Asset)	1,064,799	1,284,609	1,568,945
Increase (Decrease)	(219,810)		284,336
% Increase (Decrease)	-17.1%		22.1%



Accounting Information

(Continued)

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Only results for years since GASB 75 was implemented (fiscal years 2018 through 2021) are shown in the table.

Fiscal Year Ending	2021	2020	2019	2018
Measurement Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Discount Rate on Measurement Date	2.45%	3.13%	3.62%	3.56%
Total OPEB liability				
Service Cost	\$ 176,637	\$ 153,728	\$ 150,829	\$ 168,137
Interest	55,105	52,382	46,055	35,914
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(521,253)	-	-	-
Changes of assumptions	6,626	118,430	(12,151)	(95,664)
Benefit payments	(32,845)	(35,000)	(33,593)	(20,997)
Net change in total OPEB liability	(315,730)	289,540	151,140	87,390
Total OPEB liability - beginning	1,600,339	1,310,799	1,159,659	1,072,269
Total OPEB liability - ending (a)	\$ 1,284,609	\$ 1,600,339	\$ 1,310,799	\$ 1,159,659
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending (a) - (b)	\$ 1,284,609	\$ 1,600,339	\$ 1,310,799	\$ 1,159,659
Covered-employee payroll	\$ 839,034	\$ 915,742	\$ 804,618	\$ 770,191
Net OPEB liability as % of covered-employee payroll	153.11%	174.76%	162.91%	150.57%

Notes to Schedule

Valuation Date	6/30/2020	6/30/2018
Actuarial cost method	Entry Age Normal Level % of Pay	Entry Age Normal Level % of Pay
Inflation	2.50%	2.75%
Healthcare cost trend rates	5.7% in Jan 2022, fluctuating down to 4% by 2076	7.5% in Jan 2019, step down 0.5% per year to 5% by Jan 2024
Salary increases	3.00%	3.25%
Retirement age	From 50 to 75	From 50 to 75
Mortality	CalPERS 2017 Experience Study	CalPERS 2014 Experience Study
Mortality Improvement	Projected with MW Scale 2020	Projected with MW Scale 2017



Accounting Information
(Continued)

Schedule of Contributions

This schedule is not required to be provided for unfunded OPEB plans.



Accounting Information
 (Continued)

Detail of Changes to Net Position

The chart below details changes to all components of Net Position.

Hidden Valley Lake CSD	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)	(d) Deferred Outflows (Inflows) Due to:			Impact on Statement of Net Position (e) = (c) - (d)	
				Assumption Changes	Plan Experience	Investment Experience		Deferred Contributions
Balance at Fiscal Year Ending 6/30/2020 <i>Measurement Date 6/30/2019</i>	\$ 1,600,339	\$ -	\$ 1,600,339	\$ 35,662	\$ -	\$ -	\$ 32,845	\$ 1,531,832
Changes During the Period:								
Service Cost	176,637		176,637					176,637
Interest Cost	55,105		55,105					55,105
Expected Investment Income								
Employer Contributions								
Changes of Benefit Terms								
Benefit Payments								
Assumption Changes				6,626				
Plan Experience								
Investment Experience								
Recognized Deferred Resources								
Employer Contributions in Fiscal Year								
Net Changes in Fiscal Year 2020-2021	(315,730)	-	(315,730)	4,475	(460,501)	-	(8,524)	148,820
Balance at Fiscal Year Ending 6/30/2021 <i>Measurement Date 6/30/2020</i>	\$ 1,284,609	\$ -	\$ 1,284,609	\$ 40,137	\$ (460,501)	\$ -	\$ 24,321	\$ 1,680,652



Accounting Information
 (Continued)

Schedule of Deferred Outflows and Inflows of Resources

A listing of all deferred resource bases used to develop the Net Position and OPEB Expense is shown below. Deferred Contributions are not shown.

Measurement Date: June 30, 2020

Date Created	Deferred Resource			Balance as of Jun 30, 2020	Recognition of Deferred Outflow or Deferred (Inflow) in Measurement Period:							
	Cause	Initial Amount	Period (Yrs)		Annual Recognition	2019-20 (FYE 2021)	2020-21 (FYE 2022)	2021-22 (FYE 2023)	2022-23 (FYE 2024)	2023-24 (FYE 2025)	2024-25 (FYE 2026)	Thereafter
6/30/2017	Gain Due To Assumption Changes	\$ (95,664)	7.70	\$ (12,424)	\$ (45,968)	\$ (12,424)	\$ (12,424)	\$ (12,424)	\$ (12,424)	\$ (8,696)	\$ -	\$ -
6/30/2018	Gain Due To Assumption Changes	(12,151)	7.70	(1,578)	(7,417)	(1,578)	(1,578)	(1,578)	(1,578)	(1,578)	(1,105)	-
6/30/2019	Loss Due To Assumption Changes	118,430	7.70	15,381	87,668	15,381	15,381	15,381	15,381	15,381	15,381	10,763
6/30/2020	Gain Due To Plan Experience	(521,253)	8.58	(60,752)	(460,501)	(60,752)	(60,752)	(60,752)	(60,752)	(60,752)	(60,752)	(156,741)
6/30/2020	Loss Due To Assumption Changes	6,626	8.58	772	5,854	772	772	772	772	772	772	1,994



Accounting Information

(Continued)

District Contributions to the Plan

District contributions to the Plan occur as benefits are paid to or on behalf of retirees. Benefit payments may occur in the form of direct payments for premiums (“explicit subsidies”) and/or indirect payments to retirees in the form of higher premiums for active employees (“implicit subsidies”). Note that the implicit subsidy contribution does not represent cash payments to retirees, but rather the reclassification of a portion of active healthcare expense to be recognized as a retiree healthcare cost. For details, see Addendum 1 – Important Background Information.

Benefits and other contributions paid by the District during the measurement period and those made in the year following the measurement period but prior to the end of the fiscal year are shown below.

Employer Contributions During the Measurement Period, Jul 1, 2019 thru Jun 30, 2020	Hidden Valley Lake CSD
Employer Contributions to the Trust	\$ -
Employer Contributions in the Form of Direct Benefit Payments (not reimbursed by trust)	15,502
Implicit contributions	17,343
<i>Total Employer Contributions During the Measurement Period</i>	\$ 32,845

Benefits and contributions made in the year following the measurement period but prior to the end of the fiscal year are shown below.

Employer Contributions During the Fiscal Year, Jul 1, 2020 thru Jun 30, 2021	Hidden Valley Lake CSD
Employer Contributions to the Trust	\$ -
Employer Contributions in the Form of Direct Benefit Payments (not reimbursed by trust)	14,851
Implicit contributions	9,470
<i>Total Employer Contributions During the Fiscal Year</i>	\$ 24,321



Accounting Information

(Continued)

Projected Benefit Payments (15-year projection)

The following is an estimate of other post-employment benefits to be paid on behalf of current retirees and current employees expected to retire from the District. Expected annual benefits have been projected on the basis of the actuarial assumptions outlined in Section 3.

These projections do not include any benefits expected to be paid on behalf of current active employees *prior to* retirement, nor do they include any benefits for potential *future employees* (i.e., those who might be hired in future years).

Projected Annual Benefit Payments							
Fiscal Year Ending June 30	Explicit Subsidy			Implicit Subsidy			Total
	Current Retirees	Future Retirees	Total	Current Retirees	Future Retirees	Total	
2021	\$ 14,851	\$ -	\$ 14,851	\$ 9,470	\$ -	\$ 9,470	\$ 24,321
2022	15,433	1,287	16,720	10,783	561	11,344	28,064
2023	16,082	3,172	19,254	12,592	1,649	14,241	33,495
2024	16,723	5,504	22,227	14,627	3,379	18,006	40,233
2025	17,353	8,252	25,605	16,889	5,832	22,721	48,326
2026	12,894	11,784	24,678	-	9,529	9,529	34,207
2027	13,273	16,037	29,310	-	14,613	14,613	43,923
2028	13,631	19,826	33,457	-	16,271	16,271	49,728
2029	13,974	25,793	39,767	-	23,745	23,745	63,512
2030	14,293	31,654	45,947	-	32,510	32,510	78,457
2031	14,586	32,289	46,875	-	19,381	19,381	66,256
2032	14,860	36,545	51,405	-	13,220	13,220	64,625
2033	15,116	43,213	58,329	-	17,574	17,574	75,903
2034	15,355	45,832	61,187	-	8,612	8,612	69,799
2035	15,580	49,295	64,875	-	2,649	2,649	67,524

The amounts shown in the Explicit Subsidy section of the table reflect the expected payment by the District toward retiree medical premiums in each of the years shown. The amounts are shown separately, and in total, for those retired on the valuation date ("current retirees") and those expected to retire after the valuation date ("future retirees").

The amounts shown in the Implicit Subsidy table reflect the expected excess of retiree medical and prescription drug claims over the premiums expected to be charged during the year for retirees' coverage. These amounts are also shown separately and in total for those currently retired on the valuation date and for those expected to retire in the future.



Accounting Information
(Concluded)

Sample Journal Entries

Beginning Account Balances

As of the fiscal year beginning 7/1/2020

	Debit	Credit
Net OPEB Liability		1,600,339
Deferred Resource -- Assumption Changes	35,662	
Deferred Resource -- Plan experience	-	
Deferred Resource -- Investment Experience	-	
Deferred Resource -- Contributions	32,845	
Net Position	1,531,832	

* The entries above assume nothing is on the books at the beginning of the year. So to the extent that values already exist in, for example, the Net OPEB Liability account, then only the difference should be adjusted. The entries above represent the values assumed to exist at the start of the fiscal year.

Journal entry to recharacterize retiree benefit payments not reimbursed by a trust, and record cash contributions to the trust during the fiscal year

	Debit	Credit
OPEB Expense	14,851	
Premium Expense		14,851
OPEB Expense	-	
Cash		-

* This entry assumes a prior journal entry was made to record the payment for retiree premiums. This entry assumes the prior entry debited an account called "Premium Expense" and credited Cash. This entry reverses the prior debit to "Premium Expense" and recharacterizes that entry as an "OPEB Expense". Also, the entry for cash contributions to the trust is shown.

Journal entries to record implicit subsidies during the fiscal year

	Debit	Credit
OPEB Expense	9,470	
Premium Expense		9,470

* This entry assumes that premiums for active employees were recorded to an account called "Premium Expense". This entry reverses the portion of premium payments that represent implicit subsidies and assigns that value to OPEB Expense.

Journal entries to record other account activity during the fiscal year

	Debit	Credit
Net OPEB Liability	315,730	
Deferred Resource -- Assumption Changes	4,475	
Deferred Resource -- Plan experience		460,501
Deferred Resource -- Investment Experience	-	
Deferred Resource -- Contributions		8,524
OPEB Expense	148,820	



E. Funding Information

Our understanding is that the District is currently financing its OPEB liability on a pay-as-you-go basis. Prefunding (setting aside funds to accumulate in an irrevocable OPEB trust) has certain advantages, one of which is the ability to (potentially) use a higher discount rate in the determination of liabilities for GASB 75 reporting purposes.

Should the District wish to explore potential future prefunding for this plan we can prepare illustrations of various funding levels and, if appropriate, perform a formal funding valuation at that time. Results under a funding scenario may be materially different from the results presented in this report.



F. Certification

The purpose of this report is to provide actuarial information of the other postemployment benefits (OPEB) provided by the Hidden Valley Lake Community Services District (the District) in compliance with Statement 75 of the Governmental Accounting Standards Board (GASB 75). We summarized the benefits in this report and our calculations were based on our understanding of the benefits as described herein.

In preparing this report we relied without audit on information provided by the District. This information includes, but is not limited to, plan provisions, census data, and financial information. We performed a limited review of this data and found the information to be reasonably consistent. The accuracy of this report is dependent on this information and if any of the information we relied on is incomplete or inaccurate, then the results reported herein will be different from any report relying on more accurate information.

We consider the actuarial assumptions and methods used in this report to be individually reasonable under the requirements imposed by GASB 75 and taking into consideration reasonable expectations of plan experience. The results provide an estimate of the plan's financial condition at one point in time. Future actuarial results may be significantly different due to a variety of reasons including, but not limited to, demographic and economic assumptions differing from future plan experience, changes in plan provisions, changes in applicable law, or changes in the value of plan benefits relative to other alternatives available to plan members.

Alternative assumptions may also be reasonable; however, demonstrating the range of potential plan results based on alternative assumptions was beyond the scope of our assignment except to the limited extent required by GASB 75 and in accordance with the District's stated OPEB funding policy. Results for accounting purposes may be materially different than results obtained for other purposes such as plan termination, liability settlement, or underlying economic value of the promises made by the plan.

This report is prepared solely for the use and benefit of the District and may not be provided to third parties without prior written consent of MacLeod Watts. Exceptions are: District may provide copies of this report to their professional accounting and legal advisors who are subject to a duty of confidentiality, and the District may provide this work to any party if required by law or court order. No part of this report should be used as the basis for any representations or warranties in any contract or agreement without the written consent of MacLeod Watts.

The undersigned actuaries are unaware of any relationship that might impair the objectivity of this work. Nothing within this report is intended to be a substitute for qualified legal or accounting counsel. Both actuaries are members of the American Academy of Actuaries and meet the qualification standards for rendering this opinion.

Signed: July 21, 2021

Catherine L. MacLeod, FSA, FCA, EA,MAAA

J. Kevin Watts, FSA, FCA, MAAA



Supporting Information
 (Continued)

Section 1 - Summary of Employee Data

Active employees: The District reported 10 active employees; all were enrolled in a medical plan through the District on the valuation date. Age and service information for the 10 included employees is provided below:

Distribution of Benefits-Eligible Active Employees								
Current Age	Years of Service						Total	Percent
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Up		
Under 25							0	0%
25 to 29							0	0%
30 to 34	1	1					2	20%
35 to 39	1	1					2	20%
40 to 44			1				1	10%
45 to 49							0	0%
50 to 54		2	1	1	1		5	50%
55 to 59							0	0%
60 to 64							0	0%
65 to 69							0	0%
70 & Up							0	0%
Total	2	4	2	1	1	0	10	100%
Percent	20%	40%	20%	10%	10%	0%	100%	

Valuation	<u>June 2018</u>	<u>June 2020</u>
Average Attained Age for Actives	45.0	45.8
Average Years of Service	4.6	6.1

Retired members: There were 3 retirees covered and receiving benefits under this program on the valuation date.

Retirees by Age		
Current Age	Total	Percent
Below 50	0	0%
50 to 54	0	0%
55 to 59	1	33%
60 to 64	1	33%
65 to 69	0	0%
70 to 74	0	0%
75 to 79	1	33%
80 & up	0	0%
Total	3	100%
Average Age:		
On 6/30/2020	66.7	
At retirement	59.0	

GASB 75 requires a summary of plan member counts. Here are the counts on the June 30, 2020 valuation date.

Summary of Plan Member Counts	
Number of active plan members	10
Number of inactive plan members currently receiving benefits	3
Number of inactive plan members entitled to but not receiving benefits	2*

* We are not aware of any additional retirees who are eligible but not currently enrolled.



Supporting Information
(Continued)

Section 2A - Summary of Retiree Benefit Provisions

OPEB provided: The District reported that the only OPEB is provided is lifetime retiree medical coverage.

Access to coverage: Medical coverage is provided through the District’s group health insurance plan. The coverage requires the employee to meet the following requirements:

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

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

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

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

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

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

Current premium rates: The 2021 monthly healthcare premium rates are shown below:

SDRMA 2021 Rates Northern California			
Plan	Employee Only	Employee & 1	Employee & 2+
Blue Shield PPO Gold	\$ 958.93	\$ 1,918.89	\$ 2,492.60
Gold PPO Medicare	615.94	1,231.88	1,847.82



Supporting Information

(Continued)

Section 2B - Excise Taxes for High Cost Retiree Coverage (Repealed)

The Patient Protection and Affordable Care Act (ACA) included a 40% excise tax on high-cost employer-sponsored health coverage. The tax applied to the aggregate annual cost of an employee's applicable coverage that exceeds a dollar limit. Implementation of this tax had been delayed by subsequent legislation to 2022.

As noted earlier in this report, this excise tax on high cost retiree coverage was repealed by Senate Amendment to H.R. 1865, *Further Consolidated Appropriations Act, 2020*, and signed by the President on December 20, 2019. Since repeal occurred before the valuation date, there is no longer an such tax to be valued and we excluded the previously developed liability from the results of this valuation.



Supporting Information
(Continued)

Section 3 - Actuarial Methods and Assumptions

The ultimate real cost of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These payments depend only on the terms of the plan and the administrative arrangements adopted. The actuarial assumptions are used to estimate the cost of these benefits; the funding method spreads the expected costs on a level basis over the life of the plan.

Important Dates

Fiscal Year End	June 30, 2021
GASB 75 Measurement Date	Last day of the prior fiscal year (June 30, 2020)
Valuation Date	June 30, 2020

Valuation Methods

Funding Method	Entry Age Normal Cost, level percent of pay
Asset Valuation Method	Not applicable (\$0; no OPEB trust has been established)
Participants Valued	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.

Development of Age-related
Medical Premiums

Actual premium rates for retirees and their spouses were adjusted to an age-related basis by applying medical claim cost factors developed from the data presented in the report, "Health Care Costs – From Birth to Death", sponsored by the Society of Actuaries. A description of the use of claims cost curves can be found in MacLeod Watts's Age Rating Methodology provided in Addendum 1 to this report.

Representative claims costs derived from the dataset provided by SDRMA for pre-Medicare retirees are shown below.

Expected Monthly Claims by Medical Plan for Selected Ages				
Medical Plan	Male			
	48	53	58	63
Blue Shield PPO Gold	\$ 741	\$ 978	\$ 1,246	\$ 1,545
	Female			
	48	53	58	63
Blue Shield PPO Gold	\$ 959	\$ 1,129	\$ 1,277	\$ 1,500

All current and future Medicare-eligible retirees are assumed to be covered by plans that are rated based solely on the experience of Medicare retirees with no subsidy by active employee premiums. The employer's contribution is less than the lowest age adjusted premium and, as such, any implicit subsidy between retirees in this group is paid by other retirees.



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Economic Assumptions

Municipal Bond Index	Fidelity High Grade 20 Year General Obligation Municipal Index
Discount Rate	3.13% as of June 30, 2019 2.45% as of June 30, 2020
General Inflation Rate	2.5% per year
Salary Increase	3.0% per year; since benefits do not depend on salary, this is used to allocate the cost of benefits between service years.
Healthcare Trend	Medical plan premiums and claims costs by age are assumed to increase once each year. Increases over the prior year's levels were derived using the Getzen model and are assumed to be effective on the dates shown below:

Effective January 1	Premium Increase	Effective January 1	Premium Increase
2021	5.8%	2061-2066	4.80%
2022	5.7%	2067	4.70%
2023	5.6%	2068	4.60%
2024	5.5%	2069	4.50%
2025-2026	5.40%	2070-2071	4.40%
2027-2029	5.30%	2072	4.30%
2030-2051	5.20%	2073-2074	4.20%
2052	5.10%	2075	4.10%
2053-2055	5.00%	2076	4.00%
2056-2060	4.90%	& later	4.00%

The healthcare trend shown above was developed using the Getzen Model 2021_b published by the Society of Actuaries using the following settings: CPI 2.5%; Real GDP Growth 1.5%; Excess Medical Growth 1.2%; Expected Health Share of GDP in 2028 20.3%; Resistance Point 25%; Year after which medical growth is limited to growth in GDP 2075.

Medicare Eligibility	Absent contrary data, all individuals are assumed to be eligible for Medicare Parts A and B at age 65. Coverage ends at age 65.
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Participant Election Assumptions

Participation Rate	<i>Active employees: 100% of those currently enrolled are assumed to elect medical coverage through the District in retirement.</i> <i>Retired participants: Existing medical plan elections are assumed to be continued until retiree's death.</i>
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Supporting Information
 (Continued)

Section 3 - Actuarial Methods and Assumptions

Spouse Coverage

Active employees: 60% of employees are assumed to be married and to elect spousal coverage in retirement. Spouse coverage is assumed to continue for the retiree's lifetime. Husbands are assumed to be 3 years older than their wives.

Retired participants: Existing elections for spouse coverage are assumed to continue until the retiree's death. Actual spouse ages are used, where known; if not, husbands are assumed to be 3 years older than their wives.

Demographic Assumptions

Demographic actuarial assumptions used in this valuation are based on the 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements. Rates for selected age and service are shown below and on the following pages. The representative mortality rates were those published by CalPERS adjusted to back out 15 years of Scale MP 2016 to central year 2015.

Mortality Improvement

MacLeod Watts Scale 2020 applied generationally from 2015 (see Addendum 3)

Mortality Before Retirement
 (before improvement applied)

None assumed, due to the small size of employee population

Mortality After Retirement
 (before improvement applied)

Healthy Lives

CalPERS Public Agency Miscellaneous, Police & Fire Post Retirement Mortality		
Age	Male	Female
40	0.00070	0.00040
50	0.00431	0.00390
60	0.00758	0.00524
70	0.01490	0.01044
80	0.04577	0.03459
90	0.14801	0.11315
100	0.35053	0.30412
110	1.00000	1.00000

Disabled Miscellaneous

CalPERS Public Agency Disabled Miscellaneous Post-Retirement Mortality		
Age	Male	Female
20	0.00027	0.00008
30	0.00044	0.00018
40	0.00070	0.00040
50	0.01371	0.01221
60	0.02447	0.01545
70	0.03737	0.02462
80	0.07218	0.05338
90	0.16585	0.14826

Disability Retirement

Eligibility requirements for retiree healthcare benefits are not waived for disability retirement, so this assumption was excluded. Particularly given the small size of the active group.



Supporting Information

(Continued)

Section 3 - Actuarial Methods and Assumptions

Termination Rates

Miscellaneous Employees: Sum of Vested Terminated & Refund Rates From CalPERS Experience Study Report Issued December 2017						
Attained Age	Years of Service					
	0	3	5	10	15	20
15	0.1812	0.0000	0.0000	0.0000	0.0000	0.0000
20	0.1742	0.1193	0.0654	0.0000	0.0000	0.0000
25	0.1674	0.1125	0.0634	0.0433	0.0000	0.0000
30	0.1606	0.1055	0.0615	0.0416	0.0262	0.0000
35	0.1537	0.0987	0.0567	0.0399	0.0252	0.0184
40	0.1468	0.0919	0.0519	0.0375	0.0243	0.0176
45	0.1400	0.0849	0.0480	0.0351	0.0216	0.0168

Service Retirement Rates

Miscellaneous Employees: 2.5% at 55 formula From CalPERS Experience Study Report Issued December 2017						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0080	0.0140	0.0200	0.0260	0.0330	0.0500
55	0.0200	0.0380	0.0550	0.0730	0.1220	0.1920
60	0.0440	0.0720	0.1010	0.1300	0.1580	0.1970
65	0.1200	0.1560	0.1930	0.2290	0.2650	0.3330
70	0.1200	0.1560	0.1930	0.2290	0.2650	0.3330
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Miscellaneous "PEPRA" Employees: 2% at 62 formula From CalPERS Experience Study Report Issued December 2017						
Current Age	Years of Service					
	5	10	15	20	25	30
50	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
55	0.0100	0.0190	0.0280	0.0360	0.0610	0.0960
60	0.0310	0.0510	0.0710	0.0910	0.1110	0.1380
65	0.1080	0.1410	0.1730	0.2060	0.2390	0.3000
70	0.1200	0.1560	0.1930	0.2290	0.2650	0.3330
75 & over	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000



Supporting Information

(Concluded)

Section 3 - Actuarial Methods and Assumptions

Changes in assumptions or methods as of the Measurement Date

Discount rate	Changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020, based on the published change in return for the applicable municipal bond index.
Demographic assumptions	<p>Assumed mortality (after retirement), retirement and other pre-retirement termination rates were updated from those provided in the 2014 experience study report to those provided in the 2017 experience study report of CalPERS. We believe rates from the CalPERS experience study provide a reasonable estimate of the District's future demographic experience.</p> <p>The prior assumption of pre-retirement mortality was excluded due to the small active plan population size.</p>
Mortality improvement	Updated from MacLeod Watts Scale 2018 to MacLeod Watts Scale 2020. See Addendum 3 for details.
Medical trend	Updated to the Getzen model which was published by the Society of Actuaries
General inflation rate	Decreased from 2.75% to 2.5% per year
Salary increase	Decreased from 3.25% to 3.0% per year
Excise tax on high cost coverage	Removed due to the December 2019 repeal of this provision of the Affordable Care Act



Addendum 1: Important Background Information

General Types of Other Post-Employment Benefits (OPEB)

Post-employment benefits other than pensions (OPEB) comprise a part of compensation that employers offer for services received. The most common OPEB are medical, prescription drug, dental, vision, and/or life insurance coverage. Other OPEB may include outside group legal, long-term care, or disability benefits outside of a pension plan. OPEB does not generally include COBRA, vacation, sick leave (unless converted to defined benefit OPEB), or other direct retiree payments.

A direct employer payment toward the cost of OPEB benefits is referred to as an “explicit subsidy”. In addition, if claims experience of employees and retirees are pooled when determining premiums, retiree premiums are based on a pool of members which, on average, are younger and healthier. For certain types of coverage such as medical insurance, this results in an “implicit subsidy” of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. GASB 75 and Actuarial Standards of Practice generally require that an implicit subsidy of retiree premium rates be valued as an OPEB liability.

Expected retiree claims		
Premium charged for retiree coverage		<i>Covered by higher active premiums</i>
Retiree portion of premium	Agency portion of premium Explicit subsidy	Implicit subsidy

This chart shows the sources of funds needed to cover expected medical claims for pre-Medicare retirees. The portion of the premium paid by the Agency does not impact the amount of the implicit subsidy.

Valuation Process

The valuation was based on employee census data and benefits provided by the District. A summary of the employee data is provided in Section 1 and a summary of the benefits provided under the Plan is provided in Section 2. While individual employee records have been reviewed to verify that they are reasonable in various respects, the data has not been audited and we have otherwise relied on the District as to its accuracy. The valuation was also based on the actuarial methods and assumptions described in Section 3.

In developing the projected benefit values and liabilities, we first determine an expected premium or benefit stream over the employee’s future retirement. Benefits may include both direct employer payments (explicit subsidies) and/or an implicit subsidy, arising when retiree premiums are expected to be subsidized by active employee premiums. The projected benefit streams reflect assumed trends in the cost of those benefits and assumptions as to the expected date(s) when benefits will end. We then apply assumptions regarding:

- The probability that each individual employee will or will not continue in service to receive benefits.
- The probability of when such retirement will occur for each retiree, based on current age, service and employee type; and
- The likelihood that future retirees will or will not elect retiree coverage (and benefits) for themselves and/or their dependents.



Important Background Information

(Continued)

We then calculate a present value of these benefits by discounting the value of each future expected benefit payment, multiplied by the assumed expectation that it will be paid, back to the valuation date using the discount rate. These benefit projections and liabilities have a very long time horizon. The final payments for currently active employees may not be made for many decades.

The resulting present value for each employee is allocated as a level percent of payroll each year over the employee's career using the entry age normal cost method and the amounts for each individual are then summed to get the results for the entire plan. This creates a cost expected to increase each year as payroll increases. Amounts attributed to prior fiscal years form the "Total OPEB Liability". The OPEB cost allocated for active employees in the current year is referred to as "Service Cost".

Where contributions have been made to an irrevocable OPEB trust, the accumulated value of trust assets ("Fiduciary Net Position") is applied to offset the "Total OPEB Liability", resulting in the "Net OPEB Liability". If a plan is not being funded, then the Net OPEB Liability is equal to the Total OPEB Liability.

It is important to remember that an actuarial valuation is, by its nature, a projection of one possible future outcome based on many assumptions. To the extent that actual experience is not what we assumed, future results will differ. Some possible sources of future differences may include:

- A significant change in the number of covered or eligible plan members
- A significant increase or decrease in the future premium rates
- A change in the subsidy provided by the Agency toward retiree premiums
- Longer life expectancies of retirees
- Significant changes in expected retiree healthcare claims by age, relative to healthcare claims for active employees and their dependents
- Higher or lower returns on plan assets or contribution levels other than were assumed, and/or
- Changes in the discount rate used to value the OPEB liability



Important Background Information

(Continued)

Requirements of GASB 75

The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes standards for the measurement, recognition, and disclosure of OPEB expense and related liabilities (assets), note disclosures, and, required supplementary information (RSI) in the financial reports of state and local governmental employers.

Important Dates

GASB 75 requires that the information used for financial reporting falls within prescribed timeframes. Actuarial valuations of the total OPEB liability are generally required at least every two years. If a valuation is not performed as of the Measurement Date, then liabilities are required to be based on roll forward procedures from a prior valuation performed no more than 30 months and 1 day prior to the most recent year-end. In addition, the net OPEB liability is required to be measured as of a date no earlier than the end of the prior fiscal year (the "Measurement Date").

Recognition of Plan Changes and Gains and Losses

Under GASB 75, gains and losses related to changes in Total OPEB Liability and Fiduciary Net Position are recognized in OPEB expense systematically over time.

- *Timing of recognition:* Changes in the Total OPEB Liability relating to changes in plan benefits are recognized immediately (fully expensed) in the year in which the change occurs. Gains and Losses are amortized, with the applicable period based on the type of gain or loss. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.
- *Deferred recognition periods:* These periods differ depending on the source of the gain or loss.

Difference between projected
and actual trust earnings:

5 year straight-line recognition

All other amounts:

Straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the Measurement Period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years.



Important Background Information

(Continued)

Implicit Subsidy Plan Contributions

An implicit subsidy occurs when expected retiree claims exceed the premiums charged for retiree coverage. When this occurs, we expect part of the premiums paid for active employees to cover a portion of retiree claims. This transfer represents the current year’s “implicit subsidy”. Because GASB 75 treats payments to an irrevocable trust *or directly to the insurer* as employer contributions, each year’s implicit subsidy is treated as a contribution toward the payment of retiree benefits.

The following hypothetical example illustrates this treatment:

Hypothetical Illustration of Implicit Subsidy Recognition	For Active Employees	For Retired Employees
<i>Prior to Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Accounting Treatment	Compensation Cost for Active Employees	Contribution to Plan & Benefits Paid from Plan
<i>After Implicit Subsidy Adjustment</i>		
Premiums Paid by Agency During Fiscal Year	\$ 411,000	\$ 48,000
Implicit Subsidy Adjustment	(23,000)	23,000
Accounting Cost of Premiums Paid	\$ 388,000	\$ 71,000
Accounting Treatment Impact	Reduces Compensation Cost for Active Employees	Increases Contributions to Plan & Benefits Paid from Plan

The example above shows that total payments toward active and retired employee healthcare premiums is the same, but for accounting purposes part of the total is shifted from actives to retirees. This shifted amount is recognized as an OPEB contribution and reduces the current year’s premium expense for active employees.



Important Background Information

(Continued)

Discount Rate

When the financing of OPEB liabilities is on a pay-as-you-go basis, GASB 75 requires that the discount rate used for valuing liabilities be based on the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). When a plan sponsor makes regular, sufficient contributions to a trust in order to prefund the OPEB liabilities, GASB 75 allows use of a rate up to the expected rate of return of the trust. Therefore, prefunding has an advantage of potentially being able to report overall lower liabilities due to future expected benefits being discounted at a higher rate.

Actuarial Funding Method and Assumptions

The “ultimate real cost” of an employee benefit plan is the value of all benefits and other expenses of the plan over its lifetime. These expenditures are dependent only on the terms of the plan and the administrative arrangements adopted, and as such are not affected by the actuarial funding method.

The actuarial funding method attempts to spread recognition of these expected costs on a level basis over the life of the plan, and as such sets the “incidence of cost”. GASB 75 specifically requires that the actuarial present value of projected benefit payments be attributed to periods of employee service using the Entry Age Actuarial Cost Method, with each period’s service cost determined as a level percentage of pay.

The results of this report may not be appropriate for other purposes, where other assumptions, methodology and/or actuarial standards of practice may be required or more suitable.



Addendum 2: MacLeod Watts Age Rating Methodology

Both accounting standards (e.g. GASB 75) and actuarial standards (e.g. ASOP 6) require that expected retiree claims, not just premiums paid, be reflected in most situations where an actuary is calculating retiree healthcare liabilities. Unfortunately, the actuary is often required to perform these calculations without any underlying claims information. In most situations, the information is not available, but even when available, the information may not be credible due to the size of the group being considered.

Actuaries have developed methodologies to approximate healthcare claims from the premiums being paid by the plan sponsor. Any methodology requires adopting certain assumptions and using general studies of healthcare costs as substitutes when there is a lack of credible claims information for the specific plan being reviewed.

Premiums paid by sponsors are often uniform for all employee and retiree ages and genders, with a drop in premiums for those participants who are Medicare-eligible. While the total premiums are expected to pay for the total claims for the insured group, on average, the premiums charged would not be sufficient to pay for the claims of older insureds and would be expected to exceed the expected claims of younger insureds. An age-rating methodology takes the typically uniform premiums paid by plan sponsors and spreads the total premium dollars to each age and gender intended to better approximate what the insurer might be expecting in actual claims costs at each age and gender.

The process of translating premiums into expected claims by age and gender generally follows the steps below.

1. *Obtain or Develop Relative Medical Claims Costs by Age, Gender, or other categories that are deemed significant.* For example, a claims cost curve might show that, if a 50 year old male has \$1 in claims, then on average a 50 year old female has claims of \$1.25, a 30 year male has claims of \$0.40, and an 8 year old female has claims of \$0.20. The claims cost curve provides such relative costs for each age, gender, or any other significant factor the curve might have been developed to reflect. Section 3 provides the source of information used to develop such a curve and shows sample relative claims costs developed for the plan under consideration.
2. *Obtain a census of participants, their chosen medical coverage, and the premium charged for their coverage.* An attempt is made to find the group of participants that the insurer considered in setting the premiums they charge for coverage. That group includes the participant and any covered spouses and children. When information about dependents is unavailable, assumptions must be made about spouse age and the number and age of children represented in the population. These assumptions are provided in Section 3.
3. *Spread the total premium paid by the group to each covered participant or dependent based on expected claims.* The medical claims cost curve is used to spread the total premium dollars paid by the group to each participant reflecting their age, gender, or other relevant category. After this step, the actuary has a schedule of expected claims costs for each age and gender for the current premium year. It is these claims costs that are projected into the future by medical cost inflation assumptions when valuing expected future retiree claims.

The methodology described above is dependent on the data and methodologies used in whatever study might be used to develop claims cost curves for any given plan sponsor. These methodologies and assumptions can be found in the referenced paper cited as a source in the valuation report.



Addendum 3: MacLeod Watts Mortality Projection Methodology

Actuarial standards of practice (e.g., ASOP 35, Selection of Demographic and Other Noneconomic Assumptions for Measuring Pension Obligations, and ASOP 6, Measuring Retiree Group Benefits Obligations) indicate that the actuary should reflect the effect of mortality improvement (i.e., longer life expectancies in the future), both before and after the measurement date. The development of credible mortality improvement rates requires the analysis of large quantities of data over long periods of time. Because it would be extremely difficult for an individual actuary or firm to acquire and process such extensive amounts of data, actuaries typically rely on large studies published periodically by organizations such as the Society of Actuaries or Social Security Administration.

As noted in a recent actuarial study on mortality improvement, key principles in developing a credible mortality improvement model would include the following:

- (1) Short-term mortality improvement rates should be based on recent experience.
- (2) Long-term mortality improvement rates should be based on expert opinion.
- (3) Short-term mortality improvement rates should blend smoothly into the assumed long-term rates over an appropriate transition period.

The **MacLeod Watts Scale 2020** was developed from a blending of data and methodologies found in two published sources: (1) the Society of Actuaries Mortality Improvement Scale MP-2019 Report, published in October 2019 and (2) the demographic assumptions used in the 2019 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published April 2019.

MacLeod Watts Scale 2020 is a two-dimensional mortality improvement scale reflecting both age and year of mortality improvement. The underlying base scale is Scale MP-2019 which has two segments – (1) historical improvement rates for the period 1951-2015 and (2) an estimate of future mortality improvement for years 2016-2018 using the Scale MP-2019 methodology but utilizing the assumptions obtained from Scale MP-2015. The MacLeod Watts scale then transitions from the 2018 improvement rate to the Social Security Administration (SSA) Intermediate Scale linearly over the 10-year period 2019-2028. After this transition period, the MacLeod Watts Scale uses the constant mortality improvement rate from the SSA Intermediate Scale from 2028-2042. The SSA's Intermediate Scale has a final step down in 2043 which is reflected in the MacLeod Watts scale for years 2043 and thereafter. Over the ages 95 to 115, the SSA improvement rate is graded to zero.

Scale MP-2019 can be found at the SOA website and the projection scales used in the 2019 Social Security Administrations Trustees Report at the Social Security Administration website.



Glossary

Actuarial Funding Method – A procedure which calculates the actuarial present value of plan benefits and expenses, and allocates these expenses to time periods, typically as a normal cost and an actuarial accrued liability

Actuarial Present Value of Projected Benefits (APVPB) – The amount presently required to fund all projected plan benefits in the future. This value is determined by discounting the future payments by an appropriate interest rate and the probability of nonpayment.

CalPERS – Many state governments maintain a public employee retirement system; CalPERS is the California program, covering all eligible state government employees as well as other employees of other governments within California who have elected to join the system

Defined Benefit (DB) – A pension or OPEB plan which defines the monthly income or other benefit which the plan member receives at or after separation from employment

Deferred Contributions – When an employer makes contributions after the measurement date and prior to the fiscal year end, recognition of these contributions is deferred to a subsequent accounting period by creating a deferred resource. We refer to these contributions as Deferred Contributions.

Defined Contribution (DC) – A pension or OPEB plan which establishes an individual account for each member and specifies how contributions to each active member's account are determined and the terms of distribution of the account after separation from employment

Discount Rate – Interest rate used to discount future potential benefit payments to the valuation date. Under GASB 75, if a plan is prefunded, then the discount rate is equal to the expected trust return. If a plan is not prefunded (pay-as-you-go), then the rate of return is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Expected Average Remaining Service Lifetime (EARSL) – Average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period

Entry Age Actuarial Cost Method – An actuarial funding method where, for each individual, the actuarial present value of benefits is levelly spread over the individual's projected earnings or service from entry age to the last age at which benefits can be paid

Excise Tax – The Affordable Care Act created an excise tax on the value of employer sponsored coverage which exceeds certain thresholds ("Cadillac Plans"). This tax was repealed in December 2019.

Explicit Subsidy – The projected dollar value of future retiree healthcare costs expected to be paid directly by the Employer, e.g., the Employer's payment of all or a portion of the monthly retiree premium billed by the insurer for the retiree's coverage

Fiduciary Net Position – The value of trust assets used to offset the Total OPEB Liability to determine the Net OPEB Liability.

Government Accounting Standards Board (GASB) – A private, not-for-profit organization which develops generally accepted accounting principles (GAAP) for U.S. state and local governments; like FASB, it is part of the Financial Accounting Foundation (FAF), which funds each organization and selects the members of each board



Glossary

(Continued)

Health Care Trend – The assumed rate(s) of increase in future dollar values of premiums or healthcare claims, attributable to increases in the cost of healthcare; contributing factors include medical inflation, frequency or extent of utilization of services and technological developments.

Implicit Subsidy – The projected difference between future retiree claims and the premiums to be charged for retiree coverage; this difference results when the claims experience of active and retired employees are pooled together and a ‘blended’ group premium rate is charged for both actives and retirees; a portion of the active employee premiums subsidizes the retiree premiums.

Net OPEB Liability (NOL) – The liability to employees for benefits provided through a defined benefit OPEB. Only assets administered through a trust that meet certain criteria may be used to reduce the Total OPEB Liability.

Net Position – The Impact on Statement of Net Position is the Net OPEB Liability adjusted for deferred resource items

OPEB Expense – The OPEB expense reported in the Agency’s financial statement. OPEB expense is the annual cost of the plan recognized in the financial statements.

Other Post-Employment Benefits (OPEB) – Post-employment benefits other than pension benefits, most commonly healthcare benefits but also including life insurance if provided separately from a pension plan

Pay-As-You-Go (PAYGO) – Contributions to the plan are made at about the same time and in about the same amount as benefit payments and expenses coming due

PEMHCA – The Public Employees’ Medical and Hospital Care Act, established by the California legislature in 1961, provides community-rated medical benefits to participating public employers. Among its extensive regulations are the requirements that a contracting Agency contribute toward medical insurance premiums for retired annuitants and that a contracting Agency file a resolution, adopted by its governing body, with the CalPERS Board establishing any new contribution.

Plan Assets – The value of cash and investments considered as ‘belonging’ to the plan and permitted to be used to offset the AAL for valuation purposes. To be considered a plan asset, GASB 75 requires (a) contributions to the OPEB plan be irrevocable, (b) OPEB assets to dedicated to providing OPEB benefit to plan members in accordance with the benefit terms of the plan, and (c) plan assets be legally protected from creditors, the OPEB plan administrator and the plan members.

Public Agency Miscellaneous (PAM) – Non-safety public employees.

Select and Ultimate – Actuarial assumptions which contemplate rates which differ by year initially (the select period) and then stabilize at a constant long-term rate (the ultimate rate)

Service Cost – Total dollar value of benefits expected to be earned by plan members in the current year, as assigned by the actuarial funding method; also called normal cost

Total OPEB Liability (TOL) – Total dollars required to fund all plan benefits attributable to service rendered as of the valuation date for current plan members and vested prior plan members; a subset of “Actuarial Present Value”

Vesting – As defined by the plan, requirements which when met make a plan benefit nonforfeitable on separation of service before retirement eligibility



RESOLUTION 2007-13

A RESOLUTION ESTABLISHING HEALTH BENEFITS FOR THE
HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT'S RETIREES

WHEREAS, The Hidden Valley Lake Community Services District (District) will provide health benefits for retirees and their dependents;

WHEREAS, Retirees must have been an employee at the District for at least 5 years and retire no earlier than 55 years of age;

WHEREAS, Early retirement because of disability will qualify to receive health benefits for retirees and their dependents;

RESOLVED, The District's contribution for each retiree and dependents shall be 50% of the health benefit premium per month beginning January 1, 2008;

RESOLVED, The District will invoice the retiree per month the balance owed and the retiree will pay upon receipt to the District or may setup an auto payment;

RESOLVED, A Retiree Benefit Agreement will be established between the District and the Retiree;

RESOLVED, The resolution will take effect on January 1, 2008.

Adopted at a regular meeting of the Hidden Valley Lake Community Services District on the 15th day of August 2007 by the following votes:

Ayes: DIRECTORS BARTON, BUNCE, LAFAVER AND D'AGOSTA

Noes: NONE

Absent: DIRECTOR HERROD

Abstain: NONE



Tony D'Agosta President of the Board of Directors



Attested by:


Tami Ipsen

Tami Ipsen Administrative Assistant/Secretary to the Board

Cal-PERS PENSION RETIREMENT

AGENCY	PLAN BENEFIT	EMPLOYEE CONTRIBUTION
HVLCSO	PERS Classic: 2.5% @ 55 New employees: 2% @ 62	Employees pays 8% (Classic) Employee pays 6.75% (PEPRA)
City of Vallejo	PERS Classic: 2% @ 55 New employees: 2% @ 62	Employee pays 8% plus 1% of employer share (9%) New employee pays 6.25%
City of Napa	PERS Classic: 2.7% @ 55/2% @ 60 New employees: 2% @ 62	Classic Employee pays 12.5% @ 55/11.5% @ 60. New Employees pay 4% plus 1/2 of full cost (10.75%)
City of Santa Rosa	PERS: Tier I: 3% @ 60% Tier II: 2.5% @ 55 Tier III: 2% @ 62	Employee pays 10.5% Employee pays 10.5% Employee pays 6.25%
City of Calistoga	PERS Classic: 2.5% @ 55 New employees: 2% @ 62	Employees pays full employee portion
City of Healdsburg	PERS Classic: 2.5% @ 50 New employees: 2% @ 60	Employee pays 7% Employee pays 9%
City of Windsor	PERS Classic: 2.5% @ 55 New employees: 2% @ 62	Employees contribute 3%
Sonoma Co. Water Agency	County pension system Tier I: 3% @ 60 Tier II: 2% @ 62 Tier III: 2.5% @ 67	No employee contribution
Clearlake Co Water District	Non-responsive	
North Marin Water District	PERS Classic: 2.5% @ 55 New employees: 2% @ 62	Employee contribution not defined (*)
Valley of the Moon Water District	PERS Classic: 2.5% @ 55 New Employees: 2% @ 62	Employee contributes 7%
City of Yountville	PERS Classic: 2.7% @ 55 and 2% at 55. New employees: 2% @ 62	Classic employees pay 8% and 7%. New employees pay 6.75%

Benefit Contribution Worksheet:

ANNUAL						
	Health	Dental	Ancillary	District Expense	5% Contribution	10% Contribution
Admin	140,398	5,822	2,393	148,613	7,431	14,861
Field	193,347	7,296	3,140	203,784	10,189	20,378
Directors	46,053	-		46,053	2,303	4,605
TOTAL	\$ 379,799	\$ 13,118	\$ 5,533	\$ 398,450	\$ 19,923	\$ 39,845

	Admin Monthly Expense				Employee Monthly Contribution	
	Health	Dental	Ancillary	Total	5%	10%
General Manager	959	34	22	1,014	51	101
Admin Asst Sup	2,493	123	38	2,654	133	265
Water Res Spec	959	34	22	1,014	51	101
Project Mngr	1,919	69	29	2,017	101	202
Sr Acct Rep	2,493	123	38	2,654	133	265
Sr Acct Rep	1,919	69	29	2,017	101	202
Acct Sup	959	34	22	1,014	51	101
TOTAL	\$ 11,700	\$ 485	\$ 199	\$ 12,384	\$ 619	\$ 1,238

	Field Monthly Expense				Employee Monthly Contribution	
	Health	Dental	Ancillary	Total	5%	10%
Utility Sup	2,493	123	38	2,654	133	265
Op1	2,493	123	38	2,654	133	265
Op1	1,919	69	38	2,026	101	203
Utility Tech	2,493	123	38	2,654	133	265
Utility Tech	959	34	22	1,014	51	101
Op2	1,919	69	29	2,017	101	202
Utility Tech	1,919	34	29	1,982	99	198
Utility Tech	1,919	34	29	1,982	99	198
TOTAL	\$ 16,112	\$ 608	\$ 262	\$ 16,982	\$ 849	\$ 1,698

	Director Monthly Expense				Director Monthly Contribution	
	Health	Dental	Ancillary	Total	5%	10%
Director	1,919	-	-	1,919	96	192
Director	1,919	-	-	1,919	96	192
TOTAL	\$ 3,838			\$ 3,838	\$ 192	\$ 384

MEDICAL INSURANCE PLAN - AGENCY CONTRIBUTION

AGENCY	COVERAGE AND CONTRIBUTION
HVLCS D	District pays 100% of medical – premium only
City of Vallejo	Cafeteria Plan offered to all full-time employees. City pays 75% of family plan coverage employee pays 25%
City of Napa	Cafeteria Plan offered to all full-time employees. City contributes \$500.00/month towards any plan
City of Santa Rosa	Cafeteria Plan offered to all full-time employees. City contribution of \$1,875 per month
City of Calistoga	Cafeteria Plan offered to all full-time employees. City pays 90% and employee pays 10%
City of Healdsburg	City pays 100% of lowest cost medical plan. Employee pays the difference for more expensive plans
City of Windsor	City offers three plans and pays 85% and employee pays 15%
Sonoma Co Water Agency	County contribution of \$1,980 per month: approx. 80% - (maximum for family plan)
Clearlake Co Water District	Non-responsive
North Marin Water District	Participates in CalPERS Medical Insurance. Employer pays 80% and employee pays 20%
Valley of the Moon Water District	Employer pays 100% of employee medical and a percentage of family coverage
City of Yountville	Employees hired prior to 1/1/2011 – 100% paid for by City, 90% for employees hired after 2011

DENTAL/VISION INSURANCE PLAN - AGENCY CONTRIBUTION

AGENCY	ALL EMPLOYEES
HVLCSD	District pays 100% of dental and vision plan coverage
CITY OF VALLEJO	City pays 100% of plan coverage
CITY OF NAPA	City pays 85% and employee pays 15% of plan coverage
CITY OF SANTA ROSA	City contributes \$176.72 per month per employee towards both dental and vision
CITY OF CALISTOGA	City pays 100% of plan coverage
CITY OF HEALDSBURG	City pays 100% of plan coverage
CITY OF WINDSOR	City pays \$1,500 per employee per year for dental. City pays 100% of vision coverage
SONOMA CO WATER AGENCY	County pays \$118.44 per month for dental and \$15.70 per month for vision for each employee
CLEARLAKE CO WATER DISTRICT	Non-responsive
NORTH MARIN WATER DISTRICT	District pays \$1,500 per employee per year for dental. District pays \$184 per year per employee for vision coverage
VALLEY OF THE MOON WATER DSITRICT	District pays 100% of dental and vision plan coverage
CITY OF YOUNTVILLE	City pays 100% of dental and vision plan coverage

LIFE INSURANCE PLAN - AGENCY CONTRIBUTION

AGENCY	ALL EMPLOYEES
HVLCSO	\$50,000 term policy. Premium paid for by the District
CITY OF VALLEJO	Coverage equal to two (2) times the annual employee salary up to \$250,000. Premium paid for by the City
CITY OF NAPA	\$50,000 term policy. Premium paid for by the City
CITY OF SANTA ROSA	\$20,000 term policy. Premium paid for by the City
CITY OF CALISTOGA	\$50,000 term policy. Premium paid for by the City
CITY OF HEALDSBURG	Non-responsive
CITY OF WINDSOR	\$100,000 term policy. Premium paid for by the City
Sonoma Co Water Agency	Coverage equal to one (1) times the annual salary. Premium paid for by the Agency
Clearlake County Water District	Non-responsive
North Marin Water District	Coverage equal to one (1) times the annual employee salary. Premium paid for by the District
Valley of the Moon Water District	District contributes \$50.00 per month for term life insurance
City of Yountville	\$150,000 term policy. Premium paid for by the City

Cal-PERS PENSION RETIREMENT

AGENCY	PLAN BENEFIT	EMPLOYEE CONTRIBUTION
HVLCSO	PERS Classic: 2.5% @ 55 New employees: 2% @ 62	Employees pays 8% (Classic) Employee pays 6.75% (PEPRA)
City of Vallejo	PERS Classic: 2% @ 55 New employees: 2% @ 62	Employee pays 8% plus 1% of employer share (9%) New employee pays 6.25%
City of Napa	PERS Classic: 2.7% @ 55/2% @ 60 New employees: 2% @ 62	Classic Employee pays 12.5% @ 55/11.5% @ 60. New Employees pay 4% plus ½ of full cost (10.75%)
City of Santa Rosa	PERS: Tier I: 3% @ 60% Tier II: 2.5% @ 55 Tier III: 2% @ 62	Employee pays 10.5% Employee pays 10.5% Employee pays 6.25%
City of Calistoga	PERS Classic: 2.5% @ 55 New employees: 2% @ 62	Employees pays full employee portion
City of Healdsburg	PERS Classic: 2.5% @ 50 New employees: 2% @ 60	Employee pays 7% Employee pays 9%
City of Windsor	PERS Classic: 2.5% @ 55 New employees: 2% @ 62	Employees contribute 3%
Sonoma Co. Water Agency	County pension system Tier I: 3% @ 60 Tier II: 2% @ 62 Tier III: 2.5% @ 67	No employee contribution
Clearlake Co Water District	Non-responsive	
North Marin Water District	PERS Classic: 2.5% @ 55 New employees: 2% @ 62	Employee contribution not defined (*)
Valley of the Moon Water District	PERS Classic: 2.5% @ 55 New Employees: 2% @ 62	Employee contributes 7%
City of Yountville	PERS Classic: 2.7% @ 55 and 2% at 55. New employees: 2% @ 62	Classic employees pay 8% and 7%. New employees pay 6.75%

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2021

120-SEWER ENTERPRISE FUND
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>1,871,167.00</u>	<u>155,517.94</u>	<u>821,500.33</u>	<u>1,049,666.67</u>	<u>43.90</u>
TOTAL REVENUES	<u>1,871,167.00</u>	<u>155,517.94</u>	<u>821,500.33</u>	<u>1,049,666.67</u>	<u>43.90</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	960,501.00	139,485.29	380,534.16	579,966.84	39.62
ADMINISTRATION	445,691.00	31,977.09	162,472.33	283,218.67	36.45
FIELD	432,267.00	33,942.34	155,605.96	276,661.04	36.00
DIRECTORS	32,708.00	2,184.08	8,484.38	24,223.62	25.94
SPECIAL PROJECTS	0.00	0.00	0.00	0.00	0.00
CAPITAL PROJECTS & EQUIP	<u>0.00</u>	<u>0.00</u>	<u>13,195.79</u>	<u>(13,195.79)</u>	<u>0.00</u>
TOTAL EXPENDITURES	<u>1,871,167.00</u>	<u>207,588.80</u>	<u>720,292.62</u>	<u>1,150,874.38</u>	<u>38.49</u>
REVENUES OVER/(UNDER) EXPENDITURES	0.00	(52,070.86)	101,207.71	(101,207.71)	0.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2021

120-SEWER ENTERPRISE FUND
 REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-4020 INSPECTION FEES	500.00	0.00	300.00	200.00	60.00
120-4036 DEVELOPER FEES SEWER	0.00	0.00	0.00	0.00	0.00
120-4040 LIEN RECORDING FEES	0.00	0.00	0.00	0.00	0.00
120-4045 AVAILABILITY FEES	5,500.00	0.00	612.30	4,887.70	11.13
120-4050 SALES OF RECLAIMED WATER	138,000.00	8,266.40	87,993.79	50,006.21	63.76
120-4111 COMM SEWER USE	61,985.00	5,175.06	22,228.70	39,756.30	35.86
120-4112 GOV'T SEWER USE	1,200.00	91.98	590.48	609.52	49.21
120-4116 SEWER USE CHARGES	1,634,882.00	137,758.23	550,847.59	1,084,034.41	33.69
120-4210 LATE FEE	22,000.00	3,300.51	10,882.21	11,117.79	49.46
120-4300 MISC INCOME	2,500.00	881.57	1,526.58	973.42	61.06
120-4310 OTHER INCOME	2,600.00	0.00	0.00	2,600.00	0.00
120-4320 FEMA/CalOES GRANTS	0.00	0.00	122,549.23 (	122,549.23)	0.00
120-4325 GRANTS	0.00	0.00	23,865.00 (	23,865.00)	0.00
120-4505 LEASE INCOME	0.00	0.00	0.00	0.00	0.00
120-4550 INTEREST INCOME	2,000.00	44.19	104.45	1,895.55	5.22
120-4580 TRANSFERS IN	0.00	0.00	0.00	0.00	0.00
120-4591 INCOME APPLICABLE TO PRIOR YRS	0.00	0.00	0.00	0.00	0.00
120-4955 Gain/Loss	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	1,871,167.00	155,517.94	821,500.33	1,049,666.67	43.90
	=====	=====	=====	=====	=====

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: OCTOBER 31ST, 2021

120-SEWER ENTERPRISE FUND
NON-DEPARTMENTAL
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-00-5010 SALARY & WAGES	0.00	0.00	0.00	0.00	0.00
120-5-00-5020 EMPLOYEE BENEFITS	0.00	0.00	0.00	0.00	0.00
120-5-00-5021 RETIREMENT BENEFITS	0.00	0.00	0.00	0.00	0.00
120-5-00-5024 WORKERS' COMP INSURANCE	10,100.00	0.00	10,049.34	50.66	99.50
120-5-00-5025 RETIREE HEALTH BENEFITS	8,189.00	649.94	2,599.73	5,589.27	31.75
120-5-00-5026 COBRA Health & Dental	0.00	0.00	0.00	0.00	0.00
120-5-00-5040 ELECTION EXPENSE	0.00	0.00	0.00	0.00	0.00
120-5-00-5050 DEPRECIATION	0.00	0.00	0.00	0.00	0.00
120-5-00-5060 GASOLINE, OIL & FUEL	20,000.00	2,602.80	7,709.20	12,290.80	38.55
120-5-00-5061 VEHICLE MAINT	18,000.00	1,344.61	4,645.37	13,354.63	25.81
120-5-00-5062 TAXES & LIC	800.00	0.00	0.00	800.00	0.00
120-5-00-5074 INSURANCE	71,000.00	0.00	72,287.79 (	1,287.79)	101.81
120-5-00-5075 BANK FEES	21,000.00	2,469.54	9,464.15	11,535.85	45.07
120-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	11,000.00	5,012.50	5,397.00	5,603.00	49.06
120-5-00-5092 POSTAGE & SHIPPING	7,000.00	697.23	1,603.67	5,396.33	22.91
120-5-00-5110 CONTRACTUAL SERVICES	0.00	0.00	0.00	0.00	0.00
120-5-00-5121 LEGAL SERVICES	12,000.00	675.50	1,630.50	10,369.50	13.59
120-5-00-5122 ENGINEERING SERVICES	50,000.00	4,108.48	10,437.86	39,562.14	20.88
120-5-00-5123 OTHER PROFESSIONAL SERVICE	20,000.00	28.97	3,248.97	16,751.03	16.24
120-5-00-5126 AUDIT SERVICES	7,500.00	0.00	0.00	7,500.00	0.00
120-5-00-5130 PRINTING & PUBLICATION	5,000.00	381.27	838.95	4,161.05	16.78
120-5-00-5135 NEWSLETTER	500.00	0.00	0.00	500.00	0.00
120-5-00-5140 RENTS & LEASES	0.00	0.00	0.00	0.00	0.00
120-5-00-5145 EQUIPMENT RENTAL	5,000.00	759.96	1,543.11	3,456.89	30.86
120-5-00-5148 OPERATING SUPPLIES	48,000.00	7,548.58	30,170.26	17,829.74	62.85
120-5-00-5150 REPAIR & REPLACE	149,900.00	28,858.65	48,906.27	100,993.73	32.63
120-5-00-5155 MAINT BLDG & GROUNDS	8,000.00	200.50	5,433.55	2,566.45	67.92
120-5-00-5156 CUSTODIAL SERVICES	16,500.00	2,367.00	4,774.00	11,726.00	28.93
120-5-00-5157 SECURITY	600.00	192.00	192.00	408.00	32.00
120-5-00-5160 SLUDGE DISPOSAL	45,000.00	0.00	16,087.50	28,912.50	35.75
120-5-00-5165 TERTIARY POND MAINTENANCE	50,000.00	50,000.00	50,000.00	0.00	100.00
120-5-00-5180 UNCOLLECTABLE ACCOUNTS	0.00	0.00	0.00	0.00	0.00
120-5-00-5191 TELEPHONE	12,000.00	1,401.72	4,230.50	7,769.50	35.25
120-5-00-5192 ELECTRICITY	95,000.00	19,340.83	27,623.59	67,376.41	29.08
120-5-00-5193 OTHER UTILITIES	2,500.00	266.86	800.58	1,699.42	32.02
120-5-00-5194 IT SERVICES	38,000.00	2,844.69	19,376.33	18,623.67	50.99
120-5-00-5195 ENV/MONITORING	35,000.00	6,132.75	11,718.75	23,281.25	33.48
120-5-00-5196 RISK MANAGEMENT	0.00	0.00	0.00	0.00	0.00
120-5-00-5198 ANNUAL OPERATING FEES	5,000.00	0.00	0.00	5,000.00	0.00
120-5-00-5310 EQUIPMENT - FIELD	1,200.00	0.00	0.00	1,200.00	0.00
120-5-00-5311 EQUIPMENT - OFFICE	3,000.00	195.18	195.18	2,804.82	6.51
120-5-00-5312 TOOLS - FIELD	1,500.00	339.36	918.51	581.49	61.23
120-5-00-5315 SAFETY EQUIPMENT	3,500.00	1,066.37	3,581.50 (	81.50)	102.33
120-5-00-5510 SEWER OUTREACH	0.00	0.00	0.00	0.00	0.00
120-5-00-5545 RECORDING FEES	250.00	0.00	70.00	180.00	28.00
120-5-00-5580 TRANSFERS OUT	178,462.00	0.00	25,000.00	153,462.00	14.01
120-5-00-5590 NON-OPERATING OTHER	0.00	0.00	0.00	0.00	0.00
120-5-00-5591 EXPENSES APPLICABLE TO PRI	0.00	0.00	0.00	0.00	0.00
120-5-00-5600 CONTINGENCY	0.00	0.00	0.00	0.00	0.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2021

120-SEWER ENTERPRISE FUND
 NON-DEPARTMENTAL
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-00-5700 OVER / SHORT	0.00	0.00	0.00	0.00	0.00
TOTAL NON-DEPARTMENTAL	960,501.00	139,485.29	380,534.16	579,966.84	39.62

AS OF: OCTOBER 31ST, 2021

120-SEWER ENTERPRISE FUND

ADMINISTRATION

EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-10-5010 SALARIES & WAGES	292,584.00	21,569.11	97,635.99	194,948.01	33.37
120-5-10-5020 EMPLOYEE BENEFITS	84,855.00	7,030.59	24,881.50	59,973.50	29.32
120-5-10-5021 RETIREMENT BENEFITS	56,902.00	1,958.81	37,391.27	19,510.73	65.71
120-5-10-5063 CERTIFICATIONS	500.00	0.00	0.00	500.00	0.00
120-5-10-5090 OFFICE SUPPLIES	4,000.00	152.14	484.70	3,515.30	12.12
120-5-10-5170 TRAVEL MILEAGE	2,500.00	503.94	1,313.17	1,186.83	52.53
120-5-10-5175 EDUCATION / SEMINARS	4,000.00	762.50	762.50	3,237.50	19.06
120-5-10-5179 ADM MISC EXPENSES	350.00	0.00	3.20	346.80	0.91
TOTAL ADMINISTRATION	445,691.00	31,977.09	162,472.33	283,218.67	36.45

AS OF: OCTOBER 31ST, 2021

120-SEWER ENTERPRISE FUND

FIELD

EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-30-5010 SALARIES & WAGES	244,081.00	20,252.94	82,521.57	161,559.43	33.81
120-5-30-5020 EMPLOYEE BENEFITS	128,742.00	11,695.56	34,699.09	94,042.91	26.95
120-5-30-5021 RETIREMENT BENEFITS	50,444.00	1,577.01	35,201.84	15,242.16	69.78
120-5-30-5022 CLOTHING ALLOWANCE	2,000.00	416.83	2,256.37 (	256.37)	112.82
120-5-30-5063 CERTIFICATIONS	1,500.00	0.00	268.53	1,231.47	17.90
120-5-30-5090 OFFICE SUPPLIES	1,000.00	0.00	0.00	1,000.00	0.00
120-5-30-5170 TRAVEL MILEAGE	500.00	0.00	658.56 (	158.56)	131.71
120-5-30-5175 EDUCATION / SEMINARS	4,000.00	0.00	0.00	4,000.00	0.00
TOTAL FIELD	432,267.00	33,942.34	155,605.96	276,661.04	36.00

AS OF: OCTOBER 31ST, 2021

120-SEWER ENTERPRISE FUND

DIRECTORS

EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-40-5010 DIRECTORS COMPENSATION	3,000.00	269.15	1,076.60	1,923.40	35.89
120-5-40-5020 DIRECTOR BENEFITS	230.00	8.00	32.00	198.00	13.91
120-5-40-5030 DIRECTOR HEALTH BENEFITS	24,178.00	1,822.95	7,291.80	16,886.20	30.16
120-5-40-5170 TRAVEL MILEAGE	200.00	83.98	83.98	116.02	41.99
120-5-40-5175 EDUCATION / SEMINARS	1,500.00	0.00	0.00	1,500.00	0.00
120-5-40-5176 DIRECTOR TRAINING	3,600.00	0.00	0.00	3,600.00	0.00
TOTAL DIRECTORS	32,708.00	2,184.08	8,484.38	24,223.62	25.94

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: OCTOBER 31ST, 2021120-SEWER ENTERPRISE FUND
SPECIAL PROJECTS
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-60-6009 ACCESS RD	0.00	0.00	0.00	0.00	0.00
120-5-60-6010 LNU COMPLEX - A	0.00	0.00	0.00	0.00	0.00
120-5-60-6011 LNU COMPLEX - B	0.00	0.00	0.00	0.00	0.00
TOTAL SPECIAL PROJECTS	0.00	0.00	0.00	0.00	0.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2021

120-SEWER ENTERPRISE FUND
 CAPITAL PROJECTS & EQUIP
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-70-7201 I & I	0.00	0.00	13,195.79 (	13,195.79)	0.00
120-5-70-7203 HEADWORKS RAKE	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL PROJECTS & EQUIP	0.00	0.00	13,195.79 (	13,195.79)	0.00
TOTAL EXPENDITURES	1,871,167.00	207,588.80	720,292.62	1,150,874.38	38.49
REVENUES OVER/ (UNDER) EXPENDITURES	0.00 (	52,070.86)	101,207.71 (	101,207.71)	0.00

*** END OF REPORT ***

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2021

130-WATER ENTERPRISE FUND
 FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUE SUMMARY</u>					
ALL REVENUE	<u>2,721,075.00</u>	<u>233,747.67</u>	<u>1,296,087.26</u>	<u>1,424,987.74</u>	<u>47.63</u>
TOTAL REVENUES	<u>2,721,075.00</u>	<u>233,747.67</u>	<u>1,296,087.26</u>	<u>1,424,987.74</u>	<u>47.63</u>
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	1,809,209.00	121,560.33	343,973.23	1,465,235.77	19.01
ADMINISTRATION	444,891.00	31,976.02	162,501.25	282,389.75	36.53
FIELD	432,867.00	33,665.28	151,930.64	280,936.36	35.10
DIRECTORS	34,108.00	2,184.03	8,484.18	25,623.82	24.87
SPECIAL PROJECTS	0.00	0.00	0.00	0.00	0.00
CAPITAL PROJECTS & EQUIP	<u>0.00</u>	<u>1,504.00</u>	<u>135,204.52</u>	<u>(135,204.52)</u>	<u>0.00</u>
TOTAL EXPENDITURES	<u>2,721,075.00</u>	<u>190,889.66</u>	<u>802,093.82</u>	<u>1,918,981.18</u>	<u>29.48</u>
REVENUES OVER/(UNDER) EXPENDITURES	0.00	42,858.01	493,993.44	(493,993.44)	0.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2021

130-WATER ENTERPRISE FUND
 REVENUES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-4035 RECONNECT FEE	5,000.00	0.00	0.00	5,000.00	0.00
130-4036 DEVELOPER FEES WATER	0.00	0.00	0.00	0.00	0.00
130-4038 COMM WATER METER INSTALL	0.00	0.00	0.00	0.00	0.00
130-4039 WATER CONNECTION FEE	57,576.00	0.00	2,754.00	54,822.00	4.78
130-4040 LIEN RECORDING FEES	1,200.00	234.48	4,838.63 (	3,638.63)	403.22
130-4045 AVAILABILITY FEES	22,000.00	0.00	2,449.20	19,550.80	11.13
130-4110 COMM WATER USE	126,948.00	5,806.87	27,086.98	99,861.02	21.34
130-4111 BULK WATER SALES	0.00	3,965.35	3,965.35 (	3,965.35)	0.00
130-4112 GOV'T WATER USE	6,200.00	565.47	2,156.91	4,043.09	34.79
130-4115 WATER USE	2,462,899.00	213,073.42	973,177.52	1,489,721.48	39.51
130-4210 LATE FEE	32,000.00	5,764.56	19,564.84	12,435.16	61.14
130-4215 RETURNED CHECK FEE	200.00	150.00	250.00 (	50.00)	125.00
130-4300 MISC INCOME	1,500.00	881.57	1,274.49	225.51	84.97
130-4310 OTHER INCOME	1,500.00	0.00	0.00	1,500.00	0.00
130-4320 FEMA/CalOES GRANTS	0.00	0.00	122,549.22 (	122,549.22)	0.00
130-4325 GRANTS	0.00	0.00	0.00	0.00	0.00
130-4330 HYDRANT METER USE DEPOSIT	0.00	3,240.00	9,720.00 (	9,720.00)	0.00
130-4505 LEASE INCOME	0.00	0.00	0.00	0.00	0.00
130-4550 INTEREST INCOME	4,052.00	65.95	163.60	3,888.40	4.04
130-4580 TRANSFER IN	0.00	0.00	126,136.52 (	126,136.52)	0.00
130-4591 INCOME APPLICABLE TO PRIOR YRS	0.00	0.00	0.00	0.00	0.00
130-4955 Gain/Loss	0.00	0.00	0.00	0.00	0.00
TOTAL REVENUES	2,721,075.00	233,747.67	1,296,087.26	1,424,987.74	47.63

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: OCTOBER 31ST, 2021

130-WATER ENTERPRISE FUND
NON-DEPARTMENTAL
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-00-5010 SALARY & WAGES	0.00	0.00	0.00	0.00	0.00
130-5-00-5020 EMPLOYEE BENEFITS	0.00	0.00	0.00	0.00	0.00
130-5-00-5021 RETIREMENT BENEFITS	0.00	0.00	0.00	0.00	0.00
130-5-00-5024 WORKERS' COMP INSURANCE	10,100.00	0.00	10,049.34	50.66	99.50
130-5-00-5025 RETIREE HEALTH BENEFITS	8,189.00	649.91	2,599.70	5,589.30	31.75
130-5-00-5026 COBRA Health & Dental	0.00	0.00	0.00	0.00	0.00
130-5-00-5040 ELECTION EXPENSE	0.00	0.00	0.00	0.00	0.00
130-5-00-5050 DEPRECIATION	0.00	0.00	0.00	0.00	0.00
130-5-00-5060 GASOLINE, OIL & FUEL	20,000.00	2,602.78	7,709.15	12,290.85	38.55
130-5-00-5061 VEHICLE MAINT	12,500.00	1,344.60	3,660.34	8,839.66	29.28
130-5-00-5062 TAXES & LIC	1,200.00	0.00	0.00	1,200.00	0.00
130-5-00-5074 INSURANCE	71,000.00	0.00	72,287.79 (	1,287.79)	101.81
130-5-00-5075 BANK FEES	21,000.00	2,489.53	9,483.53	11,516.47	45.16
130-5-00-5080 MEMBERSHIP & SUBSCRIPTIONS	28,000.00	21,872.50	23,435.00	4,565.00	83.70
130-5-00-5092 POSTAGE & SHIPPING	7,000.00	697.22	1,603.62	5,396.38	22.91
130-5-00-5110 CONTRACTUAL SERVICES	0.00	0.00	0.00	0.00	0.00
130-5-00-5121 LEGAL SERVICES	65,000.00	2,700.50	6,625.50	58,374.50	10.19
130-5-00-5122 ENGINEERING SERVICES	65,000.00	14,755.97	20,015.34	44,984.66	30.79
130-5-00-5123 OTHER PROFESSIONAL SERVICE	45,000.00	28.98	3,248.98	41,751.02	7.22
130-5-00-5124 WATER RIGHTS	0.00	0.00	0.00	0.00	0.00
130-5-00-5126 AUDIT SERVICES	7,500.00	0.00	0.00	7,500.00	0.00
130-5-00-5130 PRINTING & PUBLICATION	7,500.00	381.25	838.92	6,661.08	11.19
130-5-00-5135 NEWSLETTER	500.00	0.00	0.00	500.00	0.00
130-5-00-5140 RENT & LEASES	0.00	0.00	0.00	0.00	0.00
130-5-00-5145 EQUIPMENT RENTAL	10,000.00	5,086.97	5,868.11	4,131.89	58.68
130-5-00-5148 OPERATING SUPPLIES	5,000.00	1,092.73	1,823.08	3,176.92	36.46
130-5-00-5150 REPAIR & REPLACE	168,900.00	52,906.75	78,552.37	90,347.63	46.51
130-5-00-5155 MAINT BLDG & GROUNDS	12,000.00	5.00	5,238.04	6,761.96	43.65
130-5-00-5156 CUSTODIAL SERVICES	5,000.00	586.00	1,211.00	3,789.00	24.22
130-5-00-5157 SECURITY	5,000.00	192.00	192.00	4,808.00	3.84
130-5-00-5180 UNCOLLECTABLE ACCOUNTS	0.00	0.00	0.00	0.00	0.00
130-5-00-5191 TELEPHONE	11,000.00	1,401.72	4,230.44	6,769.56	38.46
130-5-00-5192 ELECTRICITY	178,000.00	4,998.42	45,562.66	132,437.34	25.60
130-5-00-5193 OTHER UTILITIES	2,500.00	266.85	800.55	1,699.45	32.02
130-5-00-5194 IT SERVICES	40,000.00	3,053.82	25,585.46	14,414.54	63.96
130-5-00-5195 ENV/MONITORING	17,000.00	1,871.50	6,880.50	10,119.50	40.47
130-5-00-5196 RISK MANAGEMENT	0.00	0.00	0.00	0.00	0.00
130-5-00-5198 ANNUAL OPERATING FEES	33,000.00	0.00	0.00	33,000.00	0.00
130-5-00-5310 EQUIPMENT - FIELD	1,000.00	0.00	0.00	1,000.00	0.00
130-5-00-5311 EQUIPMENT - OFFICE	1,000.00	195.18	195.18	804.82	19.52
130-5-00-5312 TOOLS - FIELD	1,500.00	1,125.77	1,704.90 (	204.90)	113.66
130-5-00-5315 SAFETY EQUIPMENT	3,000.00	1,066.36	3,581.45 (	581.45)	119.38
130-5-00-5505 WATER CONSERVATION	5,000.00	188.02	920.28	4,079.72	18.41
130-5-00-5520 HYDRANT DEPOSIT REFUND	0.00	0.00	0.00	0.00	0.00
130-5-00-5545 RECORDING FEES	250.00	0.00	70.00	180.00	28.00
130-5-00-5580 TRANSFERS OUT	940,570.00	0.00	0.00	940,570.00	0.00
130-5-00-5590 NON-OPERATING OTHER	0.00	0.00	0.00	0.00	0.00
130-5-00-5591 EXPENSES APPLICABLE TO PRI	0.00	0.00	0.00	0.00	0.00
130-5-00-5600 CONTINGENCY	0.00	0.00	0.00	0.00	0.00

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: OCTOBER 31ST, 2021

130-WATER ENTERPRISE FUND
NON-DEPARTMENTAL
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
TOTAL NON-DEPARTMENTAL	1,809,209.00	121,560.33	343,973.23	1,465,235.77	19.01

AS OF: OCTOBER 31ST, 2021

130-WATER ENTERPRISE FUND
ADMINISTRATION
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-10-5010 SALARIES & WAGES	292,584.00	21,569.18	97,636.30	194,947.70	33.37
130-5-10-5020 EMPLOYEE BENEFITS	84,855.00	7,029.57	24,880.41	59,974.59	29.32
130-5-10-5021 RETIREMENT BENEFITS	56,902.00	1,958.74	37,391.12	19,510.88	65.71
130-5-10-5063 CERTIFICATIONS	200.00	0.00	0.00	200.00	0.00
130-5-10-5090 OFFICE SUPPLIES	4,000.00	152.09	514.60	3,485.40	12.87
130-5-10-5170 TRAVEL MILEAGE	2,000.00	503.94	1,313.12	686.88	65.66
130-5-10-5175 EDUCATION / SEMINARS	4,000.00	762.50	762.50	3,237.50	19.06
130-5-10-5179 ADM MISC EXPENSES	350.00	0.00	3.20	346.80	0.91
130-5-10-5505 WATER CONSERVATION	0.00	0.00	0.00	0.00	0.00
TOTAL ADMINISTRATION	444,891.00	31,976.02	162,501.25	282,389.75	36.53

AS OF: OCTOBER 31ST, 2021

130-WATER ENTERPRISE FUND

FIELD

EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-30-5010 SALARIES & WAGES	244,081.00	19,883.96	79,339.36	164,741.64	32.51
130-5-30-5020 EMPLOYEE BENEFITS	128,742.00	11,694.51	34,697.91	94,044.09	26.95
130-5-30-5021 RETIREMENT BENEFITS	50,444.00	1,484.01	34,792.50	15,651.50	68.97
130-5-30-5022 CLOTHING ALLOWANCE	2,000.00	416.82	2,256.36 (	256.36)	112.82
130-5-30-5063 CERTIFICATIONS	600.00	0.00	0.00	600.00	0.00
130-5-30-5090 OFFICE SUPPLIES	1,000.00	0.00	0.00	1,000.00	0.00
130-5-30-5170 TRAVEL MILEAGE	2,000.00	185.98	844.51	1,155.49	42.23
130-5-30-5175 EDUCATION / SEMINARS	4,000.00	0.00	0.00	4,000.00	0.00
TOTAL FIELD	432,867.00	33,665.28	151,930.64	280,936.36	35.10

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: OCTOBER 31ST, 2021

130-WATER ENTERPRISE FUND

DIRECTORS

EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-40-5010 DIRECTORS COMPENSATION	3,000.00	269.10	1,076.40	1,923.60	35.88
130-5-40-5020 DIRECTOR BENEFITS	230.00	8.00	32.00	198.00	13.91
130-5-40-5030 DIRECTOR HEALTH BENEFITS	24,178.00	1,822.95	7,291.80	16,886.20	30.16
130-5-40-5080 MEMBERSHIP & SUBSCRIPTION	0.00	0.00	0.00	0.00	0.00
130-5-40-5170 TRAVEL MILEAGE	200.00	83.98	83.98	116.02	41.99
130-5-40-5175 EDUCATION / SEMINARS	1,500.00	0.00	0.00	1,500.00	0.00
130-5-40-5176 DIRECTOR TRAINING	5,000.00	0.00	0.00	5,000.00	0.00
TOTAL DIRECTORS	34,108.00	2,184.03	8,484.18	25,623.82	24.87

HIDDEN VALLEY LAKE CSD
REVENUE & EXPENSE REPORT (UNAUDITED)
AS OF: OCTOBER 31ST, 2021

130-WATER ENTERPRISE FUND
SPECIAL PROJECTS
EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-60-6010 LNU COMPLEX - A	0.00	0.00	0.00	0.00	0.00
130-5-60-6011 LNU COMPLEX - B	0.00	0.00	0.00	0.00	0.00
TOTAL SPECIAL PROJECTS	0.00	0.00	0.00	0.00	0.00

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: OCTOBER 31ST, 2021

130-WATER ENTERPRISE FUND
 CAPITAL PROJECTS & EQUIP
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-70-7202 GENERATORS	0.00	0.00	6,694.00 (	6,694.00)	0.00
130-5-70-7204 RELIABLE WATER SUPPLY	0.00	1,504.00	2,374.00 (	2,374.00)	0.00
130-5-70-7205 MMN WTR MAIN	0.00	0.00	0.00	0.00	0.00
130-5-70-7206 AMI	0.00	0.00	126,136.52 (	126,136.52)	0.00
TOTAL CAPITAL PROJECTS & EQUIP	0.00	1,504.00	135,204.52 (	135,204.52)	0.00
TOTAL EXPENDITURES	2,721,075.00	190,889.66	802,093.82	1,918,981.18	29.48
REVENUES OVER/(UNDER) EXPENDITURES	0.00	42,858.01	493,993.44 (	493,993.44)	0.00

*** END OF REPORT ***



**Hidden Valley Lake Community Services District
Financial Activity, Cash and Investment Summary
As of October 31, 2021
(Rounded and Unaudited)**

	Operating Checking	Money Market	LAIF	Bond Trustee	Total All Cash/Investment Accounts
	West America Bank 1010	West America Bank 1130	State Treasurer 1133	US Bank 1200	
Financial Activity of Cash/Investment Accounts in General Ledger [1]					
Beginning Balances	\$ 1,123,221	\$ 930,160	\$ 627,857	\$ 175,011	\$ 2,856,249
Cash Receipts					
Utility Billing Deposits	\$ 418,255	\$ -	\$ -	\$ -	
Electronic Fund Deposits	\$ -	\$ -	\$ -	\$ -	
Other Deposits		\$ 52	\$ 382	\$ 1	
Total Cash Receipts	\$ 418,255	\$ 52	\$ 382	\$ 175,012	
Cash Disbursements					
Accounts Payable Checks issued	\$ 280,711	\$ -	\$ -	\$ -	
Electronic Fund/Bank Draft Disbursements	\$ 52,786	\$ -	\$ -	\$ -	
Payroll Checks issued - net	\$ 63,860	\$ -	\$ -	\$ -	
Bank Fees	\$ 4,959	\$ -	\$ -	\$ -	
Other Disbursements	\$ -	\$ -	\$ -	\$ -	
Total Disbursements	\$ 402,316	\$ -	\$ -	\$ -	
Transfers Between Accounts					
Transfers In	\$ -	\$ -	\$ -	\$ -	
Transfers Out	\$ -	\$ -	\$ -	\$ -	
Total Transfers Between Accounts	\$ -	\$ -	\$ -	\$ -	
Ending Balances in General Ledger	\$ 1,139,160	\$ 930,213	\$ 628,239	\$ 175,012	\$ 2,872,623
Reconciling Adjustments to Financial Institutions [2]	\$ -	\$ -	\$ -	\$ -	
Financial Institution Ending Balances	\$ 1,193,574	\$ 930,213	\$ 628,239	\$ 175,012	\$ 2,927,037

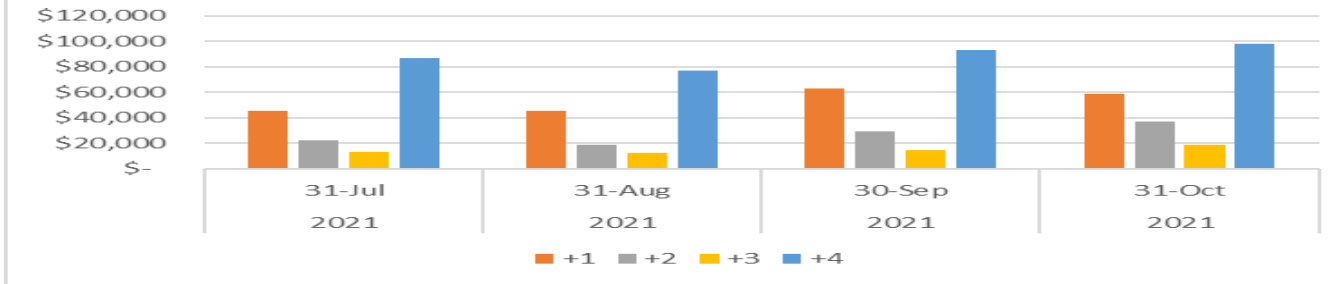
Ending Balances General Ledger Distribution by District Funds

100 Operating	-	-	-	-	-
120 Wastewater Operating	229,381	613	72,568	-	302,562
130 Water Operating	834,475	2,459	108,147	-	945,080
140 Flood Enterprise	(252)	-	-	-	(252)
215 2016 Sewer Refinancing Bond	(1,877)	129,892	94,906	175,012	397,933
218 2002 CIEDB Loan	48,822	68,377	12,528	-	129,728
219 2012 USDA Solar COP	-	8,370	884	-	9,254
313 Wastewater Operating Reserve	28,611	11,300	59,113	-	99,024
314 Wastewater CIP	-	262,284	95,579	-	357,863
319 2012 USDA Solar COP Reserve	-	31,334	-	-	31,334
320 Water CIP	-	185,169	-	-	185,169
325 Water Operating Reserve	-	230,413	-	-	230,413
350 2002 CIEDB Loan Reserve	-	-	184,515	-	184,515
Total Ending Balances in General Ledger	1,139,160	930,213	628,239	175,012	2,872,623

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

[2] See Reconciliation Detail Summary for details

**AGING REPORT
OCTOBER 31, 2021
FY 2021-2022**



OCTOBER	Less than \$100	\$101-\$199	\$200-\$299	\$300-\$399	\$400-\$499	\$500-\$599	\$600-\$699	\$700-\$799	\$800-\$899	\$900-\$999	\$1000-\$1999	\$2000-\$2999	\$3000 +	TOTAL:
Accounts	1	35	39	53	38	33	23	12	11	8	38	15	14	320
Amount	\$99	\$5,390	\$9,751	\$1,859	\$16,918	\$18,296	\$15,035	\$9,070	\$9,257	\$7,581	\$52,555	\$36,697	\$49,702	\$232,210
Difference Previous Month	1	-20	-12	-1	-12	12	-1	-9	1	3	3	0	2	-33
	\$99	\$5,367	\$9,724	\$1,839	\$16,906	\$18,302	\$15,033	\$9,062	\$9,251	\$7,581	\$52,552	\$36,696	\$49,698	\$232,110

SEPTEMBER	Less than \$100	\$101-\$199	\$200-\$299	\$300-\$399	\$400-\$499	\$500-\$599	\$600-\$699	\$700-\$799	\$800-\$899	\$900-\$999	\$1000-\$1999	\$2000-\$2999	\$3000 +	TOTAL:
Accounts	0	55	51	54	50	21	24	21	10	5	35	15	12	353
Amount	\$0	\$8,038	\$12,935	\$19,126	\$22,067	\$11,597	\$15,192	\$15,628	\$8,382	\$4,675	\$47,704	\$37,777	\$41,822	\$244,943
Difference Previous Month	0	23	27	20	12	-6	2	8	6	0	3	1	4	100
	\$0	\$3,193	\$6,774	\$7,036	\$5,334	-\$3,164	\$813	\$5,981	\$4,954	-\$99	\$4,008	\$1,266	\$14,151	\$50,248

AUGUST	Less than \$100	\$101-\$199	\$200-\$299	\$300-\$399	\$400-\$499	\$500-\$599	\$600-\$699	\$700-\$799	\$800-\$899	\$900-\$999	\$1000-\$1999	\$2000-\$2999	\$3000 +	TOTAL:
Accounts	0	32	24	34	38	27	22	13	4	5	32	14	8	253
Amount	\$0	\$4,845	\$6,161	\$12,090	\$16,733	\$14,761	\$14,379	\$9,647	\$3,428	\$4,774	\$43,696	\$36,511	\$27,671	\$194,695
Difference Previous Month	-1	-15	-16	-21	-4	-4	8	2	-5	1	-2	0	0	-57
	-\$99	-\$2,425	-\$3,870	-\$6,930	-\$2,120	-\$2,037	\$5,407	\$1,467	-\$4,181	\$951	-\$1,732	\$1,099	\$427	-\$14,042

JULY	Less than \$100	\$101-\$199	\$200-\$299	\$300-\$399	\$400-\$499	\$500-\$599	\$600-\$699	\$700-\$799	\$800-\$899	\$900-\$999	\$1000-\$1999	\$2000-\$2999	\$3000 +	TOTAL:
Accounts	1	47	40	55	42	31	14	11	9	4	34	14	8	310
Amount	\$99	\$7,270	\$10,031	\$19,019	\$18,853	\$16,797	\$8,972	\$8,181	\$7,609	\$3,823	\$45,428	\$35,412	\$27,244	\$208,738
Difference Previous Month	-6	14	-2	5	7	4	4	5	4	-4	10	0	1	42
	-\$566	\$2,476	-\$679	\$1,763	\$3,257	\$2,233	\$2,578	\$3,655	\$3,483	-\$3,956	\$12,413	\$1,300	\$3,583	\$31,540

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT

2021 - 2022 DEBT SERVICE

OCTOBER 2021

	DEBT SERVICE	FUND	REVENUE
1)	1995-2 BOND - TAX ASSESSMENT	215	\$ 293,494
2)	CIEDB LOAN - WATER INFRASTRUCTURE	130	170,746
3)	USDA LOAN - SOLAR PROJECT WWTP	120	32,255
	TOTAL DEBT SERVICE REVENUE		\$ 496,495

	DEBT SERVICE	FUND	EXPENSE	AMT PAID	TO DATE
1)	1995-2 BOND REDEMPTION (PRINCIPAL)	215	\$ 185,000	\$ 185,000	08/19/2021
	1995-2 BOND REDEMPTION (INTEREST)	215	99,994	53,780	08/19/2021
	BOND ADMINISTRATION (QTRLY FEES)	215	8,500	1,879	07/02/2021
			\$ 293,494	\$ 240,659	

2)	CIEDB (PRINCIPAL)	218	\$ 110,065	\$ -	
	CIEDB (INTEREST)	218	55,865	26,017	07/16/2021
	CIEDB (ANNUAL FEE)	218	4,816	-	
			\$ 170,746	\$ 26,017	

3)	USDA RUS LOAN (PRINCIPAL)	219	\$ 17,000	\$ 17,000	08/02/2021
	USDA RUS LOAN (INTEREST)	219	15,255	8,000	08/02/2021
			\$ 32,255	\$ 25,000	

			TOTAL DEBT	TOTAL PAID
			\$ 496,495	\$ 291,676

**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
2021 - 2022 CAPITAL IMPROVEMENT PLAN
OCTOBER 2021**

FUND	DESCRIPTION	Budget Expense	Expense to Date
314			
WASTEWATER CAPITAL IMPROVEMENT	Regulatory Compliance/I&I Mitigation	\$ 100,000	\$ 13,196
	Disaster Mitigation/SCADA Upgrade	\$ 30,000	
	Mini-Excavator	\$ 25,000	
	Risk Management Plan/Chlorine Tank Auto Shut-Off	\$ 45,000	
	Regulatory Compliance/Dump Truck	\$ 37,500	
	Stormwater Master Planning/Mitigation	\$ 10,000	
	Regulatory Compliance/Manhoe Rehab	\$ 50,000	
	TOTAL	\$ 297,500	
FUND	DESCRIPTION	Budget Expense	Expense to Date
320			
WATER CAPITAL IMPROVEMENT	Wildfire Resilience/Reliable Water Supply/Replace Wooden Tanks	\$ 170,000	\$ 870
	Diaster Mitigation/SCADA Upgrade	\$ 30,000	
	Reliable Water Supply/Automatic Metering Infrastructure (AMI)	\$ 661,000	\$ 126,137
	Wildfire Resilience/Reliable Water Supply/PSPS Backup Power Supply	\$ 6,500	\$ 6,694
	TOTAL	\$ 867,500	\$ 133,701

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: NOVEMBER 30TH, 2021

120-SEWER ENTERPRISE FUND
 CAPITAL PROJECTS & EQUIP
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
120-5-70-7201 REGULATORY COMPLIANCE	212,500.00	0.00	13,195.79	199,304.21	6.21
120-5-70-7202 DISASTER MITIGATION	40,000.00	0.00	0.00	40,000.00	0.00
120-5-70-7203 DISASTER RECOVERY	0.00	0.00	0.00	0.00	0.00
120-5-70-7205 RISK MANAGEMENT	45,000.00	0.00	0.00	45,000.00	0.00
120-5-70-7206 RECORDS RETENTION	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL PROJECTS & EQUIP	297,500.00	0.00	13,195.79	284,304.21	4.44
TOTAL EXPENDITURES	2,168,667.00	45,924.80	766,217.42	1,402,449.58	35.33
REVENUES OVER/(UNDER) EXPENDITURES	(297,500.00)	(45,523.49)	55,684.22	(353,184.22)	18.72-

*** END OF REPORT ***

HIDDEN VALLEY LAKE CSD
 REVENUE & EXPENSE REPORT (UNAUDITED)
 AS OF: NOVEMBER 30TH, 2021

130-WATER ENTERPRISE FUND
 CAPITAL PROJECTS & EQUIP
 EXPENDITURES

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
130-5-70-7201 REGULATORY COMPLIANCE	0.00	0.00	0.00	0.00	0.00
130-5-70-7202 DISASTER MITIGATION	30,000.00	(6,694.00)	0.00	30,000.00	0.00
130-5-70-7203 DISASTER RECOVERY	0.00	0.00	0.00	0.00	0.00
130-5-70-7204 RELIABLE WATER SUPPLY	837,500.00	132,830.52	135,204.52	702,295.48	16.14
130-5-70-7205 RISK MANAGEMENT	0.00	0.00	0.00	0.00	0.00
130-5-70-7206 RECORDS RETENTION	0.00	(126,136.52)	0.00	0.00	0.00
TOTAL CAPITAL PROJECTS & EQUIP	867,500.00	0.00	135,204.52	732,295.48	15.59
TOTAL EXPENDITURES	3,588,575.00	35,156.02	837,249.84	2,751,325.16	23.33
REVENUES OVER/(UNDER) EXPENDITURES	(867,500.00)	(34,119.56)	459,873.88	(1,327,373.88)	53.01-

*** END OF REPORT ***

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

DATE: November 9, 2021

AGENDA ITEM: Recommend purchase approval of a mini-excavator for a price not to exceed \$75,000

RECOMMENDATIONS: Recommend purchase approval of a mini-excavator for a price not to exceed \$75,000

FINANCIAL IMPACT: \$75,000

BACKGROUND:

The FY 21/22 Budget includes capital improvements. Those capital improvements are categorized by District priorities. A few examples of these priorities are Reliable Water Supply, Disaster Mitigation, and Regulatory Compliance. The purchase of a mini-excavator is applicable to these priorities.

In September, the watermain break on Moonridge was a vivid reminder of the District's urgent need to acquire reliable equipment to manage emergencies, and quickly restore water supply. The District does not currently own reliable equipment such as a mini-excavator to help fix a water leak. From a financial perspective, the negative impact of this one mainline break, and the need for heavy equipment rental ranges from \$261,547 – \$278,347.

Water main leaks cost the District in overtime, production loss, and equipment rental costs. The financial impact of the amount of water lost, however, is the most significant factor. Each cubic foot of water pumped, but not delivered, is a loss of revenue. It is estimated that this pipe failure had been leaking for 8 months, which contributes to the total water loss of 1.56MG. On average, that is enough water to supply 124 homes, for a year, or \$241,738.

A mini-excavator would eliminate the sunk cost of equipment rental, and potentially speed up the time to fix a leak. As staff become more familiar with the operation of owned equipment, discovery excavation time is optimized.

Currently, staff has received quotes reaching \$85,000 but continue to pursue negotiations and cost savings options to keep within a \$75,000 budget.

Staff would ask that \$37,500 be apportioned from each fund (Water/Wastewater) to make a purchase of a new/used mini-excavator. The named capital accounts would be Reliable Water Supply and Regulatory Compliance

Encl: CIP October 2021, Cash Rpt October 2021, John Deere Estimate

G-SERIES
COMPACT EXCAVATORS



JOHN DEERE

35G / 50G / 60G



**COMPACT
OPERATORS**



Quote Id: 25564463

Prepared For:
Dennis White

Prepared By: **Elizabeth Jarquin**
Belkorp Ag, LLC
1486 S Highway 59
Merced, CA 95341
Tel: 209-722-8031
Fax: 209-722-1677
Email: ejarquin@belkorpag.com

Date: 04 November 2021

Offer Expires: 11 November 2021

Confidential



Quote Summary

Prepared For:
Dennis White
CA
Home: 707-533-3498

Prepared By:
Elizabeth Jarquin
Belcorp Ag, LLC
1486 S Highway 59
Merced, CA 95341
Phone: 209-722-8031
ejarquin@belkorpag.com

By signing this purchase order, buyer agrees to assume ownership and all associated risks when equipment is delivered, picked up, or invoiced, whichever comes first.

Quote Id: 25564463
Created On: 04 November 2021
Last Modified On: 04 November 2021
Expiration Date: 11 November 2021

Equipment Summary	Suggested List	Selling Price	Qty	Extended
JOHN DEERE 50G Compact Excavator Cab, Long Arm, Angle Blade	\$ 91,919.00	\$ 76,057.78 X	1 =	\$ 76,057.78
Hydraulic GREY Clamp for 50G / 60G	\$ 2,471.00	\$ 2,400.00 X	1 =	\$ 2,400.00
12 in. (305 mm) Heavy Duty Bucket for 50G	\$ 969.00	\$ 945.00 X	1 =	\$ 945.00
Equipment Total				\$ 79,402.78

Quote Summary

Equipment Total	\$ 79,402.78
CA Tire Fee	\$ 7.00
Convenience CC Fee two and half percent	\$ 0.00
SubTotal	\$ 79,409.78
Sales Tax - (7.25%)	\$ 5,756.70
Est. Service Agreement Tax	\$ 0.00
Total	\$ 85,166.48
Down Payment	(0.00)
Rental Applied	(0.00)
Balance Due	\$ 85,166.48

Salesperson : X _____

Accepted By : X _____



Selling Equipment

Quote Id: 25564463

JOHN DEERE 50G Compact Excavator Cab, Long Arm, Angle Blade				
Hours:				Suggested List
Stock Number:				\$ 91,919.00
				Selling Price
				\$ 76,057.78
Code	Description	Qty	Unit	Extended
0060FF	50G Compact Excavator	1	\$ 78,387.00	\$ 78,387.00
Standard Options - Per Unit				
3125	Rubber Track 300 mm with 600mm (24 in.) Triple Semi Grouser Shoes	1	\$ 0.00	\$ 0.00
4150	Suspension Seat - Cloth	1	\$ 29.00	\$ 29.00
7120	Long Arm and Extra Counterweight	1	\$ 1,541.00	\$ 1,541.00
8185	ROPS / FOPS Cab	1	\$ 6,243.00	\$ 6,243.00
9555	Angle Blade	1	\$ 3,394.00	\$ 3,394.00
Standard Options Total				\$ 11,207.00
Value Added Services Total				\$ 0.00
Other Charges				
	Freight	1	\$ 1,825.00	\$ 1,825.00
	Setup	1	\$ 500.00	\$ 500.00
Other Charges Total				\$ 2,325.00
Suggested Price				\$ 91,919.00
Customer Discounts				
Customer Discounts Total			\$ -15,861.22	\$ -15,861.22
Total Selling Price				\$ 76,057.78

Hydraulic GREY Clamp for 50G / 60G				
Hours:				Suggested List
Stock Number:				\$ 2,471.00
				Selling Price
				\$ 2,400.00
Code	Description	Qty	Unit	Extended
BYT11748	Hydraulic GREY Clamp	1	\$ 2,051.00	\$ 2,051.00
Other Charges				
	Setup	1	\$ 420.00	\$ 420.00
Other Charges Total				\$ 420.00
Suggested Price				\$ 2,471.00



JOHN DEERE

Selling Equipment

B1 BELKORPAG

Quote Id: 25564463

Customer Discounts		
Customer Discounts Total	\$ -71.00	\$ -71.00
Total Selling Price		\$ 2,400.00

12 in. (305 mm) Heavy Duty Bucket for 50G

Hours:

Stock Number:

Suggested List

\$ 969.00

Selling Price

\$ 945.00

Extended

\$ 969.00

Code	Description	Qty	Unit
BYT10977	12 in. (305 mm) Heavy Duty Bucket; 2.1 cu. ft. (0.06 cu. m) (3 Teeth Included)	1	\$ 969.00

Suggested Price

\$ 969.00

Customer Discounts

Customer Discounts Total

\$ -24.00

\$ -24.00

Total Selling Price

\$ 945.00



Extended Repair Plan Proposal

PowerGard™ Protection Plan Residential

Date : November 4, 2021

Machine/Use Information

Plan Description

Price

Manufacturer JOHN DEERE

Plan Type:

Deductible:

Equipment Type 50G COMPACT EXC

Coverage:

Quoted Price \$ 0.00

Model 50G COMPACT EXC

Total Months:

Total Hours:

THIS PROPOSAL IS VALID FOR 30-DAYS FROM DATE ISSUED. GRACE pricing is offered only early during the Deere basic warranty period and has no surcharges. After this period, DELAYED PURCHASE pricing (surcharged) is offered later during the John Deere Basic Warranty. Many PowerGard quotes presented in the Delayed Purchase Period will require inspection/certification process and must also past fluid testing. The Total Months and Total Hours listed above include the John Deere Basic Warranty terms (24 months / 2000 hours on Tractors, 24 months on Golf & Turf Products, 12 months for all AG Harvesting and Sprayer equipment, and 12 months/1000 hours on most Gator Utility Vehicles). "Limited" Plan coverage = Engine & Powertrain only. "Comprehensive" Plan coverage = Full Machine.

Proposal Prepared for:

I have been offered this coverage and

Customer Name - Please Print

I ACCEPT the Residential plan

I DECLINE the Residential plan

Customer Signature

If declined, I fully understand that my equipment listed above is not covered for repair expenses due to component failures beyond the original basic warranty period provided by John Deere.

Note : This is not a contract. For specific PowerGard™ Protection plan Residential coverage, please refer to the terms and conditions on John Deere's public website(www.JohnDeere.com) under Services & Support >Warranty > Extended Warranties > PowerGard protection plan Residential.

PowerGard™ Protection Plan Residential (Residential plan) is:

The PowerGard™ Protection Plan Residential is an extended repair plan that provides parts and labor coverage up to four years beyond the manufacturer's warranty. It is available on all riding lawn equipment, zero-turn radius mowers, utility vehicles, utility tractors and compact utility tractors. Your John Deere equipment will be in the hands of qualified, certified technicians from John Deere dealers using Genuine John Deere Parts.

Not covered under a Residential plan:

Residential plans do not cover routine maintenance services or items normally designed to be replaced by the purchaser due to normal wear and tear. They do not cover any product used for commercial or rental applications. They also do not cover repairs for damage from accident, misuse, fire, theft, or exposure to weather conditions such as lightning, hail, flood or water. See the actual PowerGard™ Protection Plan Residential Terms and Conditions for a complete listing of coverage, and limitations and conditions under the program.



JOHN DEERE

Benefits of a Residential plan:

- Offer the choice of adding up to 4 years of repair coverage beyond the machine's factory warranty.
- Do not require preapproval before repairs are made by the authorized John Deere dealership.
- Is transferable by the original purchaser for the balance of the original agreement period.
- Ensures higher resale value and makes equipment more marketable during sale or trade-in.
- Comprehensive Plans:
 - No deductibles and no out-of-pocket costs on covered repairs.
 - Free transportation for factory warranty and extended repair plan repairs for the term of the plan (Note: A surcharge may apply for machines located outside of the dealership's normal service area).
- Limited Powertrain Plans:
 - Low deductibles on covered repairs
 - Do not provide transportation coverage



50G SPECIFICATIONS

While general information, pictures, and descriptions are provided, some illustrations and text may include product options and accessories NOT AVAILABLE in all regions, and in some countries products and accessories may require modifications or additions to ensure compliance with the local regulations of those countries.

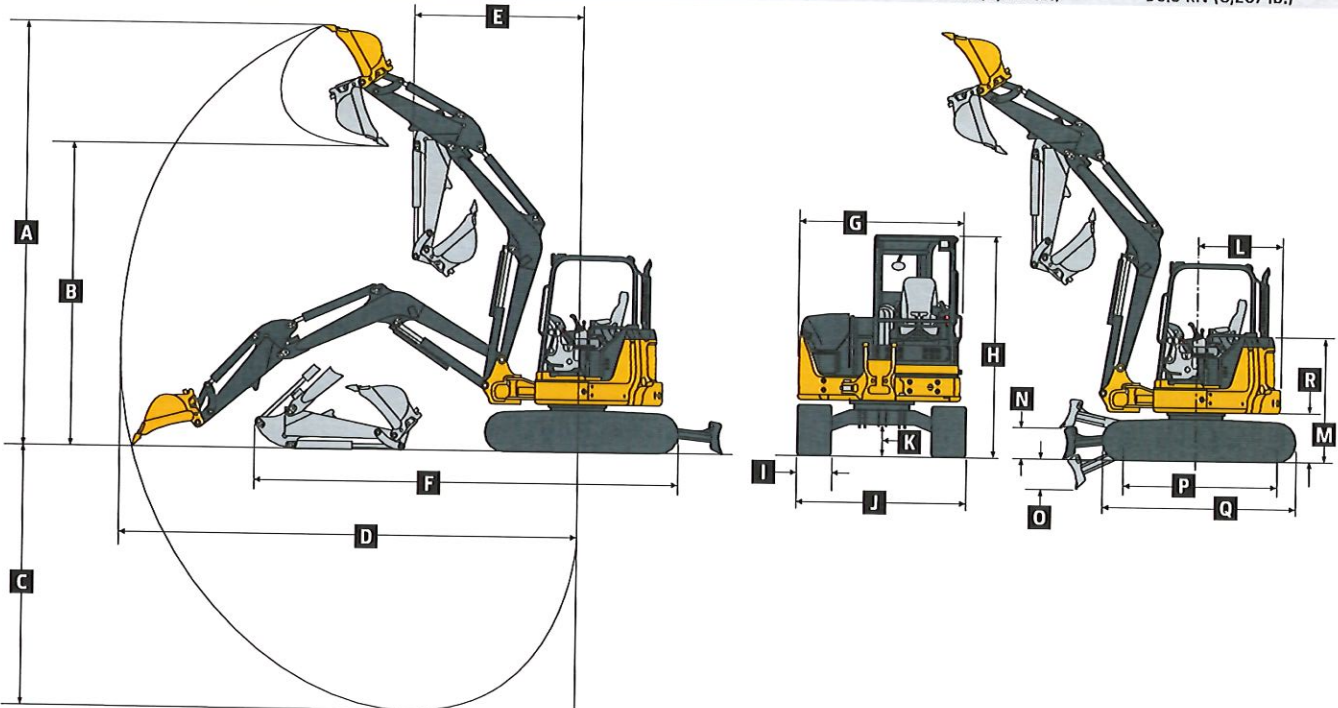
Engine 50G				
Manufacturer and Model	Yanmar 4TNV88C			
Non-Road Emission Standard	EPA Final Tier 4/EU Stage IV			
Displacement	2.19 L (134 cu. in.)			
Net Power (ISO 9249)	26.8 kW (35.9 hp) at 2,400 rpm			
Powertrain				
Each track independently driven by hydrostatic axial-piston motor connected to 2-stage planetary gear-reduction box				
Maximum Travel Speed				
Low	2.5 km/h (1.6 mph)			
High	4.2 km/h (2.6 mph)			
Hydraulics				
Closed-center load sensing with 1 variable-displacement pump				
Pump Flow	120.0 L/m (31.7 gpm)			
Auxiliary Flow	87.4 L/m (23.1 gpm)			
Controls	Hydraulic pilot-operated controls for boom, arm, bucket, swing, boom swing, blade, travel, and auxiliary functions			
Electrical				
Alternator Rating	55 amp			
Work Lights	2 halogen: 1 mounted on operator's station and 1 mounted on boom			
Undercarriage				
Track, Rubber	400 mm (16 in.)			
Ground Pressure	1380-mm (4 ft. 6 in.)	1380-mm (4 ft. 6 in.)	1690-mm (5 ft. 7 in.)	1690-mm (5 ft. 7 in.)
	Standard Arm, Canopy, and Standard Counterweight	Standard Arm, Cab, and Standard Counterweight	Long Arm, Canopy, and Extra Counterweight	Long Arm, Cab, and Extra Counterweight
With Rubber Track	26.9 kPa (3.90 psi)	28.3 kPa (4.10 psi)	28.8 kPa (4.17 psi)	29.5 kPa (4.28 psi)
Upperstructure				
Swing Speed	9.0 rpm			
Independent Swing Boom				
Left	80 deg.			
Right	60 deg.			
Swing Brake	Spring applied, hydraulically released, automatic, disc type			
Serviceability				
Refill Capacities				
Fuel Tank	70 L (18.5 gal.)			
Cooling System	5.0 L (5.3 qt.)			
Engine Oil With Filter	8.6 L (9.1 qt.)			
Hydraulic Tank	56 L (14.8 gal.)			
Operating Weights				
With 400-mm (16 in.) Rubber Track, Straight Blade, Full Fuel Tank, and 79-kg (175 lb.) Operator	1380-mm (4 ft. 6 in.)	1380-mm (4 ft. 6 in.)	1690-mm (5 ft. 7 in.)	1690-mm (5 ft. 7 in.)
	Standard Arm, Canopy, and Standard Counterweight	Standard Arm, Cab, and Standard Counterweight	Long Arm, Canopy, and Extra Counterweight	Long Arm, Cab, and Extra Counterweight
	4790 kg (10,560 lb.)	4920 kg (10,847 lb.)	5018 kg (11,063 lb.)	5148 kg (11,349 lb.)
Optional Angle Blade	409 kg (902 lb.)	409 kg (902 lb.)	409 kg (902 lb.)	409 kg (902 lb.)
Counterweight				
Standard	700 kg (1,543 lb.)	700 kg (1,543 lb.)	700 kg (1,543 lb.)	700 kg (1,543 lb.)
Additional	200 kg (441 lb.)	200 kg (441 lb.)	200 kg (441 lb.)	200 kg (441 lb.)

50G SPECIFICATIONS



While general information, pictures, and descriptions are provided, some illustrations and text may include product options and accessories NOT AVAILABLE in all regions, and in some countries products and accessories may require modifications or additions to ensure compliance with the local regulations of those countries.

Operating Dimensions	50G			
	1380-mm (4 ft. 6 in.) Standard Arm and Canopy	1380-mm (4 ft. 6 in.) Standard Arm and Cab	1690-mm (5 ft. 7 in.) Long Arm and Canopy	1690-mm (5 ft. 7 in.) Long Arm and Cab
A Maximum Cutting Height	5.75 m (18 ft. 10 in.)	5.75 m (18 ft. 10 in.)	6.00 m (19 ft. 8 in.)	6.00 m (19 ft. 8 in.)
B Maximum Dumping Height	4.07 m (13 ft. 4 in.)	4.07 m (13 ft. 4 in.)	4.31 m (14 ft. 2 in.)	4.31 m (14 ft. 2 in.)
C Maximum Digging Depth	3.53 m (11 ft. 7 in.)	3.53 m (11 ft. 7 in.)	3.83 m (12 ft. 7 in.)	3.83 m (12 ft. 7 in.)
D Maximum Digging Reach	5.96 m (19 ft. 7 in.)	5.96 m (19 ft. 7 in.)	6.26 m (20 ft. 6 in.)	6.26 m (20 ft. 6 in.)
E Minimum Front Swing Radius	2.21 m (7 ft. 3 in.)	2.21 m (7 ft. 3 in.)	2.30 m (7 ft. 7 in.)	2.30 m (7 ft. 7 in.)
F Transport Length	5.47 m (17 ft. 11 in.)	5.47 m (17 ft. 11 in.)	5.52 m (18 ft. 1 in.)	5.52 m (18 ft. 1 in.)
Digging Force (ISO)				
Arm	24.0 kN (5,401 lb.)	24.0 kN (5,401 lb.)	21.0 kN (4,718 lb.)	21.0 kN (4,718 lb.)
Bucket	36.8 kN (8,267 lb.)	36.8 kN (8,267 lb.)	36.8 kN (8,267 lb.)	36.8 kN (8,267 lb.)



Machine Dimensions			
G Upperstructure Width	1.85 m (6 ft. 1 in.)		
H Overall Height	Canopy	2.53 m (8 ft. 4 in.)	
	Cab	2.53 m (8 ft. 4 in.)	
I Track Width	400 mm (16 in.)		
J Undercarriage Width	2.00 m (6 ft. 7 in.)		
K Ground Clearance	340 mm (13 in.)		
L Tail Swing Radius	With Standard Arm	1.00 m (39 in.)	
	With Long Arm and Extra Counterweight	1.10 m (43 in.)	
M Engine Cover Height	1.59 m (5 ft. 3 in.)		
N Maximum Blade Lift Above Ground	460 mm (18 in.)		
O Maximum Blade Drop Below Ground	360 mm (14 in.)		
	Blade		
Width	2.00 m (6 ft. 7 in.)		
Height	375 mm (15 in.)		
P Sprocket Center to Idler Center	2.00 m (6 ft. 7 in.)		
Q Track Length	2.50 m (8 ft. 2 in.)		
R Counterweight Clearance	610 mm (24 in.)		

Lift Capacities

Boldface type indicates hydraulically limited capacity; light face type indicates stability-limited capacities, in kg (lb.). All lift capacities are based on ISO 10567 (with power boost). Lifting measurement from center of arm to bucket pin; with 400-mm (16 in.) track shoe and blade on ground; and situated on firm, level, uniform supporting surface. Total load includes weight of cables, hook, etc. Figures do not exceed 87 percent of hydraulic capacities or 75 percent of weight needed to tip machine.

Ground Level at 3.05-m (10 ft.) Radius	Canopy and Standard Counterweight		Cab and Standard Counterweight		Canopy and Extra Counterweight		Cab and Extra Counterweight	
	Over Front*	Over Side	Over Front*	Over Side	Over Front*	Over Side	Over Front*	Over Side
1380-mm (4 ft. 6 in.) Standard Arm	2511 kg (5,531 lb.)	1110 kg (2,444 lb.)	2511 kg (5,531 lb.)	1150 kg (2,534 lb.)	2511 kg (5,531 lb.)	1232 kg (2,714 lb.)	2511 kg (5,531 lb.)	1273 kg (2,803 lb.)
1690-mm (5 ft. 7 in.) Long Arm	2477 kg (5,456 lb.)	1088 kg (2,396 lb.)	2477 kg (5,456 lb.)	1129 kg (2,486 lb.)	2477 kg (5,456 lb.)	1210 kg (2,666 lb.)	2477 kg (5,456 lb.)	1251 kg (2,755 lb.)

Additional equipment

Key: ● Standard ▲ Optional or special

See your John Deere dealer for further information.

35G	50G	60G	Engine
●	●	●	Meets EPA Final Tier 4/EU Stage IV emissions
●	●	●	Auto shutdown
●	●	●	Engine coolant to -37 deg. C (-34 deg. F)
●	●	●	Engine preheater
●	●	●	Fan guard
●	●	●	Fuel/water separator
●	●	●	Full-flow oil filter
●	●	●	Isolation mounted
●	●	●	Key start switch with electric fuel shutoff
●	●	●	Single dry-type air filter
Hydraulic System			
●	●	●	Auto-idle
●	●	●	Auxiliary function right-hand pilot-lever control
●	●	●	Auxiliary hydraulic lines with quick-couplers to end of boom
●	●	●	Auxiliary return-flow selector valve
●	●	●	Axial-piston swing motor
●	●	●	Boom-swing foot control
●	●	●	Excavator-to-backhoe control pattern change valve
●	●	●	Open center with 2 variable-displacement pumps and 1 fixed-gear pump
●	●	●	Closed center load sensing with 1 variable-displacement pump
●	●	●	Hydraulic pilot-operated controls for boom, arm, bucket, swing, boom swing, blade, travel, and auxiliary functions
●	●	●	Wet-disc swing brake
Undercarriage			
●	●	●	Planetary final drive
●	●	●	Propel motor shield
●	●	●	2-speed axial-piston propel motors
●	●	●	Rubber track, 300 mm (12 in.)
●	●	●	Rubber track, 400 mm (16 in.)

35G	50G	60G	Undercarriage (continued)
▲	●	●	Steel track, 300 mm (12 in.) with triple semi-grousers
●	▲	▲	Steel track, 400 mm (16 in.) with triple semi-grousers
▲	●	●	Rubber crawler pad, 300 mm (12 in.)
●	▲	▲	Rubber crawler pad, 400 mm (16 in.)
Upperstructure			
●	●	●	360-deg. rotation
●	●	●	Counterweight, 540 kg (1,190 lb.)
●	●	●	Counterweight, 700 kg (1,543 lb.)
●	●	●	Counterweight, 745 kg (1,642 lb.)
●	●	●	Hinged service-access doors
●	●	●	Toolbox
●	●	▲	ROPS/TOPS/FOPS (canopy)
▲	▲	●	ROPS/TOPS/FOPS (cab) with air conditioning and heater
●	●	●	Vandal protection for service doors, fuel cap, and toolbox
●	●	●	Zero-tail-swing configuration
●	●	●	Reduced-tail-swing configuration
Front Attachments			
●	●	●	Arm, 1315 mm (4 ft. 4 in.)
●	●	●	Arm, 1380 mm (4 ft. 6 in.)
●	●	●	Arm, 1500 mm (4 ft. 11 in.)
▲	●	●	Long arm, 1715 mm (5 ft. 8 in.), includes additional 240-kg (529 lb.) counterweight
▲	●	●	Long arm, 1690 mm (5 ft. 7 in.), includes additional 200-kg (441 lb.) counterweight
▲	●	●	Long arm, 1850 mm (6 ft. 1 in.), includes additional 270-kg (595 lb.) counterweight
●	●	●	Articulation hose shield
●	●	●	Backfill blade, 1.74 m (5 ft. 9 in.)
●	●	●	Backfill blade, 2.00 m (6 ft. 7 in.)
▲	▲	▲	Hydraulic angle backfill blade
●	●	●	Boom, 2.465 m (8 ft. 1 in.)
●	●	●	Boom, 2.85 m (9 ft. 4.2 in.)
●	●	●	Boom, 2.965 m (9 ft. 9 in.)
●	●	●	Mechanical quick-coupler

35G	50G	60G	Front Attachments (continued)
▲	▲	▲	Augers: Planetary / Chain drive / Bits / Bit adapters
▲	▲	▲	Clamp
▲	▲	▲	Hammers: Points / Tools
▲	▲	▲	Quick-coupler buckets: Bucket teeth / Ditching / Heavy-duty
Operator's Station			
●	●	●	Horn
●	●	●	Hour meter
●	●	●	Instrumentation lights
●	●	●	Mode selectors (illuminated): Power mode (I) / Economy mode (I)
●	●	●	Monitor system: Preheat indicator / Engine oil pressure indicator with alarm / Alternator voltage indicator / Fuel gauge and low-fuel-level indicator / Engine coolant temperature gauge and engine coolant temperature indicator with alarm / Hour meter / Work lights indicator
●	●	●	Motion alarm with cancel switch
●	●	●	Work lights switch
●	●	●	Propel levers and foldable pedals
●	●	●	2 travel speeds with automatic shifting
●	●	●	Seat belt, 51 mm (2 in.), retractable
▲	▲	▲	Seat belt, 76 mm (3 in.), retractable
▲	▲	▲	Vinyl seat with fore/aft adjustment
▲	▲	▲	Suspension seat (cloth)
▲	▲	▲	Front screen
▲	▲	▲	Rear secondary exit kit
Electrical			
●	●	●	12-volt accessory outlet
●	●	●	Alternator, 55 amp
●	●	●	Low-maintenance battery
●	●	●	Blade-type multi-fused circuits
●	●	●	Positive-terminal battery covers
Lights			
●	●	●	Work lights: Halogen / 1 mounted on operator's station / 1 mounted on boom

While general information, pictures, and descriptions are provided, some illustrations and text may include product options and accessories NOT AVAILABLE in all regions, and in some countries products and accessories may require modifications or additions to ensure compliance with the local regulations of those countries.

Net engine power is with standard equipment including air cleaner, exhaust system, alternator, and cooling fan at test conditions per ISO 9249. These machines are not equipped with spark-arrestor mufflers. Usage in forestry applications is not recommended. Specifications and design subject to change without notice. Wherever applicable, specifications are in accordance with SAE standards. Except where otherwise noted, these specifications are based on units with standard arms, full fuel tanks, and 79-kg (175 lb.) operators; a 35G canopy unit with 610-mm (24 in.), 0.11-m³ (4.0 cu. ft.) bucket, 300-mm (12 in.) rubber track, and 540-kg (1,190 lb.) counterweight; a 50G canopy unit with 610-mm (24 in.), 0.16-m³ (5.7 cu. ft.) bucket, 400-mm (16 in.) rubber track, and 700-kg (1,543 lb.) counterweight; and a 60G cab unit with 0.19-m³ (6.8 cu. ft.) bucket, 400-mm (16 in.) rubber track, and 745-kg (1,642 lb.) counterweight.



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

DATE: November 9, 2021

AGENDA ITEM: Recommend GM authorization to contract with Local Government Commission (LGC) for a CivicSpark Fellowship

RECOMMENDATIONS: Recommend GM authorization to contract with Local Government Commission (LGC) for a CivicSpark Fellowship

FINANCIAL IMPACT: None

BACKGROUND:

The District has benefited from CivicSpark Fellowships in the past. The notice of violation from the Waterboards in 2017 was managed and overcome thanks to the capacity building efforts of CivicSpark Fellows. In fact, in a recent visit from Guy Childs to the District's Reclamation Facility, Mr. Childs reiterated his appreciation for the work initiated by the Fellows. I & I progress reports have been sent to the Regional Waterboards quarterly since 2018.

The District has been offered a unique opportunity to once again benefit from the CivicSpark program. The Local Government Commission (LGC), the parent company of CivicSpark was recently awarded funding through the American Rescue Plan Act (ARPA) of March 2021. There is a CivicSpark Fellow that has recently come available in Lake County. LGC is willing to waive the costs of this Fellow to the District for the entire service year, thanks to ARPA.

The Advanced Metering Infrastructure (AMI) project is a budgeted capital improvement project. Supply chain issues have delayed the forward progression of meter purchases. An alternative to moving forward with meter purchases, is to focus on public outreach. A key benefit of the AMI project is the empowerment of the resident to manage their own water use. A CivicSpark Fellow could champion the public outreach aspect of this project, by educating users on the "EyeOnWater" portal. This public outreach would take the form of public presentations at board meetings and potentially Town Hall meetings. This Fellow would be the primary point of contact for customer calls and emails. Social media messaging would remain the responsibility of in-house staff, but the Fellow could help with content.

Encl: 21-22 CivicSpark MOU

**MEMORANDUM OF UNDERSTANDING FOR HOSTING
CIVICSPARK FELLOWS**

THIS MEMORANDUM OF UNDERSTANDING is made and entered into as of [redacted] by and between the [partner name] ("Partner") and the Local Government Commission ("LGC"), a non-profit organization.

RECITALS

- LGC administers the CivicSpark program, as part of the federal AmeriCorps program. The CivicSpark Program provides capacity building services to local governments in California through project implementation activities performed by LGC teams; LGC staff and CivicSpark Fellows (Fellows). Fellows can only work on contracted and allowable service activities. CivicSpark will provide this service to local governments by conducting assessments, implementing planning or action projects, engaging volunteers, and transferring knowledge to local government staff.
- The Partner desires to engage LGC to provide certain services through the CivicSpark program and LGC desires to provide those services. Compensation for these services is being provided through third party funding. This document is to establish the basic guidelines and expectations between The Partner and LGC.
- Partner desires to be a host [# Fellow or Fellows], and LGC desires to provide Fellows' service to Partner. This document is to establish the basic guidelines and expectations between The Partner and LGC.
- The Partner and LGC enter into this Agreement in order to memorialize the terms of LGC's performance of the services and the Partner's obligations with respect thereto.

AGREEMENT

I. Contracted Performance Measures and Prohibited Activities

LGC has contracted with the Corporation of National and Community Service to implement CivicSpark as an AmeriCorps program. **Fellows can only work on service outlined in performance measures approved by the Corporation for National and Community Service and must abide by Federal guidelines for AmeriCorps program implementation.** Performance measures define how CivicSpark will provide service to local governments by: conducting assessments; implementing planning, research or implementation projects; engaging volunteers; and transferring knowledge to local government staff. The project scope in Part 2 below must align with the measures below:

- 1) Capacity Building for Local Governments - Fellows' direct service hours should be spent building capacity for local government beneficiaries to address their relative needs with regard to specific issues (e.g. climate, water, housing etc.). Fellows will address these needs by assisting one or more local government beneficiary to develop or implement projects that they would otherwise not be able to complete. Capacity building for Fellows will be delivered in 3 stages, including: 1) gap assessments; 2) research, planning, and implementation service projects; and transition of knowledge.
- 2) Volunteer Engagement – All Fellows should have the opportunity to build further capacity by engaging, recruiting, and supporting volunteers. Volunteers may be engaged as either one-time volunteers (e.g. – volunteers to assist for a specific event such as Earth Day or service activities) or as on-going volunteers such as interns).
- 3) Training and Professional Development for Fellows – Fellows can spend up to 20% of their service year (340 of their 1700 total hours) on training. Training includes the 1-week orientation at the start of the service year, mid-year gathering, continued monthly trainings, and professional development and networking opportunities. Training hours ensure that Fellows have the training and tools they need to succeed in their service work and to grow as professionals.

The majority of the service provided by CivicSpark to local organizations via direct service only involves the first measure (Capacity Building). The second and third measure is predominantly met through training, service and professional development activities provided to the Fellows by LGC. Some activities that occur while working with local government beneficiaries or other project partners may be considered training and professional development, such as networking events and trainings conducted by or attended in partnership with Partner.

Federal guidelines further restrict certain activities, which cannot be engaged in by CivicSpark Fellows or Supervisors while charging time to the AmeriCorps program, accumulating service or training hours, or otherwise performing activities supported by the AmeriCorps program or the Corporation for National and Community Service, this includes direct fundraising or grant writing which are not allowable activities in CivicSpark. **In addition to only working on contracted performance measure service activities, the following activities are prohibited** (see 45 CFR § 2520.65):

- 1) Attempting to influence legislation;
- 2) Organizing or engaging in protests, petitions, boycotts, or strikes;
- 3) Assisting, promoting, or deterring union organizing;
- 4) Impairing existing contracts for services or collective bargaining agreements;
- 5) Engaging in partisan political activities, or other activities designed to influence the outcome of an election to any public office;
- 6) Participating in, or endorsing, events or activities that are likely to include advocacy for or against political parties, political platforms, political candidates, proposed legislation, or elected officials;
- 7) Engaging in religious instruction, conducting worship services, providing instruction as part of a program that includes mandatory religious instruction or worship, constructing or operating facilities devoted to religious instruction or worship, maintaining facilities primarily or inherently devoted to religious instruction or worship, or engaging in any form of religious proselytization;
- 8) Providing a direct benefit to—
 - a) A business organized for profit;
 - b) A labor union;
 - c) A partisan political organization;
 - d) A nonprofit organization that fails to comply with the restrictions contained in section 501(c)(3) of the Internal Revenue Code of 1986 related to engaging in political activities or substantial amount of lobbying except that nothing in these provisions shall be construed to prevent participants from engaging in advocacy activities undertaken at their own initiative; and
 - e) An organization engaged in the religious activities described above, unless CNCS assistance is not used to support those religious activities;
- 9) Conducting a voter registration drive or using CNCS funds to conduct a voter registration drive;
- 10) Providing abortion services or referrals for receipt of such services; and
- 11) Such other activities as CNCS may prohibit.

Fellows, like other private citizens, **may** participate in the above listed activities **on their own time, at their own expense, and on their own initiative**. However, the AmeriCorps logo **must not** be worn while doing so.

Per Federal Guidelines and LGC policies, the CivicSpark program and activities must follow equal opportunity employment requirements and be accessible to persons with disabilities by providing reasonable accommodation. In support of this.

- 1) LGC and Partner will comply with Equal Opportunity Employment guidelines.
- 2) LGC and Partner will endeavor to make reasonable accommodations to known physical or mental limitations of qualified AmeriCorps members with disabilities unless the accommodation would impose an undue hardship on the program operations.

- 3) LGC and Partner will endeavor to accommodate the sincere religious beliefs of AmeriCorps Members to the extent such accommodation does not pose an undue hardship on the Organization's operations.
- 4) LGC and Partner will not allow any form of retaliation against individuals who raise issues of equal employment opportunity or reasonable accommodation.

II. Scope of Services

LGC will perform the following services:

- 1) General Program Responsibilities
 - a) Recruit Fellows.
 - b) Provide clear guidelines to Fellows regarding AmeriCorps regulations and expectations.
 - c) Work to provide support and guidance for Fellows, addressing any concerns that might develop during the service year.

- 2) Fellow Responsibilities
 - a) Pass a state, national, and National Sex Offender Public Website (NSOPW) background check before starting their service year.
 - b) Participate in a 1-week program orientation and complete at least 100 hours of training through dedicated Fellow training, development, and service days.
 - c) Serve an average of 37 hours per week for 11 months, serving a minimum of 1700 total hours, with at least 1300 hours dedicated to Partner project activities (see below).
 - d) Comply with guidelines for performance measures and abide by regulations on prohibited activities described in Section I above.
 - e) Complete accurate project reporting in a timely manner as required by the Corporation for National Community Service (CNCS), including: assessments, implementation, hours served, volunteers recruited and supported, and transition of knowledge to local governments.
 - f) Avoid participation in prohibited activities.
 - g) Identify as a Fellow and wear AmeriCorps lapel pins or gear during service hours.
 - h) Participate in days of national service including, but not limited to: Martin Luther King, Jr. Day of Service; 9/11 Day of Remembrance; State Day of Service, and AmeriCorps week Service Day.

- 3) Project Specific Scope of Work
 - a) [If desired identify project topic or subject area (e.g. outreach, plan development, etc.)]
 - i) In support of [briefly describe specific areas, goals or needs], the fellow will support [briefly describe activities, tasks, initiatives]
 - ii) [Add more if desired]
 - b) [If desired identify project topic or subject area (e.g. outreach, plan development, etc.)]
 - i) In support of [briefly describe specific areas, goals or needs], The Fellow will support [briefly describe activities, tasks, initiatives]
 - ii) [Add more if desired]
 - c) [Add more project areas or tasks needed]
 - d) This project will include: 1) an initial gap assessment conducted by the Fellow, 2) a volunteer engagement component, and 3) a transitional support activity.
 - i) Minor changes to the scope following the requisite gap assessment process may be needed.
 - ii) The project will comply with AmeriCorps service guidelines including prohibited activities described in Part 1 above.

III. Partner Responsibilities

Partner will perform the following services:

1) Support Responsibilities

- a) Identify one staff member to act as the “Site Supervisor” for the project, and point person for both the Fellow and LGC staff.
- b) Site Supervisor shall support project implementation and professional development by:
 - i) Setting aside at least 1 hour/week to check in with each Fellow and provide assistance for each approved project.
 - ii) Familiarizing Fellows to the host organization (including safety procedures and protocols), resources, and project scope.
 - iii) Completing an initial performance assessment of each Fellow (survey and goal setting) within 1 month of the start of the service year; conducting a mid-year performance review; and completing a final performance review survey prior to the end of the service year.
 - iv) Seeking opportunities to integrate Fellows’ professional goals into project activities.
 - v) As appropriate, facilitating Fellows’ transition at the end of their service year by introducing Fellows to relevant colleagues and networks.
 - vi) Provide adequate professional workspace for Fellows (e.g., desk, computer, phone), and ensure that site and workplace are accessible to individuals with disabilities if needed.
 - vii) If needed due to shelter-in-place requirements, be able to support remote service for Fellows (e.g. remote access to files, plans for remote check-in and support, technology support for remote work)
 - viii) As applicable to project activities Fellow role, Partner is required to follow state and local public health guidelines to ensure appropriate COVID related training, support, and protection for Fellows, and to avoid placing them in unsafe conditions or asking them to conduct activities without appropriate safety management protocols in place.
- c) Develop defined project scope(s) and identify goals to be completed in agreed upon timeframe.
 - i) Ensure key staff for each defined project completes a pre-service capacity assessment survey before the start of the service year and a post-service capacity assessment towards the end of the year.
 - ii) Ensure key staff for each defined project participates in a project interview early on in the service year (within the first 2-3 weeks), a part of the CivicSpark gap assessment process.
- d) Support implementation of project(s) consistent with scope above and in line with CivicSpark program goals (including supporting volunteer engagement activities and participating in transitional event)
- e) Keep LGC staff apprised of project developments and/or challenges, and working to redefine project scope(s) and goals as necessary.
- f) If challenges arise (related to professionalism, work products, etc.) provide specific written feedback to the Fellow and share with LGC staff in a timely manner so LGC staff can assess the challenges and intervene as needed.
- g) Assist with occasional site visits to Partner by LGC staff.
- h) Not displace Partner staff or volunteers through the use of CivicSpark Fellows, nor have CivicSpark Fellows perform any services or duties that would supplant the hiring of employed workers.
- i) Not offer the CivicSpark Fellow part time work that is substantially similar to their CivicSpark scope of work, nor offer them full time employment with a start date prior to the Service Year end date.
- j) Support any additional project reporting defined as requested by LGC program staff.
- k) Allow LGC to share results of all reporting with California Volunteers and CNCS, for required grant reporting.

IV. Reimbursable Expenses

LGC does not cover project related expenses related to the service project. All project related expenses are the responsibility of Partner.

Should partner wish to have Fellow incur project related expenses, those expenses shall be submitted to Partner in writing for approval prior to Partner being charged for reimbursement for an expense incurred during the completion of activities outlined in the Scope of Service (Section II).

V. Timeline

All tasks enumerated in Section II are to start on September 14, 2021 and should be completed by December 31, 2022.

DATED:

[name, title]
[partner name]

DATED:

Lare Bloodworth, Chief Financial Officer
LOCAL GOVERNMENT COMMISSION

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

DATE: November 9, 2021

AGENDA ITEM: Recommend Ordinance 59.1 Enforcement

RECOMMENDATIONS: Recommend Ordinance 59.1 Enforcement

FINANCIAL IMPACT: Potential revenue

BACKGROUND:

Ordinance 59.1 dictates District regulations for waste discharge and sewer use. This ordinance was approved and adopted in 2018.

Since the federal disaster declaration in 2017 for winter storms and flooding (DR4308), the District has taken measures to mitigate the risk of flooding. Improvements at the Wastewater Treatment Plant, and in the wastewater collection system have proven to be successful in the fight against Sewer System Overflows (SSOs). The next logical step of mitigation is the investigation of residential violations of Ordinance 59.1. Field staff are planning on conducting “smoke tests” to help determine the location of inappropriate stormwater discharge into the wastewater collection system.

Upon review of this ordinance, a few discrepancies in the language were identified. Staff has reached out to legal council to review this document to verify the District’s enforcement authority.

Encl: Ordinance 59.1 Enforcement, Ordinance 59.1

Alyssa Gordon

From: Alyssa Gordon
Sent: Monday, October 25, 2021 10:00 AM
To: Doug Coty
Cc: Dennis White
Subject: Enforcement
Attachments: ORDINANCE 59.1 REGULATIONS FOR WASTE DISCHARGE AND SEWER USE.pdf

Hi Doug,

We are looking for your guidance. We adopted Ordinance 59.1 back in 2018, and we are thinking about exercising some of the enforcement provisions in the document. We have noticed a few discrepancies in the language (City of Riverside, Resolution 2963, etc) that will need to be resolved. Aside from these language changes, what would be your recommended course of action?

We would like to do a few smoke tests, and take enforcement action on our findings. Should we send letters to those affected by the smoke test in advance, and note the sections of the Ordinance, of our authority? Then, send violation letters noting the appropriate section of the Ordinance to order repairs?

Thanks,
Alyssa&Dennis

Regulations
for
Waste Discharge and
Sewer Use

Ordinance 59.1

ADOPTED BY THE BOARD OF DIRECTORS OF
HIDDEN VALLEY LAKE COMMUNITY SERVICES
DISTRICT

Approved
April 17, 2018

ORDINANCE NO. 59.1

"REGULATIONS FOR WASTE DISCHARGE AND SEWER USE"

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT CREATED TO ENSURE THE HEALTH AND SAFETY OF THE PUBLIC, ENSURE THE SAFETY OF DISTRICT STAFF, PROLONG THE LIFESPAN OF DISTRICT SYSTEMS AND EQUIPMENT, PROTECT THE ENVIRONMENT AND THE BENEFICIAL USE OF RECYCLED WATER GENERATED BY THE WASTEWATER TREATMENT PROCESS

BE IT ORDAINED by the Board of Directors of the Hidden Valley Lake Community Services District (HVLCS D) in an adjourned Regular Session, assembled this 17th day of April 2018, a majority of Directors being present and concurring, that the "Regulations for Waste Discharge and Sewer Use' Ordinance No. 59.1, which is attached hereto, be the same are hereby approved and adopted.

BE IT FINALLY ORDAINED that the effective date of the Ordinance and its provisions is May 17, 2018.

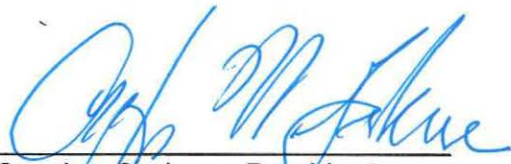
PASSED AND ADOPTED ON April 17, 2018 by the following vote:

AYES: Directors, Graham, Herndon, Mirbegian, Lieberman and Freeman

NOES: 0

ABSENT: 0

ABSTAIN: 0



Carolyn Graham, President
Board of Directors
Hidden Valley Lake
Community Services District

ATTEST:



Secretary to the Board of Directors
Kirk Cloyd

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ARTICLE 1

GENERAL PROVISIONS

1.1 INTENT

It is the intent of this Ordinance to protect from any actual or threatened discharge which reasonably appears to present an imminent or substantial danger to the health or welfare of any Person or to the environment, or which reasonably appears to present imminent or substantial interference with the Public Owned Treatment Works (POTW), or which reasonably may cause Hidden Valley Lake Community Services District (District) to violate any condition of its regulatory permits.

1.2 PURPOSE

A. The purpose of this Ordinance is to set forth:

1. Conditions and limitations on the use of the POTW;
2. **Specific enforcement provisions to resolve noncompliance with the District's Ordinance**, thereby allowing the District to:
 - a. Comply with the laws, regulations, and rules imposed upon it by Regulatory Agencies; and
 - b. Ensure that the POTW is protected from pass-through and/or interference and is able to operate with the highest degree of efficiency; and
 - c. Protect the beneficial use of recycled water and municipal sludge; and
 - d. Protect the public health and environment.

1.3 POLICY

- A. This Ordinance shall be interpreted in accordance with the definitions set forth in Article 2. The provisions of this Ordinance shall apply to the direct and indirect discharge of all wastes to the POTW.
- B. The District shall seek the cooperation of the Users of the POTW to ensure compliance with this Ordinance. Reasonable approaches shall be utilized when applying applicable regulations without compromising the intent, purpose, and policies of this Ordinance.
- C. The District shall adopt more stringent quality requirements on wastewater discharges regulated by 40 Code of Federal Regulations (CFR), Chapter I, Subchapter N, Parts 405-471, in the event that more stringent quality requirements are necessary to protect beneficial use of recycled water and municipal sludge or meet additional requirements set in permits issued to the District.
- D. The District shall encourage conservation and pollution prevention through General strategies, which reduce the amount of pollutants entering the environment, prior to recycling, Pretreatment, or disposal.

- E. The District shall use the revenues derived from the application of this Ordinance to defray the cost of regulating sewer usage to include, but not be limited to, administration, monitoring, permitting, reporting, and enforcement.
- F. All costs and expenses incurred by the plan check procedures of the District's General Manager or their designee shall be paid by the applicant. Plan check fees shall be in an amount adopted in Resolution No. 2018-03 and any amendments thereto.
- G. The District shall ensure that all parties are afforded due process of law. An applicant or User shall be given written notice of rejection of an application, or Violation of this Ordinance, or any enforcement action. Such notice shall include a statement of reasons in support thereof and proposed actions to be taken, if any.

Affected applicants or Users shall have the right to a hearing. Decisions/determinations may be appealed as set forth in Article 6.

- H. The District, at its discretion, may utilize any one, combination, or all enforcement remedies provided in Section 1.6 in response to any Violation.

1.4 SCOPE

The provisions of these Regulations shall apply, but are not limited to sewer construction, use, maintenance, discharge, deposit, or disposal of Wastewater, both directly and indirectly, into the POTW.

1.5 APPLICABILITY

This "Regulations for Waste Discharge and Sewer Use" Ordinance applies to all Users who discharge or have the potential to discharge Non-Domestic Wastewater to the POTW and are subject to regulation and enforcement.

1.6 POWERS

A. The General Manager is authorized to:

1. Issue, modify, and reissue Waste Discharge Permits, Authorizations, Waivers and Special Agreements;
2. Suspend, terminate and revoke Waste Discharge Permits, Authorizations, Waivers and Special Agreements;
3. Require the installation and maintenance of Pretreatment Facilities and/or monitoring facilities and equipment;
4. Require installation of equipment necessary to protect the POTW from possible discharges (i.e., spill, rain);
5. Conduct inspections of facilities, including, but not limited to, inspecting and copying records;
6. Require monitoring and reporting of discharges to the POTW;
7. Monitor the quality of Wastewater entering the sewer system;

8. Require the development of Spill Containment Plans and reporting of accidental discharges;
 9. Require the development of a Slug Control Plan (per 40 CFR 403.8);
 10. Deny, approve, or approve with conditions, new or increased discharges or change in the quantity or characteristics of discharges, when such discharges do not meet applicable pretreatment requirements as specified in 40 CFR 403.8.
 11. Take enforcement actions against those who violate or cause violation of this Ordinance or discharge permit conditions. These actions may include, but are not limited to the following:
 - a. Issuing letters;
 - b. Issuing Notices of Violation;
 - c. Issuing Administrative Orders;
 - d. Issuing Emergency Suspensions;
 - e. Initiating and conducting non-compliance meetings;
 - f. Initiating and conducting administrative hearings;
 - g. Petitioning the courts for injunctions or civil penalties;
 - h. Signing criminal complaints;
 - i. Terminating services;
 - j. Requiring payment of violation charges;
 - k. Revoking and/or suspending the Waste Discharge Permit, Authorization, or Special Agreement.
 - l. To hear and rule on appeals.
 12. Establish Policies and Standards applicable for discharges or potential discharges of Non-Domestic Wastewater.
 13. Establish Best Management Practices applicable as Local Limits or individually.
- B. The General Manager is authorized to delegate authority to a designated representative any power granted to or the carrying out of any duty imposed upon the General Manager pursuant to this Ordinance.

1.7 ACCESS

The District shall be permitted to enter all properties from which wastes or wastewaters are being or are capable of being discharged into a POTW for purposes of inspecting, observing, measuring, sampling, and testing pertinent to the discharge of wastes or wastewaters to ascertain whether the intent of this Ordinance is being met and the User is complying with all requirements. The District shall have access at reasonable times to all parts of the wastewater generating and disposal facilities for the purposes of inspection and sampling. The District shall have the right to set up on the User's property such devices as are necessary to conduct sampling or metering operations. Where a User has security measures in force, the User shall make necessary arrangements so that personnel from the District will be permitted to enter without delay for the purpose of performing their specific responsibilities.

1.8 INFORMATION REQUIRED

- A. To provide for fair and equitable use of POTW, the District shall have the unqualified right to require a User to provide information necessary to insure compliance with all rules, regulations, and provisions of this Ordinance.

- B. All information and data on a User shall be available to the unless the User specifically requests and is able to demonstrate to the satisfaction of the District that the release of such information would divulge information, processes, or methods which would be detrimental to the User's competitive position. The demonstration of the need for confidentiality made by the User must meet the burden necessary for holding such information from the general public under applicable State and Federal law.
- C. In any event, the District shall not limit Environmental Protection Agency (EPA) or the Regional Water Quality Control Board's (RWQCB) access to any information provided by the User.
- D. In any event, information concerning Wastewater quality and quantity will not be deemed confidential. Such information may include, but is not limited to:
1. Wastewater discharge peak flow rates and volume over a specified time period;
 2. Physical, chemical, bacteriological, or radiological analysis of Wastewater;
 3. Site and process flow diagrams and information on raw materials, processes, and products;
 4. Quantity and disposition of specific liquid, sludge, oil, solvent, or other materials;
 5. Details of Wastewater Pretreatment Facilities and their operation and maintenance;
 6. Details of systems to prevent and control the losses of materials through spills to the POTW;
 7. Detailed plumbing plans indicating all sources discharging to on and off-site Sewer Laterals;
 8. A Slug control program, per 40 CFR 403.8;
 9. Notification of discharges of a listed hazardous waste (Section 3001 of Resource Conservation Recovery Act (RCRA)) to the sewer system per 40 CFR 403.12;
 10. Baseline monitoring reports per 40 CFR 403.12;
 11. Compliance progress reports in accordance with all provisions listed in 40 CFR 403.12;
 12. Notification of potential problems, including Slugs in accordance with all provisions listed in 40 CFR 403.12;
 13. Prompt notification of substantial changes in volume or character of Pollutants discharged in accordance with all provisions listed in 40 CFR 403.12;
 14. Monitoring and analysis reports demonstrating continued compliance in accordance with all provisions listed in 40 CFR 403.12.

1.9 AUTHORITY

The District is regulated by several agencies of the United States Government and the State of California, pursuant to the provisions of Federal and State Law. Federal and State Laws (including, but not limited to: 1) Federal Water Pollution Control Act, commonly known as the Clean Water Act (33 U.S.C. § 1251 *et seq.*); 2) California Porter Cologne Water Quality Act (California Water Code § 13000 *et seq.*); 3) California Health & Safety Code sections 25100-25250; 4) Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 *et seq.*); and 5) California Government Code sections 54739- 54740) grant to the District the authority to regulate and/or prohibit, by the adoption of an ordinance, and by issuance of permits, authorizations, and special agreements, the discharge of any waste, directly or indirectly, to the POTW. Said authority includes the right to establish limits, conditions, and prohibitions; to establish flow rates or prohibit flows discharged to the POTW; to require the development of compliance schedules for the installation of equipment, systems and materials by all Users; and to take all actions necessary to enforce its authority, whether within or outside the District boundaries, including those Users that are tributary to the District or within areas for which the District has contracted to provide sewerage services.

ARTICLE 2

DEFINITIONS

2.1 DEFINITIONS

- A. Where definitions contained within this document, conflict with definitions found in other documents or regulations, the definitions found herein shall take precedence and apply to discharges to HVLCSD POTW.
- B. The following abbreviations, when used in this Ordinance, shall have the designated meanings:
1. BMP - Best Management Practice
 2. BMR - Baseline Monitoring Report
 3. BOD - Biological Oxygen Demand
 4. CFR - Code of Federal Regulations
 5. EPA - Environmental Protection Agency
 6. GPO- Gallons Per Day
 7. HVLCSD- Hidden Valley Lake Community Services District (District)
 8. LWH - Liquid Waste Hauler
 9. mg/L - Milligram Per Liter
 10. NAICS- North American Industry Classification System
 11. NPDES - National Pollutant Discharge Elimination System
 12. NSCIU- Non-Significant Categorical Industrial User
 13. POTW- Public Owned Treatment Works
 14. RCRA-Resource Conservation Recovery Act
 15. RV - Recreational Vehicle
 16. RWRF - Regional Water Reclamation Facility
 17. SIC- Standard Industrial Classification
 18. SIU – Significant Industrial User
 19. SNC- Significant Non-Compliance
 20. TDS-Total Dissolved Solids
 21. TSS-Total Suspended Solids

C. Unless a provision explicitly states otherwise, the following terms and phrases, as used in this Ordinance, shall have the meanings designated.

1. Applicant- Any Person(s) who has applied for permission to discharge to the POTW.
2. Authorization - See Waste Discharge Authorization.
3. Authorized Representative:
 - a. Responsible officer, if the User is a corporation or limited liability company, where that officer is the manager of one or more manufacturing, production, or operating facilities, provided, the manager is authorized to make management decisions which govern the operation of the regulated facility including have the explicit or implicit duty of making major capital investment recommendations, and initiate and direct other comprehensive measures to assure long-term environmental compliance with environmental laws and regulations; can ensure that the necessary systems are established or actions taken to gather complete and accurate information for Control Mechanism requirements; and where authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.
 - b. By a general partner or proprietor if the User is a partnership or sole proprietorship respectively.
 - c. If the User is a Federal, State, or local governmental entity or their agents, the principal executive officer or director having responsibility for the overall operation of the discharging facility.
 - d. By a duly authorized representative of the individual designated in paragraph (a), (b), or (c) of this definition if:
 - 1.) The authorization is made in writing by the individual described in paragraph (a), (b), or (c);
 - 2.) The authorization specifies either an individual or a position having responsibility for the overall operation of the facility from which the discharge originates, such as the position of plant manager, operator of a well, or well field superintendent, or a position of equivalent responsibility or having overall responsibility for environmental matters for the company.
4. Batch Discharge – The District approved intermittent discharge of Pollutants from sources such as, but not limited to, process tanks, holding tanks, rinse tanks, or treatment systems.
5. Best Management Practices (BMPs) - Schedules of activities, prohibitions of practices, maintenance procedures, and other management practices to implement the prohibitions in Article 3. BMPs include treatment requirements, operating procedures, and practices to control plant/ site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw materials storage.

6. Biochemical Oxygen Demand (BOO) - Quantity of oxygen, expressed in mg/L, required to biologically oxidize material in a waste or wastewater sample measured under approved laboratory methods for 5 days at 20°C.
7. Board- The Board of Directors of Hidden Valley Lake Community Services District (District).
8. Categorical Pretreatment Standards - The final regulations promulgated and adopted by EPA (as outlined in 40 CFR 403, and 40 CFR, Chapter I, Subchapter N, 405-471) for each standard industrial classification (SIC) or subcategory containing pollutant discharge limits.
9. Categorical User - Any User whose process(es) are subject to Categorical Pretreatment Standards.
10. Categorical Wastewater – Wastewater subject to Categorical Pretreatment Standards.
11. Cesspool - A lined excavation in the ground which receives the discharge of a sewage drainage system, or part thereof, so designed as to retain the solids and organic matter but permitting liquids to seep out.
12. Code of Federal Regulations (CFR)- The codification of the general and permanent rules published in the United States Federal Register by the Executive departments and agencies of the Federal Government to include but not limited to the Environmental Protection Agency.
13. Collection System - The combined pipes, conduits, manholes, pumping stations and other structures, above and below ground, whose purpose is to convey wastewater to a District RWRF.
14. Combined Waste stream Formula - Formula as outlined in the General Pretreatment Regulations of the Clean Water Act, Title 40 Code of Federal Regulations for determining wastewater discharge limitations for Categorical Users and Significant Industrial Users whose effluent is a mixture of regulated, unregulated and dilution wastewater as defined in the formula.
15. Compatible or Conventional Pollutant - A combination of BOD, Total Suspended Solids, pH, fecal coliform bacteria, plus other Pollutants that the District's RWRF is designed to accept, treat, and/or remove. Some compatible pollutants may be considered incompatible when discharged in quantities that have an adverse effect on the collection, treatment, disposal systems and/or discharge permit regulating the RWRFs causing Interference or Pass Through.
16. Compliance Schedule – An enforceable time schedule containing increments of progress called milestones or deadlines. These milestones shall be for the commencement and/or completion of major actions leading to the construction and operation of additional pretreatment facilities or the implementation of policies, procedures, or operational management techniques required for the User to comply with all applicable Federal, State or local environmental regulations which may directly or indirectly affect the quality of the User's Wastewater effluent.
17. Composite Sample - A sample that is collected over time, either by continuous sampling or by mixing a minimum of four (4) discreet sample aliquots representative

of the discharge during a twenty-four (24) hour period. The composite sample may be either as a time composite sample, composed of discreet sample aliquots collected in one (1) containment at constant time intervals, providing representative samples irrespective of stream flow; or as a flow proportional composite sample collected as a constant sample volume at timed intervals proportional to stream flow.

18. Control Mechanism - Waste Discharge Permit, Water Discharge Authorization or Special Agreement.
19. Designee - Person duly designated by the General Manager to direct and perform the duties as specified in this Ordinance.
20. Dilution - Increase in use of process water, potable water or any other means to dilute a discharge as a partial or complete substitute for adequate treatment to achieve discharge requirements.
21. Direct User - Any User who discharges, causes a discharge, or has a potential to discharge a Non-Domestic Wastewater to the Collection System.
22. Discharge Requirements - The requirements of Federal (as listed in 40 CFR 403), State, or local public agencies having jurisdiction over the effluent discharges from District RWRF.
23. District- Hidden Valley Lake Community Services District (HVLCS D).
24. Domestic Wastewater- The liquid and solid waterborne wastes derived from the ordinary living processes of humans of such character as to permit satisfactory disposal, without special treatment, into the public sewer or by means of a private disposal system.
25. Effluent - Treated wastewater flowing from a POTW or a User's Pretreatment Facilities.
26. General Manager - The General Manager of Hidden Valley Lake Community Services District or their designee.
27. Grab Sample- A sample taken from a waste stream without regard to the flow of the waste stream and over a period of time not to exceed fifteen (15) minutes.
28. Hearing Officer – The Person designated by the General Manager to conduct an administrative hearing.
29. Incompatible or Non-Conventional Pollutant- Any Pollutant which is not a Compatible Pollutant as defined herein.
30. Indirect User- Any User who discharges or has a potential to discharge Wastewater to a Septic Tank, Cesspool, chemical toilet, or private sewer system which, from time to time, is serviced by a Liquid Waste Hauler permitted by the District to discharge to a designated POTW.
31. Infectious Agent – A type of microorganism, bacteria, mold, parasite, or virus, including, but not limited to, organisms managed as Biosafety Level II, III, or IV by the Federal Centers for Disease Control and Prevention, that normally cause, or

significantly contributes to the cause of, increased morbidity or mortality of human being. (California Health and Safety Code, Section 117675)

32. Inspector – Any representative of the District authorized by the General Manager to inspect any establishment directly or indirectly discharging or anticipating discharge to the POTW.
33. Interceptor – The District approved equipment to remove floatable and settleable material from Wastewater prior to discharge.
34. Interference - A discharge by a User which, alone or in conjunction with discharges by other sources, inhibits or disrupts the POTW, its treatment processes or operations, or its sludge processes, use or disposal; and which is a cause of a violation of any requirement of the RWRF's discharge order and/or NPDES Permit (including an increase in the magnitude or duration of a violation), or of the prevention of sewage sludge use or disposal in compliance with applicable Federal, State, and local regulations (per 40 CFR 403.3 (I)).
35. Liquid Waste Hauler (LWH) - Any pumper that is permitted by the County of Lake as a Non-Hazardous Liquid Waste Hauler, discharging domestic and sanitary wastewater only. This may also mean septic tank pumper.
36. Local Limits - A set of technically based, enforceable, discharge limits implemented by the District for Pollutants that may cause Interference, Pass Through, sludge contamination, or worker health and public safety problems if discharged in excess to a POTW.
37. Mass Emission Rate - The weight of material discharged to the sewer system during a given time interval. Unless otherwise specified, the mass emission rate shall mean pounds per day of particular constituent or combination of constituents.
38. Milestone – Deadline established in a Compliance Schedule for specified increments. No increment shall exceed nine (9) months.
39. Monitoring Facilities - Structure(s) and equipment approved by The District and provided at the User's expense for The District or the User to measure and record Wastewater Pollutant levels, flow and collect representative Wastewater samples.
40. NAICS - North American Industry Classification System published by the Executive Office of the President of the United States, Office of Management and Budget.
41. New Source - Any building, structure, facility, or installation from which there is or may be a discharge of Pollutants, the construction of which commenced after the publication of proposed Categorical Pretreatment Standards under section 307c of the Act. (40 CFR 403.3K Definitions)
42. Non-Domestic Wastewater - All Wastewater other than Domestic Wastewater.
43. Non-Significant Categorical Industrial User (NSCIU) – Categorical Users who discharge less than 100 gallons day (gpd) of total categorical wastewater (excluding sanitary, non-contact cooling and boiler blowdown wastewater, unless specifically included in the Categorical Pretreatment Standard), including zero discharging Categorical Users.

44. Oil and Grease - Any petroleum derived products (e.g., oils, fuels, lubricants, solvents, cutting oils, mineral oils), any vegetable derived products (e.g., oils, shortenings, water soluble cutting oils, etc.) or any animal derived products (e.g., fats, greases, oils, etc.) in part or in combination.
45. Pass Through - The discharge of pollutants through the RWRF in quantities or concentrations which are a cause in whole or in part of a violation of any requirement of the RWRF's discharge order including an increase in the magnitude or duration of a violation (40 CFR 403.3).
46. Permitted User - User regulated by a permit.
47. Permittee - A User who has applied for and received a permit to discharge into a POTW and is subject to the requirements and conditions established by the District.
48. Person - Any individual, partnership, firm, association, corporation, tribe, or public agency, including the State of California and the United States of America.
49. Pollutant - Any constituent or characteristic of Wastewater on which a discharge limitation or prohibition may be imposed either by the District or the regulatory agencies empowered to regulate the District.
50. Publicly Owned Treatment Works (POTW) - Means the treatment works owned by HVLCSO and all pumping stations, sewers, pipes, and other conveyances owned by public entities, including but not limited to cities, other agencies, and tribes connected to the treatment works.
51. Pretreatment - The reduction of the amount of Pollutants, the elimination of Pollutants, or the alteration of the nature of Pollutant properties in Wastewater prior to, or in lieu of, introducing such Pollutants into the POTW. This reduction or alteration can be obtained by physical, chemical, or biological processes; by process changes; or by other means, except by diluting the concentration of the Pollutants unless allowed by an applicable Categorical Pretreatment Standard.
52. Pretreatment Facilities - Any works or devices for the treatment or flow control of Wastewater prior to discharge.
53. Pretreatment Requirements - Any requirement related to Pretreatment imposed on a User, other than a Pretreatment Standard.
54. Pretreatment Standard or Standards - Prohibited discharge standards, Categorical Pretreatment Standards, and local limits.
55. Priority Pollutants - The listing of toxic pollutants as identified in 40 CFR 401.15.
56. Public Agency - Any Federal, State or local authority.
57. Public Nuisance - Anything which: (1) is injurious to health, or is indecent or offensive to the senses, or an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property, and (2) affects at the same time an entire community or neighborhood, or any number of Persons, although the extent of the annoyance or damage inflicted upon individuals may

be unequal, and (3) occurs during or as a result of the treatment or disposal of waste to the POTW.

58. Qualified Professional - Any Person who by virtue of education, training, or experience is qualified to evaluate and assess Pollutant discharges and violations of this Ordinance.
59. RCRA - Resource Conservation and Recovery Act of 1976, and its regulations as found in 40 CFR Parts 260-266 and Part 270 as amended.
60. Recreational Vehicle (RV) – Recreational Vehicle as defined in Health and Safety Code section 18010.
61. Regional Water Quality Control Boards (RWQCB) – Develops and enforce water quality objectives and implementation plans that will best protect the beneficial uses of the State's waters. The RWQCB issue HVLCSD a wastewater treatment and disposal Permit. The Central Valley RWQCB (Sacramento Office) RWQCB regulates this Permit and any future pretreatment program administered by HVLCSD.
62. Regional Water Reclamation Facility (RWRF) - The District sewage treatment plant designed to serve a specific area of the District.
63. Regeneration Cycle - Liquid used to exchange the chemistry in an ion exchange unit.
64. Regulatory Agencies - Those agencies having oversight of the operation of the District, including but not limited to the following:
 - a. United States Environmental Protection Agency (EPA);
 - b. California Environmental Protection Agency (Cal-EPA);
 - c. California State Water Resources Control Board (SWRCB);
 - d. California Regional Water Quality Control Board, Central Valley (Sacramento Office);
 - e. California Department of Public Health (CDPH);
 - f. Lake County Department of Environmental Health.
65. RV Holding Tanks - A RV tank designed to hold Domestic Wastewater.
66. Sample Aliquot – A portion of a total amount of a solution or media used for analytical testing.
67. Sanitary Wastewater - Domestic Wastewater from other than a dwelling unit.
68. Self-Monitoring - Wastewater samples taken by a User or User's contracted laboratory, consultant, engineer, or similar entity.
69. Septic Tank - A watertight receptacle which receives the discharge from a sewer system and is designed and constructed to retain solids, digest organic matter through a period of detention, and allows the liquids to discharge for disposal.
70. Sewer Lateral - POTW owned piping and appurtenances extending from the sewer pipeline to the private sewer system at the boundary line of the User's property or POTW's easement.
71. Significant Industrial User (SIU):

- a. A User subject to Categorical Pretreatment Standards; or;
 - b. A User that:
 - 1.) Discharges an average of twenty-five thousand (25,000) gpd or more of process wastewater to the POTW (excluding sanitary, non-contact cooling, and boiler blowdown wastewater);
 - 2.) Contributes a process wastewater which makes up five (5) percent or more of the average dry weather hydraulic or organic capacity of the RWRf; or
 - 3.) Is designated as such by the District on the basis that it has a reasonable potential for adversely affecting the RWRf's operation or for violating any Pretreatment Standard or Pretreatment Requirement.
 - c. Upon a finding that a User meeting the criteria in subsection b.3. has no reasonable potential for adversely affecting the RWRf's operation or for violating any Pretreatment Standard or Pretreatment Requirement, the District may at any time, on its own initiative or in response to a petition received from a User, and in accordance with procedures in 40 CFR 403.8, determine that such User should not be considered a Significant Industrial User.
72. Significant Non-Compliance (SNC): - Any SIU with compliance violations which meet one or more of the following criteria:
- a. Chronic violations of wastewater discharge limits, defined here as those in which sixty-six percent (66%) or more of all of the measurements taken for the same pollutant parameter during a six-month (6) period exceed (by any magnitude) a numeric Pretreatment Standard or Pretreatment Requirement, including instantaneous limits, as defined by 40 CFR 403.3;
 - b. Technical review criteria (TRC) violations, defined here as those in which thirty-three percent (33%) or more of all of the measurements taken for the same pollutant parameter during a six-month (6) period equal or exceed the product of the numeric Pretreatment Standard or Pretreatment Requirement, including instantaneous limits, as defined by 40 CFR 403.3, multiplied by the applicable TRC (TRC=1.4 for BOD, TSS, fats, oil and grease, and 1.2 for all other pollutants except pH);
 - c. Any other violation of a Pretreatment Standard or Pretreatment Requirement as defined by 40 CFR 403.3 (daily maximum, long-term average, instantaneous limit, or narrative Standard) that the General Manager determines has caused, alone or in combination with other discharges, Interference or Pass Through (including endangering the health of District personnel or the general public);
 - d. Any discharge of a Pollutant that has caused imminent endangerment to human health or welfare or to the environment or has resulted in the District's exercise of its emergency authority to halt or prevent such a discharge;
 - e. Failure to meet, by ninety (90) days or more after the schedule date, a Milestone contained in a local Control Mechanism or enforcement order, for starting construction, completing construction, or attaining final compliance;
 - f. Failure to provide, within forty-five (45) days after the due date, required reports such as baseline monitoring reports, 90-day compliance reports, periodic self-monitoring reports, and reports on compliance with Compliance Schedules;
 - g. Failure to accurately report non-compliance;

- h. Any other Violation or group of Violations, which may include violation of BMPs, which the General Manager determines will adversely affect the operation or implementation of a local Pretreatment program.
73. Single Pass Cooling Water - Water that is used solely for the purpose of cooling and is used only once before being discharged.
74. Slug - Any discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch discharge, which has a reasonable potential to cause Interference or Pass Through, or in any other way contribute to the POTW violating any requirements.
75. General Officer – The Person duly designated by the General Manager (**Generally the Water Resources Specialist**) to develop and implement the District's Regulations for Waste Discharge and Sewer Use and performs the duties as specified in this Ordinance and the Enforcement Response Plan for this Ordinance.
76. Special Agreement(s) - A short term revocable permission to discharge Wastewater to the POTW, subject to Ordinance 59 and policies and standards established by the Board of Directors.
77. Spill Containment - A protection system installed by the User and at the users expense, to prohibit the accidental discharge of Pollutants to the sewer.
78. Standard Industrial Classification (SIC) - The system of classifying industries issued by the U.S. Office of Management and Budget.
79. Total Dissolved Solids (TDS) - The unfilterable residue of the combined content of all inorganic and organic substances contained in a liquid.
80. Total Inorganic Nitrogen (TIN) – The summation of inorganic nitrogen including ammonia nitrogen, nitrate nitrogen, and nitrite nitrogen.
81. Total Suspended Solids (TSS) - The total amount of residue retained by laboratory filtration and dried at 103-105° C.
82. Toxic Pollutants - Those Pollutants, or combinations of Pollutants, including disease-causing agents, which after discharge and upon exposure, ingestion, inhalation, or assimilation into any organism, either directly from the environment or indirectly by ingestion through food chains, will, on the basis of information available to the General Manager, cause death, disease, behavioral abnormalities, cancer, genetic mutations, physiological malfunctions (including malfunctions in reproduction), or physical deformations, in such organisms or their offspring.
83. User - Any Person who discharges or has a potential to discharge Non- Domestic Wastewater directly or indirectly to a POTW.
84. Violation - Failure by a User to comply with this Ordinance or any Waste Discharge Permit, Waste Discharge Authorization, Special Agreement, and/or policies and standards established by the District.
85. Waste(s) - Any discarded solid, semi-solid, liquid or gaseous material.

86. Waste Discharge Authorization (WDA) - The revocable permission to discharge Wastewater to the POTW, subject to this Ordinance and policies and standards established by the District.
87. Waste Discharge Permit (WDP) - The periodically renewable, revocable permission to discharge Wastewater to the POTW, subject to technically based limits on wastewater constituents and characteristics.
88. Wastewater - Liquid and water-carried wastes and sewage from residential dwellings, commercial buildings, industrial and manufacturing facilities, and institutions, whether treated or untreated, which are contributed to the POTW.

2.2 OTHER MEANINGS

Words used in this Ordinance in the singular shall include the plural and the plural the singular. Use of masculine shall also mean feminine and use of feminine shall also mean masculine. Shall is mandatory; may is permissive or discretionary.

ARTICLE 3

GENERAL SEWER USE REQUIREMENTS

3.1 PROHIBITED DISCHARGE STANDARDS

A. General Prohibitions

No User shall introduce or cause to be introduced into the POTW any Pollutant or Wastewater, which, alone or in conjunction with other substances, causes Interference or Pass Through. These general prohibitions apply to all Users whether or not they are subject to Categorical Pretreatment Standards or any other Federal, State or local Pretreatment Standards or Pretreatment Requirements.

B. Specific Prohibitions

No User shall introduce or cause to be introduced into the POTW (The POTW includes the sanitary sewer collection system) the following Pollutants, substances or Wastewater:

1. Pollutants which create a fire or explosive hazard in the POTW including, but not limited to Wastewater with a closed-cup flashpoint of less than 140° F {60° C} using the test methods specified in 40 CFR 261.21;
2. Wastewater having a pH less than 5.0 or more than 11.0 or otherwise causing corrosive structural damage to the POTW;

3. Solid or viscous substances in amounts which will cause obstruction of the flow in the POTW resulting in blockage or interference, but in no case solids greater than 3/8 inches in any dimension; (e.g. construction debris, corn meal, dirt, sand, gravel, oil, grease, etc.)
4. Pollutants, including oxygen-demanding Pollutants {BOD, etc.}, released in a discharge at a flow rate and/or Pollutant concentration which, either singly or by interaction with other Pollutants, will cause Interference with the POTW;
5. Wastewater having a temperature greater than 140° F {60° C}, or which will inhibit biological activity in the RWRF resulting in Interference, but in no case Wastewater which causes the temperature at the introduction into the RWRF to exceed 104° F {40° C};
6. Petroleum oil, non-biodegradable cutting oil, or products of mineral oil origin, in amounts that will cause Interference or Pass Through;
7. Pollutants which result in the presence of toxic gases, vapors, or fumes within the POTW in a quantity that may cause acute worker health and safety problems;
8. Noxious or malodorous liquids, gases, solids, or other Wastewater which, either singly or by interaction with other wastes, are sufficient to create a Public Nuisance or a hazard to life or to prevent entry into the sewers for maintenance or repair;
9. Wastewater which imparts color which cannot be removed by the treatment process, such as, but not limited to, dye wastes and vegetable tanning solutions, which consequently imparts color to the RWRF's effluent;
10. Wastewater containing any radioactive wastes or isotopes except in compliance with applicable State or Federal regulations;
11. Sludge's, screening, or other residues from the Pretreatment of industrial wastes;
12. Detergents, surface-active agents, or other substances which may cause excessive foaming in the POTW;
13. Wastewater required to be manifested under RCRA.
14. Infectious agents as defined in the California Health and Safety Code.

C. Other Prohibitions

1. Storm water, surface water, ground water, artesian well water, roof runoff, subsurface drainage, swimming pool drainage, deionized water, Single Pass Cooling Water and Wastewater free of Pollutants, unless specifically authorized by the General Manager.
2. Pollutants, substances, or Wastewater prohibited by this section shall not be processed or stored in such a manner that they could be discharged to the POTW.
3. Trucked or hauled Pollutants except at discharge points designated by the General Manager; provided, however, RV wastes may be discharged to User-owned sewer facilities.

4. Any procedure, chemical addition, or physical modification that will result in bypass or pass-through of required pretreatment equipment.

3.2 CATEGORICAL PRETREATMENT STANDARDS

- A. The Categorical Pretreatment Standards found at 40 CFR Chapter I, Subchapter N, Parts 405-471 are hereby incorporated.
- B. Where a Categorical Pretreatment Standard is expressed only in terms of either the mass or the concentration of a Pollutant in Wastewater, the General Manager may impose equivalent concentration or mass limits in accordance with 40 CFR 403.6.
- C. When Wastewater subject to a Categorical Pretreatment Standard is mixed with Wastewater not regulated by the same standard, the General Manager shall impose an alternate limit using the combined waste stream formula, and requirements in 40 CFR 403.6.
- D. A User may obtain a variance from a Categorical Pretreatment Standard if the User can prove, pursuant to the procedural and substantive provisions in 40 CFR 403.13, that factors relating to its discharge are fundamentally different from the factors considered by EPA when developing the Categorical Pretreatment Standard.
- E. A User may obtain a net gross adjustment to a Categorical Pretreatment Standard in accordance with 40 CFR 403.15.

3.3 LOCAL LIMITS

- A. No Permitted User shall discharge or cause to be introduced directly or indirectly into the District's or contributing agency's collection system, a quantity or quality of Wastewater which exceeds the Local Limits on discharges to the POTW established by the District. Once Local Limits are established, they will be set forth by Resolution as amended.
- B. Local Limits apply at the point where the Wastewater is discharged to the POTW, except for BMPs, which are applied at the end of the process and any subsequent treatment. The General Manager may impose limitations based on concentrations of Pollutants in milligrams per liter or as an amount of Pollutants in pounds per day.

3.4 BEST MANAGEMENT PRACTICES

No User shall discharge wastewater to the POTW contrary to the BMPs established by the District.

3.5 POLICIES AND STANDARDS

No User shall discharge Wastewater to the POTW contrary to the policies and standards established by the District.

3.6 LIMITATIONS OF TOTAL DISSOLVED SOLIDS (TDS)

- A. The General Manager may limit the total loading of TDS to preserve the beneficial use of recycled water or to comply with environmental or regulatory requirements issued to the District by:
 - 1. Prohibiting Users from discharging the regeneration cycle from any water-conditioning appliance, including but not limited to water softeners or conditioners, to the POTW;
 - 2. Regulating the residential use of water softeners or water conditioners in accordance with California law, including California Health and Safety Code sections 116775-116795; and
 - 3. Issuing permits, applying BMPs, or implementing policies and standards for any Wastewater discharges regulated by this Ordinance.

3.7 RIGHT OF REVISION

The District reserves the right to establish, by ordinance or in Waste Discharge Permits, Waste Discharge Authorizations, and Special Agreements, more stringent requirements on discharges to the POTW.

3.8 DILUTION

No User shall ever increase the use of process water or, in any way attempt to dilute a discharge as a partial or complete substitute for adequate treatment to achieve compliance with a discharge limitation unless expressly authorized by an applicable Pretreatment Standard or Pretreatment Requirement. The General Manager may impose mass limitations on the amount, in pounds per day, of pollutants discharged by Users who are using dilution to meet applicable Pretreatment Standards or Pretreatment Requirements, or in other cases when the imposition of mass limitations is appropriate.

3.9 CESSPOOL. SEPTIC TANK. HOLDING TANK AND. HAULED WASTES

- A. Hauled waste from Cesspools, Septic Tanks, portable toilets, and holding tanks (excluding RV's containing only domestic and/or sanitary wastes) will be accepted only at District-designated locations.
- B. The General Manager may accept other hauled waste at District-designated locations.
- C. No Liquid Waste Hauler discharging septic waste or sanitary waste shall discharge constituents in excess of the limits specified in the respective Waste Discharge Permit based on the limits for Liquid Waste Haulers discharging domestic waste as set forth in local, state and/or federal rules or regulations as amended.

3.10 ACCESS TO DISTRICT FACILITIES

No Person shall access, enter, break, damage, destroy, uncover, deface, tamper with, or discharge to any temporary or permanent structure, equipment, or appurtenance, which is part of the POTW without prior approval by the General Manager.

ARTICLE 4

WASTE DISCHARGE PERMIT AND PERMIT REPORTING REQUIREMENTS

4.1 GENERAL REQUIREMENTS

A. Wastewater Analysis

When requested by the General Manager, a User shall submit information on the nature and characteristics of its Wastewater and other associated and pertinent information within sixty (60) days of the request. The General Manager is authorized to require Users to update this information periodically.

B. Waste Discharge Permit Requirements

1. No Significant Industrial User (SIU) shall discharge Wastewater into the POTW without first obtaining a Waste Discharge Permit.
2. A Significant Industrial User that has filed a timely application pursuant to Section 4.1.D of this Ordinance may continue to discharge for the time period specified therein.
3. The General Manager may require other Users to obtain a Waste Discharge Permit as necessary to carry out the purposes of this Ordinance.
4. Any violation of the terms and conditions of a Waste Discharge Permit shall be deemed a violation of this Ordinance and subject the User to the sanctions set out in Article 6 of this Ordinance. Obtaining a Waste Discharge Permit does not relieve the User of its obligation to comply with all Federal and State Pretreatment Standards or Pretreatment Requirements or with any other requirements of Federal, State and local law.
5. The District may determine that a User subject to Categorical Pretreatment Standards is a Non-Significant Categorical Industrial User (NSCIU) rather than a Significant Industrial User on a finding that the User never discharges more than 100 gpd of total Categorical Wastewater (excluding sanitary, non-contact cooling and boiler blow down, unless specifically included in the Pretreatment Standards) and the following conditions are met:
 - a. The User, prior to POTW finding, has consistently complied with all applicable Categorical Pretreatment Standards and Pretreatment Requirements; and
 - b. The User annually submits the certification statement required in Section 4.3.J together with any additional information necessary to support the certification statement; and

c. The User never discharges any untreated concentrated Wastewater.

6. Upon a finding that a User meeting the criteria above has no reasonable potential for adversely affecting the POTW's operation or for violating any Pretreatment Standard or Pretreatment Requirement, the District may at any time, on its own initiative or in response to a petition received from a User, and in accordance with procedures in 40 CFR 403.8, determine that such User should not be considered a Significant Industrial User.

C. Issuing Waste Discharge Permits: New Connections

Users who propose to begin or restart a discharge to the POTW must apply for a Waste Discharge Permit at least sixty (60) days prior to any discharge.

D. Issuing Waste Discharge Permits: Existing Connections

Any User required to obtain a Waste Discharge Permit due to requirements in this Ordinance who was discharging Wastewater into the POTW prior to the effective date of the requirements and who wishes to continue such discharges in the future, shall, within ninety (90) days after said date, apply for a Waste Discharge Permit in accordance with Section 4.1.E of this Ordinance, and shall not cause or allow discharges to the POTW to continue after one hundred twenty (120) days of the effective date of the Ordinance except in accordance with a Waste Discharge Permit issued by the General Manager.

E. Waste Discharge Application Contents

1. All Users required to obtain a Waste Discharge Permit must submit a Waste Discharge Application. The General Manager may require any User to submit as a part of an application the following information:
 - a. All information required in Section 4.3.A.2 of this Ordinance;
 - b. Physical, chemical, bacteriological, radiological analysis of Wastewater;
 - c. Description of activities, facilities, and plant processes on the premises, including a list of all raw materials and chemicals used or stored at the facility which are or could accidentally or intentionally be discharged to the POTW;
 - d. Number and type of employees, hours of operation, and proposed or actual hours of operation;
 - e. Each product produced by type, amount, process or processes, and rate of production;
 - f. (1) Type and amount of raw materials processed (average and maximum per day);
(2) quantity, disposition, and method of disposal of specific liquid, sludge, oil, solvent, or other material;

- g. (1) Site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, floor drains, and appurtenances by size, location, and elevation and all points of discharge;
 - (2) details of Wastewater;
 - (3) details of Pretreatment Facilities and their operation and maintenance;
 - (4) details of systems to prevent and control the losses of materials through spills to the POTW;
 - h. (1) Time and duration of discharges;
 - (2) detailed plumbing plans indicating all sources discharging to the on or off-site Sewer Lateral;
 - i. Any other information as may be deemed necessary by the General Manager to evaluate the Waste Discharge Application.
2. Incomplete or inaccurate applications will not be processed and will be returned to the User for revision.

F. Signatories and Certification

All Waste Discharge Applications, BMP's, NSCIU Reports, and Categorical Standard Compliance Deadline Reports must be signed by an Authorized Representative of the User and contain the following certification statement:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons directly responsible for gathering the information, the information submitted is, to the best of knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

G. Waste Discharge Permit Decisions

The General Manager will evaluate the data furnished by the User and may require additional information. Within thirty (30) days of receipt of a complete Waste Discharge Application, the General Manager will determine whether or not to issue a Waste Discharge Permit. The General Manager may deny any application for a Waste Discharge Permit.

4.2 WASTE DISCHARGE PERMIT ISSUANCE PROCESS

A. Waste Discharge Permit Duration

A Waste Discharge Permit shall be issued for a specified time period, not to exceed five (5) years from the effective date of the Waste Discharge Permit. A Waste Discharge Permit may be issued for a period less than five (5) years, at the discretion of the General Manager. Each Waste Discharge Permit will indicate a specific date upon which it will expire.

B. Waste Discharge Permit Contents

1. Waste Discharge Permits shall contain:
 - a. A statement that indicates Waste Discharge Permit duration, which in no event shall exceed five (5) years;
 - b. A statement that the Waste Discharge Permit is non-transferable without prior notification to the District in accordance with Section 4.2.E of this Ordinance, and provisions for furnishing the new owner or operator with a copy of the existing Waste Discharge Permit;
 - c. Effluent limits, including BMPs, based on applicable general Pretreatment Standards in 40 CFR 403, Categorical Pretreatment Standards, Local Limits, and State and local law;
 - d. Self-monitoring, sampling, reporting, notification, record keeping requirements, an identification of the Pollutants to be monitored (including the process for seeking a waiver for a Pollutant neither present nor expected to be present in the discharge in accordance with 40 CFR 403.12, or a specified waived Pollutant in the case of an individual Waste Discharge Permit), sampling location, sampling frequency, and sample type, based on the applicable general Pretreatment Standards in 40 CFR 403, Categorical Pretreatment Standards, Local Limits, and State and local law;
 - e. A statement of applicable civil and criminal penalties for Violations of Pretreatment Standards and Pretreatment Requirements, and any applicable Compliance Schedule. Such Compliance Schedule may not extend the time for compliance beyond that required by applicable Federal, State, or local law;
 - f. Requirements to control Slugs.
2. Waste Discharge Permits may contain, but need not be limited to, the following conditions:
 - a. Limits on the average and/or maximum rate of discharge, time of discharge, and/or requirements for flow regulation and equalization;
 - b. Requirements for the Installation and maintenance of pretreatment technology, pollution control, or construction of appropriate containment devices designed to reduce, eliminate or prevent the introduction of Pollutants into the POTW;
 - c. Requirements for the development and implementation of spill control plans or other special conditions including management practices necessary to adequately prevent accidental, unanticipated, or routine discharges;
 - d. Development and implementation of waste minimization plans to reduce the amount of Pollutants discharged to the POTW;
 - e. Requirements for installation and maintenance of inspection and monitoring facilities and equipment;
 - f. A statement that compliance with the Waste Discharge Permit does not relieve the permittee of responsibility for compliance with all applicable Federal and State Pretreatment Standards, including those which become effective during the term of the Waste Discharge Permit; and

- g. Other conditions as deemed appropriate by the General Manager to ensure compliance with this Ordinance and Federal, State, and local laws, rules and regulations.

C. Waste Discharge Permit Appeals

1. Any Person, including the User, may petition the General Manager to reconsider the provisions of a Waste Discharge Permit within thirty (30) days of notice of its issuance.
 - a. In its petition, the appealing party shall indicate the Waste Discharge Permit provisions objected to, the reasons for objection, and the alternative provisions, if any, it seeks to place in the Waste Discharge Permit.
 - b. The effectiveness of the Waste Discharge Permit shall not be stayed pending the appeal.
2. Failure to submit a timely petition for reconsideration shall be deemed to be a waiver of the administrative appeal.
3. If the General Manager fails to act within thirty (30) days of the filing of a petition for reconsideration, the petition for reconsideration shall be deemed denied.
4. Any person, including the User, may petition the Board of Directors to reconsider the decision of the General Manager.
5. If the Board of Directors fails to act within thirty (30) days of the filing of a petition for reconsideration, the petition for reconsideration shall be deemed denied. Decisions not to issue a Waste Discharge Permit, not to reconsider the provisions of a Waste Discharge Permit, or not to modify the provisions of a Waste Discharge Permit shall be considered final administrative actions for the purposes of judicial review.
6. Any party aggrieved by a final Waste Discharge Permit action may obtain review of the action by filing in court a petition for writ of mandate within ninety (90) days following the effective date of the action. If no aggrieved party petitions for writ of mandate within the time provided by this section, a final Waste Discharge Permit administrative action shall not be subject to review by any court or agency. The evidence before the court shall consist of the record before the General Manager, and any other relevant evidence, which in the judgment of the court, should be considered to effectuate and implement the policies of this Ordinance. Except as otherwise provided in this section, subdivisions (e) and (f) of Code of Civil Procedure section 1094.5 shall govern proceedings pursuant to this section.

D. Waste Discharge Permit Modification

1. The General Manager may modify a Waste Discharge Permit for good cause including, but not limited to, the following reasons:
 - a. To incorporate any new or revised Federal, State or local Pretreatment Standards or Pretreatment Requirements;
 - b. To address significant alterations or additions to the User's operation processes, or Wastewater volume or character since the time of Waste Discharge Permit issuance;

- c. A change in the POTW that requires either a temporary or permanent reduction or elimination of the permitted discharge;
- d. Information indicating that the permitted discharge poses a threat to the POTW, POTW personnel, the receiving water, or the public;
- e. Violation of any terms or conditions of the Waste Discharge Permit;
- f. Misrepresentation or failure to fully disclose all relevant facts in the Waste Discharge Application or in any required reporting;
- g. Revision of or a grant of variance from such Categorical Pretreatment Standards pursuant to 40 CFR 403.13;
- h. Correction of typographical or other errors in the Waste Discharge Permit; or
- i. To reflect a transfer of the facility ownership or operation to a new owner or operator.

E. Waste Discharge Permit Transfer

1. Waste Discharge Permits may be transferred to a new owner or operator only if the permittee gives at least thirty (30) days advance notice to the General Manager and the General Manager approves the Waste Discharge Permit transfer. The notice to the General Manager must include a written certification by the new owner or operator which:
 - a. States that the new owner and/or operator has no immediate intent to change the facility's operations and processes;
 - b. Identifies the specific date on which the transfer is to occur;
 - c. Acknowledges full responsibility for complying with the existing Waste Discharge Permit; and
 - d. States that the new owner and/or operator has obtained a copy of the existing Waste Discharge Permit.
2. Failure to provide advance notice of a transfer renders the Waste Discharge Permit void as of the date of facility transfer.

F. Waste Discharge Permit Revocation

1. A Waste Discharge Permit may be revoked for good cause including, but not limited to the following reasons:
 - a. Failure to notify the General Manager of significant changes to the Wastewater prior to the changed discharge;
 - b. Failure to provide prior notification to the General Manager of changed conditions pursuant to Section 4.3.E of this Ordinance;
 - c. Misrepresentation or failure to fully disclose all relevant facts in the Waste Discharge Application;

- d. Falsifying self-monitoring reports;
 - e. Tampering with monitoring equipment;
 - f. Refusing to allow the General Manager timely access to the facility premises and records;
 - g. Failure to meet effluent limitations;
 - h. Failure to pay penalties;
 - i. Failure to pay sewer charges;
 - j. Failure to meet Compliance Schedules;
 - k. Failure to complete a Wastewater survey or the Waste Discharge Application;
 - l. Failure to provide advance notice of the transfer of business ownership of a permitted facility; or
 - m. Violation of any Pretreatment Standard or Pretreatment Requirement, or any terms of the Waste Discharge Permit or this Ordinance.
- 2. Waste Discharge Permits shall be voidable upon cessation of operations.
 - 3. A Waste Discharge Permit issued to a particular User is void when the new Waste Discharge Permit to that User becomes effective.
 - 4. Waste Discharge Permit revocation is subject to appeal as set forth in Section 6.4.

G. Waste Discharge Permit Reissuance

A User with an expiring Waste Discharge Permit shall apply for Waste Discharge Permit reissuance by submitting a complete Waste Discharge Application (or a statement signed by the Authorized Representative that there are no changes to the application previously submitted), in accordance with Section 4.1.E of this Ordinance, at least sixty (60) days prior to the expiration of the User's existing Waste Discharge Permit.

4.3 REPORTING REQUIREMENTS

A. Baseline Monitoring Reports

- 1. Baseline Monitoring Requirements
 - a. Within the later of (1) one hundred eighty (180) days after the effective date of a Categorical Pretreatment Standard, or (2) the final administrative decision on a category determination under 40 CFR 403.6, existing Categorical Users currently discharging to or scheduled to discharge to the

POTW shall submit to the General Manager a report which contains the information listed in Section 4.3.A.2. At least ninety (90) days prior to commencement of their discharge, New Sources, and sources that become Categorical Users subsequent to the promulgation of an applicable Categorical Pretreatment Standard, shall submit to the General Manager a report, which contains the information listed in Section 4.3.A.2. A New Source shall report the method of Pretreatment it intends to use to meet applicable Categorical Pretreatment Standards. A New Source shall also give estimates of its anticipated flow and quantity of Pollutants to be discharged.

- b. The Baseline Monitoring Report shall indicate the time, date, and place of sampling and the methods of analysis, and shall certify that such sampling and analysis is representative of normal work cycles and expected Pollutant discharges to the POTW.
 - c. The General Manager may allow the submission of a Baseline Monitoring Report, which utilizes only historical data so long as the data provides information sufficient to determine the need for industrial pretreatment measures.
2. Users described above shall submit the information set forth below.
- a. Identifying information - The name and address of the facility, including the name of the operator and owner.
 - b. Environmental Permits - A list of any environmental control permits held by or for the facility.
 - c. Description of Operations - A brief description of the nature, average rate of production, and SIC numbers or NAICS numbers of the operation(s) carried out by such User. This description should include a schematic process diagram which indicates points of discharge to the POTW from the regulated processes.
 - d. Flow Measurement - Information showing the measured average daily and maximum daily flow, in gallons per day, to the POTW from regulated process streams and other streams, as necessary, to allow use of the combined waste stream formula set out in 40 CFR403.6
 - e. Measurement of Pollutants
 1. The Categorical Pretreatment Standards applicable to each regulated process.
 2. The results of sampling and analysis identifying the nature and concentration, and/or mass, where required by the Categorical Pretreatment Standard or by the General Manager, of the regulated Pollutants in the discharge from each regulated process. Instantaneous, daily maximum, and long-term average concentrations, or mass, where required, shall be reported. The sample shall be representative of daily operations and shall be analyzed in accordance with procedures set out in Section 4.3.0 of this Ordinance.

3. Sampling shall be performed in accordance with procedures set out in Section 4.3.0 of this Ordinance.
- f. Certification - A statement, reviewed by the User's Authorized Representative and certified by a qualified professional, indicating whether Categorical Pretreatment Standards are being met on a consistent basis, and, if not, whether additional operation and maintenance (O&M) and/or additional Pretreatment is required to meet the Pretreatment Standards and Pretreatment Requirements.
- g. Compliance Schedule – If additional Pretreatment and/or O&M will be required to meet the Pretreatment Standards, the Compliance Schedule is the shortest schedule by which the User will provide such additional Pretreatment and/or O&M. The completion date in this schedule shall not be later than the compliance established for the applicable Pretreatment Standard. A Compliance Schedule pursuant to this section must meet the requirements set out in Section 4.3.B of this Ordinance.
- h. Signature and Certification- All Baseline Monitoring Reports must be signed and certified in accordance with Section 4.1.F of this Ordinance.

B. Compliance Schedule Progress Reports

The following conditions shall apply to the Compliance Schedule required by Section 4.3.A.2.g of this Ordinance:

1. The Compliance Schedule shall contain progress increments in the form of dates for the commencement and completion of major events leading to the construction and operation of additional Pretreatment required for the User to meet the applicable Pretreatment Standards (such events include, but are not limited to, hiring an engineer, completing preliminary and final plans, executing contracts for major components, commencing and completing construction, and beginning and conducting routine operation);
2. No increment referred to above shall exceed nine (9) months;
3. The User shall submit a progress report to the General Manager no later than fourteen (14) days following each date in the Compliance Schedule and the final date of compliance including, as a minimum, whether or not it complied with the increment of progress, the reason for any delay, and, if appropriate, the steps being taken by the User to return to the established Compliance Schedule; and in no event shall more than nine (9) months elapse between such progress reports to the General Manager.

C. Reports on Compliance with Categorical Pretreatment Standard Deadline

Within ninety (90) days following the date for final compliance with applicable Categorical Pretreatment Standards, or in case of a New Source following commencement of the introduction of Wastewater into the POTW, any User subject to such Pretreatment Standards and Pretreatment Requirements shall submit to the General Manager a report containing the information described in Section 4.3.A.2 of this Ordinance. For Users subject to equivalent mass or concentration limits established in accordance with the procedures in 40 CFR 403.6, this report shall contain a reasonable

measure of the User's long-term production rate. For all other Users subject to Categorical Pretreatment Standards expressed in terms of allowable pollutant discharge per unit of production (or other measure of operation), this report shall include the User's actual production during the appropriate sampling period. All compliance reports must be signed and certified in accordance with Section 4.1.F of this Ordinance.

D. Periodic Compliance Reports

1. If a Permitted User monitors any Pollutant using the procedures prescribed in Sections B and C of this Section, the results of this monitoring shall, at a frequency determined by the General Manager but in no case less than every six-months (6), be reported. The report shall indicate the nature and concentration of Pollutants in the discharge, which are limited, by Pretreatment Standards and the measured or estimated average and maximum daily flows for the reporting period. All such reports must be signed and certified in accordance with Section 4.1.F of this Ordinance.
2. All Pollutant analyses, including sampling techniques, to be submitted as part of a Waste Discharge Application or report shall be performed in accordance with the techniques prescribed in 40 CFR Part 136, unless otherwise specified in an applicable Categorical Pretreatment Standard. If 40 CFR Part 136 does not contain sampling or analytical techniques for the pollutant in question, an analysis must be performed in accordance with procedures approved by the US EPA.
3. Users must show compliance with Federal, State, and local regulations using appropriate sampling methods, in which data coming from the collection methods are representative of conditions occurring during the reporting period. The User is required to monitor at a frequency allowing for assessment and assurance of full compliance with applicable Pretreatment Standards and Pretreatment Requirements. Twenty-four (24) hour composite samples must be obtained through flow-proportional composite sampling techniques, unless time-proportional composite sampling or grab sampling is authorized by the General Manager. Where time-proportional composite sampling or grab sampling is authorized by the General Manager, the samples must be representative of the discharge. Using protocols (including appropriate preservation) specified in 40 CFR Part 136 and appropriate EPA guidance, multiple grab samples collected during a 24-hour period may be composited prior to the analysis as follows: for cyanide, total phenols, and sulfides the samples may be composited in the laboratory or in the field; for volatile organics and oil & grease the samples may be composites in the laboratory. Composite samples for other parameters unaffected by the compositing procedures as documented in approved EPA methodologies may be authorized by the General Manager.

E. Reports of Changed Conditions

1. Each User must notify the General Manager of any planned significant changes to the User's operations or system, which might alter the nature, quality, or volume of its Wastewater at least thirty (30) days before the change.

2. The General Manager may require the User to submit such information as may be deemed necessary to evaluate the changed condition, including the submission of a Waste Discharge Application under Section 4.1.E of this Ordinance.
3. The General Manager may issue a Waste Discharge Permit under Section 4.2.8 of this Ordinance or modify an existing Waste Discharge Permit under Section 4.2.D of this Ordinance in response to changed conditions or anticipated changed conditions.
4. For purposes of this section, significant changes include, but are not limited to, flow increases of twenty percent (20%) or greater, and the discharge of any previously unreported Pollutants.

F. Reports of Potential Problems

1. In the case of any discharge, including, but not limited to, accidental discharges, discharges of a non-routine, episodic nature, a non-customary batch discharge, or a Slug, that may cause potential problems for the POTW, the User shall immediately notify the General Manager of the incident. This notification shall include the location of the discharge, type of waste, concentration, and volume, if known, and corrective actions taken by the User.
2. Within five (5) days following such discharge, the User shall, unless waived by the General Manger, submit a detailed written report describing the cause(s) of the discharge and the measures to be taken by the User to prevent similar future occurrences. Such notification shall not relieve the User of any expense, loss, damage, or other liability, which may be incurred as a result of damage to the POTW, natural resources, or any other damage to person or property; nor shall such notification relieve the User of any penalties, or other liabilities, which may be imposed pursuant to this Ordinance.

G. Reports from Unpermitted Users

All Users not required to obtain a Waste Discharge Permit shall provide appropriate reports to the General Manager as the General Manager may require.

H. Maintenance Plan

Any User with an Interceptor discharging to the sewer shall complete an approved maintenance plan, which includes but is not limited to:

1. Procedures to adequately maintain the Interceptor using a licensed and permitted waste hauler.
2. Determination of User staff responsible for maintenance of the Interceptor.
3. Procedures for spill response.

I. Reports of Sampling Violations/Repeat Sampling

If sampling performed by a User indicates a Violation, the User shall notify the General Manager within twenty-four (24) hours of becoming aware of the Violation. The User shall also repeat the sampling and analysis and submit the results of the repeat analysis to the

General Manager within thirty {30} days after becoming aware of the Violation. The User is not required to resample if the District monitors at the User's facility at least once a month, or if the District samples between the User's initial sampling and when the User receives the results of this sampling.

J. Certification for Non-Significant Categorical Industrial Users

A facility determined to be a Non-Significant Categorical Industrial User by POTW must submit the following certification statement signed and certified in accordance with the signatory requirements in Section 4.1.F as required by 40 CFR403;

"Based on my inquiry of the person or persons directly responsible for managing compliance with the Categorical Pretreatment Standards under 40 CFR _____, I certify that, to the best of my knowledge and belief that during the period from _____ to _____ [months, days, year]:

1. The facility described as _____ [facility name] met the definition of a Non-Significant Categorical Industrial User as described in Section 2.1.C.42;
2. The facility complied with all applicable Pretreatment Standards and requirements during this reporting period; and
3. The facility never discharged more than 100 gallons of total categorical wastewater on any given day during this reporting period.

This compliance certification is based on the following information:

" _____ "

K. Timing

Written reports will be deemed to have been submitted on the date postmarked. For reports, which are not mailed, postage prepaid, into a mail facility serviced by the United States Postal Service, the date of receipt of the report shall govern.

L. Record Keeping

Users subject to the reporting requirements of this Ordinance shall retain, and make available for inspection and copying, all records of information obtained pursuant to monitoring activities undertaken by the User independent of such requirements. Records shall include the date, exact place, method, and time of sampling, and the name of the person(s) taking the samples; the dates analyses were performed; who performed the analyses; the analytical techniques or methods used; and the results of such analyses. These records shall remain available for a period of at least three (3) years. This period shall be automatically extended for the duration of any litigation concerning the User or the District, or where the User has been specifically notified of a longer retention period by the General Manager.

ARTICLE 5

WASTE DISCHARGE AUTHORIZATIONS and SPECIAL AGREEMENTS

5.1 GENERAL REQUIREMENTS

A. Wastewater Information

When requested by the General Manager, a User shall submit information on the nature and characteristics of its Wastewater and other associated and pertinent information within sixty {60} days of the request. The General Manager is authorized to require Users to update this information periodically.

B. Authorization/Special Agreement Requirement

1. No User shall discharge Wastewater into the POTW without first obtaining a determination of need for an Authorization and/or Special Agreement except that a User that has filed a timely application pursuant to Section 5.1.C of this Ordinance may continue to discharge for the time period specified therein.
2. Any violation of the terms and conditions of an Authorization/Special Agreement shall be deemed a Violation of this Ordinance and subject the User to the sanctions set out in Article 6 of this Ordinance. Obtaining an Authorization and/or Special Agreement does not relieve the User of its obligation to comply with all Federal and State Pretreatment Standards or Pretreatment Requirements or with any other requirements of Federal, State, and local law.

C. Issuing Authorizations/Special Agreement: New Connections

Users who propose to begin or restart a discharge to the POTW must apply for an Authorization and/or Special Agreement at least sixty {60} days prior to any discharge.

D. Issuing Authorizations/Special Agreements: Existing Connections that must meet New Requirements

Any User required to obtain an Authorization and/or Special Agreement due to requirements in this Ordinance who was discharging Wastewater into the POTW prior to the effective date of the requirements and who wishes to continue such discharges in the future, shall, within ninety {90} days after said date, apply for an Authorization and/or Special Agreement in accordance with Section 5.1.E of this Ordinance, and shall not cause or allow discharges to the POTW to continue after one hundred twenty (120) days of the effective date of this Ordinance except in accordance with an Authorization and/or Special Agreement issued by the General Manager.

Waste Discharge Application Contents

1. All Users required to obtain an Authorization and/or Special Agreement shall submit a Waste Discharge Application. The General Manager may require all Users to submit as part of an application the following information:

- a. Description of activities, facilities, and plant processes on the premises, including a list of all raw materials and chemicals used or stored at the facility which are or could accidentally or intentionally be discharged to the POTW;
 - b. Number and type of employees, hours of operation, and proposed or actual hours of operation;
 - c. Each product produced by type, amount, process or processes, and rate of production;
 - d. Type and amount of raw materials processed (average and maximum per day); quantity, disposition, and method of disposal of specific liquid, sludge, oil, solvent, or other material;
 - e. Site plans, floor plans, mechanical and plumbing plans, and details to show all sewers, floor drains, and appurtenances by size, location, and elevation, and all points of discharge; details of Pretreatment Facilities and their operation and maintenance; details of systems to prevent and control the losses of materials through spills to the POTW;
 - f. Time and duration of discharges; detailed plumbing plans indicating all sources discharging to the on-site or off-site Sewer Lateral;
 - g. Any other information as may be deemed necessary by the General Manager to evaluate the Waste Discharge Application.
2. Incomplete or inaccurate applications will not be processed and will be returned to the User for revision.

F. Signatories and Certification

All Waste Discharge Applications and Reports must be signed by an Authorized Representative of the User and contain the following certification statement:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

G. Authorization/Special Agreement Decisions

The General Manager will evaluate the data furnished by the User and may require additional information. Within thirty (30) days of receipt of a complete Waste Discharge Application, the General Manager will determine whether or not to issue an Authorization and/or Special Agreement. The General Manager may deny any application for an Authorization and/or Special Agreement.

5.2 AUTHORIZATION/SPECIAL AGREEMENT ISSUANCE PROCESS

A. Authorization/Special Agreement Duration

1. A Waste Discharge Authorization shall be issued for an indefinite time period, subject to review and reconsideration at the discretion of the General Manager.
2. A Special Agreement shall be issued for a specified time period, set forth in the terms of the Special Agreement.

B. Authorization/Special Agreement Contents

1. Waste Discharge Authorizations/Special Agreements shall include such conditions as are deemed reasonably necessary by the General Manager to prevent Pass Through or Interference or damage to the POTW, protect the quality of the water body receiving the POTW's effluent, protect public and worker health and safety, facilitate sludge management and disposal as required in 40 CFR 403.8, and protect against damage to the POTW.

Waste Discharge Authorizations/Special Agreements may contain:

- a. Notification and record-keeping requirements;
- b. Requirements for the development and implementation of plans or other special conditions including management practices necessary to adequately prevent accidental, unanticipated, or routine discharges;
- c. Requirements for the development and implementation of waste minimization plans to reduce the amount of Pollutants discharged to the POTW;
- d. A statement that compliance with the Waste Discharge Authorization/Special Agreement does not relieve the User of responsibility for compliance with all applicable Federal and State Pretreatment Standards.
- e. Other conditions as deemed appropriate by the General Manager to ensure compliance with this Ordinance, and State and Federal laws, rules, and regulations;

C. Waste Discharge Authorization/Special Agreement Appeals

1. Any Person, including the User, may petition the General Manager to reconsider the provisions of a Waste Discharge Authorization/Special Agreement within thirty (30) days of notice of its issuance.
 - a. In its petition, the appealing party shall indicate the Waste Discharge Authorization/Special Agreement provisions objected to, the reasons for objection, and the alternative provisions, if any, it seeks to place in the Waste Discharge Authorization/Special Agreement.
 - b. The effectiveness of the Waste Discharge Authorization/Special Agreement shall not be stayed pending the appeal.

2. Failure to submit timely a petition for reconsideration shall be deemed to be a waiver of the administrative appeal.
3. If the General Manager fails to act within thirty (30) days of the filing of a petition for reconsideration, the petition for reconsideration shall be deemed denied.
4. Any person, including the User, may petition the Board of Directors to reconsider the decision of the General Manager.
5. If the Board of Directors fails to act within thirty (30) days of the filing of a petition for reconsideration, the petition for reconsideration shall be deemed denied. Decisions not to issue a Waste Discharge Authorization/Special Agreements, not to reconsider the provisions of a Waste Discharge Authorization/Special Agreements, or not to modify the provisions of a Waste Discharge Authorization/Special Agreements shall be considered final administrative actions for the purposes of judicial review.
6. Any party aggrieved by a final Waste Discharge Authorization/Special Agreement administrative action may obtain review of the action in the superior court by filing in the court a petition for writ of mandate within ninety (90) days following the effective date of the action. If no aggrieved party petitions for writ of mandate within the time provided by this section, a final Waste Discharge Authorization/Special Agreement administrative action shall not be subject to review by any court or agency. The evidence before the court shall consist of the record before the General Manager, and any other relevant evidence which, in the judgment of the court, should be considered to effectuate and implement the policies of this Ordinance. Except as otherwise provided in this section, subdivisions (e) and (f) of Code of Civil Procedure section 1094.5 shall govern proceedings pursuant to this section.

D. Waste Discharge Authorization/Special Agreement Revocation

1. A Waste Discharge Authorization/Special Agreement may be revoked for good cause including, but not limited to the following reasons:
 - a. Failure to notify the General Manager of significant changes to the Wastewater prior to the changed discharge;
 - b. Misrepresentation or failure to fully disclose all relevant facts in the Waste Discharge Application;
 - c. Refusing to allow the General Manager timely access to the facility premises and records;
 - d. Failure to pay penalties;
 - e. Failure to pay sewer charges;
 - f. Failure to comply with HVLCSD's policies and standards.
 - g. Violation of any terms of the Waste Discharge Authorization/Special Agreement or this Ordinance.

2. Waste Discharge Authorizations and Special Agreements shall be voidable upon cessation of operations.
3. A determination may be made to issue a Waste Discharge Permit in the event the Waste Discharge Authorization or Special Agreement is revoked for good cause, including but not limited to all of the above.
4. A Waste Discharge Authorization or Special Agreement is void when a new Waste Discharge Permit, Waste Discharge Authorization, or Special Agreement to that User becomes effective.
5. Waste Discharge Authorization or Special Agreement revocation is subject to appeal as set forth in Section 6.4.

5.3 REPORTING REQUIREMENTS

A. Plan Requirements

1. Any User with an Interceptor discharging to the sewer shall have on file an approved maintenance plan which includes but is not limited to:
 - a. Procedures to adequately maintain the Gravity Interceptor using a licensed and permitted waste hauler;
 - b. Determination of User staff responsible for maintenance of the Gravity Interceptor;
 - c. Procedures for spill response.
2. Users with potential impact to the POTW shall have on file an approved management plan.

B. Timing

Written reports will be deemed to have been submitted on the date postmarked. For reports, which are not mailed, postage prepaid, into a mail facility serviced by the United States Postal Service, the date of receipt of the report shall govern.

C. Record Keeping

Users subject to the reporting requirements of this Ordinance shall retain, and make available for inspection and copying, all records of information obtained pursuant to monitoring activities undertaken by the User independent of such requirements. Records shall include the date, exact place, method, and time of sampling, and the name of the person(s) taking the samples; the dates analyses were performed; who performed the analyses; the analytical techniques or methods used; and the results of such analyses. These records shall remain available for a period of at least three (3) years. This period shall be automatically extended for the duration of any litigation concerning the User or the District, or where the User has been specifically notified of a longer retention period by the General Manager.

ARTICLE 6

ENFORCEMENT

6.1 ENFORCEMENT ACTIONS

Notice of Violations shall be issued by the General Manager or his designee. All other enforcement actions shall be issued by the General Manager or management at a higher level (e.g., **Environmental and Regulatory Compliance Department Director**). The District, at its discretion, may utilize any one, combination of, or all enforcement remedies provided in Article 6 in response to any Violation.

A. Notice of Violation

When a User has violated, or continues to violate, any provision of this Ordinance, any Waste Discharge Permit, any Waste Discharge Authorization, or Special Agreement, any order issued under this Ordinance, or any other Pretreatment Standard or Pretreatment Requirement, the Source Control Manager or his designee may issue a written Notice of Violation.

B. Administrative Orders

1. CONSENT ORDERS

The General Manager may enter into Consent Orders, assurances of compliance, or other documents establishing an agreement with any User responsible for noncompliance. Such documents shall include specific action(s) to be taken by the User to correct the noncompliance within a time period specified by the document. Such documents shall have the same force and effect as Compliance Orders and shall be judicially enforceable.

2. COMPLIANCE ORDERS

When the General Manager finds that a User has violated, or continues to violate, any provision of this Ordinance, any Waste Discharge Permit, any Waste Discharge Authorization or Special Agreement, any order issued under this Ordinance, or any other Pretreatment Standard or Pretreatment Requirement, the General Manager may issue a Compliance Order to the User responsible for the discharge directing that the User come into compliance within a specified time. A Compliance Order shall include specific action(s) to be taken by the User to correct the noncompliance within a time period specified by the Compliance Order. A Compliance Order shall be judicially enforceable. If the User does not come into compliance within the time provided, sewer service may be discontinued unless required Pretreatment Facilities, devices, or other related appurtenances are installed and properly operated. A Compliance Order also may contain other requirements to address the noncompliance, including additional self-monitoring and management practices designed to minimize the amount of Pollutants discharged to the sewer. A Compliance Order may not extend the deadline for compliance established for a Pretreatment Standard or Pretreatment Requirement, nor does a Compliance Order relieve the User of liability for any Violation, including any continuing Violation.

3. SHOW CAUSE ORDERS

The General Manager may issue a Show Cause Order directing a User which has violated, or continues to violate, any provision of this Ordinance, any Waste Discharge Permit, any Waste Discharge Authorization or Special Agreement, any order issued under this Ordinance, or any other Pretreatment Standard or Pretreatment Requirement to appear before a Hearing Officer and show cause why the proposed enforcement action(s) should not be taken. Notice shall be served on the User specifying the time and place for the hearing, the proposed enforcement action(s), the reasons for the action(s) and an order that the User show cause why the proposed enforcement should not be taken. The notice of the hearing shall be served personally or by registered or certified mail (return receipt requested) at least fifteen (15) days prior to the hearing. Such notice may be served on any Authorized Representative of the User.

C. Emergency Suspensions

The General Manager may suspend immediately a User's discharge, without prior notice to the User, whenever such suspension is necessary to stop an actual or threatened discharge which reasonably appears to present an imminent or substantial danger to the health or welfare of Persons or to the environment, or which reasonably appears to present an imminent or substantial interference with the POTW, or which reasonably may cause the District to violate any condition of its NPDES permit.

Any User notified of an emergency suspension of its discharge shall immediately stop or eliminate its discharge. In the event of a User's failure to immediately comply voluntarily with the emergency suspension order, the General Manager may take such steps as deemed necessary, including immediate severance of the sewer connection, to prevent or minimize damage to the POTW or its collection system, or endangerment to any Persons or to the environment. The General Manager may allow the User to recommence its discharge when the User has demonstrated that the period of endangerment has passed, unless the termination proceedings in Sections 6.1.E or Section 6.1.F of this Ordinance are initiated against the User.

Nothing in this Section shall be interpreted as requiring a hearing prior to any Emergency Suspension under this Section.

D. Permit/Authorization/Special Agreement Termination

When the General Manager finds that a User has violated, or continues to violate, any provision of this Ordinance, any Waste Discharge Permit, any Waste Discharge Authorization or Special Agreement, any order issued under this Ordinance, or any other Pretreatment Standard or Pretreatment Requirement, the General Manager may terminate the Waste Discharge Permit, Waste Discharge Authorization, or Special Agreement of said User.

E. Termination of Wastewater Service

In addition to the provisions for Emergency Suspensions, the General Manager may order any User who has violated, or continues to violate, any provision of this Ordinance, any Waste Discharge Permit, any Waste Discharge Authorization or Special Agreement, any order issued under this Ordinance, or any other Pretreatment Standard or Pretreatment Requirement to cease immediately discharge of wastewater to the POTW, and may suspend Wastewater disposal and treatment service for such User in order to stop an actual or threatened discharge which presents or may present an imminent or substantial danger to the health or welfare of Persons or to the

environment, or which presents or may present an imminent or substantial interference with the POTW, or which causes or may cause the District to violate any condition of its NPDES permit, or if the User has failed to obtain a valid Waste Discharge Permit. If the User fails to comply voluntarily with the termination order, the District will take such steps as deemed necessary, including immediate severance of the Sewer Lateral connection, to give effect to the termination order. All costs for terminating service shall be paid by the User. All costs for reestablishing service shall be paid by the User.

Such User shall be notified of the proposed termination of its discharge service and offered an opportunity to show cause under Section 6.1.8.3 of this Ordinance why the proposed action(s) should not be taken.

F. Termination of Water Service

When a User has violated, or continues to violate, any provision of this Ordinance, any Waste Discharge Permit, any Waste Discharge Authorization or Special Agreement, any order issued under this Ordinance, or any other Pretreatment Standard or Pretreatment Requirement, water service to the User may be terminated. Water service shall only recommence after the User has demonstrated satisfactorily its ability to comply. All costs for terminating water service shall be paid by the User. All costs for reestablishing water service shall be paid by the User.

Such User shall be notified of the proposed termination of its water service and offered an opportunity to show cause under Section 6.1.8.3 of this Ordinance why the proposed action(s) should not be taken.

G. Administrative Penalties

When the General Manager finds that a User has violated, or continues to violate, any provision of this Ordinance, any Waste Discharge Permit, any Waste Discharge Authorization or Special Agreement, any order issued under this Ordinance, or any other Pretreatment Standard or Pretreatment Requirement, the **Source Control Manager** may impose an administrative penalty on such User, as provided in Section 54740.5 of the Government Code, in an amount determined in accordance with Resolution 2963 as amended. Administrative penalties shall be assessed on a per-Violation, per-day basis. In the case of monthly or other long-term average discharge limits, administrative penalties shall be assessed for each day during the period of Violation. Unpaid charges and administrative penalties shall, after 30 calendar days, be assessed an additional penalty in accordance with Resolution 2963 as amended, and interest shall accrue thereafter in accordance with Resolution 1643 as amended. A lien against the User's property may be sought for unpaid charges and administrative penalties.

H. Injunctive Relief

When the General Manager finds that a User has violated, or continues to violate, any provision of this Ordinance, any Waste Discharge Permit, any Waste Discharge Authorization or Special Agreement, any order issued under this Ordinance, or any other Pretreatment Standard or Requirement, the District may petition the Superior Court of the County of Riverside for the issuance of a temporary restraining order, preliminary injunction, and/or permanent injunction, as appropriate, to enjoin or compel the specific performance of the activities of the User causing such violation. The District may also seek such other action as appropriate for legal and/or equitable relief, including a requirement for the User to conduct environmental remediation.

I. Civil Liability

The General Manager may utilize the procedures and seek civil penalties, payment of excess costs, and imposition of a lien upon User's real property, as provided in Sections 54739, 54740, 54740.5, and 54740.6 of the Government Code, as may be amended from time to time, for violations of any provision of this Ordinance, any Waste Discharge Permit, any Waste Discharge Authorization or Special Agreement, any order issued under this Ordinance, or any other Pretreatment Standard or Pretreatment Requirement.

J. Criminal Penalties

Any User who willfully or knowingly violates any provision of this Ordinance, any Waste Discharge Permit, any Waste Discharge Authorization or Special Agreement, any order issued under this Ordinance, or any other Pretreatment Standard or Pretreatment Requirement, shall, upon conviction, be guilty of an infraction punishable by a fine not to exceed fifty dollars (\$50) for a first conviction, one hundred dollars (\$100) for a second conviction within a period of one (1) year, and two hundred fifty dollars (\$250) for a third or any subsequent conviction within a period of one (1) year. Each violation and each day in which a violation occurs shall constitute a separate violation and shall be subject to the penalties contained herein.

6.2 PUBLISHED NOTICES FOR SIGNIFICANT NON-COMPLIANCE

In accordance with 40 CFR 403.8, the District shall at least annually cause to be published the names of all Users which, at any time during the previous twelve (12) months, were in Significant Non-Compliance. Publication shall be made in a newspaper of general circulation that provides meaningful public notice in the District's service area.

6.3 REMEDIES NON-EXCLUSIVE

The enforcement remedies for this Ordinance are nonexclusive. The General Manager may take any, all, or any combination of these remedies against a noncompliant User. The General Manager may take more than one (1) enforcement action against any noncompliant User, and no enforcement action shall be deemed a prohibition or a prerequisite for taking any other enforcement action(s) against the User. Enforcement of violations will generally be in accordance with the District's Enforcement Response Plan, however, the Source Control Manager may take alternative actions against a User when the circumstances warrant.

6.4 APPEALS

A. Either the District or any User affected by and dissatisfied with any decision, order, or enforcement action made by the General Manager or a Hearing Officer interpreting or implementing the provisions of this Ordinance or any Waste Discharge Permit, Waste Discharge Authorization, or Special Agreement may file with the General Manager or Hearing Officer a written appeal requesting reconsideration of such decision, order, or enforcement action within thirty (30) calendar days from the receipt of the notice of such decision, order, or enforcement action. The party requesting reconsideration shall state in detail the facts supporting the request for reconsideration. The General Manager or Hearing Officer shall render a ruling on the request for reconsideration, in writing, within ten (10) calendar days from receipt of the request. Submission of such a request for reconsideration in no way relieves the User of liability for any Violations occurring before or after receipt of the decision, order, or enforcement action, nor stays the requirements of achieving or maintaining compliance.

- B. If the ruling on the request for reconsideration made by the General Manager or Hearing Officer is unsatisfactory to the District or to the User, either party may, within thirty (30) calendar days after receipt of notice of the General Manager's or Hearing Officer's ruling, file a written appeal with the General Manager. The written appeal shall be heard by the General Manager within thirty (30) calendar days from the date of filing. The General Manager shall make a ruling on the appeal within thirty (30) calendar days from the date of the hearing.
- C. If the ruling on the appeal made by the General Manager is unsatisfactory to the District or to the User, either party may, within thirty (30) calendar days after receipt of notice of the General Manager's ruling, file a written appeal with the District's Board, lodging such appeal with the Secretary of the Board. The written appeal shall be heard by the Board within thirty (30) calendar days from the date of filing. The Board shall make a ruling on the appeal within thirty (30) calendar days from the date of the hearing, and shall give notice to the User that the time within which judicial review must be sought is governed by Code of Civil Procedure section 1094.6.
- D. The Board's final ruling shall be deemed a final decision, order, or enforcement action by the District which any Person adversely affected by such decision, order, or enforcement action may appeal to the appropriate court in the County of Riverside. No Person may obtain judicial review of any decision, order, or enforcement action by the District under this Ordinance without first having exhausted all administrative remedies set forth in this Section.

ARTICLE 7

SEVERABILITY

7.1 SEVERABILITY

If any provision of this Ordinance or the application to any person or circumstances is held invalid, the remainder of the Ordinance or the application of such provision to other persons or other circumstances shall not be affected.

ARTICLE 8

REPEAL

8.1 REPEAL

ARTICLE 9

EFFECTIVE DATE

9.1

EFFECTIVE DATE

The effective date of this Ordinance shall be May 17, 2018.

Disaster Reimbursements (Federal & State)						
Year of event	Disaster	Project	Description	Completion	Reimbursed?	Reimbursements
2017	4301	LHHVA01	Pump&Dump	100%	100%	\$ 214,133.04
2017	4301	LKHVB01	Repair&Labor	100%	100%	\$ 16,748.90
2017	4308	LKHVA81	Pump&Dump	100%	100%	\$ 390,533.63
2017	4308	LKHVB81	Repair&Labor	100%	100%	\$ 5,317.17
2017	4308	LKHVF83	Repair&Labor	100%	100%	\$ 652,310.53
2019	4434	100063	Pump&Dump	100%	100%	\$ 916,723.31
2019	4434	100118	Repair	100%	100%	\$ 13,101.71
2019	4434	100126	Repair&Labor	100%	100%	\$ 39,032.81
2019	4434	101502	Repair&Labor	100%	100%	\$ 33,321.19
2019	4434	100138	Repair: Chip seal the WWTP Access Road	100%	90%	\$ 110,730.00
2020	4482 COVID-19	138890	Materials: Purchased for disinfection, and infection prevention methods	100%	0%	\$ 11,095.33
2020	4558 LNU Complex Fire	Cat B 100% (FEMA)	Emergency protective measures -FireBreak	100%	100%	\$ 36,245.32
2020	4558 LNU Complex Fire	Cat B 75% (FEMA) 18.75% (CalOES)	Emergency protective measures -Chipping & Spreading	100%	96%	\$ 143,437.00
2020	4558 LNU Complex Fire	Cat B 100% (FEMA)	Continuity of Operations - Generators - Smoke Soot and Ash	100%	100%	\$ 20,747.18
2020	4558 LNU Complex Fire	Cat B 75% (FEMA) 18.75% (CalOES)	Continuity of Operations - Generators - Smoke Soot and Ash	100%	94%	\$ 44,690.95

Totals:	\$ 2,648,168.07
Actual:	\$ 2,637,072.74

Access Road

7/2 Requested update of closeout status of this project. Response: "The other projects are still being worked on by Cal OES Recovery Closeout team."

COVID19

7/20 Streamlined application reminder
 7/27 Request for information on eligibility requirements
 7/29 Submitted new version of reimbursement request, \$16,998.05
 8/18 Met with CalOES. Original application amount must remain, and work descriptions need updating.
 8/25 Submitted updated narrative, work descriptions and pictures to original project amount of \$11,095.33.
 9/15 Meeting with FEMA&CalOES
 10/28 Responded to RFI

Debris Removal & Generators

6/21 Received \$11,640 payment from HVLA
 7/9 The Recovery Transition Meeting (final FEMA meeting on this disaster) took place.
 7/28 Notification of FEMA payment chipping&mulching. \$112,500
 7/29 Notification of FEMA payment generators, \$20,747.18, firebreak \$36,245.32, and generators \$35,735.96.
 Also notification of CalOES payment for generators, \$8,933 (See attached).
 9/3 Deposited \$236,187.45 (\$112,500 + \$20,747.18 + \$36,245.32 + \$30,937 +

Federally funded, non-disaster projects (HMGP)					
Related Disaster	Project	Description	Completion	Reimbursed?	Reimbursement
4344	512	LHMP: Writing the Plan	100%	95%	\$ 74,404.00
4382	112	Unit 9 Tank: Replacing this tank	0%	0%	\$ 1,300,000.00
4407/4431	57	Generators: Installing at Booster Stations	0%	0%	\$ 748,048.00
4558	398	Defensive Space, Ignition Resistant Construction (DSIRC)	0%	0%	\$ 1,400,000.00
4558	428	Water Mains Planning	0%	0%	\$ 500,000.00

Totals:	\$ 4,022,452.00
Actual:	\$ 74,404.00

LHMP

7/2 Inquired on the status of this project. Response: "This project is in FEMA closeout and with FEMA, so soon as we hear back – which can take a little time – we will let you know. In the meantime I will keep this on my radar."

Unit 9 Tank

5/12 Lake County grant manager is checking in on CEQA activities for this project, as there is an 18 month deadline to complete CEQA
5/24 New CalOES contact was able to reach FEMA EHP, and provides this comment "Was informed that it may be some time this October for EHP to finish with what they are reviewing. Will keep you updated. "
9/2 Latest update from CalOES. "[project is in]EHP review...Don't forget - no work to be done if it is part of the post[award activities]."
10/12 On-site Cultural Site Survey conducted.

Generators

6/29 HMGP funds from a different disaster (4431, not 4407) are available to fund this project. CalOES has inquired if CSD is interested in-resubmitting this subapplication.
7/2 Submitted 4 new documents in support of a subapplication re-submittal, reflecting change of scope.
7/9 Submitted an additional 31 files in support of subapplication submittal. At least four files (BCA) remain to complete the submittal requirements.
7/20 Sent remaining 4 BCA files to complete the re-submittal (See attached).
7/27 Responded to final edits requests for Generator re-submittal
8/12 Planning Partners (environmental consultant) completed edits to the environmental checklist of the subapplication
8/24 Submitted updated environmental checklist to CalOES.
10/6 Confirmed Authorized Agent info.
11/2 Responded to RFI

Defensive Space, Ignition Resistant Construction (DSIRC)

6/3 Discussed project with Tribal leader
7/27 On-site project walk-thru with tribal leader
10/6 Confirmed Authorized Agent info.
11/3 Responded to RFI

Water Mains Planning

5/21 Submitted RFI response
9/27 Submitted RFI response

State Funded projects (Prop 1, Prop 68)					
Funding Agency	Project	Description	Completion	Reimbursed?	Reimbursement
DWR/IRWM	206	I & I	75%	6%	\$ 375,000.00
DWR/IRWM	205	Unit 9 Tank	10%	0%	\$ 250,000.00
DWSRF	AMI	AMI	10%	0%	\$ 1,600,000.00
Totals:					\$ 2,225,000.00
Actuals:					=

I&I, Unit 9 Tank

9/2 **I & I:** Submitted second quarterly reimbursement request for \$198,659.47

10/6 **I & I:** Submitted Basis of Design documentation per grant mgr request.

10/7 **I & I:** Received estimated reimbursement date of mid-November

10/12 **I & I:** Replaced 2 manhole lids

10/18 **I & I:** Replaced 1 manhole lid

10/22 **I & I:** Camera-ed C10 to C11 with SeeSnake

10/28 **I & I:** Camera-ed C11 to C10 with VacTruck

11/15 **I & I:** Quarterly reporting deadline.

7/27 **Unit 9 Tank:** The LCSD Grant Manager sent the notice that the CEQA placeholder status for this project will expire on 9/2022.

8/27 **Unit 9 Tank:** Meeting with Coastland & WRA (environmental consultants), Lake County Community Development Dept(Planning) representative Tracy Cline was unable to attend. Discussed differences in CEQA requirements.

9/22 **Unit 9 Tank:** WRA submitted RFI to LC CDD, Tracy Cline

11/1 **Unit 9 Tank:** Responded to DWR RFI

AMI

8/24 Downloaded 169 reads from AMI meters.

9/3 Currently working through existing error list of 46 meters.

9/25 Finished installation of 95 new meters without radios.

10/21 AMI troubleshooting with front staff

10/22 Created Service Orders for next book of meter swaps (115)

11/3 Met with Badger. Radio ETA is now 12/1. Sent back 12 radios for RMA

AWIA of 2018

7/1 Certified with EPA that RRA is complete

11/8 ERP Workshop

FLASHES

10/8 BRIC NOI was deemed eligible for subapplication

10/11 Meeting with Governor's office regarding BBB

10/13 Meeting with Congressman's Thompson regarding BBB

10/15 Received BBB feedback from Governor's office

10/18 Meeting with PGE's newly appointed VP of North Coast Region

10/19 BBB feasibility application submitted

10/28 BRIC BCEGS score discussions with LC, Hagerty Consulting

11/2 HVL and LC withdrawal from BRIC

11/3 PGE CMEP NDA submitted to HVL counsel

11/18 FLASHES Town Hall scheduled

November HMGP opportunity expected for COVID disaster (DR4482)

Drought & COVID Relief Funding

9/27 Submitted \$8M Emergency Intertie project to DWR Small Community Drought Relief Funding program

10/6 Submitted \$22M Water Main Replacment project to DWR Small Community Drought Relief Funding program

10/15 Submitted Covid Relief Funding application for \$56K

10/29 Notification of DWR Multibenefit Drought Relief Funding

11/1 Response from Drought Relief Funding Engineer, Alena. Emergency Intertie application is the 28th application, and the Water Main Replacement application is the 43rd. Alena is currently on the 21st application, and expects to complete 15 applications in the month of November.

SCADA

9/15,16 On-site visit re-scheduled

9/23 Confirmation that site-visit was complete, and currently compiling data.

11/10 Meeting scheduled to review condition assessment data, and discuss recommendation. This meeting represents Task 3 of 4, from GHD's original proposal (See attached)

Other activities

11/3 Meeting with homeowners regarding localized flooding, and mitigation

Potential projects (LHMP)					
Priority	Funding Agency	Project	Description	Costs	Notes
1	HMGP (FEMA)	SCADA	Technology refresh	\$ 1,000,000	Initial Feasibility discussions underway, Joined Demand Response program to qualify for rebates
1	HMGP (FEMA)	Tanks	Replace wooden tanks	\$ 5,400,000	Subapplication submitted for one tank only, 4558 - NOI
1	HMPG (FEMA)	I & I	Pipe-bursting	\$ 1,000,000	Grant funds awarded for first pipe-bursting
1		RRP, ERP	Requirement of AWIA of 2018	\$ 200,000	Due 3/21, Possible 4482-NOI opportunity
1	HMGP (FEMA)	Water	Correlators, AirVacs, Lines, Meters	\$ 5,500,000	ESCOs can support energy savings projects
2		WMP	Water Master Plan	\$ 100,000	This is 20 years old. Is a reference document for grant applications
2	HMGP (FEMA)	WWTP	EQ Basin, Sludge Beds	\$ 6,000,000	Every flooding disaster in the last 4 years has damaged a portion of the WWTP. Possible developed contributions.
2		SWP	Stormwater Master Plan	\$ 200,000	This is 20 years old. Opportunity for regional benefits.
2		Stormwater	Implement Stormwater Master Plan Improvements	\$ 10,000,000	Phase 1 - Culverts in the Flood detention basin, previous NOI accepted for this activity
2	HMGP (FEMA)	Well	Drill a new well	\$ 4,000,000	Water Resilience, Contamination Mitigation, possible developer assistance
2	FMAG (FEMA)	Fuels Mitigation	Defensible Space, Concrete detention basin, masonry buildings	\$ 400,000	Possible 4558-NOI opportunity
2	FMAG (FEMA)	Hydrants	Improvements	\$ 4,100,000	Previous NOI accepted for this activity
2	PDM (FEMA)	GIS	Fully develop database, O&M	\$ 400,000	Management, maintenance, and communications tool
3		PAP	Public Awareness Program	\$ 200,000	Disaster preparedness, response and recovery
3	HMGP (FEMA)	CL2 valve	Automatic shut-off valve	\$ 50,000	Operator Safety, RMP improvement list
3	HMGP (FEMA)	CL2 Analyzers	Chlorination Basin improvements	\$ 100,000	Flow-based treatment process will streamline WWTP
3	HMGP (FEMA)	Earthquake	Retrofits	\$ 5,000,000	
3		Levee	Certification	TDB	Opportunity for regional benefits, flood insurance
3		Dam	Inundation Mitigation	TDB	Infrastructure improvements

Therefore, GHD is proposing to provide the following scope within this proposal:

Task 1 - Project Management

1. Host project kickoff meeting with the District.
2. Project management: Develop project management plan, work plan, project schedule, and Quality Assurance (QA) and Quality Control (QC) plan.
3. Host regular project meetings.
4. Provide regular written status updates to the District.

Task 2 - Assess Existing Water and Wastewater Systems

1. Work with key District stakeholders to gain a complete understanding of the District's water and wastewater systems.
2. Investigate and document the District's water and wastewater systems, existing SCADA system, instrumentation and controls, and automation systems.
3. Hold workshops with key District stakeholders to determine what the District's present and future needs are.

Task 3- Analyze The Existing Water System

1. Perform a Gap and Needs analysis.
2. Demonstrate options to the District that will assist the District in determining the appropriate solutions that will meet the District's needs.
3. Provide recommendations to the District.
4. Document system design, operational and performance requirements.

Task 4 - Plan

1. Develop comprehensive SCADA Master Plan documents.
2. Develop comprehensive Cybersecurity Master Plan documents.
3. Develop estimate of design fees associated with final design documents, estimate of probable construction costs, and estimate of probable Operational & Maintenance (O&M) costs.