



Hidden Valley Lake Community Services District

Regular Board Meeting

DATE: November 19, 2013
TIME: 7:00 p.m.
PLACE: Hidden Valley Lake CSD
Administration Office, Boardroom
19400 Hartmann Road
Hidden Valley Lake, CA

- 1) CALL TO ORDER
- 2) PLEDGE OF ALLEGIANCE
- 3) ROLL CALL
- 4) APPROVAL OF AGENDA
- 5) CONSENT CALENDAR
 - (A) MINUTES: Approval of the Minutes of the Board of Directors meeting of
 - (B) WARRANTS:
 - (C) APPROVAL of revised District Mission Statement
 - (D) AUTHORIZATION to purchase replacement air conditioning/heating unit for field operations office
 - (E) ADOPTION OF RESOLUTION 2013-15 confirming health insurance benefit eligibility for Board members and their families
 - (F) AUTHORIZATION for Board member attendance at Fall ACWA Conference in Los Angeles, California
- 6) BOARD COMMITTEE REPORTS (for information only, no action anticipated)
 - Personnel Committee
 - Finance Committee
 - Security and Disaster Preparedness Program Committee
- 7) BOARD MEMBER ATTENDANCE AT OTHER MEETINGS (for information only, no action anticipated)
 - ACWA Region 1
 - ACWA State Legislative Committee
 - County OES
 - Other meetings attended
- 8) STAFF REPORTS (for information only, no action anticipated)
 - Accountant/Controller's Report
 - General Manager's Report
- 9) DISCUSSION AND POSSIBLE ACTION: Adoption of Strategic Plan
- 10) DISCUSSION AND POSSIBLE ACTION: Adoption of Resolution 2013-16 in support of the Association of California Water Agencies' Statewide Water Action Plan

- 11) DISCUSSION AND POSSIBLE ACTION: Impact of proposed California Department of Public Health hexavalent chromium maximum contaminant level (MCL) on District operations
- 12) PUBLIC COMMENT
- 13) BOARD MEMBER COMMENT
- 14) Closed Session: G.C. 54956.9 (b) (1) Anticipated Litigation – Significant Exposure to Litigation Against the District
- 15) ADJOURNMENT

Public records are available upon request. Board Packets are posted on our website at www.hiddenvalleylakecsd.com. Click on the "Board Packet" link on the Agenda tab.

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

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



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
MEETING DATE: OCTOBER 15, 2013**

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

Director Judy Mirbegian, President
Director Jim Freeman, Vice President
Director Jim Lieberman
Director Carolyn Graham
Director Linda Herndon
Tasha Klewe, Accountant/Controller
Tami Ipsen, Administrative Assistant
Roland Sanford, General Manager

CALL TO ORDER

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

APPROVAL OF AGENDA

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

CONSENT CALENDAR

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

- (A) Minutes of the September 17, 2013 Board of Directors meeting
- (B) Warrants #031227- #031295 for \$205,892.40

BOARD COMMITTEE REPORTS

Personnel Committee: Director Mirbegian reported the Personnel Committee met on September 13, 2013 and October 9, 2013 to discuss and define the terms "base salary" and "total compensation".

Finance Committee: Director Freeman reported the Finance Committee met on October 2, 2013 to review NHA Advisors "punch list" and recommended actions for improving the District's financial position in the eyes of a lending institution.

Security and Disaster Preparedness Program Committee: No report. The next committee meeting will be on October 31, 2013.

BOARD MEMBER ATTENDANCE AT OTHER MEETINGS

ACWA Region 1 Board:

Director Mirbegian reported the ACWA Region 1 Board met twice in September and discussed ACWA membership dues and pending legislation – AB 145.

ACWA State Legislative Committee:

Director Herndon reported there were no State Legislative Committee meetings. The next scheduled meeting is October 25, 2013.

County OES:

Director Lieberman had no report.

STAFF REPORTS

Accountant/Controller's Report: In addition to her written report, Accountant/Controller Tasha Klewe reported that the District's independent auditors completed their site visit and are now waiting for the OPEB report to be completed by an outside CPA firm. She also reported on potential solar power projects for District buildings.

General Manager's Report: In addition to his written report, General Manager Roland Sanford reported that the Final Draft Strategic Plan will be available for public review beginning October 28, 2013 and tentatively scheduled for discussion and possible adoption at the November 19, 2013 Board meeting.

Mr. Sanford indicated he will be attending a Municipal Debt Essential conference in Oakland.

DISCUSSION AND POSSIBLE ACTION: AMENDED AGREEMENT FOR CONDITION 18 COMPLIANCE COST SHARING BETWEEN HIDDEN VALLEY LAKE CSD AND CALLAYOMI COUNTY WATER DISTRICT

On a motion made by Director Freeman and second by Director Herndon the Board unanimously approved the Amended Agreement for Condition 18 Compliance Cost Sharing Between Hidden Valley Lake CSD and Callayomi County Water District.

DISCUSSION AND POSSIBLE ACTION: ACCEPTANCE OF FINAL CPS HR CONSULTING BASE SALARY STUDY REPORT

On motion made by Director Herndon and second by Director Liebermann the Board unanimously accept the CPS HR Consulting Base Salary Study report dated September 30, 2013.

The Personnel Committee was assigned the task of reviewing and formulating recommendations regarding the interpretation and application of the CPS HR Consulting base salary study results for discussion at a subsequent Board meeting.

DISCUSSION AND POSSIBLE ACTION: DEFINITION OF BASE SALARY AND TOTAL COMPENSATION

On motion made by Director Lieberman and second by Director Graham, the Board unanimously approved the definitions of base salary and total compensation proposed by the Personnel Committee.

PUBLIC COMMENT

A member of the public expressed frustration over the fact an individual who owned property within the District, but lived outside the District's boundaries, could not vote in the District's elections and also inquired as to when the District's mission statement would be permanently displayed in the boardroom.

BOARD MEMBER COMMENT

Director Herndon thanked Board and staff for the acknowledgement of a family member's passing.

CLOSED SESSION: CONSULTATION AND ADVICE FROM LEGAL COUNSEL REGARDING PENDING LITIGATION (ONE CASE/MULTIPLE CLAIMS) CALIFORNIA GOVERNMENT CODE SECTION 54956.9 (A)

The Board went into Closed Session at 8:00 p.m. and returned to Open Session at 9:37 p.m. There was no reportable action taken in Closed Session.

ADJOURNMENT

On a motion made by Director Freeman and second by Director Herndon the Board voted unanimously to adjourn the meeting. The meeting was adjourned at 9:38 p.m.

Judy Mirbegian Date
President of the Board

Roland Sanford Date
General Manager/Secretary to
the Board

**Hidden Valley Lake CSD
Warrant Summary Report
October 31, 2013**

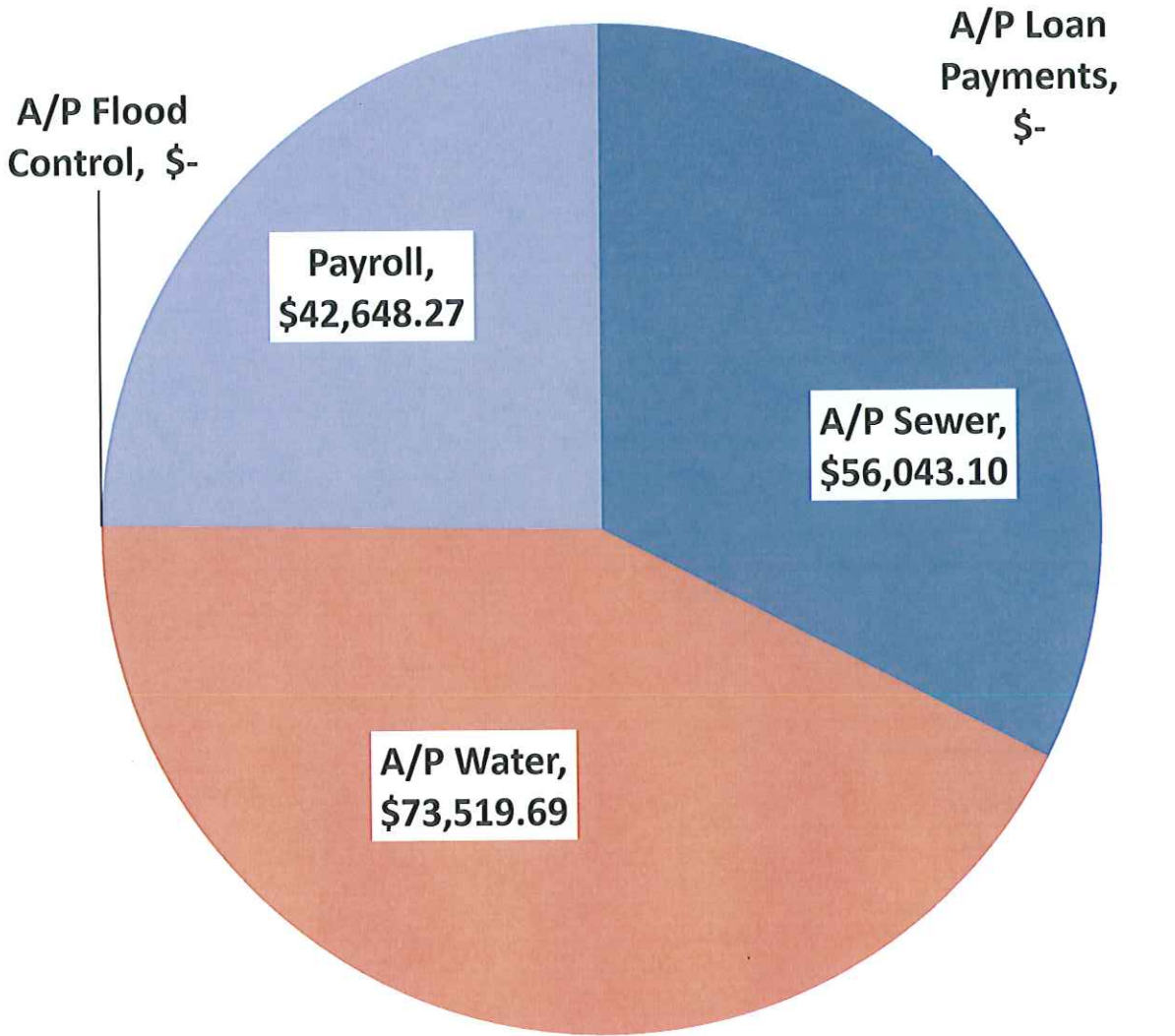
HVLCSD Deposit Summary

Cash	\$	121,916.25
Transfers:		
Money Market	\$	-
Total Deposits	\$	121,916.25

HVLCSD Expenditure Summary

Accounts Payable		
120 - Sewer	\$	56,043.10
130 - Water	\$	73,519.69
140 - Flood Control	\$	-
175 - FEMA Fund	\$	-
215 - USDA Sewer Bond	\$	-
217 - State Loan	\$	-
218 - CIEDB	\$	-
219 - USDA Solar Project	\$	-
375 - Sewer Reserve Improvement	\$	-
711 - Bond Administration	\$	-
Total AP	\$	129,562.79
Payroll	\$	42,648.27
Total Warrants	\$	172,211.06

Hidden Valley Lake CSD
Warrants
October 31, 2013
\$172,211



A/P Bond
Admin., \$-

A/P Sewer
Reserve
Improv, \$-

- A/P Sewer
- A/P Flood Control
- A/P Sewer Reserve Improv
- Payroll
- A/P Water
- A/P Loan Payments
- A/P Bond Admin.

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

CHECK DATE: 10/01/2013 THRU 10/31/2013
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1010	10/11/2013	CHECK	031326	AT&T	59.87CR	POSTED	A	10/17/2013
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11/12/2013 8:45 PM

CHECK RECONCILIATION REGISTER

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ACCOUNT: 1010 CASH - POOLED
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STATUS: All
FOLIO: ALL

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1010	10/25/2013	CHECK	031375	EEL RIVER FUELS, INC.	777.98CR	POSTED	A	10/29/2013
1010	10/25/2013	CHECK	031376	GRANITE CONSTRUCTION	55.47CR	POSTED	A	10/30/2013
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COMPANY: 999 - POOLED CASH FUND
 ACCOUNT: 1010 CASH - POOLED
 TYPE: ALL
 STATUS: All
 FOLIO: ALL

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1010	10/14/2013	DEPOSIT	000003	DAILY PAYMENT POSTING - ADJ	354.19CR	POSTED	U	10/14/2013
1010	10/14/2013	DEPOSIT	000004	DAILY PAYMENT POSTING	321.98	POSTED	U	10/14/2013
1010	10/14/2013	DEPOSIT	000005	CREDIT CARD 10/14/2013	3,734.93	POSTED	C	10/17/2013
1010	10/14/2013	DEPOSIT	000006	REGULAR DAILY POST 10/14/2013	10,230.42	POSTED	C	10/15/2013
1010	10/14/2013	DEPOSIT	000007	CREDIT CARD 10/14/2013	603.88	POSTED	C	10/17/2013

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

CHECK DATE: 10/01/2013 THRU 10/31/2013
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	---AMOUNT---	STATUS	FOLIO	CLEAR DATE
DEPOSIT:								
1010	10/15/2013	DEPOSIT		CREDIT CARD 10/15/2013	985.94	POSTED	C	10/18/2013
1010	10/15/2013	DEPOSIT	000001	CREDIT CARD 10/15/2013	3,825.30	POSTED	C	10/18/2013
1010	10/15/2013	DEPOSIT	000002	REGULAR DAILY POST 10/15/2013	15,011.36	POSTED	C	10/16/2013
1010	10/16/2013	DEPOSIT		CREDIT CARD 10/16/2013	943.33	POSTED	C	10/18/2013
1010	10/16/2013	DEPOSIT	000001	CREDIT CARD 10/16/2013	1,572.65	POSTED	C	10/21/2013
1010	10/16/2013	DEPOSIT	000002	REGULAR DAILY POST 10/16/2013	2,881.47	POSTED	C	10/17/2013
1010	10/17/2013	DEPOSIT		CREDIT CARD 10/17/2013	104.63	POSTED	C	10/22/2013
1010	10/17/2013	DEPOSIT	000001	REGULAR DAILY POST 10/17/2013	879.62	POSTED	C	10/18/2013
1010	10/18/2013	DEPOSIT		CREDIT CARD 10/18/2013	601.07	POSTED	C	10/22/2013
1010	10/18/2013	DEPOSIT	000001	REGULAR DAILY POST 10/18/2013	4,565.03	POSTED	C	10/21/2013
1010	10/18/2013	DEPOSIT	000002	DAILY PAYMENT POSTING - ADJ	384.09CR	POSTED	U	10/18/2013
1010	10/21/2013	DEPOSIT		CREDIT CARD 10/21/2013	104.78	POSTED	C	10/22/2013
1010	10/21/2013	DEPOSIT	000001	DAILY PAYMENT POSTING - ADJ	183.38CR	POSTED	U	10/21/2013
1010	10/22/2013	DEPOSIT		CREDIT CARD 10/22/2013	460.47	POSTED	C	10/25/2013
1010	10/22/2013	DEPOSIT	000001	REGULAR DAILY POST 10/22/2013	2,394.08	POSTED	C	10/22/2013
1010	10/23/2013	DEPOSIT		CREDIT CARD 10/23/2013	217.00	POSTED	C	10/28/2013
1010	10/23/2013	DEPOSIT	000001	REGULAR DAILY POST 10/23/2013	173.98	POSTED	C	10/23/2013
1010	10/23/2013	DEPOSIT	000002	DAILY PAYMENT POSTING - ADJ	138.75CR	POSTED	U	10/23/2013
1010	10/24/2013	DEPOSIT		CREDIT CARD 10/24/2013	299.26	POSTED	C	10/29/2013
1010	10/24/2013	DEPOSIT	000001	REGULAR DAILY POST 10/24/2013	383.72	POSTED	C	10/25/2013
1010	10/25/2013	DEPOSIT		REGULAR DAILY POST 10/25/2013	767.85	POSTED	C	10/28/2013
1010	10/25/2013	DEPOSIT	000001	DAILY PAYMENT POSTING - ADJ	228.88CR	POSTED	U	10/25/2013
1010	10/28/2013	DEPOSIT		CREDIT CARD 10/28/2013	184.81	POSTED	C	10/30/2013
1010	10/28/2013	DEPOSIT	000001	CREDIT CARD 10/28/2013	519.25	POSTED	C	10/31/2013
1010	10/28/2013	DEPOSIT	000002	REGULAR DAILY POST 10/28/2013	17,274.02	POSTED	C	10/29/2013
1010	10/29/2013	DEPOSIT		REGULAR DAILY POST 10/29/2013	529.27	POSTED	C	10/30/2013
1010	10/30/2013	DEPOSIT		CREDIT CARD 10/30/2013	372.42	CLEARED	C	11/01/2013
1010	10/30/2013	DEPOSIT	000001	CREDIT CARD 10/30/2013	262.80	CLEARED	C	11/04/2013
1010	10/31/2013	DEPOSIT		CREDIT CARD 10/31/2013	1,055.14	CLEARED	C	11/05/2013
1010	10/31/2013	DEPOSIT	000001	REGULAR DAILY POST 10/31/2013	1,944.80	CLEARED	C	11/01/2013
1010	10/31/2013	DEPOSIT	000002	CREDIT CARD 10/31/2013	74.26	CLEARED	C	11/05/2013
MISCELLANEOUS:								
1010	10/04/2013	MISC.		PAYROLL DIRECT DEPOSIT	20,580.91CR	POSTED	P	10/04/2013
1010	10/16/2013	MISC.		PAYROLL DIRECT DEPOSIT	92.35CR	POSTED	P	10/16/2013
1010	10/18/2013	MISC.		PAYROLL DIRECT DEPOSIT	18,773.60CR	POSTED	P	10/18/2013
1010	10/18/2013	MISC.	031362	ADVANCED SECURITY SYSTEMVOIDED	528.00	VOIDED	A	10/18/2013
SERVICE CHARGE:								
1010	10/01/2013	SERV-CHG		September 2013 ETS Fees	544.57CR	POSTED	G	10/02/2013
1010	10/01/2013	SERV-CHG	000001	September 2013 ETS Fees	341.75CR	POSTED	G	10/02/2013
1010	10/01/2013	SERV-CHG	000002	September 2013 ETS Fees	207.12CR	POSTED	G	10/02/2013
1010	10/01/2013	SERV-CHG	000003	September 2013 Analysis Fees	337.32CR	POSTED	G	10/15/2013

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CHECK RECONCILIATION REGISTER

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

CHECK DATE: 10/01/2013 THRU 10/31/2013
CLEAR DATE: 0/00/0000 THRU 99/99/9999
STATEMENT: 0/00/0000 THRU 99/99/9999
VOIDED DATE: 0/00/0000 THRU 99/99/9999
AMOUNT: 0.00 THRU 999,999,999.99
CHECK NUMBER: 000000 THRU 999999

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT----	STATUS	FOLIO	CLEAR DATE
TOTALS FOR ACCOUNT 1010				CHECK	TOTAL: 124,110.87CR			
				DEPOSIT	TOTAL: 121,916.25			
				INTEREST	TOTAL: 0.00			
				MISCELLANEOUS	TOTAL: 38,918.86CR			
				SERVICE CHARGE	TOTAL: 1,430.76CR			
				EFT	TOTAL: 0.00			
				BANK-DRAFT	TOTAL: 9,181.33CR			
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL: 124,110.87CR			
				DEPOSIT	TOTAL: 121,916.25			
				INTEREST	TOTAL: 0.00			
				MISCELLANEOUS	TOTAL: 38,918.86CR			
				SERVICE CHARGE	TOTAL: 1,430.76CR			
				EFT	TOTAL: 0.00			
				BANK-DRAFT	TOTAL: 9,181.33CR			

ACCOUNTS PAYABLE
 DISBURSEMENT REPORT

SORTED BY CHECK

VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-1722	US DEPARTMENT OF THE TREA	000000	9,181.33	N	120 2091	FIT PAYABLE	3,569.21
					120 2093	SOCIAL SECURITY PAYABL	21.91
					120 2094	MEDICARE PAYABLE	437.05
					120 5-00-5010	SALARY & WAGES	0.96
					120 5-10-5010	SALARIES & WAGES	187.72
					120 5-20-5010	SALARIES & WAGES	50.45
					120 5-30-5010	SALARIES & WAGES	216.47
					120 5-40-5010	DIRECTORS COMPENSATION	3.44
					130 2091	FIT PAYABLE	3,790.04
					130 2093	SOCIAL SECURITY PAYABL	22.54
					130 2094	MEDICARE PAYABLE	429.54
					130 5-00-5010	SALARY & WAGES	0.96
					130 5-10-5010	SALARIES & WAGES	187.69
					130 5-20-5010	SALARIES & WAGES	50.47
					130 5-30-5010	SALARIES & WAGES	208.67
					130 5-40-5010	DIRECTORS COMPENSATION	4.21
01-2732	MIKE PODLECK - AQUATIC EC	031297	1,680.00	Y	130 5-00-5123	OTHER PROFESSIONAL SER	1,680.00
01-2823	GARDENS BY JILLIAN	031298	200.00	N	120 5-00-5155	MAINT BLDG & GROUNDS	100.00
					130 5-00-5155	MAINT BLDG & GROUNDS	100.00
01-2788	GHD	031299	4,423.50	N	130 5-00-5122	ENGINEERING SERVICES	4,423.50
01-2684	OFFICE DEPOT	031300	279.91	N	120 5-10-5090	OFFICE SUPPLIES	128.87
					120 5-30-5090	OFFICE SUPPLIES	11.10
					130 5-10-5090	OFFICE SUPPLIES	128.84
					130 5-30-5090	OFFICE SUPPLIES	11.10
01-2585	TYLER TECHNOLOGY	031301	121.00	N	120 5-00-5110	CONTRACTUAL SERVICES	60.50
					130 5-00-5110	CONTRACTUAL SERVICES	60.50
01-2820	ALPHA ANALYTICAL LABORATO	031302	1,074.50	N	120 5-00-5195	ENV/MONITORING	282.00
					130 5-00-5195	ENV/MONITORING	792.50
01-2101	ANALYTICAL SCIENCES	031303	1,609.50	Y	120 5-00-5195	ENV/MONITORING	804.75
					130 5-00-5195	ENV/MONITORING	804.75
01-2057	BARTLEY PUMP, INC.	031304	1,823.56	N	130 5-00-5150	REPAIR & REPLACE	1,823.56
01-47	BRELJE AND RACE LABS, INC	031305	716.70	N	120 5-00-5195	ENV/MONITORING	716.70
01-2431	CNH CAPITAL	031306	51.09	N	130 5-00-5150	REPAIR & REPLACE	51.09
01-112	EEL RIVER FUELS, INC.	031307	2,056.87	N	120 5-00-5060	GASOLINE, OIL & FUEL	1,028.44
					130 5-00-5060	GASOLINE, OIL & FUEL	1,028.43
01-2427	GRANITE CONSTRUCTION	031308	136.83	N	130 5-00-5150	REPAIR & REPLACE	136.83
01-137	MENZIO TIRE SERVICE	031309	10.00	N	120 5-00-5061	VEHICLE MAINT	5.00
					130 5-00-5061	VEHICLE MAINT	5.00
01-2702	PACE SUPPLY CORP	031310	542.77	N	130 5-00-5150	REPAIR & REPLACE	542.77

ACCOUNTS PAYABLE
 DISBURSEMENT REPORT

SORTED BY CHECK

VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2195	TELSTAR INSTRUMENTS, INC	031311	1,502.44	N	120 1286 120 5-00-5150 130 5-00-5150	FIELD EQUIPMENT REPAIR & REPLACE REPAIR & REPLACE	540.00 76.22 886.22
01-1751	USA BLUE BOOK	031312	933.22	N	120 5-00-5148 130 5-00-5150	OPERATING SUPPLIES REPAIR & REPLACE	90.60 842.62
01-21	CALIFORNIA PUBLIC EMPLOYE	031313	8,368.12	N	120 2088 120 2090 120 5-00-5021 120 5-10-5021 120 5-20-5021 120 5-30-5021 130 2088 130 2090 130 5-00-5021 130 5-10-5021 130 5-20-5021 130 5-30-5021	SURVIVOR BENEFITS - PE PERS PAYABLE RETIREMENT BENEFITS RETIREMENT BENEFITS RETIREMENT BENEFITS RETIREMENT BENEFITS SURVIVOR BENEFITS - PE PERS PAYABLE RETIREMENT BENEFITS RETIREMENT BENEFITS RETIREMENT BENEFITS RETIREMENT BENEFITS	5.57 1,341.28 6.88 1,162.34 358.28 1,340.42 5.59 1,324.20 6.88 1,162.33 358.26 1,296.09
01-11	STATE OF CALIFORNIA EMPLO	031314	1,435.87	N	120 2092 120 2095 120 5-30-5020 130 2092 130 2095 130 5-30-5020	CIT PAYABLE S D I PAYABLE EMPLOYEE BENEFITS CIT PAYABLE S D I PAYABLE EMPLOYEE BENEFITS	532.95 154.03 2.42 593.29 150.74 2.44
01-1530	VARIABLE ANNUITY LIFE INS	031315	250.00	N	120 2099 130 2099	DEFERRED COMP - 457 PL DEFERRED COMP - PLAN 4	125.00 125.00
01-2820	ALPHA ANALYTICAL LABORATO	031316	654.00	N	120 5-00-5195	ENV/MONITORING	654.00
01-64	CLEARLAKE MACHINE SHOP, I	031317	28.65	N	130 5-00-5150	REPAIR & REPLACE	28.65
01-2667	COUNTY OF LAKE SOLID WAST	031318	6.92	N	120 5-00-5155 130 5-00-5155	MAINT BLDG & GROUNDS MAINT BLDG & GROUNDS	3.46 3.46
01-2538	HARDESTER'S MARKETS & HAR	031319	8.87	N	120 5-00-5150	REPAIR & REPLACE	8.87
01-2678	KATHY FOWLER CHRYSLER - J	031320	25.79	N	120 5-00-5061	VEHICLE MAINT	25.79
01-137	MENZIO TIRE SERVICE	031321	10.00	N	130 5-00-5061	VEHICLE MAINT	10.00
01-2702	PACE SUPPLY CORP	031322	9,897.96	N	130 5-00-5150	REPAIR & REPLACE	9,897.96
01-1751	USA BLUE BOOK	031323	706.15	N	120 5-00-5150 130 5-00-5150	REPAIR & REPLACE REPAIR & REPLACE	353.07 353.08
01-1961	ACWA/JPIA	031324	1,097.68	N	120 5-10-5020 120 5-20-5020 120 5-30-5020 130 5-10-5020 130 5-20-5020 130 5-30-5020	EMPLOYEE BENEFITS EMPLOYEE BENEFITS EMPLOYEE BENEFITS EMPLOYEE BENEFITS EMPLOYEE BENEFITS EMPLOYEE BENEFITS	164.70 95.85 219.76 185.98 117.13 314.26

ACCOUNTS PAYABLE
 DISBURSEMENT REPORT

SORTED BY CHECK

VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2283	ARMED FORCE PEST CONTROL,	031325	180.00	N	120 5-00-5155 130 5-00-5155	MAINT BLDG & GROUNDS MAINT BLDG & GROUNDS	90.00 90.00
01-8	AT&T	031326	59.87	N	120 5-00-5191 130 5-00-5191	TELEPHONE TELEPHONE	29.94 29.93
01-78	DEPT OF PUBLIC HEALTH DRI	031327	5,752.78	N	130 5-00-5198	ANNUAL OPERATING FEES	5,752.78
01-2620	LAKE COUNTY TAX COLLECTOR	031328	37.50	N	130 5-00-5062	TAXES & LIC	37.50
01-2620	LAKE COUNTY TAX COLLECTOR	031329	37.50	N	130 5-00-5062	TAXES & LIC	37.50
01-2620	LAKE COUNTY TAX COLLECTOR	031330	37.50	N	130 5-00-5062	TAXES & LIC	37.50
01-2620	LAKE COUNTY TAX COLLECTOR	031331	35.00	N	130 5-00-5062	TAXES & LIC	35.00
01-2620	LAKE COUNTY TAX COLLECTOR	031332	435.94	N	130 5-00-5062	TAXES & LIC	435.94
01-2620	LAKE COUNTY TAX COLLECTOR	031333	35.00	N	130 5-00-5062	TAXES & LIC	35.00
01-2620	LAKE COUNTY TAX COLLECTOR	031334	37.50	N	130 5-00-5062	TAXES & LIC	37.50
01-2620	LAKE COUNTY TAX COLLECTOR	031335	37.50	N	130 5-00-5062	TAXES & LIC	37.50
01-2620	LAKE COUNTY TAX COLLECTOR	031336	35.00	N	130 5-00-5062	TAXES & LIC	35.00
01-2620	LAKE COUNTY TAX COLLECTOR	031337	37.50	N	130 5-00-5062	TAXES & LIC	37.50
01-2620	LAKE COUNTY TAX COLLECTOR	031338	41.98	N	130 5-00-5062	TAXES & LIC	41.98
01-2620	LAKE COUNTY TAX COLLECTOR	031339	37.50	N	130 5-00-5062	TAXES & LIC	37.50
01-2620	LAKE COUNTY TAX COLLECTOR	031340	37.50	N	130 5-00-5062	TAXES & LIC	37.50
01-2620	LAKE COUNTY TAX COLLECTOR	031341	37.50	N	130 5-00-5062	TAXES & LIC	37.50
01-2620	LAKE COUNTY TAX COLLECTOR	031342	37.50	N	130 5-00-5062	TAXES & LIC	37.50
01-2620	LAKE COUNTY TAX COLLECTOR	031343	37.50	N	130 5-00-5062	TAXES & LIC	37.50
01-1392	MEDIACOM	031344	282.47	N	120 5-00-5110 130 5-00-5110	CONTRACTUAL SERVICES CONTRACTUAL SERVICES	141.24 141.23
01-2754	MERRILL, ARNONE & JONES,	031345	105.00	Y	120 5-00-5121 130 5-00-5121	LEGAL SERVICES LEGAL SERVICES	52.50 52.50
01-2699	MICHELLE HAMILTON	031346	625.00	Y	120 5-00-5110 130 5-00-5110	CONTRACTUAL SERVICES CONTRACTUAL SERVICES	312.50 312.50
01-2054	QSI 2011, INC.	031347	2,000.00	N	120 5-00-5110 130 5-00-5110	CONTRACTUAL SERVICES CONTRACTUAL SERVICES	1,000.00 1,000.00
01-2700	REDFORD SERVICES	031348	950.00	Y	120 5-00-5110 130 5-00-5110	CONTRACTUAL SERVICES CONTRACTUAL SERVICES	475.00 475.00

ACCOUNTS PAYABLE
 DISBURSEMENT REPORT

SORTED BY CHECK

VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-1705	SPECIAL DISTRICT RISK MAN	031349	25,253.03	N	120 5-00-5025	RETIREE HEALTH BENEFIT	849.92
					120 5-10-5020	EMPLOYEE BENEFITS	1,681.40
					120 5-20-5020	EMPLOYEE BENEFITS	1,782.15
					120 5-30-5020	EMPLOYEE BENEFITS	4,726.30
					120 5-40-5030	DIRECTOR HEALTH BENEFIT	3,486.02
					130 5-00-5025	RETIREE HEALTH BENEFIT	849.91
					130 5-10-5020	EMPLOYEE BENEFITS	1,882.89
					130 5-20-5020	EMPLOYEE BENEFITS	1,782.14
					130 5-30-5020	EMPLOYEE BENEFITS	4,726.29
					130 5-40-5030	DIRECTOR HEALTH BENEFIT	3,486.01
01-1659	WAGNER & BONSIGNORE	031350	4,215.00	N	130 5-00-5123	OTHER PROFESSIONAL SER	4,215.00
01-1	MISCELLANEOUS VENDOR	031353	162.97		130 1052	ACCTS REC WATER USE	162.97
01-1	MISCELLANEOUS VENDOR	031354	157.14		130 1052	ACCTS REC WATER USE	157.14
01-21	CALIFORNIA PUBLIC EMPLOYE	031355	8,121.30	N	120 2088	SURVIVOR BENEFITS - PE	5.07
					120 2090	PERS PAYABLE	1,223.81
					120 5-00-5021	RETIREMENT BENEFITS	6.82
					120 5-10-5021	RETIREMENT BENEFITS	1,162.34
					120 5-20-5021	RETIREMENT BENEFITS	358.34
					120 5-30-5021	RETIREMENT BENEFITS	1,305.75
					130 2088	SURVIVOR BENEFITS - PE	5.16
					130 2090	PERS PAYABLE	1,222.99
					130 5-00-5021	RETIREMENT BENEFITS	6.82
					130 5-10-5021	RETIREMENT BENEFITS	1,162.33
					130 5-20-5021	RETIREMENT BENEFITS	358.32
					130 5-30-5021	RETIREMENT BENEFITS	1,303.55
01-11	STATE OF CALIFORNIA EMPLO	031356	1,269.64	N	120 2092	CIT PAYABLE	469.57
					120 2095	S D I PAYABLE	136.82
					130 2092	CIT PAYABLE	528.38
					130 2095	S D I PAYABLE	134.87
01-1530	VARIABLE ANNUITY LIFE INS	031357	250.00	N	120 2099	DEFERRED COMP - 457 PL	125.00
					130 2099	DEFERRED COMP - PLAN 4	125.00
01-2820	ALPHA ANALYTICAL LABORATO	031358	562.00	N	120 5-00-5195	ENV/MONITORING	334.00
					130 5-00-5195	ENV/MONITORING	228.00
01-2541	MENDO MILL CLEARLAKE	031359	312.04	N	130 5-00-5312	TOOLS - FIELD	312.04
01-2702	PACE SUPPLY CORP	031360	372.22	N	130 5-00-5150	REPAIR & REPLACE	372.22
01-2598	VERIZON WIRELESS	031361	710.14	N	120 5-00-5191	TELEPHONE	355.07
					130 5-00-5191	TELEPHONE	355.07
01-8	AT&T	031363	816.97	N	120 5-00-5191	TELEPHONE	408.49
					130 5-00-5191	TELEPHONE	408.48
01-2111	DATAPROSE	031364	1,319.98	N	120 5-00-5110	CONTRACTUAL SERVICES	659.99
					130 5-00-5110	CONTRACTUAL SERVICES	659.99

ACCOUNTS PAYABLE
 DISBURSEMENT REPORT

SORTED BY CHECK

VENDOR	NAME	CHECK #	TOTAL AMOUNT	G/L		G/L NAME	G/L AMOUNT
				1099	ACCT NO#		
01-2684	OFFICE DEPOT	031365	144.91	N	120 5-10-5090 130 5-10-5090	OFFICE SUPPLIES OFFICE SUPPLIES	72.46 72.45
01-2638	RICOH AMERICAS CORPORATIO	031366	944.46	N	120 5-10-5090 130 5-10-5090	OFFICE SUPPLIES OFFICE SUPPLIES	472.23 472.23
01-1579	SOUTH LAKE REFUSE COMPANY	031367	163.92	Y	120 5-00-5155 130 5-00-5155	MAINT BLDG & GROUNDS MAINT BLDG & GROUNDS	81.96 81.96
01-2585	TYLER TECHNOLOGY	031368	4,530.21	N	120 5-00-5110 130 5-00-5110	CONTRACTUAL SERVICES CONTRACTUAL SERVICES	2,265.11 2,265.10
01-1	MISCELLANEOUS VENDOR	031369	1,764.00	N	120 5-00-5150 130 5-00-5150	REPAIR & REPLACE REPAIR & REPLACE	882.00 882.00
01-1723	ADVANCED ELECTRONIC SECUR	031370	528.00	Y	120 5-00-5110 130 5-00-5110	CONTRACTUAL SERVICES CONTRACTUAL SERVICES	264.00 264.00
01-2816	CARDMEMBER SERVICE	031371	3,792.35	N	120 5-00-5092 120 5-00-5148 120 5-00-5179 120 5-10-5090 120 5-10-5175 120 5-30-5090 120 5-30-5175 130 5-00-5092 130 5-00-5148 130 5-00-5179 130 5-10-5090 130 5-10-5175 130 5-30-5090 130 5-30-5175	POSTAGE & SHIPPING OPERATING SUPPLIES ADM MISC EXPENSE OFFICE SUPPLIES EDUCATION / SEMINARS OFFICE SUPPLIES EDUCATION / SEMINARS POSTAGE & SHIPPING OPERATING SUPPLIES ADM MISC EXPENSE OFFICE SUPPLIES EDUCATION / SEMINARS OFFICE SUPPLIES EDUCATION / SEMINARS	461.10 146.44 29.57 56.09 512.50 9.95 1,327.98 461.10 14.03 29.56 56.08 228.00 9.95 450.00
01-1002	PETTY CASH REIMBURSEMENT	031372	291.69	N	120 5-00-5060 120 5-00-5545 130 5-00-5060 130 5-00-5092 130 5-00-5545 130 5-30-5175	GASOLINE, OIL & FUEL RECORDING FEES GASOLINE, OIL & FUEL POSTAGE & SHIPPING RECORDING FEES EDUCATION / SEMINARS	10.91 43.00 10.91 26.58 43.00 157.29
01-2820	ALPHA ANALYTICAL LABORATO	031373	570.00	N	120 5-00-5195 130 5-00-5195	ENV/MONITORING ENV/MONITORING	506.00 64.00
01-1619	CUMMINS WEST INC.	031374	2,116.20	N	120 5-00-5150	REPAIR & REPLACE	2,116.20
01-112	EEL RIVER FUELS, INC.	031375	777.98	N	120 5-00-5060 130 5-00-5060	GASOLINE, OIL & FUEL GASOLINE, OIL & FUEL	388.99 388.99
01-2427	GRANITE CONSTRUCTION	031376	55.47	N	130 5-00-5150	REPAIR & REPLACE	55.47
01-2787	INDUSTRIAL ELECTRIC MOTOR	031377	1,454.18	N	120 5-00-5150	REPAIR & REPLACE	1,454.18
01-2541	MENDO MILL CLEARLAKE	031378	18.35	N	120 5-00-5148 130 5-00-5148	OPERATING SUPPLIES OPERATING SUPPLIES	9.18 9.17

ACCOUNTS PAYABLE
 DISBURSEMENT REPORT

SORTED BY CHECK

VENDOR	NAME	CHECK #	TOTAL AMOUNT	1099	G/L ACCT NO#	G/L NAME	G/L AMOUNT
01-2195	TELSTAR INSTRUMENTS, INC	031379	8,869.15	N	120 1286 120 5-00-5150	FIELD EQUIPMENT REPAIR & REPLACE	8,586.90 282.25
01-1	MISCELLANEOUS VENDOR	031380	151.34		130 1052	ACCTS REC WATER USE	151.34
01-1	MISCELLANEOUS VENDOR	031381	84.38		130 1052	ACCTS REC WATER USE	84.38
	1099 ELIGIBLE	7	5,661.42				
	1099 EXEMPT	76	<u>123,901.37</u>				
***	REPORT TOTALS ***	83	129,562.79				

G / L EXPENSE DISTRIBUTION

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
120 1286	FIELD EQUIPMENT	9,126.90
120 2088	SURVIVOR BENEFITS - PERS	10.64
120 2090	PERS PAYABLE	2,565.09
120 2091	FIT PAYABLE	3,569.21
120 2092	CIT PAYABLE	1,002.52
120 2093	SOCIAL SECURITY PAYABLE	21.91
120 2094	MEDICARE PAYABLE	437.05
120 2095	S D I PAYABLE	290.85
120 2099	DEFERRED COMP - 457 PLAN	250.00
120 5-00-5010	SALARY & WAGES	0.96
120 5-00-5021	RETIREMENT BENEFITS	13.70
120 5-00-5025	RETIREE HEALTH BENEFITS	849.92
120 5-00-5060	GASOLINE, OIL & FUEL	1,428.34
120 5-00-5061	VEHICLE MAINT	30.79
120 5-00-5092	POSTAGE & SHIPPING	461.10
120 5-00-5110	CONTRACTUAL SERVICES	5,178.34
120 5-00-5121	LEGAL SERVICES	52.50
120 5-00-5148	OPERATING SUPPLIES	246.22
120 5-00-5150	REPAIR & REPLACE	5,172.79
120 5-00-5155	MAINT BLDG & GROUNDS	275.42
120 5-00-5179	ADM MISC EXPENSE	29.57
120 5-00-5191	TELEPHONE	793.50
120 5-00-5195	ENV/MONITORING	3,297.45
120 5-00-5545	RECORDING FEES	43.00

ACCOUNTS PAYABLE
DISBURSEMENT REPORT

SORTED BY CHECK

G/L EXPENSE DISTRIBUTION

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
120 5-10-5010	SALARIES & WAGES	187.72
120 5-10-5020	EMPLOYEE BENEFITS	1,846.10
120 5-10-5021	RETIREMENT BENEFITS	2,324.68
120 5-10-5090	OFFICE SUPPLIES	729.65
120 5-10-5175	EDUCATION / SEMINARS	512.50
120 5-20-5010	SALARIES & WAGES	50.45
120 5-20-5020	EMPLOYEE BENEFITS	1,878.00
120 5-20-5021	RETIREMENT BENEFITS	716.62
120 5-30-5010	SALARIES & WAGES	216.47
120 5-30-5020	EMPLOYEE BENEFITS	4,948.48
120 5-30-5021	RETIREMENT BENEFITS	2,646.17
120 5-30-5090	OFFICE SUPPLIES	21.05
120 5-30-5175	EDUCATION / SEMINARS	1,327.98
120 5-40-5010	DIRECTORS COMPENSATION	3.44
120 5-40-5030	DIRECTOR HEALTH BENEFITS	3,486.02
	** FUND TOTAL **	56,043.10
130 1052	ACCTS REC WATER USE	555.83
130 2088	SURVIVOR BENEFITS - PERS	10.75
130 2090	PERS PAYABLE	2,547.19
130 2091	FIT PAYABLE	3,790.04
130 2092	CIT PAYABLE	1,121.67
130 2093	SOCIAL SECURITY PAYABLE	22.54
130 2094	MEDICARE PAYABLE	429.54
130 2095	S D I PAYABLE	285.61
130 2099	DEFERRED COMP - PLAN 457 PAYAB	250.00
130 5-00-5010	SALARY & WAGES	0.96
130 5-00-5021	RETIREMENT BENEFITS	13.70
130 5-00-5025	RETIREE HEALTH BENEFITS	849.91
130 5-00-5060	GASOLINE, OIL & FUEL	1,428.33
130 5-00-5061	VEHICLE MAINT	15.00
130 5-00-5062	TAXES & LIC	995.42
130 5-00-5092	POSTAGE & SHIPPING	487.68
130 5-00-5110	CONTRACTUAL SERVICES	5,178.32
130 5-00-5121	LEGAL SERVICES	52.50
130 5-00-5122	ENGINEERING SERVICES	4,423.50
130 5-00-5123	OTHER PROFESSIONAL SERVICES	5,895.00
130 5-00-5148	OPERATING SUPPLIES	23.20
130 5-00-5150	REPAIR & REPLACE	15,872.47
130 5-00-5155	MAINT BLDG & GROUNDS	275.42
130 5-00-5179	ADM MISC EXPENSE	29.56
130 5-00-5191	TELEPHONE	793.48
130 5-00-5195	ENV/MONITORING	1,889.25
130 5-00-5198	ANNUAL OPERATING FEES	5,752.78
130 5-00-5312	TOOLS - FIELD	312.04
130 5-00-5545	RECORDING FEES	43.00
130 5-10-5010	SALARIES & WAGES	187.69

A C C O U N T S P A Y A B L E
D I S B U R S E M E N T R E P O R T

SORTED BY CHECK

G/L EXPENSE DISTRIBUTION

ACCOUNT NUMBER	ACCOUNT NAME	AMOUNT
130 5-10-5020	EMPLOYEE BENEFITS	2,068.87
130 5-10-5021	RETIREMENT BENEFITS	2,324.66
130 5-10-5090	OFFICE SUPPLIES	729.60
130 5-10-5175	EDUCATION / SEMINARS	228.00
130 5-20-5010	SALARIES & WAGES	50.47
130 5-20-5020	EMPLOYEE BENEFITS	1,899.27
130 5-20-5021	RETIREMENT BENEFITS	716.58
130 5-30-5010	SALARIES & WAGES	208.67
130 5-30-5020	EMPLOYEE BENEFITS	5,042.99
130 5-30-5021	RETIREMENT BENEFITS	2,599.64
130 5-30-5090	OFFICE SUPPLIES	21.05
130 5-30-5175	EDUCATION / SEMINARS	607.29
130 5-40-5010	DIRECTORS COMPENSATION	4.21
130 5-40-5030	DIRECTOR HEALTH BENEFITS	3,486.01
	** FUND TOTAL **	73,519.69

** TOTAL ** 129,562.79

NO ERRORS

SELECTION CRITERIA

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

TRANSACTION SELECTION

REPORTING: PAID ITEMS ,G/L DIST

	=====PAYMENT DATES=====	=====ITEM DATES=====	=====POSTING DATES=====
PAID ITEMS DATES	: 10/01/2013 THRU 10/31/2013	0/00/0000 THRU 99/99/9999	0/00/0000 THRU 99/99/9999

PRINT OPTIONS

REPORT SEQUENCE: CHECK
G/L EXPENSE DISTRIBUTION: YES
CHECK RANGE: 000000 THRU 999999

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

DATE: November 19, 2013

AGENDA ITEM: Approval of revised District Mission Statement

RECOMMENDATIONS:

Adopt the following District Mission Statement:

“The Mission of the Hidden Valley Lake Community Services District is to effectively and innovatively manage the natural resources with which the District is entrusted; to provide reliable, safe, high-quality water and wastewater services in an economically and environmentally responsible manner”

FINANCIAL IMPACT:

None

BACKGROUND:

During the Board’s May 16, 2013 Strategic Planning Workshop the Board reviewed the District’s current Mission Statement:

“The Mission of the Hidden Valley Lake Community Services District is to manage the natural resources with which the District is entrusted; to provide reliable, safe, high-quality water and wastewater services in an economically and environmentally responsible manner”

After discussion, it was the consensus of the Board that the words “effectively and innovatively” be added, and the Mission Statement changed as follows:

*“The Mission of the Hidden Valley Lake Community Services District is to **effectively and innovatively** manage the natural resources with which the District is entrusted; to provide reliable, safe, high-quality water and wastewater services in an economically and environmentally responsible manner”*

Staff recommends that the Board formally adopt the Mission Statement revisions discussed at the May 16, 2013 Strategic Planning Workshop.

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

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

Ayes:

Noes:

Abstain:

Absent

Secretary to the Board

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

DATE: November 19, 2013

AGENDA ITEM: Authorization to purchase replacement air conditioning/heating unit for field operations office

RECOMMENDATIONS:

Authorize staff to purchase replacement air conditioning/heating unit for field operations office.

FINANCIAL IMPACT:

Approximately \$4,450. Sufficient funding is available in the 120-5150 and 130-5150 accounts.

BACKGROUND:

The air conditioning/heating unit at the field operations office has reached the end of its design life and is failing. A contractor was initially retained to repair the unit, which he was somewhat successful in doing. However, in view of the unit's age and condition, the contractor concluded that in the long-term it would be more economical for the District to replace the unit, rather than repeatedly repair it. Staff solicited and received the following three bids for replacement of the air conditioning/heating unit:

Pure Air H.V.A.C Indoor Air Quality Specialists	\$3,900.00
Mark Heating and Cooling	\$3,705.29
Cool Air Conditioning & Heating, Inc.	\$3,599.00

The permitting fees are not included in the bid. According to the County of Lake the fees will be \$475.00. Staff is recommending adding an additional \$550.00 to cover permits and Contractor's time to obtain the permits.

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

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

Ayes:

Noes:

Abstain:

Absent

Secretary to the Board

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

DATE: November 19, 2013

AGENDA ITEM: Adoption of Resolution 2013-15 confirming health insurance benefit eligibility for Board members and their families

RECOMMENDATIONS:

Adopt Resolution 2013-15 confirming health insurance benefit eligibility for Board members and their families.

FINANCIAL IMPACT:

None. Sufficient funds are available, proposed Resolution memorializes current budget assumptions.

BACKGROUND:

Many but not all public agencies provide health insurance to their Board of Directors, and in some instances, their respective family members. Since 2005 the District has provided health, but not dental or vision insurance to Board members. Historically, the District's Board members have been older individuals with adult children and a spouse, or single without dependents. Consequently, to date there has never been an instance when the District provided a Board member with health insurance that included coverage for a Board member dependent or domestic partner. Currently, there is no District policy or adopted resolution confirming or excluding Board member dependents or domestic partners from District provided health insurance coverage. The proposed resolution is intended to confirm and clarify District health insurance benefit eligibility for Board members and their families.

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

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

Ayes:

Noes:

Abstain:

Absent

Secretary to the Board

RESOLUTION 2013-15

**RESOLUTION OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS CONFIRMING HEALTH INSURANCE BENEFIT
ELIGIBILITY FOR BOARD MEMBERS AND THEIR FAMILIES**

WHEREAS, the Hidden Valley Lake Community Services District (District) provides health, dental and vision insurance to its employees and their families; and

WHEREAS, since 2004 the District has pursuant to California Government Code Sections 53200 – 53210 provided health insurance to Active Board Members and their spouses; and

WHEREAS, there is currently no policy confirming or excluding Active Board Member dependents or domestic partners from District provided health coverage; and

WHEREAS, clarification of health insurance benefit eligibility for Active Board Members and their dependents or domestic partners is needed for budgetary purposes.

NOW, THEREFORE, BE IT RESOLVED that the Hidden Valley Lake Community Services District will provide health insurance coverage to each Active Board Member and one of their respective family members (a spouse, domestic partner, or one dependent); and

BE IT FURTHER RESOLVED that the health insurance provided to Active Board Members and their families by the District shall not exceed the level of insurance benefits provided by the District to its regular full-time employees.

PASSED AND ADOPTED on November 19, 2013 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Judy Mirbegian
President of the Board of Directors

ATTEST:

Roland Sanford
Secretary to the Board of Directors

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

DATE: November 19, 2013

AGENDA ITEM: Authorization for Board Member Attendance at Fall ACWA Conference in Los Angeles, California

RECOMMENDATIONS:

Authorize Director Herndon to attend the Fall ACWA Conference on behalf of the District

FINANCIAL IMPACT:

Approximately \$1,000. Sufficient funding is available in the Director Training accounts (120-5176 and 130-5176)

BACKGROUND:

The Association of California Water Agencies (ACWA) annual fall conference will be held on December 3 through December 6 in Los Angeles. Director Herndon is requesting Board authorization to attend the conference on behalf of the District.

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

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

Ayes:

Noes:

Abstain:

Absent

Secretary to the Board



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
PERSONNEL COMMITTEE REPORT
MEETING DATE: NOVEMBER 12, 2013**

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

Director Mirbegan
Director Herndon
General Manager Roland Sanford
Administrative Assistant Tami Ipsen

CALL TO ORDER

The meeting was called to order at 3:00 p.m. by Director Mirbegan.

APPROVAL OF AGENDA

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

**REVIEW OF SEPTEMBER 30, 2013 CPS HR CONSULTING SLARY SURVEY
REPORT AND EMPLOYEE COMPENSATION**

The committee discussed, but did not reach any conclusions regarding the appropriate interpretations or applications of the CPS HR Consulting Salary Survey results. After extensive discussion, the committee directed Mr. Sanford to review and propose changes to the existing District Compensation Policy for discussion at the next Personnel Committee meeting.

PUBLIC COMMENT

There were none.

ADJOURNMENT

On a motion made by Director Herndon and second by Director Mirbegan the Board voted unanimously to adjourn the meeting. The meeting was adjourned at 4:20 p.m.



**HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
SECURITY AND DISASTER PREPEAREDNESS PROGRAM COMMITTEE REPORT
MEETING DATE: OCTOBER 31, 2013**

The Hidden Valley Lake Community Services District Security and Disaster Preparedness Program Committee met at the District office located at 19400 Hartmann Road, in Hidden Valley Lake, California. Present were:

Director Herndon
Director Lieberman
General Manager Roland Sanford
Administrative Assistant Tami Ipsen

CALL TO ORDER

The meeting was called to order at 10:35 a.m. by Director Herndon.

APPROVAL OF AGENDA

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

REVIEW OF CSDA SAMPLE POLICIES 3005-3020

The committee reviewed CSDA Sample Policy 3005 (Emergency Preparedness) and concluded that a similar phrased policy would be desirable, and that once the scope of the Emergency Preparedness policy was established the committee would be in a better position to develop a work plan for 2014. It was agreed the committee would focus on the development of the Emergency Preparedness policy language at the next committee meeting.

**DEVELOPMENT OF CONTINGENCY POLICY FOR BUSINESS
CONTINUITY IN CASE OF DISASTER**

After a brief discussion the committee decided to postpone development of a contingency policy for business continuity.

INSTALLATION OF SECURITY CAMERAS

Mr. Sanford reported that staff intends to install security cameras at the District's Administration Office.

DEVELOPMENT OF 2014 CALENDAR YEAR COMMITTEE WORK PLAN

After a brief discussion, the committee decided to postpone development of a work plan for 2014.

PUBLIC COMMENT

No public comments.

ADJOURNMENT

On a motion made by Director Herndon and second by Director Liebermann the Board voted unanimously to adjourn the meeting. The meeting was adjourned at 11:40 a.m.



CSDA Webinar

EMERGENCY PREPAREDNESS AND RESPONSE

Wednesday
November 6, 2013

Maximizing Protection. Minimizing Risk.

Emergency Preparedness and Response

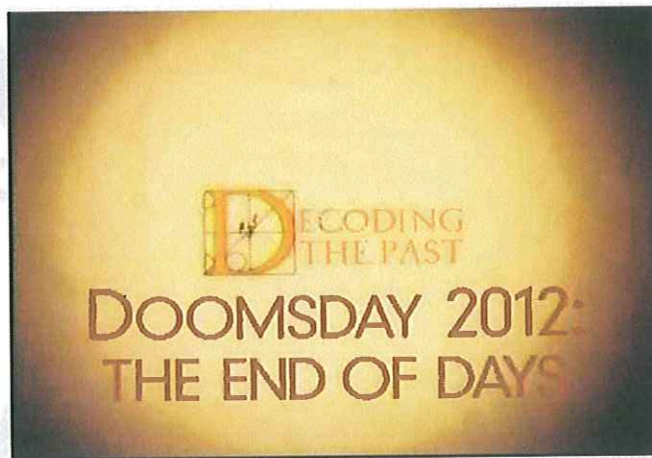
Presented By:

- * **Dennis Timoney**
SDRMA Chief Risk Officer
Dennis manages the Property/Liability and Workers' Compensation Claims Departments. In addition, Dennis supervises the Safety/Loss Prevention services for SDRMA.
- * Currently there are 466 members participating in the Property/Liability Program and 397 members participating in the Workers' Compensation Program.
- * Today's attendees will qualify for Credit Incentive Points.



Emergency Preparedness and Response

Is your agency ready for...?



SDRMA

Emergency Preparedness and Response

The size of a 'disaster' is relative to the damage it causes and where it occurs.

In the last few years California has experienced several types of 'Disasters' and in each case local and or state government responded differently.

- * Fire
- * Building/Structure Collapse
- * Earthquake
- * Weather Related
- * Windstorm
- * Utility Interruption
- * Landslide/Mudslide

SDRMA

Emergency Preparedness and Response

- * Up to 40% of businesses affected by a natural or human-caused disaster never reopen. (Source: Insurance Information Institute)
- * Customers expect delivery of products or services on time. If there is a significant delay, customers may go to a competitor.
- * Larger businesses are asking their suppliers about preparedness. They want to be sure that their supply chain is not interrupted. Failure to implement a preparedness program risks losing business to competitors who can demonstrate they have a plan.
- * Insurance is only a partial solution. It does not cover all losses and it will not replace customers.
- * Many disasters — natural or human-caused — may overwhelm the resources of even the largest public agencies. Or they may not be able to reach every facility in time.
- * News travels fast and perceptions often differ from reality. Businesses need to reach out to customers and other stakeholders quickly.



Emergency Preparedness and Response

- * Federal, state and local laws and regulations define minimum requirements for emergency management and business continuity.
- * Requirements may apply to industries that are part of our nation's "critical infrastructure." These industries range from financial services to energy. Regulations may require emergency planning, business continuity plans, information technology disaster recovery plans, cyber/information security, physical and operational security and other issues.
- * Other industries must comply with regulations because of their use of hazardous chemicals or their hazardous operations.



Emergency Preparedness and Response

- * Performance objectives are milestones on the path to achieving your risk management goals. Objectives should be developed for all aspects of the program. Include hazard prevention/deterrence, risk mitigation, emergency response and business continuity.
- * Consider goals and objectives for managing risk, investing in resources, establishing capabilities through training and exercising and complying with regulations. Consider both short-term objectives for the development of the program and long-term objectives that may require more significant planning or investment.



Emergency Preparedness and Response

Risk Management Objectives

- * Establish a program committee that includes wide participation from your agency.
- * Assess your current preparedness program.
- * Reach out to public emergency services and regulators. Ask for input.
- * Conduct a risk assessment to identify threat and hazard scenarios and significant loss potential.
- * Conduct a business impact analysis to identify the operational and financial impacts from an interruption or disruption of your business.
- * Identify opportunities for hazard prevention and risk mitigation.
- * Protect the safety of your employees by developing evacuation, sheltering and lockdown plans. Conduct employee training and drills.
- * Install an emergency generator to power the data center during a power outage.



Emergency Preparedness and Response

Plan for Your Risks

* There are actions that should be taken before, during and after an event that are unique to each hazard. Identify the hazards that have happened or could happen in your area and plan for the unique actions for each. Local Emergency management offices can help identify the hazards in your area and outline the local plans and recommendations for each. Share the hazard-specific information with family members and include pertinent materials in your family disaster plan.



Emergency Preparedness and Response

* Find out from county/state emergency management how you will be notified for each kind of disasters, both natural and man-made. You should also inquire about alerts and warning systems for workplace, schools and other locations. Methods of getting your attention vary from community to community. One common method is to broadcast via emergency radio and TV broadcasts. You might hear a special siren, or get a telephone call, or in rare circumstances, volunteers and emergency workers may go door-to-door.

* Depending upon the nature of the emergency and your circumstances, one of the first important decisions is whether to stay where you are or evacuate. You should understand and plan for both possibilities



Emergency Preparedness and Response

Risk Assessment

- * There are opportunities for program improvement following an actual incident. A critique should be conducted to assess the response to the incident. Lessons learned from incidents that occur within the community, within the business' industry or nationally can identify needs for preparedness program changes. Best practices and instructional guidance published by trade associations, professional societies, newsletters and government website can be resources to evaluate and improve your preparedness program.
- * Gaps and deficiencies identified during reviews should be recorded and addressed through a corrective action program. Reviews, evaluations and improvements should be documented and maintained on file.



Emergency Preparedness and Response

Agency Risk Management Plan

PERSONNEL

- * Complete list of names, address, contact number and primary family contact;
- * Organizational structure;
- * Computer passwords;
- * Communication list;
- * Records Retention;
- * Workers' Compensation contact information;
- * Benefits coordinator;
- * Insurance documents;
- * Evacuation Plans.



Emergency Preparedness and Response

Agency Risk Management Plan

Facilities/Vehicles

- * Complete inventory;
- * Photographs;
- * MSDS Listings;
- * Evacuation Plan;
- * Computer system backup;
- * Records retention;
- * Emergency communication list;
- * Vehicle listing.



Emergency Preparedness and Response

Continuation Plan

- * If your agency operations are forced to shut down..... by Government orders;

What happens to?

- * Operations;
- * Police/Fire operations;
- * Facilities;

- * Are the operations shut down?
- * Protocol / District policy / Emergency operations.
- * Relocation site.



Emergency Preparedness and Response

Thank you for your participation today.

For additional information contact Dennis Timoney at 800.537.7790 or email Dennis at dtimoney@sdrma.org.



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

1112 I Street, Suite 300
Sacramento, California 95814
Toll-free 800.537.7790
www.sdrma.org

A Proud California Special Districts
Alliance Partner



California Special
Districts Association
Districts Stronger Together

This webinar is provided for general information only and is not offered or intended as legal advice. Attendees should seek the advice of an attorney when confronted with legal issues and attorneys should perform an independent evaluation of the issues raised in this webinar.



California Special
Districts Association
Districts Stronger Together

**PROFESSIONAL
DEVELOPMENT**

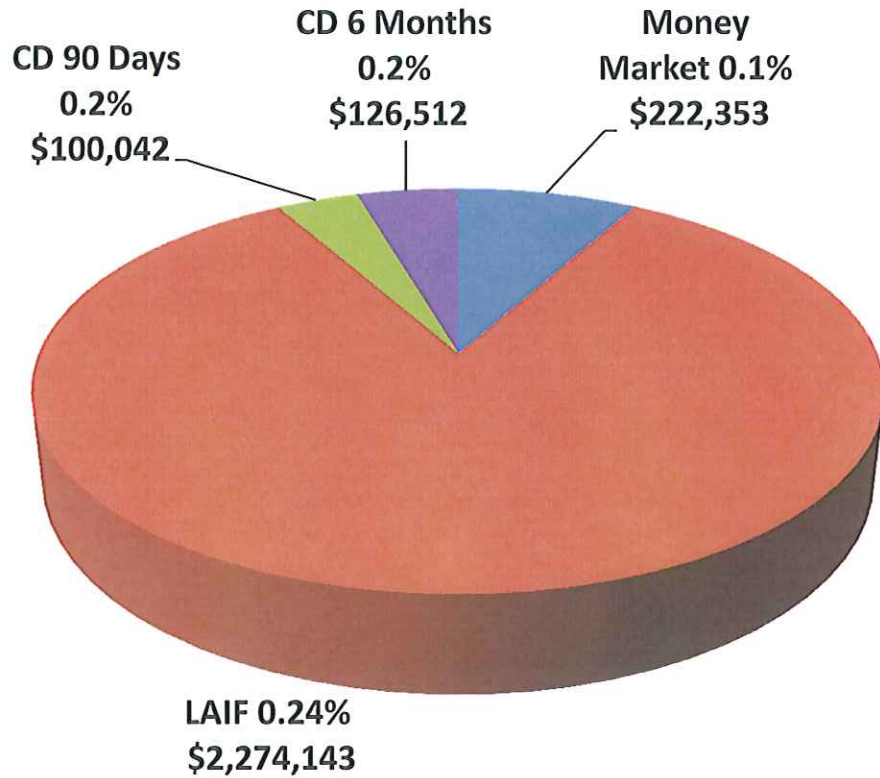
**Hidden Valley Lake CSD
Pooled Cash
October 31, 2013**

Beginning Balance	\$ 359,377.34
Deposits	
Cash	\$ 121,916.25
Transfers	\$ -
Total Deposits	\$ 121,916.25
Expenditures	
Accounts Payable	\$ 129,562.79
Payroll	\$ 42,648.27
Bank Fees	\$ 1,430.76
Total Expenditures	\$ 173,641.82
Ending Balance	\$ 307,651.77

HIDDEN VALLEY LAKE CSD INVESTMENT REPORT

October 31, 2013

\$2,723,050



Investment	Interest Rate	Interest Earned this Period		Funds Invested
Money Market	0.10%	\$	19.15	\$ 222,353
LAIF	0.24%		1,167.27	\$ 2,274,143
90 Day CD	0.20%		5.00	\$ 100,042
6 Month CD	0.20%		18.52	\$ 126,512
Total Funds Invested				\$ 2,723,050

This report is in compliance with the investment policy set forth by the board of the Hidden Valley Lake Community Services District.

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUE AND EXPENSES
FOR THE PERIOD ENDING OCTOBER 31, 2013

SEWER ENTERPRISE FUND

	2013/2014 BUDGET	CURRENT PERIOD	YEAR TO DATE ACT.	BUDGET BALANCE	% OF BUDGET
OPERATING REVENUES					
Permits and Inspections	-	100	100	(100)	0%
Charges for Services	1,010,200	158,880	367,897	642,303	36%
Miscellaneous	15,000	150	274	14,726	2%
Total Operating Revenues	1,025,200	159,130	368,271	656,929	38%
OPERATING EXPENDITURES					
Salaries and Benefits	641,300	49,928	216,976	424,324	34%
Insurance	19,800	-	-	19,800	0%
Office Expenses	9,100	823	2,625	6,475	29%
Contractual Services	47,600	5,178	11,670	35,930	25%
Continuing Education	11,100	1,840	1,865	9,235	17%
Dues and Subscriptions	6,000	-	216	5,784	4%
Postage	100	461	461	(361)	461%
Repairs and Maintenance	73,400	5,737	13,053	60,347	18%
Gas, Fuel, and Oil	12,600	1,428	3,966	8,634	31%
Supplies	12,000	246	2,423	9,577	20%
Professional Services	41,100	53	937	40,163	2%
Travel	600	68	453	147	75%
Telephone	11,100	794	3,800	7,300	34%
Power	20,000	-	4,811	15,189	24%
Other Operating	73,500	715	10,104	63,396	14%
Office and Safety Equipment	11,500	-	2,795	8,705	24%
Environmental Monitoring	31,000	3,339	8,642	22,358	28%
Annual Operating Fees	3,400	-	-	3,400	0%
Total Operating Expenditures	1,025,200	70,612	284,797	740,403	28%
Operating Income (Loss)	-	88,518	83,474		

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUE AND EXPENSES
FOR THE PERIOD ENDING OCTOBER 31, 2013

WATER ENTERPRISE FUND

	2013/2014	CURRENT	YEAR TO	BUDGET	% OF
	BUDGET	PERIOD	DATE ACT.	BALANCE	BUDGET
OPERATING REVENUES					
Permits and Inspections	300	100	100	200	33%
Charges for Services	1,236,100	220,413	483,426	752,674	39%
Miscellaneous	61,800	5,228	13,402	48,398	22%
Total Operating Revenues	1,298,200	225,741	496,928	801,272	94%
OPERATING EXPENDITURES					
Salaries and Benefits	654,200	49,380	217,781	436,419	33%
Insurance	19,800	-	-	19,800	0%
Office Expenses	9,100	823	2,625	6,475	29%
Contractual Services	43,500	5,178	10,817	32,683	25%
Continuing Education	8,400	835	985	7,415	12%
Dues and Subscriptions	18,600	-	1,104	17,496	6%
Postage	100	488	488	(388)	488%
Repairs and Maintenance	68,400	16,353	39,105	29,295	57%
Gas, Fuel, and Oil	11,800	1,428	3,966	7,834	34%
Supplies	1,900	23	23	1,877	1%
Professional Services	136,700	10,371	22,516	114,184	16%
Travel	2,100	68	453	1,647	22%
Telephone	11,100	793	3,340	7,760	30%
Power	150,800	-	65,162	85,638	43%
Depreciation	-	-	-	-	0%
Other Operating	206,700	2,023	43,051	163,649	21%
Office and Safety Equipment	10,900	68	2,729	8,171	25%
Director's Compensation	-	-	-	-	0%
Environmental Monitoring	7,100	1,889	4,186	2,914	59%
Water Conservation	7,600	-	1,250	6,350	16%
Annual Operating Fees	26,700	5,753	10,269	16,431	38%
Total Operating Expenditures	1,395,500	95,475	429,851	965,649	31%
Operating Income (Loss)	(97,300)	130,266	67,077		

HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT
 BI-MONTHLY REVENUE EXPENSE REPORT
 CYCLE 2 OCTOBER 31, 2013

	CYCLE		CYCLE		YTD		YTD		ANNUAL		PROJECTED	
	BUDGET	ACTUAL	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	BUDGET	ACTUAL	VARIANCE
REVENUE												
Sewer 120	\$ 170,867	\$ 175,265	\$ 175,265	\$ 4,398	\$ 341,734	\$ 368,271	\$ 26,537	\$ 1,025,200	\$ 1,051,737	\$ 1,025,200	\$ 1,051,737	\$ 26,537
Water 130	\$ 216,367	\$ 231,659	\$ 231,659	\$ 15,292	\$ 432,734	\$ 496,928	\$ 64,194	\$ 1,298,200	\$ 1,362,394	\$ 1,298,200	\$ 1,362,394	\$ 64,194
EXPENSE												
Sewer 120	\$ 170,867	\$ 157,430	\$ 157,430	\$ (13,437)	\$ 341,734	\$ 284,797	\$ (56,937)	\$ 1,025,200	\$ 968,263	\$ 1,025,200	\$ 968,263	\$ (56,937)
Water 130	\$ 232,583	\$ 236,229	\$ 236,229	\$ 3,646	\$ 465,166	\$ 429,851	\$ (35,315)	\$ 1,395,500	\$ 1,360,185	\$ 1,395,500	\$ 1,360,185	\$ (35,315)
NET REVENUE TO EXPENSE												
SEWER REVENUE	\$ 170,867	\$ 175,265	\$ 175,265		\$ 341,734	\$ 368,271	\$ 26,537	\$ 1,025,200	\$ 1,051,737	\$ 1,025,200	\$ 1,051,737	\$ 26,537
SEWER EXPENSE	\$ 170,867	\$ 157,430	\$ 157,430		\$ 341,734	\$ 284,797	\$ (56,937)	\$ 1,025,200	\$ 968,263	\$ 1,025,200	\$ 968,263	\$ (56,937)
DIFFERENCE	\$ -	\$ 17,835	\$ 17,835		\$ -	\$ 83,474	\$ 83,474	\$ -	\$ 83,474	\$ -	\$ 83,474	\$ 83,474
WATER REVENUE	\$ 216,367	\$ 231,659	\$ 231,659		\$ 432,734	\$ 496,928	\$ 64,194	\$ 1,298,200	\$ 1,362,394	\$ 1,298,200	\$ 1,362,394	\$ 64,194
WATER EXPENSE	\$ 232,583	\$ 236,229	\$ 236,229		\$ 465,166	\$ 429,851	\$ (35,315)	\$ 1,395,500	\$ 1,360,185	\$ 1,395,500	\$ 1,360,185	\$ (35,315)
DIFFERENCE	\$ (16,216)	\$ (4,570)	\$ (4,570)		\$ (32,432)	\$ 67,077	\$ 99,509	\$ (97,300)	\$ 2,209	\$ (97,300)	\$ 2,209	\$ 99,509

Variance Comments:

Sewer and water fund expenses continue to mirror initial budget forecasts.

Board of Directors

JIM FREEMAN

CAROLYN GRAHAM

LINDA HERNDON

JIM LIEBERMAN

JUDY MIRBEGIAN



General Manager
ROLAND SANFORD

Administrative Assistant
TAMI IPSEN

Accountant/Controller
TASHA KLEWE

Memo

To: HVLCSD Board of Directors

From: Roland Sanford, General Manager

Date: November 14, 2013

RE: General Manager's Monthly Report

The "D" word, hexavalent chromium and the potentially forthcoming water bond continue to make headlines across the state. The rainy season is off to a slow start and those dependent on surface water storage are becoming increasingly nervous, as storage levels across the state are generally below average for this time of the year, and in the absence of rain, would be insufficient to meet full summer water demands. So far there is no strong signal, El Nino or otherwise, indicating which way the water year will go. For better or worse, California is a fickle place when it comes to weather, as those who were here in 1986 will recall, when a "dry year" was quickly transformed into a "wet year" by the Valentine's Day flood.

As I have previously reported, the District is very fortunate to have a reliable groundwater supply that is fully recharged in all but the driest years and largely contaminant free. In many respects; a clean, reliable water supply is a comparatively cheap water supply. Those who do not have a reliable water supply are frequently forced to endure significant cutbacks and/or purchase short-term water supplies on the "spot" market – at a premium price. Dirty or otherwise contaminated water is simply expensive to treat and make potable, which leads into my next topic – hexavalent chromium.

The California Department of Public Health's (DPH) proposed hexavalent chromium standard has caught the water industry's attention. To date DPH has reportedly received over 18,000 comments on the proposed standard and the threat of at least one lawsuit. Key issues include the cost of complying with the proposed standard and whether the proposed standard is adequate with respect to the protection of public health. Included in this month's Board packet, as a part of agenda item number 11, is a comment letter submitted to the DPH by the California-Nevada Section of the American Water Works Association and the American Water Works Association, which encapsulates many of the

concerns water purveyors have raised with regard to compliance with the proposed standard. Staff has prepared a short presentation and will brief the Board on the potential impacts of the proposed hexavalent chromium standard on District operations.

Droughts, floods and other high profile water management issues such as the hexavalent chromium have historically played a pivotal role in shaping public opinion and western water development. More than one dam has been authorized in direct response to either a devastating drought or flood. Timing is everything. Should the drought continue, I suspect you will see its effect not only on the economy, but also the content and more specifically, proposed funding levels for water storage in the still percolating water bond. Stay tuned.

Late last month I attended a three-day "Municipal Debt Essentials" class organized by the California Debt & Investment Advisory Commission. Topics included the fundamentals of municipal debt, debt financing options, and debt administration. For better or worse, the recession and more specifically, the collapse of several notable lending institutions and recent municipal bankruptcies has ushered in a new and much more cautious era – new regulations and tightened lending standards.

Finally, a status summary of the more notable ongoing projects is as follows:

Water Meter Measurement accuracy Investigation

No activity within the last 30 days due to other workload commitments.

Water Rights Petition for Change

The State Water Resources Control Board (State Board) has formally accepted and conducted an initial review of the District's Water Rights Petition for Change. The next step is for the District to initiate preparation of an Environmental Impact Report (EIR) and associated technical studies. Pursuant to State Board direction, staff has begun to submit quarterly progress reports and will be meeting with the State Board to establish a mutually acceptable time frame for preparation of the EIR.

Water Master Plan/Capital Improvement Plan

Preparation of the Water Master Plan update by GHD is ongoing and on schedule. Staff expects to receive a draft Water Master Plan, for internal review and comment, by early December. In view of recent events, the Water Master Plan will include a discussion of hexavalent chromium treatment options and probable costs.

Sewer Lift Station Backup Generator and Installation

Staff is reviewing contractor bids for installation of backup generators at sewer lift stations 1 and 4. The backup generators have been ordered from the manufacturer and should be delivered to the District by the end of

November. Staff anticipates installation of the backup generators shortly thereafter.

Sewer Lift Station Pump Replacement

Pump replacement at lift stations 3 and 6 has been postponed until spring, when other pump refurbishment/replacement activities are scheduled to be performed by the same contractor.

Sewer System Management Plan Update

No activity within last 30 days due to other workload commitments, project remains 75 percent complete.

Treatment Plant Access Road Repair

Repair work has begun along two 200-foot-long segments of the treatment plant access road using a relatively new geo-fabric material that is designed to retain gravel and other road bed materials. As previously reported, an adjacent road segment was successfully repaired last year using the same geo-fabric material.

Reclamation Pond Access and Levee Road Maintenance

Resurfacing of the Reclamation Pond access and levee road has begun and is scheduled to be completed by the end of November. Resurfacing with gravel is needed to prevent levee erosion and to remain in compliance with the District's waste discharge permit issued by the Central Valley Regional Water Quality Control Board.

Reclamation Pond Aquatic Weed Abatement

Pursuant to Central Valley Regional Water Quality Control Board direction, staff reviewed aquatic weed abatement options for the Reclamation Pond. Staff has somewhat reluctantly settled on the periodic use of mechanical harvesters to control aquatic weed growth at the Reclamation Pond, but will continue to explore other options.

Financial Wellness Evaluation

As previously reported, NHA Advisors has prepared a "punch list" and timeline of recommended actions for improving the District's financial position in the eyes of lending institutions. Work on the first two tasks – revenue and expense forecasting, and development of financial policies for possible Board adoption in December, is underway.

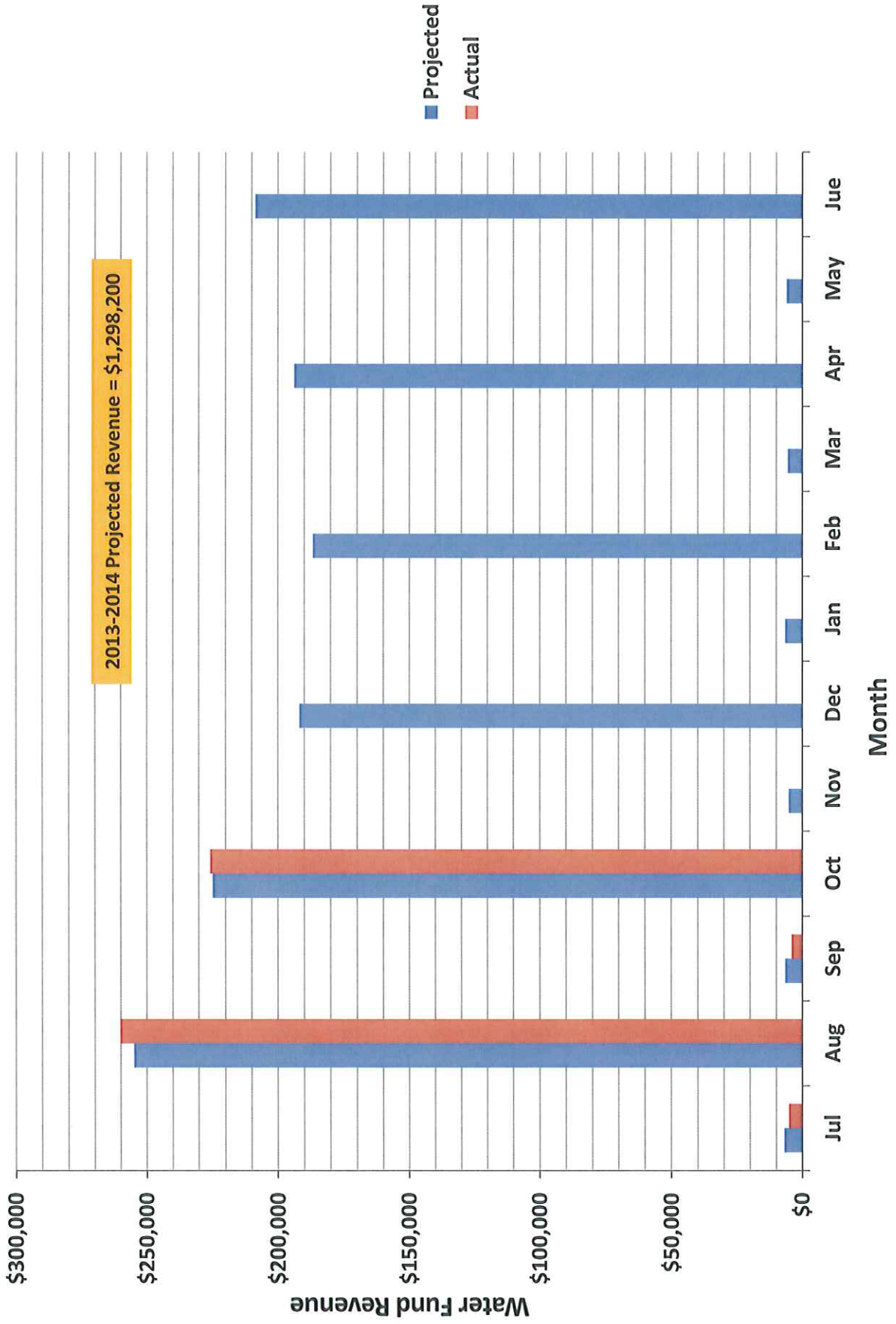
2012-2013 Audit

Smith and Newell's audit of the District's fiscal year 2012-2013 financial records is on schedule and should be completed by the end December.

Strategic Planning

The final draft strategic plan has been completed and ready for possible Board adoption.

Actual vs. Projected 2013-2014 Monthly Water Fund Revenue





Hidden Valley Lake Community Services District

October 2013 Report

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October 2013

Wastewater Operations and Maintenance Report

Wastewater:

Lift Station 4 was continually dosed with Bioxide and Formula 52. Lift Station 5 was continually dosed with Formula 52. FOG control was performed at Lift Stations 3 and 5 and the probes were cleaned at Lift Station 6. Maintenance was performed on a Lift Station 5 Vault Door latch. Shape performed a Lift/Pump inspection on Lift Stations 3 and 6. Cummins Pacific performed the annual inspections and maintenance on the generators. Telstar changed out a power converter at Lift Station 3 and updated some SCADA programming. Generators for Lift Stations 1 and 4 were ordered from Cummins Pacific. Routine activities and maintenance.

Wastewater Treatment Plant:

Sludge disposal required added attention prepping and staging the sludge before 76 tons were disposed of at Keller Canyon. Wipf Construction aided with a loader and transportation. All Sludge Beds were cleaned and await wasting as needed from the Plant into the next season. Two Geotubes were installed, but only one is presently in operation.

Maintenance was performed on all three filters, and sand was added to each.

The CL2 Control Valve underwent warranty repair and has been reinstalled.

Seasonal freeze control on Plant-wide piping has been underway.

The Regional Water Quality Control Board was given a response for a violation of weed minimization, describing resolution deficiencies and summarizing feasibilities. Seasonal mechanical harvesting during a period of Spring/Summer when a balance of conditions arises seems to be our best option.

Routine activities and maintenance.

Eff Pond level – 5.32'

September Plant Influent – 5.285 MG

Rain/ month – 0"



October 2013 Water Operations and Maintenance Report

Water

The Putah Creek pipeline was disassembled and put away until next season.

There were 300 door knockers, 30 Lock offs with a hand full of reconnects.

Meter reading fell into the month of October.

There was two mainline leaks in the subdivision along with a couple of service line leaks.

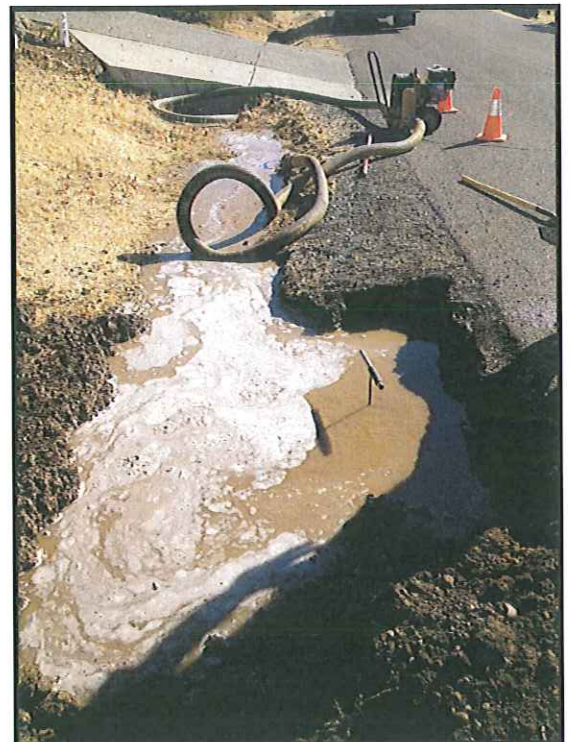
Source Chemical Sampling on Wells 2 & 3.

There were 103 service orders generated in the month of October that staff responded to.

Staff also started preparing wastewater treatment plant Levee and Gate operator that failed



Conestoga mainline



Parkridge mainline break.

Monthly Report

October 2013

Rain/month

MONTHLY RAINFALL

0"

Overtime: hours 41 \$1,863.40

SEASON RAINFALL

.66"

(September 2013-April 2014 - winter season)

WATER CONNECTIONS

RESIDENTIAL METERS

2413

WASTEWATER CONNECTIONS

RESIDENTIAL

1432

COMMERCIAL & GOVERNMENT METERS

34

COMMERCIAL & GOVERNMENT

33

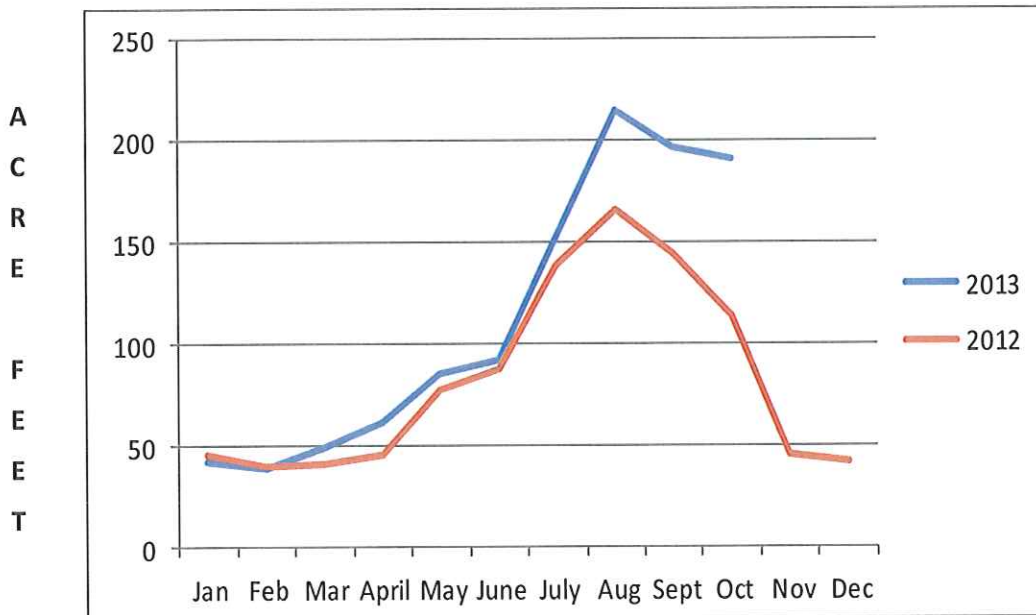
TOTAL METERS

2447

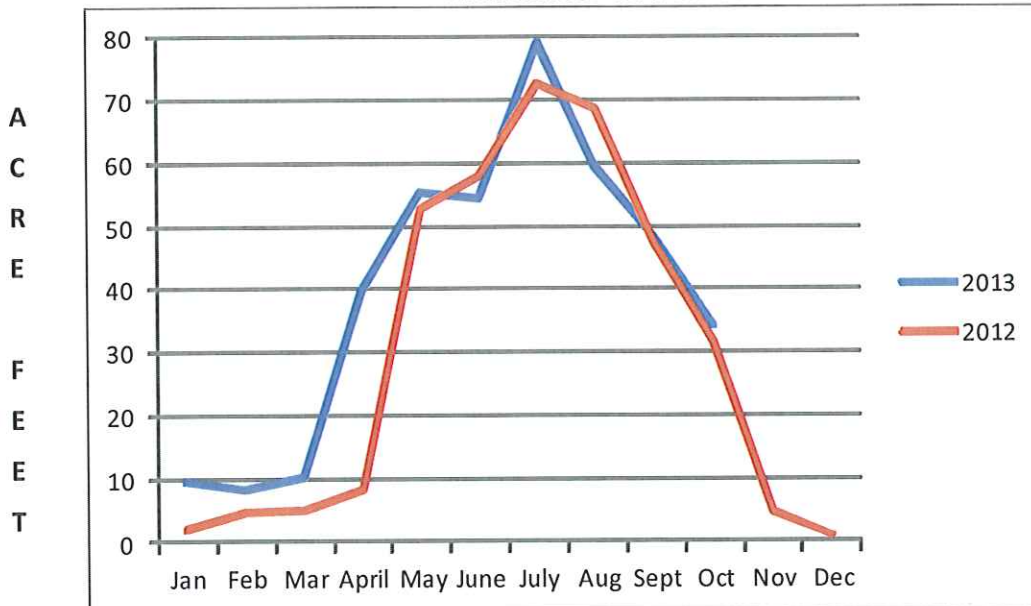
TOTAL

1465

WELL PRODUCTION



RECLAIMED WATER USE



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

DATE: November 19, 2013

AGENDA ITEM: Discussion and Possible Action: Adoption of Strategic Plan

RECOMMENDATIONS:

Review draft strategic plan and adopt as written or with revisions.

FINANCIAL IMPACT:

None

BACKGROUND:

Earlier this year the Board initiated development of the District's first strategic plan. As a part of the process, two publically noticed Board workshops and a workshop exclusively for staff, were held to solicit ideas and recommendations, which were subsequently incorporated into a "first draft" plan dated September 30, 2013. Staff and individual Board members submitted comments on the first draft to the General Manager, who has compiled and addressed the comments in a "final draft" plan dated November 1, 2013 ("red-line" and "clean" copies of the final draft plan are attached). Staff recommends the Board review the final draft strategic plan and any associated public comments received prior to or during the November 19, 2013 Board meeting, and adopt the final draft strategic plan as written or with revisions.

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

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

Ayes:

Noes:

Abstain:

Absent

Secretary to the Board



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
(707) 987-9201

FINAL DRAFT – November 1, 2013

Strategic Plan

2013-2018



www.HiddenValleyLakeCSD.com

Governing Board of Directors

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

District Staff

Roland Sanford, General Manager/Secretary to the Board
Tami Ipsen, Administrative Assistant
Tasha Klewe, Accountant/Controller
Karen Jensen, Senior Accounts Representative
Trish Wilkinson, Senior Accounts Representative
Dave Burns, Lead Wastewater Operator
Dennis White, Lead Water Operator
Kathy Burns, Assistant to Field Operations
Barry Silva, Operator II
Paul Silva, Operator I
Sam Garcia, Utility Worker
Nick Robertson, Utility Worker
Norman Rodgers, Utility Worker

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Introduction

The Hidden Valley Lake Community Services District is an independent special district serving the Hidden Valley Lake community in southern Lake County, California.

Our Mission

To effectively and innovatively manage the natural resources with which we have been entrusted; to provide reliable, safe, high-quality water and wastewater services in an economically and environmentally responsible manner.

We supply clean, safe municipal drinking water to approximately 2,400 homes and 20 businesses, and provide reliable sewer services for approximately 1,500 connections within our three-square-mile service area – all while conserving the area’s natural resources and protecting the environment.

While our core function will always be to provide high-quality drinking water and wastewater services, the manner in which we perform and fund that function must evolve to meet new challenges, including:

- Increasingly stringent, complex, and costly regulatory restrictions;
- Urgently needed infrastructure maintenance and upgrades;
- A still-uncertain economy;
- The impacts of droughts and climate change on the area’s water supply.

We developed this strategic plan to address these and other challenges, and to identify and benefit from emerging opportunities over the next five years. The goals, strategies and initiatives in this plan will enable us to accomplish our mission and meet our community’s needs in the most efficient and cost-effective ways, now, and in the future.

History

The Hidden Valley Lake Community Service District was established in 1984 to provide sewer services to the Hidden Valley Lake community. At that time, water was being supplied to the Hidden Valley Lake subdivision by the Stonehouse Mutual Water Company. To provide more efficient services and significant cost savings to the growing

community, in 1993 the two utility agencies merged into today's Hidden Valley Lake Community Services District.

Many changes have occurred since then: the population of our service area; the processes and technologies we use to provide safe drinking water and to treat wastewater; State and Federal water quality regulations; the environmental awareness of our customers who use our services; and the dedicated people who provide them. What hasn't changed is our commitment to our mission and to the people we serve.

Core Values

The following core values reflect what is truly important to us as an organization and are the guiding principles that dictate our actions and the philosophical beliefs we value when faced with options and alternatives for our future:

- **Public Health** - We provide safe, reliable drinking water and wastewater treatment.
- **Customer Service** - We deliver customer-focused service and are responsive to our ratepayers.
- **Cost-Effectiveness** - We deliver the highest value at the lowest cost to ensure reasonable rates.
- **Integrity** - We conduct business with high ethical standards, promoting transparency and trust.
- **Organizational Excellence** - We practice good governance and support District employees to be productive and motivated.
- **Reliability** - We maintain and update infrastructure to ensure reliable service.
- **Stewardship** - We protect our natural resources and the environment.
- **Innovation** - We utilize our assets (infrastructure, natural resources and people) to maximize the value to the community.

Goals

Our overarching goal is to provide affordable, high-quality water and wastewater services to our customers. The ability to achieve this overarching goal is dependent, at least in part, on the District's ability to achieve additional goals pertaining to innovation, financial stability, governance and administrative processes, and education and outreach:

- **Enhance Deliver High Quality Water and Wastewater Services** - We will continue to deliver the highest quality water and wastewater services.
- **Maintain Financial Stability** - We will maintain financial stability and equitable rates.
- **Expand Education and Outreach** - We will expand education and outreach programs to enhance customer awareness of District services and to promote government transparency.
- **Offer Innovative Services** - We will innovate to maximize value to the community.
- **Improve Refine Governance and Administrative Processes** - We will continuously improve refine our governance and administrative processes to promote efficiency, transparency, and customer service.

As illustrated below, our overarching goal of providing affordable, high-quality water and wastewater services is supported on a foundation of good governance and administrative processes that not only promotes transparency, but also fosters development of innovative services that will add value to the community and contribute toward the financial stability of the District.



Situational Analysis

Current Status

The last 18 months have been a turbulent time for the District. In addition to experiencing leadership changes, we recently completed a large solar energy project that will provide lasting benefits to our customers and our community, but which required substantial staff and financial resources – a “big gulp” that diverted resources away from other essential projects and activities.

Our financial reserves are nearly depleted. There is a growing list of deferred maintenance activities, ~~with~~ no formal capital improvement plan to sustain our infrastructure, and a portion of the District’s water rights remain unsecured. Like nearly all water utilities, we are working within an increasingly complex and sophisticated regulatory framework, additional operating protocols and constraints, increasingly stringent water quality standards, and additional limitations with respect to raising revenues to cover increased operating expenses.

We are now at a crossroads and must make smart choices that will define the character of our organization for years to come.

Challenges

Our top challenge is the financial health of the District. As previously noted, our financial reserves are nearly depleted. During the last two years we have covered water ~~and to a lesser extent~~ and sewer service operating costs by deferring maintenance. The eventual repercussions of deferring maintenance are predictable: infrastructure failures and in turn increased costs associated with repairing or replacing equipment, pipelines and facilities.

Less obvious, but of equal concern, is the debilitating effect funding shortfalls have on our ability to pursue new opportunities. The old adage, “It takes money to make money,” applies even in the public sector. It takes money to prepare grant proposals, to retain personnel who can research and assess the feasibility of implementing new opportunities, and to advocate on behalf of the District. ~~In the absence of fiscal reserves or earmarked funds, the District lacks the money needed to make money.~~ ~~The District is currently not well positioned, financially, to pursue new opportunities.~~

In addition to replacing aging infrastructure and strengthening our financial position, we must secure and protect the District’s water supply. In 2012 we submitted a “Petition for Change” to the State Water Resources Control Board’s Division of Water Rights – a process through which we intend to solidify the District’s water rights to current and future water supplies. The Petition for Change, although largely a “paper study” as opposed to the traditional “brick and mortar” project, could easily take five years to complete and cost in excess of \$300,000.

More recently, the California Department of Public Health has proposed stringent drinking water standards for hexavalent chromium. The question is not whether a standard for hexavalent chromium will be adopted, but what that drinking water standard will be. The District's water supply exhibits detectable concentrations of **naturally occurring** hexavalent chromium. We anticipate that new and most likely expensive water treatment processes will be required to comply with the forthcoming drinking water standard for hexavalent chromium. Preliminary study results suggest that compliance with the anticipated hexavalent chromium drinking water standard could necessitate a doubling of our water service fees.

Opportunities

While our challenges are significant, there are also opportunities to consider. Increasingly, water is being viewed and managed with respect to its impact on other resources, rather than as a single commodity that is consumed and replenished. The "water world" is changing, as reflected by the growing awareness of the substantial energy inputs required to treat, store, and transport water ("water-energy nexus"), the emergence of PACE (Property Assessed Clean Energy) and other innovative programs to fund residential/commercial water and energy conservation improvements, and the rapidly evolving integrated regional water management discipline.

Twenty years ago the notion that water conservation or improvements to water conveyance facilities constituted a viable mechanism for conserving electrical energy was unheard of, except perhaps in academic circles. Today considerable grant funding is being directed toward water conservation and improvements to water conveyance facilities for the primary purpose of reducing electrical energy consumption. Similarly, water conservation, via its ability to reduce electrical usage, has been connected to climate change and what may prove to be lucrative carbon sequestration markets.

Historically, water utilities have received their operating revenue from their customers in the forms of fee-for-services and property tax assessments. This approach is arguably reflective of how water resources have historically been managed – as a single commodity. The advent of integrated water resources management, where water is viewed and managed with respect to its impact on other resources, provides an environment more conducive to entrepreneurial enterprises – **entrepreneurial enterprises that could evolve into significant sources of revenue**. ~~For some organizations, these entrepreneurial enterprises could evolve into significant sources of revenue.~~

Five-Year Vision

In 2018, as our community has grown, so have our District's services. We continue to provide the best level of service possible using up-to-date technology and industry best practices. We have developed the infrastructure to meet changing community needs and maintain reasonable rates.

These successes are possible because we have:

- Taken steps to ensure a secure water supply to maintain quantity and quality for our customers;
- Continuously invested in ongoing capital improvements and infrastructure replacement;
- Expanded our sphere of influence to **reflect lake County General Plan growth projections and regional service demands** ~~cover anticipated growth for the next 50 years~~;
- Maintained prudent financial reserves;
- Continued to earn the respect and loyalty of our customers by providing service that is fast, friendly, and professional;
- Implemented an effective resource conservation program, not only with our customers, but also in our internal operations;
- Added innovative revenue-generating activities utilizing natural resources and organizational expertise, as well as strategic partnerships with other public and private entities;
- Enhanced our technology, policies and process to ensure transparency and efficiency.

Goals, Strategies and Initiatives

Goal: Enhance Deliver High Quality Water and Wastewater Services

We will continue to deliver the highest quality water and wastewater services.

Background

The Hidden Valley Lake Community Services District provides safe drinking water that meets all State and Federal standards, and maintains a sewer treatment facility that disposes of waste in an effective and efficient manner. We provide drinking water to more than 2,400 residential and nearly 30 commercial customers, and irrigation water - nearly all of which consists of reclaimed waste water from the District's sewer treatment facility - for approximately 80 acres of the Hidden Valley Lake Golf Course.

Our drinking water supply comes from three wells, which draw groundwater from the Coyote Valley groundwater basin and Putah Creek underflows. Collectively the three wells have a combined maximum capacity of 2.72 million gallons per day (mgd). A fourth well provides up to 1.44 mgd for irrigation purposes. Currently, the peak total daily demand for drinking water is approximately 1.7 mgd. Our water distribution system includes ~~164,800 feet~~ 31 miles of pipes ranging from 4 inches to 12 inches in diameter, ~~four~~ five booster pumps, each of which can pump up to 300 gallons per minute, and ~~five~~ seven drinking water storage tanks with a combined storage capacity of ~~4.15~~ 2.2 million gallons.

Our wastewater system provides wastewater collection, treatment, and disposal for nearly 1,500 customers. Currently, the wastewater treatment facility processes an average of ~~350,000~~ 180,000 gallons per day, all of which is recycled and used to irrigate the Hidden Valley lake golf course. Upon full expansion, the treatment plant could process up to 2.67 mgd. Our sewer collection system consists of approximately 15 miles ~~feet~~ of sewer pipe ranging from 4 inches to 15 inches in diameter, 1.5 miles of forced main, and ~~seven~~ eight pump stations.

Strategies and Initiatives

1A. Secure and protect the water supply

The District is fortunate to have access to a reasonably reliable and, for the most part, a contaminant-free drinking water supply. The Coyote Valley groundwater basin, the source of our water supply, is fully recharged each spring in all but the driest years, and due to the largely rural character of the region, is not heavily impacted by urban or industrial source pollutants. Although physically present and of suitable quality, we must take steps to finalize and further secure our water rights to the Coyote Valley groundwater basin supply, increase our hydrogeologic knowledge of the supply, and promote resource stewardship to ensure its sustainability. As a part of this strategic plan, we will take the following actions:

- Amend and expand water rights
 - Water Rights Petition for Change
 - Update analysis of future water demands

- Increase knowledge of watershed and factors impacting quantity and quality of water supply
 - Expand water quality monitoring program
 - Expand groundwater elevation monitoring program
 - Compile library of technical studies and associated documents
 - Evaluate risk of “emerging contaminants”
 - Hexavalent chromium
 - Endocrine disrupters

- Increase understanding of surface water – groundwater interactions within the Coyote Valley groundwater basin

- Promote stewardship of Coyote Valley Groundwater Basin
 - Monitor and participate in County land use planning activities
 - Support local watershed protection groups

1B. Maintain and enhance sewer infrastructure

Portions of our sewer collection system are nearly 40 years old and approaching the end of their design life, as evidenced by the increasing number and extent of annual repairs required to keep the collection system operational and in compliance with State and Federal regulations. In addition to the increased potential for raw sewage spills, cracks and leaks in the pipes of the aging infrastructure are allowing ground and surface water sources to enter the system, increasing the volume (and treatment cost) of the wastewater being processed by our treatment facility. As a part of this strategic plan, we will take the following actions to upgrade the District’s sewer infrastructure:

- Complete inventory/catalog of sewer infrastructure

- Implement updated Sewer System Management Plan (SSMP)
 - Expand systematic sewer maintenance cleaning program
 - Implement systematic service line replacement program

- Implement Sewer Capital Improvement Plan

1C. Maintain and enhance water infrastructure

Portions of our water distribution system are approaching the end of their design life and need to be replaced. As a part of this strategic plan, we will take the following actions to upgrade the District's water infrastructure:

- Complete inventory/catalog of water infrastructure
- Implement Water Capital Improvement Plan
- Implement leak detection program
- Implement systematic water meter replacement program

1D. Enhance site security for all facilities and infrastructure

Over the years we have taken a number of steps to protect our people and facilities from violence and vandalism, including security fencing, video monitoring, and safety training. More recently, in this "post 911" era, we must also consider threats of terrorism, particularly to key facilities such as pumping stations, storage tanks, and the District's raw water supply. As a part of this strategic plan we will construct enclosures/housing for water supply wells.

1E. Evaluate flood control

At the time of formation, the District inherited a flood retention basin and approximately one-mile of flood control levee along Putah Creek, for which there is no dedicated source of funding for operations and maintenance, or documented maintenance program. As a part of this strategic plan we will:

- Identify current level of flood protection provided by existing facilities
- Implement facilities maintenance program
- **Develop dedicated source of funding**

Goal: Maintain Financial Stability

We will maintain financial stability and equitable rates.

Background

The District has a history of financial stability. We have always paid our employees and vendors in a timely manner. Likewise, we are current on all outstanding debt. Though we have been able to fund operating expenses through normal operating revenue, there is very little in reserves.

We have historically been able to fund expansion and major maintenance projects through grants, bonds, or low-interest loans. But in the post-bear market, stricter lending

requirements mean we will have to make significant changes to qualify for such lending sources. To ensure access to improvement funds, we will adopt a policy that will create and maintain adequate reserves, both operating and capital, and perform periodic rate studies to assess changing financial needs. We will also seek professional guidance regarding other fiscal policies and strategies that will re-open the door to future lenders.

Strategies and Initiatives

4A 2A. Update fiscal policies to promote financial stability

The recent nationwide economic recession and high-profile municipal bankruptcies has increased awareness and scrutiny of municipal finances, as reflected by the general tightening of municipal credit. In order to maintain and enhance the District's credit rating we will:

- Develop reserve fund policies
- Fund depreciation

4B 2B. Adopt fixed asset management plan

We will develop a fixed asset management plan which will form the basis for determining appropriate funding levels for infrastructure and other fixed asset depreciation.

4C 2C. Expand our ability to track and manage financial data

We routinely compile revenue and expense data that could provide valuable and timely information ~~if it were more readily accessible for review and analysis~~. To enhance our ability to track and analyze financial data, we will:

- Upgrade administrative computer system
- Monitor trends and develop long-term fiscal projections
- Improve cost tracking by activity/project

4D 2D. Ensure rates are equitable and promote financial stability

We will commission a third-party **water, sewer and miscellaneous fee study** ~~water and sewer rate study~~ to determine the financially prudent revenue stream required to execute this strategic plan.

4E 2E. Identify sustainable funding mechanism for flood control facilities

There is currently no dedicated revenue stream for funding operation and maintenance of our existing flood control facilities, nor expansion of flood control facilities or responsibilities should the District be required to obtain a National Pollutant Discharge Elimination System (NPDES) storm water discharge permit in the future. As part of this strategic plan we will conduct an analysis of current and future flood control funding requirements, and identify potential funding sources.

Goal: Expand Education and Outreach

We will expand education and outreach programs to enhance customer awareness of District services and promote government transparency.

Background

Historically, the amount of money and staff time allocated for education and outreach has been very limited; and as a result, our education and outreach efforts are relatively modest in comparison to other utilities. Much of our effort is focused on the promotion of water conservation in local grade school classrooms and at two-to-three community events each year. We periodically produce a newsletter that is mailed to customers and maintain a website, but we have not used electronic social media to disseminate information.

Strategies and Initiatives

2A 3A. Expand customer education about the District and our services

Nationwide, the cost of providing safe, reliable municipal drinking water has risen steadily and often, —and from the customer’s perspective, for unknown or unsubstantiated reasons. A frequently heard complaint is that customers are being told to conserve water, which they do, and are subsequently “rewarded” with increased water rates. In general, water utility customers are unaware of the true cost of producing and delivering municipal drinking water. Similarly, they are often not fully aware of the water utility’s services, or its responsibilities to maintain its sewer and drinking water infrastructure.

Coupled with the need to better educate customers is the related task of expanding the modes of communication. Among some demographics, electronic social media has become the preferred mode of communication. Disseminating information via social media is less expensive and often more effective than newsletters and other traditional means. As a part of this strategic plan, we will:

- Familiarize customers with the scope and breath of District services and the true cost of providing those services
- ~~Augment our traditional newsletter with electronic social media~~ Utilize electronic social media, in conjunction with traditional newsletters, to disseminate information

2B 3B. Educate customers about resource conservation and pollution prevention

Resource conservation and pollution prevention are the cornerstone of nearly every watershed stewardship program, and the central theme of the District's resource stewardship advocacy efforts for the Coyote Valley groundwater basin (see Goal 1). **To promote resource stewardship** In support of Goal 1 of this strategic plan, we will continue to educate customers and increase public awareness of water conservation, ~~but we~~ **and** will also ~~initiate~~ **designate funding to expand** programs to educate the public with regard to:

- Sewer lateral maintenance
- Stormwater management
- Safe disposal of **grease, cleaning agents, pharmaceuticals and other household wastes**

2C 3C. Provide **Expand customer service training for employees**

~~Historically, staff has received little or no formal customer service training. The office staff is well versed in most aspects of customer relations. However, field staff, who frequently communicate with our customers and are often called upon to resolve customer problems and complaints, has had comparatively little training. In order to strengthen customer service we will:~~

Customer service and more specifically, the public's expectations with respect to customer service, have and continue to evolve in response to the expanding functions of water utilities and the growing acceptance of electronic media as a means of communication. The District will expand and formalize its employee customer service training program to reflect the evolving functions of the District and the expanding role of electronic media. Specifically, the District will:

- Provide formal training (webinar, video, lectures)
- Initiate an annual customer satisfaction survey

Goal: Offer Innovative Services

We will innovate to maximize value to the community.

Background

As reflected by the emergence of "integrated regional water management planning," water utilities are evolving into resource management agencies that view and manage water resources from an interdisciplinary perspective. Increasingly, water utilities are becoming involved in projects and enterprises – habitat protection and restoration, energy conservation and "green" energy production, and land use planning – that were

previously considered beyond the realm of water management. Coupled with the expansion of these services is the challenge to maintain affordable water rates.

The shift toward integrated regional water management bestows new responsibilities upon water utilities, but also provides an environment more conducive to entrepreneurial enterprises. We intend to explore and, when appropriate, initiate entrepreneurial enterprises that will ultimately help us to maintain affordable water rates or otherwise benefit the Hidden Valley Lake community.

Strategies and Initiatives

3A 4A. Leverage District resources to generate revenue

The District possesses expertise, equipment, and infrastructure that could be used to generate revenue and/or provide additional services to the community. As a part of this strategic plan we will:

- Expand solar power generation capacity
- Investigate the feasibility of wind power generation
- Investigate feasibility of providing facilities for the provision of internet services
- Investigate feasibility of converting sludge to marketable products
- Investigate feasibility of rainwater capture financing and installation
- Investigate feasibility of providing water/wastewater quality laboratory analysis services
- Provide expertise and intellectual capital to other organizations
 - Billing services
 - Consulting/contractor services
- Rent/lease heavy equipment

3B 4B. Pursue partnerships and strategic alliances to develop revenue-generating activities

We will cultivate partnerships and alliances through participation in integrated regional water management planning efforts and water industry organizations such as the Association of California Water Agencies, and where appropriate, through political advocacy. Specifically, we will:

- Actively participate in the Westside Sacramento Integrated Regional Water Management Plan group
- Promote and facilitate communication between water purveyors and wastewater service providers in the Upper Putah Creek drainage
- Cultivate relations with local, State and Federal elected officials

Goal: *Improve Refine Governance and Administration*

We will continuously improve **refine** our governance and administrative processes to promote efficiency, transparency, and customer service.

Background

Our ability to provide high-quality services is determined in part by the effectiveness of our governance structure and administration. Accordingly, we intend to enhance our service offerings by embracing and **improving refining** good governance practices and administrative processes. Specifically, we will codify Board of Director rules and procedures, ~~enhance Board meeting records management, and improve~~ **and refine** administrative processes through the incorporation of new technology. Collectively, these actions will not only enhance customer service, but also transparency – the “window” through which our constituents can assess the effectiveness and equity of the decisions and actions of our Board of Directors, as well as our General Manager and District staff.

Strategies and Initiatives

5A. Update governance procedures to promote efficiency and transparency

To improve Board governance we will **adopt Board of Director Rules and Procedures to guide the conduct of Board meetings, communication among individual Board members, communication between the Board and District staff, and communication between individual Board members and District staff:**

- ~~Enhance Board meeting records retention and retrieval capabilities to facilitate the review of past actions and promote, as appropriate, continuity of policy and decision-making~~
- ~~Adopt Board of Directors Rules and Procedures to guide the conduct of Board meetings, communication among individual Board members, communication between the Board and District staff, and communication between individual Board members and District staff~~

5B. Update administrative processes to enhance customer service

To improve our administrative processes and enhance customer service we will:

- Implement a paperless service order program and promote electronic billing to improve customer service and reduce administrative costs
- Automate meter reading to improve customer service, reduce administrative costs, and improve records retention and retrieval
- Utilize network system/cloud services to improve records retention and retrieval, and enhance preservation of District records in the event of disaster
- Implement an automated call system to improve customer service and enhance emergency response capabilities

5C. Conduct customer satisfaction surveys

We have never conducted a customer satisfaction survey and have historically received comparatively little feedback from our customers regarding services provided, or potential interest in new or expanded services. To assess the appropriateness and quality of our services, we will conduct annual web-based customer satisfaction surveys to assess the District's ability to provide services, and the need or interest in providing additional services.

5D. Continuously update human resources policies and practices to recruit and retain skilled employees

To facilitate recruitment and retention of appropriately skilled employees we will:

- Maintain up-to-date job descriptions to reflect current and future staffing needs
- Provide competitive compensation to attract and retain competent staff
- Develop staff skills and capabilities that will enhance District's ability to provide services
- Provide training/cross-training and offer education reimbursements to facilitate development of staff skills and capabilities

5E. Review organizational structure and staffing needs

The organizational structure and staffing needs of water utilities are changing in response to the expanded responsibilities and interests bestowed by integrated regional water management, an increasingly stringent regulatory environment, and a growing willingness to engage in entrepreneurial enterprises. Twenty years ago it was highly unusual for a water utility to have fisheries or aquatic biologists on staff. Similarly, storm

water management staffing was unheard of, and few, if any, water utilities engaged in solar power generation.

The District, in part through implementation of this strategic plan, is evolving, and out of necessity, becoming more knowledgeable and sophisticated with respect to a variety of water management issues. While **the provision of** ~~providing~~ water and sewer services will always remain our core function, and there will always be a need for that skill set, it is increasingly apparent that **additional skills, most notably analytical skills, are needed to fulfill the District's mission.** ~~we need staff with other skills, most notably analytical skills~~ ~~—staff whose primary focus is data analysis.~~ As a part of this strategic plan, we will review our organizational structure and staff composition to ensure that the District's organizational and staffing capabilities are aligned with current and future needs.

Strategic Plan Updates

To ensure this Strategic Plan remains functional, practical, and continues to address the current needs of the District we will review and update the plan annually, prior to adoption of the District's budget for the following fiscal year. As a part of this annual review we will:

- Identify specific elements of the Strategic Plan to be initiated and/or completed in the next fiscal year
- Measure our performance toward achieving the Strategic Plan's goals
- Publish a report summarizing the progress made and any changes with respect to the Strategic Plan goals, strategies or initiatives



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA 95467
(707) 987-9201

FINAL DRAFT – November 1, 2013

Strategic Plan

2013-2018



www.HiddenValleyLakeCSD.com

Governing Board of Directors

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

District Staff

Roland Sanford, General Manager/Secretary to the Board
Tami Ipsen, Administrative Assistant
Tasha Klewe, Accountant/Controller
Karen Jensen, Senior Accounts Representative
Trish Wilkinson, Senior Accounts Representative
Dave Burns, Lead Wastewater Operator
Dennis White, Lead Water Operator
Kathy Burns, Assistant to Field Operations
Barry Silva, Operator II
Paul Silva, Operator I
Sam Garcia, Utility Worker
Nick Robertson, Utility Worker
Norman Rodgers, Utility Worker

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Introduction

The Hidden Valley Lake Community Services District is an independent special district serving the Hidden Valley Lake community in southern Lake County, California.

Our Mission

To effectively and innovatively manage the natural resources with which we have been entrusted; to provide reliable, safe, high-quality water and wastewater services in an economically and environmentally responsible manner.

We supply clean, safe municipal drinking water to approximately 2,400 homes and 20 businesses, and provide reliable sewer services for approximately 1,500 connections within our three-square-mile service area – all while conserving the area’s natural resources and protecting the environment.

While our core function will always be to provide high-quality drinking water and wastewater services, the manner in which we perform and fund that function must evolve to meet new challenges, including:

- Increasingly stringent, complex, and costly regulatory restrictions;
- Urgently needed infrastructure maintenance and upgrades;
- A still-uncertain economy;
- The impacts of droughts and climate change on the area’s water supply.

We developed this strategic plan to address these and other challenges, and to identify and benefit from emerging opportunities over the next five years. The goals, strategies and initiatives in this plan will enable us to accomplish our mission and meet our community’s needs in the most efficient and cost-effective ways, now, and in the future.

History

The Hidden Valley Lake Community Service District was established in 1984 to provide sewer services to the Hidden Valley Lake community. At that time, water was being supplied to the Hidden Valley Lake subdivision by the Stonehouse Mutual Water Company. To provide more efficient services and significant cost savings to the growing

community, in 1993 the two utility agencies merged into today's Hidden Valley Lake Community Services District.

Many changes have occurred since then: the population of our service area; the processes and technologies we use to provide safe drinking water and to treat wastewater; State and Federal water quality regulations; the environmental awareness of our customers who use our services; and the dedicated people who provide them. What hasn't changed is our commitment to our mission and to the people we serve.

Core Values

The following core values reflect what is truly important to us as an organization and are the guiding principles that dictate our actions and the philosophical beliefs we value when faced with options and alternatives for our future:

- **Public Health** - We provide safe, reliable drinking water and wastewater treatment.
- **Customer Service** - We deliver customer-focused service and are responsive to our ratepayers.
- **Cost-Effectiveness** - We deliver the highest value at the lowest cost to ensure reasonable rates.
- **Integrity** - We conduct business with high ethical standards, promoting transparency and trust.
- **Organizational Excellence** - We practice good governance and support District employees to be productive and motivated.
- **Reliability** - We maintain and update infrastructure to ensure reliable service.
- **Stewardship** - We protect our natural resources and the environment.
- **Innovation** - We utilize our assets (infrastructure, natural resources and people) to maximize the value to the community.

Goals

Our overarching goal is to provide affordable, high-quality water and wastewater services to our customers. The ability to achieve this overarching goal is dependent, at least in part, on the District's ability to achieve additional goals pertaining to innovation, financial stability, governance and administrative processes, and education and outreach:

- **Deliver High Quality Water and Wastewater Services** - We will continue to deliver the highest quality water and wastewater services.

- ***Maintain Financial Stability*** - We will maintain financial stability and equitable rates.
- ***Expand Education and Outreach*** - We will expand education and outreach programs to enhance customer awareness of District services and to promote government transparency.
- ***Offer Innovative Services*** - We will innovate to maximize value to the community.
- ***Refine Governance and Administrative Processes*** - We will continuously refine our governance and administrative processes to promote efficiency, transparency, and customer service.

As illustrated below, our overarching goal of providing affordable, high-quality water and wastewater services is supported on a foundation of good governance and administrative processes that not only promotes transparency, but also fosters development of innovative services that will add value to the community and contribute toward the financial stability of the District.



Situational Analysis

Current Status

The last 18 months have been a turbulent time for the District. In addition to experiencing leadership changes, we recently completed a large solar energy project that will provide lasting benefits to our customers and our community, but which required substantial staff and financial resources – a “big gulp” that diverted resources away from other essential projects and activities.

Our financial reserves are nearly depleted. There is a growing list of deferred maintenance activities, no formal capital improvement plan to sustain our infrastructure, and a portion of the District’s water rights remain unsecured.

Like nearly all water utilities, we are working within an increasingly complex and sophisticated regulatory framework, additional operating protocols and constraints, increasingly stringent water quality standards, and additional limitations with respect to raising revenues to cover increased operating expenses.

We are now at a crossroads and must make smart choices that will define the character of our organization for years to come.

Challenges

Our top challenge is the financial health of the District. As previously noted, our financial reserves are nearly depleted. During the last two years we have covered water and to a lesser extent and sewer service operating costs by deferring maintenance. The eventual repercussions of deferring maintenance are predictable: infrastructure failures and in turn increased costs associated with repairing or replacing equipment, pipelines and facilities.

Less obvious, but of equal concern, is the debilitating effect funding shortfalls have on our ability to pursue new opportunities. The old adage, “It takes money to make money,” applies even in the public sector. It takes money to prepare grant proposals, to retain personnel who can research and assess the feasibility of implementing new opportunities, and to advocate on behalf of the District. -The District is currently not well positioned, financially, to pursue new opportunities.

In addition to replacing aging infrastructure and strengthening our financial position, we must secure and protect the District’s water supply. In 2012 we submitted a “Petition for Change” to the State Water Resources Control Board’s Division of Water Rights – a process through which we intend to solidify the District’s water rights to current and future water supplies. The Petition for Change, although largely a “paper study” as opposed to the traditional “brick and mortar” project, could easily take five years to complete and cost in excess of \$300,000.

More recently, the California Department of Public Health has proposed stringent drinking water standards for hexavalent chromium. The question is not whether a

standard for hexavalent chromium will be adopted, but what that drinking water standard will be. The District's water supply exhibits detectable concentrations of naturally occurring hexavalent chromium. We anticipate that new and most likely expensive water treatment processes will be required to comply with the forthcoming drinking water standard for hexavalent chromium. Preliminary study results suggest that compliance with the anticipated hexavalent chromium drinking water standard could necessitate a doubling of our water service fees.

Opportunities

While our challenges are significant, there are also opportunities to consider. Increasingly, water is being viewed and managed with respect to its impact on other resources, rather than as a single commodity that is consumed and replenished. The "water world" is changing, as reflected by the growing awareness of the substantial energy inputs required to treat, store, and transport water ("water-energy nexus"), the emergence of PACE (Property Assessed Clean Energy) and other innovative programs to fund residential/commercial water and energy conservation improvements, and the rapidly evolving integrated regional water management discipline.

Twenty years ago the notion that water conservation or improvements to water conveyance facilities constituted a viable mechanism for conserving electrical energy was unheard of, except perhaps in academic circles. Today considerable grant funding is being directed toward water conservation and improvements to water conveyance facilities for the primary purpose of reducing electrical energy consumption. Similarly, water conservation, via its ability to reduce electrical usage, has been connected to climate change and what may prove to be lucrative carbon sequestration markets.

Historically, water utilities have received their operating revenue from their customers in the forms of fee-for-services and property tax assessments. This approach is arguably reflective of how water resources have historically been managed – as a single commodity. The advent of integrated water resources management, where water is viewed and managed with respect to its impact on other resources, provides an environment more conducive to entrepreneurial enterprises – entrepreneurial enterprises that could evolve into significant sources of revenue.

Five-Year Vision

In 2018, as our community has grown, so have our District's services. We continue to provide the best level of service possible using up-to-date technology and industry best practices. We have developed the infrastructure to meet changing community needs and maintain reasonable rates.

These successes are possible because we have:

- Taken steps to ensure a secure water supply to maintain quantity and quality for our customers;
- Continuously invested in ongoing capital improvements and infrastructure replacement;

- Expanded our sphere of influence to reflect lake County General Plan growth projections and regional service demands;
- Maintained prudent financial reserves;
- Continued to earn the respect and loyalty of our customers by providing service that is fast, friendly, and professional;
- Implemented an effective resource conservation program, not only with our customers, but also in our internal operations;
- Added innovative revenue-generating activities utilizing natural resources and organizational expertise, as well as strategic partnerships with other public and private entities;
- Enhanced our technology, policies and process to ensure transparency and efficiency.

Goals, Strategies and Initiatives

Goal: Deliver High Quality Water and Wastewater Services

We will continue to deliver the highest quality water and wastewater services.

Background

The Hidden Valley Lake Community Services District provides safe drinking water that meets all State and Federal standards, and maintains a sewer treatment facility that disposes of waste in an effective and efficient manner. We provide drinking water to more than 2,400 residential and nearly 30 commercial customers, and irrigation water - nearly all of which consists of reclaimed waste water from the District's sewer treatment facility - for approximately 80 acres of the Hidden Valley Lake Golf Course.

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Strategies and Initiatives

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 - Endocrine disrupters

- Increase understanding of surface water – groundwater interactions within the Coyote Valley groundwater basin

- Promote stewardship of Coyote Valley Groundwater Basin
 - Monitor and participate in County land use planning activities
 - Support local watershed protection groups

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- Implement facilities maintenance program
- Develop dedicated source of funding

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We will maintain financial stability and equitable rates.

Background

The District has a history of financial stability. We have always paid our employees and vendors in a timely manner. Likewise, we are current on all outstanding debt. Though we have been able to fund operating expenses through normal operating revenue, there is very little in reserves.

We have historically been able to fund expansion and major maintenance projects through grants, bonds, or low-interest loans. But in the post-bear market, stricter lending

requirements mean we will have to make significant changes to qualify for such lending sources. To ensure access to improvement funds, we will adopt a policy that will create and maintain adequate reserves, both operating and capital, and perform periodic rate studies to assess changing financial needs. We will also seek professional guidance regarding other fiscal policies and strategies that will re-open the door to future lenders.

Strategies and Initiatives

2A. Update fiscal policies to promote financial stability

The recent nationwide economic recession and high-profile municipal bankruptcies has increased awareness and scrutiny of municipal finances, as reflected by the general tightening of municipal credit. In order to maintain and enhance the District's credit rating we will:

- Develop reserve fund policies
- Fund depreciation

2B. Adopt fixed asset management plan

We will develop a fixed asset management plan which will form the basis for determining appropriate funding levels for infrastructure and other fixed asset depreciation.

2C. Expand our ability to track and manage financial data

We routinely compile revenue and expense data that could provide valuable and timely information. To enhance our ability to track and analyze financial data, we will:

- Upgrade administrative computer system
- Monitor trends and develop long-term fiscal projections
- Improve cost tracking by activity/project

2D. Ensure rates are equitable and promote financial stability

We will commission a third-party water, sewer and miscellaneous fee study to determine the financially prudent revenue stream required to execute this strategic plan.

2E. Identify sustainable funding mechanism for flood control facilities

There is currently no dedicated revenue stream for funding operation and maintenance of our existing flood control facilities, nor expansion of flood control facilities or responsibilities should the District be required to obtain a National Pollutant Discharge Elimination System (NPDES) storm water discharge permit in the future. As part of this strategic plan we will conduct an analysis of current and future flood control funding requirements, and identify potential funding sources.

Goal: Expand Education and Outreach

We will expand education and outreach programs to enhance customer awareness of District services and promote government transparency.

Background

Historically, the amount of money and staff time allocated for education and outreach has been very limited; and as a result, our education and outreach efforts are relatively modest in comparison to other utilities. Much of our effort is focused on the promotion of water conservation in local grade school classrooms and at two-to-three community events each year. We periodically produce a newsletter that is mailed to customers and maintain a website, but we have not used electronic social media to disseminate information.

Strategies and Initiatives

3A. Expand customer education about the District and our services

Nationwide, the cost of providing safe, reliable municipal drinking water has risen steadily and often, -from the customer's perspective, for unknown or unsubstantiated reasons. A frequently heard complaint is that customers are being told to conserve water, which they do, and are subsequently "rewarded" with increased water rates. In general, water utility customers are unaware of the true cost of producing and delivering municipal drinking water. Similarly, they are often not fully aware of the water utility's services, or its responsibilities to maintain its sewer and drinking water infrastructure.

Coupled with the need to better educate customers is the related task of expanding the modes of communication. Among some demographics, electronic social media has become the preferred mode of communication. Disseminating information via social media is less expensive and often more effective than newsletters and other traditional means. As a part of this strategic plan, we will:

- Familiarize customers with the scope and breath of District services and the true cost of providing those services
- Utilize electronic social media, in conjunction with traditional newsletters, to disseminate information

3B. Educate customers about resource conservation and pollution prevention

Resource conservation and pollution prevention are the cornerstone of nearly every watershed stewardship program, and the central theme of the District's resource stewardship advocacy efforts for the Coyote Valley groundwater basin. To promote resource stewardship, we will continue to educate customers and increase public awareness of water conservation, and will also designate funding to expand programs to educate the public with regard to:

- Sewer lateral maintenance
- Stormwater management
- Safe disposal of grease, cleaning agents, pharmaceuticals and other household wastes

3C. Expand customer service training for employees

Customer service and more specifically, the public's expectations with respect to customer service, have and continue to evolve in response to the expanding functions of water utilities and the growing acceptance of electronic media as a means of communication. The District will expand and formalize its employee customer service training program to reflect the evolving functions of the District and the expanding role of electronic media. Specifically, the District will:

- Provide formal training (webinar, video, lectures)
- Initiate an annual customer satisfaction survey

Goal: Offer Innovative Services

We will innovate to maximize value to the community.

Background

As reflected by the emergence of "integrated regional water management planning," water utilities are evolving into resource management agencies that view and manage water resources from an interdisciplinary perspective. Increasingly, water utilities are becoming involved in projects and enterprises – habitat protection and restoration, energy conservation and "green" energy production, and land use planning – that were previously considered beyond the realm of water management. Coupled with the expansion of these services is the challenge to maintain affordable water rates.

The shift toward integrated regional water management bestows new responsibilities upon water utilities, but also provides an environment more conducive to entrepreneurial enterprises. We intend to explore and, when appropriate, initiate

entrepreneurial enterprises that will ultimately help us to maintain affordable water rates or otherwise benefit the Hidden Valley Lake community.

Strategies and Initiatives

4A. Leverage District resources to generate revenue

The District possesses expertise, equipment, and infrastructure that could be used to generate revenue and/or provide additional services to the community. As a part of this strategic plan we will:

- Expand solar power generation capacity
- Investigate the feasibility of wind power generation
- Investigate feasibility of providing facilities for the provision of internet services
- Investigate feasibility of converting sludge to marketable products
- Investigate feasibility of rainwater capture financing and installation
- Investigate feasibility of providing water/wastewater quality laboratory analysis services
- Provide expertise and intellectual capital to other organizations
 - Billing services
 - Consulting/contractor services
- Rent/lease heavy equipment

4B. Pursue partnerships and strategic alliances to develop revenue-generating activities

We will cultivate partnerships and alliances through participation in integrated regional water management planning efforts and water industry organizations such as the Association of California Water Agencies, and where appropriate, through political advocacy. Specifically, we will:

- Actively participate in the Westside Sacramento Integrated Regional Water Management Plan group
- Promote and facilitate communication between water purveyors and wastewater service providers in the Upper Putah Creek drainage
- Cultivate relations with local, State and Federal elected officials

Goal: Refine Governance and Administration

We will continuously refine our governance and administrative processes to promote efficiency, transparency, and customer service.

Background

Our ability to provide high-quality services is determined in part by the effectiveness of our governance structure and administration. Accordingly, we intend to enhance our service offerings by embracing and refining good governance practices and administrative processes. Specifically, we will codify Board of Director rules and procedures, and refine administrative processes through the incorporation of new technology. Collectively, these actions will not only enhance customer service, but also transparency – the “window” through which our constituents can assess the effectiveness and equity of the decisions and actions of our Board of Directors, as well as our General Manager and District staff.

Strategies and Initiatives

5A. Update governance procedures to promote efficiency and transparency

To improve Board governance we will adopt Board of Director Rules and Procedures to guide the conduct of Board meetings, communication among individual Board members, communication between the Board and District staff, and communication between individual Board members and District staff:

5B. Update administrative processes to enhance customer service

To improve our administrative processes and enhance customer service we will:

- Implement a paperless service order program and promote electronic billing to improve customer service and reduce administrative costs
- Automate meter reading to improve customer service, reduce administrative costs, and improve records retention and retrieval
- Utilize network system/cloud services to improve records retention and retrieval, and enhance preservation of District records in the event of disaster
- Implement an automated call system to improve customer service and enhance emergency response capabilities

5C. Conduct customer satisfaction surveys

We have never conducted a customer satisfaction survey and have historically received comparatively little feedback from our customers regarding services provided, or

potential interest in new or expanded services. To assess the appropriateness and quality of our services, we will conduct annual web-based customer satisfaction surveys to assess the District's ability to provide services, and the need or interest in providing additional services.

5D. Continuously update human resources policies and practices to recruit and retain skilled employees

To facilitate recruitment and retention of appropriately skilled employees we will:

- Maintain up-to-date job descriptions to reflect current and future staffing needs
- Provide competitive compensation to attract and retain competent staff
- Develop staff skills and capabilities that will enhance District's ability to provide services
- Provide training/cross-training and offer education reimbursements to facilitate development of staff skills and capabilities

5E. Review organizational structure and staffing needs

The organizational structure and staffing needs of water utilities are changing in response to the expanded responsibilities and interests bestowed by integrated regional water management, an increasingly stringent regulatory environment, and a growing willingness to engage in entrepreneurial enterprises. Twenty years ago it was highly unusual for a water utility to have fisheries or aquatic biologists on staff. Similarly, storm water management staffing was unheard of, and few, if any, water utilities engaged in solar power generation.

The District, in part through implementation of this strategic plan, is evolving, and out of necessity, becoming more knowledgeable and sophisticated with respect to a variety of water management issues. While the provision of water and sewer services will always remain our core function, and there will always be a need for that skill set, it is increasingly apparent that additional skills, most notably analytical skills, are needed to fulfill the District's mission. As a part of this strategic plan, we will review our organizational structure and staff composition to ensure that the District's organizational and staffing capabilities are aligned with current and future needs.

Strategic Plan Updates

To ensure this Strategic Plan remains functional, practical, and continues to address the current needs of the District we will review and update the plan annually, prior to adoption of the District's budget for the following fiscal year. As a part of this annual review we will:

- Identify specific elements of the Strategic Plan to be initiated and/or completed in the next fiscal year
- Measure our performance toward achieving the Strategic Plan's goals
- Publish a report summarizing the progress made and any changes with respect to the Strategic Plan goals, strategies or initiatives

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

DATE: November 19, 2013

AGENDA ITEM: Adoption of Resolution 2013-16 in support of the Association of California Water Agencies' Statewide Water Action Plan

RECOMMENDATIONS:

Adopt Resolution 2013-16 in support of the Association of California Water Agencies' Statewide Water Action Plan.

FINANCIAL IMPACT:

None

BACKGROUND:

See attached:

- 1) Letter from ACWA dated October 28, 2013
- 2) ACWA Statewide Water Action Plan

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

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

Ayes:

Noes:

Abstain:

Absent

Secretary to the Board

RESOLUTION 2013-16

RESOLUTION OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS IN SUPPORT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' STATEWIDE WATER ACTION PLAN

WHEREAS, a broad cross-section of water interests convened by the Association of California Water Agencies (ACWA) has developed a Statewide Water Action Plan to address overall water supply reliability and ecosystem health in California; and

WHEREAS, the ACWA Board of Directors unanimously approved the Statewide Water Action Plan at its September 27, 2013 meeting and directed that it be submitted to California Governor Jerry Brown as the water community's recommendations for developing the Administration's water plan; and

WHEREAS, ACWA's Statewide Water Action Plan outlines 15 actions to improve water supply reliability, protect water rights, protect the integrity of the state's water system and promote better stewardship; and

WHEREAS, the plan also includes guiding principles for implementation to help ensure actions benefit the entire state, respect water rights and contract terms, and reflect a new regulatory approach that can better meet the needs of California water users and ecosystems; and

WHEREAS, the Statewide Water Action Plan provides context for a Delta solution and other critical actions as components of a broader set of strategies to secure California's water future; and

WHEREAS, when implemented together, this suite of statewide actions will serve as a sustainable path forward for California

NOW, THEREFORE, BE IT RESOLVED that the Hidden Valley Lake Community Services District hereby supports ACWA's Statewide Water Action Plan and encourages its adoption as the basis for statewide action by Governor Brown.

PASSED AND ADOPTED on November 19, 2013 by the following vote:

AYES:

NOES:

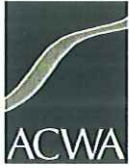
ABSTAIN:

ABSENT:

Judy Mirbegian
President of the Board of Directors

ATTEST:

Roland Sanford
Secretary to the Board of Directors



**Association of
California Water Agencies**
Since 1910
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RECEIVED

OCT 31 2013

October 28, 2013

Dear ACWA Member:

As you may know, ACWA convened a broad cross-section of member water interests earlier this year to develop a statewide plan addressing California's overall water supply reliability and ecosystem health. The goal was to craft a specific plan that could be broadly supported by the water interests throughout the state and serve as a sustainable path forward for California.

The result of that effort is the enclosed Statewide Water Action Plan for California, which was completed in September and approved unanimously by the ACWA Board of Directors on Sept. 27.

ACWA submitted the Statewide Water Action to California Governor Edmund G. Brown Jr. on Oct. 2, 2013, as the water community's recommendations for development of a water plan for the state.

The plan outlines 15 actions to improve water supply reliability, protect water rights, protect the integrity of the state's water system and promote better stewardship. It calls for the state to move ahead on vital actions such as storage, water rights protection, and a plan to avoid future "dead pool" conditions at key reservoirs due to climate change, and conveyance solutions in the Delta. It also lays out guiding principles to ensure actions benefit the entire state.

These elements are important, but ACWA's Board believes the real power of the Statewide Water Action Plan is its focus on the statewide picture and the opportunity it creates for unprecedented unity on key water issues.

Resolutions of Support Requested

To demonstrate the broadest support possible for the Statewide Water Action Plan, we are encouraging ACWA members to adopt resolutions in support of ACWA's Statewide Water Action Plan. A sample resolution is enclosed and also available at <http://www.acwa.com/spotlight/SWAP>. Once your agency has adopted a resolution, please be sure to email a copy to ACWA Region & Member Services Specialist Ana Torres at anat@acwa.com so we can add it to our support list.

We are excited about the Statewide Water Action Plan and the strong message it sends in favor of actions to secure the state's water future while recognizing these actions – including a Delta conveyance solution – are much more likely to succeed if they are part of a broader action plan. We welcome your comments. Members with questions may contact Executive Director Timothy Quinn at 916-441-4545 or timq@acwa.com.

Randy Record
President

John Coleman
Vice President

Tim Quinn
Executive Director

ASSOCIATION OF CALIFORNIA WATER AGENCIES

STATEWIDE WATER ACTION PLAN FOR CALIFORNIA



**Association
of California
Water Agencies**
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October 2013

About the Statewide Water Action Plan

The Association of California Water Agencies (ACWA) convened a broad cross-section of member water interests in spring 2013 to develop a statewide plan addressing the state's overall water supply reliability and ecosystem health. The goal was to craft a specific plan that could be broadly supported by water interests throughout the state and serve as a sustainable path forward for California.

The resulting Statewide Water Action Plan was completed in September and unanimously approved by the ACWA Board of Directors on Sept. 27, 2013. ACWA submitted the Statewide Water Action Plan to California Governor Edmund G Brown Jr. on Oct. 2, 2013, as the water community's recommendations for developing the Administration's water plan for the state.

Association of California
Water Agencies

Contacts and Location:

Sacramento Office
910 K Street, Suite 100
Sacramento CA, 95814
tel 916.441.4545

Randy Record
ACWA President

John Coleman
ACWA Vice President

Timothy Quinn
Executive Director

ACWA's mission is to assist its members in promoting the development, management and reasonable beneficial use of good quality water at the lowest practical cost in an environmentally balanced manner.

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ASSOCIATION OF CALIFORNIA WATER AGENCIES

STATEWIDE WATER ACTION PLAN FOR CALIFORNIA



Introduction

California's complex water management system is facing unprecedented challenges. Local investments in water supply reliability and ecosystem health have built upon the legacy infrastructure projects that served us well in the past, but the backbone water supply system we rely on today no longer satisfies the state's needs. California's statewide water system cannot respond effectively to our growing population, changing ecosystem needs, increasing flood risks and consecutive years of drought. Climate change and its impacts on public safety and long-term water supply reliability also pose a significant challenge to this generation of water and flood managers.

These problems are extraordinary, and their solutions will require an extraordinary commitment from state, local and federal agencies. They also will require a more evolved regulatory approach that will allow the system to operate efficiently and predictably to meet 21st century water supply and ecosystem needs.

The state has recognized the need for action in venues and initiatives such as the Department of Water Resources' (DWR) California Water Plan, the Delta Stewardship Council's Delta Plan, and the multi-agency Bay Delta Conservation Plan (BDCP). Now California's public water agencies are stepping forward to recommend this set of principles and actions to enhance these individual efforts and integrate them in a comprehensive Statewide Water Action Plan. Our recommended plan, submitted to the Governor for his consideration, provides context for a Delta solution and other critical actions as components of a broader set of strategies to address overall water supply reliability and ecosystem health in California.

When implemented together, this suite of statewide actions will serve as a sustainable path forward for California. Governor Brown's leadership and commitment will be central to the success of this action plan and to moving water policy forward in California.

Guiding Principles for Implementation of the Statewide Water Action Plan

1. **Long-term water supply reliability and improved ecosystem health** are the core objectives of this statewide water action plan. In the course of achieving them, however, we must ensure that one region's increased reliability does not adversely affect another's near- or long-term water supplies.
2. **A new regulatory approach** is essential to reflect today's realities and better serve the needs of California water users and the ecosystem. This is critical if we are to reduce scientific uncertainty and incorporate new understanding of operational and ecosystem dynamics. Under the current approach, regulatory agencies tend to focus only on their specific goals, resulting in duplicative and contradictory requirements that fail to deliver benefits to our water supply, water quality or ecosystem. To combat this, state agencies should commit to using collaborative processes as extensively and transparently as possible to achieve regulatory goals in a way that satisfies water supply, water quality, and ecosystem needs. This new approach should embrace enhanced sharing of data, consistent use of peer-reviewed science (including climate change models), coordinated review under the California Environmental Quality Act (CEQA), and improved integration and coordination of all related processes. This approach will help ensure continued ecosystem protections and increase the water community's confidence that regulatory investments will achieve benefits.
3. **The best available science** should be used to support every action, report or decision made as part of this Statewide Water Action Plan. The science should be inclusive, objective, transparent, and peer reviewed.
4. **Water rights and contract terms**, including area-of-origin protections, are foundational to our water system and should be respected and adhered to whenever projects and initiatives are implemented. State and federal facilities should be operated consistent with the conditions of water rights, contracts, and other entitlements.
5. **Bold actions guided by strong leadership** at the state, federal and local levels are essential for the successful implementation of this action plan. In particular, increased commitments by federal partners are needed to ensure the plan moves forward. The Department of Water Resources should provide leadership and support for these efforts from the department's highest level.
6. **Financing:** The state should fund investments that provide broad public benefits such as improved water supply reliability, water quality and ecosystem health. The state should also incentivize local projects that advance statewide water priorities and require public assistance to be cost effective.

Statewide Actions

To be most effective, the following suite of statewide actions should be implemented as a comprehensive package. Indeed, many elements — including a Delta conveyance solution — are much more likely to succeed if they are part of a broader action plan. Statewide support for the action plan is essential. Advancing all elements of the plan simultaneously will help secure and maintain that support and build a statewide coalition capable of achieving these ambitious goals.

1. Storage

California's water infrastructure has proven inadequate to meet the state's needs in a two-year drought, let alone a multi-year drought. This deficiency, coupled with the already measurable effects of climate change, makes construction of new storage facilities and expansion of existing storage imperative. A wide range of options should be on the table, including new surface water projects; re-operation and expansion/enlargement of existing storage projects; groundwater and conjunctive use; and development of other local and regional storage facilities. Additional storage will add flexibility to the water management system and help ensure a more reliable water supply to serve California's diverse needs, including drought resilience and ecosystem protection (e.g., improved temperatures and flows for fish).

Actions

- **Studies.** In coordination with DWR, the responsible state, federal or local water agency proponents of projects should complete storage studies by June 2014 and formally determine whether a particular project is environmentally and economically sound and will provide benefits for water supply and the ecosystem.
- **Permitting.** Within six months of a local determination based on these studies, DWR and the California Department of Fish and Wildlife (CDF&W) should begin coordinating with local agencies to expedite permitting and CEQA compliance for new storage facilities. For storage projects found to have statewide benefit, DWR and CDF&W should take the lead in expediting the permitting process.

The state also should coordinate with federal agencies as needed on permitting, the National Environmental Policy Act (NEPA), water rights issues and potentially construction.

- **Financing.** Under comprehensive water legislation enacted in 2009, the California Water Commission is tasked with defining and quantifying the public benefits of water storage projects eligible for funding with state dollars. By June 2014, local water agencies that would receive identifiable water supply benefits from water storage projects should provide a plan outlining their commitment and steps they will take to pay for those benefits. This Statewide Water Action Plan recommends that any water bond that moves forward in 2014 provide for continuous appropriation of funding for the public benefits of storage as outlined in the bond measure currently slated for the November 2014 ballot.
- **Construction.** By January 2018, construction should commence for new groundwater and surface water storage projects with an initial target of 1.5 million acre-feet of new storage capacity, as documented in the 2000 CALFED Record of Decision.
- **Local Construction.** As soon as practicable, construction of local facilities with a target of 1 million acre-feet should be completed.
- **Reoperation.** DWR should complete its study of reservoir reoperation by June 2014, including reoperation of existing reservoirs and integration of new storage into system operations.

2. Water Use Efficiency

Water conservation and water use efficiency are central elements of the state's strategy to enhance water supply reliability, restore ecosystems and respond to climate change and a growing population. It should continue to be the state's policy to encourage investments in water conservation and water use efficiency by ensuring that the right to conserved water remains with the conserving entity. Local and regional water agencies have made significant multi-decade investments in water conservation and water use-efficiency activities and continue to do so under new state requirements

enacted in law. The state should acknowledge that local agencies are in the best position to determine compliance with these requirements and should respect local determinations as sufficient.

Actions

- The state should provide funding for water use efficiency activities in disadvantaged communities and support programs that are not locally cost effective but contribute broad benefits to California.
- DWR and local water agencies should coordinate with groundwater management agencies where applicable to enhance conjunctive use opportunities and minimize potential impacts on groundwater recharge that may result from water use efficiency and conservation efforts.

3. Water Supply Assurances

California law establishes a goal of improving water supply reliability throughout the state. Water supply reliability in regions that rely on water conveyed across the Delta is of obvious importance to the California economy. A BDCP is being developed in part to improve and protect water supply reliability for the agencies that will benefit from its completion. However, it is important that these improvements be accomplished in a manner consistent with this principle.

When the Central Valley Project (CVP) and the State Water Project (SWP) were built, assurances were incorporated in their authorizing statutes that water needed to meet present and future beneficial uses in the areas of origin (i.e., the Sacramento Valley, the east side of the San Joaquin Valley and the Delta) would be available to those areas when needed. All of California has benefited from these fundamental assurances. The state should commit to implementing an action plan that augments storage and modifies regulatory approaches to ensure that positive storage balances can be maintained at all times to provide for improved water supply reliability and ecosystem health and protection of the state's economy.

Actions

- As the state implements this plan, all relevant agencies should adhere to water rights protections in state law and comply with existing water rights and contractual requirements.
- The Administration should continue to affirm through its policies and actions that the

implementation of a BDCP will not adversely affect existing water rights of those in the watershed of the Delta, nor will it impose any obligations on area-of-origin water users, including in the Delta, to supplement flows in and through the Delta.

- Those seeking to secure permits for a BDCP will be responsible for meeting all applicable conditions in their BDCP permits, including any obligations in those permits for Delta flow, which as required by law must avoid redirected impacts to area-of-origin water users, including in the Delta, unless provided for in voluntary agreements or settlements.

4. Operational Assurances

Recent modeling indicates that, in the driest 10% of years, some major reservoirs will hit "dead pool," the condition in which water levels fall below a dam's lowest outlets and no operable storage exists to deliver water for supply, environmental, and power generation purposes. The ramifications of hitting dead pool at that frequency could be catastrophic for water users who rely on these facilities for a portion of their supply, for the environment, and particularly for affected water agencies that do not have another viable source of water supply for their customers.

Allowing reservoirs to reach dead pool is not sound policy and is at odds with overall efforts by the state and federal governments to address California's water supply reliability and ecosystem health. Adaptive strategies that address this issue are critical to ensure that the operational rules for California's water delivery system will provide the water supply assurances needed by water users throughout the state. It should be the policy of the state to adopt regulations, develop operating rules, or take other actions that will ensure that reservoirs are not drawn to dead pool conditions, even in multiple dry years.

Actions

- The Administration should develop a strategy in coordination with state agency leadership and federal agency partners by January 1, 2015, to ensure reservoirs are not driven to dead pool levels. This strategy should identify needed regulatory changes, infrastructure improvements including increased storage capacity, and changes in reservoir operations, as well as support for additional local resources development.

- Initial actions identified through this process that can be implemented prior to January 1, 2015, should be included as part of the report outlined in the Governmental Coordination section of this Statewide Water Action Plan.
- As part of this strategy, the Governor should direct state agencies to implement new and existing water management and water quality programs in a manner that will help ensure California's reservoirs do not reach dead pool conditions.

5. Improved Regional Self-Reliance

In addition to water use efficiency and water conservation, California's water agencies utilize a variety of methods to increase local water supplies and reliability for water users and the environment. The state should continue to support development of local and regional water resources that improve each region's water supply reliability and, where applicable, augment imported water supplies. This includes surface water diversions for in-basin uses, conjunctive use, stormwater capture, recycled water, desalination, and groundwater cleanup. Projects and programs that achieve multiple benefits should be a priority.

Actions

- Local agencies should improve self-reliance by planning and implementing projects consistent with decisions made by local and regional water agencies.
- DWR should consult with local and regional agencies to develop a statewide strategy to improve regional supplies, in accordance with the Sacramento-San Joaquin Delta Reform Act.
- The state should continue to support Integrated Regional Water Management Plan (IRWMP) efforts that successfully provide for regional and local needs.
- DWR should work with existing IRWMP programs and stakeholders to evaluate the state's Integrated Regional Water Management program and identify areas for improvement, including streamlining the application process, developing specific criteria to determine successful plan implementation, and reducing transaction costs. This effort should include ways to enhance the program's effectiveness in serving disadvantaged communities in IRWMP-eligible areas.

6. Headwaters

Because nearly all of the state's water supplies originate in California's headwaters, more effectively managing these areas is integral to optimizing the water supplies that nature provides. Adapting to climate change and improving watershed resiliency to reduce the likelihood of catastrophic wildfires and increase water yield and quality will require substantial investments by the state.

Actions

- State land and resource management agencies with jurisdiction in headwaters areas should draft a joint report to the Governor and the Legislature analyzing the impacts of climate change on headwaters. The report should identify the benefits that headwaters currently provide, identify models to assess the impacts of climate change on these resources and outline strategies to adapt to those impacts. The appropriate state agencies should invite their federal agency partners to participate in the development of the report.
- The Natural Resources Agency, in consultation with the Sierra Nevada Research Institute (UC Merced) and the U.S. Departments of Agriculture and the Interior, should provide a report to the Governor outlining and prioritizing investments that can be made on public lands to improve the condition and functions of California's headwaters to benefit water supply reliability for the state.
- Working with local agencies, the state should assess and support solutions for legacy issues affecting water quality and supply to improve the condition of affected watersheds.
- The state should seek to partner with the U.S. Forest Service in meadow restoration projects that can control excessive soil erosion and sediment delivery in California's watersheds to help maintain reservoir storage capacity, reduce flood risks and increase conjunctive use capability.

7. Water Quality

Protecting water quality is a critical aspect of water management in California. The state should continue to pursue actions to protect, maintain and enhance surface water and groundwater quality for all applicable beneficial uses, consistent with meeting all applicable standards, agreements and regulatory requirements.

Actions

- The Department of Public Health should fund the development and use of new analytical methods and cost-effective treatment technologies to better detect and remove chemical and microbial contaminants from drinking water supplies.
- The state should provide funding support for local water agencies to develop and implement salt and nutrient management plans that will reduce salinity in surface and groundwater supplies and provide enhanced conjunctive use opportunities.
- The State Water Resources Control Board and the Regional Boards should review and better match water quality standards to the locally appropriate and demonstrated use of the water. Water quality program expenditures should be focused where they will provide the greatest water quality benefits. Source water quality for municipal uses should continue to be protected.
- The state should continue to develop solutions for assisting disadvantaged communities that do not have safe drinking water.

8. Bay Delta Conservation Plan

A Delta solution, including a BDCP, is a critical component of a broader set of actions that will address water supply reliability and ecosystem health in California.

Actions

- Within the scope of existing regulatory statutes, all state agencies involved in developing a BDCP should exercise their discretion and authority to ensure the final project is consistent with the principles of this Statewide Water Action Plan.
- A Delta solution is expected to provide substantial public benefits, which will be funded from public sources including a revised 2014 water bond. The state should work with its federal partners to secure long-term, non-reimbursable federal funding to pay for the federal share of these public benefits.
- Any large construction project, including a BDCP, may have adverse impacts related to the project's "footprint." Where feasible, a BDCP should be designed to avoid or minimize adverse impacts in the first place. When adverse impacts cannot be avoided, the permittees of a BDCP should

mitigate project-related environmental impacts, including water supply impacts, in accordance with existing law.

- The permittees of a BDCP, including the Central Valley Project and State Water Project contractors, should work collaboratively with other water users in good faith on all statewide water issues to find mutually acceptable solutions on the broader statewide water issues.

9. Levee Improvement and Maintenance

Levees in the Delta and throughout California are key features of the state's water system and are subject to many risks, including those associated with earthquakes and floods. To protect against and prepare for future levee failures, the state should continue to support and prioritize the maintenance of levees in accordance with state law, including critical near-term actions and the Central Valley Flood Protection Plan.

Actions

- The Delta Stewardship Council should complete its prioritization plan by July 1, 2014.
- The state should continue to support DWR's Delta Levee Maintenance and Special Projects programs and provide support for local flood protection measures throughout the Central Valley by partnering with local agencies in projects that can incorporate public benefits.

10. Emergency Preparedness and Public Safety

Recent events in California and other states have demonstrated that water-related emergencies can have significant impacts and put public safety at risk. A robust emergency response plan is essential for minimizing disruption due to floods, earthquakes, wildfires, power outages or contamination of drinking water supplies. The state, working with federal partners, should continue efforts to improve response strategies to enhance public safety during these unforeseen events.

Actions

- DWR should implement pertinent recommendations of the Sacramento-San Joaquin Delta Multi-Hazard Coordination Task Force Report of 2012.

- To reduce the risk of catastrophic wildfires, the California Department of Forestry and Fire Protection (CAL FIRE) should review and, if necessary, revise relevant state regulations to better accommodate and effectuate the use of forest management tools such as forest thinning, biomass removal and controlled burns that reduce fuel loading.
- DWR should coordinate with the California Governor's Office of Emergency Services and the U.S. Army Corps of Engineers to ensure public safety in the Delta and upstream will not be compromised by actions that might otherwise degrade the performance of flood management facilities; create or redirect hydraulic impacts; or, interfere with or impede flood facility improvements, operations or maintenance.
- DWR should implement the pathway strategy adopted in its draft Delta Flood Emergency Preparedness and Response Plan and supported by the U.S. Army Corps of Engineers. This effort includes all measures to facilitate restoration of an emergency freshwater pathway to water export facilities in approximately six months.

11. Bay-Delta Water Quality Control Plan

Multiple regulatory agencies, including, but not limited to, the State Water Resources Control Board (State Water Board), National Oceanic and Atmospheric Administration (NOAA) Fisheries, U.S. Fish and Wildlife Service (USFWS), CDF&W, U.S. Environmental Protection Agency (USEPA), DWR, Army Corps of Engineers, and the Delta Stewardship Council are tasked with making decisions affecting California's water supplies. Continued coordination among these agencies is essential to avoid duplicative and possibly conflicting policies and regulations, and to make the most efficient use of the state's resources. Negotiated programs and planning efforts have been and likely will be the most effective tools to protect beneficial uses in the Bay-Delta. The State Water Board has the opportunity to lead this coordination through its review and update of the 2006 Water Quality Control Plan (Bay-Delta Plan). In its review of the Bay-Delta Plan, the State Water Board should:

Actions

- Encourage and facilitate negotiated programs, planning efforts and settlements that will implement flow and non-flow actions consistent

with the need to protect beneficial uses and public trust balancing.

- Require a tri-annual review of water quality objectives and implementation accountability through annual reports by local agencies, state offices, departments and boards with responsibility to implement the Bay-Delta Plan.

12. Water Bond

Significant investments in California's water infrastructure, water management improvements and ecosystem health are critically needed and long overdue.

Actions

- The water bond currently set for the November 2014 ballot should be modified, consistent with the ACWA Board of Directors' Water Bond Policy Principles, in early 2014 to ensure its placement on the November ballot. An appropriately crafted general obligation bond can fund broad public benefits associated with investments identified in this Statewide Water Action Plan. Priorities for funding should include new surface and groundwater storage; local and regional projects that support greater regional self-sufficiency; investments in Delta ecosystem restoration; safe drinking water projects and water quality improvements; water conservation and water use efficiency; and watershed management.

13. Groundwater Resources

Many regions of the state rely on groundwater for a significant portion of their water supply. In recent years, climate change, regulatory restrictions on surface water supplies, and increased demands have forced greater reliance on groundwater as a principal or supplemental supply for urban, agricultural and environmental uses. More sustainable management of groundwater is needed, but in order to succeed the state must invest in improvements to its water storage and Delta conveyance infrastructure to optimize both surface and groundwater supplies. Consistent with ACWA's strategic policy document, *Sustainability from the Ground Up: A Framework for Groundwater Management in California*, the state should support and incentivize effective local and regional groundwater management, resolve conflicting state regulatory requirements and streamline its policies to optimize and increase surface and groundwater storage opportunities.

Actions

- DWR should convene a multi-agency workgroup with participation by local groundwater agencies to coordinate, review and facilitate implementation of local and regional groundwater management performance objectives.
- Groundwater recharge, banking and conjunctive use projects are critical to the future sustainability of California's groundwater resources. DWR and State Water Board (and Regional Boards) should support and facilitate these activities when programs are implemented as part of an IRWMP or legally recognized groundwater management plan.
- DWR, in consultation with other agencies that gather data, should develop a single data portal on a publicly accessible website for groundwater quality information. DWR also should continue to expand the CASGEM database for groundwater quantity.
- The state, through the Regional Boards, should support and incentivize local agencies' efforts to develop long-term, sustainable solutions for cleanup of existing groundwater contamination and prevention of future contamination.

14. Water Transfers

Water transfers can provide much-needed flexibility in meeting water supply and environmental needs and have proven invaluable in dry years and droughts. A well-defined set of policies and procedures that provide certainty to transferring parties is essential to facilitate future transfers and promote local and statewide economic, social and environmental sustainability.

While federal and state laws promote transfers, DWR's current approval processes should be streamlined. These issues should be resolved as expeditiously as possible so water transfers can be implemented quickly — when they are needed — without adversely affecting third parties.

Actions

- DWR should convene stakeholder meetings, including with the U.S. Bureau of Reclamation, to identify and resolve, at a minimum, the following issues by December 1, 2013:

- Identify a process to expedite transfers within a region;
 - Assess the role of CEQA in water transfers,
 - Review DWR and Reclamation processes and criteria that are used to determine what water is transferable; and
 - Investigate and review contracting practices within Reclamation and DWR for approving agreements to use conveyance and storage facilities of the Central Valley Project and the State Water Project.
- DWR also should review the 2002 SWRCB report, *Water Transfers Issues in California*, for background and relevant recommendations to further facilitate water transfers.

15. Governmental Coordination

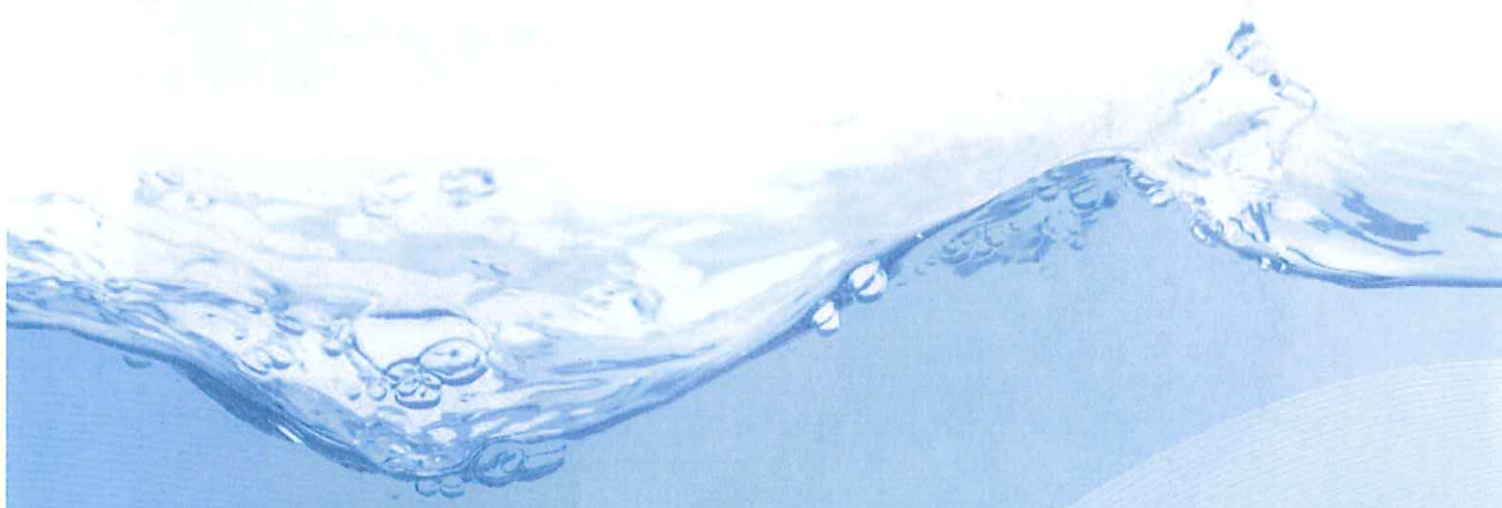
For this plan to be successful, improved coordination among state agencies and between the state and federal government will be critical.

Actions

- The Governor and state agency leadership should follow up with their federal counterparts, including the President, to assess actions, policy direction and commitments in response to the memo from the President's Council on Environmental Quality (CEQ) to his cabinet directing that a BDCP be a priority for the Obama Administration. The state should further coordinate with federal agencies to advance other actions identified in the CEQ memo, including conservation and water use efficiency, enhancing water supplies and storage, and facilitating water transfers during times of shortage.
- The secretaries of the Natural Resources Agency, California Environmental Protection Agency and the Health and Human Services Agency, in coordination with their respective boards, departments, offices, councils, commissions and conservancies that have a role in implementation of this plan, should produce within 90 days of the Governor's approval of this plan a joint report that details how the agencies and entities they oversee will exercise their authorities to implement this plan in an expeditious and integrated manner.

Statewide Water Action Plan Participation





**Association
of California
Water Agencies**
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STATEWIDE WATER ACTION PLAN FOR CALIFORNIA



SAMPLE RESOLUTION IN SUPPORT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' STATEWIDE WATER ACTION PLAN

WHEREAS, a broad cross-section of water interests convened by the Association of California Water Agencies (ACWA) has developed a Statewide Water Action Plan to address overall water supply reliability and ecosystem health in California; and

WHEREAS, the ACWA Board of Directors unanimously approved the Statewide Water Action Plan at its Sept. 27, 2013, meeting and directed that it be submitted to California Governor Jerry Brown as the water community's recommendations for developing the Administration's water plan; and

WHEREAS, ACWA's Statewide Water Action Plan outlines 15 actions to improve water supply reliability, protect water rights, protect the integrity of the state's water system and promote better stewardship; and

WHEREAS, the plan also includes guiding principles for implementation to help ensure actions benefit the entire state, respect water rights and contract terms, and reflect a new regulatory approach that can better meet the needs of California water users and ecosystems; and

WHEREAS, the Statewide Water Action Plan provides context for a Delta solution and other critical actions as components of a broader set of strategies to secure California's water future; and

WHEREAS, when implemented together, this suite of statewide actions will serve as a sustainable path forward for California; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of (AGENCY) hereby supports ACWA's Statewide Water Action Plan and encourages its adoption as the basis for statewide action by Governor Brown.

RESOLUTION 2013-14

RESOLUTION OF THE HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS IN SUPPORT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' STATEWIDE WATER ACTION PLAN

WHEREAS, a broad cross-section of water interests convened by the Association of California Water Agencies (ACWA) has developed a Statewide Water Action Plan to address overall water supply reliability and ecosystem health in California; and

WHEREAS, the ACWA Board of Directors unanimously approved the Statewide Water Action Plan at its September 27, 2013 meeting and directed that it be submitted to California Governor Jerry Brown as the water community's recommendations for developing the Administration's water plan; and

WHEREAS, ACWA's Statewide Water Action Plan outlines 15 actions to improve water supply reliability, protect water rights, protect the integrity of the state's water system and promote better stewardship; and

WHEREAS, the plan also includes guiding principles for implementation to help ensure actions benefit the entire state, respect water rights and contract terms, and reflect a new regulatory approach that can better meet the needs of California water users and ecosystems; and

WHEREAS, the Statewide Water Action Plan provides context for a Delta solution and other critical actions as components of a broader set of strategies to secure California's water future; and

WHEREAS, when implemented together, this suite of statewide actions will serve as a sustainable path forward for California

NOW, THEREFORE, BE IT RESOLVED that the Hidden Valley Lake Community Services District hereby supports ACWA's Statewide Water Action Plan and encourages its adoption as the basis for statewide action by Governor Brown.

PASSED AND ADOPTED on November 19, 2013 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Judy Mirbegian
President of the Board of Directors

ATTEST:

Roland Sanford
Secretary to the Board of Directors

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

DATE: November 19, 2013

AGENDA ITEM: Discussion and Possible Action: Impact of proposed California Department of Public Health hexavalent chromium maximum contaminant level (MCL) on District operations

RECOMMENDATIONS:

Hear General Manager’s report and provide direction to staff.

FINANCIAL IMPACT:

None

BACKGROUND:

In August, 2013 the California Department of Public Health (DPH) formally proposed a 10 parts per billion drinking water standard for hexavalent chromium. Recent testing has confirmed that the District’s raw water supply contains detectable levels of hexavalent chromium – concentrations approaching and occasionally exceeding the proposed 10 parts per billion standard. DPH, as a part of the “rule setting process”, solicited public comment on the proposed hexavalent chromium standard and reportedly received over 18,000 comments. Key issues include the cost of complying with the proposed standard and whether the proposed standard is adequate with respect to the protection of public health. Additional background information can be found at www.cdph.ca.gov. Staff will make a short presentation summarizing the potential implications of the proposed hexavalent chromium standard on District operations.

APPROVED
AS RECOMMENDED

OTHER
(SEE BELOW)

Modification to recommendation and/or other actions:

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

Ayes:

Noes:

Abstain:

Absent

Secretary to the Board



American Water Works
Association



CALIFORNIA-NEVADA SECTION
American Water Works Association

October 11, 2013

Office of Regulations
California Department of Public Health
MS 0507
P.O. Box 997377
Sacramento, CA 95899-7377

RE: Notice of Proposed Rulemaking, Title 22, California Code of Regulations,
Hexavalent Chromium MCL (DPH-11-005)

Dear Sir or Madam,

The California-Nevada Section of the American Water Works Association (CA-NV AWWA) and American Water Works Association (AWWA) appreciate the opportunity to comment on the California Department of Public Health's proposed hexavalent chromium (Cr(VI)) drinking water standard.

CA-NV AWWA is an organization of the professional drinking water community, whose approximately 4,700 members in California are committed to providing safe and reliable water to the public. With approximately 50,000 members throughout North America and beyond, AWWA is the world's largest nonprofit, scientific and educational association dedicated to managing and treating water.

Community water systems in California are committed to providing safe water to the public. The Office of Environmental Health Hazard Assessment identified Cr(VI) as a potential health threat in drinking water. Drinking water systems have been working with the scientific and engineering research communities for several years to understand risks and identify solutions to remove Cr(VI).

The professional drinking water community will work with dedication and diligence to meet the CDPH's final Cr(VI) maximum contaminant level (MCL). Unfortunately, this treatment is expensive and likely to result in increased water rates. In addition, based on practical

experience, we believe that the true costs to the public will be far greater than those estimated by CDPH.

Through a collaborative effort of the drinking water utility associations, water systems have pulled together available information to meet CDPH's request for public comment. Attached are two technical memoranda prepared by Jacobs Engineering Group (Jacobs) and Water Quality and Treatment Solutions (WQTS) that provide a detailed evaluation of CDPH's proposed standard and the associated cost of implementation. We hope that this information will assist CDPH in completing its selection of a health protective and affordable hexavalent chromium standard. We ask that the Department give careful consideration to the information provided in these two technical memoranda.

In particular, it is the expert judgment of our collective membership that:

1. There are a number of opportunities for CDPH to improve on its initial cost analysis, and additional analysis is necessary to support the department's selection of a final MCL.
2. The final Cr(VI) drinking water standard must provide water systems sufficient time to come into compliance before the standard is effective.
3. CDPH was instructed by the legislature to promulgate a Cr(VI) drinking water standard; the Department should not create confusion by also requiring Department-approved distribution system chromium speciation studies as described in the proposed rule.

The protection of public health is always our first priority. In addition, the cost consequences of a Cr(VI) standard are significant and should be fully understood. Across California, Cr(VI) is primarily a naturally occurring compound. Regardless of the level selected for the final MCL, in virtually all communities the cost of treatment will fall directly on individual households and businesses. The attached occurrence analysis by Jacobs indicates that the CDPH analysis underestimates the number of sources impacted by an MCL of 10 µg/L. An alternate occurrence calculation approach suggested by Jacobs estimates the number of impacted sources at an MCL of 10 µg/L to be 1,360 -- 1,049 more than estimated by CDPH.¹

The CDPH's preliminary analysis indicates that some households will experience unaffordable monthly water rates, with water rates reaching \$469/month simply to pay for compliance with

¹ Jacobs Engineering Group. *Technical Review of the Occurrence Analysis Used in the Draft Hexavalent Chromium MCL by California Department of Public Health (DPH-11-005)*. October, 2013. Table 1.

a Cr(VI) standard of 10 µg/L.² The attached WQTS analysis demonstrates that when costs are adjusted to more completely account for household water usage, actual peaking factor used in facility design, land acquisition, and building construction, the proposed Cr(VI) standard will cost even more than CDPH estimated.³ The affordability challenge presented by a treatment standard for Cr(VI) is clear when compared to the National Drinking Water Advisory Council water treatment affordability criteria and when looked at as an increase to the current cost of drinking water in affected communities.^{4,5}

Prior and ongoing experience demonstrates that compliance with challenging water quality standards can be particularly difficult on small, disadvantaged communities. For example, after more than a decade since the arsenic rule became final, many small systems are not yet able to comply with the standard.⁶ By comparison, the analyses by Jacobs and WQTS demonstrate that a low-level Cr(VI) standard is equal or more challenging than the arsenic rule and impacts a large number of small water systems.⁷

Limitations in CDPH's analysis that are described in the WQTS analysis have important implications for policy makers. The preliminary CDPH analysis is not consistent with existing California policies in at two respects, and consequently underestimates the cost of treatment in impacted systems:

1. The existing California Waterworks Standards require water supplies to be designed for peak flows that are not accounted for in CDPH costing analysis.⁸
2. California water supply planning (DWR Urban Water Management Plan) estimates water usage rates 50% higher on average than reflected in the CDPH costing analysis.⁹

It is good practice and current CDPH policy that community water systems maintain reliable water supplies to adequately meet their communities' health and safety needs under both routine and stressed conditions. As CDPH is well aware, the State's climate, demographics, and economy lead to significant seasonal and year-to-year variability in water use. As water systems

² California Department of Public Health. *Hexavalent Chromium MCL Initial Statement of Reasons*, Table 8.

³ Water Quality & Treatment Solutions. *Review of CDPH's Economic Analysis Supporting the Draft California MCL for Hexavalent Chromium in Drinking Water*. October, 2013.

⁴ National Drinking Water Advisory Council. *Recommendations of the National Drinking Water Advisory Council to U.S. EPA on Its National Small Systems Affordability Criteria*. July, 2003. p. xii.

⁵ Water Quality & Treatment Solutions. *Review of CDPH's Economic Analysis Supporting the Draft California MCL for Hexavalent Chromium in Drinking Water*. October, 2013. Table 3.

⁶ California Department of Public Health. *Small Water Systems Program Plan Monthly Update*. August, 2013. p.1.

⁷ Water Quality & Treatment Solutions. *Review of CDPH's Economic Analysis Supporting the Draft California MCL for Hexavalent Chromium in Drinking Water*. October, 2013, Table 3.

⁸ California Regulations Related to Drinking Water. Chapter 6, Article 2, Section 64554(b)(1). July, 2013.

⁹ California Department of Water Resources. *2010 Urban Water Management Plans*, 2012, Table 2.

are held accountable for maintaining an adequate supply, it is important that the Department's cost analysis for the proposed standard reflect treatment of the volume of water that systems are expected to be prepared to provide. When CDPH incorporates public comments and prepares a revised cost analysis to support its final standard, there is an important opportunity to utilize data on annual well production and peak month production data. Such production data are available. Every community water system in the state submits these data electronically to the Department each year. Using available production data would allow the Department to fully account for the State's water system design and reliability policy in this standard-setting process.¹⁰ Even using data from these annual reports may still underestimate the design capacity of impacted sources due to site-specific conditions. Site-specific design capacity is available in data sheets submitted by water systems to CDPH when the Department approves sources for use. CDPH is encouraged to use these available resources to improve the source characterization data used in the analysis supporting the Department's selection of a final Cr(VI) MCL.

When SB 351 was enacted in 2001, CDPH was tasked to prepare a MCL for Cr(VI) before a solid scientific foundation for such a rule was available.¹¹ After OEHHA adopted a final public health goal in 2011, CDPH gathered data on Cr(VI) to propose an MCL in a very limited amount of time. The existing time pressure was further compounded by litigation.¹² Despite these challenges, CDPH was able to prepare an analysis that is transparent and reproducible. Incorporating the improved analysis in the attached memoranda will provide a much stronger foundation for a defensible drinking water standard.

Even with these recommended improvements, the Department's analysis will not fully reflect the cost of Cr(VI) treatment. Additional site-specific information is important as well, including: the location of individual treatment sites, distances to residual disposal facilities, detailed water quality data, individual system credit worthiness, and other factors. The attached WQTS memorandum provides several individual case studies that illustrate how local considerations will lead to additional costs beyond those that can be captured in a generic statewide analysis. While such impacts may not be quantifiable for individual cases, CDPH should take into account that, for a large number of water systems, these local considerations will lead to significant costs beyond those reflected in the statewide analysis.

As noted earlier, water systems will work with dedication and diligence to comply with the final Cr(VI) standard. It is, however, unreasonable to promulgate a regulation without providing

¹⁰ State of California. Electronic Annual Reporting System, <http://drinc.ca.gov/ear/home.aspx>

¹¹ State of California. Health & Safety Code, Section 116365.5

¹² NRDC v. California Department of Public Health. Cal. Super. Ct., No. RG12643520

systems a realistic period of time to come into compliance. To illustrate this point, it is clear from the WQTS memorandum and related research conducted through Water Research Foundation Project #4450 that, because of varying water quality, many if not every source will have to undergo pilot testing of various treatment technologies to determine the most economical and appropriate treatment technology to meet the new MCL. This will take a considerable amount of time and additional expense.¹³ Under the federal Safe Drinking Water Act, water systems are provided three years to make changes necessary to achieve compliance with a new standard, and it is possible for the State to grant an additional two years for systems that need to make capital improvements. In finalizing the Cr(VI) standard, CDPH should follow the federal implementation model and afford water systems five years to come into compliance. CDPH is not under a statutory requirement to make its final Cr(VI) effective immediately upon promulgation.

Systems should not be put in the position of seeking to comply with a new Cr(VI) standard under an enforcement order. For many systems, identifying a community-specific, cost-effective compliance strategy will entail numerous steps that are complicated by an enforcement order and schedule, including: exploration of more cost-effective treatment solutions, negotiation of alternative sources of supply, obtaining community acceptance of associated water rate increases, requirements for investor-owned utilities to obtain approvals from the California Public Utilities Commission, and obtaining financing for capital improvements.

The attached memoranda demonstrate how making incorrect initial assumptions can lead to significantly underestimating the cost of treatment on a state-wide basis. The imposed rigidity of enforcement orders can likewise lead to unwise decisions. It is unreasonable for the State of California to spend more than a decade determining the appropriate level for a drinking water standard, and then hold local water systems and the communities they serve immediately liable for the lack of treatment.

In finalizing the Cr(VI) standard, the Department should provide clear direction to water systems that can serve as a sound basis for treatment and purchasing decisions. California Health and Safety Code Section 116365.5 directed CDPH to promulgate a standard for Cr(VI) in drinking water. The state legislature did not direct CDPH to promulgate a Cr(VI) standard and revise its regulation for total chromium. However, the proposed rule requires that some systems, based on total chromium levels, study the speciation of chromium in the distribution

¹³ Water Research Foundation. *Impact of Water Quality on Hexavalent Chromium Removal Efficiency and Cost*, <http://www.waterrf.org/resources/newsroom/PressReleases/WaterRF%20-%20hex%20chrome%20update%20press%20release%20FINAL.pdf>

system. It is not clear how the study is to be performed, what the purpose of the study is, and what the regulatory consequences are of any findings drawn from the study. The lack of clarity in this provision of the regulation makes it untenable. The Department should remove this provision from the final regulation or re-propose a revised, more clearly articulated requirement for additional review and comment prior to finalization.

CDPH's supporting documents indicate the proposed Cr(VI) standard will not have an impact on "individuals or businesses." This finding is inconsistent with the balance of the Department's supporting documents and is very misleading to the public and policy makers. The entire cost of the Cr(VI) standard will fall squarely on individual households and businesses that pay for water service. As a matter of law and sound practice, the capital and operating expenses required to support Cr(VI) treatment are funded through water rates. Consequently, individuals and businesses in approximately 600 water systems in California will be required to pay more than \$616 million each year. The impacts on individual rate payers in small communities will be higher than those in larger communities due to lack of economies of scale, with more than 432 systems serving fewer than 200 persons facing water rate increases which, by CDPH's analysis, are almost 10 percent of median household income.^{14,15} Similarly, the proposed standard would apply to nontransient, noncommunity water systems and as such will apply directly to individual businesses and non-profit organizations. The definition of a NTNC water system is one that serves the same people more than six months per year, but not year-round. Examples of NTNC water systems include schools, colleges, hospitals and manufacturing facilities with their own water supplies.

Local water rate impacts are a particularly challenging water policy issue in selecting a final Cr(VI) MCL, particularly if a primary policy driver is the assumption that industrial pollution is the primary source of Cr(VI). In this light, a very low MCL is argued as being the greatest opportunity for public good. The policy decision is complicated in that few of the systems impacted by a low Cr(VI) MCL face Cr(VI) occurrence due to industrial pollution. Rather, Cr(VI) is present due to the State's underlying geology.¹⁶ In the absence of a potentially responsible party to pay for low-level Cr(VI) treatment, policy makers should consider the state of health effects research on Cr(VI) and be absolutely comfortable that the final standard is appropriately conservative without placing unwarranted burdens on California's communities. Recent Cr(VI) health effects research has led the U.S. Environmental Protection Agency to re-assess the

¹⁴ Jacobs Engineering Group. *Technical Review of the Occurrence Analysis Used in the Draft Hexavalent Chromium MCL by California Department of Public Health (DPH-11-005)*. October, 2013.

¹⁵ Water Quality & Treatment Solutions. *Review of CDPH's Economic Analysis Supporting the Draft California MCL for Hexavalent Chromium in Drinking Water*. October, 2013.

¹⁶ California Department Of Public Health. Fact Sheet: Chromium-6 in Drinking Water. August, 2013.

potential health consequences of low-level, oral exposure to Cr(VI).¹⁷ While revisiting OEHHA's PHG is beyond the scope of this rulemaking, the Department should consider the household level impacts of its final MCL. The impacts of a low-level standard are particularly concerning in portions of California that are already economically disadvantaged. This clearly poses important policy questions: (1) does the final Cr(VI) MCL place an unfair burden on disadvantaged communities; and (2) does the final Cr(VI) MCL provide a net health benefit as water systems and households in these communities re-prioritize their water system and family spending to address this standard?

Policy makers should also consider the adequacy of the State's water supplies when finalizing the Cr(VI) standard. While the actual impact is difficult to predict with certainty, from the perspective of state water resource policy, the proposed MCL at 10 µg/L could precipitate a significant new and unforeseen pressure on surface water resources. Faced with tremendous costs for treating groundwater above the Cr(VI) MCL, a likely alternative for affected water systems is to turn to a new source, which in many cases will be already stressed surface water supplies, including the State Water Project and the Colorado River. California recognizes the close relationship between water quality and water supply issues and the critical importance of integrating planning and policy decisions. Of note is the 2013 Water Plan Update and the Administration's plan to transition the drinking water program to the State Water Resources Control Board.¹⁸ CDPH should incorporate a thorough analysis of the impacts the low-level Cr(VI) MCL may have on water sources.

We appreciate the Department's efforts to circulate supporting information and accept oral comment on the proposed rule. As our comments and the attached documents illustrate, we are very interested in the final Cr(VI) standard being based on the best available science and truly feasible to implement. Pertinent research efforts are still ongoing, and as water systems take steps to prepare for rule implementation, the water system and consulting engineering drinking water community is learning practical lessons that will impact rule implementation. We strongly support CDPH undertaking active outreach to and engagement with the drinking water community so that the Department has available the best possible information to support its final decision.

¹⁷ U.S. Environmental Protection Agency. Peer Review Workshop for EPA's Draft Toxicological Review of Hexavalent Chromium Reviewer Post-Meeting Comments, July, 2011.

¹⁸ California Department of Water Resources. *Public Review Draft of California Water Plan Update 2013*, October 2, 2013.

DPH-11-005
October 11, 2013
8 of 9

Thank you for the opportunity to comment on this rulemaking. If CDPH staff have any questions or need clarification of our comments please contact Tim Worley at (909) 291-2102 or tworley@ca-nv-awwa.org.

Sincerely,



Timothy Worley, PhD
Executive Director
California-Nevada Section, AWWA



Thomas W. Curtis
Deputy Director
American Water Works Association

cc: David Mazzera, CDPH

Attachments: Two (2)



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA
707.987.9201
707.987.3237 fax

October 10, 2013

California Department of Public Health
Office of Regulations and Hearings
MS 0507
P.O. Box 997377
Sacramento, CA 95899-7377

Subject: DPH-11-005 – Proposed Hexavalent Chromium MCL

The Hidden Valley Lake Community Services District (District) provides municipal water to approximately 2,400 residential service connections within the Hidden Valley Lake community, in southern Lake County. Our raw supply originates from wells, which draw groundwater from the Coyote Valley groundwater basin and Putah Creek "underflow". Recent testing has confirmed that the District's raw water supply contains detectable levels of hexavalent chromium – concentrations approaching and occasionally exceeding the California Department of Public Health's (Department) proposed 10 parts per billion standard.

We pride ourselves on the quality of our community's water supply and appreciate the Department's responsibility to protect public health, in this case by establishing the nation's first drinking water standard for hexavalent chromium. While there are varying opinions as to whether or not the proposed standard represents a reasonable balance between economics and public health, much more certain and alarming, at least to us, is the significant economic impact compliance would have on our rate payers.

Based on the Department's cost analysis presented in Table 8 of the "Initial Statement of Reasons" document, we estimate compliance with the proposed 10 parts per billion hexavalent chromium standard would necessitate a doubling if not tripling of our residential water rates, from \$446 per year to as much as \$1,302 per year. While Hidden Valley Lake is one of the more affluent communities in an otherwise economically disadvantaged county, the end result would still be residential water rates that approach if not exceed water affordability thresholds, as characterized by water affordability indices used by the Department (1.5 % of median household income), the California Department of Water Resources (2.0% of median household income) and others.

Implementation of the proposed hexavalent chromium standard would clearly present a huge financial challenge for the District and its constituents – in addition to the financial challenges we and others face with respect to the



Hidden Valley Lake Community Services District

19400 Hartmann Road
Hidden Valley Lake, CA
707.987.9201
707.987.3237 fax

replacement of aging infrastructure. The ability of our constituents to absorb water rate increases is limited both in terms of total cost and the rate of increase over time. We are concerned that at some point, if current trends prevail, we will be unable to financially sustain our District and the essential services we provide.

Should the proposed or a similar hexavalent chromium standard be adopted, we urge the Department to consider doing so in a phased approach over several years, and in conjunction with a financial assistance package that would at least partially mitigate the financial impacts.

Sincerely,

A handwritten signature in blue ink, appearing to read "Roland A. Sanford".

Roland A. Sanford
General Manager
rsanford@hiddenvalleylakecsd.com

Cc Assemblymember Mariko Yamada, District 4
Senator Noreen Evans, District 2
Lake County Supervisor Jim Comstock



RECEIVED

OCT 21 2013

COMMITTEES:
CHAIR: AGING AND LONG-TERM CARE
AGRICULTURE
VETERANS AFFAIRS
WATER, PARKS AND WILDLIFE

Mariko Yamada ASSEMBLYMEMBER, FOURTH DISTRICT

California Legislature

October 15, 2013

Mr. Roland Sanford, General Manager
Hidden Valley Lake Community Services District
19400 Hartmann Road
Hidden Valley Lake, CA 95467

Dear Mr. Sanford:

Thank you for contacting me regarding the proposed regulatory requirements for Hexavalent Chromium by the Department of Public Health (DPH). I understand that the DPH has proposed a new maximum contaminant level (MCL) for Hexavalent Chromium in drinking water of 10 parts per billion (ppb), which is one tenth of the current U.S. Environmental Protection Agency (EPA) limit of 100 ppb for total Chromium, and that you are concerned that your ratepayers may have their rates more than double in order to make the infrastructure improvements necessary for the new regulation.

In the last month our office has been contacted by many cities and municipalities in the 4th Assembly District regarding the negative economic impact this regulation would have on ratepayers. We recognize that the DPH regulation was created before the EPA had a chance to complete their reevaluation of their current standards for the MCL of total Chromium. Given that the EPA's standard assumes that total Chromium levels are representative of the total levels of Hexavalent Chromium, it would seem prudent for the DPH to wait until the EPA has had a chance to complete its studies.

Having taken these concerns into consideration, I decided that the proposed regulation by DPH would not be beneficial to ratepayers, including the citizens of the 4th Assembly District. I submitted a letter detailing my concerns to the DPH before their deadline for public comment ended on October 11, and asked them to either establish a phase-in compliance approach or provide access to both public and private water purveyors to help offset the financial burden this will place on ratepayers.

Again, thank you for contacting me about this important issue. Should you need further assistance with this or any other issue, please write or phone my office at (707) 662-7867 or (800) 965-6765.

Sincerely,

MARIKO YAMADA
Assemblymember, 4th AD

MY: ab

CAPITOL OFFICE: STATE CAPITOL, P.O. BOX 942849, SACRAMENTO, CA 94249-0004 • (916) 319-2004 • FAX (916) 319-2104
WOODLAND OFFICE: 725 MAIN STREET, SUITE 206, WOODLAND, CA 95695 • (530) 662-7867 • (800) 965-6765 • FAX (530) 662-6370
AMERICAN CANYON OFFICE: 4381 BROADWAY STREET, SUITE 108, AMERICAN CANYON, CA 94503 • (707) 552-4405 • FAX (707) 552-4407

WEBSITE: www.assembly.ca.gov/yamada

E-MAIL: Assemblymember.Yamada@assembly.ca.gov



Mariko Yamada ASSEMBLYMEMBER, FOURTH DISTRICT

COMMITTEES:
CHAIR: AGING AND LONG-TERM CARE
AGRICULTURE
VETERANS AFFAIRS
WATER, PARKS AND WILDLIFE

California Legislature

October 9, 2013

California Department of Public Health
Office of Regulations and Hearings
MS 0507
P.O. Box 997377
Sacramento, CA 95899-7377

Re: DPH-11-005 Hexavalent Chromium MCL

To Whom It May Concern:

I am writing on behalf of my constituents in the City of Dixon, some of whom are served by California Water Service Company (Cal Water). I am concerned about the effects of the Hexavalent Chromium (Cr-VI) draft regulations on these Cal Water customers. Residents will experience dramatic increases in their water payments as a result of the proposed Hexavalent Chromium (Cr-VI) maximum contaminant level (MCL) of 0.010 mg/L (10 ug/L or ppb) which impacts active wells in this community. I urge the Department of Public Health to establish a phase-in compliance approach or provide access to both public and private water purveyors to help offset the financial burden this will place on the citizens of Dixon.

As you know, the California Department of Public Health (DPH) has estimated that the cost for treatment in systems with 1,000 to 10,000 service connections will be approximately \$326 per year (\$27.17/month), double what Cal Water customers are currently paying. This amount would be in addition to current water utility costs. Cal Water, however, has estimated that the cost per customer in Dixon would be many multiples of what DPH has estimated. Cal Water believes that the proposed MCL will result in water utility rates increasing by approximately \$567 per year (\$47/month) for the typical residential customer in Dixon. This increase would constitute approximately 0.86% of the median household income in Dixon (\$66,270). Regardless of which estimate is accurate, it is evident that the proposed MCL for Hexavalent Chromium will have a significant impact on the residents and businesses of Dixon.

Unlike past drinking water standards issued by the Environmental Protection Agency (EPA), the draft regulation for Hexavalent Chromium does not allow for a phased-in period for water systems to research and construct treatment facilities. Given the progression of technology, there is a reasonable expectation that treatment costs could be lower over time. Providing a reasonable grace period of three to five years, consistent with the EPA's arsenic regulations, would allow water systems to identify cost-effective treatment solutions and would allow residents and businesses to pay a more affordable amount as their water utilities work to comply with the regulation.

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E-MAIL: Assemblymember.Yamada@assembly.ca.gov

If DPH does not allow for a phased compliance approach, I believe it is incumbent upon DPH to expand both grant funds and low- or no-interest loans to all water systems, including those regulated by the California Public Utilities Commission. All taxpaying residents of Dixon should benefit from the same grant and loan programs that will be offered to public water agencies to reduce the financial hardship this regulation could impose.

The immediate implementation of the regulation proposed by DPH will have serious economic consequences for rural residents and businesses in communities such as Dixon. I urge you to consider this request for a phased-in compliance approach or to create a funding program to assist communities with compliance. Should you need additional information or have any questions, please contact my field representative, Andrew Benware, at (530) 662-7867.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mariko Yamada". The signature is written in dark ink and is positioned above the printed name.

MARIKO YAMADA
Assemblymember, 4th AD

MY: ab



RECEIVED

OCT 21 2013



EDMUND G. BROWN JR.
GOVERNOR

MATTHEW RODRIGUEZ
SECRETARY FOR
ENVIRONMENTAL PROTECTION

State Water Resources Control Board

OCT 16 2013

In Reply Refer to:
GSB:A030049A

Hidden Valley Lake Community
Services District
c/o Ms. Paula Whealen
Wagner & Bonsignore, CCE
2151 River Plaza Drive, Suite 100
Sacramento, CA 95833-4133

Dear Ms. Whealen:

ACCEPTANCE AND ENVIRONMENTAL REVIEW PROCESS FOR PETITION FOR EXTENSION OF TIME FOR WATER RIGHT PERMIT 20770B (APPLICATION 30049B) AND PETITIONS FOR CHANGE FOR WATER RIGHT LICENSE 13527A AND PERMIT 20770B (APPLICATIONS 30049A AND 30049B) OF HIDDEN VALLEY LAKE COMMUNITY SERVICES DISTRICT TO APPROPRIATE WATER FROM PUTAH CREEK UNDERFLOW IN LAKE COUNTY

Your water right petitions have been accepted and reviewed to determine what steps you need to take before the State Water Resources Control Board (State Water Board), Division of Water Rights (Division), can continue processing your water right petitions. The required steps are discussed below.

Since the time when your water right permit and license was issued, new listings of species may have occurred under the federal Endangered Species Act and the California Endangered Species Act. The required environmental or public trust evaluation of your petitions may result in modifications to your water rights. Continued development and use of water, beyond the authorized uses in your water rights, should not occur until your petitions are approved. Also, if time to develop full beneficial use of your project has ended, additional water use beyond the quantity put to use at the end of the permit development period should not occur until a time extension is approved.

Fees

All initial filing fees have been paid in full. In addition to the initial filing fees all active applications, petitions, permits and licenses may be subject to annual fees. If a fee is required, the Division will calculate the annual fee, and the State Board of Equalization will send you a Notice of Determination requesting payment. For more information, please visit this web site:
http://www.waterboards.ca.gov/waterrights/water_issues/programs/fees/

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, Ca 95812-0100 | www.waterboards.ca.gov

OCT 16 2013

Environmental Review

The State Water Board, as Responsible Agency under the California Environmental Quality Act (CEQA), would like the opportunity to provide preliminary comments on your administrative draft environmental document. Please provide the Division a short report or email every 90 days that provides an update on the Lead Agency's progress in preparing the environmental document. Receipt of these reports will keep us informed and provide the ongoing documentation necessary to evaluate whether the water right petitions is being diligently pursued.

In addition to any consideration under CEQA, the Division must consider the effect of the proposed project on public trust resources and where feasible, avoid or minimize harm to those resources. Public trust resources may include, but are not limited to, wildlife, fish, aquatic dependent species, streambeds, riparian areas, tidelands, and recreation. Similarly, the Division may require environmental analysis needed to demonstrate compliance with applicable requirements of the Water Code, the Fish and Game Code or the Federal Endangered Species Act. You are responsible for all costs related to the environmental evaluation and preparation of public trust documents.

Professional Consultants

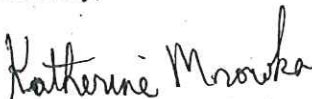
You are responsible for completing the technical activities required for your water right petitions, including those listed above and any other activities necessary to complete the Division's environmental review or protest resolution. These technical activities may require that you hire qualified engineering and environmental consultants. They will analyze the project watershed and, if necessary, recommend specific project modifications or actions (mitigation measures) to: 1) prevent your project from contributing to significant cumulative impacts on aquatic resources (including anadromous fisheries, if applicable) in the watershed; 2) prevent your project from causing or contributing to other significant environmental impacts; and 3) resolve protests against the project. If required, you or your environmental consultant(s) must prepare the appropriate CEQA documents and/or an evaluation of impacts on public trust resources. A list of environmental and engineering consultants who are familiar with the preparation of water rights analyses and environmental analysis documents is available at this web site:
http://www.waterboards.ca.gov/waterrights/board_info/contacts.shtml

Request for Information

- 1) a short report or email that provides an update on the Lead Agency's progress in preparing the environmental document, and every 90 days thereafter.

Greg Brown is the staff person presently assigned to this matter, and he may be contacted at (916) 323-1847 or greg.brown@waterboards.ca.gov. Written correspondence or inquiries should be addressed as follows: State Water Resources Control Board, Division of Water Rights, Attn: Greg Brown, P.O. Box 2000, Sacramento, CA 95812-2000.

Sincerely,



Katherine Mrowka, Senior
Inland Streams Unit
Division of Water Rights

cc: See next page.

Hidden Valley Lake Community
Services District
c/o Ms. Paula Whealen

- 3 -

OCT 16 2013

cc: Hidden Valley Lake Services
District
19400 Hartman Road
Hidden Valley Lake, CA 95467-8371

Environmental Update: Drought could impact lake

By Terry Knight -- Record-Bee Outdoors Writer Record Bee

Updated:

record-bee.com

With a possible drought on the horizon, the big worry among many Lake County residents is the water level of Clear Lake. As of Monday the lake level was .85 feet on the Rumsey Gauge. Some experts are predicting that the lake level could be at zero by the middle of December. If that occurs the lake level will be at its lowest in more than a decade. Since 1873 the lake level has dropped to zero or lower only seven times. In 1924 it dropped to a minus 1.53 feet, 1932 a minus .1, 1939 a minus .36, in 1947 it registered zero on Rumsey Gauge, 1950 a minus .135, 1955 a minus .12 and in 1977 a minus 3.39 feet. The worst year was in 1977 when the county only received 12.46 inches of rainfall and the lake level only rose to a minus .3 feet. The lowest that year was a minus 3.39 feet. Just about all the boat ramps were left high and dry and people were walking under the Rodman Slough bridge. In recent times the worst year was in 1990 when the lake level dropped to a plus .32 feet on the Rumsey Gauge. The highest that year was only a plus 3.39 feet and the county only received 18.55 inches of rainfall. That was followed by another drought year in 1991 when the lake level receded to a plus .43 feet and peaked at only 3.98 feet. In December of 2009 the lake level bottomed out at .53 feet on the Rumsey Gauge. It will take at least five inches of rainfall over a short period of time before any runoff from the surrounding hills flows into the lake. To date the county has only received .33 inches of rain. Environmental Update is written by Terry Knight the Record-Bee outdoors writer.

Wednesday November 13, 2013

The Press Democrat

Santa Rosa water, sewer rates to go up 3 percent

By KEVIN McCALLUM THE PRESS DEMOCRAT on November 7, 2013, 8:27 PM

Santa Rosa's Board of Public Utilities approved 3 percent increases to water and sewer rates Thursday.

The changes would cause the average single-family combined summertime water and sewer bill to rise by \$4.68 a month next year, to \$157.04, and \$4.86 a month in 2015, to \$161.90 a month.

The increases are needed to fund higher water costs and major improvements to the city's wastewater treatment plant. The city is planning a \$16.5 million bond sale in 2014 to upgrade the Llano Road plant, which was built in the 1970s.

The new rates increase the fixed monthly charges slightly more than the usage rates because the city is trying to reduce the wild swings in revenue that can occur when water use changes, such as during a drought.

The City Council will study the proposed increases Nov. 19 and could adopt the new rates following a public hearing Jan. 7.

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Something in the water: Legionnaires disease confirmed cause of death of Lake County infant

By Mandy Feder -- Managing Editor Record Bee
Updated:

record-
bee.com

LAKE COUNTY -- There's something in the water and it's responsible for taking the life of Ryland Joseph.

"Don't use the shower," a doctor told Kellie and Rodd Joseph, "there's a bug in the water." Those are the words that haunt the Joseph family every day.

Ryland, son of Clearlake Police Sgt. Rodd Joseph and Lake County Sheriff's Det. Kellie Joseph, was diagnosed with Wiskott-Aldrich Syndrome (WAS) on Feb. 19, when he was 4 months old. The news came after Ryland and his parents were referred to specialists. It was soon discovered that without a bone marrow transplant, Ryland's chances of survival were slim. He would be expected to survive between five to eight years. But it was not the transplant that took infant Ryland's life -- It was Legionnaires disease.

"We trusted them. We trusted the hospital," Rodd said Wednesday. "We researched and found that the University of San Francisco Medical Center had one of the best reputations for bone marrow transplants in the world."

The transplant donor, Ryland's toddler sister Brooklynn, was a near perfect match and the family was doing everything but backflips over the positive prognosis. They now had a healthy son and daughter and looked forward to a happy family life raising their children.

"They said the bone marrow transplant went beautifully," Rodd said. "They said you guys will be out of here sooner rather than later,' because everything went so well."

Then Ryland got sick and the life of an infant child of two Lake County law enforcement professionals ended abruptly.

Toward the end of summer the autopsy results confirmed Legionnaires disease was the cause of baby Ryland's death. Rocklin attorney Kevin L. Elder said given the incubation period of Legionnaires, there was only one place Ryland could have contracted the disease -- in the hospital. It happened there before in 1992 and 1998 to other children. Precautions were reportedly taken in the past, but apparently the system was not maintained, according to Elder.

An excerpt from a March 22, 1992 L.A. Times article stated the following: "A boy who died of Legionnaires' disease may have contracted the illness during a stay at U.C. San Francisco Medical Center, a doctor said. Two rooms in which the boy stayed in February were closed because the bacteria that causes Legionnaires' disease was detected in sinks in both rooms, said Dr. John Conte, the medical center's chief of infectious diseases. Conte said it was possible to probable' that the boy contracted the disease at the hospital, where he died. Conte added: It hasn't been proved with certainty.' The boy's name and age were not released. Hospital officials did not publicly disclose that there had been a death from

Legionnaires' disease at the medical center until asked about the case by the San Francisco Chronicle. The newspaper reported Saturday that the boy had been undergoing treatment for a brain tumor."

Kellie Joseph does not want anyone else to suffer the loss and pain that she has known since May, when her only son died.

"I carried him longer than he was alive," she said. Every morning I look at his bassinet. He's not there. I wish he was there. I would give my life to have his life back, she said as she gasped for breath and fought back tears. "He cannot die this way -- he can't. It's unacceptable."

Court documents filed on Oct. 23 state that the University of California San Francisco Medical Center and Benoiff Children's Hospital knew that the building's water system was contaminated with legionella bacteria, including the drinking water, sinks, bathtubs, showers and bone marrow transplant unit.

The documents state that "the Regents of the University of California had actual knowledge and/or constructive notice prior" to their visit that the bacteria had contaminated the water and plumbing systems. Ryland Robert Joseph stayed at the facility from April 17 to May 16, and contracted Legionnaires Disease, resulting in his death "of legionella pneumophila pneumonia without any other conditions contributing to his death," according to the document.

Brooklynn, 2, struggles daily to figure out where her baby brother is.

"She picked up a ceramic angel and kissed it on Tuesday," Kellie said. "She (Brooklynn) said, this is Ry Ry's angel,' and then she placed it in his baby swing. Sometimes she says Ryland sick, he's in heaven.' She's trying to figure it out."

Kellie and Rodd would rather not be the messengers spreading the word about the presence of Legionnaires disease. The preventable and tragic loss of their son has taken a tremendous toll on their family.

"We put on uniforms every day to serve and protect -- to save lives," Kellie said. My son did not die in vain, we want to save lives by letting people know about this. This should not happen to another person or another family."

Rodd said if he and Kellie would have been informed about what "the bug" was, they surely would have made a different decision than to have their child in that room, or even at that hospital. "It was 22 years since that boy died from Legionnaires," Rodd said. It's like they left a loaded gun in the room and said don't play with it. Why leave the gun in the room? That other boy's death would not have been in vain."

According to sources at the hospital, testing performed after Ryland died revealed the legionella bacteria was found in the plumbing system of the hospital and specifically in the room where Ryland had been staying.

According to the National Institutes of Health (NIH): "There is still a low level of clinical awareness regarding Legionnaires' disease 25 years after it was first detected. The causative agents, legionellae, are freshwater bacteria ... Large, focal outbreaks of Legionnaires' disease continue to occur worldwide, and there is a critical need for surveillance for travel-related legionellosis in the United States. There is optimism that newly developed guidelines and water treatment practices can greatly reduce the incidence of this preventable illness."

Elder said that preventing the disease spread of bacteria is as simple as routine sampling and testing of the water and the plumbing system, assuming a proper disinfection program has been installed. "Obviously something was not done properly in this case that allowed to the bacteria to disseminate and contaminate young Ryland," Elder added.

Legionella bacteria is found in water molecules when the water is in an aerosol form when released in places such as showers, sinks, steam rooms, hot tubs, swamp coolers or misters.

Had the Joseph family not had an autopsy performed on baby Ryland, the family may never have known what caused his untimely death.

"We needed answers," Rodd said. "And now we need to let other people know. The hospital did not do enough to keep us safe, given their prior knowledge. This should not happen to anyone else ever again."

Mandy Feder is the Managing Editor of Lake County Publishing. She can be reached at 263-5636 ext. 32 or mfeder@record-bee.com.

Water rates to rise in Lucerne to fund improvements

By Isaac Brambila -- Associate Editor Record Bee

Updated:

record-bee.com

LUCERNE -- A tentative settlement agreement in a water rates case is set to increase rates in Lucerne to provide for a predicted deficit in funds and upgrade the water system.

The new agreement is expected to allow the California Water Service Company (Cal Water) to increase water rates in the Redwood Valley District's Lucerne System, as well as 27 other water districts in the state, stated Justin Skarb, Government and Community Relations Manager of California Water Service Company.

The General Rates Case Settlement (GRC) would increase rates for roughly 700 customers in Lucerne to increase rates for water system improvement projects.

The GRC includes clauses that will attempt to limit the burden on customers. The Rate Support Fund (RSF), which will reduce the cost of a limited amount of Ccf consumed, was implemented because Lucerne has fewer customers to share water service costs than other districts. The Low-Income Rate Assistance (LIRA) will help households that qualify by providing a 50-percent or \$30 service charge discount, whichever is lowest.

Using the average water consumption in Lucerne as a base, which according Cal Water is about Five Ccf or 3,740 gallons, Residents who do not qualify for the LIRA discount are expected to see an increase in their rates of roughly 19-percent. On the other hand, households that do qualify may see a decrease of almost 3-percent, according to Skarb.

The RSF sets a water cost of \$4.52 per Ccf for the first 10 Ccf. Consumption of Ccf after 10 would be charged at a rate of \$14.63.

Under the proposed settlement, the average residential monthly service charge would be roughly \$50. Taking into consideration RSF reductions, customers who qualify for LIRA would see their service charge cut and have and would see at total bill of about \$48 a month. Customers who don't qualify for LIRA are projected to see rates of about \$73.

According to Skarb, roughly 41-percent of Cal Water Customers in Lucerne qualify for LIRA. Customers qualify for LIRA if they are enrolled in a public assistance program or earn an annual income of less than \$22,980 for an individual or \$47,100 for a family of four. More information of qualification requirements for specific family size is available at calwater.com.

According to the GRC, Lucerne projected a return rate of negative 1.7-percent in 2014 under current rates. With the increases, the return rate is expected to rise to 7.94-percent.

The settlement included plans for several water system improvements in the different districts. In Lucerne, it included installing 1,020 feet of 8-inch water main, two fire hydrants and a new water main to replace the existing 6-inch water main on Country Club Drive, Skarb stated. Those replacements are meant to improve the reliability of the system. Plans

also include the installation of disinfection bi-product removal at our treatment plant, which will allow Cal Water to improve water treatment capabilities and meet new water quality monitoring standards.

"When considering water system infrastructure improvements, we go to great lengths to ensure that we only propose those projects that are absolutely necessary," Skarb stated.

New funding is also aimed at improving preventive maintenance and reduce the needs for repairs.

According to the settlement proposal, in 2011, 76-percent of the maintenance time spent by Cal Water electrical and mechanical technicians was on repairing equipment and 24-percent was used on planned preventive maintenance. The report also cites the American Water Works Association report, which states that planned maintenance ratio of 24-percent is in the bottom half of the bottom quartile performance. Top quartile performance ratios have planned maintenance represent of 74-percent or greater of total maintenance spend.

Cal Water, the Office of Ratepayer Advocates (ORA), formerly the Division of Ratepayer Advocates (DRA), Lake County and other parties had been engaged in settlement discussions for the last several months, Skarb stated.

The final decision is on the proposal is expected to be made early next year, Skarb stated. In order for the proposal to become finalized it has to be approved by the California Public Utilities Commission.

Isaac Brambila is an associate editor for Lake County Publishing. Reach him at 263-5636 ext. 37 or at ibrambila@record-bee.com.

Loss of sources drives up costs of water in Southern Humboldt

Redwood Times The Willits News
Posted:

WillitsNews.com

Dave Brooksher

Redwood Times

Humboldt County suffered through drought conditions in 2012 and 2013. In an area where many people draw their water directly from wells, creeks and rivers that means a limited supply coupled with an increased demand for water to be trucked in. Costs have gone up for water haulers and their customers, and business has been atypical.

"Our year started real early due to lack of rain," said Liz Pellandini of Randy Whitlow Trucking, "but it ended early, too. This is the first year we've seen where things have slowed down sooner in the season."

Despite several storms the winter rains haven't quite begun yet. Wells and creeks are still dryer than they should be. At least one water hauler in Humboldt County is booked days in advance, as of the first week in November.

"It hasn't rained yet. All the wells are dry. I'm getting calls left and right, day after day," said Bill Puryear of Kneeland. His company, Puryear Water Delivery, specializes in bulk sales of potable water in Northern Humboldt.

"The more it rains the less work I do. The less it rains the more work I do. It's all random," Puryear said, "and it goes along with the weather."

In addition to environmental factors, there are also certain regulatory factors at play on a local level.

In the last 12 months bulk sales of water have been largely suspended after the Garberville Sanitary District and Benbow Water Company received a cease and desist order from the State Water Resources Control Board's Division of Water Rights. Phillipsville and Myers Flat have also suspended bulk sales. Redway Community Services District suspended bulk sales years ago when they were on voluntary rationing.

Some districts are still providing bulk water on a limited basis for use within their district boundaries but deliveries for most rural homesteads have to be trucked in from Fortuna. Randy Whitlow, of Randy Whitlow Trucking, said that sometimes there is a line to fill up since the city has all the water haulers sharing one hydrant.

"People are shocked. A load that used to cost \$300 now costs \$550 to \$600. By the time you come all the way to Fortuna," Whitlow said, "you're increasing the revenue of that load by \$250 to \$300. It hasn't affected me in any negative manner because I pass it along."

Getting “Chrome 6” Out of the Mix

By Matt Kettmann (Contact)



Paul Wellman

Chris Dahlstrom speaks before the County Board of Supervisors (Nov. 5, 2013)

Santa Ynez Among Many Regions Worried About Proposed State Drinking Water Standards

Wednesday, November 6, 2013

No one wants to get cancer from their tap water, but is California about to impose tremendously costly regulations that might not save a soul?

That's what water agencies across the state are now screaming about the proposal to reduce the allowable amount of chromium-6 in drinking water to the nation's lowest level. Yelling just as loudly for even lower standards are the environmentalists who complain that California just isn't going far enough to get "chrome 6" out of the mix.

The chemical, also known as hexavalent chromium, rose to global attention in the 1990s, when legal clerk Erin Brockovich fought for residents of Hinkley, California, against Pacific Gas & Electric (PG&E), whose use of chrome 6 as a cleaning agent was believed to have caused a cancer spike in the region. PG&E eventually paid \$333 million to Hinkley-ites, whose story became a popular Hollywood movie starring Julia Roberts, and the resulting public outcry led Sacramento politicians to demand stricter chrome 6 regulations statewide.

More than a decade later, and faced with legal threats over the unexplained delays, the state’s Department of Public Health is on the verge of passing a new standard that, as proposed, would take the allowable levels from the current 50 parts per billion down to 10 parts per billion. (The federal level, meanwhile, is 100 parts per billion.) The rules are expected to go into effect by July 2014, and the state is currently reviewing more than 18,000 public comments submitted on the proposal, many from water agencies worried that the required treatment levels might throw them into bankruptcy or disrupt their ability to provide water to homes, farms, and businesses.

The underlying problem for certain water agencies — specifically in places like the eastern Santa Ynez Valley, where chromium leaches out of the blue-green serpentine rocks of the San Rafael Mountains — is that the 10 parts per billion level is actually less than what nature provides. In the case of the Santa Ynez River Water Conservation District, which serves most of the homes and ranches east of Solvang all the way into Happy Canyon, including the towns of Santa Ynez, Ballard, and Los Olivos as well as the Chumash reservation, the cost of updating to the treatment facilities that would be required to remove the natural chromium could be as anywhere from \$10 million to \$35 million. Those costs, according to the district’s general manager Chris Dahlstrom, would be “crushing,” amounting to immediate rate hikes of 21 to 60 percent.

“If they enact the law as it is, it would be an immediate requirement to shut down all of our upland wells, and there are some severe consequences of doing that,” said Dahlstrom, noting that those wells provide more than half of the district’s water during peak flow times, and losing them would mean strict conservation measures for existing customers, a moratorium on new users, and perhaps even periodically cutting off agricultural use, which could be devastating for vineyards. “Not only is it a water-supply issue, it’s an economic issue as well,” said Dahlstrom. “This could affect millions of dollars worth of grape production and other farming.” In October, Dahlstrom wrote a letter to the state requesting the level be moved to 25 parts per billion and, if not, allowing either more time or special consideration for small, rural districts like his.

The costs could be even more shocking for residents of the eastern Santa Ynez Valley’s handful of ranchette subdivisions that run their own mutual water companies: in the case of Santa Ynez Rancho Estates, home to nearly 100 ranches and 200 residents, the estimate is \$5,000 to \$10,000 in additional costs per year per user. “That’s clearly unaffordable,” said Sig Hansen, a resident there who is also vice president of water operations. “Typically, we don’t even pay close to that, not even our biggest users.” But these smaller water purveyors — which also include Oak Trail Estates, Woodstock Ranch, and Rancho Ynecita — have more options, including the ability to install point-of-use treatment facilities, such as reverse osmosis systems, in everyone’s home as an interim solution.

The added costs, which the Association of California Water Agencies has estimated at \$616 million statewide, might be easier to stomach if there were clear evidence supporting the 10 parts per billion standards, but Dahlstrom, Hansen, and many other water agency representatives claim that there simply isn’t any. “If this was something truly protecting the public’s health, we’d certainly be advocates, and we strive for that,” said Dahlstrom. “But because we believe that the science is bad, this seems to be all about political pressure.” Hansen agreed, explaining, “Obviously, we’re very concerned about the quality of the water we are delivering, but there’s a lot of skepticism over these requirements, and I think it’s well-founded.”

Hammering the state from the other side are the environmentalists who sued last year to move the new standard forward, namely the Environmental Working Group (EWG), Natural Resources Defense Council, and Clean Water Action. “We think the 10 parts per billion is too high for several reasons,” said EWG’s Renée Sharp, explaining that it’s a known carcinogen, that the level is 500 times the public health goal of

0.02 parts per billion set by the state a couple years ago (which aims to reduce incidents of chromium-related cancer to one in a million), and that chrome 6 is also known to cause liver damage. Pointing to studies done on rats and mice as evidence of its harm and explaining that she hopes California will become a model for the country with these standards, Sharp said, "From our perspective, the prevention of illness is so much more inexpensive than the treatment of it, and this is one way of doing that."

The state isn't doing interviews on the proposed standards right now, instead sending reporters to [this website](#) and explaining, "Due to ongoing rulemaking and the pending litigation regarding the proposed Maximum Contaminant Level, the California Department of Public Health is unable to provide an interview at this time." A spokesperson did, however, confirm in an email that the department will "work closely with non-compliant drinking water systems using various tools to help develop a plan to bring the system back into compliance." Those tools include education on options, technical assistance, and grants and loans to help pay for the new systems.

That promise isn't doing much to get rid of the funny taste in the mouths of people like Sig Hansen, who's been drinking the same "chromium-tainted" Santa Ynez Valley water his whole life, just like his mom, who lived to 99 years old, and his wife, who's been guzzling it since 1982. "She drinks more water than anybody, and she's perfectly healthy," said Hansen. "In fact, she looks so good, people ask her what kind of water she's drinking."

Come 2014, that water just might be a few parts per billion — and a lot of dollar bills — different.

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Legal Notices | Legal Notices

RB15447

Hidden Valley Lake Community Services District Draft Strategic Plan Available For Public Review and Comment

The Hidden Valley Lake Community Services District (District) is seeking public comment on the District's draft Strategic Plan (Plan). The Plan, preparation of which began last spring, defines the goals, strategies and initiatives the District will implement over the next five years to achieve its primary mission; the provision of high-quality drinking water and wastewater services for the Hidden Valley Lake community in southern Lake County. Adoption of the final Strategic Plan is scheduled to occur at the District's November 19, 2013 Board of Directors meeting.

Copies of the draft Plan are available at the District's administrative office, located at 19400 Hartmann Road in Hidden Valley Lake, or via the District's website (www.hiddenvalllakecsd.com) beginning November 1, 2013. The public is encouraged to submit written comments on the draft Plan to General Manager Roland Sanford (rsanford@hiddenvalllakecsd.com) or provide verbal comments at the District's November 19, 2013 Board of Directors meeting.

The Hidden Valley Lake Community Services District provides municipal drinking water to approximately 2400 homes and 20 businesses, and sewer services for approximately 1,500 connections within its three-square-mile service area. Like so many water utilities, the District is confronted with many challenges - an increasingly complex and sophisticated regulatory framework, additional operating protocols and constraints, increasingly stringent water quality standards, and aging infrastructure. The District initiated development of the strategic plan to not only address the coming challenges, but to also optimize the District's position with respect to emerging opportunities.

Published: 11/2/2013

The Press Democrat

Lake County homeowners sue over sinking homes

By **GLEND A ANDERSON THE PRESS DEMOCRAT** on November 5, 2013, 12:38 PM

Homeowners in a Lake County have filed a lawsuit alleging leaks in the county's water system caused the ground to shift, destroying and damaging some homes and devaluing others.

The county "water system was improperly maintained and controlled in a way that caused it to leak and, in turn, destabilize the land/hillside," according to the lawsuit filed Friday in Lake County Superior Court by Santa Rosa attorney Michael Green.

Landslides that began in March destroyed or damaged 17 homes. Others in the Lakeport-area subdivision have been devalued because no one wants to live there anymore, Green has said.

The lawsuit does not cite a dollar amount for the compensation sought by homeowners in the Lakeside Heights subdivision but seeks damages, attorney and engineering fees, and other costs that will be incurred in bringing the lawsuit.

The lawsuit was filed on behalf of more than 40 people who own 29 homes. They say they were forced to sue because homeowners' insurance policies typically do not cover such earth-movement problems, called "subsidence."

Jag Singh owns one of the homes that was rendered uninhabitable by the landslides. He's now renting a home in Nice. "I'm hoping we can get enough money back to buy another house," he said Tuesday.

County officials said they cannot comment on the lawsuit but Lake County Supervisor Tony Farrington previously said he believes it likely would take a judge to determine who is responsible and, as a result, a lawsuit is appropriate.

County officials believe there could be multiple reasons for the landslides. They include leaks in the subdivision's irrigation system and construction-related issues, such as poor soil compaction and shoddy construction.

Landslide damage to seven of the homes in the subdivision was severe enough to warrant mandatory evacuations. Voluntary evacuations were issued for 10 others.

Other residents have left their apparently sound homes, which have declined in value. Nearly half of the homes in the subdivision now are vacant, according to a homeowners association representative.

You can reach Staff Writer Glenda Anderson at 462-6473 or glenda.anderson@pressdemocrat.com.

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Settlement affecting Lucerne water rates reached

From staff reports Record Bee

Updated:

record-bee.com

Isaac Brambila -- Associate Editor

LUCERNE -- A settlement agreement concerning a water rates case was reached by several water organizations Wednesday.

The new agreement is expected to affect water rates in the Redwood Valley District's Lucerne System, stated Justin Skarb, Government and Community Relations Manager of California Water Service Company.

The California Water Service Company (Cal Water), the Office of Ratepayer Advocates (ORA), formerly the Division of Ratepayer Advocates (DRA), Lake County and other parties had been engaged in settlement discussions for the last several months, Skarb stated.

The settlement agreement between all parties was filed with the Administrative Law Judge (ALJ) who is overseeing the General Rate Case (GRC).

Before the settlement can be adopted, the ALJ will issue a proposed decision to the California Public Utilities Commission, which will then either adopt the decision or issue an alternate decision, according to a report provided by Skarb. The final decision is expected to be made early next year.

If the settlement is approved, Cal Water would be authorized to increase rates, according to the report. Rate reductions for qualified, low-income customers were also included in the settlement.

The settlement also included plans for several water system improvements including the replacement of aging water mains and electrical equipment, the installation of seismic upgrades at a storage tank and the construction of a tie-in to a neighboring water utility, according to Skarb.

An article containing further information regarding projected rates and other details regarding the settlement will be published next week.

Isaac Brambila is an associate editor for Lake County Publishing. Reach him at 263-5636 ext. 37 or at ibrambila@record-bee.com.

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U.S. water systems crumbling despite higher debt, rates -study

Tue, Oct 15 2013

NEW YORK, Oct 15 (Reuters) - The systems that supply most Americans with drinking water continue to deteriorate, despite hiking rates for users and taking on more taxpayer debt over a decade, according to a new study.

The average debt of municipal water systems in the United States increased by 33 percent from 2000 through 2010, and consumers paid 23 percent more in rates on average over the same period, according to researchers at Columbia University's Water Center in New York.

The nation's biggest water utilities are driving the hikes, accounting for debt and rate increases both over 100 percent, the study found. Meanwhile, federal funding for water infrastructure has begun to dry up.

"It will be difficult for many utilities to raise rates high enough to pay down existing levels of debt," said Upmanu Lall, the center's director, in a statement.

The American Water Works Association estimated in 2011 that drinking water systems need \$1 trillion to replace more than one million miles of aging pipes underneath the nation's streets over the next 25 years.

Columbia's study analyzed factors that are driving variability in water rates around the country - including water source, utility size, population and climate - and their impact on debt and operating expenses. It used public data from the U.S. Census Bureau, the National Atmospheric and Oceanic Administration and other sources.

The researchers found that small water systems had the highest operating expenses, and that large utilities are the most likely to cover their costs through rates despite having more debt.

They also noted that utilities are coming under stress because of demographic changes - particularly as Americans migrate to the West and South, where water is scarcer, demand is growing, or both.

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The Press Democrat

State funds water projects in Sonoma County

By **BRETT WILKISON THE PRESS DEMOCRAT** on October 16, 2013, 5:45 PM

About \$3 million in state grants have been tentatively awarded for six water management and conservation projects in Sonoma County.

The projects are among 32 in the Bay Area and along the North Coast that shared more than \$25 million from from state bond funds for water projects, the Sonoma County Water Agency said Wednesday.

Those in Sonoma County include:

- \$202,000 for the county Water Agency's education and consumer incentive programs, including rebates for turf removal and irrigation controllers.
- \$825,000 for flood control and restoration work on Capri Creek in Petaluma.
- \$1.02 million to expand the pipeline network delivering recycled water in Sonoma Valley.
- \$307,750 for the Gold Ridge Resource Conservation District for restoration efforts in the Green Valley and Dutch Bill creek watersheds.
- \$259,000 for the Gualala River Watershed Council to reduce erosion from roads in the Lower Rockpile basin.
- \$190,000 for the Fish Friendly Farming and Ranching programs in the Russian, Navarro and Gualala river watersheds.

The funds, overseen by state Department of Water Resources, are from Proposition 84, passed by voters in 2006 to support water quality, flood control and restoration efforts.

A final decision on the awards is expected next month.

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The Russian River watershed will benefit from newly awarded state grants. (PD FILE, 2009)

NationalJournal

Will Fracking Suck California Dry?

New technologies have expanded oil production, but they're adding another thirsty mouth to the state's tight water market.



Oil pumps in operation near central Los Angeles. (Mark Ralston/Getty Images)



By Patrick Reis
October 20, 2013

In California, every drop of water counts, and every drop is contested.

The state's fishers and farmers have been at war over water for decades, battling over how to divide the water between river beds and farm fields. And Northern Californians—whose water supplies are more plentiful—live in fear of the desert neighbors to the south marching on the San Francisco Bay Delta with pipelines and straws. And then there are municipalities, which are all jockeying to secure supplies for California's nearly 40 million residents.

But now, they'll all have a new contender to jostle with: the fracking boom.

Oil shale development is taking off in California, thanks in large part to hydraulic-fracturing, or fracking, technologies for oil and gas extraction that have opened previously inaccessible fields to development. In order to get at those deposits, however, fracking uses tremendous quantities of water.

SPECIAL REPORT

THE NEW ENERGY PARADIGM:

**AMERICA'S SHIFT
FROM SCARCITY TO
ABUNDANCE**

For oil developers, it's an issue not to be taken lightly. Californians, hailing from a state known for its green ethos, are already nervous about the impacts of fracking, and if oil companies step on too many toes, it could derail the the energy boom they're so eagerly anticipating.

"The fact is that there is some ambivalence over fracking," said David Hayes, President Obama's former deputy Interior secretary who recently left Washington for a Stanford University professorship. "It'll depend on how the water is handled, but it's certainly an additional challenge."

California's struggles reveal a darker aspect of America's energy boom: Technologies have vastly expanded the country's energy-development options, but they have not—in many cases—expanded the ability to deal with impacts from that development. They haven't produced new infrastructure to carry hydrocarbons to market or new pollution-control technologies to reduce the effects on climate change, and above all, they haven't found a way to maintain or increase water supplies for California.

So how do California's developers intend to increase production without sucking the state dry?

Fracking involves drilling deep below the surface and injecting chemicals and water to release oil and gas deposits trapped in geological formations. In North Dakota, at the heart of the country's most recent energy boom, fracking wells accounted for 5.5 billion gallons worth of water usage last year, according to state estimates.

But developers insist that fracking in California is different from the fracking done farther east. Much of the state's drilling operations are aimed at accessing shale oil rather than natural gas, and because of the state's geology less water is needed.

Dave Quast, California director for oil and gas development advocate Energy in Depth, says that fracking wells in California on average use a little more than 100,000 gallons of water, compared with other wells to the east that guzzle gallons by the millions. And Hayes noted that there are ways for developers to cut down their water footprint, including programs that recycle some or all of the water used in operations.

"But," Hayes cautioned, "that's not the customary approach yet where fracking is required."

For now, the state's regulators are taking a wait-and-see approach. SB 4, the California's landmark fracking law signed last month by Democratic Gov. Jerry Brown, contains little in the way of restrictions on water usage. Instead, the law contains strict disclosure requirements. Under SB 4, drillers must publicly disclose their water usage starting in 2014.

California's environmental community will be watching when the reports start going online. "One of the big problems is we don't have a handle on how much water is being used. There's a big data gap," said Andrew Grinberg, an Oakland-based oil and gas policy expert for Clean Water Action. But once the information is publicly available, California residents will be better able to gauge how fracking impacts the state's watersheds, aquifers, and reservoirs—and gauge how effectively their regulators are dealing with it, Grinberg said.

"There's definitely a big role for the public and nonprofits," he added. "If we see anything, we need to be prepared to take action."

This article appears in the October 21, 2013, edition of NJ Daily.

\$1,100 an hour? Part-time service at little agencies means big bucks and benefits for politicians

By Thomas Peele tpeele@bayareanewsgroup.com San Jose Mercury News
Posted:

Sunday Oct. 20, 2013

ContraCostaTimes.com

Looking for a low-key, part-time job with great benefits worth nearly \$1,100 an hour? Try running for harbor commissioner. Or for almost \$600 an hour, there's always a seat on a local sewer board.

Serving on the board of one of the Bay Area's more than 200 special districts that oversee everything from recreation leagues to cemeteries won't make you a household name in politics, but it could make you a five-figure salary-and-benefit package for very limited work.

Even the elected officials who benefit were surprised by the hefty hourly rates, which this newspaper calculated through an analysis of government meeting minutes and the Bay Area News Group's public salary database.

"No way, no way. Are you kidding me? It's nowhere near that much," said Leonard Battaglia, 84, a longtime director at the Richmond-based West County Wastewater District who received \$50,332 in compensation for attending 85 hours of district meetings during the year – a little more than two full-time weeks of work, which comes to a rate of \$592 an hour.

But the EI Sobrante business owner and political consultant later acknowledged he didn't know what his benefits – including medical insurance and pension contributions – cost the district.

San Mateo County Harbor Commissioner Pietro Parravano got \$25,757 in cash and benefits last year for attending 21 meetings that lasted on average 77 minutes each, the analysis shows. That's \$1,094 an hour.

Parravano, 64, a commercial fisherman from Half Moon Bay who also serves on several national fisheries commissions, said he's never questioned receiving full benefits for the part-time office he's held for nearly two decades. The harbor commission oversees two marinas and a park and employed 27 workers in 2012.

"It's what was offered when I got here," said Parravano, whose 2012 compensation included medical insurance worth \$18,500 and \$7,200 cash. "I am an employee and it's part of the policy."

Little scrutiny

But government spending watchdogs said compensation like Battaglia's and Parravano's is a needed reminder of something few taxpayers realize: the vast expense incurred for thousands of elected officials far beyond the state's counties and city halls. More than 3,400 of these little-known agencies are scattered throughout California, according to a 2007 state Senate report, compared with 478 incorporated cities and towns.

These agencies each provide, often with little public scrutiny, a special service such as water, parks, transit systems, harbors, open space, fire protection, mosquito spraying or sewage disposal. And the people elected to run them are sometimes paid more than other part-time elected officials who oversee city governments and school systems, often with thousands more employees.

The newspaper analyzed pay and benefits data, which was collected from more than 300 Bay Area government agencies and is displayed for the public at www.mercurynews.com/salaries. It shows that of special districts releasing compensation, nearly 94 percent of part-time board members were paid in 2012, with an average compensation of \$6,650 last year. About one in five received medical coverage from the district they oversaw.

Parravano and Battaglia were among 69 elected officials at special districts in the region whose total compensation exceeded \$20,000.

"If that's not milking the system, I don't know what is," said Jon Coupal, president of the Howard Jarvis Taxpayers Association. "It's mind-boggling. Anywhere else they'd get \$100 a meeting and that's it."

Benefits for life – and beyond

Being a San Mateo County harbor commissioner can pay even beyond the grave. When Commissioner Sally Campbell died in April 2012 during her 20th year in office, her cash pay stopped but the district continued to fund her medical insurance at a cost of more than \$18,000. That's because Campbell included a grandson, whom she'd adopted to make a legal dependent, on her policy.

Campbell had a longevity benefit that made her eligible for 1/2 years of medical coverage at commission expense after she left elected office. That benefit entitles her dependent to the insurance even after her death. The district will be responsible for it until her grandson's 26th birthday in May 2019, said Marietta Harris, the commission's human resources manager. The policy could cost taxpayers nearly another \$100,000 before it ends.

"Do I think that's good public policy? No, I don't," said the harbor commission's president, Robert Bernardo, of South San Francisco. "But that benefit was grandfathered into her package. When she died it became a promise that we have to keep."

The district no longer offers commissioners longevity benefits, said Bernardo, who declines to take the district's insurance.

It is unclear how many districts offer either longevity or lifetime medical benefits to board members, but it is not unheard of, said former Assemblyman Joe Nation, now a Stanford University public policy professor. Nation said when he began his political career on a Marin water board, he was told he would qualify for lifetime health insurance if he served two terms. He fought against the policy and it was eventually rescinded, he said. "It was wrong, just plain wrong."

Conflict of interest?

Agencies often give their elected officials — even those who are part-time — the same medical insurance that rank-and-file employees receive, but that practice is fraught with conflict, said Pleasant Hill activist Wendy Lack, a former city of Walnut Creek human resources director.

"Elected officials are most certainly not public agency employees," she said. "Unfortunately, many elected officials identify with employees and, often over time, come to believe publicly subsidized benefits are an entitlement."

For his part, Bernardo said questions from this newspaper caused him to ponder whether special districts like his should offer medical benefits to elected officials at all. When compensation like Parravano's is compared to the amount of time spent in the job, "it makes you look at it differently," Bernardo said. "It's a very large amount of money. I've never thought about it this way before, but I have to say that we shouldn't (provide benefits)."

Battaglia, however, sees no problem with benefits for part-time board members. He was first elected to the West County Wastewater District in 1975, when Gerald Ford was president and the Cincinnati Reds and Boston Red Sox played one of the greatest World Series ever.

Lucrative posts

For 38 years he has served on the board of an agency that provides sewer service to about 36,000 customers and employed 56 people last year on a \$13 million budget. Battaglia's 2012 gross compensation was among the highest for part-time public officials in the region and tops among special districts employing fewer than 1,800 people, data shows. In exchange for 85 hours on the job, he received \$19,489 in cash pay and benefits worth \$30,743.

"I've never broken it down," he said. "I just know what I pay taxes on," he said.

Battaglia isn't the only West County sewer board director among the region's highest compensated part-time elected officials: Alfred Granzella, 87, claimed more than \$46,000 in pay and benefits and George Schmidt, 83, more than \$43,000. Each qualifies to receive health insurance from the district after they leave office.

Overall, the tiny district's cost of compensating its board last year was more than \$182,000, the highest in the region for a five-member body.

Plus, its five members have spent more than \$40,000 in district funds since 2010 to travel to state sewer conferences, mostly in Palm Springs during winter months, records show. Schmidt accounted for about half those costs.

The district operates far from the public spotlight. Its single task is disposing of sewage in parts of Richmond, the city of San Pablo and a small portion of unincorporated Contra Costa County. The board's bimonthly public meetings begin at 9 a.m., sometimes at a treatment plant located off a rutted, dead-end road near Richmond's shoreline. All of four people, not counting district employees and their union reps, formally addressed the board last year, meeting minutes show.

Higher pay than peers

Yet Battaglia received more in compensation than all but one part-time mayor in the region last year, records show.

Some similar-sized sewer districts, like the West Bay Sanitary District that straddles San Mateo and Santa Clara counties, pay their directors a fraction of what West County wastewater paid Battaglia and his colleagues last year. West Bay compensated its directors a combined \$13,328 in 2012 – less than 10 percent of West County's total. The West Valley Sanitary District serving Campbell and Saratoga paid its directors a combined \$26,470.

West County Wastewater even compensated its directors more in total than AC Transit, whose seven board members received a combined \$153,000.

Battaglia's compensation last year "sure seems like a lot of money. He's been on that board a long time," said Stanley Caldwell, president of the California Special Districts Association and a director of the Mountain View Sanitary District in Martinez. Caldwell's compensation last year was \$20,548, including medical benefits, data shows.

"There's work," he said. "You have to read and understand the materials."

'Not a matter of money'

In an interview at a travel agency he owns outside Richmond, Battaglia said that he "couldn't care less" how his salary ranks compared with other part-time politicians or how the district stacks up against other sewer boards.

"I have never run this district on a comparative basis. It's not a matter of money. I don't need it to live on," he said. "I do what's required."

He estimated he does so much work "that goes beyond board meetings," like reading about sewer systems, that "this job's worth \$3.03 an hour." He said he is "entitled to (his) benefits. I'm like an employee."

"Some of our meetings last four or five hours," Battaglia said. Minutes show the board's longest meeting last year lasted for two hours and 51 minutes. The average length of both board and committee meetings that Battaglia attended was one hour and 26 minutes.

If Battaglia sounds like a politician from another age, that's because he is.

An Air Force fighter pilot in the Korean War, he repeatedly used slurs during an interview to describe Asian people. He was also critical of African Americans, who make up a large part of his Richmond constituency.

"I flew with black pilots. I'd say 'break' (suddenly turn right or left) and they'd hesitate. They'd miss it because they think slower. They have an African-American mentality. They can't help it. It's the way God made them," he said. "Like in Richmond. It's a mess."

When a reporter later asked Battaglia about those remarks, he said, "I am not a prejudiced person." He said he intends to seek another term on the board next year and insisted his constituents should not be offended by his comments because he is only saying "how things are."

Extra income

Serving as part-time director of a special district can also provide additional income for full-time elected officials who pick up extra, part-time appointments. In addition to his \$176,000 compensation as a Contra Costa County supervisor, Federal Glover received another \$25,712 in cash and benefits last year by sitting on the boards of two transit agencies and a sewer district, records show.

Berkeley Mayor Tom Bates often mentions he declines to draw a salary in that position because he receives a state pension as a former Assembly member. But last year he picked up an extra \$8,000 cash for his part-time position on the board of the Metropolitan Transportation Commission. Orinda Mayor Amy Worth, whose municipal position was unpaid, received \$17,400 as an MTC board member last year.

"Most people don't know real money is involved," Nation said. "It's buried and it's hidden and that's what makes it wrong. If a lot of (special district directors) would talk honestly, they'd tell you they ran for the job so they could get the benefits package."

Caldwell, president of the statewide special districts association, said its members have been working to become more transparent "so we don't have any problems," especially after the city of Bell scandal in Los Angeles County, where officials looted the coffers of a small government that for years was under no scrutiny.

Elected special district board members, he said, deserve compensation. Medical insurance "is a nice perk," Caldwell said. "We certainly want our board members to be healthy so they can participate."

A few special districts, he said, have considered merging to lower costs but have encountered problems, such as figuring out how to combine service systems.

In San Mateo County, Parravano said there is sometimes talk about rolling the harbor commission's functions into county government and doing away with the elected commission.

Parravano said he loves what he does, but accepts that some may consider his position unneeded. "Change can be good."

Staff writer Daniel J. Willis contributed to this story. Contact Thomas Peele at tpeele@bayareanewsgroup.com and follow him at [Twitter.com/thomas_peekle](https://twitter.com/thomas_peekle).

BIG BENEFITS FOR SERVING ON SEWER BOARD

In 2012, veteran members of the West County Wastewater District in Contra Costa County were

among the region's highest-compensated part-time board members when it came to cash payments and benefits, such as medical coverage.

Leonard Battaglia

2012 total compensation: \$50,332

Total hours on job: 85

Per hour average: \$592

Also: Served on board since 1975, owns travel agency

Alfred Granzella

2012 total compensation: \$46,228

Total hours on job: 79

Per hour average: \$585

Also: Served on board since 1985, retired telephone company executive

George Schmidt

2012 total compensation: \$43,473

Total hours on job: 80

Per hour average: \$543

Also: Since 2010 submitted more than \$20,000 in expense reports, mostly for sewer conferences in Palm Springs

Source: West County Wastewater District board meeting minutes and 2012 compensation data

Willows opposes proposed chromium-6 standards

Tuesday, Oct 15 2013, 7:53 pm

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By Susan Meeker/Glenn County Transcript

Willows residents, business owners and city officials made their concerns known on Friday to the California Department of Health regarding its proposed new maximum contaminate level for chromium-6.

The chemical is believed to be a carcinogen and became notorious in the 2000 movie "Erin Brockovich."

More than 700 community members signed a petition that was delivered to the state urging it to conduct further review of the proposed standard or allow a grace period for water systems to comply.

Willows City Councilman Larry Mello spoke at the hearing in Sacramento, as did Willows resident Jeff Williams.

City Councilman Gary Hansen, who works in the state building where the hearing was held, attended a portion of the proceedings, and Glenn County Supervisors Mike Murray and Steve Soeth sent letters to the state urging commiseration.

Mello spoke on behalf of residents and businesses who could see their water rates triple if Cal Water, the city's water provider, is forced to treat water to reduce levels of chromium-6 to 10 parts per billion, a level 10 times below the federal standard for total chromium and five times lower than the current state standard.

"Cal Water has estimated that rates will increase by between \$60 and \$100 a month for an average Willows residential customer," Mello said. "This is an annual increase of \$720 to \$1,200 per year per household just to comply with this new regulation."

Mello told state officials the median personal income level for Willows residents is more than 30 percent below the state's \$57,708, and that the new regulation would mean most people would have to pay more than 3.4 percent of their total income on this one utility.

"This proposal could force residents to endure water rate increases in excess of 100 percent per month if the CDPH adopts its new standard," Mello said.

Mello asked the state that if they adopt the standard, which will require Cal Water to treat Willows water, which has a chromium-6 level of 16 parts per billion, then the state must make grant funding available to water providers, including investor-owned companies such as Cal Water.

"The residents of Willows pay taxes and should be eligible for state grant money to address (chromium) treatment the same as public water agencies are," he said.

Mello also asked for a three-to-five-year grace period to allow for technology to explore reasonable cost-effective treatment options.

In addition to Mello, a number of representatives from other cities spoke about the proposal, as well as residents who will ultimately have to pay for the cost of water treatment.

"I think everyone there was in agreement that the state should pay the cost to implement the new requirements due to the fact that the communities that are impacted can't carry the cost burden themselves," Williams said after the hearing.

The public comment period on the proposed limit ended on Friday.

State Department of Public Health officials said they will evaluate public comments as they zero in on a final contaminant level for the first chromium-6 standard in the country.

Cal Water officials said the company will comply with whatever standard the state sets for chromium-6, but urges the state Department of Public Health to assess research conducted by the Environmental Protection Agency to see if the change in regulations is even necessary.

Willows opposes proposed chromium-6 standards | water, state, willows - Willows Journal

"We and our customers just want to ensure that the (maximum contaminant level) is based on sound, thorough research, and capitalize on advances in science and technology that, over time, becomes less costly," said Rosanna Marino, Cal Water's local manager, in a statement.

Although Orland's drinking water is already below 10 parts-per-billion, a new regulation could result in new testing requirements statewide that could also result in additional costs that would be passed to rate payers everywhere, officials said.